

# INTEGRATED ANNUAL REPORT 2025

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# LETTER TO STAKEHOLDERS

Dear Stakeholders,

We are very pleased to present the Group's Integrated Report for the year 2025.

It has been a year full of new developments for Leonardo, marked by an increasingly complex geopolitical scenario, which has demonstrated the need to continue investing in Global Security.

Leonardo's Industrial Plan that was presented in 2024 initiated a radical paradigm shift: the massive digitization and rationalization of products and services, as well as efficiency and cost reduction initiatives at the Group level; this has unlocked the organic growth potential of the business, exceeding initial targets and leading the company to achieve strong revenue growth, with an increase above expectations in all key performance indicators (KPIs).

In March 2025, with the update of the 2025-2029 Industrial Plan, the Group strengthened its core business, particularly in the Aircraft, Helicopters, and Electronics sectors, and launched innovative initiatives, leveraging enabling technologies and key capabilities to build an interconnected and interoperable ecosystem involving all domains.

Europe is urgently facing new defense challenges that require a shared vision and a common approach. In this context, Leonardo is a leading promoter of overcoming national individualism, favoring increasingly structured collaboration between major defense companies through the creation of joint ventures and partnerships at the international level.

In 2025, the Group's scope was further strengthened: the acquisition of Iveco Defence will expand technical and production capabilities in the land domain, which is increasingly oriented towards integrated and interoperable systems.

In the Space sector, the Memorandum of Understanding signed with Airbus and Thales paves the way for the creation of a European leader, with the aim of strengthening the continental space ecosystem and increasing global competitiveness.

At the same time, the joint venture established with Baykar aims to position itself among the leading players in unmanned technologies.

The broader strategic framework includes the Michelangelo Dome, presented in November: an advanced integrated air defense system designed to address increasingly sophisticated threats. The initiative embodies the vision outlined in the Industrial Plan, capable of integrating and orchestrating multi-domain sensors, command and control systems, artificial intelligence, and coordinated effectors, responding to the growing need for security and protection of citizens and critical infrastructure while enhancing national industrial excellence.

The economic and financial results for 2025 confirm the validity of the choices made. Orders grew by 15% compared to 2024 and the order backlog now exceeds €46 billion, with a book-to-bill ratio of 1.2x, offering greater long-term visibility.

**Revenues** increased by 11% and **EBITA** by 18%, driven by very strong performances across all business segments. Cash generation improved significantly: **FOCF** grew by 21%, while **Net Debt** was reduced by 44%. These results reflect financial discipline, careful investment, and high-quality operational performance.

2025 also saw a positive evolution in creditworthiness. Fitch Ratings and S&P Global Ratings upgraded the Company's rating, while Moody's Ratings revised its outlook upward. This recognition strengthens the credibility of the path taken.

In this scenario, sustainability remains a strategic element for the Group, supporting business growth and establishing itself as an enabling factor for efficiency, resilience, and competitiveness.

2025 marked a significant step forward: the publication of the first Group Transition Plan further strengthened the path undertaken, outlining a concrete, structured, and measurable trajectory towards a business model based on the decoupling of economic growth and environmental impact. The results achieved demonstrate this: sustainability performance for the year shows an improvement in all indicators despite the increase in production volumes. Scope 1 and 2 CO<sub>2</sub> emissions decreased both in intensity relative to revenues and in absolute terms, marking a 44% reduction compared to 2020 and bringing the Group closer to the decarbonization targets validated by SBTi. This commitment extends to the entire value chain, through the engagement of suppliers and the reduction of impacts related to the use of products by customers.

Significant results have also been achieved in waste management, driven by circular economy initiatives such as the Carboresine and critical materials projects. With regard to the latter, Leonardo has launched an innovative industrial program for the recovery of metal waste, CRM4Defence, with the aim of creating an autonomous, efficient, and sustainable European supply chain.

At the same time, 2025 was a year of significant investment in people: workforce growth, a better generational mix, and an increase in the number of women contributed to building a more inclusive work environment capable of leveraging diversity as a competitive advantage and enhancing distinctive skills.

The arrival of new professionals and increased investment in Research & Development – equal to 15% of revenues – further strengthened the Group's innovative capacity, a fundamental element in addressing the technological and industrial challenges of the coming years.

The soundness of the sustainability strategy was also confirmed by the multiple upgrades obtained from ESG ratings during the year, which consolidate Leonardo's position among the leaders in the A,D&S sector. S&P Global rewarded the Group's progress by raising its rating from 81/100 to 83/100; ISS ESG reconfirmed its Prime Status with a further jump from C+ to B-; MSCI improved its rating from “BBB” to ‘A’; while CDP awarded the highest rating of “A,” placing Leonardo in the global excellence band for its commitment to combating climate change.

The Group looks to the future with confidence. Its industrial and financial foundations are solid, its favorable competitive positioning recognizes Leonardo as a leading global player in the global security sector, and demand in its reference markets remains strong.

These achievements are the result of the commitment and expertise of Leonardo's people, to whom we extend our thanks. This energy and shared vision form the basis of our ability to face the challenges of the coming years with determination and seize future opportunities..

For the Board of Directors

The Chairman

The CEO and General Manager

# **REPORT ON OPERATIONS AT 31 DECEMBER 2025**

## **PART 1 – GROUP PROFILE, STRATEGY AND RESULTS**

## GROUP PROFILE

### PROFILE

Leonardo is a global industrial group that builds technological capabilities in Aerospace, Defence & Security. The company plays a prominent role in major international strategic programmes and is a trusted technological partner of governments, defence agencies, institutions and enterprises.

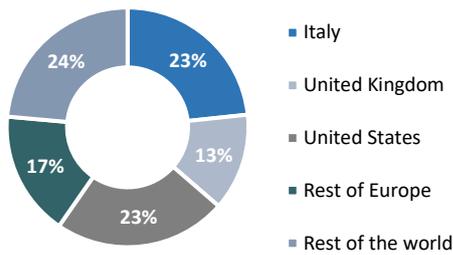


<b>Revenues</b> <b>€ 19.5 bil.</b>	<b>New orders</b> <b>€ 23.8 bil.</b>	<b>EBITA</b> <b>€ 1.75 bil.</b>	<b>Backlog</b> <b>€ 46.6 bil.</b>	<b>R&amp;D</b> <b>€3 bil.</b>	<b>Employees</b> <b>62,762</b>	<b>CO<sub>2</sub> emissions</b> <b>(Scope 1 &amp; 2)</b> <b>-44%<sup>1</sup></b>
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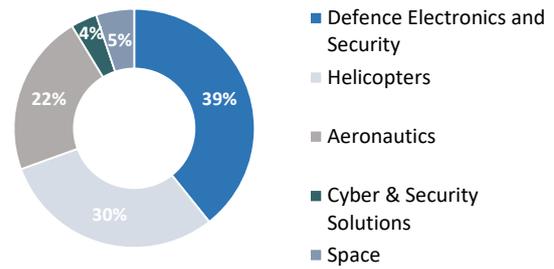
Leonardo operates in **150 countries** worldwide offering **customised solutions** and innovative, value-added **after-sales support services** in order to be a trusted partner for its customers. The Group competes in the most important international markets by leveraging technology and product leadership in its business areas (Defence Electronics and Security, Helicopters, Aeronautics, Cyber Security Solutions and Space).

<sup>1</sup> Against 2020 baseline (Market-based approach).

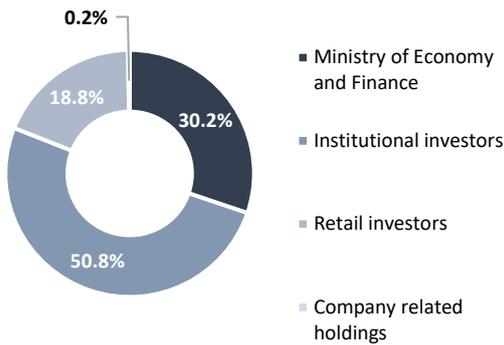
**Revenues by geographic area**



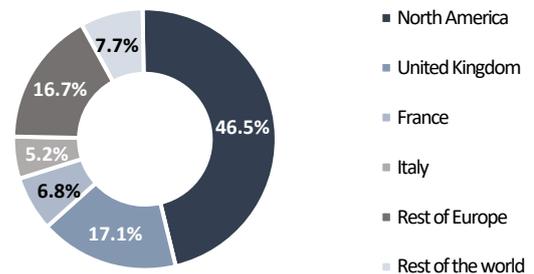
**Revenues by sector**



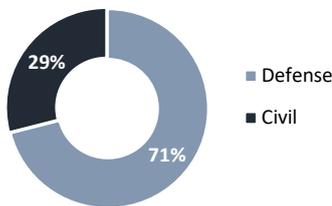
**Shareholders**



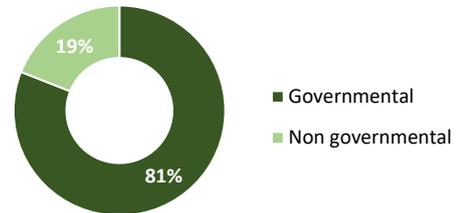
**Institutional shareholders by geographical area**



**Defense / Civil revenues**

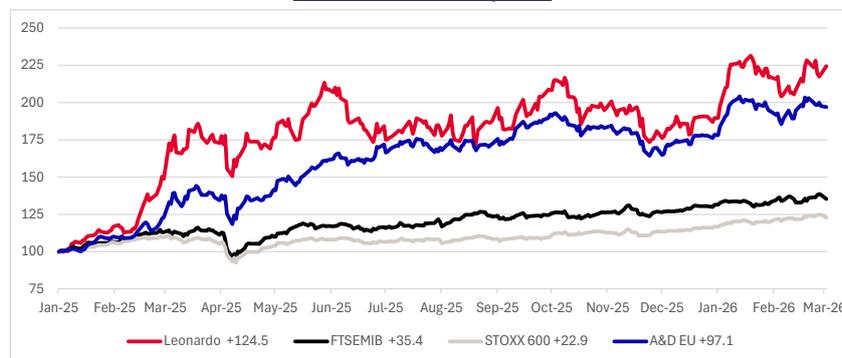


**Governmental / Non governmental revenues**



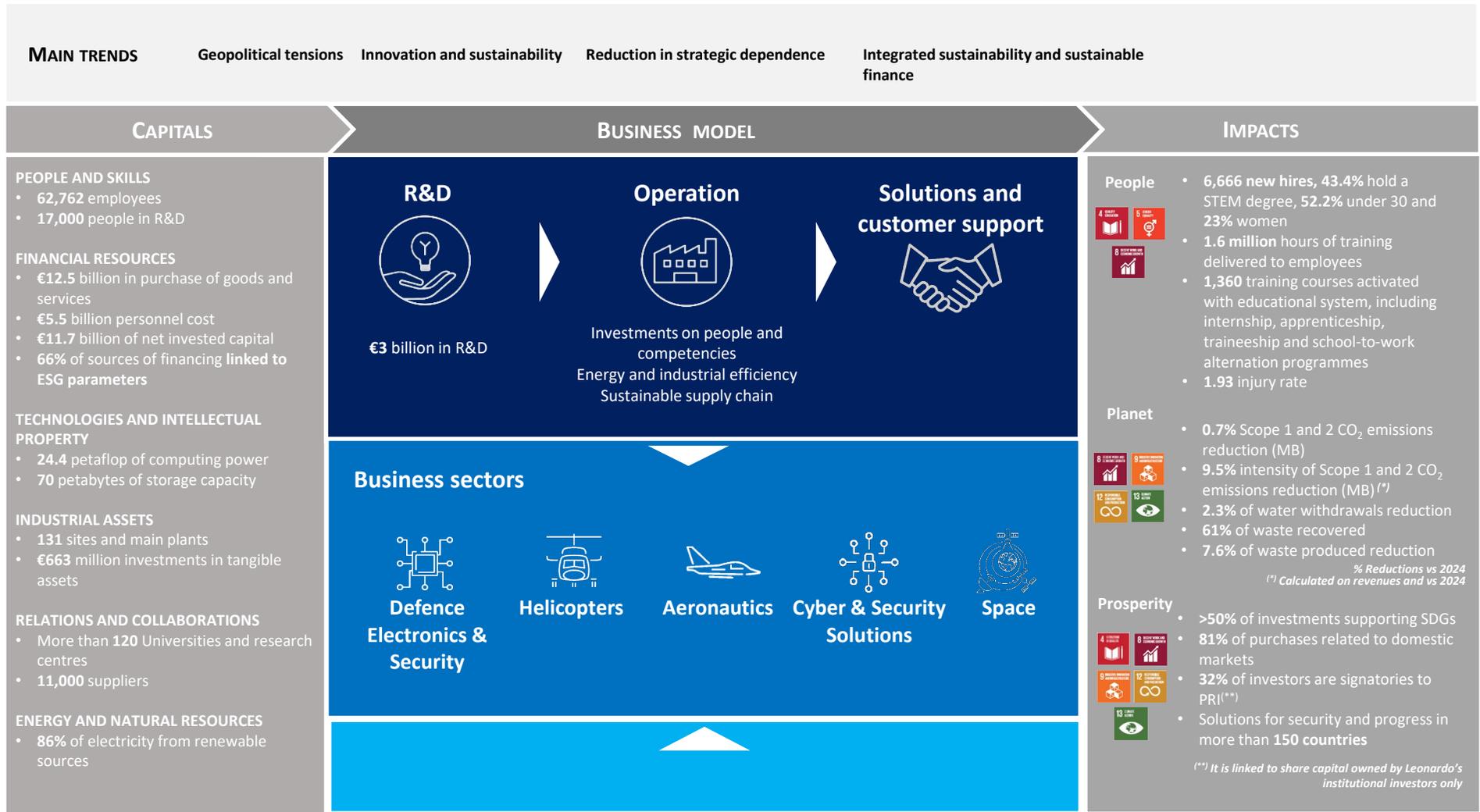
NOTE: The percentages reported in revenues by sector are excluding intra-sector eliminations.

**Leonardo share price<sup>2</sup>**



<sup>2</sup> Performance of the Leonardo stock from January 2025 to March 2026 compared to the European sector index Bloomberg EMEA Aerospace & Defense (BEUAERO, A&D EU) and to the main Italian and European stock market indices: the index of the 40 main securities of the Milan Stock Exchange (FTSE -MIB) and the index representative of the 600 largest stocks in Europe (STOXX 600).

## BUSINESS MODEL



2025 figures

## BUSINESS REVIEW

### STRATEGY

#### TREND AND VISION

The Aerospace, Defence and Security (AD&S) industry in which Leonardo operates is characterized by an increasingly complex global geopolitical landscape. The growing frequency and complexity of international crises, rising investment in the defence sector, and the spread of dual-use civilian technologies have transformed the environment in which AD&S actors operate, making it necessary to provide interoperable, resilient and sustainable digital solutions capable of operating effectively in a multi-domain environment.

In 2025, geopolitical tensions have been particularly intense in Eastern Europe, the Middle East, North Africa and the Indo Pacific area, directly driving demand for deterrent capabilities, interoperable systems and tools for rapid and coordinated crisis management. The growing use of low cost commercial technologies to strike critical infrastructure required integrated responses across the land, sea, air, space and cyber domains. Alongside these traditional threats, other developments are emerging, such as technological and strategic competition between major powers and geopolitical instability in energy and semiconductor markets.

The AD&S sector today is driven and supported by several technological innovation trends, the most notable and promising of which include: artificial intelligence (AI), including generative AI, to support decisions and simulations; digital twins for design and predictive maintenance; cloud and high-performance computing for processing and securely sharing tactical and strategic data; quantum technologies for cryptography and advanced sensing; optronics and laser systems for surveillance and countermeasures; advanced low-environmental-impact materials; satellite sensing and solutions aimed at increasing system autonomy and interoperability to reduce workload and improve mission safety. These technologies enable multi-domain operations and the convergence of military and civilian capabilities, enhancing the resilience and effectiveness of Leonardo systems.

As for space, satellite observation and monitoring capabilities support continuous situational awareness, territory control and global security. The integration of advanced sensors, AI, and cloud platforms enables processing large volumes of information, issuing timely alerts, supporting strategic planning and improving the effectiveness of rapid-response operations, thereby contributing significantly to the protection of infrastructure and communities.

In parallel, reducing strategic dependence on energy sources, semiconductors, rare earths and other critical raw materials remains an industrial priority. Diversifying supply sources, developing national and regional production capacity, and investing in recycling and alternative technologies are essential measures to ensure operational continuity and strategic autonomy. Thanks to its technological and industrial footprint, Leonardo can contribute to these priorities through targeted R&D, industrial partnerships to bolster supply chain resilience, and solutions that promote material circularity and the energy efficiency of platforms.

At the same time, human capital is a critical factor: attracting and retaining talent in digital, software, AI and cybersecurity, promoting reskilling and upskilling programs, in addition to fostering inclusive and flexible work models, are all necessary conditions to sustain ongoing innovation and organizational resilience.

In this context, sustainability assumes an increasing a strategic role as a driver of industrial competitiveness and business resilience, as well as a risk mitigation instrument. Integrating sustainability issues into decision making processes, defining ESG metrics for the AD&S sector, and accessing financial instruments dedicated to energy transition and industrial resilience influence access to capital. On the financial side, beyond sustainable finance tools, new European programmes (e.g. Readiness 2030) support investments and

collaboration opportunities through joint procurement, strengthen the industrial base and encourage the shift toward more resilient and potentially lower impact solutions.

In this new scenario, Leonardo's efforts therefore focus on several fronts, such as: strengthening R&D investments in the most promising innovative technologies, including solutions and clean technologies solutions that to reduce environmental impacts in support of decarbonization goals; consolidating industrial partnerships for supply chain resilience and the development of national critical capabilities; integrating sector-specific ESG metrics into design and procurement processes to ease access to sustainable and strategic financial instruments; promoting training and talent-retention programs to close the digital and cyber skills gap. This approach places Leonardo not merely as a technology provider but as a strategic partner for states and institutions seeking to strengthen both their national and European security in a world marked by hybrid threats, climate crises, rapid technological change and a growing focus on sustainability. The ability to deliver integrated, sustainable and interoperable multi-domain solutions is the principal means of making a tangible contribution to global security.

## INDUSTRIAL AND SUSTAINABILITY PLAN

The AD&S sector is undergoing a deep transformation, with increasingly challenging competitive scenario in terms of industrial structures, available technological capabilities and rapidly changing geopolitical and strategic dynamics.

Also in 2025 the Defence sector continued to be characterized by structural changes, set on three main lines:

1. **Digital Continuum as an enabling element of new Defence ("bullets & bytes")** – The battlefield is evolving rapidly and is increasingly dominated by a mix of traditional and advanced systems, with digital technologies, artificial intelligence, satellite applications, drones, and cyber-enabled solutions playing an ever-more central role—raising the complexity of required capabilities and reflecting the shift toward an integrated and digital multi-domain environment;
2. **from conventional Defence to the integrated global security** – Regional wars create systemic impacts on energy, food, infrastructure and cyberspace security. This increases the need for solutions that go beyond military defense to address global security, with systems that can monitor, prevent and respond to threats on a larger scale, offering integrated resilience and multi-domain response capabilities;
3. **sovereignty and European cooperation as strategic imperatives** – In a situation where no European country has full technological or industrial autonomy, and fragmented defense spending is making Europe increasingly weak, cooperation and interoperability within Europe become essential drivers of competitiveness. The accelerating pace of technological progress and geopolitical instability require not only increased investment and spending but, above all, greater synergy through standardization, platform interoperability, and industrial and technological cooperation across Europe.

Based on these key concepts underlying the **Industrial Plan** presented in 2024 and its update for the 2025-2029 period, Leonardo is strengthening its own position among competitors through a strategy based on a two-fold posture, aimed at consolidating the existing business and preparing for future challenges:

- **strengthening the core business** through increasing focus in order to ensure the effectiveness and efficiency of its own product portfolio, both through the development of new digitised products, ready for future challenges in multi-domain scenarios, and through increasing the competitiveness of the existing portfolio, in order to ensure its interoperability, resilience and security;
- **paving the way to future** by investing in new promising technologies and markets, including through the creation of high-impact major industrial alliances, with a view to contributing more and more to the European technology sovereignty.

This new posture will drive Leonardo in its transformation, with the aim of consolidating its leadership in the main business segments:

- **Defence Electronics and Security** – being a global player, European leader and catalyst for European Cooperation, thanks to the technological spillovers of the Global Combat Air Programme (GCAP), the international alliances with sector leaders and an optimised product portfolio, with a distinctive US presence;
- **Helicopters** – maintaining its role as global civil leader and military key player, upgrading the product portfolio through advanced technologies and possible strategic partnerships;
- **Aeronautics:**
  - Aircraft business unit – consolidating its role as leading player in the international cooperative programs GCAP and Unmanned Aerial Vehicle (UAV), with cutting-edge proprietary products and boosted training services;
  - Aerostructures business unit – being the supplier of reference for the main Original Equipment Manufacturers (OEM) of the sector, thanks to operational excellence and the capacity of further scaling up via diversification and strategic partnerships;
- **Cyber & Security** – strengthening its position as European key player in cyber security, Secure Digital Platforms and Mission Critical Communications, with a technology-based value proposition, focused on Defence, Space and National Strategic Organizations;
- **Space** – consolidating its European leadership on high-value segments, leveraging Group capabilities and its own strategic alliances, in order to offer integrated and digitally advanced end-to-end solutions, which provide increasing benefits to the end customer.

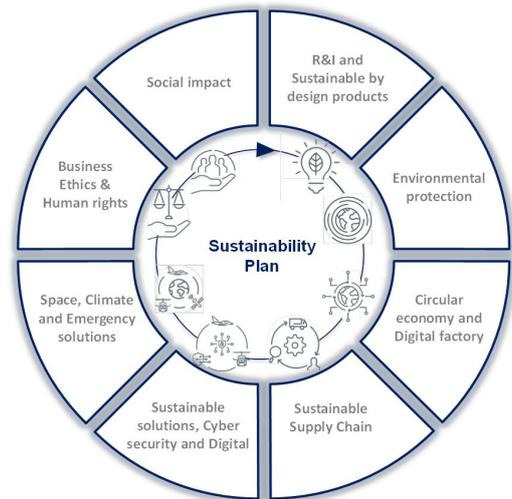
To deliver on this vision, Leonardo has then set its path on three horizons, mapping a series of initiatives to achieve the full potential in all its business:

- guaranteeing an **organic growth** and **innovation** process leveraging targeted R&D investments, a massive digitization of solutions and processes, to increase client-centricity and service excellence;
- boosting **company efficiency** through product and business rationalization/focalization, while optimizing engineering and manufacturing and ensuring greater efficiency throughout the Group, reducing procurement and Corporate costs;
- complementing growth with **inorganic initiatives**, mainly through M&A transactions and international alliances to ensure technological independence of the European defence and security and strengthening its own global competitive position.

Products and solutions for the protection of people, infrastructure, and the environment, at the heart of Leonardo's business, make a fundamental contribution to society's safety and prosperity and are a cornerstone of the Group's sustainability strategy. They also form the basis of the **Sustainability Plan**, which is an integral part of the Industrial Plan and groups together the highest-impact projects into eight clusters representing the entire value chain. The 2025-2029 Plan increasingly aims to strengthen the contribution of these solutions to society, focusing on specific priorities such as ecodesign for product development, decarbonization, environmental protection, circularity and Life-Cycle Assessment (LCA), sustainable supply chain, ethical business conduct, and social impact.

In accordance with the Company's DNA, digitisation takes a key role in the Sustainability Plan. This is achieved both through projects that enable the transition (such as the upgrading of the Davinci-1 supercomputer, the infrastructure behind numerous solutions offered by Leonardo) and through projects to virtualise and streamline business processes. These initiatives not only improve the effectiveness of key activities such as training, design, and maintenance of the solutions, but also reduce the Group's environmental impact by using fewer natural resources.

The Sustainability Plan is subject to an annual review and update, in order to effectively address the inclusion of sustainability in operating strategies, and a management control process that provides a structured view of performances to create real and lasting value, based on a data-driven approach and a fully digitized process.



### Global security

Safety is central to Leonardo, not only in terms of business opportunities but also because of the positive impacts the Company creates and the risks it may face<sup>1</sup>. The benefit of the solutions offered by the Group in the area of protecting territories, infrastructure and citizens, as well as in the area of emergency management, is recognised, even by stakeholders, as the most relevant impact generated by Leonardo on society, consistent with purposes and strategy. At the same time, the technological disruption that is sweeping the AD&S sector poses a strong issue of increasing competition and is an element on which Leonardo is preparing to take full advantage of the opportunities.

The solutions offered and developed by Leonardo include the most innovative global monitoring solutions, which, by integrating real-time data and information from multiple sources and multiple domains, and analysing them with AI algorithms, strengthen the ability to prevent, respond to, and manage any possible crises in increasingly complex scenarios. Such abundance of data and the presence in the portfolio of technologies in every domain make Leonardo solutions critical also for vertical applications that generate positive impacts on the sustainable development of the society.

This is the context for Leonardo's decision to develop an advanced integrated defense system, "Michelangelo – The Security Dome" a modular, open, scalable, multi-domain solution designed to address emerging threats in an increasingly complex global landscape and to protect critical infrastructure, sensitive urban areas, territories, and assets of national and European importance.

### **Capacity Boost Program**

The Capacity Boost Program is the strategic corporate transformation program launched in 2025 by Leonardo to support the delivery and sustainability of its rapidly growing new Industrial Plan, acting mainly on two fronts: improving efficiency and increasing production capacity in the four pillars (Engineering, Manufacturing, Procurement & Supply Chain, and People & Organization). The Program aims at expanding and flexibilizing internal capacity to shorten time-to-market and respond appropriately rising demand, strengthening the supplier ecosystem and optimizing internal skills to meet the technological challenges of the coming years.

Based on a gap analysis comparing the demand with current capacity, Leonardo set target KPIs by 2029 that can be achieved by identifying priority areas for action and specific flagship initiatives. The flagship initiatives for 2025 rely on a large number of projects managed in a synergistic, integrated, structured, and sustainable manner.

In particular, new projects have been launched aiming at reducing the product portfolio, streamlining engineering and manufacturing processes, also thanks to digitalization, and increasing production capacity. Moreover, actions have been initiated to ensure people attraction, recruitment, retention and development, as well as, with regard to suppliers, to ensure support for the development of strategic suppliers and national supply chain.

## GROUP RESULTS AND OUTLOOK

### PERFORMANCE AND FINANCIAL RESULTS

The results for the financial year 2025 highlight a particularly positive performance of the Group with a significant growth in all respects compared to the prior year.

The KPIs for 2025 and the main changes in the Group's performance are shown below (for the definition of ratios, reference should be made to the paragraph on “Non-GAAP Alternative Performance Indicators”).

<i>(€mil.)</i>	2025	2024	Change
New orders	23,782	20,945	13.5%
Order backlog	46,624	44,178	5.5%
Revenues	19,503	17,763	9.8%
EBITDA	2,429	2,219	9.5%
EBITA	1,752	1,525	14.9%
ROS	9.0%	8.6%	0.4 p.p.
EBIT	1,447	1,271	13.8%
EBIT Margin	7.4%	7.2%	0.2 p.p.
Net result	1,334	1,159	15.1%
Net result adjusted	1,015	856	18.6%
Group Net Debt	1,001	1,795	(44.2%)
FOCF	1,011	826	22.4%
ROI	14.9%	13.4%	1.5 p.p.
Earning per share adjusted (€)	1.569	1.337	17.3%

*The Group's business conducted through JVs and associates with strategic and financial importance (including GIE-ATR, MBDA, Hensoldt and Thales Alenia Space) is only reflected at the level of profitability ratios (EBITDA and EBITA) as a result of the valuation at equity and, from a financial point of view, limited to the dividends collected. In 2025 the Group strategic JVs and associates recorded total revenues of €bil.3.3 (€bil. 3.0 in 2024), as concerns Leonardo's share: as a result, the Group's aggregate revenues would come to about €bil. 22.8 (€bil.20.8 in 2024).*

In order to make the Group's operational performance more comparable, for some performance indicators we report below the figure of the comparative period – and the related change compared to the current period – excluding the contribution from the UAS business, which was sold at the beginning of 2025 (like-for-like perimeter):

	December 2025	December 2024 isoperimeter	% Change	December 2024 reported
New orders	23,782	20,778	14.5%	20,945
Revenues	19,503	17,592	10.9%	17,763
EBITA	1,752	1,482	18.2%	1,525
ROS	9.0%	8.4%	0.6 p.p.	8.6%
FOCF	1,011	839	20.5%	826

**New Orders** increased significantly reaching €bil. 23.8 (+14.5% compared to the like-for-like figure), confirming the continuing strengthening of the core businesses and also as a result of an important order in the Aeronautics sector for the provision of integrated logistics support and the training for the Kuwait Air Force's Eurofighter aircraft fleet, within a market environment where demand for security remains high. The other business sectors were also increasing, as a result of the commercial success and good positioning of products, the Group's technologies and solutions, as well as the ability to effectively oversee key markets. The level of new orders is equal to a book to bill (the ratio of New Orders to Revenues for the period) of about 1.2. The Order Backlog exceeds the threshold of €bil. 46 and ensures a coverage in terms of production equal to about 2.4 years.

**Revenues**, equal to €bil. 19.5, grew by 10.9% compared to the like-for-like figure, with a double-digit increase in all business sectors. Particularly significant remains the contribution given by the Defence Electronics & Security, both in its European component and for the subsidiary Leonardo DRS, and by Helicopters and Aeronautics, with specific reference to the Aircraft component. The growth in Revenues was accompanied by a noticeable improvement in both operating profitability and in cash generation.

**EBITA** was equal to €mil. 1,752 (+18.2% compared to the like-for-like figure), exceeding the Group's expectations, and increased as a result of higher volumes and improved profitability, highlighting a ROS coming from 8.4% (like-for-like figure) to 9.0%. The period was particularly affected by the result of the Helicopters and the Defence Electronics & Security sectors, despite the negative impact of the exchange rate effect on the results of the subsidiary LDO DRS. Growth was also reported by the Cyber & Security Solutions and Aeronautics sectors, although the latter was affected by the expected performance of Aerostructures and of the strategic investment GIE ATR. Space benefitted from the continuous growth of the service segment, in addition to the partial recovery of the manufacturing segment of the Space Alliance.

**Free Operating Cash Flow** showed an improvement as well (+20.5% compared to the like-for-like figure), demonstrating the effectiveness of the actions undertaken. The FOCF performance and the consideration received as part of the sale of the Underwater Armaments & Systems (UAS) business, equal to about €mil. 446, resulted in a positive effect on the Group Net Debt, down by about 44.2% compared to 31 December 2024.

**Reclassified income statement**

(€ millions)	Note	2025	2024	Change	% Change
Revenues		19,503	17,763	1,740	9.8%
Purchase and personnel expenses	1	(17,183)	(15,767)		
Other net operating income/(expenses)	2	(47)	59		
Equity-accounted strategic investments	3	156	164		
Amortisation, depreciation and write-offs	4	(677)	(694)		
<b>EBITA</b>		<b>1,752</b>	<b>1,525</b>	<b>227</b>	<b>14.9%</b>
<b>ROS</b>		<b>9.0%</b>	<b>8.6%</b>	<b>0.4 p.p.</b>	
Non-recurring income/(expenses)		(202)	(147)		
Restructuring costs		(31)	(35)		
Amortisation of intangible assets acquired as part of business combinations		(72)	(72)		
<b>EBIT</b>		<b>1,447</b>	<b>1,271</b>	<b>176</b>	<b>13.8%</b>
<i>EBIT Margin</i>		<i>7.4%</i>	<i>7.2%</i>	<i>0.2 p.p.</i>	
Net financial income/(expenses)	5	(137)	(196)		
Income taxes		(315)	(289)		
Net result related to discontinued operations and extraordinary transactions	6	339	373		
<b>Net result</b>		<b>1,334</b>	<b>1,159</b>	<b>175</b>	<b>15.1%</b>

Notes to the reconciliation between the reclassified income statement and the statutory income statement (for more details, reference should be made to the Note on "Non-GAAP alternative performance indicators):

1. Includes "Purchases and Personnel expense" (excluding restructuring costs and non-recurring costs) and "Accruals (reversals) for onerous contracts (final losses on orders)".

2. Includes the net amount of "Other operating income" and "Other operating expenses" (excluding restructuring costs, non-recurring income/(expense), gains and losses and income/expenses relating to extraordinary transactions (key acquisitions and disposals) and accruals (reversals) for onerous contracts (final losses on orders).

3. Includes the effects of the valuation, classified under the "Share of profits (losses) of equity-accounted investees", of strategic investments only. The valuation at equity of strategic investments is determined by their net result attributable to the Group, excluding "Non-recurring income/(expenses)", "Restructuring costs," and "Amortisation of intangible assets acquired as part of business combinations," net of related tax effects;

4. Includes "Amortisation, depreciation and impairment losses and value adjustments to financial assets", excluding the amortisation charge referable to intangible assets acquired as part of business combinations, goodwill impairment and write-downs regarded as "Non-recurring costs";

5. Includes "Financial income", "Financial expenses" (net of the gains and losses relating to extraordinary transactions) and "Share of profits (losses) of equity-accounted investees" (net of the valuation of strategic investments).

6. Includes "Profit (loss) from discontinued operations" and gains, losses, income and expenses relating to extraordinary transactions (key acquisitions and disposals), classified under "Other operating income", "Other operating expenses", "Financial income" and "Financial expenses".

**Adjusted Net Result** amounted to €mil. 1,015 (€mil. 856 in 2024), broken down as follows:

	2025	2024	Change	% Change
<b>Net result</b>	<b>1,334</b>	<b>1,159</b>	<b>175</b>	<b>15.1%</b>
Net result related to discontinued operations and extraordinary transactions	(339)	(373)		
Non-recurring income/(expenses)	28	86		
Tax effect on non-cash elements	(8)	(16)		
<b>Net result adjusted</b>	<b>1,015</b>	<b>856</b>	<b>159</b>	<b>18.6%</b>
- owners of the parent	905	770		

**Revenues** and **EBITA** increased as a result of the previously outlined phenomena. EBIT showed growth as well (+13.8%), despite affected by the increase in one-off non-recurring charges which mainly reflect the effects deriving from the resolution of the dispute concerning the Norwegian NH90-program, in addition to the costs incurred in the context of important industrial transactions and the write-down of Aeronautics programmes.

The **Net Result** of €mil. 1,334 benefitted from the improvement in EBIT and lower net financial costs, mainly attributable to the reduction in the Group's Net Debt. In addition, the figure includes the capital gains recognised following the sale of the UAS business to Fincantieri, equal to about €mil. 283, and of part of the shares held in Avio SpA (about €mil. 70) partially offset by the costs of disposals finalized in the previous periods. The figure related to the comparative period (€mil. 1,159) benefitted from the capital gain – equal to €mil. 366 – recognised following the fair value measurement of the Telespazio group performed for the purpose of the line-by-line consolidation of the latter.

### Reclassified cash flow statement

(€ millions)	Note	2025	2024	Change	% Change
Cash flows generated from operating activities	1	1,764	1,562	202	12.9%
Dividends received		243	148		
Cash flows from ordinary investing activities	2	(996)	(884)		
<b>Free Operating Cash Flow (FOCF)</b>		<b>1,011</b>	<b>826</b>	<b>185</b>	<b>22.4%</b>
Strategic transactions	3	394	(18)		
Change in other investing activities	4	(17)	(20)		
Treasury shares purchase		(30)	-		
Net change in borrowings		(238)	(501)		
Dividends paid		(343)	(177)		
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>777</b>	<b>110</b>		
Cash and cash equivalents at 1 January		2,556	2,407		
Exchange rate differences and other changes		(87)	39		
Net increase (decrease) in cash of discontinued operations		(8)	-		
<b>Cash and cash equivalents at 31 December</b>		<b>3,238</b>	<b>2,556</b>		

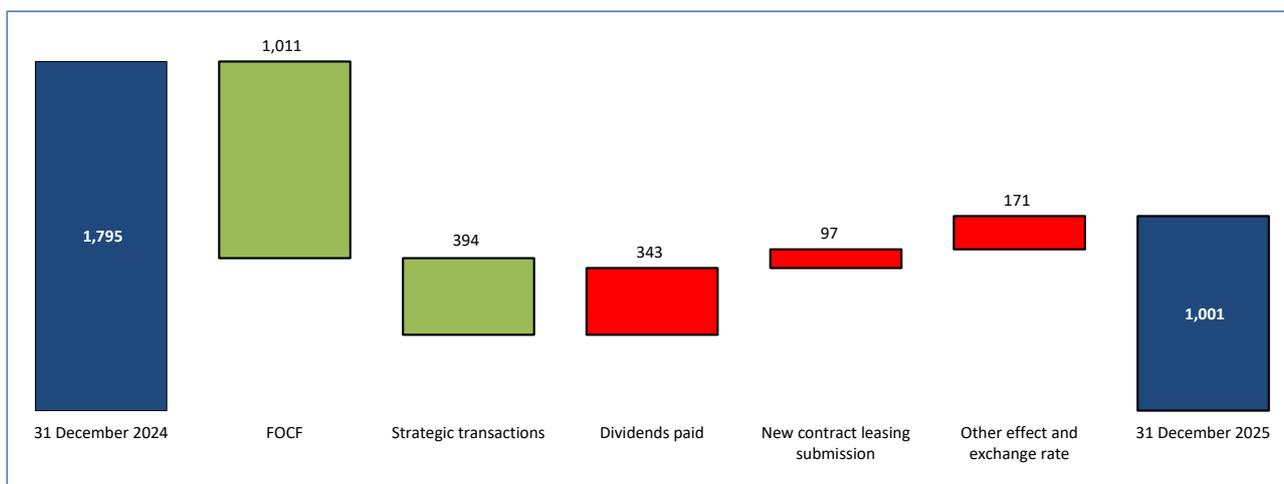
Notes on the reconciliation between the reclassified cash flow and the statutory cash flow (for details please refer to paragraph "NON-GAAP Alternative Performance Indicators":

1. Includes "Cash flows generated from (used in) operating activities", excluding debt payments pursuant to Law 808/1985;
2. Includes "Cash flow generated from (used in) investing activities", including payments and receipts related to Law 808/1985, net of dividends collected;
3. Includes "Other investing or divesting activities" classified as "Strategic transactions";
4. Includes "Other investing or divesting activities", excluding dividends collected, the effect of transactions classified as "Strategic transactions" and receipts from Law 808/1985.

The FOCF, amounting to €mil. 1,011, up by 22.4% compared to the 2024 figure of €mil. 826, confirmed the positive results achieved thanks to the actions aimed at strengthening the business performance and the management of working capital. Improvements were also reported by Funds from operations that in 2025 amounted to €mil. 2,268 (€mil. 1,985 in 2024), and Net interest, negative for €mil. 36 in 2025 (negative for €mil. 58 in 2024), which is used also in the calculation of a covenant, for whose definitions reference is made to paragraph "NON-GAAP Alternative Performance Indicators".

The Group Net Debt, equal to €mil. 1,001, showed an improvement (44.2%) compared to 31 December 2024 (€mil. 1,795); the figure benefitted from the strengthening of the Group’s cash generation and from the collection of a total of €mil. 446 deriving from the sale of the UAS business, the effects of which were partially offset by the dividend payment for €mil. 343 (of which €mil. 300 relating to Leonardo S.p.a. that paid a dividend of €0.52 per share in 2025 vs €0.28 per share in 2024), the acquisition of 24.55% in the capital of the Finnish company SSH Communications Security Corporation and 100% acquisition of the Swedish company Axiomatics AB (for a consideration of about €mil. 20 and €mil. 32, respectively) , as well as the execution of new lease agreements for €mil. 97, and the translation of foreign currency positions and other items.

**Changes in Group Net Debt**



**Reclassified statement of financial position**

(€ millions)	Note	31 December 2025	31 December 2024
Non-current assets		15,418	15,469
Non-current liabilities		(2,293)	(2,296)
<b>Capital assets</b>	<b>1</b>	<b>13,125</b>	<b>13,173</b>
Inventories	2	578	900
Trade receivables		3,893	3,838
Trade payables		(3,504)	(3,763)
<b>Working capital</b>		<b>967</b>	<b>975</b>
Provisions for short-term risks and charges		(1,002)	(1,018)
Other net current assets (liabilities)	3	(1,361)	(1,287)
<b>Net working capital</b>		<b>(1,396)</b>	<b>(1,330)</b>
<b>Net invested capital</b>		<b>11,729</b>	<b>11,843</b>
Equity attributable to the Owners of the Parent		9,560	8,990
Equity attributable to non-controlling interests		1,180	1,210
<b>Equity</b>		<b>10,740</b>	<b>10,200</b>
<b>Group Net Debt</b>		<b>1,001</b>	<b>1,795</b>
<b>Net (assets)/liabilities held for sale</b>	<b>4</b>	<b>(12)</b>	<b>(152)</b>

Notes to the reconciliation between the reclassified and the statutory statements of financial position (for more details, reference should be made to paragraph "Non-GAAP alternative performance indicators"):

1. Includes all non-current assets and all non-current liabilities, excluding "Non-current loans and borrowings".
2. Includes "Inventories", "Contract Assets" and "Contract Liabilities".
3. Includes "Income tax receivables" and "Other current assets" (excluding "Hedging derivatives in respect of debt items"), net of "Income tax payables" and "Other current liabilities" (excluding "Hedging derivatives in respect of debt items").
4. Includes the net amount of "Non-current assets held for sale" and "Liabilities associated with assets held for sale".

Assets and liabilities classified as held for sale at 31 December 2025 mainly included the equity investment in CNBM Leonardo (SHANGHAI) Aerostructures Co., Ltd. The balance at 31 December 2024 chiefly included the UAS business unit sold to Fincantieri at the beginning of January 2025.

### Group Net Debt

<b>(€ millions)</b>	<b>31 December 2025</b>		<b>31 December 2024</b>	
		<i>of which current</i>		<i>of which current</i>
Bonds	512	512	1,029	530
Bank debt	1,428	82	1,248	67
Other borrowings (*)	388	349	324	187
Cash and cash equivalents	(3,238)	(3,238)	(2,556)	(2,556)
Other current loans and receivables (*)	(23)	(23)	(27)	(27)
Hedging derivatives in respect of debt items	(6)	(6)	3	3
<b>Group net debt, excluding lease liabilities and net payables to joint venture</b>	<b>(939)</b>		<b>21</b>	
Borrowings / (loans) to joint venture	1,332	1,332	1,133	1,133
Lease liabilities	608	97	641	85
<b>Group Net Debt</b>	<b>1,001</b>		<b>1,795</b>	

(\*) include portion relating to related parties, excluding joint venture

As at 31 December 2025, Leonardo S.p.a. had sources of liquidity available for a total of about €mil. 2,620 to meet the financing needs of the Group's recurring operations, which were all unused at the reporting date and broken down as follows:

- uncommitted short-term cash lines of credit of about €mil. 820;
- an ESG-linked Revolving Credit Facility for an amount of €mil. 1,800, expiring on 7 October 2030, renewed during 2025 ahead of time, as described in section "Financial transactions".

Furthermore, Leonardo has uncommitted lines of credit for guarantees for a total of €mil. 13,062, of which €mil. 3,691 still available as at 31 December 2025. Finally, other Group subsidiaries have the following credit facilities:

- Leonardo DRS has a Revolving Credit Facility for an amount of USDmil. 275 (€mil. 234), entirely unused at 31 December 2025. In January 2026, the entity closed ahead of time, in addition to the aforementioned line, a Term Loan raised in 2022 still outstanding for an amount of USDmil. 191 (€mil. 163), by signing a new five-year Revolving Credit facility, for an amount of USDmil. 500;
- Leonardo US Corporation has short-term revocable credit lines, guaranteed by Leonardo S.p.a., for USDmil. 210 (€mil. 178), which were unused at 31 December 2025;
- Leonardo US Holding has short-term revocable credit lines, guaranteed by Leonardo S.p.a., for USDmil. 5 (€mil. 4), which were unused at 31 December 2025.

At 31 December 2025, about 66% of total sources of financing available to the Group (calculated considering the confirmed credit lines available as well as the outstanding bank and bonded loans) is linked to ESG parameters. The ESG-linked loans envisage margin adjustment clauses based on the achievement of certain indicators (KPIs) related to ESG objectives. Specifically:

- Reduction in CO2 emissions of the Group; such KPI is included in the Term Loan signed in 2021 and in the RCF signed in 2025, as well as in the Sustainability-Linked Loan granted by the European Investment Bank in 2022;

- Increase in the percentage of suppliers, calculated based on emissions, who have set science-based decarbonization targets; this KPI is included in the ESG-linked RCF signed in 2025;
- Promotion of female employment with STEM degrees; such KPI is included in the Term Loan signed in 2021;
- Increase in per capita computing power of the Group; such KPI is included in the Sustainability-Linked Loan granted by the European Investment Bank in 2022.

## SUSTAINABILITY PERFORMANCE INDICATORS

The sustainability KPIs for the period and the main changes in the Group's performance are reported below.

	2025	2024	Change
<b>Planet</b>			
Scope 1 and 2 (market-based) CO <sub>2</sub> emissions (ktons)	238	240	(0.7%)
Intensity of Scope 1 and 2 (market based) CO <sub>2</sub> emissions (gCO <sub>2</sub> /€)	12.2	13.5	(9.5%)
Water withdrawals (megaliters)	4,541	4,647	(2.3%)
Waste produced (tons)	30,090	32,555	(7.6%)
Renewable Electric Energy (%)	85.8%	86.3%	(0,5 p.p.)
<b>People</b>			
Workforce (no.)	62,762	60,468	3.8%
Employees under 30 on total employees (%)	16.1	15.0	+1,1 p.p.
Hires under 30 on total hires (%)	52.2	50.5	+1,7 p.p.
Women on total workforce (%)	20.5	20.3	+0,2 p.p.
<b>Innovation</b>			
Total R&D expenses (€ billion)	3.0	2.5	20%

In 2025 Leonardo reduced Scope 1 and 2 market-based CO<sub>2</sub> emissions, both in absolute value (-0.7% vs 2024) and in terms of intensity on revenues (-9.5% vs 2024). Such result is mainly linked to the continuation of energy-efficiency and operational improvement actions, and the replacement of SF<sub>6</sub> gas, used in a specific helicopter manufacturing process, with a gas that has a lower environmental impact.

Performance on water withdrawals also improved (-2.3% vs 2024). For several years now, Leonardo has started a series of initiatives to make the water network more efficient, i.e. the Smart Water programme, aimed at reducing consumptions and increasing the resilience of production sites to climate change effects.

Waste produced showed a significant reduction (-7.6% vs 2024), confirming the Group's commitment in the circular economy strategy. The most important projects concern carbon fiber resin, some auxiliary materials used in production and, above all, Critical Raw Materials, on which Leonardo launched the ambitious project CRM4Defence.

From an energy perspective, the main measures focus on maintaining continuous supplies from renewable sources and increasing self-generated energy, largely by putting self-generation plants into operation, among which is the plant in Nola, with a further reduction in energy withdrawals from external network.

In 2025, workforce increased by 2,294 resources compared to 2024, with growth recorded mainly in Italy (about +1,600) and United Kingdom (about +400). During the year, more than 6,600 people were hired.

In 2025, employees under 30 represented approximately 16% of total employees (+1.1 p.p. compared to 2024), confirming the positive trend of the latest years in terms of generation mix and enhancement of expertise within the Group.

In terms of gender equality, Leonardo's commitment is confirmed by the growing share of women in its workforce which reached 20.5% in 2025 (+0.2 p.p. compared to 2024).

Total R&D expenses that include both internal development and external collaborations with customer involvement, increased by about 20% compared to 2024 and represented 15% of revenues. This shows how central innovation is to the Group and its commitment to developing advanced technologies and solutions to strengthen competitiveness and resilience.

Progress on sustainability was reflected in the upgrades Leonardo received in 2025 from the major ESG rating agencies: S&P Global increased its rating from 81/100 to 83/100, confirming the Company's leadership in the sector; ISS ESG confirmed the Prime Status, improving its rating from C+ to B-; MSCI upgraded its rating from "BBB" to "A"; CDP - formerly Carbon Disclosure Project, issued an "A" rating, placing Leonardo in the leadership section for combating climate changes.

## GUIDANCE 2026

In light of the results achieved in 2025 and the strategic direction outlined in the 2026–2030 Industrial Plan, the Group is positioned on a path of strong growth, supported by a strengthening of profitability and cash generation.

Based on the current assessments of the impacts of the geopolitical situation also on supply chain, inflationary levels and the global economy, subject to any further significant effects, Leonardo expects for 2026, on a like-for-like basis:

	FY 2025	Guidance 2026 (*)
New Orders (€bn.)	23.8	ca. 25
Revenues (€bn.)	19.5	ca. 21
EBITA (€bn.)	1.75	ca. 2.03
FOCF (€bn.)	1.01	ca. 1.11
Group Net Debt (€bn.)	1.0	ca. 0.8**

(\*) Assuming exchange rate of 1.18 €/USD and 0.86 €/GBP.

(\*\*) Excluding cash outflows related to the acquisition of Iveco Defence Vehicles, estimated at €1.7 bn.

## SEGMENT RESULTS AND OUTLOOK

### KEY PERFORMANCE INDICATORS BY SEGMENT

	December 2025				
	New orders	Order backlog	Revenues	EBITA	ROS%
Defence Electronics & Security	10,663	19,305	8,350	1,075	12.9%
Helicopters	6,166	15,020	5,833	523	9.0%
Aeronautics	5,814	10,633	4,238	326	7.7%
Cyber & Security Solutions	1,052	1,326	798	80	10.0%
Space	1,047	1,664	1,007	59	5.9%
Other activities	360	192	639	(311)	(48.7%)
<i>Eliminations</i>	<i>(1,320)</i>	<i>(1,516)</i>	<i>(1,362)</i>	-	<i>n.a.</i>
<b>Total</b>	<b>23,782</b>	<b>46,624</b>	<b>19,503</b>	<b>1,752</b>	<b>9.0%</b>
	December 2024				
	New orders	Order backlog	Revenues	EBITA	ROS%
Defence Electronics & Security	10,329	18,275	7,758	1,014	13.1%
Helicopters	5,867	15,146	5,249	465	8.9%
Aeronautics <sup>1</sup>	3,751	9,076	3,816	278	7.3%
Cyber & Security Solutions	833	1,091	648	49	7.6%
Space	957	1,722	906	31	3.4%
Other activities	352	238	591	(312)	(52.8%)
<i>Eliminations</i>	<i>(1,144)</i>	<i>(1,370)</i>	<i>(1,205)</i>	-	<i>n.a.</i>
<b>Total</b>	<b>20,945</b>	<b>44,178</b>	<b>17,763</b>	<b>1,525</b>	<b>8.6%</b>
	Change %				
	New orders	Order backlog	Revenues	EBITA	ROS%
Defence Electronics & Security	3.2%	5.6%	7.6%	6.0%	(0.2) p.p.
Helicopters	5.1%	(0.8%)	11.1%	12.5%	0.1 p.p.
Aeronautics	55.0%	17.2%	11.1%	17.3%	0.4 p.p.
Cyber & Security Solutions	26.3%	21.5%	23.1%	63.3%	2.4 p.p.
Space	9.4%	(3.4%)	11.1%	90.3%	2.5 p.p.
Other activities	2.3%	(19.3%)	8.1%	0.3%	4.1 p.p.
<i>Eliminations</i>	<i>(15.4%)</i>	<i>(10.7%)</i>	<i>(13.0%)</i>	<i>n.a.</i>	<i>n.a.</i>
<b>Total</b>	<b>13.5%</b>	<b>5.5%</b>	<b>9.8%</b>	<b>14.9%</b>	<b>0.4 p.p.</b>

(<sup>1</sup>) Starting from 2025 the "Aircraft" and "Aerostructures" BUs were combined together, from the management perspective, into one sole division "Aeronautics". Therefore, segment information – including data related to the comparative period – was restated and aggregated to take account of this change, also including the Global Combat Air Programme (GCAP) Organizational Unit, previously recognised within the Other Activities.

## 1. Defence Electronics & Security

MAIN LEGAL ENTITY	MAIN COUNTRY
Leonardo SpA, Leonardo UK Ltd, Leonardo DRS, MBDA (25%*), HENSOLDT AG (22.8%*)	Italy, United Kingdom, United States, Germany, Israel, Canada, France

(\*) Investees with strategic and financial importance

Leonardo develops and supports advanced solutions for armed forces in land, naval and air domains, operating both as integrator of complete systems and as provider of sensors and solutions, with a key role in the main national and international programmes, collaborating as technology partner with Governments, armed forces and companies in the sector.

In the land domain, Leonardo integrates complex systems for air, missile and space (SSA) defence, border surveillance, and integrated solutions for land military platforms, which include counter drone systems, Active Electronically Scanned Array (AESA) radars, command and control systems, communications for optronic sensors and artillery systems, turrets, active and passive protection systems and advanced capacity of Electronic Warfare, with a key role in major national programs, among which are the Armored Infantry Combat System – AICS, the Main Battle Tank - MBT and the Joint Operations Center, which supports the Joint Operations Headquarters.

In the naval domain, Leonardo is the integrator of the Naval Combat System of which is the creator of the Command and Control (CMS) system, radar systems, electro optics and infrared systems, communication systems, small- and large-calibre artillery and guided ammunition for naval units. Leonardo is also the integrator of the Naval Combat System of cutting-edge submarines and is committed to developing innovative technologies as the directed-energy weapons.

In the air domain, Leonardo creates integrated solutions for the latest generation of manned and unmanned aircraft, for surveillance, combat and air defence missions, of which it is the creator of the ATOS (Airborne Tactical Observation and Surveillance), radar, electro-optic and Infrared Search & Track (IRST) sensors, communication, cockpit, weapon control and advanced Electronic Warfare systems.

In the field of Multi-Domain/Multi-platform/Multi-mission systems, in which electronics is an enabler, Leonardo benefits from the solutions developed in each vertical business by pooling expertise, capabilities and experience, guaranteeing interoperability in complex operating contexts and making use of real, virtual and constructive simulation environments for testing and advanced training.

2025 was characterised by an excellent performance, with particular regard to the scope of the European Electronics which recorded volumes and EBITA sharply growing compared to the prior year, whose values include the contribution from the Underwater Armaments and Systems business sold at the beginning of 2025. Revenues and EBITA were increasing also for the subsidiary Leonardo DRS, despite the contribution to the sector was affected by the unfavourable USD/Euro translation.

### Key Performance Indicators of the sector

December 2025	New orders	Revenues	EBITA	ROS%
Electronics Europe	6,916	5,144	738	14.3%
Leonardo DRS	3,757	3,228	337	10.4%
Eliminations	(10)	(22)	-	n.a.
<b>Total</b>	<b>10,663</b>	<b>8,350</b>	<b>1,075</b>	<b>12.9%</b>
December 2024 isoperimeter	New orders	Revenues	EBITA	ROS%
Electronics Europe	6,415	4,616	670	14.5%
Leonardo DRS	3,766	2,988	300	10.0%
Eliminations	(19)	(21)	-	n.a.
<b>Total</b>	<b>10,162</b>	<b>7,583</b>	<b>970</b>	<b>12.8%</b>
Change % isoperimeter	New orders	Revenues	EBITA	ROS%
Electronics Europe	7.8%	11.4%	10.1%	(0.2) p.p.
Leonardo DRS	(0.2%)	8.0%	12.3%	0.4 p.p.
Eliminations	47.4%	(4.8%)	n.a.	n.a.
<b>Total</b>	<b>4.9%</b>	<b>10.1%</b>	<b>10.8%</b>	<b>0.1 p.p.</b>
December 2024 reported	New orders	Revenues	EBITA	ROS%
Electronics Europe	6,582	4,791	714	14.9%
Leonardo DRS	3,766	2,988	300	10.0%
Eliminations	(19)	(21)	-	n.a.
<b>Total</b>	<b>10,329</b>	<b>7,758</b>	<b>1,014</b>	<b>13.1%</b>

Average exchange rate €/USD: 1.1300 for 2025 and 1.0824 for 2024

### Leonardo DRS data in USD

	New orders	Revenues	EBITA	ROS%
DRS (\$mil.) December 2025	4,245	3,648	381	10.4%
DRS (\$mil.) December 2024	4,077	3,234	325	10.0%

**New orders.** These were higher compared to the previous year, with a Book to Bill of 1.3 for the European component and 1.2 for the subsidiary Leonardo DRS. Among the main acquisitions of the period, we point out:

For the European component:

- the additional order for the European Common Radar System (AESA Active Electronically Scanned Array radar) which will be installed on the Eurofighter Typhoon aircraft of the Royal Air Force. The ECRS Mk2 radar has a newly-developed multi-functional array (MFA) which enhances traditional radar functions, such as searching and tracking targets, and electronic warfare capabilities;
- as part of the broader contract for the supply of 16 EFA aircraft (first tranche) to the Italian Air Force, the Electronics Division will provide the Defensive Aids Sub-System (DASS), which protects the Typhoon aircraft from infrared and radar-guided threats by providing the pilot with a complete tactical picture and equipping the aircraft with digital stealth capability achieved through advanced electronic deception techniques;

- in the naval domain, the order for the supply of Combat Systems equipping the 2 PPA (Pattugliatori Polivalenti d'Altura, multipurpose offshore patrol vessels) naval units for the Indonesian Navy. The CMS Athena includes all the functions required for the surveillance, management of sensors and tactical images, support to navigation, assessment of threats and weapon assignment, management of the weapon system, mission planning, multi-tactical data connection and on-board training;
- through the IVECO – Otomelara Consortium (CIO), as part of the broader contract for the supply of 76 VBM, of which 60 in Combat PLUS 30 version, 16 in Antitank PLUS 30 version and 34 10x10 Rescue and Recovery Vehicles, in addition to the related logistic supports, we point out the order for the development, introduction and support for the validation of the 30mm Hitfist turret defence system. The new turret developed by the Electronics Division was upgraded with a new shooting system with the introduction of latest generation electronic components capable of interfacing with the new digitized optronics of targeting and search "Janus D" and Lothar SD". Moreover, vehicles will be equipped with the SDR VQ1 four-channel radio and the new Command and Control system, called C2D/N Evo.

For the subsidiary Leonardo DRS:

- the additional order, as part of the broader Ohio-submarine class Replacement Programme (ORP), to supply integrated electric propulsion components for the next-generation Columbia-class submarine for the US Navy;
- as part of the broader IBAS (Improved Bradley Acquisition Subsystem) programme, the additional order for the supply of electro-optical sensors that will equip the M2 Bradley vehicles of the US Army. The second-generation infrared system for Bradley armored fighting vehicles includes advanced functionalities for early detection of long-range threats;
- as part of the broader CDS (Common Display Systems) programme, the order for the supply of hardware, including multi-screen console, displays and peripherals designed to support the AEGIS combat system and the Ship Self-Defense System (SSDS) installed on various large- and small-size vessels of the USA Navy, of the allied naval forces and of the coast guard of the United States of America;
- the additional order for the production of the Family of Weapon Sights – Individual (FWS-I) that are sights with wireless connectivity with vision systems mounted on helmets, including the enhanced night vision goggle-binocular (ENVG-B) and the new generation integrated vision system (IVAS). Moreover, users can have the possibility of acquiring targets both day and night, even in low visibility conditions like smoke or fog, providing strategic and tactical advantages.

**Revenues.** These showed a sharp increase from the comparative period, also as a result of the acquisitions made during 2024, both in the European Electronics component (+11.4% compared with the like-for-like figure) and within the subsidiary Leonardo DRS (+8.0%), despite the unfavourable effect of the USD/Euro exchange rate.

**EBITA.** Higher volumes led to an increase in EBITA, growing in all the main business areas, in both the European Electronics component (+10.1% compared with the like-for-like figure of the comparative period) and in the subsidiary Leonardo DRS (+12.3%), despite the abovesaid exchange rate effect. The contribution given by the strategic investments remained positive.

*Total market of the sector and 2026 Outlook*

Market 2025-2034	CAGR 2025-2034	Impact on the businesses in which Leonardo operates
€bil. 2,160	+3.4%	<p><u>Defence sector:</u></p> <p>The Air domain is driven by the growth of electronic warfare systems, AESA radars, and multi-purpose/multi-mission Distributed EO/IR systems, which increasingly require secure, integrated and “broadband” communications. Products are backed by the development of Live, Virtual and Constructive (LVC) training systems for the military market.</p> <p>In the Land domain, an increasing demand is expected in C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance), communication, radar and electronic warfare systems. Moreover, in the face of the development of the unmanned aircraft (Unmanned Aerial Systems) market, there was an increase of the solutions suited to counter such threats. The return to traditional scenarios has driven demand for Main Battle Tank (MBT), Infantry Fighting Vehicles (IFV)/Armoured Personnel Carrier (APC), artillery systems and ammunition, both in terms of modernisation and new purchases.</p> <p>In the Naval domain, fleet modernisation programs will drive demand for command and control systems for surface ships and submarines, and integrated solutions for radar, optronic and electronic warfare systems, including solutions against new threats (e.g., counter-drone technology); furthermore, new programmes will drive demand for naval artillery, Close-in Weapon Systems (mainly in counter-drone function) and related ammunition.</p>

Expectations for European Electronics for 2026 predict an increase in profitability mainly driven by higher volumes and a solid contribution from the interests in Joint Ventures. Regarding Leonardo DRS, business volumes are expected to increase also as a result of the level of acquisitions recorded in the year just ended and a growing profitability due to higher revenues and an improvement in profitability on Columbia class submarine program.

**Research, development and product engineering**

R&D investments made with an increasing focus on the sovereignty of technologies, materials and security of the entire supply chain, are aimed at a broad range of products and services: avionic, ground and naval radar systems, mission planning and command and control systems in the domains of air, land and sea, guided ammunition, development of ground and naval weapon and defence systems, integrated mission systems (including counter-drone technology), electronic warfare systems, laser and electro-optical systems, and integrated communication systems.

Leonardo combines the capabilities developed in the different domains, with advanced processing capabilities and Artificial Intelligence applications to create integrated and multi-domain solutions, capable of integrating in-house and third-party solutions across a variety of application areas, such as the “Michelangelo Dome” solution, which was presented in the last quarter of 2025.

2. Helicopters

MAIN LEGAL ENTITY	MAIN COUNTRY
Leonardo SpA, Leonardo UK Ltd, PZL-Swidnik SA, AgustaWestland Philadelphia, Kopter Group AG	Italy, United Kingdom, Poland, United States, Switzerland

Leonardo is a leading group in some rotary-wing sectors at global level, delivering excellent products worldwide. In the defence sector, Leonardo has recognised expertise in multi-role (thanks to the development of dual-use platforms, as well as specialised ones), naval and combat applications, while its own leadership remains on a sound footing in various applications such as Emergency Medical Service (EMS) missions, Law Enforcement, offshore (Oil & Gas and Offshore Wind Farm) and passenger transport in the civil market. On this last front Leonardo relies on its well-established expertise gained over the years, in particular thanks to the AW109 models in the past and, more recently, the AW139, AW189 and AW169 models.

The 2025 results confirmed the positive trend in the Sector. Revenues and EBITA grew faster than expected marking a significant increase compared to 2024. The volume of New orders was in line with expectations and higher than that of the prior year. 182 new helicopters were delivered during the period (191 in 2024), with a different mix compared to 2024, mainly affected by the finalization of the TH-73A contract for the US Navy as part of the 'Light' lines.

**New orders.** New orders increased by 5.1% due to higher orders in the government sphere and growing orders of Customer Support, Services & Training (CSS&T), thus confirming the success of customer support services and of the products offered by the Sector. Among the main acquisitions for the period we note:

- with reference to the AW249 NEES (Nuovo Elicottero da Esplorazione e Scorta, new exploration and escort helicopter) programme for the Italian Army, the contract for the supply of further standard helicopters and for the development of further helicopter capabilities;
- the order from Weststar for various types of helicopters including AW149 helicopters, for government bodies in Malaysia;
- the order from GD Helicopter Finance (GDHF) for 10 AW189 helicopters, for its customers in the offshore transport sector;
- as part of the Integrated Merlin Operational Support (IMOS) programme the order for the supply to the UK Ministry of Defence of logistic support and maintenance services of the AW101 Merlin helicopter fleet;
- the order for the manufacturing in Italy of the Ground Based Training System (GBTS) for the training of pilots of the Military Aviation and other Armed Forces and State Forces;
- the order for the provision of a Performance Based Logistic (PBL) support service, in addition to technical engineering and technical maintenance support services, for the ICH-47F helicopter fleet for the Italian Army;
- the order for Boeing for the supply of further 8 helicopters related to the MH-139 programme for the US Air Force;
- the orders from NHIndustries as part of the programmes for the supply of 31 NH90 TTH (Tactical Transport Helicopter) helicopters to Spain and 3 NH90 NFH (NATO Frigate Helicopter) helicopters to the Netherlands.

**Revenues.** These increased by 11.1%, with a higher contribution from the AW family dual-use helicopter lines, and on CSS&T.

**EBITA.** This showed a considerable increase of about 12.5%, mainly as a result of higher revenues and an increase in profitability, with ROS up by 10bps.

### Total market of the sector and 2026 Outlook

Market (*) 2025-2034	CAGR 2025-2034	Impact on the businesses in which Leonardo operates
€bil. 61	+1.2%	<p><u>Civil sector:</u></p> <p>Having moved past the contraction seen in the period from 2020 to 2021, the civil and para-public helicopter market has fully recovered its pre-pandemic volumes and is now in a phase of moderate but steady growth, which is expected to continue in the coming years. Demand is still being driven by the Emergency Medical Services (EMS), Law Enforcement and Energy/Offshore segments, focusing mainly on classes from Light Intermediate to Medium ones, in which Leonardo gained a good positioning through the AW Family. In parallel, Leonardo maintains an active control of the supply chain in order to mitigate potential critical issues and guarantee production continuity.</p>
€bil. 125	+1.3%	<p><u>Defence sector:</u></p> <p>Within the context of the current global political situation, armed forces show the need to modernize existing fleets and acquire advanced multi-mission platforms. Demand is focusing on extended operational capabilities – new-generation avionics, improved performance, enhanced survivability and the ability to cooperate efficiently with other assets, including the unmanned systems – which are considered essential for maintaining operational effectiveness at both strategic and tactical levels.</p>

(\*) deliveries of new helicopters only

Expectations for 2026 confirm the solidity of the Sector and continue to show a high volume of new orders and growth in revenues, with improving profitability thanks to actions aimed at containing costs and optimizing industrial processes.

### Research, development and product engineering

Leonardo is committed to developing advanced helicopter solutions, ensuring multi-domain interoperability in connected and cyber-secure scenarios, also collaborating with other assets (CUC-T Crewed UnCrewed Teaming) with the goal of enhanced mission effectiveness and survivability using advanced human-machine interface. Furthermore, Leonardo is developing technologies for the federated and multi-domain LVC (Live, Virtual, Constructive) simulation and a proprietary architecture for autonomous flight increasing the use of digital twins to develop new concepts.

## 3. Aeronautics

MAIN LEGAL ENTITY	MAIN COUNTRY
<i>Business Unit Aircraft:</i> Leonardo SpA <i>Business Unit Aerostructures:</i> Leonardo SpA, GIE ATR (50%*)	Italy, France

(\*) Investees with strategic and financial importance

With reference to the Aircraft business unit, demand for trainer and combat aircraft is rising in the defence segment, driven by international tensions and technological evolution of platforms, with increased interoperability, cyber resilience, and integration with drones in multi-domain operations. Leonardo confirms itself as a leading player in the military aeronautics programmes, contributing to all the aircraft generations, from Eurofighter Typhoon to F-35 aircraft, up to the GCAP, developed in collaboration with the United Kingdom and Japan, expected to enter into service from 2035. The offer includes also advanced training solutions, such as the M-346 aircraft and the IFTS (International Flight Training School), multi-mission aircraft

(ATR Special Version, the C-27J tactical aircraft), unmanned persistent surveillance platforms and advanced logistics services, ensuring full support throughout the platforms' entire lifecycle.

As for the Aerostructures business unit, following a gradual recovery, the civil aviation sector has returned to pre-Covid traffic levels after a crisis that affected the wide-body aircraft segment more than others. The sector's recovery is also driving the search for increasingly eco-sustainable solutions from a Green Deal perspective. In the segment of aerostructures, Leonardo plays a key role in the supply of large structural components both in traditional materials (aluminium alloys) and in advanced materials (composites and hybrids), for the commercial aviation programmes of the main world manufacturers Boeing and Airbus, for 787, 767, A321 and A220 aircraft, respectively, as well as for the production of ATR aircraft.

In line with the Sector's growth path, the excellent commercial performance recorded in 2025 highlighted a significant increase compared with December 2024.

### Key Performance Indicators of the sector

December 2025	New orders	Revenues	EBITA	ROS%
Aircraft	5,022	3,589	460	12.8%
Aerostructures	909	745	(134)	(18.0%)
GIE ATR	-	-	-	n.a.
Eliminations	(117)	(96)		
<b>Total</b>	<b>5,814</b>	<b>4,238</b>	<b>326</b>	<b>7.7%</b>
December 2024	New orders	Revenues	EBITA	ROS%
Aircraft	3,141	3,166	429	13.6%
Aerostructures	692	746	(168)	(22.5%)
GIE ATR	-	-	17	n.a.
Eliminations	(82)	(96)	-	
<b>Total</b>	<b>3,751</b>	<b>3,816</b>	<b>278</b>	<b>7.3%</b>
Change %	New orders	Revenues	EBITA	ROS%
Aircraft	59.9%	13.4%	7.2%	(0.8) p.p.
Aerostructures	31.4%	(0.1%)	20.2%	4.5 p.p.
GIE ATR	n.a.	n.a.	(100.0%)	n.a.
Eliminations	n.a.	n.a.	n.a.	n.a.
<b>Total</b>	<b>55.0%</b>	<b>11.1%</b>	<b>17.3%</b>	<b>0.4 p.p.</b>

**New orders.** These were significantly up compared to 2024 (+55.0%) in the Aircraft and Aerostructures BUs. Specifically, the Aircraft BU mainly benefitted from the order related to the logistic support contract concerning the Kuwait programme, in addition to higher orders for the Global Combat Air Programme (GCAP) and acquisitions for export customers on C-27J and M-346 programmes. With reference to the Aerostructure BU, we highlight an important increase as a result of the recovery of the demand for Boeing fuselages and the A220 of Airbus.

**Revenues.** These sharply increased compared to 2024 (+11.1%), thanks to the contribution of the Aircraft BU especially in relation to the C-27J and GCAP programmes. Within the Aircraft BU, the contribution from the Service segment remained stable representing about 31% of total revenues in December 2025. The result of the Aerostructures BU was in line with the prior year. From a production point of view:

- for the military programmes of the Aircraft BU no. 53 wings were delivered to Lockheed Martin for the F-35 programme (compared to no. 51 wings delivered in 2024) and no. 13 fuselages to the Eurofighter consortium and no. 13 wings for the Typhoon programme (in line with what recorded in

2024). As concerns the EFA Kuwait aircraft, no. 6 deliveries were recorded compared to no. 2 deliveries in 2024;

- for the civil programmes of the Aerostructures BU, no. 71 fuselage sections and no. 41 stabilizers for the B787 programme were delivered (against 49 fuselage sections and no. 28 stabilizers in 2024) and no. 27 fuselages for the ATR programme (against no. 34 fuselages in 2024);
- for the GIE ATR consortium we highlight no. 32 deliveries compared with no. 35 recorded in the same period of 2024.

**EBITA.** On a rise compared to 2024 (+17.3%) thanks to the contribution of the Aircraft BU that confirms a very good level of profitability mainly attributable to higher volumes deriving from the C-27J and GCAP programmes despite the considerable share of pass-through activities that dilutes total profitability. As for the Aerostructures BU, we point out an improvement in EBITA, albeit still negative, in line with growth expectations, as a result of the significant recovery recorded on Boeing. With reference to the GIE Consortium, we highlight a reduction in profitability due to delays caused by the Supply Chain.

### Total market of the sector and 2026 Outlook

#### Aircraft business unit

Market (*) 2025-2034	CAGR 2025-2034	Impact on the businesses in which Leonardo operates
€bil. 1,010	+9.9%	<p><u>Defence sector:</u></p> <p>The geopolitical scene and rising defence spending will drive strong demand for combat aircraft, which will represent more than 50% of the demand for military aircraft.</p> <p>As sixth generation systems (GCAP) development gets under way, the market for the next decade will still be contested by fourth and fifth generation aircraft (Eurofighter, Rafale, F-15, F-35). Interest in “light combat” vehicles (i.e. M346FA) is growing especially for counter-drone missions.</p> <p>Demand for unmanned platforms, above all in high-end segments headed by the JV LBA Systems, is constantly growing. At the same time, demand for special version vehicles will also grow, driven by the need for ISR aircraft to support surveillance operations and guarantee secure airspace.</p>

(\*) The “Defence” market includes manned and unmanned aircraft, net of logistic support services.

2026 is expected to confirm the excellent commercial results achieved in 2025 with predicted growth in the proprietary platform business highlighting high profitability supported by the solid performance of international collaboration programs, in line with previous years’ trend.

### Research, development and product engineering

Aircraft developed by Leonardo are increasingly becoming complex systems that integrate cutting edge components and solutions, enabling their capabilities even within highly integrated, cyber resilient multi-domain environments. It is in this context that the technology upgrade and development initiatives affecting some of Leonardo's key sectors such as trainers (M345 and M346), fighter aircraft (EFA and F-35), and the tactical (C-27J) family of transport aircraft are included. Furthermore, cooperative efforts continued to build the GCAP (the sixth-generation combat vehicle) platform.

## Aerostructures business unit

Market 2025-2034	CAGR 2025-2034	Impact on the businesses in which Leonardo operates
€bil. 1,900	+5.8%	<p><u>Civil sector:</u></p> <p>In line with the recovery of global traffic, which returned to pre-COVID levels, the projections for the period under consideration indicate a steady growth in the civil aviation market evidenced by higher values, both in absolute terms and growth rate, compared to the estimates of previous years. The expected increase in deliveries of civil aircraft as a result of increased demand for air transport will have a direct impact on the demand for aerostructures.</p>

The overall recovery of the civil business is predicted for 2026 with an increase in demand for all the main OEMs. Specifically, we expect an improved performance linked to higher forecasted Boeing (i.e. B787) and Airbus (A220 particularly) deliveries, in addition to increased efficiency. A gradual increase in GIE ATR consortium deliveries is expected compared to previous years, which have been affected by the issues caused by the supply chain.

### Research, development and product engineering

As concerns the civil aeronautics sector and the Aerostructures one, activities are in progress to develop innovative tools for laminating composite materials, including by using additive processes. The goal is to create low-cost and reusable equipment, aiming in particular at reducing times and non-recurring costs in the start-up phases of new programmes and prototyping activities, as well as reducing environmental impact. With regard to the use of AI, studies are underway on acoustic analysis for applications in the field of production prediction, as well as ultrasonic acoustic analysis in the field of non-destructive testing (NDT) and cutting and drilling tool wear. Artificial Intelligence systems are also being studied and evaluated on images for defect identification.

Leonardo's additional actions relate to major projects to transform production sites into smart factories, such as the NEMESI project, which digitises and automates the manufacturing processes of ATR aircraft, and the LAMPO project, which aims to automate the assembly and advanced repair of composites.

## 4. Cyber & Security Solutions

MAIN LEGAL ENTITY	MAIN COUNTRY
Leonardo SpA, Leonardo UK Ltd	Italy, United Kingdom

In the current environment, new digital technologies are key factors to global security, since they play a fundamental role in protecting against threats, which are less traditional and even more hybrid, in a scenario that is characterized by a progressive hyper-connection of systems.

The product-based approach and experience gained by Leonardo in Trusted Cybersecurity and in Secure Data Valorization, allow it to develop proprietary solutions based on transformative technologies (AI, Cyber domain, Data Platform), in support of the strategic sectors of Defence, Space and Strategic Organisations. The offer, which leverages the pervasive use of secure and transparent AI, drives the need for digital sovereignty expressed by our customers and is structured into the following lines: (i) Cyber & Resilience, for the proactive protection and resilience in highly-interconnected military (including GCAP), civilian and critical

contexts; (ii) Secure Digital & Cloud, to valorize data, enable continuous monitoring and support decision-making processes in hybrid cloud, multi-cloud, and edge computing environments; (iii) Mission Critical Comms designed to guarantee reliable and secure communications to support the evolution to next-generation broadband architectures and operating models. Furthermore, Leonardo, through its Global Cybersec Center, provides cyber security expertise and services to monitor customers' digital ecosystems on an ongoing basis, supporting in the prevention, management of vulnerabilities and quick recovery after cyber-critical events.

The Cyber & Security Solutions sector reported an excellent commercial performance in 2025, with new orders exceeding €bil. 1 accompanied by volumes and profitability sharply increasing on the prior year, with ROS reaching a double-digit value (10%).

**New orders.** These were sharply up against the comparative period (+26.3%), with a book to bill equal to 1.3. Major acquisitions in the year included:

- the contract with the Department of Public Security to complete, within the Italian territory, the TErrestrial Trunked RAdio (Te.T.Ra.) for the exclusive use of the Police Forces. The activities involve creating the network technological infrastructure in the 10 regions currently not covered by the service, the control rooms of Italian National Police, Carabinieri, Tax Police and Penitentiary Police in addition to supplying radio-terminals for fixed sites, mobile units, boats and helicopters. This will ensure wide coverage, resilience and confidentiality of mission critical communications between in-field operators and control rooms across the entire country and will guarantee access to developed information services through the full integration of LTE/5G broadband technologies;
- various orders as part of the broader Polo Strategico Nazionale (PSN) project aimed at supporting Public Administration companies in their digital transformation by adopting a Cloud model, rationalising Data Centres and adapting connectivity by increasing the level of security of managed data;
- in the UK, as part of the broader Cyclamen programme, i.e. the radiological and nuclear (RN) border detection devices, the order for support and maintenance of mobile and fixed equipment across the United Kingdom and in the neighboring ports to detect and prevent the illicit export of radiological and nuclear materials;
- as part of safe communications, i.e. Narrowband & Broadband systems and machines for mission critical users, different contracts were finalised with police, defence and emergency forces both in Italy, such as the platform for safe and integrated communication for 11 national provinces and the Emergency network for the Liguria region, and at international level, such as the underground lines of Singapore and Taipei and the Vietnamese Ministry of Defence.

**Revenues.** These showed a sharp increase compared to the prior year (+23.1%), also due to new orders acquired during 2024 and in the first months of 2025.

**EBITA.** This was sharply increasing (+63.3%) mainly due to higher volumes and improved profitability, with a ROS increasing by 240 bps.

### Total market of the sector and 2026 Outlook

Market 2025-2034	CAGR 2025-2034	Impact on the businesses in which Leonardo operates
€bil. 2,255	+15.2%	<p><u>Civil &amp; Defence sectors:</u></p> <p>Demand was steadily growing, particularly in the sovereign cloud, cyber security and critical communications broadband segments, driven by increasing need for physical and digital protection, mainly for critical infrastructure and institutions, and by increasing need for digital sovereignty linked to the new geopolitical context. Drivers for business development include the heavy use and security of Artificial Intelligence (AI) and the passage from the traditional cyber security to concepts of cyber resilience and proactive security.</p>

The Division expects for 2026 a growth in all the main indicators, with profitability driven by an increase in volumes, also as a result of the new acquisitions in 2025, accompanied by a growth in R&D activities relating to the new digital technologies in line with the product-based approach.

### Research, development and product engineering

Leonardo continues to invest in developing dual-use solutions for data management and value extraction and in end-to-end cyber resilience, through the integration of new proprietary technologies and the high value-added inorganic growth, as occurred during 2025 through the acquisition of a 100% share in Axiomatics AB and of a 24.55% share in SSH Communications Security Corporation, in order to strengthen the Leonardo platform based on the “Zero Trust” model.

Developing capabilities to secure digital assets responds to the broader concept of Global Security, which calls for new technologies capable of protecting against growing, unconventional and hybrid threats in complex (mission and safety critical) and/or multi-domain environments.

Enhancing data valorisation, protection and resilience capabilities depends on the responsible and secure use of artificial intelligence both in the military and civilian context, across critical interconnected and converged IT/OT/IoT environments.

Cyber Defense proactive capabilities (products such as Cyber Threat Intelligence, Endpoint Protection and integrated services in a federated platform centered on a Global Cybersec Center), the C2 Cyber platform (for the performance of transactions in the Cyber domain), the Cyber range (for simulation, testing and training), the set of digital solutions (Data Valorization Platform, Cloud Management Platform), the set of products for Mission-Critical communications (Mclinks, DMR, Tetra and RIM) as well as the new Zero Trust platform focusing on security and secure exchange of data, are essential parts of the Group’s value proposition.

Within the context of artificial intelligence Leonardo is developing AI technologies, with special attention to the security of such technology (AI-Security), and its potential to be used effectively in mission critical settings where operational continuity, independence, governance, compliance, and ongoing innovation are required.

## 5 Space

MAIN LEGAL ENTITY	MAIN COUNTRY
Leonardo Spa, Telespazio (67%), Thales Alenia Space (33%*)	Italy, France

(\*) Investees with strategic and financial importance

Leonardo has a full technology offer directed to the civil segment (solutions for the monitoring of the planet's resources, in addition to connectivity and localisation solutions in remote areas), as well as to the military aviation segment (to ensure the protection of national interests and security). The space market is divided between upstream (manufacturing of space and ground-based systems), midstream (manufacturing of launch systems and services, satellite operations services) and downstream (end-user services, including communication, geoinformation, navigation and related infrastructure) activities.

Leonardo oversees the space business through the Space Division which includes: (i) the operations of the Space BU, which develops and manufactures key components, such as electro-optical payloads for civil and scientific missions, altitude sensors, atomic clocks for satellite navigation systems, space robotics and other equipment used in the main missions of the international space agencies; (ii) the activities of the Space Alliance with Thales, with its subsidiary Telespazio and the Thales Alenia Space JV, and (iii) the investment in Avio (19.3%). Specifically, Telespazio provides integrated space services ranging from the operation of satellites to communications, navigation and earth observation services in support of civil and strategic activities; Thales Alenia Space designs and integrates telecommunication, earth observation, navigation and exploration satellites, representing an excellence at European and international level; Avio manufactures launch and propulsion systems for satellites, guaranteeing access to the space and operational support to the European space sector.

The Sector showed an improved performance in all the main indicators, with new orders and revenues above €bil. 1, confirming the trend begun during 2024 and benefitting also from the partial recovery of the manufacturing component of the Space Alliance.

**New orders.** These were up compared to 2024 (+9.4%), benefitting from the growth of business unit of Leonardo and of Telespazio group business. For Telespazio the major acquisitions in the period included contracts with the Italian Space Agency (ASI) for the COSMO-SkyMed follow-on, with the Italian MoD (Ministry of Defence) for the Maintenance in Operational Conditions (MOC) programme within the SSO, with the Ministry of Environment and Energy Security (the Italian MASE) for data supply as part of the Business Satellite Systems and Operations line of business, the Nazar and D&I Export order as part of the GeoInformation business line. The manufacturing segment of Leonardo gave a positive contribution, of which we note the acquisition of the Prisma contract and the order for the supply of a tool supporting the SBG (Surface, Biology and Geology) mission for the European Space Agency (ESA).

**Revenues.** These were on a rise (+11.1%) as a result of the higher volumes in Telespazio noted on all the business lines, especially for the growth in the SatCom businesses, for higher activities on military programmes and in Satellite Systems and Operations. A growth trend was also confirmed in the manufacturing component of Leonardo.

**EBITA.** This showed an increase in comparison with the performance of the previous year, confirming profitability of the Telespazio business and benefitting also from the improved performance of Thales Alenia Space that, albeit negative, continued its efficiency path started in 2024.

### Total market of the sector and 2026 Outlook

Market 2025-2034	CAGR 2025-2034	Impact on the businesses in which Leonardo operates
€bil 1,784	+5.5%	<p><u>Manufacturing</u>: the market is growing, driven by demand for (i) multi-orbit and multi-sensor constellations and architectures with an increasing trend for Defence &amp; Security uses (e.g., Intelligence, Surveillance and Reconnaissance (ISR), Ballistic Missile Defence (BMD) and Space Domain Awareness (SDA)) and (ii) solutions for interplanetary spaceflight (e.g., satellites, cargo and human transport facilities).</p> <p><u>Services</u>: the market is growing, driven by the need for global security and development of mobile and broad-band connectivity which feed the request for predictive analytics for monitoring of the Planet, critical infrastructures and space assets. Direct-to-Device (D2D) services are also on the rise, especially in remote areas. Additional benefits are expected in the last part of the period thanks to the opening of the market to solutions and services for moon and interplanetary exploration missions.</p>

2026 is expected to confirm the growth trend in the commercial business and consequently in volumes, with particular reference to the satellite communications segment. In the manufacturing business, Thales Alenia Space's performance is expected to recover from the critical issues experienced in 2024 due to the increased cost of developing of the commercial telecommunications business.

### Research, development and product engineering

Space infrastructure and technology increasingly represent an enabling factor; as part of this, Leonardo has started various studies and research in the most significant technological fields. In fact, AI is being used for on-board processing of satellites, for instance, to provide space assets with autonomy in terms of decision-making (through the processing of acquired images) and in the control and management of the satellite platform within the operational framework of constellations. The evolution of earth observation sensors, with increasingly high space and spectral resolutions, made it possible to use AI reliably including in situational awareness. With reference to services, AI supports data processing for weather forecast and infrastructure monitoring.

Digital Twin Earth uses Digital Twin technology to monitor and simulate scenarios based on geo-spatial models. The Davinci 1 HPC is already being used to provide geospatial services with high data latency requirements.

In the area of satellite communications, the Group has initiated research studies at European level for the development of the infrastructure for Quantum Key Distribution in free space (QKD), currently missing in Europe. These technologies hold strategic importance because they enable the development of highly accurate quantum sensors and advanced time measurement systems.

In the area of space robotics and autonomy, Leonardo is engaged in the definition of a broad portfolio of products and In Orbit Servicing (IOS), which include, inter alia, operations such as space debris removal, raising the operational altitude of active platforms, in-orbit refuelling, spare parts transportation with installation and removal of obsolete or damaged equipment. Finally, the definition of OTT (Over The Top) services dedicated to future space exploration activities proves to be of considerable importance.

## INDUSTRIAL AND FINANCIAL TRANSACTIONS

**Industrial transactions.** Below are the main industrial transactions occurred during 2025:

- **Disposal of the Underwater Armaments & Systems (UAS) business.** 14 January 2025 saw the closing of the disposal transaction of the Underwater Armaments & Systems (UAS) line of business to Fincantieri. According to the binding agreement of 9 May 2024, at the closing Leonardo received the payment of about €mil. 287 as the first tranche of the acquisition price, based on the fixed component of the Enterprise Value (EV) equal to €mil. 300, while the second tranche of about €mil. 159 was paid on 30 June 2025 as variable component and taking into account the price adjustment mechanism agreed by the parties.
- **Incorporation of Leonardo Rheinmetall Military Vehicles S.r.l.** On 24 February 2025, following the previous agreements signed between Leonardo and Rheinmetall with the aim of forming a new European nucleus for the development and production of military combat vehicles in Europe, the company Leonardo Rheinmetall Military Vehicles S.r.l. was established, equally held by the two partners.
- **Joint Venture LBA Systems.** Following the execution on 6 March 2025 of a Memorandum of Understanding with Baykar Technologies to cooperate in the development of unmanned systems, on 16 June 2025 an agreement was signed for the establishment of a company having equal shareholders (50% each), named LBA Systems S.r.l., which will have operational headquarters in Italy. The purpose of the about-to-be-established company is the design, development, production, and maintenance of new-generation unmanned aerial systems, leveraging strong technological and industrial synergies of the two partners. Leonardo will provide cutting-edge electronic systems and payloads, implement Manned-Unmanned Teaming and Swarming capabilities, and oversee qualification and certification activities. The company will operate in both the European and international markets.
- **Incorporation of Nuclitalia S.r.l.** 14 May 2025 marked the incorporation of Nuclitalia Srl, whose stakes in the capital are held by Enel (51%), Ansaldo Energia (39%) and Leonardo (10%). The aim is to develop innovative nuclear power technologies, with a focus on the Small Modular Reactors (SMRs) and on state-of-the art fourth-generation reactors. Nuclitalia will play the role of reference technology and industrial hub, will preside over research, engineering and development activities of the supply chain, and promote the sale business in support of the energy transition and the national energy security.
- **Incorporation of Edgewing Systems Ltd and of the GCAP Electronics Evolution (G2E) consortium.** 20 June 2025 saw the establishment of Edgewing Systems Ltd., a company invested in by Leonardo, BAE Systems and Mitsubishi Heavy Industries, an industrial milestone of the Global Combat Air Programme (GCAP) to deliver sixth generation combat aircraft. The company, whose shareholders hold equal stakes (33.3% each), will guide the development of the aircraft, and will remain the design authority for the life of the product, whose in-service date is expected in 2035 and the go-out beyond 2070. 9 September 2025 saw the announcement of the GCAP Electronics Evolution (G2E) consortium being formed of Mitsubishi Electric (Japan), Leonardo UK (United Kingdom), Leonardo and ELT Group (Italy), whose objective is developing the integrated sensing and communications component of the new-generation GCAP (Global Combat Air Programme) fighter. The consortium will work to support Edgewing Ltd, the main system integrator of the programme, providing the Integrated Sensing and Non-Kinetic Effects & Integrated Communications Systems (ISANKE & ICS) as well as the system's decades-long through-life logistics support. The consortium will be based in Reading (UK), close to

the GCAP International Government Organisation (GIGO), to ensure the closest possible collaboration with the three national ministries of defence.

- **Acquisition of SSH Communications Security Corporation.** On 1 July 2025, Leonardo announced the acquisition of 24.55% in the capital of the Finnish company SSH Communications Security Corporation, finalized in October 2025, for a consideration of about €mil. 20. The acquisition aims to strengthen the cyber portfolio and develop a Zero Trust European ecosystem. The transaction also entails a cooperation agreement that provides Leonardo the worldwide exclusivity, with exception of the Scandinavian countries, for the integration of the SSH solutions.
- **Acquisition of Axiomatics AB.** On 22 December 2025, Leonardo completed the 100% acquisition of the Swedish company Axiomatics AB, specializing in authorisation management and data security solutions based on the Zero Trust architecture, for an amount of approx. €mil. 32. The transaction enables the expansion of the portfolio of Leonardo's proprietary solutions as part of the Data Centric Security and of the ABAC (Attribute-Based Access Control) model. The integration of Axiomatics capacity with Leonardo's Global Cybersecurity Platform (GCC Platform) and sales network further reinforces the company industrial strategy in the northern countries and consolidates Leonardo's role as an international key player in digital security, in line with its Industrial Plan.
- **Acquisition of Iveco Defence.** On 30 July 2025, Leonardo signed an agreement to acquire Iveco Defence, a division of Iveco Group, for a total enterprise value of about €bil. 1.7. The transaction strengthens Leonardo's positioning in the European land defence domain and will allow the integration of Iveco Defence vehicles with the Leonardo's electronic systems, gaining benefits in terms of industrial efficiency, technology development and expansion of the commercial opportunities. The closing of the transaction is expected in the first quarter of 2026, subject to regulatory approvals.
- **Memorandum of Understanding with Airbus and Thales.** On 23 October 2025, Leonardo, Airbus and Thales signed a Memorandum of Understanding to create a new company in space, which will become operational from 2027, once the necessary regulatory clearances are obtained. The company's aim is to strengthen Europe's strategic autonomy in space, a major sector that underpins critical infrastructure and services related to telecommunications, global navigation, earth observation, science, exploration and national security. This new company will employ around 25,000 people and will combine complementary capabilities and technologies by developing end-to-end solutions, from space infrastructure to services (excluding space launchers), with the purpose of accelerating innovation and creating a European space player to compete globally. The company's, nominal turnover for 2024 is about €bil. 6.5. This operation is expected to generate mid triple digit million euro of total annual synergies on operating income five years after closing. Ownership of the new company will be held by Airbus (35%), Leonardo (32.5%) and Thales (32.5%); the company will be based on a fully balanced governance structure among shareholders.
- **Joint venture with EDGE Group.** On 19 November 2025, Leonardo and EDGE Group announced a further step forward towards the establishment of a joint venture in Abu Dhabi, planned for 2026, following the Memorandum of Understanding signed in June 2025. The parties completed a preliminary assessment of the activities that form the object of their cooperation, market potential and of the key principles of the JV's governance principles. This new entity will be owned by EDGE Group (51%) and by Leonardo (49%) and will operate in the design, development, industrialisation, production and through-life support of technology solutions to be marketed in the UAE and on selected international export markets.

- **Michelangelo – The Security Dome.** On 27 November 2025, Leonardo unveiled “Michelangelo – The Security Dome”, an integrated and multidomain architecture developed to counter critical infrastructure and strategic assets. 3 December 2025 saw the completion of the first qualification launch for the SAMP/T NG system equipped with the Leonardo KRONOS Grand Mobile High Power Radar Sensor that proved performance of the system in the air and missile defence fields.
- **Agreement with KNDS Deutschland.** On 16 December 2025, Leonardo and KNDS Deutschland signed a Letter of Intent to develop together a self-propelled artillery system, based on the KNDS Artillery Gun Module and on Leonardo's protected wheeled vehicle platform, with the aim of intensifying industrial cooperation and offering their joint solution for the upcoming procurement program of the Italian Army.

With reference to the transactions finalized after the year-end, in January 2026 Leonardo, through its subsidiary Leonardo US Corporation, completed the acquisition of Enterprise Electronics Corporation (EEC), a US company specializing in developing, manufacturing and servicing weather radar instruments, and satellite receiving stations for civilian and military applications. The transaction will enhance Leonardo's positioning in the remote sensing sector leveraging the technological and commercial complementarity of the two companies. The closing of the transaction is expected in the first quarter of 2026.

**Financial transactions.** During 2025 Leonardo carried out the following financial transactions:

- in March 2025, Leonardo S.p.a. repaid €mil. 500 of the bond issued in 2005 which had reached its natural expiry;
- in May Leonardo entirely utilized €mil. 260 Sustainability-linked financing granted by the European Investment Bank (EIB) and signed in 2022. This 12 year-term financing, of which 4 years of pre-amortisation, is aimed to finance 50% of certain investment projects envisaged in the Leonardo Industrial Plan;
- in October, Leonardo entered into a five-year ESG-linked Revolving Credit Facility for an amount of €bil. 1.8 with a pool of international and domestic banks. The new credit facility replaces the existing Revolving Credit Facility of an equal amount which was discharged at the same time, thereby reducing the margin by 30% and extending the duration up to 2030.

Moreover, in line with the strategic priorities and the capital allocation targets of the Group, in respect of the capital increase of Avio, Leonardo diluted its stake. To achieve this objective, Leonardo carried out a “synthetic” transaction consisting in the combination of (a) the disposal of Avio's shares in the market, mainly executed through an accelerated bookbuilding (ABB) procedure carried out on 28 October 2025, addressed to institutional investors for about 2.65 million shares sold at a price of €37.50 per share, and (b) the full exercise of the pre-emption rights related to the residual stake to be exercised on 11 November 2025, therefore subscribing the shares issued by Avio.

The combined transaction allowed for achieving the same result “synthetically” as would be obtained from the alternative of fully transferring the pre-emption rights without participating in the capital increase, reducing the related price risks, leading to a dilution of the shareholding from 28.75% to 19.3%, with net proceeds of around €mil. 21.

Finally, Leonardo had in place an EMTN (Euro Medium Term Note) programme, renewed for a further 12-month period in June 2025 on the Luxembourg Stock Exchange, for the possible issue of bonds on the European market for a total of €bil. 4, to which this year a similar programme for the same amount was added on the Italian Stock Exchange. At 31 December 2025, both programmes were still available for a total of €mil. 3,500, which is in any case the maximum amount authorised for use for which the two programmes

do not add up. Outstanding bond issues are given a medium/long-term financial credit rating by the international rating agencies Moody's, Standard&Poor's and Fitch.

It should be noted that:

- in April 2025, bearing in mind the solid performance of operations achieved by Leonardo, driven by a significant volume of new orders, especially in the defence segment, the margin improvement and the growth of the Free Operating Cash Flow (FOCF), together with the expected improvement of the credit metrics and management's commitment to keep on with a prudent financial policy and an investment grade rating, Standard&Poor's upgraded the rating of Leonardo from "BBB-" to "BBB" with "stable" outlook;
- in May 2025, based on the robust performance of operations of the Group (from the upgrade to Baa3 in May 2023), the further growth prospects for the Group in a context of increased defence spending, and a regulated financial policy accompanied by a set of actions to strengthen the core business and expand the Cyber & Security Solutions and Space divisions, Moody's confirmed the "Baa3" rating and upgraded the outlook on Leonardo from "stable" to "positive";
- in August 2025, based on the prospects of further growth in the Group's margins and cash generation in the 2025-2028 period, supported by the leading position in the helicopters sector and in the other defence and security markets, with a strong geographical diversification and marked by a large range of collaborations in A&D, accompanied by a continuing attention to reducing financial leverage, Fitch upgraded Leonardo's rating from "BBB-" to "BBB", with "stable" outlook.

At the date of presentation of this report, Leonardo's credit ratings, compared to those preceding the last change, were then as follows:

Agency	Last update	Updated		Previous	
		Credit Rating	Outlook	Credit Rating	Outlook
Moody's	May 2025	Baa3	positive	Baa3	stable
Standard&Poor's	April 2025	BBB	stable	BBB-	positive
Fitch	August 2025	BBB	stable	BBB-	positive

With regard to the impact of positive or negative changes in Leonardo's credit ratings, the only possible effects deriving from further changes, if any, to the credit ratings refer to rate margins applied to certain payables of Leonardo (Revolving Credit Facility and Term Loan).

Furthermore, it should be noted that the Funding Agreement between MBDA and its shareholders also provides, among other things, that any change in the rating assigned to the shareholders will result in a change in the applicable margin.

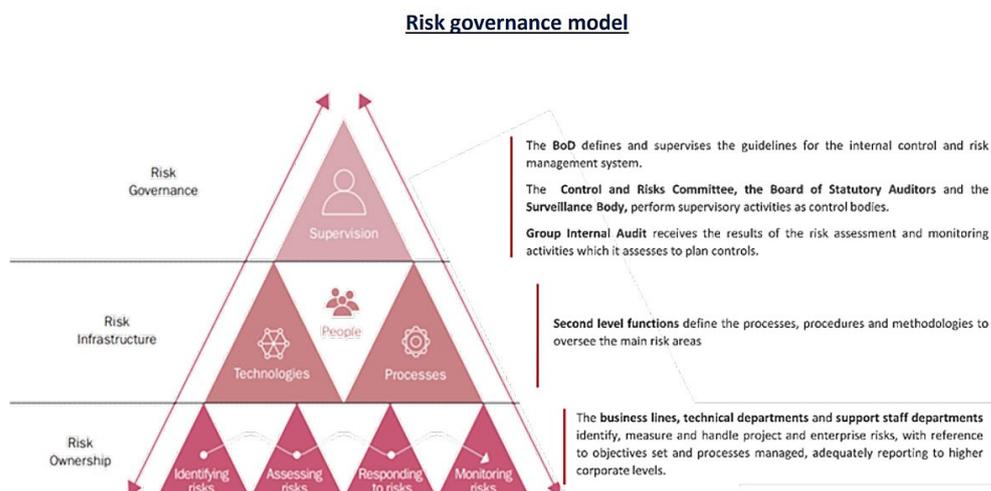
With reference to the transactions finalized after the year-end, we point out that during January 2026, the €mil. 500 bonded loan of Leonardo Spa and the €mil. 100 Term Loan with Cassa Depositi e Prestiti, both issued in 2020, were repaid as they reached their natural expiry date. Subsequently, on March 10, 2026, Leonardo Spa has signed a new Term Loan ESG-linked amortizing with a pool of international and domestic banks, for an amount of €mil. 600 and final maturity date in 2031.

In addition, it should be noted that on 26 May 2025 the Shareholders' Meeting approved the "2025-2027 Share Ownership Plan of Leonardo" (the "Plan"), with the purpose of strengthening the engagement and sense of belonging of the Group's resources, divided into three annual cycles – that can be started in 2025, 2026 and 2027 – to which the employees of Leonardo Spa and of the other Group companies based in Italy, in the USA (except Leonardo DRS), in the UK and in Poland can voluntarily have access. Participants, with respect to the purchase of Leonardo S.p.a. shares, will receive free shares measured partially in proportion

to the shares acquired on their behalf and partly on a one-off basis at the time they first subscribe the Plan. All shares received for free are subject to a lock-up period (which in Italy lasts three years), subordinated to the employee continuing to maintain his/her employment relationship with Leonardo. The Plan activated in 2025 was subscribed to by about 11 thousand resources for whom a total of about 64.7 thousand free shares have been already assigned.

## RISK FACTORS

The risk governance model is in line with national and international standards and best practices<sup>3</sup> and is compliant with the Corporate Governance Code for Listed Companies, the Organizational, Management and Control Model and the Group’s Anti-Corruption Code. It has three levels, provides for clear-cut roles and responsibilities for the various departments and ensures a suitable exchange of information flows, to guarantee effectiveness.



The operating risk management, which involves the entire organization, is based on the identification, assessment and monitoring of the enterprise and project risks and the related mitigation plans. It is supported by specific methodologies, instruments and metrics for the related analysis and management. The processes underlying Project Risk Management and Enterprise Risk Management (ERM), which are in turn integrated into the company business and support processes, are regularly improved, with the aim of innovating and spreading an effective risk-based organizational culture. Risk management processes support, in fact, the risk owners, along the entire corporate value chain, in identifying and managing risks and opportunities, including those linked to ESG factors.

### *Risks for the Group*

The Group is subject to a number of risks that may affect its objectives and results. Therefore, risk analysis and management processes are implemented systematically, including any related treatment action, with specific methodologies and practices that consider the probability of occurrence and related impacts in accordance with international regulations and standards. The examination of risks and consequent actions reported below is supplemented by the more detailed information provided in Note 37 of the Consolidated Financial Statements for the component of merely financial risks, and by the information provided in the specific section of the Consolidated Sustainability Statement for sustainability risks and opportunities linked to financial materiality.

<sup>3</sup> Main references: ISO 31000:2018 - Risk Management - Principles and guidelines; PMI - Practice Standard for Project Risk Management; Enterprise Risk Management Integrated Framework - CoSo ERM; ISO 37001:2016 - Anti-bribery management system; ISO/IEC 27005:2022 Information Security Risk Management.

	<b>Main risks</b>	<b>Actions</b>
<p><b>Conflicts and geopolitical tensions increase the complexity and instability of the global scenario</b></p>	<p>The evolution of the conflicts and high tensions on going in the Middle East and between Russia and Ukraine, could lead to scenario instability and new geopolitical complexities, even in a post-conflict perspective, with possible repercussions on Leonardo's eligible markets. Furthermore, the situation in the Middle East area could have further reverberations on the safety of people and assets and on client and business continuity, as well as on the timing and cost of commercial sea traffic.</p> <p>Increased defence spending remains key to the international balances relative to NATO and Europe, leading even the major economies and the EU itself to have to look for financial cover within the folds of high public debts and military spending commitments already made, including for technological innovation. In the meanwhile, the geo-economy imposes, particularly on the Old Continent, decisive challenges on tariffs, critical raw materials, semiconductors, electronic components, artificial intelligence and related regulation, as well as conflict and reconstruction negotiations. In addition, protectionist thrusts remain which are impacting markets, increasing uncertainties for global companies and SMEs.</p>	<p>The Group has an integrated strategic planning process, aimed at supporting the achievement of a sustainable competitive advantage, based on an in-depth knowledge of the markets and the reference scenario, regularly fed by specific external analysis activities on the context and its evolutionary dynamics, including in relation to geopolitical issues.</p>
<p><b>The level of expenditure of national governments and public institutions may affect business performance</b></p>	<p>The major customers of the Group are governments or public institutions. Moreover, the Group takes part in numerous national and international programmes funded by the European Union, governments or through multinational collaborations. Therefore, it is influenced by economic and geopolitical factors at global and regional level, the rating or risk profile of countries, the expense policies of the public institutions, also for research and development programmes funding, in addition to the medium/long-term plans of the Governments.</p> <p>Increases in defence spending, identified by several countries as necessary given the geopolitical tensions, may lead to peaks in demand in the short/medium term and make international competition even tighter, benefiting companies with more immediately available production capacity. In addition, big-tech and emerging-tech companies, from overseas and beyond, scale barriers to entry in domestic AD&amp;S and may come to create competitive pressures on a European defence industry that is still fragmented on technologies and funds. Such companies, with considerable financial capabilities and operational flexibility, could better meet the growing expectations of defence customers, including in terms of performance and cost efficiency.</p>	<p>The Group pursues an international diversification strategy, placing it in its main markets, as well as in emerging markets marked by significant growth rates, in the aerospace, defence and security sectors.</p> <p>Development and production plans are updated according to the demand evolution, the order trend and the moves of competitors.</p>
<p><b>The Group operates in civil sectors that are highly exposed to growing levels of competition</b></p>	<p>In the civil sectors, customers' spending remodulation not only gives rise to delays in obtaining new orders or falls in the numbers of orders themselves, but also affect their economic and financial conditions. These sectors are also characterised by the entry and success of competitors even from other fields of activity, mostly</p>	<p>In addition to balancing its customer portfolio suitably between government and non-government entities, the Group systematically pursues its objectives in order to increase industrial efficiency, diversify its customer base and improve its ability to perform contracts,</p>

	Main risks	Actions
	<p>with the help of M&amp;A transactions. The market positioning of these players could have an impact on the Group's volumes and results. The time-to-market of product development and upgrade remains a critical success factor, also given the speed of technological innovation.</p>	<p>while reducing overhead costs with a view to enhance its competitive capacity.</p> <p>The Group ensures highly qualitative and innovative product standards, and an integrated value proposition aimed at maintaining its technological edge, including thanks to interaction with innovative startups and SMEs.</p>
<p><b>The capacity for innovation and growth depends on the strategic planning and management of skills</b></p>	<p>Incessant technological innovation and the growing structuring and complexity of the Group's businesses require constant alignment of skills, in order to provide high added-value products and services. Especially in a market environment characterised by sharp demand for innovation skills, any structural shortage of special expertise could have impacts on the full achievement of short- and medium/long-term business objectives, including possible repercussions in terms of time-to-market of new products and services, as well as of access to emerging business segments. Companies compete for skills and talent by leveraging, among other things, the brand, the ESG profile, including Diversity, Equity &amp; Inclusion components, the welfare offer and the work-life balance.</p>	<p>The Group monitors and manages competencies and professional skills by means of plans of action directed at attracting, retaining and motivating its human resources, managing talents, providing ongoing specialist training and reskilling/upskilling, insourcing core competencies and defining succession plans, with the gradual adoption of state-of-the-art tools of People Analytics and new Lifelong Learning development and training platforms for all personnel, particularly in the STEM (Science, Technology, Engineering &amp; Mathematics) area.</p>
<p><b>The Group operates in some business segments through partnerships or joint ventures</b></p>	<p>The corporate strategies seek to strengthen market positioning, including through joint ventures and commercial alliances. The operations of joint ventures and partnerships are subject to strategic and management risks. Divergences can arise between partners about the identification and achievement of operational and strategic objectives, as well as core business operations.</p>	<p>The Group systematically carries out due diligence activities before and after the completion of partnerships and joint ventures. At this purpose, the active involvement of its top management in any related operation is aimed, among other things, at directing its strategies and identifying and managing any critical issue in a timely fashion.</p>
<p><b>The Group is exposed to the risk of fraud or illegal activities on the part of employees and third parties</b></p>	<p>The Group adopts and updates its organizational, control, procedural and training system to ensure fraud risk monitoring and compliance with any and all anti-corruption laws applicable in the domestic and foreign markets in which it operates. However, the possibility of employees or third parties behaving in an ethically incorrect or not fully compliant manner cannot be ruled out, nor can be ruled out the possibility of judicial authorities initiating proceedings aimed at establishing any possible liability attributable to the Group, the results and timing of which are difficult to determine and which might entail temporary suspensions from the market concerned.</p>	<p>The Group has set out a model of responsible business conduct aimed at preventing, identifying and responding to the risk of corruption.</p> <p>Thanks to its model, Leonardo SpA has reached the highest level of Transparency International's Defence Companies Index on Anti-Corruption and Corporate Transparency (DCI), in addition to having gained ISO 37001 certification, the first international standard on anti-corruption management system, confirmed. Leonardo was the first company in the world's top ten in Aerospace, Defence and Security to obtain this certification. The model also provides for the responsible management of the supply chain, through the qualification, selection and management of suppliers, as well as the adoption of a risk analysis tool within the scope of due diligence audits carried out in the process of engagement assignation to sales promoters, and other third parties.</p>

	Main risks	Actions
<p><b>The settlement of legal disputes can be extremely complex and might require a considerable period of time</b></p>	<p>The Group is party to judicial, civil and administrative proceedings; for some of these, the Group has established specific provisions for risks and charges in the consolidated financial statements to cover any potential liabilities that could derive. Some of these proceedings in which the Group is involved – for which a negative outcome is unlikely or that cannot be quantified – are not covered by the provisions referred to above.</p> <p>Further developments of judicial proceedings, presently unforeseeable and indefinable, together with the possible consequential impact on Leonardo's reputation, could also have a significant impact on its relationships with customers.</p>	<p>The Group regularly monitors potential and existing disputes, taking the necessary corrective actions and adjusting its provisions for risks on a periodic basis.</p>
<p><b>The Group operates in particularly complex and regulated markets, which require compliance with specific regulations (e.g. export control)</b></p>	<p>Defence solutions are of particular importance in terms of compliance with regulatory obligations and, therefore, their export is strictly regulated and is subject to prior authorization, based on specific national and foreign regulations (such as, for example, Italian Law 185/1990 and the U.S. ITAR and EAR), as well as to customs formalities. The prohibition on, limitation or any possible revocation (for example in the case of embargoes, geopolitical tensions or the occurrence of wars) of export authorisations for defence or dual-use products, as well as failure to comply with any applicable customs regime, may have substantial adverse effects on the Group's business, financial position, results of operations and cash flows. Moreover, failure to comply with these regulations could also make it impossible for the Group to operate in specific regulated areas.</p>	<p>The Group ensures, through specific functions, a timely implementation and management of the formalities required by the relevant regulations, monitoring their updating on an ongoing basis in order to allow the day-to-day performance of commercial and operational activities, in compliance with the provisions of law and with any possible authorisation and/or limitation and of its Policy of respect for human rights.</p>
<p><b>Epidemics and pandemics can undermine people's health</b></p>	<p>An epidemic event or a phenomenon with similar repercussions in a given geographical area can undermine people's health to the point of becoming a pandemic, if not properly addressed.</p>	<p>The Leonardo Group guarantees, including through travel security processes and tools, every possible effort to preserve the safety and health of its people wherever they are or will be located, in full compliance with the relevant regulations.</p>
<p><b>The Group operates through a number of industrial plants and processes that may expose it to risks to the health and safety of workers and to environmental risks</b></p>	<p>The Group's activities are subject to compliance with laws, rules and regulations governing the protection of workers' health and safety. Specifically, Legislative Decree 81/2008 provides for a preventive and permanent health and safety management system at work, through the identification of risk factors and sources, the elimination or reduction of risk, the ongoing monitoring of preventive measures implemented, the development of a corporate strategy to be implemented through the participation of all stakeholders in the working communities.</p> <p>The Group's activities are also subject to compliance with laws, rules and regulations governing the protection of environment and energy management, which imply specific environmental permits aimed at</p>	<p>Risks to the workers' health and safety are based on the principle of zero tolerance, in strict compliance with the relevant regulations, and are managed through targeted risk analyses, which take account of injury frequency and severity rates and related improvement objectives, specific action and training plans, within the framework of a precise system of proxies and powers for each relevant matter, aimed at ensuring that the action taken complies with the Group's guidelines. The Group also confirms its commitment to extend the coverage in terms of Health and Safety System, for example through the ISO 45001 certification. The Group is also committed to protecting the</p>

	Main risks	Actions
	<p>ensuring the compliance with restrictions and conditions on emissions into the atmosphere, water discharges, storage and use of chemical or hazardous substances (e.g. REACH Regulation and RoHS Directive) and waste management and disposal.</p>	<p>safety of its people working on company sites and in direct relations with customers around the world from external threats.</p> <p>The Group complies with the ever-increasing limits and restrictions imposed by the environmental protection regulations as regards sites and production processes. The Group also confirms its commitment to extend coverage in terms of Environmental Management System, for example through the ISO 14001 certification. The Group regularly performs environmental assessments of sites and monitoring, and it also takes out specific insurance policies in order to mitigate the consequences of unexpected events.</p>
<p><b>Climate change, the protection of the environment and consequent new developments in the scenario concerned may require action to be taken on certain types of processes and products.</b></p>	<p>The transition to a low-carbon and lower environmental impact economy may entail risks for the company, induced by greater severity of environmental and climate policies, disharmony in the regulations of different countries with related competitive asymmetries between companies, the progress of the relevant technology or the changing confidence of investors and lenders in the relevant business. As ESG requirements become part of tender specifications, the consumption of energy and water resources becomes central along the entire value chain of the company, starting with its own supply chain. Company processes, particularly production processes, as well as products and services offered to the market may be affected.</p> <p>The impact of climate changes exposes the Company and the supply chain to an increased frequency of acute weather events, such as floods, storms and wind, as well as droughts and fires, which can endanger industrial sites and making it necessary to extend the ranges of product operating requirements.</p>	<p>The Group pursues an industrial strategy aimed at the environment protection and improving the efficiency of its production systems and processes on an ongoing basis. By participating as a partner of excellence in major European research and innovation programmes, it develops technological solutions with a lower environmental impact and functional to climate change adaptation. On the other hand, sustainable product development can increase the resilience of products in the operating environment.</p> <p>The Group puts measures in place against any possible acute or chronic physical risks and has specific insurance cover against the possible consequences of disastrous climatic or natural events.</p>
<p><b>Breaches of information security obligations can cause damage to the Group, its customers and suppliers and pose a threat to the security of citizens, institutions and critical infrastructures</b></p>	<p>Companies are required to face the risks associated with cyber resilience of their products and services and their digital infrastructure, taking into account the continuous evolution of cyber threats in their numerous forms (for example, from advanced persistent threat to the phishing campaign), the sophistication of attack strategies and the increase in the exposed surface area resulting from, among other things, the increasing digitization, including through AI applications, involving processes, products and services for customers, as well as smart working. The critical geopolitical context, the deterioration of relations between states or the occurrence of war conflicts may increase the scope and number of cyberattacks, aimed at institutions and companies.</p> <p>Computer incidents and attacks, including any in the supply chain, stoppages, leaks of personal data and the</p>	<p>The Group manages cyber security through dedicated controls and training for the entire corporate population, as well as processes, procedures and specific technologies for the prediction, prevention, detection and management of potential threats and for responding to them. Leonardo is ISO 27001 certified and is constantly engaged in management and improvement activities aimed at maintaining the certification itself.</p> <p>Leonardo also benefits from substantial experience in the field of cyber security, gained on the market through the competent business division. In addition to a continuous improvement in the methods of managing permissions of access to information, Leonardo continues to take any action to extend data and</p>

	<b>Main risks</b>	<b>Actions</b>
	loss of information that may also be of strategic importance may endanger business and even the Group's image, above all in the event of the theft of third-party data kept in the Group's archives.	information protection and processing methods and processes to its own suppliers.
<b>The Group could encounter difficulties in protecting its Intellectual Property</b>	Leonardo's success and results also depend on the Company's ability to protect the innovations resulting from its R&D activities through Intellectual Property. In this respect, the Group mainly uses industrial secrets, patents, copyrights. Nevertheless, the possibility cannot be ruled out that the activity of a "disloyal" employee, an improper action of a supplier or a legal but aggressive act of a third party may lead to repercussions on the company's Intellectual Property. Furthermore, there is a greater risk of counterfeiting in highly technological environments such as that in which Leonardo operates, given the high number of patents held by third parties.	The Group is committed to the continuous improvement of its Intellectual Property protection processes, from the approval of research and development investments, through the definition and implementation of measures to protect technical information and proprietary know-how. Appropriate monitoring and surveillance actions are taken to detect any infringements by suppliers, partners or competitors. Of particular importance is the creation, the expansion and the penetration of the internal networks of IP contact persons in the business divisions.
<b>The Group provides highly complex products, systems and services, including under long-term fixed-price contracts</b>	<p>The Group supplies products, systems and services that are particularly complex due to their advanced technological content, including under long-term contracts at a fixed all-inclusive price. Terms and conditions of contracts generally include challenging requirements and rigorous completion times, the failure to honour which may entail the payment of penalties, in addition to warranty liability and claims for damage that are not covered in full by insurance policies. With respect to these responsibilities, AI applications are gaining increasing relevance in perspective.</p> <p>Furthermore, an unforeseen rise in the costs incurred in the performance of a contract, which may also be the result of the occurrence of chance events, could lead to a lower profit. In this regard, attention must also be paid to the effects of market phases characterised by inflation, over-demand, lack or discontinuity of supply of services and goods (including energy commodities) necessary for production and delivery to the customer, inflation phenomena, with consequent greater execution times and costs for the company. These dynamics, which may also be determined, accelerated or exacerbated by the deterioration of institutional and commercial relations between sovereign states or by the onset of war conflict, can also affect the competitiveness of the company's offer for the acquisition of additional long-term contracts as well as of new customers.</p>	From the commercial offer phase and at regular intervals during the performance of the contract, Leonardo considers the projects' main performance and financial parameters in order to assess its performance and manage risks throughout the entire life cycle through the detection, assessment, mitigation and monitoring of risks with the definition and management of appropriate contingencies, in order to protect the financial margins of the projects themselves. Risk management is supported by dedicated Risk Managers in project teams. The Group is committed to the continuous improvement of its industrial efficiency and its ability to meet customer specifications. With reference to energy commodities, the Group pursues, on an ongoing basis, a strategy aimed at optimizing purchases and uses of resources.
<b>The risks of performance of contracts, associated with the liability to customers or third parties, also depend</b>	The Group purchases, in very substantial proportions with respect to its sales, industrial products and services, materials and components, equipment and subsystems; it may therefore incur liability to its customers for operational, legal or financial risks attributable to third parties, who operate as suppliers or sub-suppliers. The Group's dependence on suppliers for	Leonardo has been pursuing its policy of strengthening and improving the supply chain for some years, leveraging a transparent and sustainable partnership relationship with the excellences in its Supply Chain, to give rise to a more innovative, integrated and resilient industrial eco-system. In addition to the

	Main risks	Actions
<p><b>on the supply and sub-supply chain</b></p>	<p>certain business activities might give rise to difficulties in maintaining quality standards and meeting delivery times. The risk profile of suppliers, mainly small and medium enterprises, can deteriorate, also suddenly, during downturns in economy, in the presence of geopolitical tensions and conflicts and during periods of convulsive recovery, also due to subsequent offer shortages and discontinuity, and inflationary effects into the real economy, mainly on raw materials and energy commodities. In addition, third-party acquisitions of suppliers relevant to the Group could change the terms and conditions of contract renewals, with costs or timing being less convenient for the Company.</p>	<p>programmes already in place or completed (LEAP, ELITE Leonardo Lounge), the Company has defined a set of principles and rules for the assessment of key suppliers, specifically oriented towards the development and growth of the Supply Chain with a view to long-term sustainability (Leonardo Assessment and Development for Sustainability).</p>
<p><b>The Group is required to fulfil direct or indirect offset obligations in certain countries</b></p>	<p>In the Aerospace and Defence sector, some international institutional customers require the application of some types of industrial offset related to the award of contracts, sometimes with rigorous requirements, linked to the development policy of each country. Therefore, the Group may undertake offset obligations that require procurement or manufacturing support at local level, technology transfer and investments in industrial projects in the customer's country. Failure to meet offset obligations may result in the application of penalties and, in certain cases, might prevent the Group from participating in contract award procedures in the countries concerned.</p>	<p>The Group manages offset risks by means of appropriate analyses carried out from the offering phase within the project teams, which also appoint a specialist for the division concerned. A due diligence is performed before dealing with a third party under an offset agreement, which is conducted according to the relevant international best practices.</p> <p>Leonardo has also set up a central organizational unit to guide and supervise offset activities.</p>
<p><b>Chips, electronic components and critical raw materials available on the market</b></p>	<p>The production of chips and electronic components – of great importance for industrial applications, especially for high-tech applications - is still polarized on a few countries, mostly outside the European Union. Geopolitical or geoeconomic tensions affecting these countries may further impact on delivery times and costs in a significant manner.</p> <p>Critical raw and strategic materials, including rare earths, are a decisive enabler for both the technologies of certain production sectors and for the development of artificial intelligence. Most of the critical raw materials relevant to the Aerospace and Defence sector are not directly available in Europe, but rather in other mainly non-NATO/EU countries. Availability and production of materials are sometimes concentrated in a single country, which may therefore be in a position to sway the balance between global supply and demand, with impacts on market prices and/or availability of goods, in particular in scenarios marked by critical geopolitical issues, the deterioration of institutional and commercial relations between sovereign states or the occurrence of war conflicts. Finally, for many of these materials, end-of-life product recovery and recycling are not yet developed in the industry as resilience factors.</p>	<p>Leonardo, in addition to monitoring the prospective requirements of its supplies, takes part in international working groups, such as those at European, IAEG, EDA and NATO level, which reconcile the interests of both States (supporting the definition of recommendations for member States) and the companies and supply chains involved, in order to encourage the identification of common strategies for mitigating risks. Leonardo is also engaged in activities having the purpose of enhancing the efficiency of the use of resources (for example fostering circularity mechanisms) as soon as the product technological research and sustainable design phases start.</p> <p>Leonardo promotes circular supply chains for strategic materials, which through recycling for internal or external use of secondary raw materials reduce material costs and improve production resilience.</p>

	<b>Main risks</b>	<b>Actions</b>
<b>A substantial amount of consolidated assets is attributable to intangible assets, goodwill in particular</b>	The recoverability of amounts recognised in intangible assets (including goodwill and development costs) is linked to the implementation of future plans and the business plans for the relevant products that, especially in case of long-term developments, may see the needs of customers and the competitive environment change, given the speed of technological innovation.	The Group implements a policy of monitoring and limiting amounts capitalised under intangible assets, with specific regard to development costs, and carries out ongoing monitoring of performance under scheduled plans, taking any necessary corrective action in the event of unfavourable trends. These updates are reflected in impairment tests.
<b>The Group's debt could have an impact on its strategies</b>	The debt level, beside impacting the profitability as an effect of the related borrowing costs, could affect the Group's strategy, limiting its operational flexibility. Monetary tightening by central banks could make new financing and current floating-rate debt more expensive. Future liquidity crises (if any) could also restrict the Group's ability to repay its debts.	In assuring a solid and balanced structure between sources of funds and investments, Leonardo continues to pursue the reduction of its debt by paying steady attention to cash generation, which is used, based on the Group's orderly financial strategy, to partially reduce the existing exposures.
<b>The Group's credit rating is also linked to the opinions of the credit rating agencies</b>	All Leonardo bond issues are given a medium-term financial credit rating by the international agencies. A possible downgrade in the Group's credit rating, also as a consequence of the changed country of origin rating, could limit its access to funding sources, as well as increase its borrowing costs for loans, which would have a negative impact on the business prospects, performance and financial results. In addition, Leonardo's financial credibility is linked to the sustainability performance achieved against targets set by ESG-linked funding sources.	The Group continues to be engaged in reducing its debt. The Group's financial policies and selection of investments and contracts involve being constantly alert to maintaining a balanced financial structure.
<b>The Group is exposed to the risk of exchange-rate fluctuations. A part of consolidated assets is denominated in US dollars and pound sterling</b>	<p>The Group reports a significant portion of revenues and costs in currencies other than euro (mainly in dollars and pounds). Accordingly, any negative changes in the reference exchange rate might have negative effects (transaction risk).</p> <p>Moreover, the Group has made significant investments, in particular in the United Kingdom, in Poland and in the United States of America: this might have a negative impact on the Group's results of operations, financial position and cash flows due to the translation of the financial statements of foreign investees (translation risk).</p>	<p>The Group continuously applies an organized systematic hedge policy to combat transaction risk for all contracts in its portfolio by using the financial instruments available on the market.</p> <p>Moreover, in intercompany financing activities denominated in currencies other than the euro individual positions are hedged at the central level.</p>
<b>The Group is a sponsor of defined-benefit pension plans in the UK and the US and of other minor plans in Europe</b>	Under the pension schemes reserved for employees who mainly operate in the United Kingdom and in the United States of America, the Group is required to ensure a specific future retirement benefit level for employees participating in the plan. In said countries the pension funds in which the Group participates invest resources in the plan assets (stocks, bonds, etc.) that might not be sufficient to cover the agreed-upon benefits, mainly with strong market fluctuations. If the value of plan assets is less than the agreed-upon benefit level, the Group duly recognises the amount of the deficit among liabilities, with consequent adverse	The Group monitors pension funds' investment plans and strategies on an ongoing basis and takes immediate deficit corrective action when necessary.

Main risks	Actions
effects on its financial position, results of operations and cash flows.	

## **OTHER INFORMATIONS AND "NON-GAAP" ALTERNATIVE PERFORMANCE INDICATORS**

### **RELATED-PARTY TRANSACTIONS**

In 2010 Leonardo adopted a specific "Procedure for Related Parties Transactions" (hereinafter referred to as the "Procedure"), which was mostly recently updated in July 2024 pursuant to CONSOB Regulation no. 17221 of 12 March 2010, as amended and supplemented, containing provisions on "related party transactions" (hereinafter referred to as the "Regulation"), as well as in implementation of Article 2391-bis of the Italian Civil Code. The abovementioned Procedure is available on the Company's website ([www.leonardo.com](http://www.leonardo.com), under Corporate Governance section, "Related Parties" area).

Pursuant to Article 5.8 of the Regulation, it should be noted that no transaction of greater importance (as defined by Article 4.1.a of the Regulation) and identified by the abovementioned Procedure pursuant to Annex 3 attached to the Regulation was carried out during 2025, nor were carried out other related-party transactions which considerably impacted on the consolidated financial position or on the results of the Leonardo Group in the reporting period.

No changes or developments occurred with respect to the related-party transactions described in the 2024 Report on operations.

### **CONSOB - MARKET REGULATION NO. 20249/2017 ARTICLE 15**

In accordance with CONSOB provisions contained in the Market Regulation adopted by CONSOB Resolution no. 20249 of 28 December 2017 and subsequently updated by the latest amendments made by Resolution no. 21624 of 10 December 2020, Leonardo S.p.a. performed the verifications on the Group subsidiaries that were incorporated and are governed under the laws of non-EU Member States and that, as a result, were deemed "material" based on the requirements under Article 151 of the Issuers' Regulations adopted with CONSOB Resolution no. 11971 of 14 May 1999, as amended by CONSOB Resolution no. 2214421639 of 22 December 2021. As regards the non-EU foreign subsidiaries (Leonardo DRS Inc., Leonardo US Holding LLC., AgustaWestland Philadelphia Co., Leonardo UK Ltd., Kopter Group AG) identified based on the above regulations and in compliance with the provisions of local laws, these verifications revealed that the administrative and accounting system, which oversees the preparation of Financial Reports, falls within the scope of a control environment that is effectively operating and substantially suitable to the requirements envisaged in said Article 15. Therefore, it is not necessary to prepare an adaptation plan pursuant to the abovementioned article.

### **INFORMATION PURSUANT TO ARTICLES 70 AND 71 OF ISSUERS' REGULATIONS**

By resolution of the Board of Directors on 23 January 2013, the Company adopted the simplification regime under Articles 70/8 and 71/1-bis of the Issuers' Regulations, adopted with CONSOB Resolution no. 11971/1999, as subsequently amended and supplemented. By this resolution, the Company chose the option to make exceptions to the obligation to issue the documents required by the law when transactions of greater importance (such as mergers, spin-offs, capital increases by means of the contribution of assets in kind, acquisitions or disposals) occur.

## “NON-GAAP” ALTERNATIVE PERFORMANCE INDICATORS

Leonardo’s Management assesses the Group’s performance and that of its business segments based on a number of indicators that are not envisaged by the IFRSs. Specifically, EBITA is used as the primary indicator of profitability, since it allows us to analyse the Group’s marginality by eliminating the impacts of the volatility associated with non-recurring, extraordinary items or items unrelated to ordinary operations. As from the 2024 Integrated Annual Report, these components are deducted, net of the tax effect, from the Leonardo Group's share of the net result of strategic investees, classified within EBITA, consistently with the treatment applied to fully consolidated companies.

As required by CONSOB Communication no. 0092543 of 3 December 2015 in adopting the ESMA 2015/1415 guidelines on alternative performance indicators, below is a description of the components of each of these indicators. . It should be noted that, with effect from this Integrated Report, the Group has introduced a new metric called “Adjusted Net Result,” intended to present a “normalized” net result by deducting economic items unrelated to ordinary operations that have no cash impact or that are linked to extraordinary transactions, thereby enabling the Company to communicate a reference dividend policy to the market.

- **New orders:** this includes contracts entered into with customers during the period that have commercial substance and represent an obligation for both parties to fulfil the contract.
- **Order backlog:** this figure is the sum of the order backlog for the preceding period and new orders, less revenues during the reference period.
- **EBITDA:** this is given by EBITA, as defined below, before amortisation (excluding amortisation of intangible assets from business combinations), depreciation and impairment losses (net of those relating to goodwill or classified among “non-recurring costs”).
- **EBITA:** it is arrived at by eliminating from EBIT, as defined below, the following items:
  - any impairment in goodwill, including the share relating to the strategic investees, net of tax;
  - amortisation and impairment, if any, of the portion of the purchase price allocated to intangible assets as part of business combinations, as required by IFRS 3, including the share relating to the strategic investees, net of tax;
  - restructuring costs that are a part of defined and significant plans. This item includes personnel costs as well as any and all other costs deriving from the reorganisation (e.g., impairment of assets, costs for the closure of sites, relocation costs, etc.), including the share relating to the strategic investees, net of tax;
  - other non-recurring or unusual costs or income, i.e., connected to particularly significant or exceptional events that are not related to the ordinary performance of the business, such as charges incurred during M&A transactions, charges linked to disposed businesses and/or products and systems, the effects arising from the final conclusion of significant disputes and/or contracts, impairment of significant and extraordinary assets, the recognition of losses on contracts that have become onerous as a result of non-operating events, including the share relating to the strategic investees, net of tax.

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

A reconciliation of Income before tax and financial expense, EBIT and EBITA is shown below (the reconciliation by segment is reported in Note 8 of the consolidated financial statements):

<i>(€ millions)</i>	2025	2024
<b>Income before tax and financial expenses</b>	1,588	1,180
Effect on extraordinary transactions	(269)	-
Equity-accounted strategic investments	128	91
<b>EBIT</b>	<b>1,447</b>	<b>1,271</b>
Amortisation of intangible assets acquired as part of business combinations	72	72
Restructuring costs	31	35
Non-recurring income	202	147
<b>EBITA</b>	<b>1,752</b>	<b>1,525</b>

The effects of the non-recurring transactions included the capital gain recognised as a result of the sale of the UAS business to Fincantieri (approx. €mil. 283), classified in the accounts under “other operating income”, partially offset by charges related to disposals finalized in previous years.

Non-recurring costs for the year mainly included the effect of the dispute with the Norwegian Ministry of Defence Agency (NDMA) under the contract for the supply of 14 NH90 helicopters in relation to which a settlement was reached on 1 November 2025 and by virtue of which all disputes between the parties relating to the Norwegian NH90 program are resolved. The settlement provides that NHI will take back all helicopters, along with associated spare parts, tools, and mission-specific equipment from the Norwegian Government, for which is ongoing the evaluation of other possible use, against the payment by NHI of an agreed cash amount of €mil. 305, €mil. 125 of which as the share attributable to Leonardo, in addition to amounts previously paid pursuant to bank guarantees, amounting to approximately €mil. 70. The item also encompasses costs incurred for industrial transactions and the write-down of a programme in Aeronautics, in addition to the expenses incurred by the strategic investments as regards the share attributable to Leonardo and net of taxes, amounting to about €mil. 9.

In 2024 non-recurring costs for the period included the effect of the final settlement of disputes and termination of contracts, entered into in previous years, and concerning the construction of the Al Bayt stadium in DOHA with GSIC and PSC and to the supply of an air traffic radar control system with the customer Nav Canada, respectively. Non-recurring expenses incurred by strategic investees, for the share attributable to Leonardo and net of the tax effect, amounted to about €mil. 46.

- **Return on Sales (ROS):** this is calculated as the ratio of EBITA to revenue.
- **EBIT:** this is obtained by adding to Income before tax and financial expenses (defined as earnings before “financial income and expense”, “share of profits (losses) of equity-accounted investees”, “income taxes” and “Profit (loss) from discontinued operations”) the Group’s share of profit in the results of its strategic investees (MBDA, GIE ATR, Thales and Hensoldt), reported in the “share of profits (losses) of equity-accounted investees”.
- **Adjusted Net Result:** this is the Net Result after the “result from discontinued operations and extraordinary transactions” and the non-cash portion, net of tax, of “Non-recurring income (expenses)”. Adjusted Net Result is then used to calculate Earning per share adjusted.
- **Group Net Debt:** this includes cash, financial receivables and current securities, net of (current and non-current) loans and borrowings and of the fair value of foreign exchange derivatives covering financial debt items.
- **Free Operating Cash-Flow (FOCF):** this is the sum of the cash flows generated by (used in) operating activities (excluding the changes in the Group Net Debt), the cash flows generated by (used in) ordinary investing activities (investment and divestment of intangible assets, property, plant and equipment, and equity investments, net of cash flows from the purchase or sale of equity

investments that, due to their nature or significance, are considered “strategic investments”), dividends received and collections received pursuant to Law 808/1985. The calculation of FOCF is presented in the reclassified statement of cash flows shown in the section “Group results and financial position”.

- **Return on Investments (ROI):** this is calculated as the ratio of EBITA to the average net capital invested in the two comparative periods.
- **Funds From Operations (FFO):** this is cash flow generated by (used in) operating activities net of changes in working capital and the repayment of debts under Law 808/1985, included within “Cash flow from ordinary investing activities” in the reclassified statement of cash flows. The FFO also includes dividends received.
- **Net interest:** this is calculated as the sum of the items “Interest”, “Premiums (paid) received on IRSs” and “Commissions on borrowings” (see the Note 31 on “Financial income and expense” of the consolidated financial statements).

Below are also provided the reconciliation statements between the items in the reclassified tables reported in the Report on Operations and the accounting statements shown in the notes to consolidated financial statements:

	Scheme	PPA amortis.	Restruct. and non recurring costs	Strategic Investees	Onereous contracts (losses at completion)	Extraord. transactions.	Reclassified scheme
Revenues	19,503						19,503
Purchase and personnel expenses	(17,240)		62		(5)		(17,183)
Other net operating income/(expenses)	98		133		5	(283)	(47)
Equity-accounted strategic investments				156			156
Amortisation, depreciation and write-offs	(773)	54	28			14	(677)
<b>EBITA</b>							<b>1,752</b>
Non-recurring income/(expenses)			(197)	(5)			(202)
Restructuring costs			(26)	(5)			(31)
Amortisation of intangible assets acquired as part of business combinations		(54)		(18)			(72)
<b>EBIT</b>							<b>1,447</b>
Net financial income/(expenses)	61			(128)		(70)	(137)
Income taxes	(315)						(315)
Net result related to discontinued operations and extraordinary transactions	-					339	339
<b>Net result</b>	<b>1,334</b>						<b>1,334</b>

	Scheme	Financial receivables and cash	Financial payables	Hedging derivatives on debt items	Reclassified scheme
Non-current assets	15,418				15,418
Non-current liabilities	(4,189)		1,896		(2,293)
<b>Capital assets</b>					<b>13,125</b>
Current assets	19,079	(3,482)		(6)	15,591
Current liabilities	(19,580)		2,593	-	(16,987)
<b>Net working capital</b>					<b>(1,396)</b>
<b>Total equity</b>	10,740				<b>10,740</b>
<b>Group Net Debt</b>		(3,482)	4,489	(6)	<b>1,001</b>
<b>Net (assets)/liabilities held for sale</b>	(12)				<b>(12)</b>

	Scheme	Dividends received	Royalties / Law no. 808 payables and receipts	Strategic investments	Reclassified scheme
<b>Cash flows generated (used) from operating activities</b>	1,750		14		1,764
Dividends received		243			243
Investments in property, plant and equipment and intangible assets	(1,016)				
Sales of property, plant and equipment and intangible assets	5				
Cash flows from ordinary investing activities	(1,011)		15		(996)
<b>Free Operating Cash Flow (FOCF)</b>					<b>1,011</b>
Strategic transactions				394	394
Other investing activities	649	(243)	(29)	(394)	(17)
<b>Cash flows generated (used) from investing activities</b>	<b>(362)</b>				
Treasury shares purchase	(30)				(30)
Bond redemption	(500)				
BEI Loan subscription/(repayment)	210				
Net change in other borrowings	52				
Net change in borrowings	(238)				(238)
Dividends paid	(343)				(343)
<b>Cash flows generated (used) from financing activities</b>	<b>(611)</b>				
Net increase (decrease) in cash and cash equivalents	777				777
Exchange rate differences and other changes	(87)				(87)
Cash and cash equivalents at 1 January	2,556				2,556
Net increase (decrease) in cash of discontinued operations	(8)				(8)
<b>Cash and cash equivalents at 31 December</b>	<b>3,238</b>				<b>3,238</b>

## RECONCILIATION OF NET PROFIT AND SHAREHOLDERS' EQUITY OF THE GROUP PARENT WITH THE CONSOLIDATED FIGURES AT 31 DECEMBER 2025

<i>(€ millions)</i>	2025	
	Equity	of which: Net profit (loss) for the year
<b>Group Parent equity and net profit (loss)</b>	9,529	1,035
Excess of shareholders' equities in the annual financial statements compared with the carrying amounts of the equity investments in consolidated companies	(3,355)	688
Consolidation adjustments for:		
- <i>difference between purchase price and corresponding book equity</i>	3,703	-
- <i>elimination of intercompany profits</i>	53	(22)
- <i>dividends from consolidated companies</i>	-	(477)
- <i>Translation differences</i>	(370)	-
<b>Group equity and net profit (loss)</b>	<b>9,560</b>	<b>1,224</b>
Non-controlling interests	1,180	110
<b>Total consolidated equity and net profit (loss)</b>	<b>10,740</b>	<b>1,334</b>

# **PART 2 – CONSOLIDATED SUSTAINABILITY STATEMENT**

## GENERAL INFORMATION

### GENERAL REPORTING CRITERIA

#### Preparation of the CSS

The Consolidated Sustainability Statement (CSS) is prepared in accordance with Legislative Decree 125/2024 and forms an integral part of the Report on Operations included in the 2025 Integrated Annual Report. The CSS is prepared annually in accordance with the European Sustainability Reporting Standards (ESRS). In particular, the double materiality analysis, whose process and related results are set out in the following section, takes into consideration the ESRS datapoints, which include, where appropriate, considerations on the value chain, as well as on the company's direct operations. The CSS also includes information pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy) and related delegated acts<sup>4</sup>.

#### CSS structure

The CSS is structured into the 4 sections “General Information”, “Environmental Information”, “Social Information” and “Governance Information”, in accordance with Appendix D: Structure of the ESRS sustainability statement of ESRS 1 “General requirements”. In addition, certain information required by ESRS 2 “General disclosures” referring to the strategy and business model has been reported in the sections on the “Group profile”, “Business Review - Strategy”, and “Business review – Results and outlook” of the Report on Operations in order to facilitate the connection with financial reporting. Finally, it should be noted that the section on “Strategy and outlook - Strategy” also includes the disclosure relating to the impacts, risks and opportunities linked to “Global security” while the section on “Social Information” provides the disclosures concerning the impacts, risks and opportunities related to the issues of “Innovation” and “Supply chain development” that have emerged as relevant from the double materiality analysis<sup>5</sup>.

#### Features of disclosures

The information provided in the CSS and in the related “Annex to the Report on Operations - Note of the CSS”, which is an integral part of the Report on Operations, meets the qualitative requirements set forth in Appendix B of ESRS 1, i.e.: relevance, faithful representation, comparability, verifiability, understandability. The time intervals for the short, medium and long term used are those provided in ESRS 1 “General requirements” (1 year, up to 5 years, and over 5 years respectively) unless otherwise stated in the document. Unless otherwise stated, the information reported is compared at least with the previous reporting period. Any estimates or assumptions, corrections of errors or restatements of metrics or targets are disclosed in the document<sup>6</sup>. All forward-looking disclosures are the result of reasonable assumptions made by Leonardo's management but, due to their nature, are inherently characterised by elements of uncertainty.

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<sup>4</sup> Please see “Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy)” in chapter “Environmental Information”

<sup>5</sup> Please see “Managing impacts, risks and opportunities – double materiality”.

<sup>6</sup> In particular, the environmental performance referred to the last months of the year was, in some cases, subject to estimation. The estimate adopted varies depending on the circumstances and the type of KPI, and may be linear or based on specific evaluations related to the business and the expected operating performance. Any estimates and calculation methods referring to the value chain are indicated in detail in the document.

The datapoints referring to the expected financial effects are partially covered in this CSS in order to allow Leonardo to carry out a more complete analysis, evaluation and future disclosure of them, taking advantage for the current reporting period of the option provided for in Delegated Act 2025/1416, which updates Appendix C: List of Phased-In Disclosure Requirements of ESRS 1, relating to disclosure obligations introduced gradually.

Additional information on sustainability performance, linked to the aspects that emerged as relevant from the double materiality analysis, is available in the “Annex to the Report on Operations – Note of the CSS”.

### **Scope of consolidation and approval**

The CSS refers to the fiscal year 2025 (1 January 2025 - 31 December 2025) and is submitted for approval by Leonardo’s Board of Directors’ meeting held on 11 March 2026.

The scope of consolidation includes companies consolidated line-by-line in the financial statements (for a complete list of the companies included in the scope of the consolidated financial statements, please refer to the paragraph “Annex: Consolidation Area”)<sup>7</sup>. Following the regulatory update introduced with the Omnibus packages, which postpones the dates of application of certain corporate sustainability reporting requirements and raised the size thresholds a company must meet to prepare the sustainability reporting, none of the Group's subsidiaries fall within the scope of Legislative Decree 125/2024 for the 2025 financial year and benefit from the exemption clause provided for in Article 7 of the same Decree.

### **Other reporting frameworks and standards**

For the sake of completeness of sustainability reporting and continuity of disclosure with respect to previous years, the Integrated Annual Report is also drawn up by taking into consideration the Integrated Reporting Framework, the standards of the Sustainability Accounting Standards Board (SASB) for the Aerospace & Defence sector, as published by the International Sustainability Standards Board (ISSB) in December 2023<sup>8</sup>, the Sustainable Development Goals (SDGs), and the Ten Principles of the United Nations Global Compact. The statement of reconciliation against SASB standards is published in the “Content index” section of the “Annex to the Report on Operations – Note of the CSS”.

### **Independent audit**

In compliance with Legislative Decree 125/2024, the CSS was subject to limited review, except for the information on the indicators provided in section “SASB Content Index”, in accordance with the provisions of the Standard on Sustainability Assurance Engagement – SSAE (Italy).

In addition, a selection of indicators (shown below) has been subjected to comprehensive examination (reasonable assurance) in accordance with the provisions of the “International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical

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<sup>7</sup> The document also includes information related to the value chain where available and consistent with the findings of the dual materiality analysis. For further details, please refer to the dedicated chapters.

<sup>8</sup> The Integrated Reporting Framework and the standards issued by the Sustainability Accounting Standards Board (SASB) were merged within the IFRS Foundation with the work completed, in August 2022, on the consolidation of the Value Reporting Foundation (VRF), which, in turn, had been created in June 2021 through the merger of the International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB). The International Sustainability Standards Board (ISSB), created within the IFRS Foundation to develop sustainability-related disclosure standards, promotes the use of both of them. In December 2023, ISSB published an updated version of the SASB standards in order to improve their applicability at an international level, regardless of the reference jurisdiction while at the same time not altering their structure or purpose.

Financial Information” (hereinafter “ISAE 3000 Revised”), issued by the International Auditing and Assurance Standards Board (IAASB). The indicators subjected to full examination are listed below.

- > **E1-5 Energy consumption and mix** - as required by DPs 37 (a, b and c), 39, 40 and 41
- > **E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions** - as required by DPs 48 (a) and 49 (a and b)
- > **CO2 emission intensity Scopes I and II on revenues (grams/euros) - location-based** (KPI Entity specific) - with regard to DR E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions, DPs 53 and 54
- > **Water withdrawals** (KPI Entity specific) - with regard to DR E3-4 Water consumption, DP 28 (a)
- > **E5-5 Resource outflows** - as required by DP 37 (a)
- > **S1-6 Characteristics of the undertaking's employees** - as required by DP 50 (c) with the addition of total new hires by gender and age group (KPI Entity specific) and STEM women out of total new hires in the STEM area (KPI Entity specific)
- > **S1-14 Health and safety metrics** - as required by DP 88 (c)
- > **S1-13 Training and skills development metrics** - as required by DP 83 (b)
- > **S1-9 Diversity metrics** - as required by DP 66 (a and b) with the addition of the breakdown by job category and gender (KPI Entity specific).

For additional information about the scope of the audit work and the procedures performed by the independent auditors, reference should be made to the “Independent Auditors’ Report on the CSS as of 31 December 2025” included in the document. The information summarised in the ESRS Content Index is included in the scope of the limited assurance engagement. The document is published on the Company’s website at [www.leonardo.com](http://www.leonardo.com).

### Reporting scope

The 2025 environmental reporting scope<sup>9</sup> covered 131 sites around the world. The scope has been based on the materiality of the environmental impact from operating sites, the number of employees of Leonardo SpA’s and its subsidiaries consolidated on a line-by-line basis. A materiality criterion for sites was also defined, taking into account the minimum number of employees, and the main environmental issues (water withdrawals, waste generation, total energy consumption)<sup>10</sup>; in order to ensure data completeness, if a site did not meet all four criteria, data was estimated based on the previous year’s values. In order to ensure consistency with the consolidation criteria of the Consolidated Financial Statements, the Group’s environmental data do not include those of the joint ventures, over which Leonardo does not exercise operational control. The personnel and other social and governance information reporting scope corresponds to 100% of companies consolidated on a line-by-line basis in the 2025 Consolidated Financial Statements. Any possible limitations are set out in this document.

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<sup>9</sup> Environmental data, as reported through the Group's web-based system (and in particular those relating to energy consumption), were obtained through: direct measurements (e.g., meters and consumption measurement systems); calculations (e.g., bills; purchase orders/invoices); estimates based on the number of employees and/or activities carried out. In particular, with regard to emissions into the atmosphere, where sites have monitoring systems, these are calculated from laboratory analyses carried out during the year. If these analyses are not carried out, the Group's reporting system automatically calculates the NOX and SO2 emissions produced, based on the annual consumption of methane and diesel fuel for the production of energy/heat and emission coefficients available in literature.

<sup>10</sup> Specifically: fewer than 100 employees at the site; water withdrawal below 0.1% of the Group’s total value for the previous year; waste generated below 0.1% of the Group’s total value for the previous year; energy consumption below 0.06% of the Group’s total value for the previous year.

**Sites covered by the environmental reporting scope**

	2025	2024
Italy	61	60
United Kingdom	9	8
United States	27	27
Poland	1	1
Rest of the World	33	33
<b>Total sites</b>	<b>131</b>	<b>129</b>

**GOVERNANCE**

**The role of the administrative, management and supervisory bodies with regard to sustainability topics**

Pursuant to the Corporate Governance Code and its company Rules, the Board of Directors examines and approves the strategic and industrial plans of the Group, periodically monitors the implementation of the industrial plan and defines the nature and level of risk compatible with the Company's strategic objectives, including in its evaluations any and all elements that may be relevant to the generation of long-term value<sup>11</sup>.

Specifically, the Board of Directors, assisted by the Board Committees, promotes the integration of sustainability into the Group's strategies and business, and supervises the analysis of material topics relevant to Leonardo. In particular, the Board of Directors, assisted by the Sustainability and Innovation Committee and the Control and Risks Committee, sets out the key guidelines on sustainability and monitors the pursuit of sustainability objectives.

**The role of Board committees**

The **Sustainability and Innovation Committee**, which is composed of five non-executive directors, mostly independent, establishes whether the Sustainability Plan objectives have been pursued, and examines the general approach of the CSS, in collaboration with the Control and Risks Committee. It also monitors interactions with ESG stakeholders and Leonardo's positioning in ESG ratings and Sustainability indices.

The **Control and Risks Committee**, composed of five non-executive directors, mostly independent, provides opinions to the Board of Directors on, among other things, the assessment of: (i) the management of risks, including medium- and long-term risks, so that the main risks<sup>12</sup> are properly identified, as well as adequately measured, managed and monitored; (ii) the determination of the degree of compatibility of these risks with a management that is consistent with the set strategic objectives.

The Control and Risks Committee also examines, in agreement with the Sustainability and Innovation Committee, the content of periodic non-financial reporting insofar as relevant to the internal control and risk management system.

<sup>11</sup> For more information on the composition of the governing and control bodies and their competences, please refer to the chapter "Governance information".

<sup>12</sup> Including, in coordination with the Sustainability and Innovation Committee, any risks that are relevant from a sustainability perspective.

The Board of Statutory Auditors, as part of the performance of the broader functions it has been vested with under the legal system, oversees compliance with law, including the statutory requirements prescribed on CSS, including the reporting standards, monitoring of the CSS and related attestation of compliance.

On an annual basis, the Board of Directors, with the support of the Nomination and Governance Committee, and the Board of Statutory Auditors carry out - each on its own behalf and autonomously - a self-assessment process on their functioning, as well as on their composition, also taking into account the specific skills and experience represented within the two bodies, including those relevant to sustainability. The Directors and Statutory Auditors participate in induction sessions, including on the basis of the results of these self-assessments<sup>13</sup>, which are aimed at deepening, sometimes with the support of experts, their knowledge of the Group's activities and businesses, as well as of any material topics with a view to creating long-term value.

In order to strengthen the sustainability governance system, in addition to emphasising sustainability in the remuneration policy as set out below, Leonardo has adopted a Sustainability Operational Model (i.e. a Group Directive), which sets out actions, roles and responsibilities to ensure the integration of sustainability into its business<sup>14</sup>. In this regard, the organisational structure of the Chief Sustainability Officer, reporting directly to the CEO and General Manager, is responsible for integrating sustainability throughout the business value chain. Specifically, on the basis of the impacts, risks and opportunities identified through the double materiality analysis<sup>15</sup>, it designs the strategy, which includes environmental, social and governance topics, and related objectives, drafts the Sustainability Plan<sup>16</sup>, in line with the Group's Industrial Plan, and sets out and monitors the relevant KPIs for sustainability performance planning. Within the framework of the Model, the Sustainability Managers, appointed in the Group's Divisions, Corporate functions and investee companies, are the point of reference for the management of sustainability work within their related organisations: they are involved in the process of defining, implementing and monitoring the Sustainability Plan and targets, give actual implementation to sustainability-related objectives, in line with the Group's strategy. The preparation of the Consolidated Sustainability Statement (CSS), an integral part of the Integrated Annual Report, is managed under the responsibility of the Chief Financial Officer (CFO), who acts as the Officer in charge of financial reporting pursuant to Legislative Decree 125/2024.

In 2025, during the meetings of the Sustainability and Innovation Committee, there was the analysis of issues related to sustainability strategy and the Sustainability Plan 2025-2029, the progress of sustainability projects and goals, and the Group's decarbonisation strategy. The Committee also reviewed the overall approach, completeness and transparency of the CSS<sup>17</sup>, as well as monitored the double materiality process, receiving detailed information and disclosures on outcomes and impacts, risks and opportunities relevant to Leonardo.

### **Integration of sustainability-related performance in incentive schemes**

The objective of the remuneration and incentive policy in 2025 was to attract and motivate people to fulfil responsibilities assigned to them, in line with the management's interests and with the priority objective of creating value. To do this, the policy has been designed in order to ensure a balance between the variable component of remuneration and the fixed one, while also establishing a balance between short- and long-term incentives. Specifically, long-term remuneration of the CEO and General Manager and of the Top Management, approved by the Board of Directors, is 10% linked to the achievement of intensity reduction targets of Scope 1 and 2 (market-based method) CO<sub>2</sub> emission on revenues, and to the increased hiring of

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<sup>13</sup> For more details, please see the chapter "Governance information".

<sup>14</sup> For more details, please also see the Remuneration Report 2024: [Remuneration | Leonardo](#).

<sup>15</sup> For more details on the double materiality analysis and its findings, please see the paragraph "[Managing impacts, risks and opportunities – double materiality](#)".

<sup>16</sup> And coordinates the related initiatives, including those related to the development of the supply chain.

<sup>17</sup> For more details on the activities carried out during the year on the part of the Sustainability and Innovation Committee, and the issues it has dealt with, please see the Corporate Governance Report 2026: [Corporate Governance Report | Leonardo](#).

women with STEM degrees with two payout ranges (50% minimum target, 100% full target). In parallel, short-term remuneration is 10% dependent on Leonardo's inclusion in the Dow Jones Best-in-Class Indices and the accident frequency Index (with on/off payout)<sup>18</sup>.

In addition to the Chief Executive Officer and General Manager, population involved in the Short-Term Incentive Plan (MBO) is equal to about 1,200 Group executives, including Managers with Strategic Responsibilities and Top Managers of Leonardo. Population involved in the Long-Term Incentive Plan is equal to about 250 Group executives, including Managers with Strategic Responsibilities and Top Managers of Leonardo. Starting from 2021, middle managers in Italy have been assigned a bonus target<sup>19</sup>.

10% of long-term variable remuneration and 10% of short-term variable remuneration linked to sustainability objectives

97.7% favourable votes cast by the 2025 Shareholders' Meeting on Remuneration Policy

40x ratio of total CEO remuneration to employees' median remuneration

## Due diligence

Leonardo's sustainability due diligence process is rooted in the Group's double materiality analysis; for any updates, reference should be made to the relevant section. Requirements for sustainability due diligence and risk management are also integrated into business processes through company policies, directives and procedures. Specific due diligence processes are carried out on promoters and consultants, associations, in collaboration agreements, on suppliers, including with regard to the issue of conflict minerals and on potential customers and end-users. In addition, in view of the future implementation of the Corporate Sustainability Due Diligence Directive (CSDD), despite the changes that the Simplification Omnibus packet will bring to it, a process is underway to strengthen corporate procedures and processes related to due diligence activities in both environmental and human rights areas. A mapping table between the elements of the duty of care and the disclosures provided in the CSS regarding Leonardo's due diligence process can be found in the "Annex to the Report on Operations – Note of the CSS".

### *Respect for human rights*

Leonardo has defined specific principles and rules of conduct aimed at spreading a culture of respect for human rights universally recognised in line with the United Nations' Universal Declaration of Human Rights, the International Labor Organisation (ILO) Conventions, the Organisation for Economic Co-operation and Development (OECD) guidelines and the Charter of Fundamental Rights of the European Union. Leonardo's commitment to respect for human rights is expressed within its Code of Ethics, which extends to direct and indirect employees, suppliers, customers and anyone who has any kind of relationship with the company. Moreover, this vision is referred to and reinforced in the Charter of Values, the Group Policy on Human Rights, which is accessible to all stakeholders, the Supplier Code of Conduct, and the recent adoption of the Diversity, Equity and Inclusion Policy.

The management of people, supplier relations and the sale and distribution of products are the areas of the Group that, through a specific analysis conducted on the basis of the ISO 26000 guidelines, have been identified as most exposed to the risk of violations of human rights. For each of these areas, the Group has

<sup>18</sup> For more details, please see the Remuneration Report 2025: [Remuneration | Leonardo](#).

<sup>19</sup> As agreed in the Company Supplementary Agreement on 21 May 2021. Under the same agreement, a portion of the remuneration of all other employees was linked to a variable component (performance bonus) linked to the Group's results of operations and, depending on the levels, to individual performance.

put in place various measures<sup>20</sup> to monitor the protection of human rights in order to prevent any related risks. All three areas share the mechanism for handling reports, and any alleged human rights violations (either signed or anonymous) through a dedicated communication channel<sup>21</sup>.

### **Risk management and internal controls over sustainability reporting**

Leonardo identifies and updates the risks referred to the process of preparing the CSS, measuring them in terms of impact and probability, on a periodical basis. The Company adopted its own Internal Control System on sustainability information, in relation to which ad hoc documents have been developed for the Group's main Divisions/legal entities, which describe the operational methods of sustainability data collection and formalise the inherent checks necessary to ensure the robustness of the process. The Internal Audit function – on request of the Officer in charge of financial reporting - subjects these checks to annual testing activities, the outcomes of which - along with the related action plan to close any gaps - are shared with the Board Control and Risks Committee. This model of internal control over sustainability data is among the key elements that have enabled Leonardo, among the very first companies in Italy, to achieve reasonable assurance on its strategic sustainability KPIs.

## **STRATEGY AND STAKEHOLDER ENGAGEMENT**

### **Sustainability goals**

Guided by the ever-deepening integration of sustainability into the business and the priorities identified through materiality analysis, the sustainability goals set by Leonardo cover several areas, from governance to climate and environmental engagement, from social impact to digitalisation, with specific targets and related monitoring KPIs for each area. The scope of application of the KPIs and targets relates to the Leonardo Group, except otherwise indicated.

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<sup>20</sup> For more details, please refer to the specific sections in the chapter “Social information”.

<sup>21</sup> The Whistleblowing Guidelines are available on the website. The Whistleblowing platform is an IT tool that uses an encryption system and accessible through this address: <https://whistleblowing.leonardo.com/>

Pillar	ESRS scope	KPI	Baseline		2025 result	Target			
			Year	Value		Year	Value		
Governance	G1-Business conduct	Annual renewal/maintenance of the ISO 37001:2016 "Anti-Bribery Management System" certification <sup>I</sup>	na	na	maintained	2025	maintenance	NEW	
						2026	maintenance		
						2027	renewal		
People	S1-Own Workforce	% of women on total new hires	na	na	23.00%	2025	32%	NEW	
		% of women on total new hires in STEM areas <sup>II</sup>	na	na	21.4%	2025	30%		
		% of women at managerial levels	na	na	18.9%	2030	24%		NEW
		% of women on total employees	na	na	20.5%	2025	20%		NEW
		% of women in succession plans	na	na	29.2%	2030	22%		NEW
		% of increase in women	2025	12,863	na	2025	27%		NEW
Planet	E1-Climate change and decarbonisation	% reduction in consumption of electricity withdrawn from external grid <sup>III</sup>	2019	0.050 kWh/€	0.034 kWh/€ (-32%)	2025	-10%	NEW	
		% reduction in Scope 1 + Scope 2 CO <sub>2</sub> e emissions (Market-Based)	2020	423 kton CO <sub>2</sub> e	238 kton CO <sub>2</sub> e (-44%)	2030	-53%		
		% reduction in Scope 3 CO <sub>2</sub> e emissions (from cat.3 to 8 and 11) per equivalent flight hour	2020	1.94 tCO <sub>2</sub> e/Fh <sub>e</sub>	1.15 tCO <sub>2</sub> e/Fh <sub>e</sub> (-41%)	2030	-52%		
		% of electrical renewable energy	na	na	85.8%	2030	90%		NEW
	E3-Water and marine resources	% reduction in water withdrawals <sup>IV</sup>	2019	5,653 ML	4,335 ML (-23%)	2030	-25%		
	E5-Resource Use & Circular Economy	% reduction in the amount of waste produced	2019	38,499 ton	30,090 ton (-22%)	2030	-15%		
Circularity (%) <sup>V</sup>		na	na	60.5%	2030	65%	NEW		
Prosperity	Entity specific -Supply chain development	% of suppliers per emission with decarbonization "science-based" objectives	na	na	16%	2028	58%	NEW	
		Number of key suppliers to whom to deliver training on sustainability issues	na	na	306	2027	≥ 500		
		% (in value) of major new tenders awarded, which include ESG criteria or requirements <sup>VI</sup>	na	na	34%	2028	>70%		
	Entity specific - Innovation	% increase in computing power per capita <sup>VII</sup>	2020	198 Gflops/Emp. ITA	637 Gflops/Emp. ITA +222%	2025	40%		
		% increase in storage capacity per capita <sup>VII</sup>	2020	874 Gbytes/Emp. ITA	1,827 Gbytes/Emp. ITA +109%	2025	40%		
	G1-Business conduct	% of employees involved in the development, deployment or use of AI systems trained on the conscious use of AI <sup>VIII</sup>	na	na	na	2027	50%		NEW
% of employees trained in data protection and cybersecurity <sup>VIII</sup>		na	na	26.5%	2027	30%	NEW		

<sup>I</sup> Scope: Leonardo S.p.A.

<sup>II</sup> Excluding the US

<sup>III</sup> Reduction calculated as a ratio to revenues

<sup>IV</sup> Reduction in absolute value in water withdrawals from aqueducts and wells.

<sup>V</sup> (Recovered waste + by-products) / (Recovered waste + Disposed waste)

<sup>VI</sup> Calculated on tenders valued >1M€ managed through Leonardo portal. It does not include DRS, the Electronics Division of Leonardo UK and local purchases on the part of foreign subsidiaries.

<sup>VII</sup> Calculated as the number of flops and bytes in relation to employees in Italy

<sup>VIII</sup> Annual data collection

### Strategy, business model and value chain

For a description of the Group's business model, value chain, industry sectors, markets, results of operations and financial performance highlights, please refer to the Group Profile<sup>22</sup>. Leonardo's revenues are generated within the “Manufacturing - Aerospace, defence and services” business segment<sup>23</sup>.

### Interests and views of stakeholders

Continuous engagement with internal and external, domestic and international, stakeholders is a core element of Leonardo's strategy to create shared value. The Company nurtures stable, long-lasting relationships based on integrity and transparency, by dialoguing with and involving its stakeholders, through organisational units established to understand their interests and expectations. Stakeholder relations moments<sup>24</sup> are opportunities to strengthening its bond with the industrial, economic and social context while helping the company to improving its business management practices and increasing its knowledge level.

Furthermore, Leonardo collaborates with various associations to actively support the global effort to counter climate change and favour the transition to environmental and social sustainability, such as protecting biodiversity, the efficient use of critical raw materials, sustainability of the supply chain, protecting human rights and promoting diversity and inclusion policies.

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<sup>22</sup> For more details on products and services see the specific sections in the chapter “[Value Chain](#)”.

For more details on stakeholder relations see the table below.

For more details on the supply chain, consumers and end users see the sections “[Supply Chain Development](#)” and “[Consumers and End Users](#)” in the chapter “[Value Chain](#)”.

<sup>23</sup> According to the classification reported in: “[European Sustainability Reporting Standards – SEC 1 Sector classification - Exposure draft](#)” of 4 June 2024.

<sup>24</sup> Including: employee engagement, materiality analysis, events dedicated to the financial community, participation in industry associations, collaborations within research and technology development programs, support of local projects and digital events.

Key Stakeholder	Ways of engagement	Purposes	Example of results from engagement
<b>Employees</b>	Welfare and Wellbeing programs Employee listening channels Annual performance appraisal system Training activities for skills acquisition/enhancement Initiatives aimed at promoting internal mobility.	Work-life balance Employee wellbeing Professional development	Reduced resignation Increased attraction Employer branding Talent retention
<b>Trade Unions</b>	Participatory discussion and ongoing dialogue with workers' representatives through observers, information briefings, bilateral commissions, joint committees, and multi-level negotiation forums, in line with the industrial relations model set out in the company's supplementary agreement.	Encourage broad buy-in for the company's strategic objectives by implementing the planned information and consultation mechanisms. Create solutions that balance production, industrial and commercial needs with sustainable development for the company and its workforce.	Design and implementation of negotiated agreements covering both compensation (e.g., PDR/performance-related bonus, target bonuses, etc.) and non-monetary measures (flexible hours, remote work, training, welfare), with the latter also tailored to give particular attention and support to parenthood and caregiving needs.
<b>Suppliers</b>	Supplier Awards Training on sustainability issues ESG performance appraisal Organisation of Supplier Conferences and workshops on sustainability issues with suppliers and/or AD&S Associations Promotion of supply chain sustainability.	Improving supply chain performance and sustainability. Reduction of ESG risks and improvement of the supply chain resilience. Supporting the implementation of best practices Promoting responsible sourcing, including of minerals and metals Protecting human and labour rights of workers Decarbonisation of the supply chain.	Improved supplier relationship Support projects activated Streamlined supplier expectations. Improvement of ESG rating of the supply chain. Measurement of greenhouse gases and definition of decarbonisation plans. Supplier improvement plans Informed supplier selection.
<b>Business partners</b>	Participation in national, European and international research programs, working groups and multisectoral consultations. Implementation of energy efficiency projects. Starting of circularity projects. Strategic collaboration with the Air Force and alliance with companies that are leaders in the unmanned technology sector.	Development, integration and validation of innovative structural and systems technologies. Developing new high-efficiency and low-carbon sustainable civil aviation technologies and construction of PV plants Reducing the carbon footprint of plants and regeneration of auxiliary materials. Strengthening a centre of excellence for advanced military pilot training. Enhancing industrial synergies as for development and production.	Progress in the degree of maturity in enabling technologies for various applications and advanced systems architecture Optimised management resulting in energy efficiency of production plants as well as decrease in the waste production through a circular economy process. Construction of self-generating power plants. establishment of JVs and global collaborations (i.e. Edgewing)
<b>Industrial associations</b>	Participation in local and trade associations of the Confindustria system Participation in the top management bodies of Confindustria Nazionale and Federmeccanica Technical thematic groups at national and local levels Events, workshops and publications.	Dialogue and discussion among companies on issues of common interest and their promotion with local, national and EU institutions Sharing and developing best practices and environmental solutions for the AD&S sector, as well as in training Developing case studies and macro-economic surveys.	Increased understanding and dissemination of new trends in human capital . Supply chain projects developed, which are aimed at taking actions of common interest and supporting the adoption of best practices by SMEs, including from a sustainability perspective. Advocacy on issues of strategic interest for the Group with national and supranational bodies.
<b>Customers</b>	Market surveys, customer interactions at trade shows and events, sponsorships Customer satisfaction surveys Collaborations to create new solutions and services.	Understanding of customer needs and priorities, including in the area of new sustainable products.	Strong and lasting relationships established with customers Implementation of solutions appreciated by the market.
<b>Financial stakeholders</b>	Mainly through events, participation in roadshows and conference calls to present annual and interim results Regular engagement with financial analysts, institutional investors and more generally financial stakeholders on strategic, financial and ESG issues.	Ongoing, proactive and transparent communication with all financial stakeholders, aimed at creating and maintaining relations with the financial community, with the purpose of improving knowledge of the Group with a view to the sustainable value creation in the medium/long-term .	Facilitating requests for engagement from the financial community. Improving understanding of the Group from both a strategic and a financial perspective. Leonardo's stock outperforming its peers.
<b>International organisations, NGOs, networks and think tanks</b>	Participation in conferences and workshops, implementation of studies and research aimed at strengthening dialogue and talks with other industrial entities, representatives of Institutions, and cultural and technical associations, including through the sharing of best practices and case studies.	Enhancing Leonardo's positioning Disseminating the culture of corporate social responsibility, at the economic, social and environmental levels Enhancing associates' skills in various areas, including sustainability.	Conferences and papers on European Defence Cycle of conferences on topics of strategic interest Acquisition of new expertise in various areas of interest (e.g. DE&I)
<b>Traditional and Digital Media</b>	Production of multimedia content, side by side with multi-channels, to achieve a communication offer and modulate a corporate storytelling adapted to the specific needs of each stakeholder.	Strengthening qualified notoriety and positioning as a player able to realize multidomain interoperable technologies for global security and leading actor within the European Defence industry.	Increase in the mass media exposure of the Leonardo Group. Increased number of followers on social media and visits to company web pages, beside over 3,000 news stories dedicated to Leonardo on TV, newspapers, magazines and web at national and international level.
<b>Central and local institutions</b>	Organisation of working groups with government, institutional and industry representatives Participation in public-private working groups to develop projects, plans and policies Support provided to initiatives to strengthen security and foster green and digital transition.	Promoting Leonardo's guidelines and reputation by conveying Group requests and interests to external stakeholders Dialoguing with institutions to understand their needs with respect to Leonardo's business.	Talks developed to promote and protect Leonardo's interest (e.g. "Crescere Insieme" Project, Defence Programs, SAFE, institutional visits, local engagement on renewable energy sources).
<b>Universities, schools, and research institutes</b>	Funding of PhD scholarships Research projects and collaborations Initiatives to support schools and academia Provision of free educational resources. Joint training initiatives.	Developing innovative and sustainable solutions Supporting national research within the framework of the NRRP Promoting career paths and growth in STEM skills Orienting students in choosing STEM education/university programmes.	Collaborations with universities and research centres in Italy and around the world Provision of funded or co-funded PhD scholarships. Projects of Leonardo and of the Leonardo ETS Foundation with schools and high schools (e.g. STEMLab and PCTO*). Aerotech Campus. <i>*courses for soft skills and orientation</i>

**Focus: Engagement and advocacy cross activities**

In the course of 2025, within the scope of sustainability stakeholder engagement activities, the Company participated in numerous initiatives and working groups. Before becoming part of a working group, association or other organization, Leonardo carries out an assessment to verify, among other things, the adherence and the alignment of such activities to the Group's strategic objectives, including the sustainability goals. Worth mentioning are:

**United Nations Global Compact (UNGC)** - Since 2018 Leonardo has joined the UNGC, the world's largest corporate sustainability, on topics related to diversity and inclusion, fight against climate change, in line with the Agenda 2030 goals. Leonardo is also a member of the Board of the UNGC Network Italia, the main network of Italian businesses on these topics.

**Valore D** – Since 2019 Leonardo has been participating in this association of businesses for gender equality and the dissemination of an inclusive culture. Among the main initiatives are those dedicated to parenting, including those related to returning to work after leave, and the courses provided through the Youncity platform (training tips, Sharing Lab, and seminars).

**AeroSpace and Defence Industries Association of Europe (ASD)** – The major European association in the AS&D industries supporting the industry's competitive development. Leonardo is a member to commissions and working groups, including those working on European policies and rules on sustainability, environment and climate change in defence, REACH and chemical substances (for instance, guidelines have been laid down to simplify waste management in the sector, a working group has been set up within the Chemical Strategy for Sustainability REACH and Classification, Labelling and Packaging (CLP)).

**CSR Europe** – Since 2021 Leonardo has become a member of CSR Europe and since 2025 a member of the related Board of Directors. The aim of this European network is creating synergies and build shares approaches among businesses of various industries. Among the activities, we mention the participation in the Biodiversity Alliance for sharing best practices on the management of ecosystems in order to put forward advocacy actions.

**International Aerospace and Environment Group (IAEG)** – Since 2025 Leonardo has been the Chair of the Board of Directors of the IAEG, an organisation including the industry's leading companies committed to advancing innovative environmental solutions and standards for aerospace. During the year, Leonardo discussed issues regarding environmental sustainability, circular economy and critical materials, as well the sustainable development of the supply chain.

## Description of the process to identify and assess material impacts, risks and opportunities

The double materiality combines the view of impact materiality and financial materiality. Impact materiality involves identifying, assessing and prioritising the main impacts generated by the Group (inside-out perspective), along the entire value chain, on the environment, society and governance issues, taking into account the perspective of both external stakeholders relevant to the Group and internal stakeholders. Likewise, financial materiality identifies, assesses and prioritises ESG risks and opportunities with an impact on the Group's objectives (outside-in perspective). In line with this principle, Leonardo deemed the list of impacts identified with the 2024 impact materiality process still applicable for 2025 since the context in terms of sustainability and the drivers of the Leonardo Industrial Plan are basically in line with the prior year. As for financial materiality, an update was performed based, in continuity with the 2024 methodology, on the Company's Enterprise Risk Management (ERM). The two processes follow three steps: identification, assessment and prioritisation of impacts (Impact materiality) and risks and opportunities (Financial materiality).

### Double materiality process



### Identification of impacts, risks and opportunities

**Impact materiality** - Based on European and international regulatory and policy requirements, Leonardo's impacts from the previous year, peer benchmark analyses, Leonardo's Business Plan, artificial AI-based data analysis, and bearing in mind the requirements of the ESG Ratings, the 29 impacts identified in 2024 were confirmed which the Company has/could have on the economy, society and the environment.

**Financial materiality** - The phase of identifying risks and opportunities through the Company's ERM, on the other hand, was preceded by preparatory work to update and optimize the potential risk and opportunity topics for Leonardo with regard to the ESG risk/opportunity drivers, taking into account the external and internal reference context, the Group's impacts and dependencies and the sustainability objectives, including the Science Based Targets (SBT), to which the Group is committed. There are 31 ESG risk/opportunity drivers identified.

### Assessment of impacts, risks and opportunities

**Impact materiality** - The assessment of sustainability impacts contributing to 2025 impact materiality remained unchanged compared to 2024.

**Financial materiality** - In the context of the Company's ERM, the Process Owners and Risk Owners of the divisions and head office functions identified and assessed business risks and opportunities starting from the 31 ESG risk/opportunity drivers previously defined, identifying treatment actions in line with the reference risk appetite.

### Prioritisation of impacts, risks and opportunities

**Impact materiality** – Impact materiality confirmed the 14 material topics of 2024.

**Financial materiality** – From the consolidation of the evidence of appropriately prioritised ESG-related risks and opportunities 13 material topics were identified.

The combination of the material topics emerging from impact materiality and those resulting from financial materiality determined the final list of 14 material topics of Leonardo as a result of the double materiality analysis. The results of the double materiality process, which is part of the limited assurance assignment carried out by the audit firm with regard to the compliance of the Consolidated Sustainability Statement with current regulations, were shared with the Sustainability and Innovation Committee and approved by the CEO.

### **Disclosure Requirements in ESRS covered in the Consolidated Sustainability Statement**

A reconciliation table between the information provided in the Consolidated Sustainability Statement and the disclosure requirements of the ESRS reported on by Leonardo (including the individual data points provided for by other European regulations and set forth in Appendix B of ESRS 2 is provided in the “Annex to the Report on Operations– Note of the CSS - Index of ESRS contents”.

## MANAGING IMPACTS, RISKS AND OPPORTUNITIES - DOUBLE MATERIALITY

### **Material impacts, risks and opportunities and their interaction with strategy and business model**

Material Impacts, risks and opportunities identified by Leonardo through the double materiality analysis are shown in the table below<sup>25</sup>. Skills development, global security and climate change emerge as the most relevant issues for Leonardo and cybersecurity, resilience and data protection are also priorities.

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<sup>25</sup> The measurement metrics and impact assessments are described in the relevant chapters.

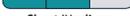
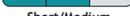
# Report on operations at 31 December 2025

TOPIC	IMPACT	IMPACTS/RISKS/OPPORTUNITIES	VALUE CHAIN	TIME HORIZON	POS/NEG - OPP/THREAT	ACT/POT	PILLAR	STANDARD ESRS
Business integrity, compliance and anticorruption	IMPACT	Possible wrongdoing or unethical behavior of Leonardo, its employees, third parties or suppliers along the value chain.	Whole VC	Short/Medium/Long	Negative	POTENTIAL		G1
	FINANCIAL	Reputational risk associated with potential violations related to anti-corruption, unfair business practices, breaches of international standards as well as ethical violations related to AI technologies.	Whole VC	Short/Medium	Threat	POTENTIAL	Governance	G1- S3
	FINANCIAL	The complexity and diversification of ESG regulations expose Leonardo and its representatives to compliance risks resulting in possible penalties and/or civil or criminal liabilities and reputational damage.	Operations	Short/Medium	Threat	POTENTIAL		G1
Climate change	IMPACT	Contribution to climate change mitigation thanks to the development of Leonardo's sustainable aviation products and services.	Downstream	Medium/Long	Positive	ACTUAL		E1
	IMPACT	Contribution to climate change mitigation and adaptation thanks to Leonardo's technologies and solutions, the analysis of climate change phenomena and the adoption of mitigation actions.	Downstream	Medium/Long	Positive	ACTUAL	Planet	E1
	IMPACT	Contribution to climate change due to greenhouse gas emissions of Leonardo's operations, supply chain, products and investments.	Whole VC	Medium/Long	Negative	ACTUAL		E1
	FINANCIAL	Leonardo's flagship technologies, such as product virtualization and innovative materials, and the development of low-GHG emissions aircraft (SAF or Sustainable Aviation Fuel) can open new market opportunities and respond to customers' growing requests for decarbonized products.	Whole VC	Short/Medium/Long	Opportunity	POTENTIAL	Prosperity Planet	E1
	FINANCIAL	GHG emissions created by Leonardo's processes can expose the Company to regulatory risks related to the evolution of regulations and policies, to reputational risks deriving from missing emission reduction targets (Scope 1 and 2) disclosed to the market, and financial risks related to access to credit tied to process decarbonization performances.	Operations	Short/Medium	Threat	POTENTIAL		E1
	FINANCIAL	There is a regulatory and reputational risk stemming from ESG rating requirements and customers demanding decarbonized products. In addition, there is a reputational risk linked to the achievement of Scope III disclosed targets. Finally, there are financial risks related to access to credit linked to decarbonization performances.	Whole VC	Short/Medium/Long	Threat	POTENTIAL	Planet	E1

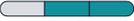
# Report on operations at 31 December 2025

TOPIC	IMPACT	IMPACTS/RISKS/OPPORTUNITIES	VALUE CHAIN	TIME HORIZON	POS/NEG - OPP/THREAT	ACT/POT	PILLAR	STANDARD ESRD
Cyber security & resilience and data protection	IMPACT	Leonardo's contribution - thanks to its solutions such as secure cloud and cyber security services - to cyber resilience, protection of strategic information and continuity of essential services.	Downstream	Short/Medium/Long	Positive	ACTUAL	Prosperity	S3
	FINANCIAL	Operational, regulatory and reputational risks related to cyberattacks on Leonardo products and services, entailing possible information leakage, for public or private customers.	Whole VC	Short/Medium/Long	Threat	POTENTIAL	Governance	S3- S4
Diversity, equity and inclusion	IMPACT	Contribution of Leonardo to equal opportunities of professional development without discrimination, thanks to the promotion of a fair and inclusive culture in the workplace, dedicated policies and governance as well as the mentorship and training programmes.	Whole VC	Medium/Long	Positive	ACTUAL	People	S1- S2
	IMPACT	Possible discrimination or harassment cases against Leonardo's employees and external workers.	Upstream and Operations	Short	Negative	POTENTIAL		S1- S2
	FINANCIAL	Risk of limited availability of women with STEM skills in the market. This could result in longer timelines and/or higher costs to achieve the Group's sustainability goals related to gender balance.	Operations	Short/Medium/Long	Threat	POTENTIAL		S1- S2
Environmental Impact of material use and circularity	IMPACT	Reduction of Leonardo's environmental impacts associated to industrial production thanks to development of circular manufacturing and design processes.	Whole VC	Medium/Long	Positive	ACTUAL	Planet	E5
	IMPACT	Contribution of Leonardo to environmental pollution and progressive depletion of natural resources due to raw materials and fossil fuels consumption, and waste production and disposal.	Whole VC	Short/Medium/Long	Negative	ACTUAL		E5
	FINANCIAL	Operational, regulatory and reputational risks related to the objectives either required by the national and international regulation or set by the Company in terms of waste and hazardous substances.	Upstream and Operations	Short/Medium/Long	Threat	POTENTIAL		E2- E5
	FINANCIAL	Critical raw materials that are key for Leonardo's products, yet subject to scarcity or geopolitical rivalry, could expose the Company and its supply chain to risks related to business continuity, costs fluctuation and regulatory risks.	Upstream and Operations	Short/Medium	Threat	POTENTIAL		E5
	FINANCIAL	Product design and / or process reengineering based on circularity and the creation of circular value chains mitigate the risks of critical raw materials dependency, leading to competitive advantage coming from a greater business resilience.	Operations and Downstream	Short/Medium/Long	Opportunity	POTENTIAL		E5
Global security	IMPACT	Contribution of Leonardo to emergency management thanks to its solutions and systems.	Downstream	Short/Medium/Long	Positive	ACTUAL	Prosperity	entity specific
	IMPACT	Contribution of Leonardo to global security, protection of people, infrastructure and territories.	Downstream	Short/Medium/Long	Positive	ACTUAL		entity specific
	FINANCIAL	Geopolitical instability and hybrid threats are driving toward Global Security, with emerging technologies and digitalized platforms increasingly becoming crucial for the protection of citizens and critical infrastructure; this could create new business opportunities for the Group.	Whole VC	Medium/Long	Opportunity	POTENTIAL		entity specific

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TOPIC	IMPACT	IMPACTS/RISKS/OPPORTUNITIES	VALUE CHAIN	TIME HORIZON	POS/NEG - OPP/THREAT	ACT/POT	PILLAR	STANDARD ESRS
Health and safety	IMPACT	Serious injuries or occupational diseases of Leonardo's employees or its external workers.	 Operations	 Short/Medium	 Negative	POTENTIAL	 People	S1
	FINANCIAL	Employees may be exposed to safety risks.	 Upstream and Operations	 Short/Medium	 Threat	POTENTIAL		S1
Natural resource management and biodiversity	IMPACT	Contribution to protection and conservation of ecosystems, natural resources and people thanks to Leonardo's technologies and solutions.	 Downstream	 Medium/Long	 Positive	ACTUAL	 Planet	E4
	IMPACT	Contribution to air pollution due to the pollutants' emissions of Leonardo's operations, its supply chain, products and investments.	 Whole VC	 Short/Medium/Long	 Negative	ACTUAL		E2
	IMPACT	Decrease of water quality and availability due to Leonardo's activities along the value chain.	 Whole VC	 Short/Medium/Long	 Negative	ACTUAL		E3
	IMPACT	Biodiversity loss and harm to ecosystems associated to Leonardo's value chain activities.	 Whole VC	 Medium/Long	 Negative	ACTUAL		E4
	FINANCIAL	Water scarcity scenarios could expose the Company to risks of reduced or disrupted water supply, impacting business continuity.	 Whole VC	 Short/Medium	 Threat	POTENTIAL		E3
Protection of human rights	IMPACT	Possible human rights violations of individuals and communities caused by Leonardo's solutions.	 Downstream	 Short/Medium	 Negative	POTENTIAL	 Governance	S3
	IMPACT	Possible human rights violations in Leonardo's operations and along its supply chain (e.g. workers' rights violations including those related to freedom of association and expression, safe and healthy working environment, discrimination, living wage/fair pay as well as violations associated with the extraction and trade of materials used, modern slavery, child labour, forced labour, etc.).	 Upstream and Operations	 Short/Medium/Long	 Negative	POTENTIAL		S1- S2
Research and development, innovation and advanced technologies	IMPACT	Contribution of Leonardo to enhance research, development and innovation thanks to its capabilities, investments and collaborations with universities, research centers, start-ups and other entities.	 Whole VC	 Medium/Long	 Positive	ACTUAL	 Prosperity	entity specific
	IMPACT	Leonardo's contribution to technological progress through development of advanced and digital technologies.	 Whole VC	 Short/Medium/Long	 Positive	ACTUAL		entity specific
	FINANCIAL	Reputational and compliance risks tied to technologies, including AI solutions, whose development and use could cause negative ethical impacts or lead to discriminatory bias.	 Downstream	 Medium/Long	 Threat	POTENTIAL	 People	entity specific

# Report on operations at 31 December 2025

TOPIC	IMPACT	IMPACTS/RISKS/OPPORTUNITIES	VALUE CHAIN	TIME HORIZON	POS/NEG - OPP/THREAT	ACT/POT	PILLAR	STANDARD ESRs
Skills development, talent attraction and employee wellbeing	IMPACT	Improved quality of life for Leonardo's employees through targeted work-life balance and corporate welfare initiatives.	 Operations	 Short/Medium	 Positive	ACTUAL		S1
	IMPACT	Strengthening the professional development and skills of Leonardo's employees.	 Operations	 Short/Medium	 Positive	ACTUAL		S1
	IMPACT	Leonardo's contribution to developing scientific and technological skills both within and outside the Group, with a special focus on youth and women education.	 Operations and Downstream	 Medium/Long	 Positive	ACTUAL	 People	S1- S3
	FINANCIAL	Risk of high competition in attracting STEM talents in the AS&D sector, with particular focus on those required for digital and green transition, along with high turnover and structural shortage of skilled resources.	 Operations	 Short/Medium/Long	 Threat	POTENTIAL		S1
Solutions' quality, safety and performance	IMPACT	Negative effect on users and customers due to possible non-adequate performances or malfunctioning of Leonardo's products.	 Downstream	 Short/Medium/Long	 Negative	POTENTIAL		S4
	FINANCIAL	Products' quality and safety are key competitiveness factors for the AS&D sector; even minor issues or faults could pose significant reputational and safety risks.	 Whole VC	 Short/Medium	 Threat	POTENTIAL	 Prosperity	S1- S4
Sustainable supply chain	IMPACT	Contribution of Leonardo to the growth, development and sustainable transition of its supply chain also thanks to dedicated programs.	 Upstream	 Short/Medium	 Positive	ACTUAL	 Prosperity	G1-S2
	FINANCIAL	There are risks for Leonardo associated to the decarbonization of its supply chain: potential failure to meet SBTi targets and possible financial impacts if suppliers struggle to access capital due to increasing ESG requirements.	 Upstream	 Short/Medium	 Threat	POTENTIAL	 Planet	E1
Value creator for the society	IMPACT	Leonardo's positive impacts on the welfare of local communities and production countries.	 Whole VC	 Short/Medium/Long	 Positive	ACTUAL	 Prosperity	S3
ESG-related competitiveness and Market risks	FINANCIAL	Different national priorities with respect to ESG aspects could create competitive asymmetries potentially impacting market share and profitability.	 Whole VC	 Short/Medium	 Threat	POTENTIAL		G1
	FINANCIAL	Reputational risk due to the possible increase of institutional clients from "controversial" countries in Leonardo's portfolio, potentially affecting lenders' and investors' on ESG evaluations.	 Operations	 Short/Medium	 Threat	POTENTIAL	 Prosperity	G1

## SUSTAINABILITY MANAGEMENT POLICIES

<u>Topic</u>	<u>Policy<sup>26</sup></u>
Climate change and decarbonisation, Pollution, Water resources and consumption, Biodiversity and ecosystems, Resource use of and circular economy, Own workforce	<p><b>HSE Policy</b> - Leonardo has adopted an integrated Health, Safety and Environment (HSE)<sup>27</sup> Policy to promote and manage the health and safety of its workers and environmental protection in an integrated manner, according to principles of prevention, protection and continuous improvement, and is committed to ensuring sustainable development and the effective reduction of energy consumption and environmental impacts of production processes. This policy also aims to establish appropriate measures so that the Group's supply chain operates in line with the health, safety and environmental standards adopted.</p> <p><i>Climate change and decarbonisation</i> –Leonardo's climate change commitments considered as physical risk and as transition risk, are mainly as follows:</p> <ul style="list-style-type: none"> <li>&gt; reduction of energy consumption, definition and pursuit of objectives for continuous improvement of environmental performance;</li> <li>&gt; reduction of environmental impacts and corporate and process strategic choices oriented towards minimising and controlling climate-changing gas emissions, as well as promoting from the design phase of products and services, approaches oriented towards eco-design and the assessment of their life cycle.</li> </ul> <p><i>Pollution, Water resources and consumption, Biodiversity and ecosystems, Resource use and circular economy</i> - Leonardo is committed to guiding corporate, process and innovation strategic choices with a view to both the careful management and sustainable use of natural raw materials, water resources and energy sources and the protection of the soil, subsoil and biodiversity of ecosystems. In particular, the Group promotes a policy of reducing impacts through the efficiency of production processes, the implementation of waste reduction plans and circular economy programs, including the creation of circular supply chains as possible mitigation actions for the risk related to environmental pollution, and the recovery of water resources, as well as a reduced use of hazardous substances and preparations.</p> <p>Leonardo is committed to reducing and optimizing water withdrawals, with particular attention to those made in water-stressed areas, ensuring adequate treatment of water at discharge, operating in compliance with applicable laws and considering stakeholder expectations. The Group pursues investments in the circular use of industrial water and the search for redundant sources (rainwater) as possible actions to mitigate risks related to the scarcity of water resources.</p> <p>Regarding biodiversity, Leonardo reinforces its commitment through the implementation of the Group Biodiversity Policy and the adoption of instruments to assess site biodiversity risk.</p> <p>Leonardo's commitment to implementing the ISO 14001-certified HSE Management System at all Group sites ensures both compliance with the limits and restrictions imposed by environmental regulations and monitoring of the process of reducing impacts with a view to continuous improvement of the environmental performance.</p>
Climate change and decarbonisation, Pollution,	<p><b>Energy Policy</b> - Leonardo has an energy policy that aims to structurally reduce the Group's energy impact. To this purpose, Leonardo implements a centralised energy governance model, spreading a corporate culture based on the sustainability of business initiatives and the containment of energy requirements. Consistently with the HSE Policy, the Group is committed to implementing actions to guarantee: compliance with laws and regulations; the development of a standardised analysis and management model that guarantees the Group's rational use of energy; the achievement of targets to reduce consumption and</p>

<sup>26</sup> All documents are available on the company intranet and, where specified, on the company website.

<sup>27</sup> Approved by the CEO, as representative of the Board of Directors.

Use of energy resources	associated emissions; the centralised management of initiatives through a specific investment programme; performance monitoring; training and awareness-raising for personnel to develop an energy-aware culture as a personal asset.
Pollution, Water resources and consumption, Biodiversity and ecosystems, Resource use and circular economy Workers in the value chain Supply chain development	<p><b>Supplier Code of Conduct</b> – In 2024 Leonardo published the Supplier Code of Conduct<sup>28</sup>, based on the International Forum on Business Ethical Conduct (IFBEC). The Code, approved by the CEO, defines the rules of conduct and fundamental principles that Leonardo expects of its suppliers for responsible and sustainable business management. Leonardo requires suppliers to establish a management system for the integration of environmental considerations into the design of their products or services. In addition, Leonardo expects suppliers to meet all regulatory requirements for environmental compliance and to commit to protecting the environment and biodiversity, understood as primary assets, by actively adopting and pursuing a strategy of environmental sustainability and decarbonisation. Leonardo requires suppliers to minimise waste and prevent pollution, by shipping products in appropriate outer packaging and promoting reusable/recycled packaging materials, including reducing the use of disposable plastic.</p>
Pollution	<p><b>REACH Directive and Policy</b> – In 2025 the Company re-confirmed the existing REACH Directives and Policies, with the aim of reducing the use of hazardous substances in its processes and products, and the company regulations were further extended to the rules on chemicals impacting on products.</p>
Biodiversity and ecosystems	<p><b>Biodiversity Policy</b> – In June 2024 Leonardo published a Group Biodiversity Policy approved by the CEO<sup>29</sup>. In this policy, Leonardo promotes the growth of its business by aiming to reverse the trend with respect to the use of natural resources throughout the value chain, also involving external stakeholders. The Group is therefore committed to the reduction and mitigation of impacts on nature and the environment, the protection and regeneration of ecosystems and biodiversity starting from protected areas and/or high-biodiversity areas (KBAs) with critical habitats for flora and fauna species near its production sites, and to also reducing the impacts of deforestation on site by promoting habitat protection and regeneration and reforestation projects. Specifically, Leonardo is committed to:</p> <ul style="list-style-type: none"> <li>&gt; encouraging the use of renewable energy sources and reducing climate-altering emissions to mitigate climate change<sup>30</sup>, reducing pollution and preserving the habitats of flora and fauna in the areas surrounding production sites and in the context of product testing and training activities (airports);</li> <li>&gt; promoting the sustainable and traceable use of natural raw materials and water resources;</li> <li>&gt; reducing the use of hazardous substances used in industrial processes;</li> <li>&gt; leveraging technological innovation to also assess and mitigate impacts on biodiversity.</li> </ul>

<sup>28</sup> Available at [link](#).

<sup>29</sup> as representative of the Board of Directors

<sup>30</sup> The list of biodiversity impacts is defined by IPBES - Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, and included in the recommendations of the Taskforce on Nature-related Financial Disclosures: a) land-use change, freshwater, sea; b) exploitation of material resources; c) climate change; d) pollution; e) invasive species.

Resource use and circular economy	The Group has also adopted a policy for the management of materials procured in conflict areas <sup>31</sup> , in which it pays particular attention to due diligence on incoming materials concerning respect for human rights, in particular through the Human Rights Impact Assessment tool related to conflict minerals.
Own workforce	<p><b>Group Policy on Human Rights</b> – lays down the rules the Group has adopted in relation to respect for human rights, in compliance with the standards recognised in the Universal Declaration of the United Nations, the Conventions of the International Labour Organization, the OECD guidelines and the Charter of Fundamental Rights of the European Union. For more information, please see the paragraphs: “Governance” of the chapter “General information”, “Own workforce”, “Workers in the value chain”, “Value for communities and social impact” and “Consumers and end users” of the chapter “Social information”.</p> <p><b>Diversity, Equity and Inclusion Policy</b> - This policy lays down the rules the Group has adopted in relation to respecting diversity, promoting a collaborative and inclusive working environment, and preventing any type of discrimination.</p>
Workers in the value chain Supply chain development	<p><b>Leonardo Supplier Register Management</b> procedure, which includes pre-qualification, qualification processes and blacklists.</p> <p><b>Procurement of goods, and provision of general, technical and manufacturing services</b> Directive, which defines that Leonardo’s procurement process should be based on the principles of:</p> <ul style="list-style-type: none"> <li>&gt; free competition, equal treatment and non-discrimination;</li> <li>&gt; timeliness, fairness and transparency;</li> <li>&gt; overall competitiveness of the supplier, taking into account performance (quality and timing), cost-effectiveness (costs), industrial capacity (volumes and skills), sustainability (ESG);</li> <li>&gt; maximisation of value.</li> </ul> <p><b>Key Suppliers Assessment Management</b> Procedure - <b>LEADS</b>, which defines the Assessment process of Leonardo's Key Suppliers, selected within dedicated projects with a view to continuous improvement and sustainable development of the Supply Chain. The process aims to better understand the performance and potential of its key suppliers, with specific regard to sustainability and development issues and risks, by monitoring 3 axes: 1) performance, in terms of quality, punctuality and costs, 2) capabilities, in terms of managerial, technical, and operational issues, and asset availability and innovation capacity, 3) sustainability, as maturity and performance with respect to ESG issues and compliance and risk management practices.</p>
R&D, innovation and advanced technology	<p>The following Directives were updated during 2025: Collaboration with innovative start-ups and Intellectual Property Management, in order to favour sustainable growth and management of the IPR (Intellectual Property Rights) portfolios; Cyber resilience along the lifecycle of products and services, with the aim of regulate general principles for the management of the IT resilience over the entire lifecycle of products/services of Leonardo Group; Data Governance which regulates the set of initiatives aimed at guaranteeing that data are reliable, complete, available and usable.</p> <p>Furthermore, Leonardo started the updating of the procedure related to the Planning of Technology and Product Innovation and the procedure relating to the New Strategic Industrial Partnership, and, lastly, re-confirmed the pre-existing Procedures and Operating Instructions with regard to the research collaboration projects, for the identification of initiatives and management of public funding, and the definition of the new operating instructions for participation in the NATO Industrial Advisory Group (NIAG) and Science and Technology Organisation (STO) studies.</p>

<sup>31</sup> With specific regard to gold, tantalum, tungsten, tin and cobalt. For more details, please see the Policy on Conflict Minerals.

<p>Business conduct</p>	<p>The principles and values that guide Leonardo's actions and inspire its corporate governance are: the Charter of Values, the Code of Ethics, the Anti-Corruption Code, and the Organisational, Management and Control Models adopted pursuant to Legislative Decree 231/2001 by Leonardo S.p.a. and its Italian Subsidiaries, and the Compliance Programs adopted by foreign subsidiaries in accordance with local regulations.</p> <p><b>Business compliance</b> – During 2025, the review and update of the Business Compliance Risk Matrix were completed; this Matrix serves the purpose to analyze the specific risks connected with each commercial intermediation assignment, assessing a series of red flags regarding crimes that might be committed as well as ethical and reputational aspects. In order to finalize this review, various cases were analyzed taking inspiration from the business world.</p> <p><b>Trade compliance</b> – Leonardo, through the Trade Compliance Program, aims to ensure full compliance with applicable laws and the provisions issued by the competent authorities on the matter. The program allows for the identification and implementation of compliance with any Italian, EU and international regulations regarding the export and import of defence, dual-use or commercial goods and/or services subject to regulatory requirements, as well as obligations related to embargoes, sanctions or other trade restrictions, including political commitments made under the Common Foreign and Security Policy (CFSP) framework, and international regulations and conventions signed by Italy and the European Union<sup>32</sup>. Furthermore, the Trade Compliance Program also provides for due diligence audits on potential customers and end-users, advanced monitoring of transactions that involve Sensitive Countries and also includes specific checks on respect for human rights. In this regard, the Human Rights Impact Assessment (HRIA) identifies the main risk factors with reference to the issue of human rights<sup>33</sup>.</p> <p>In order to harmonize further Trade Compliance processes within Leonardo, in 2025 the Company adopted two new Single Procedures regarding Law 185/90 and International Traffic in Arms Regulations (ITAR) applicable to the parent and the Divisions' perimeter.</p> <p><b>Lobbying activities</b> – Direct and indirect advocacy activities are carried out by Leonardo in accordance with the principles of transparency, and Leonardo's Code of Ethics, as well as in compliance with current regulations and the principles and standards of conduct set forth in Leonardo's Code of Ethics, Anti-Corruption Code and other company rules. They are carried out, moreover, with the support of a solid governance model based on well-defined responsibilities at all levels and specific processes and procedures. In particular, lobbying activities and the related risk of trading influence under art. 346-bis of the Italian Criminal Code are managed through the rules laid down in the Group Directive<sup>34</sup> on Business Compliance. The ethical/reputational analyses conducted on the basis of the aforementioned Directive are also aimed at the prevention of risks related to the crime of undue influence provided for by Italian legislation and the regulations of the countries in which Leonardo operates.</p>
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<sup>32</sup> Leonardo operates in strict compliance with all international treaties and conventions signed and ratified by the Italian Government, which include – but are not limited – to: “The Biological and Chemical Weapons Convention”, “The Anti-Personnel Landmines Convention”, “1980 Convention on Certain Conventional Weapons (Protocol III and IV)”, “The Convention on Cluster Munitions”, the “Treaty on the Non-Proliferation of Nuclear Weapons” (NPT) and the “Nuclear Suppliers Group (NSG)”.

<sup>33</sup> For more details, please refer to the paragraph “[Consumers and end-users](#)”.

<sup>34</sup> In particular, Group Directive on Promotion/Commercial Consultancy, Lobbying and Distribution /Reselling

## ENVIRONMENTAL INFORMATION

### CLIMATE CHANGE AND DECARBONISATION

#### *Materiality and Leonardo approach*

Over the past three years, the global average temperature has consistently exceeded the +1.5°C threshold compared to pre-industrial levels<sup>35</sup>. These trends confirm the intensification of the climate crisis and shape a context in which the AD&S sector is called up to redefine its priorities in terms of climate and non-climate risk management while maintaining its competitiveness. Leonardo is committed to strengthening its leadership in security and technology that promotes, among other things, climate action, which aims to avoid the most impactful effects of climate change and be a lever to increase the competitiveness and resilience of the Group's product portfolio. Furthermore, it is playing an active role in supporting suppliers' decarbonisation roadmap on the one hand and developing products with reduced impact on climate and ecosystems on the other, with the aim of reducing Scope 3 emissions. In line with this strategy, Leonardo is committed to achieving ambitious decarbonisation targets validated by the Science-Based Target initiative (SBTi)<sup>36</sup> in 2024.

#### *Climate change mitigation*

Leonardo acknowledges that the activities of its production sites and the entire value chain are closely interconnected with local ecosystems and communities. Responsible and circular resource management, waste control and reduction, containment of emissions and energy consumption, together with biodiversity protection, are the pillars of the Group's transition strategy aimed at mitigating risks and enhancing opportunities in the short, medium and long term by leveraging the efficiency of processes, the evolution of products and services, digitalisation and emerging technologies. A key element of this journey is fighting climate change, which is driving Leonardo to rethink its manufacturing processes in order to facilitate the transition to a low-carbon economy. The Company is also working to valorise on the opportunities arising from its solutions, using them as tools to support climate action.

#### *Climate change adaptation*

Climate change represents a growing risk, as highlighted by the World Economic Forum<sup>37</sup>, posing a challenge for companies both in terms of preparing for the transition and as a direct threat to the operational continuity of assets. Thanks to its know-how and an integrated, multi-domain approach, Leonardo contributes to climate adaptation with global monitoring systems and solutions for Search & Rescue missions operating in extreme conditions. At the same time, Leonardo has been implementing climate risk mitigation measures since 2024 to ensure business continuity throughout the entire value chain.

#### **Transition plan and climate change strategy**

The strategy underlying the Group's transition plan is to support business growth, in line with the Industrial Plan, by promoting a reduction in the resources that are used (known as decoupling) through the evolution from a linear to a circular model, and the adoption of innovative solutions with reduced environmental impact. Furthermore, in 2025, the SBTi Steering Committee and the Supplier Engagement IPT evolved into the Climate and Environmental Steering Committee, composed by the Chief Executive Officer, the top management and the Divisions and headquarters' front lines in all the Group's geographical areas. Its

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<sup>35</sup> Source: [Copernicus: 2025 on course to be joint-second warmest year, with November third-warmest on record | Copernicus](#).

<sup>36</sup> For more details: <https://sciencebasedtargets.org/companies-taking-action>.

<sup>37</sup> Global Risks Report 2025 | World Economic Forum.

function and purpose are to guide decarbonisation work and coordinate the Group's strategic environmental activities.

## *Managing impacts, risks and opportunities*

### **Process to identify climate-related risks and opportunities**

Leonardo has conducted an in-depth analysis of the expected impacts of climate change on its industrial model, assessing the resilience of its activities and value chain through an approach based on internationally recognised climate scenarios. This comparison made it possible to assess how increasingly intense physical phenomena and more or less rapid transition policies could affect operational continuity, people's safety and the resilience of company assets<sup>38</sup>.

#### *Physical risks*

Leonardo assesses physical risks through scenario analysis, using two climate pathways (SSP-RCP):

- > RCP 8.5 ("Business-as-usual"): temperature increase of between 3.3°C and 4.5°C.
- > RCP 2.6 (accelerated transition): limited increase of between 1.5°C and 2.0°C.

The methodology adopted combines prospective modelling of the main climate hazards with a quantitative assessment of potential economic impacts. Sixty-one sites were prioritized, which are located in the geographical areas that are most representative of the Group's activities, and where over 80% of employees work. Eight perils were analysed for each site, including, among others, heat waves, floods, drought, fires and extreme weather events. This assessment made it possible to estimate the future exposure of assets, the probability of operational disruptions, potential additional costs and emergency management. The financial impacts considered include direct physical damage to infrastructure, temporary loss of production capacity and costs increases associated with long-term climate risk management.

Preliminary results show that heat waves are set to increase significantly by 2050, with potential impacts on staff productivity, equipment efficiency, and energy management at industrial sites. Flooding, on the other hand, emerges as the main source of potential economic loss, in terms of both direct damage to assets, and the resulting operational disruptions. In light of this evidence, Leonardo has defined a comprehensive set of responses and mitigation measures, including enhanced insurance plans; the extension of a structured Climate Risk Analysis programme aimed at ensuring continuous monitoring of physical risks; and the adoption of guidelines for the design and adaptation of buildings and facilities.

#### *Transition risks and opportunities*

The four categories of risks and opportunities<sup>39</sup> identified by the ESRS to determine the implications of the transition to a low-carbon economy have been evaluated, mostly qualitatively<sup>40</sup>, against three scenarios defined by the International Energy Agency (IEA):

- > NZE (Net Zero Emissions) 2050 scenario, which is the most ambitious decarbonisation scenario;
- > APS (Announced Pledges Scenario), which considers full implementation of all climate commitments announced by governments, but without additional measures;

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<sup>38</sup> A description of the process for identifying impacts, risks and opportunities related to climate change is given in the chapter "General Information", section "Managing impacts, risks and opportunities – Double materiality". For more information on policies, please refer to the paragraph "Sustainability management policies" of the chapter "General information".

<sup>39</sup> Policy & Legal, Technology, Market and Reputation.

<sup>40</sup> Specifically, the following have been considered: the probability category - distinction between already defined factors (e.g., Carbon Price), endogenous factors (e.g., achievement of SBTi targets) and exogenous factors (e.g. adoption of ESG criteria in public procurement); scope of application: analysis of risk exposure for each business division, considering GHG emissions, weight on turnover and sensitivity of ESG stakeholders; temporal proximity - assessment of the time horizon of manifestation of risks, distinguishing between immediate and future shocks; intensity of impact - estimation of direct financial impacts (reduced revenues, increased costs) and indirect impacts (reputational risks).

- > STEPS (Stated Policies Scenario), which is a more conservative assumption of mere implementation of existing policies, and therefore does not guarantee achievement of climate ambitions.

<u>TRANSITION RISKS</u>		<u>DESCRIPTION</u>
<b>Policy and Legal</b>	Carbon Pricing mechanisms	The estimated impact of direct costs (ETS I, ETS II, and CBAM) and, to a greater extent, indirect impacts related to Scope 1, 2, and 3 emissions varies depending on the scenario and strategy adopted by Leonardo. The delta between NZE and STEPS is higher in the absence of a net zero strategy while it gradually decreases in an accelerated transition scenario.
	Reporting obligations	Leonardo has mitigated the risk with dedicated ESG compliance teams, but there could be critical issues for the supply chain, which is mainly composed of SMEs.
<b>Technology</b>	Replacement of existing products with lower-emission alternatives	The Aerospace, Defense and Security sector is exposed to potential technological disruption, on which Leonardo maintains an ongoing commitment to research and development, also leveraging “green” funding. The pressure could intensify in an NZE scenario.
	Risk of unsuccessful investment in new technologies	Leonardo’s R&D activities may carry the risk of unsuccessful investments, mitigated by diversification from a broad portfolio of innovative projects.
<b>Market</b>	Changing consumer and/or customer preferences	The integration of ESG criteria into public and private procurement could affect Leonardo's market share if the company does not maintain competitive alignment in ESG practices with respect to competitors. The emphasis on ESG criteria would be accentuated in an NZE scenario.
	Increased cost of raw materials	In the STEPS scenario, the absence of adequate environmental policies could lead to unsustainable resource exploitation, causing price increases or shortages of essential inputs for production processes in the medium to long term. In the APS scenario, the implementation of climate commitments announced by governments could lead to an accelerated evolution of demand for low-emission technologies, generating pressures on prices and availability of strategic inputs for production processes in the medium term. In the NZE scenario, policies to transition to a low-emission economy could cause price increases or shortages of essential inputs for production processes in the short to medium term.
<b>Reputation</b>	Increased scrutiny and risk of negative feedback from stakeholders	Failure to achieve SBTi goals could damage Leonardo's reputation with key stakeholders (customers, suppliers, investors, and employees), limiting its ability to attract financial and human capital, with such risks accentuated in an NZE scenario.

In order to manage transition risks, the Group has designed key levers that include decarbonisation targets aligned with SBTi standards, investments in low-emission technologies, and the development of solutions to reduce customers’ carbon footprint. In addition, there are initiatives to strengthen transparency and ESG positioning, targeted investments in green tech, and advocacy activities to support a stable regulatory framework. The plan also includes the enhancement of energy-efficiency technologies, the monitoring of supplier targets, and the integration of advanced environmental criteria into tender processes with a view to protecting the Group’s competitiveness in a changing market.

<b>TRANSITION OPPORTUNITIES</b>		<b>DESCRIPTION</b>
<b>Market</b>	Replacement of existing products with lower-emission alternatives	Demand for low-carbon products is growing, and developing solutions that support the transition represents a competitive advantage.
<b>Technology</b>	Investing in new products and services	Leonardo invests in space technologies, platform digitalisation and automation, orbiting data centres, digital twins and artificial intelligence, hybrid propulsion for regional and military aviation, energy-optimized high-performance computing and advanced aeronautical structures, as well as secure digital systems and unmanned aircraft for environmental monitoring.

## Actions and resources in relation to climate change policies

### *Climate change mitigation*

Leonardo addresses climate change with an integrated approach involving all emission categories (Scope 1, 2 and 3). The company is committed to improving energy efficiency in its operations, transforming production processes through solutions with lower environmental impact<sup>41</sup>, and accelerating the adoption of energy from renewable sources. At the same time, Leonardo promotes decarbonisation along the supply chain with supplier engagement and support initiatives and develops innovative, more efficient and alternative fuel compatible products and services, such as SAFs.

### *Main levers for reducing CO<sub>2</sub> emissions in its own operations (Scope 1 and 2)*

The achievement of Leonardo's future goals on Scope 1 and 2 emissions derives from an organic decarbonisation strategy based on four key pillars that translate into several concrete initiatives.

<b>Energy efficiency</b> 	<b>Full Potential Lighting Programme</b> – Work is being completed on the massive programme to replace lighting systems with LED technology, envisaged in the Sustainability Plan. The Programme, on which Leonardo has decided to give maximum acceleration, has envisaged an overall investment of about €mil. 31 (of which around €mil. 1,8 spent in 2025) and an estimated reduction of about 31GWh/year, equivalent to about 10,000 tons of CO <sub>2e</sub> avoided per year <sup>42</sup> .
<b>Energy transformation plant and process efficiency</b> 	<b>Thermal Energy Consumption Efficiency</b> – In 2025, construction site works were completed on the new thermal plant at the Vergiate factory. The system, which will become fully operational in 2026, will be able to reduce gas consumption by about 900,000 m <sup>3</sup> per year, equal to about 1,800 tons of CO <sub>2e</sub> avoided, through a total investment of approximately €mil. 8, of which €mil. 2 spent in 2025.  In 2025, work then commenced on a feasibility study to improve the thermal efficiency of the two pilot sites in the Aerostructures BU in Nola and Pomigliano. Following this study, a decision will be made on whether to proceed with the detailed design of any identified interventions.
	<b>Energy Self-Production Programme</b> – Work continued on the programme activities, with a total installable capacity of approximately 43 MWp contracted to date under 19 agreements for the construction of plants. As of the end of 2025, 14.8 MWp were installed, (35% of the contracted power).  Moreover, during the year the expansion was completed at the Nola PV plant, reaching an installed capacity of 9.8 MWp, at the Grottaglie plant, with a capacity of 4.4 MWp, and at

<sup>41</sup> No nature-based solutions are used at present.

<sup>42</sup> Furthermore, it should be noted that Leonardo has obtained the ISO 50001 energy certification for six production sites.

<p><b>Energy mix rebalancing</b></p> 	<p>the Decimomannu plant with a capacity of 0.6 MWp, enabling a total self-consumption from solar energy of approximately 11,400 MWh in 2025. Other plants are at different stages of implementation: it is estimated that the self-consumed PV energy relating to the plants already contracted will reach a value approximately 55GWh/year which will allow, once fully operational, a saving of about 13,000 tons of CO<sub>2</sub>e/year avoided. Assessments are underway on potential additional PV installations.</p> <p><b>Renewable Electricity</b> – Work continued on the program for global adoption of electricity from renewable sources. In 2025, with an investment of more than €mil. 2.5, 86% of the electricity purchased by the Group is covered by Guarantees of Origin certifying that it indirectly comes from renewable sources.</p>
<p><b>Other projects</b></p> 	<p><b>SAFs for Internal Testing and Acceptance Flights</b> - Leonardo strengthens its commitment to reducing emissions from flying products by ensuring operational compatibility with blends containing up to 50% SAFs. The company is also engaged in research programs on an ongoing basis, which involve the percentage increase of SAF in fossil-based fuel blends, providing for an investment of about €mil. 1.1 within 2025-27.</p> <p><b>Electric and hybrid cars</b> – Leonardo’s corporate fleet (long-term rental) in Italy consists of 83% hybrid/electric drive vehicles (+9 p.p. compared to 2024), reaching and exceeding the target set for 2025 by 80%. By 2026, a further increase in hybrid/electric vehicles is expected, reaching approximately 90% of the total fleet. With regard to carpool, the current share of such vehicles is 68% (+13 p.p. compared to 2024).</p> <p><b>Virtualization</b> - Leonardo has developed advanced simulation systems for pilot and operator training. Systems such as the Virtual and Extended Reality Simulator (VxR) for helicopters, which has operated for 2,400 hours in 2025, or the Modular Interactive Trainer for Helicopter Operation (MITHOS) not only improve the effectiveness of training but also reduce the emissions from the actual flight hours required for training. In 2025 €mil. 1.7 was spent and over €mil. 16 are expected for the period 2026-2029.</p>

*Main levers to reduce CO<sub>2</sub> emissions along the supply chain (Scope 3)*

Over the past two years, Leonardo conducted a careful examination of its Scope 3 emissions in order to identify, in line with SBTi-approved decarbonisation targets, the areas of greatest commitment toward which to promote its decarbonisation actions, including: the supply chain, products and services, and other Scope 3 emissions reduction initiatives (employee mobility, waste and logistics).

**Reduction in emissions in the supply chain**

Leonardo leads the way in reducing emissions along its supply chain, promoting a programme of supplier engagement geared toward creating a community that is aware of and committed to achieving increasingly ambitious sustainability goals. In order to also achieve the SBTi-validated target of engaging suppliers to support them in setting science-based decarbonisation targets, the Group has taken actions dedicated to awareness, incentives and training, and support for sustainability reporting planning, bringing the supplier decarbonisation path into line with SBTi standards.

**Reduction in emissions through the development of products and services**

In line with the SBTi-validated<sup>43</sup> target, Leonardo takes action to reduce Scope 3 emissions, which are also linked to the use of its products and services, developing innovative solutions, such as alternative materials and advanced fuels, which enable customers to reduce emissions during the phase of use.

<sup>43</sup> For more information on the target, please refer to the section on Metrics and Targets.

<p><b>Virtualization</b></p> 	<p><b>Pilot training</b> – Through the development of advanced simulators, Leonardo enables virtual pilot training, thus significantly reducing the need for flights on real platforms, and, consequently, fuel consumption and climate-altering emissions. Embedded Training systems also enable online training in shared tactical scenarios, integrating aircraft, ground simulators and control stations, with real-time data exchange through data links and communication networks. In 2025, over €mil. 3 (CapEx) was spent on the development of virtual training and maintenance systems.</p>
<p><b>Reducing emissions during aircraft operation</b></p> 	<p><b>Use of Sustainable Aviation Fuel (SAF)</b> - Up to -80% CO<sub>2e</sub> emissions over the entire life cycle can be achieved compared to traditional fuel. At present, Leonardo has 12 helicopter models that can operate on fuels with up to 50% of SAF. Leonardo aims to assess the compatibility of current “in-service” aircraft without changes to the aircraft and fuel distribution infrastructure. At present, Leonardo has released the clearance certifying the compatibility of the M346, M345 and ATR VS platforms for the use of up to 50% of SAF. In this regard, Leonardo has performed, in cooperation with the Air Force's Experimental Flight Department (RSV), demonstration flights of a SAF-fuelled M346 aircraft, whose first flight was completed in July 2025, and is finalizing a Memorandum of Understanding with the Ministry of Defence and ENI to continue the activity for continuous use of SAFs at 50% and investigate the ambition of exceeding this threshold.</p> <p><b>Electric or Hybrid Platforms</b> – The activities relating to the study of cutting-edge technologies and impacts from hybrid/electric propulsion systems are in progress with Leonardo Innovation Labs. In the European civil sector, Leonardo is involved in the Clean Aviation programme with participation in 9 research projects, 2 of which are company-led (HERA, HERFUSE), aimed at identifying regional aircraft configuration, innovative system architectures and frontier technologies enabling a significant reduction of environmental impact through hybrid-electric propulsion.</p>
<p><b>Servitisation and Predictive Maintenance</b></p> 	<p><b>Customer support</b> – Optimizing maintenance logistics flows and reducing unplanned downtime contribute to reducing Scope 3 emissions. In this regard, Leonardo is committed to offering advanced tools and services to support customers throughout the entire operating cycle. An integrated suite of applications has been developed, tailored to the customer’s needs, with the aim of increasing the operational efficiency of fleets, reducing the incidence of AOG (Aircraft On Ground) events and optimizing logistics and maintenance work forecasting. In 2025, approximately €1.7 mil. was spent on customer support projects, with an additional €3 mil. planned for 2026.</p>

**Other projects to reduce Scope 3 emissions**

<p><b>Sustainable mobility of employees and shipping</b></p> 	<p><b>Sustainable employee mobility</b> – Some home-work commute Plans have been prepared for 38 company sites in Italy, which provide for the implementation of several projects aimed at encouraging more sustainable home-to-work mobility. In 2025, Leonardo supported employees in making sustainable mobility choices, including: the continuation of smart working, the adoption of an app to encourage carpooling, through a cashback system, between colleagues, and cycling and company shuttles; and agreements to encourage the use of bicycles and trains.</p> <p><b>Logistics</b> – During 2025, the optimisation process continued, through the Transportation Control Tower, on a centralized governance system that enabled proactive and integrated monitoring of flows, ensuring greater operational efficiency, and a simultaneous reduction in environmental impact. In particular, planning activities maximized logistical synergies, leading to a 6 percentage point increase in the shipment consolidation rate compared to 2024.</p>
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<p><b>Waste reduction</b></p>	<p>Leonardo pursues waste reduction as a strategic lever for the transition to a circular economy and for its environmental commitment. For more details, please refer to the chapter on the “Resource use and circular economy”.</p>
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***Climate change adaptation***

In order to seize the opportunities arising from the need to adapt to climate change, Leonardo develops various products and services, from satellite observation of the Earth to responding to emergencies created by extreme weather events.

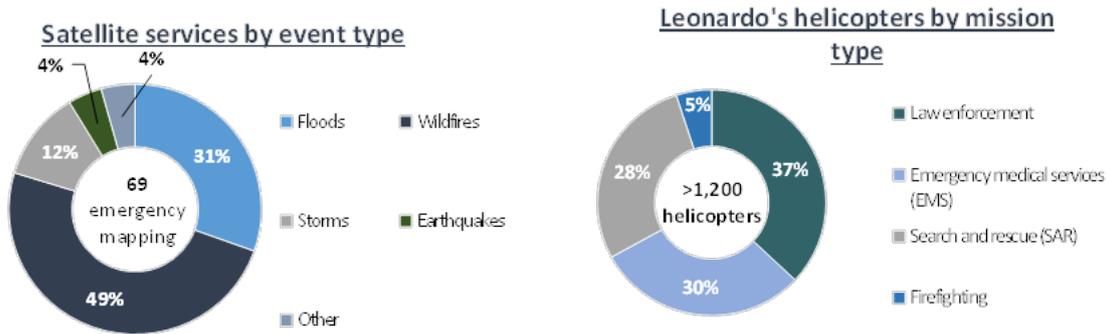
	<p><b>Crewed and uncrewed helicopters and aircraft</b> - Leonardo has a Medium-Altitude Long-Endurance class product portfolio, based on the aircraft of the “Falco family”, and a technology evolution roadmap for use in environmental surveillance and monitoring missions, emergency management and border control in a connected environment and highly integrated with other infrastructures.</p> <p><b>Search and Rescue (SAR) and Emergency Medical Services (EMS)</b> - Leonardo also develops multi-mission configurations of aircraft for search and rescue and emergency medical missions, and designed for excellent performance under the most demanding operating conditions in natural disasters, fires, pollution control and humanitarian relief (AW family, ATR and C-27J Special Version and Firefighting).</p>
	<p><b>Global monitoring</b> – Platforms characterised by communication, cyber and intelligence capabilities for monitoring the territory, capable of processing and analysing enormous quantities of data from heterogenous sources in real time. The solutions provide an integrated view of the operational context through command and control rooms, and are used, for example, to monitor environmental and anthropogenic events, prevent risks, enhance and protect Italy’s cultural, artistic and architectural heritage, and manage cities and urban security.</p>
	<p><b>Firefighting</b> – The Fire Fighter (FF) version of the C27-J has been developed with the aim of increasing the “multi-mission” capabilities of the C-27J, by integrating technologies that enable firefighting operations. The C-27J Fire Fighter adopts a Modular Airborne Fire Fighting System, which allows the aircraft to be reconfigured from transport to air tanker in less than two hours. The first test campaign has been completed, with over 40 experimental flights carried out, which are necessary for the development of the first mass production system, which will be delivered in 2026.</p>

**Focus: Leonardo’s solutions for planet monitoring**

**Copernicus** - Leonardo, through its subsidiary e-GEOS, provides information in support of the Copernicus Emergency Rapid Mapping Service, which provides standardised mapping products to support emergency management that enable verification of the pre-event situation, to identify the most affected locations, and to assess the intensity and severity of damage. Over €4.8 mln was spent on the project in 2025, and a further €18 mln is planned by 2029.

**Land cover and tropical forest mapping and monitoring** – Forests are one of the most important habitats on Earth, serving multiple functions, including as global carbon sinks. e-GEOS is responsible for manufacturing tropical forest-related products within the LCFM service consortium, which provides information for analysing and monitoring deforestation.

**SIM - Integrated Monitoring System:** is a platform integrated with existing systems, providing data, metadata, processing services, workflows, widgets, and applications. It operates in four areas: hydrogeological instability (landslides, floods, drought), precision agriculture (irrigation consumption and crop health), and marine-coastal pollution (oil spills). The system may also enable the identification of environmental crimes, supporting monitoring and investigation activities for the protection of the territory.



**Focus: advocacy and other climate engagement activities**

Leonardo plays an active role in the global effort to combat climate change and protect the environment. In 2025, the company, in fact, participated in numerous initiatives and working groups focused on combating climate change and adapting to its impacts, with the aim of identifying best practices and contributing to the public debate. Before joining an association or any other organisation, Leonardo carries out an assessment to verify that such activities comply with the sustainability goals and commitments on environmental issues, including those on decarbonisation validated by SBTi and considered to be in line with the Paris Agreements. Key initiatives include:

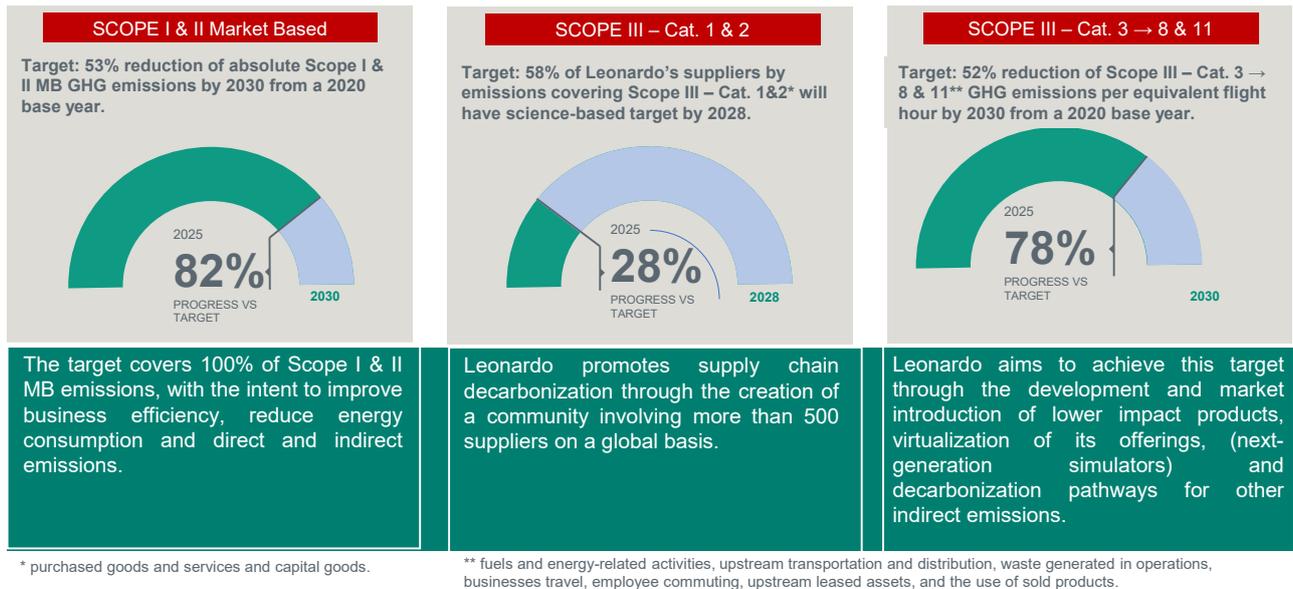
**International Aerospace and Environment Group (IAEG)** – During the year, through participation in various Working groups of the association, Leonardo discussed environmental sustainability issues, including the development of alternative and decarbonisation technologies such as SAF, and the reporting and management of GHG emissions.

**AeroSpace and Defence Industries Association of Europe (ASD)** – Leonardo actively participates in ASD working groups, including those relating to European policies and standards on climate change and defence. One example was its work within the Climate and Defence Task Force in 2025.

*Metrics and targets*

**Targets related to climate change**

As part of its climate strategy, Leonardo has defined three short-term emission reduction targets, which have been validated by the Science-Based Targets Initiative (SBTi).

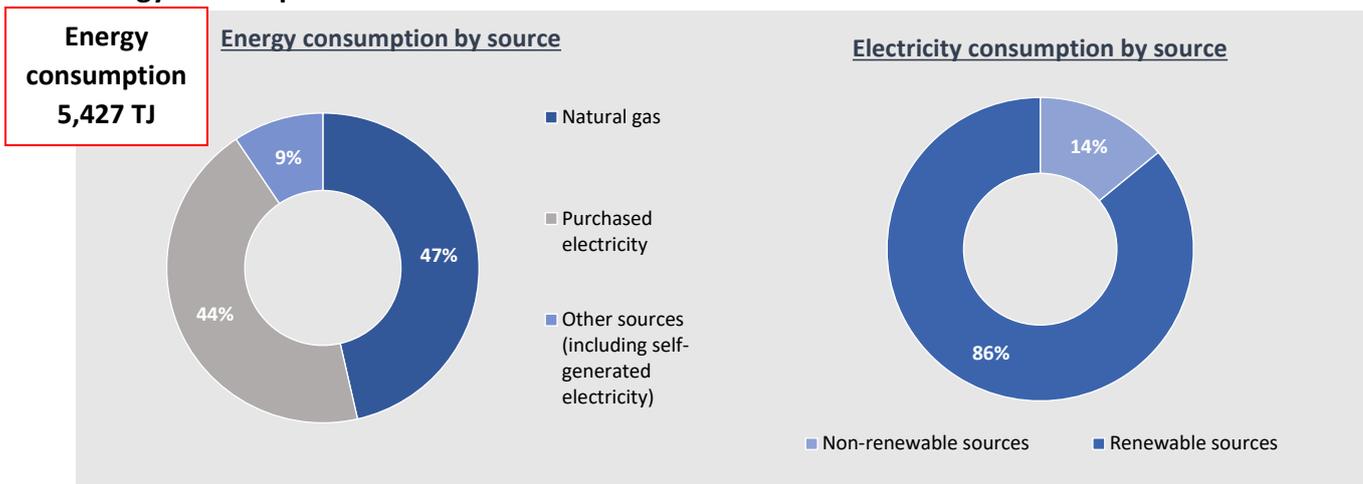


The two targets linked to Scope 3 emissions have been defined to cover at least 67% of the total Scope 3 emissions of Leonardo. This approach ensures that the company's efforts are consistent with international frameworks and aimed at reducing the main sources of emissions along the entire value chain<sup>44</sup>.

In addition to the SBTi decarbonisation roadmap, Leonardo UK is committed to achieving Net Zero by 2050 across the entire value chain, including through the achievement of intermediate targets as reported in the Leonardo UK Carbon Reduction Plan<sup>45</sup>.

As further evidence of Leonardo’s commitment to mitigating climate change, two additional targets were set during 2025, following the achievement of the objective relating to the reduction of electricity withdrawals from the external grid, a further objective was set to increase the amount of renewable electricity<sup>46</sup>.

**Energy consumption and mix**

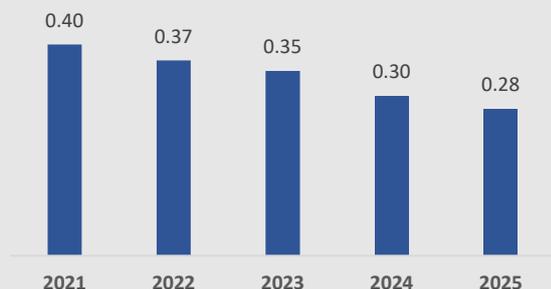


<sup>44</sup> Please see the document [SBTi CORPORATE NEAR-TERM CRITERIA](#).

<sup>45</sup> [LDO UK25\\_01516+Carbon+Reduction+Plan+2025.pdf](#)

<sup>46</sup> For more details, please see the chapter on “General information - Strategy and stakeholder engagement”.

### Consumption and energy intensity (MJ/€)



Intensity of energy consumption on revenues: 0.28 (-6% compared to 2024). The denominator of this KPI is equal to the revenues reported in the Leonardo Group's consolidated financial statements<sup>47</sup>.

Energy consumption: 5,427 TJ (+0.93% compared to 2024), of which 39% from renewable sources, including:

- > Consumption of electricity acquired: 2,398 TJ, equal to 666 GWh (+1.85% compared to 2024), of which 86% from renewable sources;
- > Natural gas consumption: 2,520 TJ, equal to 70.5 million m<sup>3</sup> (+2% vs 2024), mainly used for heating;
- > Other sources (of which self-produced electricity): 509 TJ, +9% vs 2024.

E1 - Climate Change			
Energy consumption and mix	Unit	2025	2024
Fuel consumption from coal and coal products	MWh	0	0
Fuel consumption from crude oil and petroleum products	MWh	79,952.00	69,557.00
Fuel consumption from natural gas	MWh	699,931	685,665
Fuel consumption from other fossil sources	MWh	834.00	1,022.00
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	143,976	141,371
<b>Total fossil energy consumption</b>	MWh	<b>924,693</b>	<b>897,615</b>
Share of fossil sources in total energy consumption	%	<b>61.3</b>	<b>60.1</b>
<b>Total consumption from nuclear sources</b>	MWh	<b>0</b>	<b>5,028</b>
Share of consumption from nuclear sources in total energy consumption	%	<b>0</b>	<b>0.3</b>
Fuel consumption for renewable sources	MWh	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	570,418	588,301
The consumption of self-generated non-fuel renewable energy	MWh	12,387	2,726
<b>Total renewable energy consumption</b>	MWh	<b>582,805</b>	<b>591,027</b>
Share of renewable sources in total energy consumption	%	<b>38.7</b>	<b>39.6</b>
<b>Total energy consumption</b>	MWh	<b>1,507,498</b>	<b>1,493,670</b>
<b>Energy intensity (Energy consumption / net revenue)</b>	MWh/M€	<b>77</b>	<b>84</b>

### Carbon credits and internal carbon pricing

Leonardo has no GHG emission offset or mitigation projects financed with carbon credits. Leonardo makes use of the shadow price scheme, the value of which is determined by reference to that of European Emissions Trading Scheme (ETS) allowances, the EU's regulatory tool for encouraging greenhouse gas reduction by the largest emitting installations through the purchase of CO<sub>2</sub> allowances<sup>48</sup>. Leonardo, which operates 8 Italian

<sup>47</sup> The primary reference Nace code of the Aerospace, Defence and Security sector - C30.3 - falls within the sections referred to as 'High climate impact sectors', meaning 100% of Leonardo's energy consumption and revenues are related to activities of this type.

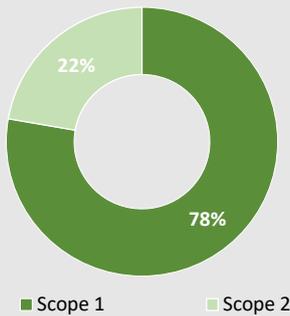
<sup>48</sup> Carbon price relates to the operations of the entire Group.

sites subject to ETS<sup>49</sup>, adopts this carbon price to assess the cost-effectiveness of any investments to be made to reduce emissions from installations subject to the EU ETS and others located in countries where ETS-like regulatory tools may be applied in the future. In addition, new European regulations providing for the application of the ETS scheme to intra-EU flights as well could push customers toward products with lower consumption and emissions. For these reasons, the carbon price is taken into account for business decisions related to the identification of energy efficiency projects, investments underpinning the decarbonisation pathway regarding Scope 1 and Scope 3 upstream emissions (cat. 1 and 2), and the identification of business opportunities by, for example, directing research and development activities.

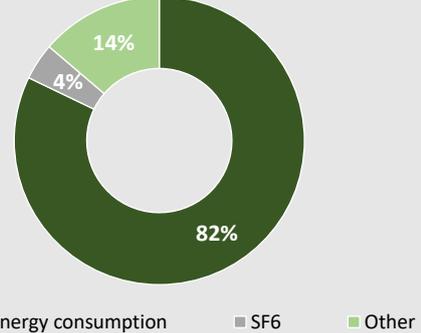
**Scopes 1, 2 and 3 emissions<sup>50</sup>**

**CO<sub>2</sub>e emissions  
Scope 1+2  
(MB): 238,352 t**

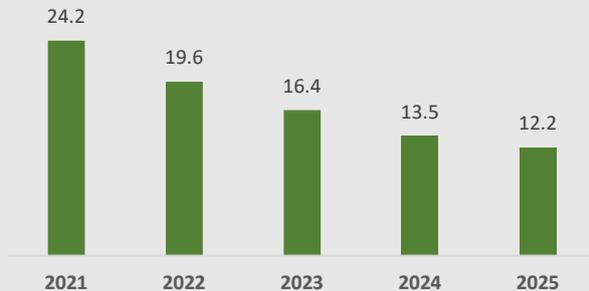
Scope 1 and 2 market based CO<sub>2</sub>e emissions



Scope 1 and Scope 2 CO<sub>2</sub>e emissions by source



Intensity of CO<sub>2</sub>e Scope 1 e 2 emissions (MB, g/€)



CO<sub>2</sub>e Emissions Scope 1 and 2 (Market-Based): 238,352 (-0.6% compared to 2024), of which:

- > Scope 1: 185,262 t of CO<sub>2</sub>e (-0.1% compared to 2024), of which 9,798 t of CO<sub>2</sub>e connected with the use of gas SF<sub>6</sub> (-39% compared to 2024).
- > Scope 2 Market based: 53,090 t of CO<sub>2</sub>e (-2.4% compared to 2024).

Intensity of CO<sub>2</sub>e Emissions Scope 1 and 2 (Market-Based) on revenues: 12.2 (-9.5% compared to 2024). The denominator of this KPI is equal to the revenues reported in the Leonardo Group's consolidated financial statements.

<sup>49</sup> Figure at 31 December 2025, in continuity with 2024 data.

<sup>50</sup> Scope 1 and 2 GHG emissions are calculated from primary data, such as energy consumption, reported through the Group's web-based system by: direct measurement (e.g., meters and consumption metering systems), calculation (e.g., utility bills; purchase orders/invoices), estimates based on number of employees and/or activities conducted. The emission factors used are reported in the ESRS content index (E1-6). Furthermore, Leonardo does not exercise any operational control over Joint Ventures and unconsolidated companies, so their emissions are not considered in either Scope 1 or Scope 2 category.

<b>CO<sub>2</sub> Emissions (E1-6)</b>	<b>Unit</b>	<b>2025</b>	<b>2024</b>
<b>Scope 1 GHG emissions</b>			
Gross Scope 1 GHG emissions	tCO <sub>2</sub>	185.262	185.446
% of Scope 1 GHG emissions from regulated ETS	%	63	56
<b>Scope 2 GHG emissions</b>			
Gross location-based Scope 2 GHG emissions	tCO <sub>2</sub>	187.839	216.386
Gross market-based Scope 2 GHG emissions	tCO <sub>2</sub>	53.090	54.378
<b>Scope 3 GHG emissions</b>			
Cat. 1	tCO <sub>2</sub>	2.843.800	2.608.667
Cat. 2	tCO <sub>2</sub>	142.219	159.300
Cat. 3	tCO <sub>2</sub>	35.085	34.514
Cat. 4	tCO <sub>2</sub>	17.826	16.229
Cat. 5	tCO <sub>2</sub>	18.809	22.768
Cat. 6	tCO <sub>2</sub>	33.167	28.649
Cat. 7	tCO <sub>2</sub>	75.559	82.752
Cat. 8	tCO <sub>2</sub>	11.118	9.316
Cat. 9	tCO <sub>2</sub>	(2)	(2)
Cat. 10	tCO <sub>2</sub>	(3)	(3)
Cat. 11	tCO <sub>2</sub>	2.449.608	2.205.409
Cat. 12	tCO <sub>2</sub>	(4)	(4)
Cat. 13	tCO <sub>2</sub>	(5)	(5)
Cat. 14	tCO <sub>2</sub>	(6)	(6)
Cat. 15	tCO <sub>2</sub>	(7)	(7)
Gross Scope 3 GHG emissions	tCO <sub>2</sub>	<b>5.627.192</b>	<b>5.167.604</b>
<b>Total GHG emissions (location-based)</b>	tCO <sub>2</sub>	<b>6.000.293</b>	<b>5.569.436</b>
<b>Total GHG emissions (market-based)</b>	tCO <sub>2</sub>	<b>5.865.544</b>	<b>5.407.428</b>
<b>Total GHG emissions (location-based) per net revenue</b>			
	tCO <sub>2</sub> / M€	<b>308</b>	<b>314</b>
<b>Total GHG emissions (market-based) per net revenue</b>			
	tCO <sub>2</sub> / M€	<b>301</b>	<b>304</b>

(1) Leonardo's business is cyclical so a +/- 15% YoY variability between 2020 and 2030 is forecast on Cat. 1 and 11 emissions. This YoY variability reduces to +/-6% in the 2027-2030 timeframe due to several high-impact programs coming to an end and business stabilizing on lower emissions / higher volumes platforms.

(2) Not Applicable: Leonardo manages and pays for the delivery of products and services directly to the customer. Therefore, according to GHG protocol, emissions related to transportation and distribution of sold products are tracked and reported under the upstream transportation and distribution category because Leonardo purchases the service. Thus, downstream transportation and distribution emissions are not applicable.

(3) Negligible - around 0.05% of total Scope 3 emissions.

(4) Negligible - around 0.01% of total Scope 3 emissions.

(5) Leonardo's business is based on selling products, not on leasing them. Therefore, this category is not applicable.

(6) Leonardo does not have any franchises. This category is therefore not applicable to its business activities.

(7) Negligible - around 0.5% of total Scope 3 emissions.

## POLLUTION

### *Materiality and Leonardo approach*

Leonardo's production processes can generate impacts on the environment due to air pollution - caused by emissions from its own operations, supply chain, products, and investments -, water discharge and the generation of energy and waste (both hazardous and non-hazardous). Leonardo has established special plans shown in the dedicated sections of this chapter "Environmental information" in order to limit such impacts.

### *Managing impacts, risks and opportunities*

#### **Processes to identify pollution-related risks and opportunities**

AD&S industry's production processes involve the use of chemicals (including hazardous ones) that can have an adverse impact on ecosystems. At the same time, Leonardo is committed to ensuring full compliance with stringent European and national regulations related to the use of polluting and hazardous chemicals.

Impacts and risks are assessed, monitored and updated, on a periodic basis, through environmental and context analyses, in accordance with the ISO 14001 and ISO 45001 standards, in order to prepare improvement programmes, monitoring plans and through research and development projects, including with the involvement of third-party specialists - and ongoing training activities<sup>51</sup>.

**81%** of employees at sites with **ISO 14001** certified environmental management systems

**1,470 environmental audits** (1,731 in 2024), of which 1,390 conducted inhouse and 80 by third parties

About **290,600 hours of training** in environmental, health and safety (HSE) issues

*2025 figures*

#### **Actions and resources related to pollution**

In accordance with the ISO 14001 certification standards, the Group regularly performs environmental assessments and monitoring the progress of strategic plans to reduce impacts, including the assessment of environmental risks associated with processes, assets, and the geographical areas in which it operates. Furthermore, it takes out specific insurance policies in order to mitigate the consequences of unexpected events.

#### *Soil and air emissions*

Leonardo implements various activities to reduce pollutants emitted into the atmosphere through new processes, technologies and more efficient abatement systems, with a view to prevention and continuous improvement of environmental performance. These include eliminating or reducing diffuse and/or fugitive pollution in the atmosphere, and eliminating emission sources to help minimise or reduce relative emissions, including NO<sub>x</sub>, SO<sub>2</sub> and VOC emissions. Leonardo's sites where production processes are carried out, which involve the controlled use of hazardous substances operate in line with specific regulations to manage risks, and any potential impact on the environment, ensuring compliance with authorisation limits, and continuous monitoring of emissions. The operation of contaminated sites and ongoing remediation procedures in the

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<sup>51</sup> A description of the process for identifying impacts, risks and opportunities related to pollution prevention and control is given in the section on "[General information - Managing impacts, risks and opportunities – double materiality](#)". For more details on impacts/dependencies of Leonardo sites, including in terms of pollution, please also see the paragraph "[Biodiversity and eco-systems](#)". For more information on policies, please refer to the paragraph "[Sustainability management policy](#)" of the section on "General information".

Group is based on an approach of responsibility and sustainability to implement the best technical and operational solutions in compliance with regulatory requirements, and in coordination with the competent authorities.

At its various sites in Italy and abroad, Leonardo has implemented processes to improve the quality of wastewater produced, both domestic and industrial, which is sent to purification and treatment processes before discharge. Through these treatments, risks associated with the quality of water leaving production processes are reduced and the impact of water emissions on the terrestrial ecosystem and the waterways involved is also reduced<sup>52</sup>.

#### Reduction of pollutants during the use of products

Reduction of pollutants produced by the operation of aircraft and sensors is pursued by the Group as a competitive advantage over customer and stakeholder expectations. During 2025, the following actions were implemented as part of multi-year projects:

**Pollutant emissions** - The electrification and hybridisation of aircraft through projects such as Clean Aviation, allow a drastic reduction of Volatile Organic Compounds (VOC) from combustion into the atmosphere during the operational life. In particular, through the development of the new generation Tiltrotor civil helicopters, for which the first flight was made at the end of 2025, a reduction is achieved in normalised NO<sub>x</sub> emission of about 50% compared to the AW139 model, and other volatile chemical compounds.

**Acoustic noise, and light and electromagnetic disturbance** - Reduction of noise, such as from helicopter blades and aircraft turbines, is being pursued through specific development projects, including the Tiltrotor, and new nacelles for aircraft turbines.

Finally, the reduction of typical urban transport noise is facilitated by projects to optimise and improve the urban electric transport through traffic monitoring and control solutions in the projects of Genova IV Assi and Milan – Remote City Management. Specifically, the Genova - IV Assi project aims to create an electrical infrastructure network to support a fleet of electric buses/trolley buses while the Milan- Remote City Management project consists of a technical and functional upgrade of the management and control systems for routes and automatic traffic lights for public transport.

#### *Hazardous substance management*

Leonardo is committed to managing, in a sustainable manner, any chemicals and mixtures deemed harmful to human health and ecosystems in material procurement and supplier qualification stages. The management of such substances is complex both because of the stringent performance, safety and certification requirements of its products and because some hazardous substances are not universally identified as such in materials entering production processes<sup>53</sup>.

After having identified the hazardous substances (SVHC – Substances of Very High Concern) used in industrial processes, Leonardo started a rationalisation of the substances purchased (in compliance with the REACH Regulation), and provided for mitigation plans and specific objectives for reduction in each Division.

Where technically feasible, hazardous substances will also be eliminated from products, including through eco-design initiatives that identify alternatives with lower environmental impact.

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<sup>52</sup> For more details, please see the following chapter "[Water and water consumption](#)". The operation of contaminated sites and ongoing remediation procedures in the Group, 24 in 2025, is based on an approach of responsibility and sustainability to implement the best technical and operational solutions.

<sup>53</sup> For example, for Per- and Polyfluoroalkyl Substances (PFAS).

According to contractual clauses and through training courses on the subject, Leonardo involves suppliers in the management of hazardous substances, and compliance with the REACH Regulation; more than 1,000 suppliers participated in 2025.

In compliance with the REACH Regulation and the RoHS Directive, Leonardo targets the reduction of the use of hexavalent chromium in processes for hard coatings of parts with high thermomechanical strength and a need for corrosion protection in challenging environments. In 2025, an investment of €mil. 8.55 was planned for the use of alternatives to hexavalent chromium in all industrial processes under the Group's design authority by 2034. Compared to the 2024 figure, there was a decrease in these processes (from 81 to 73).

The Group also launched a survey on PFAS (Per- and Polyfluoroalkyl Substances), to which approximately 2,300 suppliers responded, in order to identify chemical items/products potentially affected by PFAS, and start talks for their replacement, where possible.

#### Collaboration with stakeholders on the use of hazardous substances

**ASD** - Leonardo participates and leads the working group of the European Aerospace and Defence Association (ASD) on REACH and chemical substances, supporting the actions towards the European Commission and Parliament and the dialogue with the European Defence Agency (EDA)<sup>54</sup>.

**AIAD** (Italian Industry Federation for Aerospace, Defence and Security) - Leonardo also chairs AIAD's REACH Working Group to coordinate dialogue with the Italian Ministry of Defence and political counterparts.

**ADCR** - Leonardo participates in the Aerospace and Defence Chromium ReAuthorisation Consortium (ADCR), contributing to specific studies, in order to mitigate the risk of discontinuity in the business particularly linked to the substitution of some chromates with alternative solutions.

### Metrics and targets

#### Targets related to pollution

Leonardo acts in compliance with the REACH regulations with the objective of reducing the use of hazardous substances, considering the specific features of each business in which it operates<sup>55</sup>. The reduction is calculated based on the indicator kilograms of SVHC substances purchased (in Annex XIV of the Regulation as at 31 December 2022) per production hours.

Target	Unit	2025	Target	Target year
Use of hazardous substances (compared to 2022)	%	2.97 (-34%)	-15% -50%	2025 2032

#### Pollution of air, water and soil

Leonardo's European sites report to the European Pollutant Release and Transfer Register (E-PRTR), which is kept by ISPRA (Italian Institute for Environmental Protection and Research) in Italy, any exceedance of the levels of pollutant emissions to air, water, and soil required by Annex II to Regulation (EC) No 166/2006.

<sup>54</sup> Among the projects carried out in this context are the definition of a guideline to simplify the approach for waste management in the sector (Waste Framework Directive; the creation of a Working Group within the Chemical Strategy for Sustainability REACH and Classification, Labelling and Packaging (CLP) to inform the European Union of the needs of the sector in view of the update of the REACH and CLP regulations; participation in the CEFIC (European Chemical Industry Council) round tables to follow initiatives related to product sustainability and safe and sustainable design.

<sup>55</sup> The effectiveness of the objectives is monitored through the indicator mentioned above. For stakeholder involvement, please refer to the paragraph "Managing impacts, risks and opportunities – Double materiality".

Likewise, Leonardo monitors that its non-EU sites also comply with the limits set by local regulations, or, if more stringent, the same as those set by Regulation (EC) No 166/2006. As at the reporting date of this report, there are no reported exceedances of emission levels for 2025. Micro-plastics are neither used nor produced.

### Substances of concern and substances of very high concern

Leonardo is equipped with specific tools for collecting and reporting information related to substances of concern (SoC) and of very high concern (SVHC) to ensure compliance with current regulations. The use of these tools allows a proactive assessment and management of the impacts on both health and environmental matrices, as well as, through appropriate mitigation plans, a minimisation of risks related to the use of these substances. Likewise, the Group requires its suppliers to comply with current regulations related to the use of these substances, enhancing these best practices towards end customers as well.

SoC and SVHC	Unit	2025	2024
Total SoC	t	796	2,541
Total SVHC	t	41	70

### Financial effects related to pollution

During 2025, the number of environmental violations reported by regulatory bodies was 6 (related to Tesserà, Cascina Costa, Anagni, Brindisi, Fitchburg e Philadelphia sites), which gave rise to cumulative monetary penalties of approximately €6,000 imposed in the year. In 2025, the total remediation costs incurred were instead equal to €mil. 10.1.

## **WATER AND WATER CONSUMPTION**

### *Materiality and Leonardo approach*

Droughts and floods pose a serious threat in many countries, with impacts on operational resilience even in sectors that are typically less exposed, such as Aerospace and Defense.

Leonardo's industrial sites are located in countries with different environmental characteristics, and some of them are located in areas exposed to water stress related to climate drivers such as drought and heat islands. Water is a major resource for Leonardo's production processes, and is mainly used in electroplating plants, painting processes, rain tests on products, and air conditioning systems for working and production environments (such as cooling towers).

The Global Risk Report 2026 describes a future scenario in which the quality or supply of drinking water in OECD countries could be compromised due to systemic failures in water systems resulting from inadequate maintenance, with consequent costs borne by government and operators.

Leonardo implements projects aimed at mitigating business continuity risks related to future scenarios of water scarcity, and the obsolescence of water networks, as well as projects aimed at improving the efficiency of incoming and outgoing water management.

### *Managing impacts, risks and opportunities*

#### **Process for identifying water-related risks and opportunities**

The analysis of impacts and risks is periodically updated within the framework of the Environmental Management System, monitoring the production growth expected at each site, which could increase the consumption of water, and evaluating the benefits obtained from the implementation of investment projects aimed at reducing the use of water withdrawals<sup>56</sup>.

In order to properly direct its water asset management strategy, Leonardo carries out, on a regular and periodical basis, a Water Site Risk Analysis<sup>57</sup>, in order to assess exposure to water risk at its production sites, integrating the related results into projects and mitigation activities aimed at implementing measures to improve the efficiency of water withdrawal and reuse (including the collection and reuse of rainwater, and the recovery and reuse of a portion of wastewater).

#### **Actions and resources related to water policies**

Leonardo has designed a water management strategy (applied to all its activities) which aims to achieve the Group's water withdrawal reduction target through two pillars:

- making the water networks of its sites more efficient through implementing targeted revamping and measurement tools;
- implementing the circularity of closed-loop industrial water for specific production processes, including through treatment plants allowing the reuse of wastewater, and the reduction of liquid waste (a synergic objective with the reduction of waste).

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<sup>56</sup> A description of the process for identifying impacts, risks and opportunities related to water risk prevention and control is provided in the chapter "General information - Managing impacts, risks and opportunities – double materiality". For more information on policies, please refer to the paragraph "Sustainability management policy" in the chapter "General information".

<sup>57</sup> Based on the Aqeduct database for physical risks.

<p><b><u>Water network efficiency and optimisation of withdrawals</u></b></p> 	<p><b>Smart Water – Phase 1 and 2</b></p> <p>Plant revamping and strategic installation of approximately 90 new smart meters in the period from 2019 to 2025 for monitoring water withdrawals.</p> <p><b>Measures to optimise water withdrawals</b></p> <p>During 2025, measures were taken to reduce withdrawals and recycling, including process efficiency at the sites of Anagni (cooling tower control) and Benevento (Waste/X-Ray projects). In terms of monitoring and maintenance, smart meters were installed at all sites in 2025 to support new studies while in the US leak repair activities.</p>
<p><b><u>Implementation of water circularity and upgrading of water treatment</u></b></p> 	<p><b>Smart Water – Phase 3</b></p> <p>The project aims to reduce the water footprint, including by upgrading existing wastewater treatment plants with softeners and reverse osmosis systems; recovering and reusing wastewater and rainwater for non-potable use; and reusing water in a closed-loop system in air conditioning cooling towers. In 2025, Phase 3 of the Smart Water Programme was launched, which involves six Italian sites: technical and economic feasibility studies, and the start of a preliminary design of water recovery and reuse systems, and water circularity.</p> <p>Detailed engineering, and the subsequent selection and implementation of the identified measures, are planned for the coming years, as is the launch of further studies, and the implementation of new solutions at other sites.</p> <p><b>Water circularity measures</b></p> <p>A rainwater recovery and reuse system was installed at the Foggia site. Finally, at the end of 2025, an evapoconcentrator was put into operation at the Caselle site to treat water from galvanic processes. This project also contributes to the achievement of waste reduction targets.</p> <p><b>Feasibility studies preparatory to water circularity measures</b></p> <p>At sites with high risk and water stress, feasibility studies were conducted for interventions to recycle and improve the quality of wastewater. In particular:</p> <ul style="list-style-type: none"> <li>- Nola site: construction of an industrial wastewater treatment system by using a reverse osmosis system, and reuse in the industrial cycle.</li> <li>- Pomigliano site: replacement of the current cooling system with evaporative towers with a closed-loop geothermal cooling system; installation of timed solenoid valves on the internal network, allowing some industrial users to switch from drinking water to groundwater;</li> <li>- Grottaglie site: reuse of water leaving the treatment plant in the NDI process.</li> </ul>

The Smart Water project led to a reduction in water supplies of approximately 245 million litres in 2025<sup>58</sup>. The project envisages overall investments of over €4.5 million between 2026 and 2029, with €1.3 million spent in 2025.

### Metrics and targets

#### Targets related to water

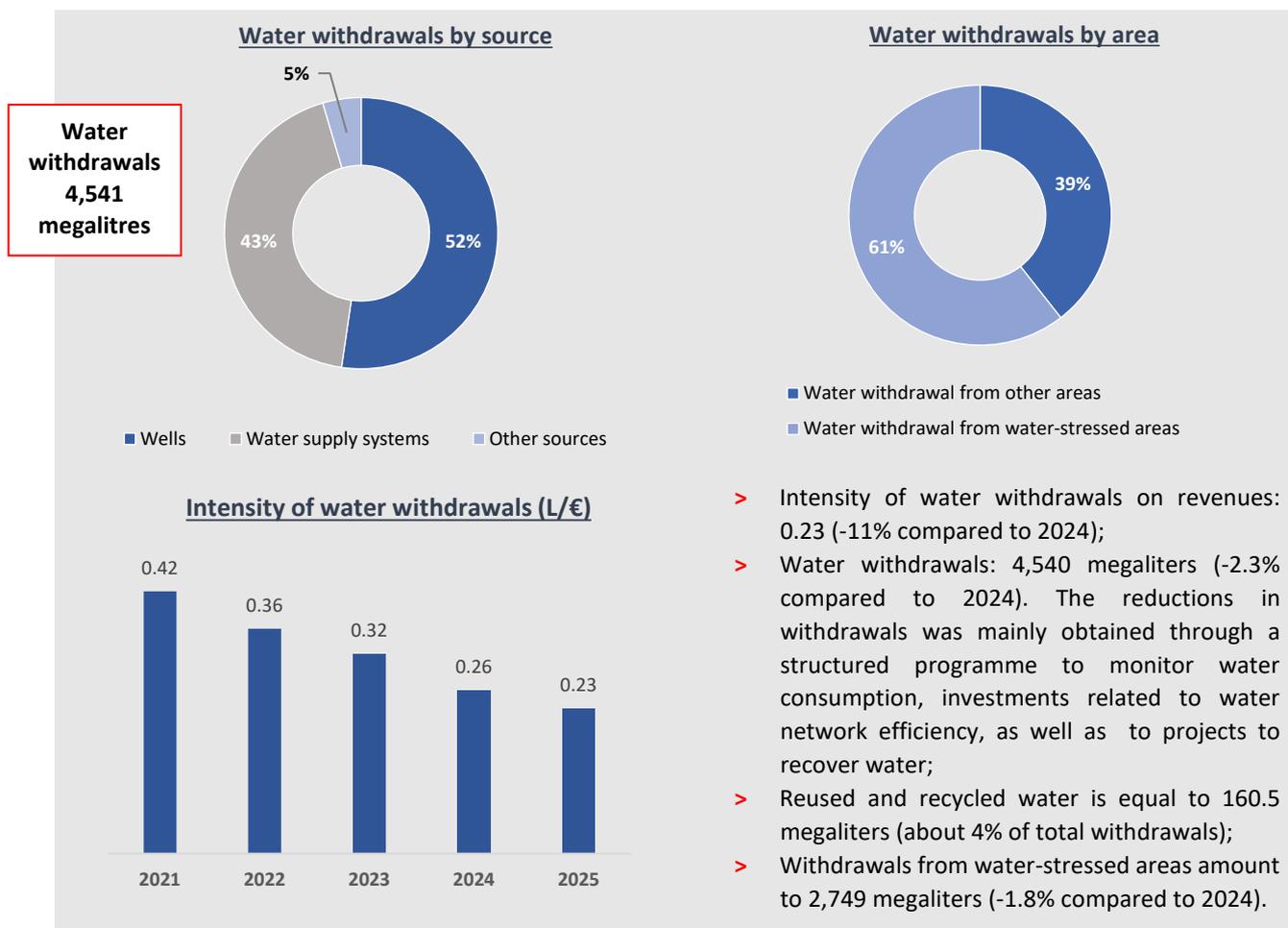
With the aim of reducing its impacts on the environment and minimising risks on its production processes, Leonardo has set a target of reducing absolute volumes of water withdrawals - and consequently

<sup>58</sup> With reference to water withdrawn from traditional sources (well/aqueduct).

consumption - by 25% by 2030 compared to baseline 2019<sup>59</sup>. This target, which is thus irrespective of business performance, becomes even more significant in view of the fact that the Group's production volumes are expected to grow further in the coming years. In pursuit of this goal, Leonardo prioritises interventions in water-stressed areas and generally aims to improve the quality of the water it returns to the environment downstream of the production process. The strategy implemented so far has resulted in a 23% reduction in water withdrawals<sup>60</sup> in 2025 compared to 2019.

### Water consumption

During 2025, Leonardo withdrew 4,540,567 m<sup>3</sup> of water and discharged<sup>61</sup> 2,741,249 m<sup>3</sup>, having reported a consumption<sup>62</sup> of 1,799,318 m<sup>3</sup>. Of this, 62.4% was realised in water-stressed areas. Water intensity, calculated as the ratio of water consumption to revenue, is 92.25 m<sup>3</sup>/€mil..



<sup>59</sup> For further details, please see chapter “General Information – Strategy and stakeholder engagement”

<sup>60</sup> With regard to water withdrawn from traditional sources (wells/aqueducts).

<sup>61</sup> Not considering unused and discharged rainwater and unused MISE water.

<sup>62</sup> Water consumption is the amount of water entering the perimeter of the company (or plant) that is not discharged back into the aquatic environment or to third parties. It is calculated as the difference between water withdrawals and discharges resulting from them. Withdrawals and most discharges (including all those at Group production sites) are derived from manual/automatic readings from meters. A residual part of discharges - mainly related to some office activities - is instead determined by estimation.

<b>E3 - Water and Marine Resources</b>			
<b>Water consumption</b>	<b>Unit</b>	<b>2025</b>	<b>2024</b>
Total water withdrawals	<i>m</i> <sup>3</sup>	4,540,567	4,646,925
Total water discharged	<i>m</i> <sup>3</sup>	2,741,249	2,912,200
<b>Total water consumption</b>	<b><i>m</i><sup>3</sup></b>	<b>1,799,318</b>	<b>1,734,725</b>
Total water withdrawals in areas at water risk	<i>m</i> <sup>3</sup>	2,748,620	2,797,701
Total water discharged in areas at water risk	<i>m</i> <sup>3</sup>	1,625,687	1,696,495
<b>Total water consumption in areas at water risk</b>	<b><i>m</i><sup>3</sup></b>	<b>1,122,933</b>	<b>1,101,206</b>
<b>Total water recycled and reused</b>	<b><i>m</i><sup>3</sup></b>	<b>160,543</b>	<b>173,241</b>
<b>Total water stored</b>	<b><i>m</i><sup>3</sup></b>	<b>176,259</b>	<b>63,965</b>
<b>Water intensity (Water consumption/Net Revenues)</b>	<b><i>m</i><sup>3</sup>/M€</b>	<b>92</b>	<b>98</b>

## **BIODIVERSITY AND ECOSYSTEMS**

### *Materiality and Leonardo approach*

The industrial activity of Leonardo interacts with the biome (fauna and flora) of the territories in which it operates, generating potential impacts on biodiversity and on ecosystems along the entire value chain and determining specific dependencies on ecosystem services among which the availability of natural resources.

These interactions can be grouped into 5 clusters: climate change, change in the use of land and water, use of material resources and their restoration, pollution, introduction/removal of invasive alien species<sup>63</sup>. Therefore, the approach followed in the management of the water resource, in the climate action, in the use and in the procurement of abiotic materials and in operations indirectly constitute integral parts of the management of biodiversity along the value chain.

Within the broader strategy underlying the Group's transition plan, in fact, Leonardo foresees initiatives and uses tools for monitoring biodiversity and for controlling local (including those in which the Group's sites are located) and global ecosystems, also through the use of its own technologies.

The Group considers ecosystem conservation to be a key resilient element of its business and is committed to reducing impacts and regenerating biodiversity, in the local ecosystems within its own industrial sites, and during the lifecycle of certain of its products and services<sup>64</sup>.

Leonardo monitors and improves not only interactions of its own business with ecosystems based on a holistic approach, but is committed to extending analyses to the upstream supply chain, considering the impacts and dependencies deriving from the procurement of raw materials used in operations, in line with the Science Based Targets Network (SBTN) framework and with the EU Deforestation Regulation.

Leonardo is committed to engaging and collaborating with its stakeholders on these issues, with the aim of having a greater impact in mitigating biodiversity loss and restoring ecosystems. It also promotes biodiversity conservation through strategic partnerships, including with CSR Europe, in particular by participating in the Biodiversity Alliance to share best practices on ecosystem management, with the National Biodiversity Future Center (NBFC) by signing a framework agreement for the planning of biodiversity regeneration actions, and with Somerset Wildlife Trust Consultancy – UK to share best practices and identify opportunities for improving EU regulation. In addition, biodiversity protection is also included in the supplier code of conduct to ensure that impacts are minimized even in the upstream phase.

In parallel, the Group seizes the business opportunities linked to the protection of biodiversity offering technologies and security solutions applicable also to the monitoring and to the protection of “natural capital”<sup>65</sup>.

### *Managing impacts, risks and opportunities*

#### **Process to identify risks and opportunities**

The “business as usual” generates impacts on the natural capital on which business itself depends<sup>66</sup>. In being aware of this, Leonardo aims to reduce impacts on biodiversity through decarbonization actions and the

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<sup>63</sup> In accordance with the provisions of TNFD (Taskforce on Nature-related Financial Disclosures) recommendations.

<sup>64</sup> To identify targets, metrics, actions and plans to be implemented to protect biodiversity, the Group makes reference to the following frameworks and regulations: the “EU Biodiversity Strategy for 2030”, the “EU Nature restoration Law”, the “Kunming-Montreal Global Biodiversity” framework and the “European Union Deforestation Regulation”.

<sup>65</sup> Including: satellite sensing solutions, artificial intelligence, and natural emergency response and disaster recovery systems.

<sup>66</sup> Such as the availability of water in local aquifers, soil, air thermoregulation, etc.

reduction of emissions in the water-air-soil matrices and for the optimization of the use of environmental resources in the manufacturing processes and in the supply chain<sup>67</sup>. In some cases Leonardo supports the restoration of biodiversity through actions of active regeneration of ecosystems, such as the reforestation of the green areas in proximity to the production sites.

In order to evaluate the physical and reputational risks based on the geographic location of the production sites, in 2025 Leonardo perfected the use of the WWF Biodiversity Risk Filter tool, adapting it to the geographic, operational and business specificities of the production sites and of the areas adjacent to them. The results were integrated into the development of the Biodiversity Risk Assessment (BRA) Model<sup>68</sup> which has been added with a site-specific biodiversity risk index (LDO Index), in accordance with the ISO 14001 standards, able to support the identification of priority actions, site prioritization and design of actions for protection and improvement in line with the SBTN methodology.

The index makes it possible to contextualize the biodiversity risk with respect to the real operational characteristics of the sites, combining information on industrial processes, on environmental pressures generated and to the management and control safeguards in place. This assessment is not restricted only to ecological sensitivity of the territorial context, but takes into account the actual level of exposure and risk management on the part of the site. On the basis of the results of the activity carried out, a structured prioritization was carried out of the 51 production sites analyzed (representing 44% of the Group's industrial footprint) and of the most relevant risks in terms of impacts and dependencies on biodiversity. This analysis made it possible to identify the potentially most critical sites on which to concentrate on-site in-depth investigations and management actions.

Leonardo considers monitoring of the natural capital as a business opportunity, acting as a provider of services and a supplier of products for biodiversity protection. Technologies for monitoring and observing the evolution of local and global ecosystems, and protecting natural capital are mainly based on satellite monitoring and artificial intelligence. A lot of technology components manufactured by the Group are flexible and multi-objective, enabling applications and services for both security and biodiversity<sup>69</sup>. In addition, hyperspectral radar and Electro-optical technologies and instruments for earth observation have made it possible to participate in the most important global programmes on the issue<sup>70</sup>. Among these, the Digital Twin of the Italian territory is a high-resolution digital model which will constitute a strategic element to understand the morphology of the territory and of the sub-soil and to plan strategic projects. Lastly, satellite services for forest and agricultural monitoring and the development of solutions in the field of water and food insecurity are worth mentioning<sup>71</sup>.

### **Actions and resources related to biodiversity**

Leonardo promotes the protection of biodiversity by adapting its actions to the characteristics of the different geographic areas in which the sites operate and by following the mitigation actions defined by the BRA in a

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<sup>67</sup> Including a reduction in the withdrawal of groundwater and aqueduct from local ecosystems, and of waste, commitments on biodiversity in the code conduct of suppliers.

<sup>68</sup> The Biodiversity risk assessment of Leonardo is based on a multi-disciplinary approach integrated into the business processes for the management of risks.

<sup>69</sup> Among them are natural emergency response and disaster recovery systems, including the C-27J Fire Fighter aircraft and IR camera sensors for monitoring warm-blooded animals and mainly mammals for research and wildlife reporting purposes.

<sup>70</sup> In particular, within the scope of monitoring the state of health and damage to vegetation, of mapping environmental capital, in the oceanic domain we note the visible hyperspectral Ocean Color Instrument for the detection of photosynthesis, natural process of capture of CO<sub>2</sub>e and of pollution for the PACE satellite platform of NASA, while in the terrestrial domain we note the ESA FLEX - Fluorescence, EXplorer satellite which will be launched in 2025 equipped with the high-resolution spectrometer Floris to detect, from 800 Km, the intensity of fluorescence.

<sup>71</sup> Within the framework of the CENTAUR project as part of the Copernicus services.

site-specific manner, also making use of the collaboration of the local entities that govern the protected areas or the Key Biodiversity Areas. Among the main initiatives there are: reforestation with native species to strengthen the ecological functionality of local ecosystems; specific development projects aimed at evaluating and minimizing acoustic, light and electromagnetic impacts; the prevention of the dispersion of harmful substances in a perspective of prevention and reduction of pressures on ecosystems.

In particular, the biodiversity assessment was completed for the sites of Yeovil and Southampton in collaboration with the territorial association Somerset Wildlife Trust Consultancy and has led to the identifying of the opportunities to create a biodiversity net gain in accordance with British legislation.

Among the initiatives for the protection of biodiversity implemented in line with UK Biodiversity Net Gain regulation in 2025 there are:

- Edinburgh: on-site planting of hedges and creation of areas with wildflowers in support of biodiversity.
- Yeovil: planting of hedges on-site in response to the biodiversity assessment carried out by the Wildlife Trust Consultancy; creation of the Yeovil Sustainability Garden, converting a concreted area into a green space with green areas to support biodiversity and climate resilience; commencement of works for the construction of the Yeovil solar park, designed to generate an 80% net biodiversity gain over the course of its useful life.
- United Kingdom: planting of 10,000 trees in a natural corridor for ecosystemic integrity, in collaboration with the no profit association Carma<sup>72</sup>.

## Metrics and targets

### Targets and impact metrics related to biodiversity

Leonardo has not set any specific targets for biodiversity, focusing instead on those already defined for the biodiversity drivers: climate change, water, pollution and waste. Key ecosystem-relevant targets include the reduction of water withdrawals (especially in areas of water scarcity since they reduce competition between natural habitats and industrial anthropogenic systems on water resources), the reduction of hazardous substances to humans and to the environment, the correct use of resources and the reduction of waste to limit pollution during treatment and recycling.

In addition, there are site-specific targets relating to biodiversity projects and measured with the Medium Species Abundance KPI, defined by the standard models recognized by SBTN, and in turn determined by the 5 aforementioned drivers among which land use.

Distance from areas of high biodiversity value	Within a radius of 5km	Within a radius of 20km (excluding those within a radius of 5km)
Sites	71	23
Surface of the area (km <sup>2</sup> )	18.5	1.6

The surface of Leonardo sites near or within protected areas and/or areas of high biodiversity value is about 67% of the total area<sup>73</sup>.

<sup>72</sup> <https://impact.carma.earth/profile/clw0w16090001uhhgnh0c28v3>

<sup>73</sup> Proximity analysis carried out by using GIS processing and the mapping services of the National Geoportal of the Ministry of the Environment and Energy Security. Calculation based on the minimum linear distance between the perimeter of the site and the nearest sensitive area. In addition, to measure the impacts/dependencies related to ecosystem changes, metrics relating to the reduction of water withdrawals and waste generation reported on the Group's perimeter are used.

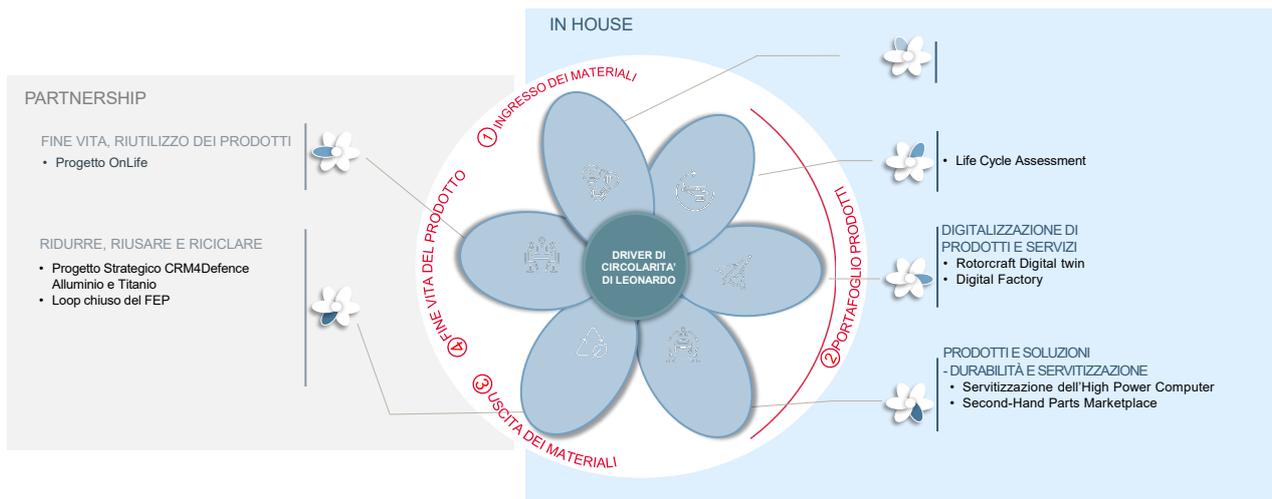
## RESOURCE USE AND CIRCULAR ECONOMY

### Materiality and Leonardo approach

Leonardo promotes a transition to circular economy based on decoupling business growth from resource consumption, including water and technical and natural raw materials. Through the development of circular manufacturing and design processes, as well as through collaboration with external stakeholders to develop and adopt best practices related to sustainable raw materials and circular value creation processes, the Group is committed to reducing the impacts associated with its industrial production by focusing on circular value creation processes that aim at extending the durability of products, providing dematerialised products and services, reducing their energy requirements during the use and facilitating the reuse of materials at the end of their life cycle.

The transition to a circular production model gives Leonardo a competitive edge and contributes to “sustainable value creation”. It improves operational efficiency and creates products and services with circular added value and reduced use of resources, such as the “product as a service” model, guarantees business resilience by lowering supply-chain risks, especially for critical materials, and cuts the long-term cost of inflow materials, while also reducing environmental impact.

Circularity Strategy of Leonardo



As represented in the image above, the circularity strategy of Leonardo is based on 4 pillars:

- **Material inflow** (pillar 1): it includes projects for the resilience of the supply chain, which refer to:
  - secondary materials and reused components to reduce dependence on raw materials, specifically on CRMs (Critical Raw Materials);
  - digitalization for the traceability of raw materials since their origin and advanced AI to manage materials, in order to gain information on environmental and social risks;
  - integration of ESG requirements to build a green, resilient supply chain through training programs for internal stakeholders about their role and responsibilities for a sustainable management of raw materials.
- **Product portfolio** (pillar 2): it includes projects related to:
  - Eco-design and Life Cycle Assessment (LCA) applied from the R&I (Research and Innovation) phase, to reduce the environmental impact of the Group;

- Digital Twin and additive manufacturing for transformation of production processes;
- durability, useful life extension of products, use of “as a service” products and services (i.e. HPC) and predictive maintenance.

Circularity is made possible by the important Group digitization process, supported by artificial intelligence, which includes the implementation of Digital Twin, predictive analysis and big data, as well as the Industry 5.0 approach, and enables the reduction of the environmental footprint of operations and products across their entire life cycle. The Group puts circularity at the heart of entire business segments centered on servitization, such as multi-scenario simulators, the new Services business area of the Aeronautics Division, created in 2025, and the High Power Computer business area based on the “infrastructure as a service” concept.

- **Material outflow** and operating efficiency (pillar 3): it includes projects to promote circular value chains for critical materials, upcycling and valorization of scraps (by-products), with the aim of reducing, reusing and recycling, following a “from waste to resources” approach.
- **Product End of life** (pillar 4): it includes projects focusing on the end of life of circular products and services for customers (i.e. spare parts, product recall) and their involvement through contracts.

### Critical raw materials

Critical raw materials make up a significant portion of the materials used in the Leonardo’s value chain; the most commonly used are aluminium and titanium, while Strategic Raw Materials—such as silicon, germanium, gallium, lithium and rare earths are indispensable for the digital transition in which the Group is committed.

Leonardo takes into consideration the supply risk of critical raw materials due to their scarcity, the socio-environmental footprint linked to their extraction and processing, as well as the evolving geopolitical and regulatory framework aimed at European strategic autonomy. Leonardo analyzes the inflow and outflow of materials with the aim of increasing efficiency, developing circular business models that contribute to the Group’s resilience, and reducing dependence on the extraction of technical and natural materials, in particular of critical and strategic raw materials defined in the CRM Act. Specifically, the Group aims at recycling and recovering critical raw material scraps from end-of-life products, starting with urban mining of digital assets, enhancing their significant remaining circular value.

## *Managing impacts, risks and opportunities*

### **Process to identify circular economy-related risks and opportunities**

A description of the process of identifying impacts, risks<sup>74</sup> and opportunities related to the use of resources and circular economy is given in the chapter “General information - Managing impacts, risks and opportunities - double materiality”.

Furthermore, with reference to risks and social risks related to Conflict Minerals, the Group applies the Human Right Impact Assessment - HRIA on supplies originating from countries identified as belonging to the so-called conflict zones and inserts a specific clause into supply contracts requiring suppliers due diligence in line with Regulation (EU) 2017/821, “Conflict Minerals Regulation”. The Company applies the Responsible Mineral Initiative solely for the US area and in compliance with the Dodd Frank Act 1502.

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<sup>74</sup> The Group uses analyses based on the Kraljic matrix to identify supply chain risks, particularly in CRM chains.

## Actions and resources related to circular economy

The transition to a circular business model, which includes the commitment to increase the use of recycled raw materials, forms an integral part of Leonardo’s Sustainability Plan strategy and projects. In line with the circularity strategy mentioned above, the circular economy approach generates projects across the entire value chain, from using recycled and sustainable raw materials and eco-design at the design stage, to managing end-of-life products (take-back) and circular valorization of production scraps of outgoing materials, including reuse, product life extension, servitization up to extended supplier responsibility.

Leonardo ensures alignment with the sector’s significant strategic trends on circular economy by actively participating in institutional and industry working groups (e.g., IAEG, AIAD, ASD, EDA and ESA) and by collaborating with strategic partners.

In 2025, the Group started to expand to the EU perimeter the upcycling and valorization activities of waste materials as by-products, in particular of raw materials such as aluminium and titanium, considering such project as strategic for the AD&S sector. Moreover, in other areas, such as WEEE (waste electrical and electronic equipment) recycling and packaging, the Group is well above the Italian and European averages, approaching almost total recovery.

<p>Material inflows: <b>Resilience of Supply Chain</b></p>	<p><b>Supply Chain Control Tower</b> – An integrated model developed to ensure visibility and monitoring of materials used in the supply chain. The model, which started in 2025 and is expected to be developed in 2026, provides for the monitoring of Critical Raw Materials (CRM) and will allow the Company to obtain data in support of decision-making processes identifying risks and vulnerabilities across the entire supply chain.</p>
<p>Circular Products and Solutions: <b>Ecodesign and LCA</b></p>	<p><b>Life Cycle Assessment (LCA)</b> – A methodology supporting the optimization of resources and reduction in carbon footprint of products and processes, which enables comparison between circular and linear business models. This was applied first to the Next-Generation Civil Tiltrotor (NGCTR), enabling the quantification of environmental benefits and impacts associated with the design of certain components and of the helicopter as a whole.</p> <p>In 2025 Leonardo developed a full-LCA model applied to the AW139 transmission, in compliance with ISO 14040 and ISO 14044 standards, while an LCA addressed to simulators is currently under development. Investments of over €1.7 million have been planned for the project, over the period 2026-2029.</p>
<p>Circular Products and Solutions: <b>Digitization</b></p>	<p><b>Rotorcraft Digital Twin</b> - In 2025 the use of Digital Twin was significantly expanded in all business areas to reduce the use of resources in prototyping, testing and training on developed products, and to rethink production cycles. Processing on cloud enables further dematerialisation of infrastructure for running software services.</p> <p><b>Digital Factory</b> – Leonardo modernizes production sites by integrating Product Lifecycle Management, Manufacturing Execution Systems and Enterprise Resource Planning and by implementing analytical and digital tools to optimize planning, maintenance and material flows (including water use and disposal), reducing waste, rework and unplanned downtime. System integration enables the creation of an integrated network that links field-level systems with business management systems, streamlining production and reducing energy use, consumables, and waste per unit produced. Approximately €4 million was spent on the project in 2025, and investments of approximately €5 million were planned for the period 2026-2028.</p>
<p>Circular Products and Solutions: <b>Product as a Service, Life Extension and Durability</b></p>	<p><b>Servitization of High Power Computer</b> - The “Product-as-a-Service” model was applied to multi-scenario simulators of the Helicopters, Aircraft and Electronics sectors, to software offered as user licenses of algorithms that run on a centrally hosted infrastructure shared by multiple customers, and to IT infrastructures such as Group’s on-premises supercomputers that can be used by multiple users.</p> <p><b>Second-Hand Parts Marketplace</b> - A digital platform to streamline the buying and selling of helicopter spare parts among operators, ensuring full traceability and compliance with</p>

	<p>airworthiness requirements, enhancing existing assets, improving operational efficiency, reducing downtime, optimizing inventory and increasing fleet availability. Leonardo in its role as enabler, provides digital infrastructure and regulatory support. In 2025, the project launched a pilot phase with selected customers. Investments of over €1.8 million have been planned for the project, over the period 2026-2029.</p>
<p><b>Material outflows</b> and Operating efficiency</p>	<p><b>Strategic Project CRM4Defence</b> - Under the EU Critical Raw Materials Act, Leonardo launched a project to upcycle processing residues from critical raw materials, starting with aluminium, titanium and magnesium generated from its own operations, in order to retain their remaining circular value with impacts on efficiency, competitiveness and business resilience<sup>75</sup>.</p> <p>In 2025 the feasibility phase was carried out for installing compactors for shavings necessary for the creation of by-products and related sale, envisage partnerships with foundries that, in Europe and for the AD&amp;S sector, can supply these materials to ensure strategic autonomy, converting scraps (roughly 2,400 tonnes/year) into by-products. Expected benefits include not only reductions in greenhouse gas (GHG) emissions through increased use of recycled materials, less waste and better sorting of scrap but also <b>new job opportunities</b> and <b>greater resilience</b> for the defense sector, thanks to tighter control of the supply chain and more secure sourcing.</p> <p><b>Closed loop of FEP</b> – the project closed the circular loop for <b>auxiliary plastic material FEP (Fluorinated Ethylene Propylene)</b> developed with Guarniflon, thanks to reclaiming the secondary material produced by using all of the Aeronautics Division scraps.</p>
<p><b>Product end-life</b></p>	<p><b>OnLife Project</b> - The program, run in partnership with HP, gives a second life to end-of-life corporate PCs, enables traceable recycling of critical materials—such as semiconductors and rare earths—reduces CO<sub>2</sub>e emissions, and creates social value. Devices are reintroduced into the secondary digital market and among the main results for 2025 are: 275 PCs and monitors donated and reintroduced to the secondary market; 17.3 tonnes of CO<sub>2</sub>-e avoided thanks to extended useful life; 2,072 kg of WEEE recycled and recovery of critical raw materials.</p>

Finally, with regard to the main engagement and advocacy activities in the field of circular economy, we would like to highlight Leonardo’s participation in the European Defence Agency (EDA) initiative of “Incubator Forum for Circular Economy” (IF CEED) to produce pilot projects on the circular economy of armaments and strategic autonomy for the military market (as well as working groups on Ecodesign and Critical Raw Materials), and involvement in taskforces and working groups on Ecodesign and Life Cycle Assessment for the space industry within the European Space Agency (ESA).

## Metrics and targets

### Targets related to circular economy

With the aim of reducing its impacts on the environment and minimising risks on its production processes, Leonardo has set an absolute target of reducing the volumes of total waste produced - both hazardous and non-hazardous - by 15% by 2030 compared to 2019. This target is even more significant in view of the fact that the Group's production volumes are expected to grow further in the coming years. The strategy implemented so far has made it possible to reduce 22% of waste generated in 2025 compared to 2019<sup>76</sup>.

### Resource inflows

<sup>75</sup> For details reference is made to [CRM4Defence Project | Leonardo](#)

<sup>76</sup> Please see chapter “General information – Strategy and stakeholder engagement”

Within its manufacturing processes, Leonardo uses raw materials and semi-finished products. In 2025, Leonardo purchased a total of 92.7 ktonnes of materials <sup>77</sup>.

E5 - Resource use and circular economy			
Resource inflows	Unit	2025	2024
Total weight of products and technical and biological materials	t	92,743	23,590
% of biological materials used (from sustainable supply chain)	%	0%	0%
Total weight of secondary reused or recycled components, secondary intermediary products and secondary materials used (including packaging)	Kg	1,831,670	628,601
% of secondary reused or recycled components, secondary intermediary products and secondary materials used	%	1.97%	2.66%

### Resource outflows <sup>78</sup>

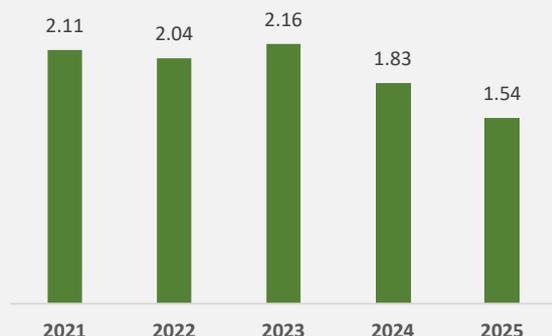
The waste produced is largely non-hazardous, falling mainly into the following classes: packages for transporting plastic, wood and paper goods, liquids from industrial processes and those from machining scrap. The Group's strategy aims to reduce waste through circular practices and efficiencies in operations by implementing technical and regulatory solutions to valorise production waste and end-of-life products as by-products and encourage their reuse.



<sup>77</sup> Among them, none related to reused or recycled secondary components.

<sup>78</sup> With respect to products, please refer to the chapter 'Sector results and outlook' and what was reported earlier in this section with reference to aircraft life, the use of recyclable materials and additive manufacturing for aircraft components. Data relating to waste produced are collected through information obtained from the companies responsible for waste management.

**Intensity of waste produced (g/€)**



Intensity of waste produced on revenues: 1.54 (-16% vs 2024).

Waste produced: 30,090t (-7.57% vs 2024), of which 7,787 t hazardous.

Non-hazardous waste: 74% of total amount.

Recovered and/or recycled waste: 61% of total (of which 10% recycled).

Of the total waste produced:

- > 18,208 t were not destined for disposal, of which 3,117 t recycled; 15,051 t went to other recovery operations.
- > 11,883 t were destined to disposal, of which: 85 t to incineration; 902 t to landfill; 10,896 t to other disposal operations

0.0501 tonnes of radioactive waste were collected.

Resource outflows	Unit	2025	2024
<b>Total amount of waste generated</b>	t	<b>30,090</b>	<b>32,555</b>
<b>Total amount diverted from disposal</b>	t	<b>18,208</b>	<b>18,535</b>
of which Hazardous	t	2,415	2,687
of which Non-hazardous	t	15,793	15,848
of which Reused	t	40	0
of which Recycled	t	3,117	3,920
of which Other recovery operations	t	15,051	14,615
<b>Total amount directed to disposal</b>	t	<b>11,883</b>	<b>14,020</b>
of which Hazardous	t	5,372	6,059
of which Non-hazardous	t	6,511	7,961
of which Incinerated	t	85.0	92
of which Disposed in landfill	t	902	1,171
of which Other disposal operations	t	10,896	12,757

## **DISCLOSURE PURSUANT TO ART. 8 OF REGULATION (EU) 2020/852 (TAXONOMY)**

Leonardo publishes the required information on the percentages of revenues, CapEx and OpEx related to environmentally sustainable activities pursuant to Article 8 of Regulation (EU) 2020/852 (known as Taxonomy), and related delegated acts.<sup>79</sup>

Any information necessary for the calculation of the KPIs envisaged by the Taxonomy is extracted from the IT accounting systems of Leonardo and of its divisions/legal entities and corresponds, therefore, to the information used for the preparation of the Group's income and cash flow statements. In this way, the due level of granularity of the analyses is ensured, on the one hand, and, on the other hand, the risk of double counting is eliminated, both when the same economic activity contributes to more than one objective and in the case of intercompany revenues. OpEx considered are largely related to expensed R&D activities, according to a principle of materiality and in accordance with regulatory requirements.

The eco-sustainability analysis carried out by Leonardo to verify whether the three macro-criteria set out in Regulation (EU) 2020/852 are complied with included:

- The assessment and quantification of the substantial contribution to one or more of the six environmental objectives set out in the Taxonomy<sup>80</sup>;
- Analysis to ensure that the contribution to one or more of the six environmental objectives does not significantly harm the achievement of the remaining objectives (the “Do Not Significant Harm” or DNSH criterion);
- Analysis of compliance with minimum social safeguards, in accordance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

For 2025, Leonardo has decided to avail itself of the option not to apply the simplified rules on the Taxonomy of environmentally sustainable activities, in line with the provisions of Regulation (EU) 2026/73<sup>81</sup>.

### **ANALYSIS OF ELIGIBILITY AND “SUBSTANTIAL CONTRIBUTION” CRITERIA**

The analysis is divided into:

- > “Core business” referring to Leonardo's main business activities;
- > “Other business-related activities” closely related to the business and referring to initiatives such as repair, refurbishment, and remanufacturing and sales of spare parts.
- > “Other ancillary activities” to the production process related to non-primary processes.

#### *“Core” business*

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<sup>79</sup> Delegated Act on Climate (EU 2021/2139), Delegated Act on Environment (EU 2023/2486), Delegated Act on Disclosure (EU 2021/2178).

<sup>80</sup> Objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

<sup>81</sup> Among the main changes introduced by Delegated Regulation (EU) 2026/73 are: the introduction of a materiality threshold for assessing the level of environmental sustainability of economic activities; simplification of DNSH criteria; streamlining of information reporting templates.

#### Climate change mitigation

- > Production of fixed-wing and rotary-wing aircraft related to the Helicopters, Aircraft and Aerostructures sectors, including the production of electronics components for avionics in the Defense Electronics & Security sector (code 3.21 Manufacturing of aircraft).

#### Transition to a circular economy

- > Manufacture of electrical and electronic equipment related to the Defense Electronics & Electronic Security, and Aircraft sectors (code 1.2 Manufacture of electrical and electronic equipment).

Although a significant part of the Aerospace, Defense and Security core business is thus “eligible” for the EU taxonomy, it still remains “unaligned”, since the technical screening criteria for the two relevant activities seem to have been designed for commercial goods, without considering the peculiarities of the defence sector.

#### *“Other” business-related activities*

#### Climate change mitigation

- > Manufacture of simulators related to the Helicopters and Aircraft sectors (code 3.6 Manufacture of other low carbon technologies).

#### Transition to a circular economy

- > Repair, refurbishment and remanufacturing related to the Defense Electronics & Security, and Cyber Security & Solutions sectors (code 5.1 Repair, refurbishment and remanufacturing).
- > Sales of spares parts within the scope of Customer Support & Training activities of Defence Electronics & Security sector (code 5.2 Sale of spare parts).

#### *Other ancillary activities*

#### Climate change mitigation<sup>82</sup>

- > 4.1 Electricity generation using solar photovoltaic technology
- > 4.15 District heating/cooling distribution;
- > 5.2 Renewal of water collection, treatment and supply systems
- > 5.4 Renewal of waste water collection and treatment
- > 6.5 Transport by motorbikes, passenger cars and light commercial vehicles;
- > 7.1 Construction of new buildings;
- > 7.2 Renovation of existing buildings;
- > 7.3 Installation, maintenance and repair of energy efficiency equipment;
- > 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings);
- > 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- > 9.1 Close to market research, development and innovation.

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<sup>82</sup> Of these, activities 5.2, 7.3, 7.4, 7.5 all meet the criteria for substantial contribution. Activities 6.5, 7.1 and 7.2 meet them in some cases. Furthermore, activities 7.1 CCM and 7.2 CCM also contribute to the objective of Transition to a circular economy (Activities 3.1 CE and 3.2 CE). Activities 4.1, 4.15, 5.4 and 9.1 do not meet them.

## ANALYSIS OF “DNSH” CRITERIA

Leonardo's management has positively assessed compliance with the “Do Not Significant Harm (DNSH)” criteria envisaged for economic activities that contribute substantially to the goals listed above, with the exception of the criterion referring to the control and prevention of pollution, for details of which please refer to the “Appendix to the Report on Operations - Note of the CSS 2025”.

### Climate change mitigation (Codes 5.1 CE, 5.2 CE)

This criterion requires that climate-altering emissions associated with any heat/cooling or cogeneration production, including electricity, be less than 270 gCO<sub>2e</sub>/kWh. It also requires the development of a strategy to measure and reduce emissions along the value chain, and for which please refer to the chapter “Climate Change and Decarbonisation”.

### Climate change adaptation (Codes 5.1 CE, 5.2 CE, 5.2 CCM, 6.5 CCM, 7.1 CCM, 7.2 CCM, 7.3 CCM, 7.4 CCM, 7.5 CCM)

This criterion requires robust climate risk and vulnerability assessment. Leonardo has conducted specific scenario analyses in order to identify the main physical risks to which production sites, including those relevant for activities of interest for the European Taxonomy, are exposed. For more details on the findings of these analyses (also including transition risk assessments) and related initiatives undertaken, please see the paragraph “Climate change and decarbonisation” in the “Environmental Information” chapter. Furthermore, Leonardo invests in the development of initiatives, products, and services that facilitate climate change adaptation of both its own manufacturing operations and of the society in general.

### Sustainable use and protection of water and marine resources (Codes 5.1 CE, 5.2 CE, 5.2 CCM, 7.1 CCM, 7.2 CCM)

81% of employees are at sites with ISO 14001-certified environmental management systems, which also include issues concerning the responsible use of water. It should be noted that specific water flow requirements were reported with regard to the use of water in built or renovated buildings. In addition, Leonardo has taken various actions at its manufacturing plants, aimed at reducing water withdrawals and analysing water risk.

### Transition to a circular economy (Codes 6.5 CCM, 7.1 CCM, 7.2 CCM)

Vehicles within the Leonardo fleet meet the requirements prescribed in terms of reusability/recyclability/recoverability and for the management of their end of life. It should be noted that criteria related to waste generation were also met in the case of construction/renovation of buildings.

### Pollution prevention and control (Codes 5.1 CE, 5.2 CE, 5.5 CE, 6.5 CCM, 7.1 CCM, 7.2 CCM, 7.3 CCM)

Repair, renovation and reconstruction activities, as well as those related to the construction and renovation of Leonardo buildings are expected to be compliant with the regulatory requirements prescribed by regulations relating to the use and presence of chemicals, restriction on the use of chemicals and pollutant emissions. Moreover, the Leonardo's car fleet must meet the requirements prescribed by the Taxonomy on European standards on pollutant emissions, tires and engine noise.

### Protection and restoration of biodiversity and ecosystems (5.2 CCM, 7.1 CCM)

Leonardo assessed compliance with DNSH criteria on biodiversity and ecosystems by verifying that, for sites requiring an environmental impact assessment, such an assessment had actually been carried out. For all other sites, however, the proximity to areas sensitive from a biodiversity point of view was assessed and it was verified whether a nature conservation assessment had been carried out. For further information, please refer to the chapter “Biodiversity and ecosystems”.

### ANALYSIS OF “MINIMUM SAFEGUARDS”

Leonardo has positively assessed compliance with the safeguards prescribed by the Taxonomy with reference to: human rights - including workers’ rights among which the gender pay gap -, gender diversity of the Board, corruption, fair competition and taxation.

**Human Rights** - Leonardo has set out specific principles and rules of conducts aimed at spreading a culture of respect for universally recognised human rights in line with the United Nations’ Universal Declaration of Human Rights, the International Labor Organisation (ILO) Conventions, the Organisation for Economic Co-operation and Development (OECD) guidelines, the United Nations Guiding Principles on Business and Human Rights and the Charter of Fundamental Rights of the European Union. As also reported in the disclosure required by the Sustainable Finance Disclosure Regulation, referring to Principal Adverse Impacts (PAIs)<sup>83</sup>, in order to strengthen the surveillance system, the Group promotes the protection of human rights along the value chain, supporting its dissemination among its stakeholders, including through the action under the Sustainability Plan and by participating in multilateral initiatives to create synergies between associations, businesses and institutions<sup>84</sup>. Furthermore, Leonardo is committed to the promotion of gender equality in terms of fair remuneration.

**Corruption and fair competition** - Leonardo acts with integrity and transparency in compliance with regulations and with zero tolerance for any type of corruption to ensure the most proper management of the business and to establish relationships of trust and collaboration with employees, customers, suppliers and all other counterparties, which are asked to accept and apply the principles and values stated in the Charter of Values, the Code of Ethics and other codes of conduct. Leonardo confirms its commitment to respecting and promoting the Ten Principles of the United Nations Global Compact related to human rights, labour, environment and anti-corruption. The model for the responsible conduct of business, inspired by national and international best practices, is based on company codes of conduct and a system of clear rules, periodically updated, which guide compliant and responsible behaviour<sup>85</sup>.

**Taxation** – With the goal of maximum possible reduction of tax risk, Leonardo governs taxation, in all the jurisdictions in which it operates, in accordance with the Tax Strategy, adopting behaviour characterised by the utmost transparency and cooperation with tax authorities. For this purpose, Leonardo S.p.a., on a voluntary basis, joined the Cooperative Compliance scheme in Italy as early as from 2016, providing for the adoption of a system for the detection, measurement, management and control of tax risk in all business processes with an impact on the computation of taxes and tax compliance (Tax Control Framework - TCF), the operation of which is reported, on an annual basis, in a report brought to the attention of the Board of Directors and transmitted to the Tax Authorities<sup>86</sup>.

For more details on eligibility and alignment percentage on revenues, Capex and Opex, please refer to the section “Other sustainability indicators – European Taxonomy Tables” in the Annex to the Report on Operations – Note of the CSS 2025.

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<sup>83</sup> For more details, please see the file available at the following link: [Sustainability+performance+indicators+2024.pdf](#)

<sup>84</sup> For more details, please see the paragraph on “[Governance](#)” in the “General information” chapter.

<sup>85</sup> For more details, please see the paragraph on “[Business conduct](#)” in the chapter on “Information on governance”.

<sup>86</sup> For more information, please see “[Business conduct](#)” of the “Information on governance” chapter.

## SOCIAL INFORMATION

### OWN WORKFORCE

#### *Materiality and Leonardo approach*

Leonardo employs 62,762 people, 94% of whom are located in Italy (38,320), United Kingdom (9,362), United States (7,809) and Poland (3,301). STEM job profiles account for 64% of the Group's entire workforce.

Leonardo recognises human capital as the main driver for creating sustainable value. This commitment is realised through the promotion of a safe, inclusive working environment based on equal opportunities, which is essential for achieving the Group's strategic and industrial objectives.

The Company invests in people development by attracting and nurturing talent, strengthening technical and managerial skills, and promoting continuous professional growth, encouraging internal mobility opportunities and ongoing international exchange, including through dedicated platforms and innovative digital tools.

The protection of people's health, safety and integrity is a priority for Leonardo, which adopts a structured approach to the prevention and management of risks associated with working activities, including specific measures to combat all forms of harassment and discrimination.

#### Human capital evolution indicators

<b>+3.8%</b> <b>growth of workforce</b> <b>(+2,294 employees)</b>	<b>Employees under 30</b> <b>from 15.0% to 16.1%</b> <b>of workforce</b>	<b>Women managers</b> <b>from 17.7% to 18.9%</b> <b>of total managers</b>
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2024-2025 variation

#### *Managing impacts, risks and opportunities*

Leonardo has over time adopted several policies with the aim of properly managing issues and risks related to its people<sup>87</sup>.

In relation to the Group's Policy on Human Rights, following an analysis carried out on the basis of ISO 26000 guidelines, people management has been identified as one of the Group's areas of activity potentially exposed to the risk of violations of human rights. Specifically, the Policy provides for:

- > Prohibition on all discrimination against gender, race, skin colour, language, religion, political opinions, sexual orientation, nationality, social status or background, trade union membership, age or disability or any other type of discrimination or intolerance towards diversity.
- > Prohibition on all forms of exploitation of child, forced or illegal labour.
- > Guarantee for political and trade unions' rights.
- > Protection of data of natural persons, especially sensitive data, whether they be employees, collaborators, visitors, customers or suppliers.
- > Protection of health and safety of workers, in compliance with applicable provisions and the highest standards in terms of safety and hygiene;

<sup>87</sup> A description of the process for identifying impacts, risks and opportunities related to water risk prevention and control is provided in the chapter "General information - Managing impacts, risks and opportunities – double materiality". For more information on policies, please refer to the paragraph "Sustainability management policy" in the chapter "General information".

- > Promotion of health and safety, of workplace conditions and of diversity culture and inclusion, also through working groups formed by company and labour unions representatives.

99% of employees in OECD countries

77% of employees under collective agreements

29% of employees are members of trade unions

2025 Figures

The perspective of workers and their representatives regarding the risks and impacts on Leonardo's workforce related to sustainability issues is taken into account in the materiality analysis (please see the relevant section).

Furthermore, Leonardo every year implements a number of its people listening and engagement initiatives in order to strengthen a sense of belonging, and steer change towards a shared direction.

In this context, the year 2025 saw the design of a new Employee Listening and Engagement Ecosystem, which will be launched in 2026 to promote faster, more agile, and more targeted listening, in addition to the launch of a number of thematic surveys.

### Major employee listening and engagement projects in 2025

**Employee Resource Group (ERG)** – The year saw the launch of three Employee Resource Groups (ERGs), comprising 40 people from various Leonardo sites in Italy, dedicated to the themes of “Gender Equality”, “Disability”, and “Intergenerationality”. During the year, after commencing work on the first two ERGs dedicated to the themes of “Gender Equality” and “Disability”, an internal call for interest was launched to collect applications for the third ERG in the field of “Intergenerationality”.

**Diversity Speaking** – The Company’s commitment to preventing all forms of harassment and zero tolerance towards any discriminatory behaviour in the workplace has also been demonstrated through the launch of a programme dedicated to strengthening inclusive language at production plants in Italy.

**Home-work travel survey** – The Survey, aimed at analysing the home-work travel habits of Leonardo employees and the related impacts, involved all Leonardo sites in Italy. The information collected was used to identify new actions to be taken to promote the adoption of sustainable mobility styles.

**Digital Solutions & Infrastructure (DS&I) survey** – The survey, aimed at gathering the opinions of Leonardo workers in Italy on the developments of the new DS&I Organisational Units, received over 4,200 responses that highlighted the strengths and areas for improvement of the services offered by O.U..

**“Become a testimonial for Leonardo”** – A call to action was launched in Italy to invite workers to apply to be testimonials for the company’s new branding campaign, with over 100 people taking part. The initiative led to the selection of the protagonists for the Leonardo TV commercial launched on the main television networks.

As part of the management of risks and negative impacts on the Group's people, Leonardo has made available the Whistleblowing Platform<sup>88</sup>, the use of which is regulated by the document on Whistleblowing Management Guidelines.

### Actions related to own workforce

Leonardo, in relation to the identified material impacts and risks, has put in place multiple initiatives, reported in the following paragraphs. These initiatives are identified in order to mitigate the effects on its workforce, subject to verification and confirmation through its corporate tools (e.g., whistleblowing,

<sup>88</sup> Whistleblowing Platform is an IT tool that uses an encryption system, and can be accessed from: <https://whistleblowing.leonardo.com/>.

supervisory board). Moreover, Leonardo conducts its activities with the aim of not causing or contributing to material adverse impacts on its people.

### *Labor protection and welfare*

The main initiatives implemented by Leonardo for labour protection and welfare of all employees include: i) guaranteeing fair and adequate wages, including with regard to monitoring any gender pay gaps; ii) granting more favourable economic and regulatory conditions (including social protection tools) provided for in second-level company bargaining agreements that make additions to those granted by the relevant collective agreements and by law; iii) monitoring working hours and overtime through attendance tracking systems and subsequently providing inputs to the remuneration process<sup>89</sup>; and iv) the ongoing involvement of workers' representatives throughout the year on all issues for which the provisions of law and company agreements grant specific prerogatives and advisory or negotiating powers.

In line with previous years, additional welfare measures governed by the Company Supplementary Agreement, continued to be regularly applied in 2025, such as the strengthening of supplementary healthcare and pension schemes, the activation of new forms of protection in the event of death or permanent disability, the Leonardo Loyalty Bonus and the birth bonus. Similarly, all Leonardo people were able to benefit from additional forms of flexibility in working hours to support work-life balance.

Leonardo did not resort to any social safety nets in 2025 in its offices and production units.

The year 2025 saw the consolidation of all the pillars of Welfare & Wellbeing with the gradual involvement of over 15,000 people.

### **Physical wellbeing and health**

In July 2025, the "Leonardo Active Hours" programme was launched on local initiatives through which employees can make use of certain physical wellbeing services in the workplace, and which involved over 8,000 people.

The focus on health and prevention was further strengthened with the launch of Dr. Feel, the first virtual clinic recognised by the National Health System, which allows employees and their families to have access to a doctor seven days a week. The pilot project involved approximately 5,000 people.

### **Family wellbeing**

In 2025, the "Leonardo Family Care" programme was expanded to include services supporting parents and caregivers, such as: widespread nursery provision, with the launch of the experimental project "Let's grow the future", babysitter search and selection services, the organisation of summer camps for employees' children through the Leonardo Summer Camp programme and the new Leonardo Young Adventurers. Over 3,000 people were involved in family wellbeing activities. In addition, Leonardo began to provide a reserved, welcoming and equipped space (the "Corallo" Room) at each of its sites, to allow new mothers returning from maternity leave to pumping and store milk in a safe manner during the working day in order to support working mothers, and promote an increasingly inclusive environment.

### *Diversity, equity and inclusion*

For Leonardo, valuing differences as an opportunity for growth is a key factor in competitiveness, as well as in attracting and developing talent, innovation, and enhancement of human capital. This contributes significantly to the Group's sustainable growth, and the creation of an inclusive and collaborative working

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<sup>89</sup> Ensuring proper remuneration for overtime hours worked.

environment where everyone can work in conditions of respect, safety, and equal opportunities, thus expressing their potential in full.

Leonardo's approach to Diversity, Equity and Inclusion (DE&I) is based on the fundamental principles of respecting Human Rights and promoting equal opportunities and is grounded in the Company's Charter of Values and Code of Ethics. This approach was further strengthened in 2023 with the appointment of the position of DE&I Manager and the issuance of the DE&I Policy.

The commitment to gender diversity is further confirmed by the introduction of targets related to the recruitment of women with STEM qualification<sup>90</sup> in the long-term Remuneration Policy for Top Management.

As evidence of this commitment, in 2024 Leonardo achieved the Gender Equality Certification in Italy, which attests to the implementation of a Gender Equality Management System (SGPG), aimed at structuring operating methods and processes aimed at integrating DE&I issues into the Company's ordinary management, as well as of the Gender Equality Strategic Plan (GESP), in accordance with the requirements of the reference practice UNI/PdR 125:2022.

The GESP is integrated into Leonardo's Sustainability Plan 2025-2029, and consists of projects that meet the core principles underpinning the Group's approach to DE&I, including, for example: training initiatives, and programs dedicated to women's empowerment and the promotion of STEM study paths and careers with role modelling to support the educational system; programmes and tools to enhance parenting and caregiving to promote better work-life integration; training on inclusive language to prevent harassment in the workplace. The GESP provides for the control over time of the progress and performance of those projects that comprise it in order to monitor the degree of their implementation, and take any corrective actions.

In 2025, internal and external audit activities were launched in preparation for maintaining the Gender Equality Certification, which was confirmed following a positive assessment of the areas subjected to audit.

### Major DE&I projects

**Springboard Programme** - This is a project dedicated to the personal and professional development of Leonardo women with the aim of strengthening self-awareness, assertive style, positive thinking, goal achievement, and satisfaction at work and in personal life. Three editions were completed in 2025, with over 400 women from different nationalities in the Leonardo Group. The initiative, which is recognised as best practice even outside the company, has become a powerful testament to Leonardo's commitment to female empowerment and gender equality. In 2025, the programme received a special mention from the Winning Women Institute as part of the Minerva Award in Italy, and a special mention at the Merit Awards in Lyon in the Advancing Women in Leadership category.

**LIFEED** – Digital courses structured according to the principle of life-based learning, aimed at parents and caregivers. The goal is to transform life experiences gained in family contexts into key skills for professional growth, and challenge the stereotype of conflict between career and private life.

**Employee Resource Group (ERG)** – In 2025, the ERGs focusing on “Gender Equality” and “Disability” led to the creation of two value manifestos, and the presentation of a number of proposals that will be evaluated and implemented during 2026. The two groups also met with their counterparties of Network Groups from Leonardo UK, initiating a collaboration aimed at ensuring Group alignment and synergy on future DE&I initiatives. At the end of the year, the ERG on “Intergenerationality” was also established, which will begin the co-design process for proposals in 2026.

**Disability** – Leonardo has established several programs dedicated to disability issues, through which, for example, Leonardo UK has been accredited as a Disability Confident Level 2 Employer, in recognition of its commitment to promoting the skills and talents of people with disabilities in the workplace. In 2025, Leonardo supported the “CasAUTentica” project by the PizzAut ETS Foundation in Italy, for the creation of two “Independent Living Gyms” in Cassina de' Pecchi (Milan) and Monza where people with autism learn to manage new skills useful for their daily lives.

### *Employer Branding and talent attraction*

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<sup>90</sup> For further details see paragraph “[Governance](#)” in the section on “General information”.

In 2025 Leonardo implemented numerous initiatives in support of Employer Branding and Recruiting, with the aim of attracting the best talent to the labour market and sourcing the skills of interest for its various businesses. The activities highlighted the opportunities for induction and growth offered by the company, initiatives to support wellbeing, flexibility, and work-life balance, and the commitment to guiding the younger generation towards STEM disciplines. Among the most important initiatives are:

- > induction and development programs aimed at the best new graduate or undergraduate talent carried out in collaboration with international Universities and Business Schools, focusing on training courses aimed at induction into the company (Sustainability Excellence Program, Hackathon Leonardo), and through thesis projects at Leonardo sites (DeepDive), or the provision of scholarships (Girls@Polimi);
- > launch of the new “Look Up” tool, which, in support of Talent Attraction and Employer Branding, presents Leonardo’s offer to its people in terms of compensation, benefits, training, development, welfare and wellbeing;
- > launch of O.P.E.N., Leonardo’s Metaverse, which offers the younger generation the opportunity to learn about the company’s technologies and skills first-hand, guiding them towards STEM professions and study courses through interactive and immersive experiences;
- > participation in Career Days (13 meetings in 2025) targeted at students, recent graduates, and STEM professionals in Italy;
- > relaunch of the Referral Programme, which allows employees to recommend professionals for some specific open positions in the company, and receive a bonus if they are hired.

<p>In the top 10 of <b>LinkedIn Top Companies 2025</b> in Italy (and in the <b>Top 25 in the UK</b>), the ranking that recognises the best companies in which to develop your skills and grow professionally</p>	<p>Inclusion in the <b>Financial Times’ “Europe’s Diversity Leaders 2026”</b> rating and <b>Forbes’ World’s Best Employers 2025</b> rating</p>	<p><b>“Global Welfare”</b> Award from the <b>Italian Welfare Observatory</b> for the virtuous and distinctive model adopted in the field of global welfare</p>	<p><b>“Disability Confident level 2 employer”</b>: recognition obtained by Leonardo UK for attention to employees with disabilities</p>	<p><b>Investors in People, Investors in Young People and We Invest in WellBeing</b> at Gold level in the United Kingdom</p>	<p><b>Glassdoor Best Places to Work</b> (Top 50) and <b>Sunday Times Best Places to Work</b> (Large Companies UK) in the United Kingdom</p>
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### *Skill management and enhancement*

Leonardo's industrial strategy aims to attract and manage the job profiles and skills needed to meet the new challenges posed by the market, including the risk of their obsolescence.

The Company’s skill management and enhancement schemes support people throughout their career in the company, stimulating lifelong learning and activating upskilling and reskilling processes, including on sustainability issues.

The use of innovative technology tools in the various areas of people management and development is a key factor for change and radical improvement in the Group's overall performance. In particular, the most recent initiatives for the development of new skills aim to align the competencies of our human resources with the needs of the future, design training programmes and reduce outsourcing and recourse to the market, leveraging a digital approach that combines data mining, artificial intelligence and Massive Open Online Courses (MOOC) training platforms.

With this in mind, Leonardo has long had a skills mapping and surveying framework in place with the intention of monitoring core competencies for roles operating in the company. In 2025, the skills of over 55,000 people in the company population were mapped in the framework, thus enabling a new edition of the skills assessment process to be launched, which recorded high redemption values, in the phase of both employee self-appraisal, and assessment on the part of managers.

At the training level, Leonardo supports continuous development through several activities and projects<sup>91</sup>, including programmes for leadership development, coaching and mentoring, and courses on digital transformation. These also comprise the Coursera training platform available to all employees<sup>92</sup>, the international advanced management training course “UP” and “Leading the Future”, the SkillGym digital platform for soft skill development, and the Sustainability Excellence Programme, an important development experience for all employees who are confronted daily with issues related to the areas of sustainability. The main training and development projects dedicated to specific business areas included: in the Project Management area, the PM Academy training course (an additional 110 PMs involved in 2025); in the Procurement & Supply Chain area, as part of the Supplier Engagement Plan, the training course dedicated to sustainability issues.

In order to maximise the development opportunities of its people, and to also encourage cross-functional skills development, the use of job posting continued to be promoted throughout the year, enabling a significant percentage of open job positions to be filled internally: Italy 15%, US 12%, UK 12%, and Poland 5%.

**63.7% of employees** hold a STEM qualification

**About 1.6 million hours** of training delivered

**1,360 training courses** activated with educational system<sup>93</sup>

*2025 figures*

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<sup>91</sup> Training paths are also open to part-time and temporary workers.

<sup>92</sup> For further details, please see <https://www.leonardo.com/en/careers/growing-with-leonardo>

<sup>93</sup> Including stages, apprenticeship programs, traineeships, and school-to-work alternation schemes.

### Health and safety

Leonardo considers the protection and safety of its workers as a priority, and therefore implements all appropriate measures preparatory to the elimination and/or mitigation of risks related to the performance of their professional activities and the resulting impacts, with specific regard to the prevention of accidents, occupational diseases, incidents and near misses. These measures apply to all Group activities, including those carried out in non-standard contexts, on business trips or abroad, in line with the scope of application of the HSE Management System certified according to the ISO 45001 standard. Among the tools used to ensure compliance with adequate standards are health and safety audits, both internal and external, which are mainly aimed at maintaining Management System certifications, as well as at compliance audits, and the definition of continuous improvement plans and objectives for the pursuit of targets.

**79% of employees** work at sites with **ISO 45001** certified Health and Safety Management System

**1.93 injuries per million of hours worked**

**1,957 audits** conducted on health and safety, of which 1,821 internal and 136 external

2025 figures

Leonardo has implemented various projects to ensure both the health and safety of its people, including: supplementary healthcare, Workplace Health Promotion initiatives to promote prevention and the adoption of healthy lifestyles, programmes for assistance, travel security, safety and health to ensure the safety of workers abroad.

### Metrics and targets

Six targets have been set that testify Leonardo’s commitment to guarantee an inclusive workplace offering equal opportunities, defined by management based on the topics most relevant to the company and from industry benchmarks<sup>94</sup>. Leonardo monitors their progress and puts improvement actions in place to enable their achievement.

Characteristics of the undertaking’s employees			S1-6
	2025	2024	
<b>Gender</b>	<b>Number of employees</b>		
Men	49,898		48,183
Female	12,863		12,284
Other	-		-
Not disclosed	1		1
<b>Total employees</b>	<b>62,762</b>		<b>60,468</b>

Employees by employment contract and gender				
2025				
Female	Men	Other	Not disclosed	Total
<b>Number of employees</b>				
12,863	49,898	-	1	<b>62,762</b>
<b>Number of permanent employees</b>				
12,488	48,576	-	1	<b>61,065</b>
<b>Number of temporary employees</b>				
375	1,322	-	-	<b>1,697</b>
<b>Number of non-guaranteed hours employees</b>				

<sup>94</sup> For more details, please see the section on “General information – Strategy and stakeholder engagement”.

1	2	-	-	3
<b>Number of full-time employees</b>				
11,916	49,469	-	1	61,386
<b>Number of part-time employees</b>				
947	429	-	-	1,376

<b>Employees by employment contract and gender</b>				
<b>2024</b>				
<b>Female</b>	<b>Men</b>	<b>Other</b>	<b>Not disclosed</b>	<b>Total</b>
<b>Number of employees</b>				
12,284	48,183	-	1	60,468
<b>Number of permanent employees</b>				
11,913	46,762	-	1	58,676
<b>Number of temporary employees</b>				
371	1,421	-	-	1,792
<b>Number of non-guaranteed hours employees</b>				
-	-	-	-	-
<b>Number of full-time employees</b>				
11,319	47,763	-	1	59,083
<b>Number of part-time employees</b>				
965	420	-	-	1,385

<b>Employees by employment contract and Country</b>					
<b>2025</b>					
<b>Italy</b>	<b>United States</b>	<b>United Kingdom</b>	<b>Poland</b>	<b>Other countries</b>	<b>Total</b>
<b>Number of employees</b>					
38,320	7809	9,362	3,301	3,970	62,762
<b>Number of permanent employees</b>					
37,919	7,744	8,830	2,940	3,632	61,065
<b>Number of temporary employees</b>					
401	65	532	361	338	1,697
<b>Number of non-guaranteed hours employees</b>					
3	-	-	-	-	3
<b>Number of full-time employees</b>					
37,698	7,611	9,014	3,279	3,784	61,386
<b>Number of part-time employees</b>					
622	198	348	22	186	1,376

<b>Employees by employment contract and Country</b>					
<b>2024</b>					
<b>Italy</b>	<b>United States</b>	<b>United Kingdom</b>	<b>Poland</b>	<b>Other countries</b>	<b>Total</b>
<b>Number of employees</b>					
36,704	7,782	8,957	3,300	3,725	<b>60,468</b>
<b>Number of permanent employees</b>					
36,331	7,730	8,437	2,761	3,417	<b>58,676</b>
<b>Number of temporary employees</b>					
373	52	520	539	308	<b>1,792</b>
<b>Number of non-guaranteed hours employees</b>					
-	-	-	-	-	-
<b>Number of full-time employees</b>					
36,057	7,556	8,621	3,283	3,566	<b>59,083</b>
<b>Number of part-time employees</b>					
647	226	336	17	159	<b>1,385</b>

**Characteristics of the undertaking's employees** S1-6

<b>Employees by Country</b>		
	<b>2025</b>	<b>2024</b>
<b>Country</b>	<b>Number of employees</b>	
Italy	38,320	36,704
United States	7,809	7,782
United Kingdom	9,362	8,957
Poland	3,301	3,300
Other countries	3,970	3,725
<b>Total</b>	<b>62,762</b>	<b>60,468</b>

**Characteristics of the undertaking's employees** S1-6

<b>Employee turnover</b>	<b>Unit</b>	<b>2025</b>	<b>2024</b>
<b>Total employees leaving and gender breakdown</b>	<b>N.</b>	<b>4,397</b>	<b>3,922</b>
<b>Percentage of employees leaving on total employees</b>	<b>%</b>	<b>7</b>	<b>6</b>

**Characteristics of non-employees in the undertaking's own workforce** S1-7

<b>Workers other than employees</b>	<b>Unit</b>	<b>2025</b>	<b>2024</b>
<b>Supervised workers</b>	<b>N.</b>	<b>2,061</b>	<b>2,361</b>

Non-employees' data are related to supervised workers, calculated as the number of people as of Dec. 31, 2025.

Collective bargaining coverage and social dialogue			S1-8
2025	Employees - EEA (for countries with >50 empl. representing >10% total empl.)		Social Dialogue
Coverage rate	Employees - EEA (for countries with >50 empl. representing >10% total empl.)	Employees - Non EEA (for countries with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0-19%		United States	
20-39%			United Kingdom
40-59%			
60-79%		United Kingdom	
80-100%	Italy Poland		Italy Poland

Collective bargaining coverage and social dialogue			S1-8
2024	Employees - EEA (for countries with >50 empl. representing >10% total empl.)		Social Dialogue
Coverage rate	Employees - EEA (for countries with >50 empl. representing >10% total empl.)	Employees - Non EEA (for countries with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0-19%		United States	
20-39%			United Kingdom
40-59%		United Kingdom	
60-79%			
80-100%	Italy Poland		Italy Poland

Industrial Relations (% on total employees)	Unit	2025	2024
Employees covered by collective bargaining	n.	48,176	45,557
	%	77	75
Employees who are members of trade unions	n.	18,470	13,311
	%	29	22
Meetings with trade unions	n.	973	755
Employees covered by workers' representatives	n.	41,659	37,707
	%	66	62
Total hours of strike in the reporting period	h.	318,202	78,704

Diversity metrics			S1-9
Employees by Age Group	Unit	2025	2024
< 30 years	N.	10,088	9,058
30-50 years	N.	31,857	30,928
> 50 years	N.	20,817	20,482

Diversity metrics			S1-9
Top management composition	Unit	2025	2024
Men	n.	149	159
	%	73	80
Female	n.	54	39
	%	27	20
Other	n.	-	-
	%	-	-
Not disclosed	n.	-	-
	%	-	-

Regarding the “Top management” category, the percentage is calculated considering first-level (directly reporting to the CEO) and second-level managerial positions.

The executive team (including the CEO) is made up of 19 men (82.6%) and 4 women (17.4%).

Persons with disabilities			S1-12
Employees with disability	Unit	2025	2024
<b>Total employees with disability</b>	<b>N.</b>	<b>1,862</b>	<b>1,803</b>
<b>Employees with disability Rate</b>	<b>%</b>	<b>3</b>	<b>3</b>
<b>Employees with disability by gender</b>	<b>N.</b>	<b>1,862</b>	<b>1,803</b>
Men	N.	1,322	1,255
	%	71	70
Female	N.	540	548
	%	29	30
Other	N.	-	-
	%	-	-
Not disclosed	N.	-	-
	%	-	-

Training and skills development metrics			S1-13
Average hours of training per employee	Unit	2025	2024
<b>Training hours</b>	<b>hours</b>	<b>26.2</b>	<b>23.0</b>
<b>Training hours by gender</b>			
Men	hours	26.9	23.2
Female	hours	23.4	22.5
Other	hours	-	-
Not disclosed	hours	5	19
<b>Training hours by employee category</b>			
Managers	hours	17.5	13.9
Middle managers	hours	21.1	22.1
White collars	hours	24.0	22.8
Blue collars	hours	35.8	25.0

Performance appraisal			S1-13
Total employees assessed	Unit	2025	2024
Employees with performance appraisal	N.	43,311	41,091
	%.	69	68
Employees assessed by gender			2024
Unit	2025		
Men	N.	33,251	31,562
	%	67	66
Female	N.	10,058	9,528
	%	78	78
Other	N.	1	0
	%	-	0
Not disclosed	N.	1	1
	%	100	100

Health and safety metrics			S1-14
Injuries of employees	Unit	2025	2024
Number of injuries of employees	N.	203	174
Injury Rate (IR) of employees by gender	i	1.93	1.70
Men	i	1.92	1.74
Female	i	1.95	1.53
Other	i	-	-
Not disclosed	i	-	-

Injuries of workers not employees	Unit	2025	2024
Number of injuries of workers not employees	N.	7	16
Total Injury Rate of workers not employees	i	1.89	4.01

Injuries of Value Chain Workers	Unit	2025	2024
Number of injuries of Value Chain workers	N.	85	75

Fatalities from work-related injuries and from work-related ill-health			2025	2024
Unit				
Fatalities from work-related injuries and from work-related ill-health of employees	N.	-	-	
Fatality Rate of employees	i	-	-	
Fatalities from work-related injuries and from work-related ill-health of not employees	N.	-	-	
Fatalities Rate of workers not employees	i	-	-	
Fatalities from work-related injuries and from work-related ill-health of Value Chain workers	N.	-	-	

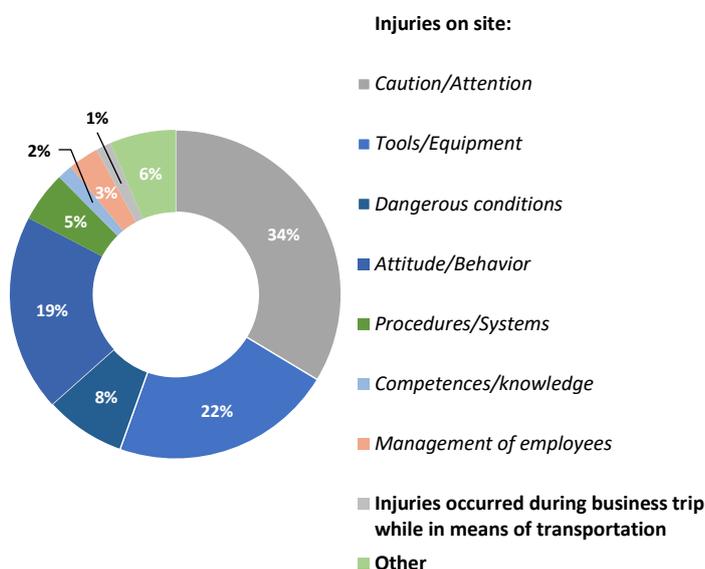
**NOTES:**

- The injury is defined in this way if it has been communicated to the competent authorities and if it has caused the inability to work to one or more days.
- The Injury Rate (IR) is calculated by using the following formula:  $(\text{Total injuries} / \text{Total worked hours}) * 1,000,000$ . Non-employee workers refer to the category of supervised workers.

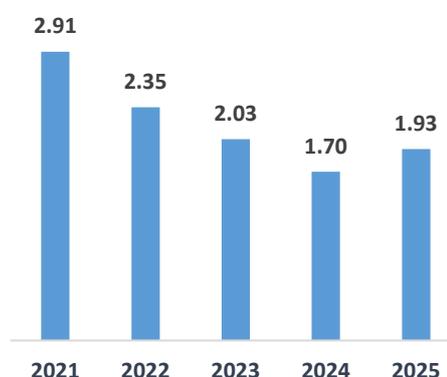
Health and safety indicators	Unit	2025	2024
Total occupational diseases	N.	17	8
Occupational Disease Rate (ODR)	i	0.03	0.02
Total number of lost days	days	5,264	5,421
Lost Days Rate (LDR)	i	9.99	10.58
Absenteeism Rate (AR)	i	4.72	6.98

Details on indicator calculation: ODR is calculated using the following formula: (Total cases of occupational diseases/Total worked hours)\*200,000. LDR is calculated using the following formula: (Total days of lost work/Total worked hours)\*200,000. AR is calculated using the following formula: (Total days of absence/Total working days)\*100.

**Main causes for injuries in 2025**



**Injury rate 2021-2025**



Health and safety metrics	Unit	2025	2024	S1-14
<b>% of employees covered by quality management systems certified</b>				
<b>Health and safety management systems</b>				
ISO 45001:2018 Certification	%	79	77	
<b>Environmental management systems</b>				
ISO 14001:2015 Certification	%	81	79	
<b>Quality management systems</b>				
ISO 9001 Certification	%	89	89	
AS/EN 9100:2018 Certification	%	80	79	

ISO 45001-certified sites are 68, ISO 14001-certified sites are 75, ISO 50001-certified sites are 6, ISO 9001-certified sites are 102, AS/EN 9100-certified sites are 79<sup>95</sup>.

<sup>95</sup> As part of the activities carried out by external auditors with the above-mentioned certifications (conducted on an annual basis for the purposes of new certification / maintenance / renewal of certification), systematic assessments are performed that also cover the risk management process, its tools and methodologies.

Work-life balance metrics		S1-15	
Work-life balance metrics	Unit	2025	2024
Employees entitled to parental leave	N.	62,762	60,468
Percentage of employees entitled to parental leave	%	100	100
Employees who took parental leave during the reporting period, by gender	N.	1,760	1,895
Percentage of employees who took parental leave during the reporting period, by gender	%	3	3
Men	N.	1,282	1,456
	%	2	2
Female	N.	478	439
	%	1	1
Other	N.	-	-
	%	-	-
Not disclosed	N.	-	-
	%	-	-

Remuneration metrics		S1-16	
Remunerative metrics	Unit	2025	2024
Gender pay gap	%	98	98
Remuneration ratio of the highest paid individual to the median annual total remuneration for all employees	i	40	37

All Leonardo employees receive fair pay, in line with reference parameters. In relation to incidents of discrimination or violation of human rights, please refer to the chapter "Governance".

## VALUE CHAIN

### Workers in the value chain

#### *Materiality and Leonardo approach*

Leonardo has, through its large international network of suppliers and customers, a significant indirect impact on the environment and society across the entire value chain. The commitment to ensuring a responsible value chain, which also pays proper attention to the workers operating therein, is one of the elements of the Group's sustainability strategy, in order to promote a growing resilience and competitiveness in the value chain. For this reason, too, the perspective of suppliers and customers is taken into account in the materiality analysis<sup>96</sup>.

#### *Managing impacts, risks and opportunities*

Leonardo is committed to carrying out its activities in full respect of human rights, diversity and inclusion, in addition to the right to privacy and personal data, and has adopted appropriate processes to avoid violations, promoting the culture of integrity also outside the company and improving its business and trade compliance systems on an ongoing basis.

Leonardo requires its suppliers to comply with the Code of Ethics, the Organisational, Management and Control Model and the Supplier Code of Conduct, which include commitments in relation to:

- > Protection of the right to work and equal opportunities, promoting dignity, health, freedom, equality of all workers, rejecting all the forms of discrimination, whether directly or indirectly, also with reference to political or trade union related aspects;
- > Non-involvement in forced labour, human beings trafficking, and exploitation of child labour and forced labour generally speaking;
- > Payment of the minimum wages and benefits legally mandated, as well as working conditions, working time and fair compensation complying with the laws and the standards applicable in the countries where the supplier operates;
- > Safety and protection of health in the workplace in compliance with current relevant regulations<sup>97</sup>.

**97%** of purchases from OECD countries.

**100%** of suppliers accept the relevant Code of Conduct within the accreditation and pre-qualification process in Leonardo's supplier register and in Joscar

More than **5,200** suppliers are also evaluated on social and ethical-legal issues

Leonardo promotes the protection of human rights across its value chain and works to embed them among its stakeholders, including by taking part in multilateral initiatives with associations, businesses and institutions. The Group disseminates the contents of its Policy on Human Rights, including through awareness-raising and training actions, and verifies that they are implemented in an effective manner, through appropriate monitoring mechanisms.

In order to promptly identify and manage any violations, potential risks and adverse impacts on human rights, Leonardo makes available to all stakeholders mechanisms for the management of reports, either signed or

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<sup>96</sup> For more details, please see the paragraph "[Managing impacts, risks and opportunities – double materiality](#)".

<sup>97</sup> For more details, please see the Supplier Code of Conduct of Leonardo.

anonymous, as prescribed in the Whistleblowing Management Guidelines and the Supplier Code of Conduct, as well as through the internal reporting channel – Whistleblowing Platform<sup>98</sup>.

Leonardo conducts reputational checks on third parties it intends to contract with and includes protective clauses to safeguard workers during any change of contractor. In addition, in the corporate supplementary agreement, additional safeguards (on health and safety, social security, union rights, employment guarantees) are provided for the benefit of workers employed by contractor firms, which are also proposed and negotiated with the trade union representatives of Leonardo.

### Actions related to workers in the value chain

In order to prevent ESG risks which are also associated with the protection of human rights and the health and safety of supply chain workers, Leonardo launched specific actions that intervene at different stages of relations with its suppliers: from the application, to the pre-qualification and qualification phases, up to the verification audits and development plans<sup>99</sup>.

### Supplier Relationship Management

Portal registration	Code of Ethics	Anti-Corruption Code	Supplier Code of Conduct	Organisational, Management and Control Model		2025 KPIs	
Pre-qualification	Economic-financial requirements	Pension and social security contributions	No criminal sanctions	Non-inclusion in international blacklists	Compliance with Modern Slavery regulations (*)		>5,800 pre-qualifications of suppliers 129 denied pre-qualifications of new suppliers 51 revoked pre-qualifications of suppliers in the renewal phase 5,252 reputational due diligence
	Environmental responsibility	No use of child, forced or illegal labour	Compliance with anti-corruption regulations	Compliance with Trade Compliance requirements (**)	Compliance with anti-money laundering regulations		
Qualification	Technical and professional requirements	Environmental information (***)	Health and safety certifications (ISO 45001)				2,786 qualifications completed >900 suppliers selected based on environmental criteria
	Quality certifications	Cyber security	Protection of intellectual property				
Selection/Call for bids	Check of specific tender requirements	Supply terms and conditions	Compliance with conflict minerals regulation	Check of existence and maintenance of reputational requirements		34% value of major closed bids with ESG criteria	
Management and monitoring	Monitoring activities (documents, inspections, on-site audits)	Improvement plans	Pre-qualification revocation	Blacklist	Supplier Awards	>5,300 environmental, health and safety audits on service providers (indirect suppliers) conducted by Leonardo or third parties >1,800 suppliers subject to deep sustainability assessment in the last 2 years 16 blacklisted suppliers	

(\*) Modern Slavery Act 2015 in the United Kingdom and Code Title 22, chapter 78 in the United States.

(\*\*) Check carried out only for suppliers in at-risk countries

(\*\*\*) Of which in possession of environmental authorisations and certified management systems; compliance with REACH, RoHS, CLP (Classification, Labelling and Packaging) and RAEE and waste regulations.

In the pre-qualification phase, it must be established that certain requirements are met for an assessment of the risk, also reputational, associated with establishing a relationship with a potential supplier, while in the qualification phase the technical, organisational and operational capabilities linked to specific supplies are assessed as well as the minimum requirements demanded by Leonardo regarding environmental management, health and safety protection, cyber security and intellectual property protection. In addition,

<sup>98</sup> The Whistleblowing platform is an IT tool that uses an encryption system and accessible through this address: <https://whistleblowing.leonardo.com/>.

<sup>99</sup> For more details on supplier development programmes, please see the paragraph “[Supply chain development](#)”.

for some product areas, supplier selection also takes into account the availability of specific additional ESG requirements (i.e. environmental, health and safety, quality, cyber security certifications etc.).

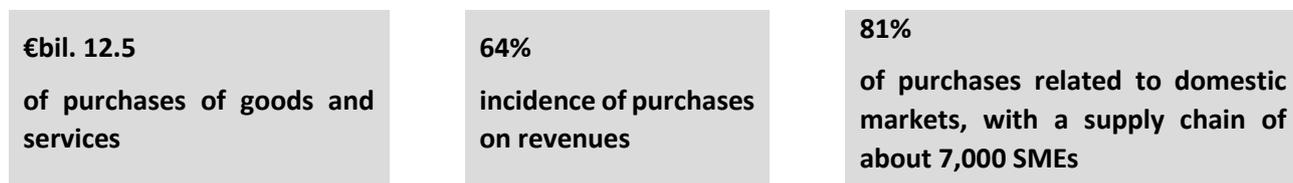
Suppliers' ongoing compliance with requirements is monitored through periodic checks carried out throughout the term of the contractual relationship, using inspections and audit plans, and cases of serious or repeated non-compliance may result in temporary or permanent removal from the supplier register. Supplier audits on HSE issues offer a chance to report to suppliers possible improvements; while in cases of non-conformities, suppliers are required to implement corrective actions, which are subsequently verified.

In the United Kingdom, Leonardo has also been actively involved since 2015 in the A&D JOSCAR (Joint Supply Chain Accreditation Register) industry project to qualify joint suppliers of the aerospace and defence in order to rationalise the number of communication channels used and provide a single point of access for both current Aerospace and Defense suppliers and new companies looking to enter the market<sup>100</sup>.

### Supply chain development

#### *Materiality and Leonardo approach*

Leonardo's supply chain is made up of approximately 11,000<sup>101</sup> companies around the world, which provide goods and services to all the entities of the Group and contribute on a daily basis to the competitiveness of the business, ensuring compliance with quality and safety requirements in the supplies and actively collaborating in open innovation processes. Specifically, it is a supply chain that includes both international players in the sector of AD&S, which supply highly complex systems and subsystems integrated into Leonardo platforms and many small and medium-sized enterprises (SMEs), the technological specialisation of which contributes to the creation and success of our products.



#### Local supply chains – Incidence of National SMEs in domestic countries<sup>102</sup>



Leonardo's considerable industrial footprint in its domestic markets has in fact enabled the development of local supply chains with a high intensity of knowledge and innovation, which are a key asset for the relevant local areas in terms of economic and employment impact and even more so for the quality of the skills

<sup>100</sup> About 1,000 supplier companies of Leonardo have already registered on the portal.

<sup>101</sup> Including 760 significant tier-1 suppliers, representing 66% of total orders placed, to which must be added 41 significant non-tier-1 suppliers.

<sup>102</sup> Calculated as the number of SMEs out of total suppliers by country.

developed and the technological content of the products and services we create. In fact, most of the Group’s purchases are concentrated in domestic markets, which, as emerged in the double materiality analysis, acts as a driver to the growth of the chain, through the creation of partnerships and the implementation of development programmes.

**Leonardo’s strategy and objectives for a sustainable supply chain**

 <b>MEASURE</b>	 <b>ENGAGE</b>	 <b>SUPPORT</b>	 <b>INCENTIVISE</b>
<p><b>Assess ESG risks and performance with A&amp;D tool</b></p> <p><b>IAEG A&amp;D SECTOR INITIATIVE</b> <i>powered by EcoVadis</i> <b>13 participating Supply Chain Leaders</b> 49% of global A&amp;D business represented 7,350+ suppliers scorecards achieved 900+ Leonardo Suppliers assessed</p> <p><b>JOSCAR UK</b> Collaboration initiative by the A&amp;D industry in the UK for the accreditation and risk management, including ESG, with regard to suppliers 1,000 Leonardo suppliers assessed</p>	<p><b>Engage suppliers on ESG objectives and requirements</b></p> <p><b>DECARBONISATION - SBTi</b> focusing on <b>energy efficiency</b>, renewables and <b>improving supplier processes</b></p> <p><b>CIRCULARITY</b> With a focus on <b>Critical Raw Materials</b>, optimising the <b>use of resources</b> and generating <b>value from waste</b></p> <p><b>ESG RISK MANAGEMENT</b> Identify and mitigate risks related to <b>Human Rights, Cyber Security</b> and <b>Climate Change</b></p>	<p><b>Accelerate skills development</b></p> <p><b>TRAINING PROGRAMMES</b> <b>200+ suppliers</b> have completed ESG e-learning training modules (<a href="#">Climate Action 2026</a> and EV Academy) <b>37 suppliers</b> have participated in intensive classroom training and coaching on decarbonisation <b>150 suppliers</b> have participated in training events in the UK and the US</p> <p><b>Joint initiatives with A&amp;D Associations and Clusters</b> <a href="#">Euronext-Elite European A&amp;D Growth hub</a></p>	<p><b>Stimulate improvement</b></p> <p><b>ESG CRITERIA IN TENDERS</b> to enhance ESG performance and contribution to objectives (decarbonisation SBTi, ...)</p> <p><b>SUSTAINABILITY AWARDS</b> to recognise and reward excellence in the supply chain</p> <p><b>ACCESS TO AGREEMENTS</b> made available by Leonardo to accelerate the improvement process</p>

*Managing impacts, risks and opportunities*

The most important suppliers on which Leonardo focuses its control and improvement activities are identified on the basis of criteria that take into account business volume, estimated environmental impact (e.g. emissions), supply risks (difficulty in engaging with an alternative supplier), and specific risks associated with the sector /product category and country<sup>103</sup>.

In addition to the risk screening carried out on all suppliers during the pre-qualification and qualification stages, major suppliers are required to undergo a structured ESG assessment to evaluate their sustainability profile, and areas for improvement in greater detail. Since 2023, Leonardo has adopted the EcoVadis rating as a tool for assessing the sustainability of the supply chain as part of the AD&S industry initiative promoted by IAEG<sup>104</sup>. In the United Kingdom, Leonardo is also actively involved in the A&D JOSCAR industry initiative for the qualification and ESG assessment of suppliers.

Through these tools, Leonardo has efficiently achieved high coverage of expenditure assessed in depth from an ESG perspective, promptly identifying areas where corrective actions and improvement processes need to be implemented.

<sup>103</sup> The description of the process for identifying impacts, risks and opportunities related to the supply chain is provided in the section on “General information – Managing impacts, risks and opportunities – Double materiality”. For policies, please refer to the paragraph on “Sustainability management policy” of the section on “General information”.

<sup>104</sup> For more information, please refer to the paragraph on “[Climate change and decarbonisation](#)”.

**1,800 Italian and foreign suppliers**, equal to more than 70% of new orders placed by Leonardo, **subject to a thorough sustainability assessment within the past 2 years**

**7,350 suppliers in the A&D supply chain assessed in the AD&S industry initiative promoted by IAEG<sup>105</sup>**

### Actions related to the supply chain development

Leonardo plays an active role in guiding and accelerating the transformation process of its SMEs with specific Supplier Development and Engagement Programmes which aim to go beyond merely commercial cost reduction objectives to establish genuine industrial collaborations, and medium-to-long term partnerships, capable of promoting investment and supporting the qualitative and size growth of excellence in the supply chain, thereby creating a more solid and resilient ecosystem.

In addition to implementing tools for measuring the ESG performance and risks of suppliers, Leonardo is implementing a number of key levers to support supplier improvement:

- a toolkit of support tools, such as training programmes for the development of managerial and technical skills, supply chain financing tools to finance growth, and the creation of a support network for digitisation and innovation;
- an incentive system to stimulate and reward suppliers who contribute to the company's objectives.

The supply chain development initiatives described above are expected to run until at least 2028, and also support the Group's Capacity Boost Programme.

A total of approximately €mil. 3.7 in financial resources has been allocated to the supply chain sustainability acceleration programme, of which €mil. 244 were spent in 2025.

#### **Focus: Collaboration with industry peers**

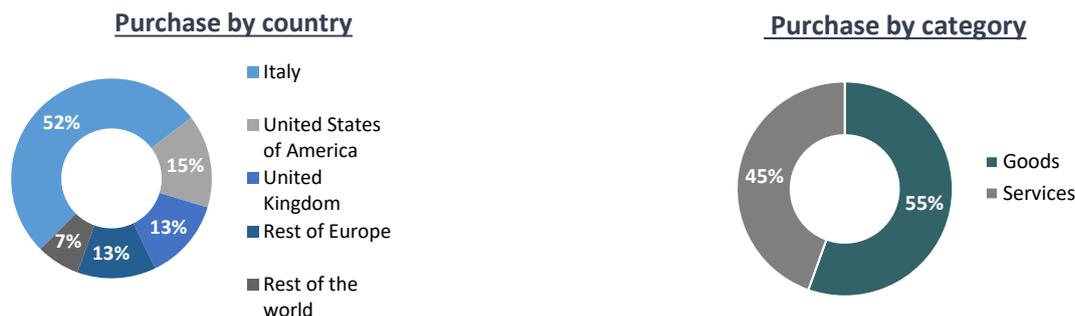
IAEG has selected the EcoVadis platform, a world leader in supply chain sustainability assessments. This initiative allows OEMs (Original Equipment Manufacturers) to assess strengths and areas for improvement at the industry level, and to define collaboration initiatives to accelerate the improvements expected from the sector. At the same time, this approach allows suppliers to carry out a single assessment, to be shared with all international customers, thus avoiding the need to undergo multiple specific assessments, and ensuring a significant increase in the effectiveness and efficiency of the process. In addition, suppliers have the opportunity to access favourable conditions on the EcoVadis platform, and take advantage of the resources it contains to support the improvement of their ESG performance. Thirteen large groups in the AD&S sector have already joined the initiative, and have begun to build a pool of over 7,350 companies operating in the sector, including over 900 suppliers of Leonardo, who have been assessed by EcoVadis and who have made their scorecards available for the industry initiative.

### Metrics and targets

As evidence of Leonardo's commitment to promoting a sustainable supply chain, including increasing supplier engagement and an incentive mechanism to enhance supplier commitment and performance on sustainability issues, 3 targets have been set for the supply chain development<sup>106</sup>.

<sup>105</sup> Companies belonging to the pool of suppliers of 14 A&D Industry leaders that are currently participating in the IAEG initiative.

<sup>106</sup> For more details, please refer to the section on "General information- Strategy and stakeholder engagement" and to "Annex – ESRS Content Index"



## Consumers and end users

### *Materiality and Leonardo approach*

One of the main objectives of the Group is to provide innovative and safe technology solutions to its customers. From the design and development of products, services and solutions to after-sales service, Leonardo searches and applies high levels of quality, safety and sustainability, in compliance with the relevant standards and regulations in order to become a trusted partner for its customers. For Leonardo, customer centricity means in fact thinking every day about the positive impact of its business, responding to every possible operational need of its customers and striving to anticipate what could become their critical issues in the future.

The ability to provide reliable products and solutions in terms of quality, safety and performance has positive impacts for its customers and end-users, generating credibility in the market with consequent positive impacts on economic and financial indicators as well.

For these reasons, too, the perspectives of its customers are taken into account in the materiality analysis, as detailed in the dedicated chapter<sup>107</sup>.

### *Managing impacts, risks and opportunities*

The sale and distribution of company products have been identified as one of the most exposed Leonardo areas to the risk of violations of human rights<sup>108</sup>. The Company is therefore committed to preventing risks of illegal practices through the Trade Compliance Program, under which Leonardo uses tools and processes for counterparty due diligence and monitoring of activities in Sensitive Countries. In particular, in relation to the sale of its products, we must the Trade Compliance Program calls for:

- > Development of technology solutions for the security and protection of citizens, national institutions, technological sovereignty, and the resilience of countries;
- > Non-involvement in the production, development, storage, trade and/or sale of non-conventional weapons (e.g. cluster bombs, landmines, biological and chemical weapons, blinding laser weapons, incendiary weapons, and depleted uranium weapons);
- > Non-involvement in nuclear weapons production or maintenance activities;
- > Ensuring, by means of the Trade Compliance Program, full compliance with applicable laws and provisions of competent authorities for Trade Compliance issues (i.e. obligations for embargoes, sanctions or other trade restrictions);
- > Due diligence on whether potential customers and end-users are in blacklists and other checks in case of transactions with Sensitive Countries;

<sup>107</sup> For more details, please see the paragraph "[Managing impacts, risks and opportunities – double materiality](#)".

<sup>108</sup> For more information, please see the paragraph "[Respect for human rights](#)".

- > Full-scale use of the Human Rights Impact Assessment tool to analyse, through specific red flags, the conduct of business activities to check for compliance with internationally recognised human rights;
- > 570 transactions monitored in Sensitive Countries.

### Human Rights Impact Assessment

Human Rights Impact Assessment (HRIA) is an analysis tool, through which Leonardo defines the main risk indices with reference to human rights and the potential impact of the activities carried out by the Company, in order to apply the provisions of the Group's "Policy on Respect for Human Rights" and to take action in line with the Company's objectives and Sustainability Plan.

The HRIA tool contributes to determining the list of Sensitive Countries (for which please refer to the link published on the company's website), which is periodically updated, allowing for expanded oversight of the Group's business transactions. The analysis is carried out both "by Country" and "by transaction".

In particular, the "by Country" analysis identified the Countries, which, despite the absence of specific sanction programmes, have been reported by national and international bodies (e.g. UN and EU) due to violations of human rights, with specific regard to: serious acts of internal repression, violations of international humanitarian law; belonging to conflict zones in the trade of "3TG" minerals (so-called conflict minerals), thus including them in the list of Sensitive Countries for the Company and, therefore, establishing the obligation to notify any transaction involving them, either directly or indirectly.

On the other hand, the "by transaction" analysis makes it possible to implement the risk analysis tool relating to transactions with each Sensitive Country, adding two drivers relating to the respect for human rights.

Leonardo provides for the dissemination of the contents of its "Group Policy – Respect for Human Rights", including through periodic awareness-raising and training actions, and it verifies that it is implemented in an effective manner, through appropriate periodic monitoring mechanisms, aimed at updating any potential risk areas and optimising the effectiveness of negative impact prevention and mitigation actions, with a view to continuous improvement of human rights protection. For this purpose, among the various measures, Leonardo makes available mechanisms for the management of reports, either signed or anonymous, as prescribed in the Whistleblowing Management Guidelines and through the Whistleblowing Platform. Finally, Leonardo also participates in multi-lateral initiatives aimed at creating synergies with associations, businesses and institutions, such as training and awareness-raising projects of the UN Global Compact.

Customer satisfaction is one of the main objectives of Leonardo's Strategic Plan, and it is monitored through various metrics that involve customers directly in order to take the most appropriate corrective actions in a timely manner.

### Customer Service initiatives in support of customers

**Customer Satisfaction** – With the use of the Net Promoter System (NPS) methodology during 2025, more than 100 customers were involved from the civil, military and government markets in about 50 countries all over the world in measuring Customer Satisfaction, and 2,500 feedbacks have been collected analyzed. Thanks to this methodology it was possible to obtain a deeper and more complete knowledge of the perception that customers have in respect of Leonardo solutions well as to identify and implement corrective measures, with a view to continuous customer service improvement.

**Digital Customer Service initiatives** – Leonardo makes available to its customers advanced Customer Relationship Management and e-commerce platforms, which enable better management of customers' requests and ensure a single point of access (Leonardo Customer Portal) for all after-sales services, including training activities and an ever-increasing number of advanced digital services aimed at ensuring a better customer digital experience.

**Leonardo Logistic Network** – Leonardo's international footprint is a critical success factor for offering increasingly effective logistics support to our customers, guaranteeing them an all-around assistance throughout the product life cycle and promoting the development of new lines of business. To this end, Leonardo keeps on the path started in 2024 with the "Leonardo Logistic Network" project, which aims to strengthen the foreign network by optimising its operating models and planning to locate technical and industrial capabilities in target markets.

## Actions related to consumers and end users<sup>109</sup>

### *Customer support and training solutions*

Leonardo offers customised solutions and innovative, value-added after-sales support services: from the offer of integrated services to continuous upgrading of Systems in order to ensure customers extended operational availability and performance over time, from training programmes in complex and multi-domain operational scenarios and training, in terms of both skills and expertise, collecting and processing any feedback from the field which is required to maintain continuous and ongoing direct contact with end users and build a strategic relationship in the long term. The development of the Customer Support, Services & Training business and the improvement in customer satisfaction are pursued through a transformation that involves the organisation, processes and procedures based on the technologies introduced. Consolidation of the services business has affected the way to do business increasingly focusing on customer centricity. With a view to sustainable innovation, Customer Experience and the use of advanced digital technologies turn into a measurement of satisfaction in the use of the systems, coupled with the ability to improve the product and its operations, ensuring the management integrity of information and transparency in customer communication.

In line with the ever-increasing and more advanced market demands, customer support training is based on interoperable and combined technologies – Live, Virtual and Constructive – to ensure an immersive reproduction of systems in their operational use. The use of flight simulators allows for expanding training effectiveness and reducing real flight hours, thus reducing environmental and acoustic impacts, and making a more efficient use of the Defence budget. Virtual and augmented reality technologies, together with artificial intelligence, are also used for preventive and predictive maintenance, thus helping to mitigate inefficiencies and reduce the environmental and logistics impacts, and enabling remote operations, thereby reducing physical travel to support operations.

**Approximately 57,000 training hours** delivered through flight simulators

**Over 16,000 pilots and operators** of helicopters and aircraft trained

**First place** among helicopter companies in **ProPilot's ranking** for quality of after-sales support, for the seventh year running

*Data 2025*

### *Industrial collaboration programmes*

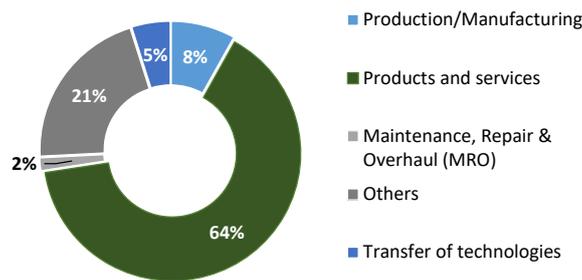
Leonardo collaborates with its international customers to generate economic and industrial benefits, both in the civil and Defence sectors, under industrial offset agreements. In 2025, Leonardo had 62 indirect offset contracts in place around the world<sup>110</sup>.

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<sup>109</sup> For actions related to cyber and security solutions please refer to the chapter "Governance information".

<sup>110</sup> For more details, please see the paragraph "[Business conduct](#)" and document on offset management on Leonardo website.

Indirect offset projects by type



*Quality and Safety*

Leonardo pursues the goal of ensuring the highest safety and quality of products and services, striving to deliver them to customers on time and without any defects. For this purpose, the Group uses company engineering and manufacturing processes based on recognised procedures and standards, promotes continuous training and information of people on quality and safety of products and services, and integrates methodologies of risk management, product life cycle management and crisis management. Leonardo operates in accordance with ISO9001, AS/EN9100, AS/EN9110 quality management standards, as well as with NATO AQAP 2110/2210/2310 standards, and those of design, production, maintenance, and training organisations in civil and military environments, and adopts and implements all customer specifications and procedures within its management and related documentation to ensure utmost compliance with required quality standards.

In addition, the quality and safety of the Group's products and services are attested by company and third-party audits. In fact, the products made internally and those commissioned to third-party suppliers, selected and qualified according to the standards adopted, are subject to internal audits and a final verification of conformity by the quality function of each factory on an ongoing basis, in compliance with contract requirements and/or other safety regulations. Furthermore, the quality and safety of the Group's products and services is attested by third-party certifiers through specific audits on an annual basis. Based on the type of products and services produced, Leonardo is also subject to certain audits on the part of the competent Authorities, including government bodies and customers, in the field of safety and, if applicable, airworthiness.

Each Division adopts a centralised governance system, which provides for Safety Management Systems at the local function level, control and risk assessment procedures and manuals, preventive tests to verify the quality and safety of products and services before being delivered to customers, crisis management procedures involving recall systems and procedures of products not complying with safety requirements, customer alert, product tracking and other specific processes. Of fundamental importance are the continuous improvement plans, which, in close connection with the technology roadmap, improve the quality standard of parts, processes and services on an ongoing basis, and ensure the continuous updating of the “Lesson Learnt” register for new developments.

Leonardo is also committed to the training of all staff members involved in the quality and safety of the solutions produced through specific training on an annual basis<sup>111</sup>. Training activities are also implemented annually to support customers and suppliers.

<sup>111</sup> In the area of operational quality, special training courses related to root cause research tools, the identification of countermeasures and the assessment of their robustness are released. Trained people are evaluated with specific tests certifying their learning; among them those who are directly involved in improvement activities and problem solving are evaluated and

Compliance with high quality standards is also required from suppliers, both in the qualification phase to guarantee materials and goods without any defect in design, and in the phase of manufacturing and installation.

**89% of employees**  
operate at sites certified according to the ISO9001 quality standard

**85% of suppliers**  
in terms of total purchase value with certification of process quality

*Data 2025*

Furthermore, Leonardo plays an active role in the evolution of sector standards and regulations through its participation in the main international organisations, including IAQG (International Aerospace Quality Group), EAQG (European Aerospace Quality Group), RMS (Regional Management Structure) and SAE (Society of Automotive Engineers), and contributes to designing the EPAS (European Plan for Aviation Safety implemented by the European aviation authority with all Member States). Since 2018, it has guided the OPC Operations Council, formerly IAQG’s Strategy Working Group, which defines quality standards and the related certification scheme format, measuring effectiveness and developing the global database of best practices. In Italy, as a member of AIAD, Leonardo sits on the Quality Committee, which pays particular attention to supporting small-and medium-sized enterprises, with regard to mandatory regulations and customer-specific quality and safety requirements.

**Process quality**

Leonardo continues to ensure an effective quality management of processes and products through the use of a QA Matrix, which is a tool that allows the collection of all "non-quality" events, the assessment of their impact, the "root causes" and the prioritisation of the best solutions for process control and its standardisation.

In 2025, the matrix was implemented at 17 sites; priority “non-quality” events were analysed through specific improvement projects, and about 60% of them were closed and resolved.

**Metrics**

The breakdown of sales by customer type and business sector is shown below:

											
<b>Defence</b>	56%	91%	83%	29%	13%	<b>Governmental</b>	63%	94%	83%	79%	100%
<b>Civil</b>	44%	9%	17%	71%	87%	<b>Non governmental</b>	37%	6%	17%	21%	-

monitored for their degree of knowledge with special 5-level radar charts on which the gap is also measured with respect to an expected target.

## **VALUE FOR COMMUNITIES AND SOCIAL IMPACT**

### *Materiality and Leonardo approach*

The extensiveness of Leonardo's workforce – organized into over 60 thousand employees, distributed in 150 countries and sustained by a network of approximately 11 thousand suppliers - allows the Group to generate a significant impact in the contexts in which it operates, in terms of direct and indirect employment, as well as of economic value created.

Leonardo's technological identity also contributes to the development of scientific and digital skills on the territory. Activities of training, apprenticeship, tutoring and coaching - often carried out in partnership with educational institutions and supported by evolved digital tools - represent essential levers for transferring distinctive know-how, preparing the new generations for future challenges and sustaining company competitiveness and that of the entire sector, in a context characterized by a marked mismatch of skills and by the limited availability of STEM profiles.

For Leonardo, the promotion of digital education and sharing scientific knowledge, technological and sustainability expertise in the communities concerned plays a strategic role to strengthen the innovation chain and reduce the educational and social gap in the territories in which it operates.

In this context, the Group's impact has been material in promoting a sustainable growth model based on the creation of shared value, inclusiveness and knowledge transfer for its people, external society, and the territories in which the company operates<sup>112</sup>.

### *Managing impacts, risks and opportunities*

Leonardo is committed to conduct its business in full respect of human rights, which are integrated into the Group's Code of Ethics and Charter of Values, as well as in the Group Policy on Human Rights, and has adopted appropriate processes to avoid violations, including with regard to the affected communities<sup>113</sup>. To this end, Leonardo makes available specific mechanisms for the management of reports, either signed or anonymous, as prescribed in the Whistleblowing Management Guidelines<sup>114</sup> and through dedicated internal channel – Whistleblowing Platform<sup>115</sup>.

### **Actions related to Communities**

Through an ongoing dialogue with communities and initiatives aimed at raising awareness and engage, Leonardo promotes social, economic and environmental development of the territories in which it operates, generating shared value in collaboration with entities, associations, foundations, partners and non-profit organisations. In this perspective, it launches, supports and enhances projects with social impact, aimed at disseminating knowledge and technologies, promoting STEM disciplines, a culture for sustainability, promoting an inclusion oriented approach and with special attention to gender equality. At the same time,

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<sup>112</sup> A description of the process for identifying impacts, risks and opportunities related to value for communities is provided in the chapter "General information - Managing impacts, risks and opportunities – double materiality". For more information on policies, please refer to the paragraph "Sustainability management policy" in the chapter "General information".

<sup>113</sup> For more details, please see the paragraph "Respect for Human rights" and the Policies of paragraphs "Consumers and end-users" and "Supply chain development".

<sup>114</sup> For further details, please see [Whistleblowing Management Guidelines](#)

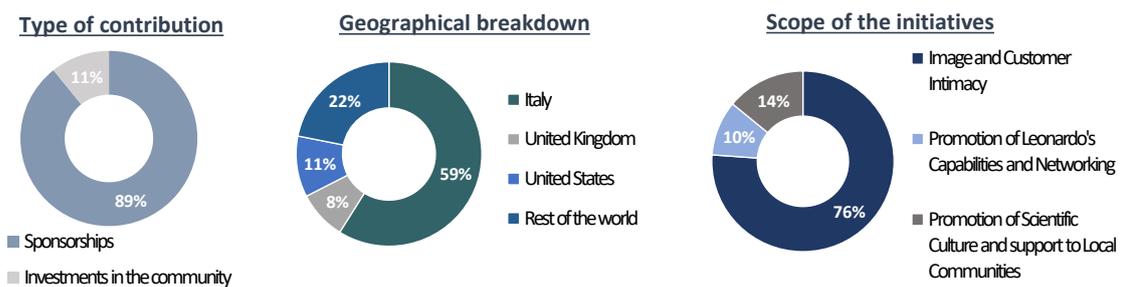
<sup>115</sup> The Whistleblowing Platform is an IT tool using a cryptography system accessible at the address: <https://whistleblowing.leonardo.com>

the Group invests in the growth of the community by enhancing volunteering skills and disseminating its know-how.

Leonardo’s commitment is also executed through the action of the Group's Foundations, which contribute to projects targeted at the development of local areas and the achievement of the Agenda 2030 Sustainable Development Goals, in accordance with the Group's sustainability strategy and goals.

- > **Leonardo ETS foundation** pursues non-profit, civic, solidarity and socially useful purposes, with the aim of promoting the cultural growth of civil society with regard to the subjects of science, technology and industry. Among the objectives of the Foundation is to contribute to the renewal of teaching in schools to support the education of male and female students and facilitate the understanding of social complexity through STEM disciplines, and to develop an effective communication strategy through the Outreach project, which is mainly aimed at young people to whom free digital content is dedicated to reducing the generation gap that exists in the country.
- > **Ansaldo-Leonardo Group Foundation** has been working for over 25 years in the recovery, protection, preservation and enhancement of the historical-cultural heritage. At present, it has over 100 archival collections, either its own or entrusted by third parties, which preserve the memories in the entrepreneurial, industrial, and technological areas, in particular of companies that have operated in the Liguria region.
- > **Med-Or Italian Foundation** aims to promote the national economic system leveraging cooperation, promotion of cultural heritage, training and education, and research towards strategic countries of the enlarged Mediterranean area, Africa, Middle and Far East and South America. In 2025, Med-Or contributed, in particular, to the education of young men and women students from the relevant geographical areas through the funding of scholarships, at national and international Universities and educational institutions, and the organisation of cultural and research projects.

The Group's commitment to fostering the socio-cultural development of the territories in which it operates also translates into economic action: in 2025, Leonardo invested about 4 €mil in sponsorship initiatives aimed at communities and the promotion of culture and scientific research. The choice of activities to be carried out has favoured wide-ranging projects that would allow the creation of partnerships and collaborations, through the support of cultural institutions, initiatives of a social and solidarity nature as well as research and innovation projects.



Leonardo contributes to taxation in the countries in which it operates, in compliance with the applicable local legislation. Below is a breakdown by geographical area of the information and data presented in the Country by Country Reporting - CBCR (Decree of the Ministry of Economy and Finance of 23 February 2017), which are submitted to the Revenue Agency every year.

Tax - Country-by-Country Reporting (Year 2024)						
Tax jurisdiction	Notes	USA	UK	Poland	Italy	Other countries
Revenues from third parties	1	3,520	2,673	316	11,252	1,124
Revenues from related parties	2	215	284	404	1,424	1,676
<b>Total revenues</b>	<b>3</b>	<b>3,736</b>	<b>2,957</b>	<b>720</b>	<b>12,676</b>	<b>2,800</b>
<b>Profit/(Loss) before income taxes</b>	<b>4</b>	<b>178</b>	<b>310</b>	<b>63</b>	<b>490</b>	<b>1,486</b>
<b>Income taxes paid (based on cash accounting)</b>	<b>5</b>	<b>-80</b>	<b>-26</b>	<b>-16</b>	<b>-24</b>	<b>-13</b>
<b>Income taxes accrued in the year</b>		<b>52</b>	<b>38</b>	<b>11</b>	<b>39</b>	<b>29</b>
<b>Workforce (units)</b>	<b>6</b>	<b>7,777</b>	<b>8,901</b>	<b>3,302</b>	<b>36,567</b>	<b>3,921</b>
<b>Property, plant and equipment other than cash and cash equivalents</b>	<b>7</b>	<b>390</b>	<b>262</b>	<b>74</b>	<b>2,144</b>	<b>79</b>

Tax - Country-by-Country Reporting (Year 2023)						
Tax jurisdiction	Notes	USA	UK	Poland	Italy	Other countries
Revenues from third parties	1	3,173	2,342	240	9,924	678
Revenues from related parties	2	217	251	311	1,198	195
<b>Total revenues</b>	<b>3</b>	<b>3,390</b>	<b>2,593</b>	<b>550</b>	<b>11,122</b>	<b>873</b>
<b>Profit/(Loss) before income taxes</b>	<b>4</b>	<b>156</b>	<b>240</b>	<b>41</b>	<b>308</b>	<b>88</b>
<b>Income taxes paid (based on cash accounting)</b>	<b>5</b>	<b>-42</b>	<b>-37</b>	<b>-11</b>	<b>-105</b>	<b>-6</b>
<b>Income taxes accrued in the year</b>		<b>68</b>	<b>37</b>	<b>24</b>	<b>39</b>	<b>21</b>
<b>Workforce (units)</b>	<b>6</b>	<b>7,327</b>	<b>8,047</b>	<b>2,916</b>	<b>33,215</b>	<b>2,061</b>
<b>Property, plant and equipment other than cash and cash equivalents</b>	<b>7</b>	<b>328</b>	<b>230</b>	<b>62</b>	<b>1,987</b>	<b>62</b>

**NOTES:**

1. Revenues from third parties: include all revenues (as defined below), net of those from companies subject to CBCR.
2. Revenues from related parties: include all revenues (as defined below) from companies subject to CBCR.
3. Revenues: include all revenues and financial income, net of dividends received from related parties from companies subject to CBCR.
4. Profit/(Loss) before income taxes: includes the result before tax and the result from discontinued operations, net of dividends received from companies subject to CBCR.
5. Income taxes paid: positive value indicates receipts, while negative value indicates payments. This includes payments for current tax and for tax disputes.
6. Workforce: number of employees entered in the register on the last day of the period (31 December).
7. Property, plant and equipment other than cash and cash equivalents: include tangible assets and investment property.

### *Digital education, scientific culture and technological skills*

Leonardo supports the spreading of scientific culture in the territories in which it operates, also by sharing its wealth of know-how and distinctive skills with the local communities.

Promoting STEM disciplines, technological skills and a culture of sustainability — through a strongly inclusive approach — is a strategic driver of competitiveness and resilience for the Group, and a key engine of prosperity for the communities where it operates. The Group has launched numerous outreach and career-guidance initiatives to support the education system, aimed at reducing the skills gap that characterizes today’s labor market.

About **800 boys/girls** (49% girls), **15** no-profit **associations** across the territory, **11 Leonardo sites**, for a total of **1,470 persons** involved in the “Ad Astra - Costellazione Leonardo” project.

Above **1,800 schools**, more than **2,700 teachers and 112,000 male and female students** involved in the STEMLab project. Above **7,600** completed work-based learning paths “In volo con Leonardo”; more than **6,600** took part in the webinar “La scienza del volo verticale” (the science of the vertical work).

Over **4,200 hours of teaching** and collaboration programmes in place (lectures, internships etc.) with **12 Technical High Schools**.

Leonardo promotes STEM orientation through a network of STEM ambassadors active across different regions, delivering educational and outreach activities in partnership with middle and high schools and Technical High Schools. In 2025, as part of the School-Business System project run by the ELIS consortium, the Company engaged around 40 experts with STEM backgrounds to lead guidance sessions for male and female students. Also part of this effort is the Young Women Empowerment Program (YEP), promoted by the Ortygia Business School Foundation and aimed at female students from southern Italy.

As part of the pilot project Exploring Technologies at School, around 80 Leonardo employees ran virtual STEM workshops for primary and middle schools, involving about 1,500 students across six Italian regions.

In the United Kingdom, Leonardo has more than 350 STEM ambassadors working with local schools and colleges to increase awareness on these programmes. In 2025, the Company offered internships at its locations to more than 250 students from schools across the United Kingdom.

### Generating shared value, between distinctive expertise and social commitment

**Level UP your Sustain-ABILITIES** – The first Edugame created to strengthen sustainability skills across the entire population of Leonardo Group, delivered as a quiz-style game and completed by around 18,000 people to date. The training program consists of three modules: Sustainability, Supply Chain (also extended to suppliers), and DE&I (expected to be launched in Italy in 2026).

**Sustainable Transformation of Business** – A senior executive development program for Group executives, delivered in partnership with University College London and SDA Bocconi School of Management, aimed at addressing Leonardo’s strategic needs around the sustainable transformation of its business. More than 200 managers have participated to date.

**Ad Astra - Costellazione Leonardo** – The project targets the children and grandchildren of Leonardo employees and kids from organizations working on social change, and is run in partnership with the non-profit association “Il Cielo Itinerante APS”. Its aim is to bring younger generations closer to the world of Aerospace, Defence & Security (AD&S), to STEM disciplines, and to sustainability. In 2025, five Leonardo sites opened their doors to over 350 children, who got a close-up look at the Group’s technologies and took part in an interactive lesson on sustainability.

**Food circularity program** – An initiative to recover and repurpose surplus food from the canteens at Leonardo sites, in collaboration with the Banco Alimentare ETS Foundation. 2025 saw a significant increase in the number of active canteens (from 13 to 21), with a 15% rise in donated meal portions (over 230,000) and a total economic value of about €450,000. Since 2013, more than 2 million portions have been donated, totaling €4 million. Starting from 2025, the food circularity project has been also extended to UK canteens: 98% of the surplus food (50 tonnes) was converted into biogas and fertilizer.

**Leonardo Onlife - Hope** – A digital inclusion initiative in which some of the PCs and monitors decommissioned by Leonardo are refurbished and donated to non-profit organizations operating in areas with a significant digital divide, helping to increase access to technology, spread STEM skills, and open up new educational and professional opportunities. The project currently reaches 19,800 beneficiaries and delivers 99,000 hours of digital training per year.

**Defence and Cybersecurity culture** - Two agreements were signed between Leonardo ETS Foundation and, on the one hand, the Ministry of Defense to develop initiatives promoting a culture of security, and, on the other, the National Cybersecurity Agency to carry out a digital education program for middle and high school students aimed at encouraging responsible internet use and building skills to verify information online.

**A scuola di STEM** – A project promoted by Leonardo ETS Foundation in collaboration with Edulia-Treccani for the dissemination of STEM disciplines through the creation of free scientific contents to students in school years 2024-2025 (A scuola di STEM 1), to students and teachers of all school levels. The project is continuing in school year 2025-2026 (A scuola di STEM 2) thanks to the agreement, free of charge, with Mondadori for the dissemination of STEM disciplines through the multi-media platform of Mondadori.

## INNOVATION

### *Materiality and Leonardo approach*

Leonardo's new Industrial Plan stipulates that organic growth will be achieved mainly through the contribution of R&D and technological innovation, with digital technologies such as artificial intelligence, digital twin and deep digital technologies<sup>116</sup>. In 2019 Leonardo, among the first in the world, equipped itself with a high-performance computing tool and with one of the largest cloud computing interfaces in the aerospace and defence industry. Another key element of Leonardo's Industrial Plan is the massive digitisation of operational solutions to improve product competitiveness, optimise processes, and offer new services (“servitization”).

### *Managing impacts, risks and opportunities<sup>117</sup>*

#### **Actions related to innovation**

In order to improve the competitiveness of its products, in a perspective of long-term sustainable success, Leonardo has built an integrated innovation ecosystem to intercept nascent technological solutions and oriented towards an efficient cross-fertilisation between different business sectors. This ecosystem actively supports the two internal innovation engines: the engineering and R&D areas of the Group's Divisions and Companies and Leonardo Innovation Labs, which are the central laboratories set up with the aim of anticipating technological innovation by integrating long-term technological research and supporting the Company in introducing emerging and sustainable technology into products and services. In the 2024-2025 two-year period, about 16% of the new patent filings of the Group were produced within Leonardo's Innovation Labs.



Leonardo's innovation system is powered by key tools such as: open innovation, with its many channels of listening and discussion, and contests on the newest and most topical issues; networking with Universities and Research Centres; innovation Communities; internal working groups established with the objective of accelerating innovation culture by sharing best practices and skills; the Intellectual Property (IP) Office for the management of the portfolio of patents and brands.

Leonardo is also committed to investing in increased computing capacity and per capita storage capacity, in line with the Group's investment plan. In particular, during 2025, electrical, mechanical, and construction

<sup>116</sup> Including: high performance computing, cloud computing and big data analytics.

<sup>117</sup> A description of the process of identifying impacts, risks and opportunities related to “Innovation” is given in the “General information - double materiality analysis” chapter. For more information on policies, please refer to the “Sustainability management policies” section of the “General information” chapter.

expansion works were completed to accommodate new computing infrastructures such as Davinci-2, a new HPC that will complement Davinci-1.

At the end of testing (November 2025), Davinci-2 has a computing power of 14.2 PFlops, which, combined with the computing power of Davinci-1, allows for a total of approximately 22.5 PFlops. The system implementations planned for 2026 and 2027, along with the use of new technologies (e.g., state-of-the-art cooling techniques, etc.), will further increase the system's capacity while improving and ensuring sustainability requirements.

### *Leonardo Innovation Labs*

Set up in 2020, Leonardo Innovation Labs are technology incubators conceived to support the Group in long-term research and development of innovative and strategic high-impact technologies to keep up with the continuous evolutions of the global ecosystem of innovation which is increasingly characterized by high complexity and rapid change. The Labs are embedded in Leonardo's industrial sites to facilitate an effective and ongoing technology transfer towards the Divisions and act as catalyzers for innovation on the territories, thereby contributing to the development of local skills and strategic synergies.

In 2025, Labs were re-organized into two main hubs: the Center of Excellence (CoE) for Advanced Cognitive Solutions for the development of advanced digital solutions (Artificial Intelligence, Digital Twin, Quantum Computing, and Deep Digital Technologies), and the Innovation Hub, a cluster of laboratories dedicated to develop innovative solutions across six disruptive technology areas (Quantum Technology, Optoelectronics, Advanced Materials, Autonomous Systems, Robotics, Advanced Power & Energy Systems).

CoE and Innovation Hubs operate as come "Lab as a Service" of the Group, generating innovative technology solutions to support products, systems, services and facilitating new innovation initiatives also through an intense activity of open innovation. During 2025, the model was further enhanced through the development of many new projects at various Technology Readiness Levels (TRL), shared with the Divisions and aligned with the technology and product roadmaps of the Group.

### *Funding programs for research and innovation*

In 2025, Leonardo obtained funds from regional, Italian and European military and civilian programs acquiring 23 projects for a total value of €mil. 104. Worth noting, in particular, is the award of projects in the following areas:

- Work Programme EDF 2024: 12 projects (3 in the Research category and 9 in the Development category), including the AURIGA project, to develop new generation armored infantry fighting vehicles and the ENGRT project aiming to develop technologies and architectures for future rotary-wing aircraft.
- Horizon Europe: 2 projects in the Space sector, i.e. CARIQQA PHB for the development of innovative technology for future satellite atomic clocks, and PURSUIT-X which aims to conduct experiments for the Public Regulated Service (PRS) of the Galileo constellation.
- National Plan for Military Research (*Piano Nazionale della Ricerca Militare* - PNRM): 2 projects dedicated to the interception of hypersonic threats and to new generation quantum technology.
- Clean Aviation: 2 projects, Heracles and Demetra, in the development of regional hybrid-propulsion aircraft.

- Regional financing: 1 project, SPEED UP, focused on the optimization of the production capacity of one Leonardo site in the Campania region.

Among the European R&D initiatives in the civil area, we mention the 8 Horizon Europe projects in the context of sustainable aviation, microelectronics, space technology, environmental impact of manufacturing, edge computing, quantum technologies and HPC. Among the domestic projects, 2 projects have been commenced under the National Resilience and Recovery Plan on AI, HPC and additive manufacturing issues, in addition to 2 regional projects on urban air mobility (Puglia) and production process digitization (Campania).

Finally, during 2025, Leonardo took part in 11 studies of the Industrial Advisory Group (NIAG) of NATO: regarding Directed Energy Weapons (DEW), advance technology for air navigation, security and multi-cloud architectures, synthetic fuels for military use, armament interoperability and the Space Domain Awareness (SDA).

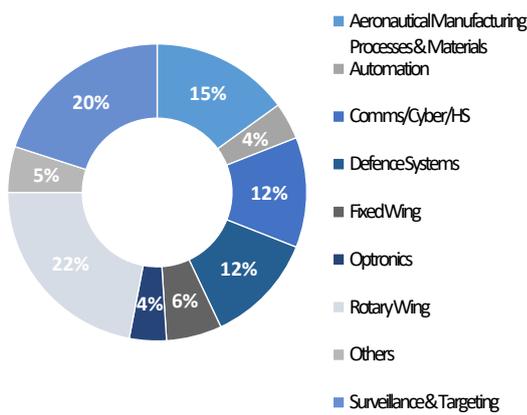
### *Open innovation & multi-contest*

During 2025, Leonardo kept on pursuing its Open Innovation model, upgraded to the Demand-Driven Open Innovation, enhancing the expertise within the Group and leveraging openness with third-party entities to ensure its competitiveness and ability to design and manufacture future products and solutions and to be able to respond to technological, environmental and social challenges.

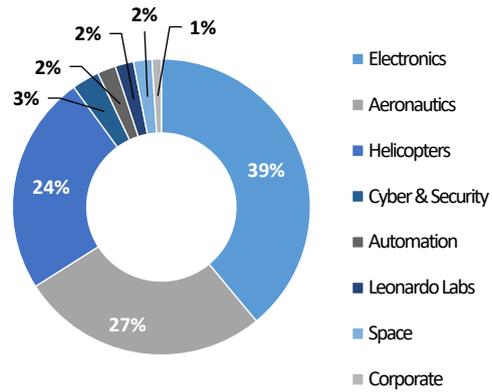
In 2025, the Company resumed several projects launched in previous years, involving third-party players in collaboration agreements with customers, universities, research centres, Spin-offs and Start-ups looking for new technological trends. The main projects include: the Innovation Award, by which Leonardo collects innovative ideas and rewards particularly deserving projects; scouting for innovative solutions both through collaboration with industrial partners and through the proprietary "Solvers Wanted" platform; participation in "Open Italy", for the launch and management of various co-innovation projects as well as in the Digital Observatories of PoliMI (Polytechnic University of Milan) (Startup Thinking), in the Innovation Roundtable and in Borsa Della Ricerca. Also, in the course of 2025 six hackathons on AI were organized in Edinburgh with the colleagues of Leonardo UK.

Within this framework, Leonardo considers relations with universities and research centers as of strategic importance and funds or co-funds more than 150 PhD scholarships, in collaboration with 20 universities in the United Kingdom and 32 in Italy. Partnerships with academia have also been strengthened through Leonardo's participation in NRRP M4C2 initiatives and those that have arisen to support the development of sixth-generation aeronautics platforms.

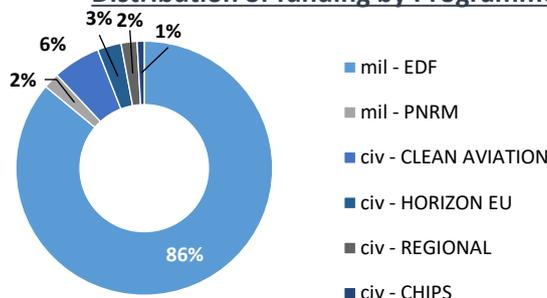
**Patents by key technology**



**Patents by area**



**Distribution of funding by Programme**



**Metrics and targets**

With the aim of further enhancing its digital infrastructure and achieving its research and development goals described in this chapter and in the “Sector results and outlook” chapter, Leonardo has set targets of an increase in both computing power and storage capacity per capita of 40% in 2025 compared to 2020 (the numerator is respectively the number of flops and bytes in relation to employees in Italy). These objectives have been largely achieved, with results reaching 222% in 2025 for the increase in per capita computing power and 109% in per capita storage capacity<sup>118</sup>.

<sup>118</sup> For further details, please see chapter “General information – Strategy and stakeholder engagement”

## GOVERNANCE INFORMATION

### BUSINESS CONDUCT

#### *Materiality and Leonardo approach<sup>119</sup>*

Leonardo's corporate governance is aimed at protecting and maximising the long-term value of the Company for the pursuit of sustainable success, via the optimal management of resources with respect to strategic objectives, effective company risk control, utmost market transparency and integrity of decision-making processes, in the interest of all stakeholders. Leonardo acts with integrity and transparency in compliance with regulations and with zero tolerance for any type of corruption to ensure the most proper management of the business and to establish relationships of trust and collaboration with employees, customers, suppliers and all other counterparties, asked to accept and apply the principles and values stated in the Charter of Values, the Code of Ethics, the Anti-Corruption Code inspired by, among others, the 2003 United Nations Convention against Corruption and other codes of conduct<sup>120</sup>. In conducting its business, Leonardo confirms its commitment to respecting and promoting the Ten Principles of the United Nations Global Compact related to human rights, labour, the environment and anti-corruption.

#### *Managing impacts, risks and opportunities*

##### **Process to identify risks and opportunities related to anti-corruption**

A description of the process of identifying impacts, risks and opportunities related to "business integrity, compliance and anti-corruption" is provided in the chapter "General information - Managing impacts, risks and opportunities – double materiality".

##### **The role of the administrative, management and supervisory bodies**

Leonardo's corporate governance model, based on the traditional administration and control model, conforms to the guidelines of the Corporate Governance Code (approved by the Corporate Governance Committee and promoted by, among others, the Italian Stock Exchange), which is adhered to by the Company, and to international best practices. The model is based on a system of rules of conduct and ethical principles underlying a Group culture that guides stakeholder relations and synergistic dialogue with institutions and civil society. As part of this model, the Board of Directors (BoD) is the main body entrusted with the power to define business strategy and structures in coherence with the Company's management and control activities. The BoD, with the support of board committees and the relevant company units and departments, is responsible for setting out the strategic guidelines for the pursuit of the objectives. Top Management and those reporting directly to them are responsible for the implementation and observance of these ethical principles while also promoting the continuous improvement of the model of responsible conduct and a strong culture of integrity for the purpose of long-term value generation by overseeing the process of managing business impacts, risks and opportunities. In addition, the BoD has appointed the Chairman to oversee the implementation of corporate governance rules with regard to the integrity of corporate behaviour and anti-corruption.

The current BoD was appointed by the Shareholders' Meeting held on 9 May 2023 for the three-year period from 2023 to 2025, in compliance with the criteria for gender, age, mix of skills and experience balance set

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<sup>119</sup> Information relating to the management of supplier relationships is provided in the chapter "Social Information – The Value Chain".

<sup>120</sup> Including the Whistleblowing Management Guidelines, Organisational, Management and Control models and Compliance Programmes developed in accordance with the applicable regulations of each Country in which the Company operates (Leonardo SpA has adopted its own Organisational, Management and Control Model pursuant to Legislative Decree no. 231/2001).

in the policies on diversity. Following its appointment, the Board set up four committees from among its members, with functions in the areas of Control and Risks, Remuneration, Nomination and Governance, Sustainability and Innovation.

With regard to the issues mentioned above, the Board of Statutory Auditors performs specific supervisory functions pursuant to law with specific regard to: a) compliance with provisions of law, regulations and articles of association and observance of the principles of proper management; b) the adequacy of the Company's organisational structure, as well as of the internal control and risk management system and of the administrative and accounting system, including the reliability of the latter in reporting management events in a correct manner; c) the manner in which the corporate governance rules laid down in the Code are implemented in a concrete manner; d) the adequacy of the instructions given to subsidiaries in relation to the information to be provided in order to comply with the disclosure requirements prescribed by law and Regulation (EU) No. 596/2014 .

Both members of the Board of Directors and members of the Board of Statutory Auditors believe that they have a good understanding of matters pertaining to the ethical conduct of business<sup>121</sup>.

In 2025, no members of the governance, management and control bodies were appointed.

#### Features of the BoD

	Leonardo
Number of Directors	12
Number of Directors appointed by minority shareholders	4
Number of independent Directors <sup>122</sup>	10
Number of executive Directors	2
Number of women Directors	5
Average age	58
Average tenure (years)	2
Meetings held in 2025	12

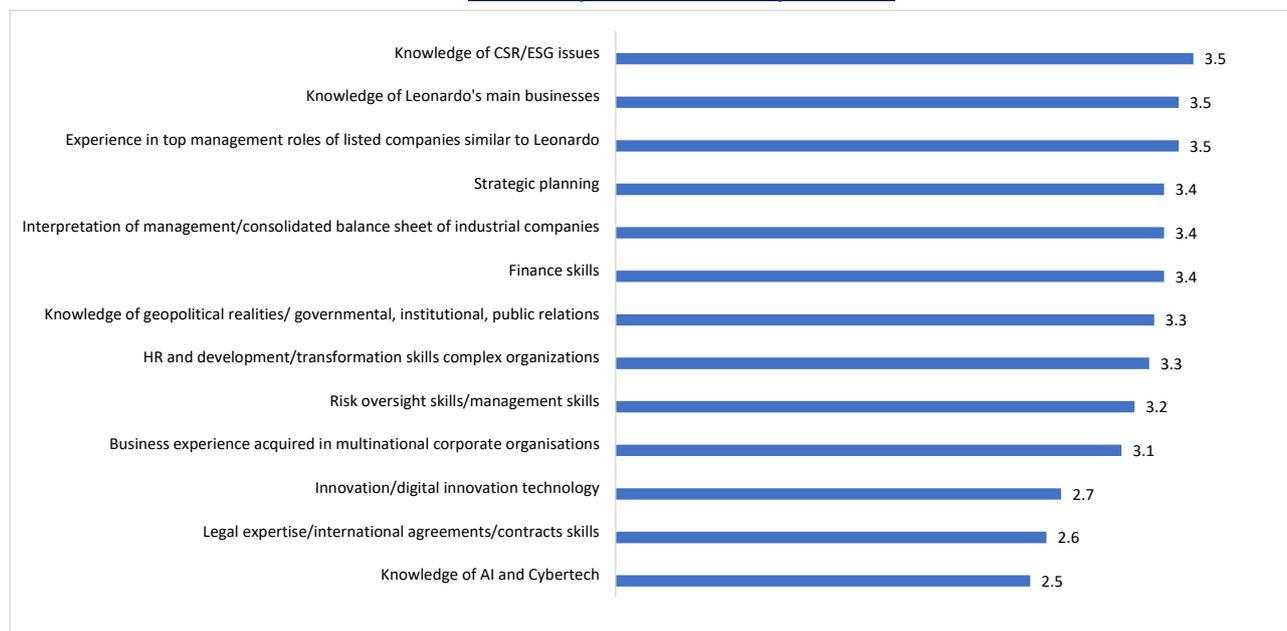
<sup>121</sup> Specifically, with specific regard to Corporate Social Responsibility and ESG issues, the score of both the BoD and the Board of Statutory Auditors stand at 3.5 and 3.2 out of 4.

<sup>122</sup> Following the entry into force of Decree Law no. 95 of 30 June 2025, converted with amendments by Law no. 118 of 8 August 2025, the Board of Directors, on 5 November 2025, stated the independence of Director Marcello Sala. For further information, reference should be made to the [Corporate Governance Report | Leonardo](#).

**Board committees**

a) Control and Risks	b) Remuneration	c) Nomination and Governance	d) Sustainability and Innovation
Directors : 5	Directors : 5	Directors : 5	Directors : 5
% independent: 100% <sup>123</sup>	% independent : 100%	% independent : 100%	% independent : 100% <sup>124</sup>
Meetings held in 2025: 13	Meetings held in 2025: 8	Meetings held in 2025: 10	Meetings held in 2025: 13
Attendance rate : 95%	Attendance rate : 98%	Attendance rate : 98%	Attendance rate : 91%

**BoD competences and experiences**



**Business conduct policies and corporate culture**

Leonardo's model for the responsible conduct of business, inspired by national and international best practices, is based on company codes of conduct and a system of clear rules, periodically updated, including the Group's Charter of Values, the Leonardo's Code of Ethics, the Group's Anti-Corruption Code, and the Organisational, Management and Control Model adopted pursuant to Legislative Decree 231/2001, by Leonardo S.p.a. and its Italian Subsidiaries, and the "Compliance Program" adopted by foreign subsidiaries in accordance with local regulations. Constantly raising the awareness and training of employees and third parties<sup>125</sup>, due diligence tools and internal audits, risk assessment methods, in addition to the adoption of a

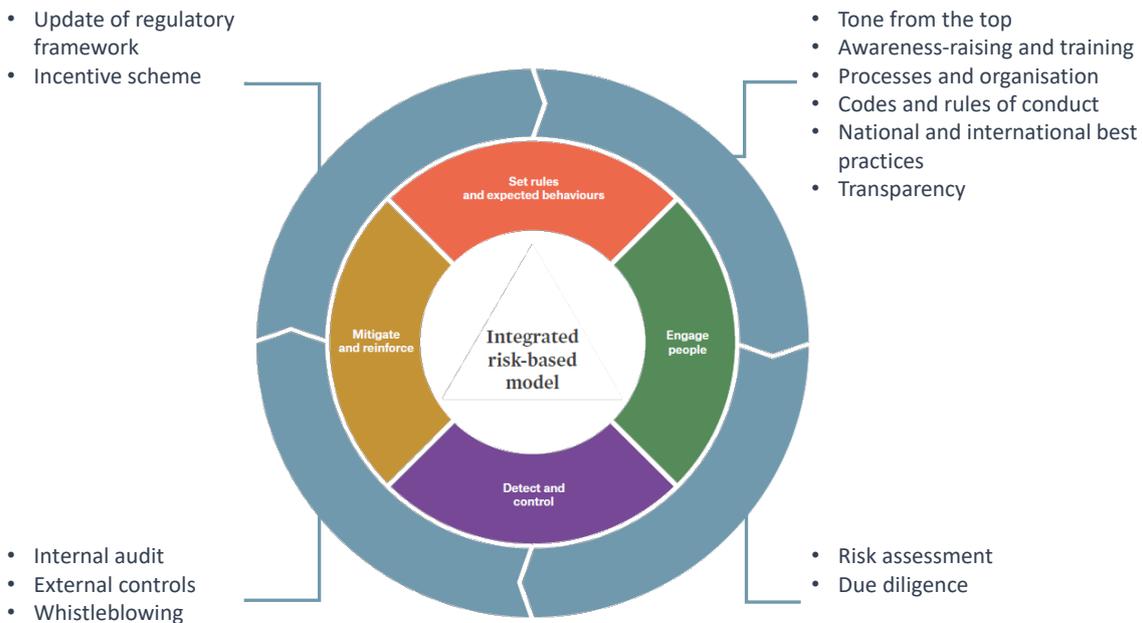
<sup>123</sup> For further information, please refer to the note related to the independence statement of Director Marcello Sala.

<sup>124</sup> For further information, please refer to the note related to the independence statement of Director Marcello Sala.

<sup>125</sup> Leonardo's employees and counterparties are regularly and periodically involved in training activities related to anti-corruption and compliance issues, in line with the values and principles laid down in the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001, the Code of Ethics, the Anti-Corruption Code, the Charter of Values and the Supplier Code of Conduct. For more details, please see the subsequent paragraphs. All Leonardo employees involved in sensitive processes attend annual refresher courses related to compliance issues.

transparent approach on corporate information and processes, help to strengthen a governance and management system capable of preventing any possible risk, discouraging non-compliant behaviors, and promoting an ethical business culture. Leonardo has also adopted the Common Industry Standards of the Aerospace and Defence Industries Association of Europe (ASD) and the Global Principles of Business Ethics for the Aerospace and Defence Industry of the International Forum on Business Ethical Conduct (IFBEC) and collaborates with TRACE International association.

**Responsible business conduct model**



***Business and Trade Compliance***

The process to select commercial intermediaries provides for ethical-reputational analyses and an in-depth assessment of the risks related to each specific engagement in accordance with company rules and in full compliance with applicable regulations, including as part of industrial offset agreements<sup>126</sup>.

<p><b>200 counterparties</b> including sales promoters, commercial advisors, distributors, resellers and lobbyists, with contracts in place, 5 of which for offset support</p>	<p><b>804 due diligence and reputational risk analyses</b> carried out on counterparties and potential commercial partners</p>	<p><b>More than 150 hours of training</b> delivered to sales promoters, commercial advisors and lobbyists through 104 online courses</p>
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2025 Data

In 2025 more than 19,100 hours of training on national and international trade compliance regulations were delivered to more than 7,700 people from various business functions and third-party suppliers. In addition, more than 15,000 hours of business compliance training were delivered to the same number of people.

<sup>126</sup> For more details on offsets, please see “[Industrial collaboration programmes](#)” in the paragraph [Consumers and end-users](#)”.

### *Cybersecurity and data protection*

In order to ensure the security of data, sensitive information and intellectual property, Leonardo has implemented a structured governance system, based on specific roles, processes, procedures and checks, through which it manages the entire cycle of the process from defining security requirements for information systems to detecting threats and establishing the countermeasures to take in response to attacks that have taken place. In particular, the Company has tools to monitor and respond to security threats, through: (i) threat hunting and malware analysis activities that help shape the cyber defense strategy; (ii) installation of firewalls, anti-malware agents, EDR (endpoint detection and response) and network segmentation to control traffic flow and protect the network perimeter; (iii) VA (vulnerability assessment) scans, PT (penetration test) execution and the development of remediation plans based on risk analyses; (iv) detection and correlation of security events and log monitoring via SOC/SIEM systems.

The cyber defence system provides for specific organisational measures (Chief Security Officer, CSIRT contact and responsible person for NIS 2 - in compliance with regulations and standards with specific requirements and time limits for reporting incidents or data breaches -, as well as continuous training of operators and operational tools, concentrated in Italy, which are updated on an ongoing basis. Everyone who works for or on behalf of Leonardo is personally responsible for following security policies and protecting company assets.

For this reason, Leonardo fosters a cyber risk prevention culture both inside the company and towards the outside world by participating in working groups at national and international level, with collaborations involving institutional and governmental players and sectors such as telecommunications, banking/finance, energy, manufacturing and services. Courses and awareness initiatives are provided periodically on cybersecurity-related issues to all employees and administration and governance bodies, including through bulletins and news published on the Security Portal (accessible by employees<sup>127</sup>). Leonardo has in place an information security management system (ISMS), which is an integral part of the company's security and compliance strategy, and it is committed, including through targeted investments, to continuously monitoring, updating and improving policies and procedures, and regularly assesses cybersecurity risks and their mitigation plans, using internal and external audits to verify the effectiveness of controls. The Group also establishes cyber security requirements with respect to third parties it works with (e.g., customers, suppliers), ensuring that they comply with the company's cyber security and data protection policies.

Leonardo is committed to ensuring full compliance with data protection regulations, in line with the national Privacy Code and with the (EU) Regulation 2016/679 (GDPR), as well as any other applicable legislation. This commitment translates into the adoption of an integrated system of technical and organisational measures suitable to protect the fundamental rights and freedoms of data subjects, as well as to prevent, identify and mitigate the risks associated with personal data processing. The protection covers all the categories of data subjects - employees, collaborators, customers, suppliers, guests and anyone who interacts with the organization – and is based on technologies and processes designed to monitor, detect and manage possible threats or security breaches in a timely manner. Organisational procedures ensure structured control of information flows and processing operations, guaranteeing traceability, accountability and compliance to regulations. To that end, Leonardo has appointed a Data Protection Officer (DPO) at Group level, who

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<sup>127</sup> ISO 27001 certification of the information security management system has been maintained at Group level and for the perimeter of i) Travel Security and ii) Business Security (Physical Security & T.U.L.P.S.), the latter updated with the new PSOC (Physical Security Operation Center) premises adjusted to meet the requirements of the standard governing the requirements for operations centers. iii) the Enterprise Security; ISO 27701 (Privacy Information Management System) Certification for the Travel Security and Cyber & Information Security perimeters; ISO 27035 certification for the Cyber & Information Security perimeter. FIRST and Trusted Introducer certification of Leonardo CERT (Cyber Emergency Readiness Team). In 2025, more than 28,000 hours of training were delivered to employees on cyber security.

oversees, monitors, and provide advice on personal data protection and acts as a contact person for supervisory authorities and data subjects. Moreover, specific procedures were defined for handling security incidents and data breaches, which include periodical staff training activities on cyber security and data protection, rapid and secure reporting channels, and coordinated response mechanism that are able to ensure the prompt implementation of corrective and mitigation measures required by regulations.

In 2025 no data breaches were detected, which impacted or originated from company systems of a material magnitude under current regulations. Data breaches were detected on third-party systems (unrelated to Leonardo management) with potential impacts on personal data of employees. Such occurrences have been carefully monitored and addressed in terms of disclosure and security actions to protect those affected. Also with regard to the IT and cyber security services offered by Leonardo, no data breach notices involving personal data of customers, relevant under current regulations, were received in 2025.

### *Responsible development and use of AI*

Leonardo is actively involved in the development, adoption and use of artificial intelligence systems, and, in this context, is committed to operating in compliance with applicable regulatory obligations, and, specifically, the provisions of the European Union's AI Act, its Code of Ethics, and the relevant principles of fundamental rights protection, transparency, fairness and accountability.

The adoption of AI is supported by company governance that integrates roles and responsibilities, and provides for risks assessment mechanisms, including analysis of the impact on people's rights, checks on the data and models used, and supervision of AI systems, aimed at ensuring fairness and data protection.

At the same time, Leonardo promotes AI literacy and continuing education programmes aimed at strengthening awareness among those involved, and developing fundamental skills regarding how AI works, and its risks and opportunities to encourage responsible use of AI-based technologies. The approach adopted aims to combine innovation and compliance, ensuring respect for data and privacy, and enhancing the potential of artificial intelligence as an enabler for business, in accordance with the ethical, regulatory, and sustainability principles that guide the organization's actions.

### *Business Continuity*

Leonardo guarantees its business continuity and resilience through effective responses and reactions, in order to safeguard the sustainability of its business, as well as the reputation and integrity of its organisation, in addition to the interests of its stakeholders. The Business Continuity Management System (BCMS) applied in all Divisions, supports the definition, implementation and handling of procedures that ensure continuity of its company processes necessary for priority activities. In accordance with the provisions of standard ISO 22301, Leonardo has updated its operational methodology, confirmed in company procedures, such as Policies and Directive, duly updated.

In 2025 Leonardo started the BCMS cycle on additional perimeters specified by the management, monitored and updated the perimeters identified from 2022. The Business Impact Analysis and related results have allowed strategies and solutions to be set out as countermeasures to any possible business disruption, which are reported in the Continuity Plans; the achievement of such goals allowed Leonardo to demonstrate to suppliers its level of maturity in business continuity.

## Prevention of corruption

Leonardo has been among the first companies, in the world's top ten in the AD&S sector, to obtain ISO 37001:2016 certification (Anti-bribery management systems), and undergoes an annual surveillance audit by a third-party Certifying Body. The 2025 surveillance audit activities on the anti-corruption system adopted by the Company, carried out by an external auditor, were successfully completed (achieving one of the goals of the sustainability plan).

At the conclusion of the audits, all reviewed processes were found to comply with the internal control system. The audit team also highlighted staff's strong awareness of the anti-corruption system and the adequacy of anti-corruption training and, for the first time, issued only two recommendations aimed at continuously improving the system<sup>128</sup>.

In 2025 there were no convictions issued as part of criminal proceedings against Group Companies, nor were there any cases of dismissals due to judicially established cases of corruption.

### Leonardo's Anti-Corruption System

Leonardo's Anti-Corruption System has been designed on the basis of the areas of corruption risk to which the company is exposed, with the aim of preventing and countering any conduct that does not comply with applicable regulations, according to a "zero tolerance" principle. All those who work on behalf and in the interest of Leonardo without distinction and exception are, therefore, committed to observing and enforcing these principles within the scope of their functions and responsibilities. Moreover, the Company requires that all parties with whom it has relations, for any reason, act with rules and methods inspired by the same values. The Anti-Corruption System is supervised by a specific corporate function - which reports hierarchically to the Chief Compliance Officer and functionally to the Chairman of the Board of Directors -, which monitors its operation, adequacy with respect to risks and effective implementation, promoting its updating following amendments in the relevant regulations and/or relevant internal or external factors. Leonardo verifies the adequacy and effectiveness of the Anti-Corruption System on an ongoing basis, monitoring the areas exposed to corruption risk (Anti-Corruption Risk Assessment, ACRA).

The assessment is carried out through the application of the Enterprise Risk Management (ERM) process and methodology, which involves the assessment and possible treatment of any identified risk. The findings are used to identify specific treatment actions aimed at risk mitigation and contribute to the continuous improvement of the Anti-Corruption System.

Training is an essential element in reducing the Company's exposure to the risk of corruption. Training work is structured in a differentiated manner, taking into account the functions and risks to which staff are exposed, is repeated periodically, and its effectiveness is monitored through the verification of trained personnel<sup>129</sup>. In addition, third-party awareness and training activities are planned. Participation in the training sessions, as well as the e-learning course, is mandatory. In 2025, about 16,000 people were trained in anti-corruption and about 45,600 people trained in Legislative Decree 231/2001 (also including crimes against PAs).

Furthermore, Leonardo routinely conducts due diligence on third parties, including, promoters, commercial advisors, lobbyists, distributors/ resellers, potential customers, service centers, and business partners<sup>130</sup>.

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<sup>128</sup> For further information on the sustainability goals of the Group, please see paragraph "[Sustainability Goals and Plan](#)".

<sup>129</sup> Training is structured on the following levels: Managerial and representative staff (introductory brochures, meetings with first-level Managers or classroom workshops with Group executives who are most exposed to corruption risk); Other Personnel (information at the time of recruitment for new hires; training course conducted by e-learning mode through computer support at the company intranet).

<sup>130</sup> Specifically, the following activities were carried out in 2025: 139 enhanced due diligence audits on promoters, commercial advisors, distributors, resellers, and lobbyists. The red flags reported were mitigated with necessary treatment actions, and none of

In 2025, Leonardo hosted the IFBEC Annual Fall Conference in Turin, titled “Compliance: Strategic Leverage for Tomorrow’s Challenges,” organized by the International Forum on Business Ethical Conduct (IFBEC), underscoring the Company’s commitment to sharing best practices on ethics and integrity and to promoting a zero-tolerance approach to corruption.

### *Whistleblowing*

All breaches (behaviours, acts or omissions), even if only potential, of laws or Company Protocols that harm the public interest or the integrity of the Leonardo Group can be reported, even anonymously, through the Internal Reporting Channel- Whistleblowing Platform<sup>131</sup>.

In accordance with the regulatory provisions on whistleblowing pursuant to Legislative Decree 24/2023, reports are handled by the Management Audit & Whistleblowing OU, operating within the Group Internal Audit OU of Leonardo S.p.A..

The management process is regulated by the Whistleblowing guidelines<sup>132</sup> and provides a common Group-wide discipline on the procedures and prerequisites for making internal reports, as well as on the channel, procedures and prerequisites for making external reports.

Leonardo promotes a corporate culture based on transparency and integrity, ensuring discretion and confidentiality in the entire whistleblowing management process<sup>133</sup> and protecting whistleblowers from any retaliatory, discriminatory, or punitive action.

In 2025, 109 reports<sup>134</sup> were received, recording a 51% increase over 2024 (72), concerning both Leonardo S.p.A. and Group Companies, located in Italy and abroad, 41 of which consisted of qualified reports. From the analysis of the contents being reported, there are issues that can be traced back to the following subjects and business processes<sup>135</sup>:

- > 56% Human resource management;
- > 18% Procurement;
- > 6% Corporate security management (Security);
- > 6% HSE system definition and implementation;
- > 3% Legal and Compliance management;
- > 11% Other residual processes<sup>136</sup>.

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them led to the impossibility of awarding the assignments; 245 due diligence audits carried out before payments to promoters, commercial advisors and lobbyists; 420 due diligence audits on potential customers, service centers and business partners. As concerns audits on third parties (suppliers, partners, etc.) in 2025 432 due diligence audits were carried out, of which 232 regarded reputational audits.

<sup>131</sup> The Whistleblowing platform is an IT tool that uses an encryption system and accessible through this address: <https://whistleblowing.leonardo.com/>.

<sup>132</sup> It can be consulted on the following link [Whistleblowing Guidelines | Leonardo](#).

<sup>133</sup> Leonardo provides information initiatives on whistleblowing for its employees on its website, within the company intranet and in specific company documents. Specific references are also provided in training campaigns.

<sup>134</sup> Report handling and respect for human rights: of the 109 reports received by the Management Audit & Whistleblowing OU, 44 involved human-rights issues. Report handling in the Diversity, Equity and Inclusion (DEI) area: of the 81 reports received that pertained solely to the perimeter of Leonardo S.p.A., 22 related to DEI topics.

<sup>135</sup> A report may have covered one or more areas.

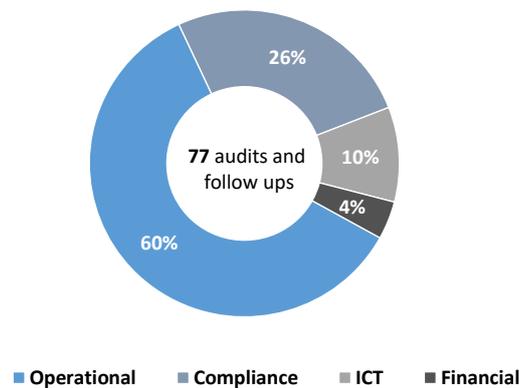
<sup>136</sup> Including: Product/Service & Program Quality, communications and institutional relations, Administration Finance and Control, infrastructure management and general services.

The reports were all investigated by the Management Audit & Whistleblowing OU in order to enable appropriate decisions by the Supervisory Board of Leonardo S.p.a. or of the Group Company and the Whistleblowing Committee.

With regard to the investigation activities concluded in 2025, concerning reports received in the year or previously, in 8 cases elements of feedback were found, in respect of the reported circumstances or facts<sup>137</sup>. The outcomes of the aforementioned audit activities allowed for the activation of disciplinary and/or sanctioning procedures against individuals and the adoption of organisational measures and/or company rules aimed at improving and strengthening the Internal Control and Risk Management System.

With regard to the 77 routine audits included in the Aggregate Audit Plan 2025, the following are the main areas of focus:

**Scope of audits and follow ups**



Finally, in accordance with its Mandate and in relation to maintaining the third-party quality certification, in 2025 the Group Internal Audit OU i) conducted 8 quality review audits, all of which resulted in General Compliance with IIA international standards, ii) defined, consistently with the Global Internal Audit Standards (GIAS), the Internal Audit Charter, iii) prepared the Internal Audit Strategy, i.e. the plan designed to reach comprehensive and sustainable objectives over time; iv) carried out internal audit self-assessment and continuous improvement activities.

**Lobbying activities**

Leonardo, through the appropriate corporate functions<sup>138</sup>, carries out activities aimed at institutions to support its reputation and strategy, present the company's position with respect to specific issues, and understand potential future business opportunities. These activities mainly consist of monitoring specific regulatory developments and organising meetings with government and parliamentary representatives on matters of interest. Leonardo's representatives who carry out these activities are enrolled in special public registers. According to the current wording of Article 346-bis of the Italian Criminal Code and in consideration of the lack of organic regulations on the subject of lobbying in Italy, company rules only provide for the possibility of conferring this type of assignment for non-Italian Subsidiaries, in those countries in which local regulations permit the signing of such contracts.

<sup>137</sup> In 4 cases incidents of discrimination and harassment were confirmed and one case involved violations pertaining to potential conflicts of interest. In contrast, there were no cases of bribery and concussion, violation of customer privacy, and money laundering and insider trading.

<sup>138</sup> The Chief Corporate Bodies & Institutional Affairs Officer is responsible for the relationships with Italian, European and international institutions.

In 2025, the expenses for lobbying activities carried out exclusively by the Group's non-Italian Subsidiaries in the countries in which it is permitted by the relevant regulations in force, amounted to just over USDmil. 1.1 (about USDmil. 2 in 2024) and related to the United States. In particular, among the main areas for which the non-Italian Subsidiaries made use of the support from lobbyists during 2025 are those involving: i) technologies related to optical recognition systems for infrastructure and transport for sale to government agencies and state customers, ii) government procurement, tenders and various opportunities in the aerospace and defence, iii) research and development programmes for submarines, technologies for advanced protection systems, and naval, ground-based and satellite communication systems, lasers and sensors<sup>139</sup>.

### **Payment practices**

The Company makes monthly payments of all overdue and payable invoices, in order to meet its contractual commitments, which are not standardized and can vary from supplier to supplier and range on average between 60 and 90 days. In addition, there are no legal proceedings currently pending due to late payment.

### **Tax strategy**

In every country where it operates, the Leonardo Group aims to minimize tax risk as much as possible, as set out in the Tax Strategy<sup>140</sup>. In this perspective, Leonardo S.p.A. and, finally, Telespazio S.p.A., E-geos S.p.A., Leonardo Global Solutions S.p.A. and Leonardo International S.p.A. applied the Cooperative Compliance model. Furthermore, tax risk management and control tools were also implemented in other areas, in particular, by Leonardo UK and PZL-SWIDNIK (Poland).

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<sup>139</sup> Leonardo is enrolled in the Transparency Register of the Ministry of Businesses and Made in Italy - MIMIT in acronym, with the identification number 2016-64321218-138, among companies and trade, business and professional associations and in particular in the section "Businesses and Groups".

<sup>140</sup> "Guidelines for tax management" approved by the Board of Directors of 26 January 2017. In this respect, please consider also that the incentive system within the Leonardo's function in charge of tax issues does not have specific objectives linked to the tax rate reduction.

## STATEMENT ON THE CONSOLIDATED SUSTAINABILITY STATEMENTS

### Statement on the consolidated sustainability statements pursuant to art. 81-ter, comma 1, of Consob Regulation no. 11971 of 14 May 1999 as amended and supplemented

The undersigned Roberto Cingolani as Chief Executive Officer and Managing Director and Giuseppe Aurilio as the Officer in charge of Financial and Sustainability Reporting for Leonardo Spa, certify, in accordance with Article 154-bis of Legislative Decree 58 of 24 February 1998, comma 5-ter, that the Sustainability Statement included in the Consolidated Report has been drawn up:

- in accordance with the reporting standards applied pursuant to directive 2013/34/UE of the european Parliament and the Council of 26 June 2013 and of Legislative Decree 6 September 2024, n. 125;
- with the specification adopted pursuant to Article 8, paragraph 4 of regulation (UE) 2020/852 of the european Parliament and the Council of 18 June 2020.

Rome, 11 March 2026

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Chief Executive Officer and General Manager

(Roberto Cingolani)

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Officer in charge

(Giuseppe Aurilio)

**INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED  
SUSTAINABILITY STATEMENT AT 31 DECEMBER 2025**

## **Leonardo S.p.A.**

Independent auditor's report on the limited assurance of the Consolidated Sustainability Statement in accordance with Article 14-bis of Legislative Decree n. 39, dated 27 January 2010

Independent auditor's report on a selection of indicators presented in the Consolidated Sustainability Statement



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## Independent auditor's report on the limited assurance of the Consolidated Sustainability Statement in accordance with Article 14- bis of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the Shareholders of  
Leonardo S.p.A.

### Conclusions

We have been appointed to perform a limited assurance engagement pursuant to Articles 8 and 18, paragraph 1, of Legislative Decree n. 125 dated 6 September 2024 (hereinafter "Decree") on the Consolidated Sustainability Statement of Leonardo S.p.A. and its subsidiaries (hereinafter "Group" or "Leonardo Group") for the year ended on 31 December 2025 (hereinafter "CSS"), prepared in accordance with Article 4 of the Decree, included in the specific section of the Report on operations of Leonardo Group.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the Leonardo Group CSS for the year ended on 31 December 2025, has not been prepared, in all material aspects, in accordance with the reporting principles adopted by the European Commission pursuant to European Directive 2013/34/EU (European Sustainability Reporting Standards, hereinafter also referred to as "ESRS");
- the information included in the paragraph "*Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy)*" of the CSS has not been prepared, in all material aspects, in accordance with Article 8 of European Regulation n. 852 dated 18 June 2020 (hereinafter "Taxonomy Regulation").

### Elements underlying the conclusions

We have performed a limited assurance engagement in accordance with the Sustainability Reporting Assurance Standard ("Principio di Attestazione della Rendicontazione di sostenibilità") - SSAE (Italy). The procedures performed in this type of engagement vary in nature and timing compared to those necessary for conducting an engagement aimed at obtaining a reasonable level of assurance and are also less extensive. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if the engagement aimed to acquire a reasonable level of assurance. Our responsibilities under this Standard are further described in the section "*Auditor's responsibility for the Assurance on the Consolidated Sustainability Statement*" of this report.

We are independent in accordance with the standards and principles regarding ethics and independence applicable to the assurance engagement of the CSS according to Italian law.

Our audit firm applies the International Standard on Quality Control (ISQM Italy) 1, under which it is required to establish, implement, and operate a quality management system that includes instructions and procedures on compliance with ethical principles, professional principles, and applicable legal and regulatory provisions.

We believe we have obtained sufficient and appropriate evidence on which to base our conclusions.



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## **Responsibility of the directors and Board of Statutory Auditors for the Consolidated Sustainability Statement**

The directors are responsible for the development and implementation of procedures used to identify the information included in the CSS in accordance with the requirements of the ESRS (hereinafter the "Materiality assessment process") and for the description of such procedures in the paragraph "*Managing impacts, risks and opportunities - Double materiality*" of the CSS.

The directors are also responsible for the preparation of the CSS, which contains the information identified through the Materiality assessment process, in accordance with the requirements of Article 4 of the Decree, including compliance with:

- the ESRS;
- article 8 of the EU Taxonomy Regulation regarding the information contained in the paragraph "*Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy)*".

This responsibility entails the establishment, implementation, and maintenance, as required by law, for that part of internal control that they consider necessary in order to allow the preparation of the CSS in accordance with the requirements of Article 4 of the Decree, free from material misstatements caused by fraud or not intentional behaviors or events. This responsibility also includes the selection and application of appropriate methods for processing the information as well as the development of assumptions and estimates regarding specific sustainability information that are reasonable under the circumstances.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

## **Intrinsic limitations in the preparation of the Consolidated Sustainability Statement**

As indicated in paragraph "Basis of Preparation," for the purpose of reporting prospective information in accordance with the ESRS, the directors are required to prepare such information based on assumptions, described in the CSS, regarding events that may occur in the future and possible future actions by the Group. Due to the uncertainty associated with the realization of any future events, both concerning the occurrence itself and regarding the extent and timing of its occurrence, the variations between actual values and prospective information could be significant.

As indicated in the paragraph "ESRS Content Index", the information related to Scope 3 greenhouse gas emissions is subject to greater intrinsic limitations compared to Scope 1 and 2, due to the limited availability and accuracy of the information used to define such information, both quantitative and qualitative, as well as due to reliance on data, information, and evidence provided by third parties.

## **Auditor's responsibility for the Assurance of the Consolidated Sustainability Statement**

Our objectives are to plan and perform procedures to obtain a limited level of assurance that the CSS is free from material misstatements, due to fraud or not intentional behaviors or events, and to issue a report containing our conclusions. Errors may arise from fraud or not intentional behaviors or events and are considered significant if it can be reasonably expected that they, individually or in the aggregate, could influence the decisions made by users based on the CSS.



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In the context of the engagement aimed at obtaining a limited level of assurance in accordance with the Sustainability Reporting Assurance Standard (“Principio di Attestazione della Rendicontazione di Sostenibilità”) - SSAE (Italy), we exercised professional judgment and maintained professional skepticism throughout the duration of the engagement.

Our responsibilities include:

- considering the risks to identify the information in which a significant error is likely to occur, whether due to fraud or not intentional behaviors or events;
- defining and performing procedures to verify the information in which a significant error is likely to occur. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error arising from not intentional behaviors or events, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or manipulation of internal controls;
- directing, supervising, and conducting the limited assurance of the CSS and assuming full responsibility for the conclusions regarding the CSS.

## **Summary of the work performed**

An engagement aimed at obtaining a limited level of assurance involves performing procedures to obtain evidence as a basis for formulating our conclusions.

The procedures performed on the CSS were based on our professional judgment and included interviews, primarily with the company personnel responsible for preparing the information included in the CSS, as well as documents analysis, recalculations and other procedures aimed to obtain evidence considered appropriate.

In particular, we performed the following procedures, partly in a preliminary phase before the end of the year and subsequently in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies, and the context in which it operates concerning sustainability issues;
- understanding the processes underlying the generation, detection, and management of the qualitative and quantitative information included in the CSS, including the analysis of the reporting perimeter;
- understanding the process implemented by the Group for identifying and assessing relevant impacts, risks, and opportunities based on the principle of Double Materiality concerning sustainability issues and verifying the related information included in the CSS;
- identifying the information for which there is a likelihood of a significant error risk;
- defining and performing analytical and substantive procedures, based on our professional judgment, to address the identified significant error risks, including:
  - for the information collected at the Group level:
    - carrying out inquiries and document analysis regarding qualitative information, particularly policies, actions, and targets on sustainability issues, to verify consistency with the evidence collected;
    - performing analytical procedures and limited assurance procedures on a sample basis regarding quantitative information;



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- with reference to the information collected at site level, we have carried out the planned procedures in the selected sites for Leonardo S.p.A. (Pomigliano - Aerostructures; Caselle Nord - Aircrafts), Leonardo UK Ltd (Edinburgh - Electronics and Yeovil - Helicopters), Leonardo US Holding LLC (West Plains - DRS), Wytownia Sprzetu Komunikacyjnego "PZL-Swidnik" Spolka Akcyjna (Świdnik - helicopters) and Telespazio S.p.A. (Rome - Spazio). These sites have been selected based on their activities and their relevance to the metrics of the CSS and the carried-out procedures included interviews with Group personnel and documentary evidence acquisition related to the determination of the metrics;
- regarding the requirements of Article 8 of the EU Taxonomy Regulation, understanding the process implemented by the Group to identify eligible economic activities and determine their aligned nature based on the provisions of the EU Taxonomy Regulation, and verifying the related information included in the CSS;
- cross-checking the information reported in the CSS with the information contained in the consolidated financial statements in accordance with the applicable financial reporting framework or with the accounting data used for the preparation of the consolidated financial statements or with the management data of an accounting nature;
- verifying the structure and presentation of the information included in the CSS in accordance with the ESRS;
- obtaining the representation letter.

Rome, 13 March 2026

EY S.p.A.

Signed by: Riccardo Rossi, Auditor

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

## Independent auditor's report on a selection of indicators presented in the Consolidated Sustainability Statement (Translation from the original Italian text)

To the Board of Directors of  
Leonardo S.p.A.

We have been appointed to perform a reasonable assurance engagement on a selection of indicators (hereinafter "Selection of Indicators") for the year ended 31 December 2025, presented in the Consolidated Sustainability Statement of Leonardo S.p.A. and its subsidiaries (hereinafter the "Group" or "Leonardo Group") for the year ended December 31, 25 (hereinafter "CSS"), identified in paragraph "General reporting criteria - Independent audit" and reported in the section "Auditor's responsibility" of this report.

### Responsibility of the directors for the Selection of Indicators

The directors are responsible for the preparation of the Selection of Indicators in accordance with the "European Sustainability Reporting Standards" issued by the European Commission (hereinafter also referred to as "ESRS"), identified by the directors themselves as reporting criteria in paragraph "General reporting criteria - Independent audit" of the CSS.

The directors are also responsible for the part of internal control that they deem necessary in order to allow the preparation of the Selection of Indicators that are free from material misstatements caused by fraud or not intentional behaviors or events.

### Auditor's independence and quality control

We are independent in accordance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants* (including *International Independence Standards*) (*IESBA Code*) issued by the *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the *International Standard on Quality Control (ISQM Italy) 1* and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

### Auditor's responsibility

It is our responsibility to express, on the basis of the procedures performed, an opinion about the compliance of the Selection of Indicators with the reporting criteria set forth by the ESRS. Our work has been performed in accordance with the criteria of the principle *International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the *International Auditing and Assurance Standards Board (IAASB)* for reasonable assurance engagements. This principle requires the planning and execution of work in order to obtain a reasonable assurance that the Selection of Indicators is free from material misstatements.



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As part of our engagement, we have performed procedures aimed at obtaining evidence on the data and information related to the Selection of Indicators. The procedures defined are based on the auditor's professional judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In performing these risk assessment procedures, the auditor considers the internal control related to the Selection of Indicators in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Below are reported the Selection of Indicators on which the engagement has been performed:

- E1-5 Energy consumption and mix - DPs 37 (a, b and c), 39, 40 and 41;
- E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions - DPs 48 (a) and 49 (a and b);
- CO2 emission intensity Scopes I and II on revenues (grams/euros) - location-based (Entity Specific metric) - with regard to DR E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions, DPs 53 and 54;
- Water withdrawals (Entity specific metric) - with regard to DR E3-4 Water consumption, DP 28 (a);
- E5-5 Resource outflows - DP 37 (a);
- S1-6 Characteristics of the undertaking's employees - as required by DP 50 (c) with the addition of total new hires by gender and age group (Entity specific metric) and STEM women out of total new hires in the STEM area (Entity specific metric);
- S1-14 Health and safety metrics - DP 88 (c);
- S1-13 Training and skills development metrics - DP 83 (b);
- S1-9 Diversity metrics - as required by DP 66 (a and b) with the addition of the breakdown by job category and gender (Entity specific metric).

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Opinion

In our opinion the Selection of Indicators for the year ended 31 December 2025, presented in the CSS of Leonardo S.p.A. and its subsidiaries, identified in paragraph "*General reporting criteria - Independent audit*" and reported in the section "*Auditor's responsibility*" of this report, has been prepared, in all material aspects, in accordance with the reporting principles established by the ESRS and identified in paragraph "*General reporting criteria - Independent audit*" of the CSS.

Rome, 13 March 2026

EY S.p.A.

Signed by: Riccardo Rossi, Auditor

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

## **PART 3 – OTHER INFORMATION ON THE REPORT ON OPERATIONS**

## PERFORMANCE OF THE PARENT COMPANY

The KPIs for the period and the main changes that characterised the performance of Leonardo SpA compared to 2024 are reported below.

(€mil)	2025	2024	% Change
New orders	15,937	13,984	14.0%
Order backlog	33,378	29,993	11.3%
Revenues	11,942	10,965	8.9%
EBITDA	1,238	1,056	17.2%
EBITA	771	571	35.0%
ROS	6.5%	5.2%	1.3 p.p.
EBIT	557	479	16.3%
EBIT Margin	4.7%	4.4%	0.3 p.p.
Net result	1,035	532	94.5%
Net result adjusted	694	566	22.7%
Net Debt	1,828	2,996	(39.0%)
FOCF	877	272	222.4%
ROI	6.7%	4.8%	1.9 p.p.
Earning per share adjusted (€)	1.203	0.983	22.4%
Workforce	34,398	32,981	4.3%

For the definition of indices, reference should be made to the paragraph "Non-GAAP alternative performance indicators".

In 2025 the trend of key indicators highlighted positive performances, at Parent Company level as well, with constantly growing volumes solid profitability and a positive performance in terms of cash generation.

The good performance of the period, compared with the prior year, is even more significant inasmuch as it does not include the contribution from the Underwater Armaments & Systems (UAS) business, which had been recognised until 2024 and sold to Fincantieri in early 2025. In order to make the Company's operational performance more comparable, for some performance indicators we report below the figure of the comparative period – and the related change compared to the current period – excluding the contribution from the UAS business (like-for-like perimeter):

	December 2025	December 2024 isoperimeter	% Change	December 2024 reported
New orders	15,937	13,817	15.3%	13,984
Revenues	11,942	10,791	10.7%	10,965
EBITA	771	528	46.0%	571
ROS	6.5%	4.9%	1.6 p.p.	5.2%
FOCF	877	282	211.0%	272

**New orders**, equal to €mil. 15,937, showed considerable growth compared to 2024, up by 15.3% on the like-for-like figure, driven in particular by the excellent performance of Aeronautics, confirming the ongoing consolidation of the core businesses and also thanks to an important order in the Aeronautics sector for the provision of integrated logistics support and training for the Kuwait Air Force's Eurofighter aircraft fleet, within a market context where demand for security remains high. The businesses of the other divisions were also increasing, first of all Helicopters, as a result of the commercial success and good positioning of the Company's products, technologies and solutions, as well as the ability to effectively oversee key markets.

**Revenues**, amounting to €mil. 11,942, reported an increase of €mil. 1,151 on 2024 compared to the like-for-like figure (+10.7%) mainly thanks to the performance of Aeronautics, with particular reference to the Aircraft component, and of Helicopters.

**EBITA**, equal to €mil. 771, increased by €mil. 243 vs the like-for-like figure (+46.0%) compared to the previous year. This significant increase, attributable to almost all the divisions with a particularly significant incidence on Helicopters, reflected the growth in volumes and the improved profitability, with ROS that rose from 4.9% (like-for-like figure) to 6.5%. The good performance of the Company is even more evident if we exclude the contribution from the UAS business from the comparative figure (+46% on the like-for-like figure).

**EBIT**, equal to €mil. 557, also showed growth (€mil. 78, or +16.3%) compared to 2024, despite affected by the increase in one-off non-recurring charges which mainly reflect the effects deriving from the resolution of the dispute concerning the Norwegian NH90-program, in addition to the costs incurred in the context of important industrial transactions and the write-down of Aeronautics programmes.

The **Net Result** of €mil. 1,035 showed an increase of €mil. 503 mainly benefitting, beside the improvement in EBIT, from the capital gains recognised following the sale of the UAS business to Fincantieri (€mil. 316), and partially the shares held in Avio SpA (€mil. 61), as well as from a better balance of cash flow operations.

Below is the reclassified income statement:

### Reclassified income statement

(€ millions)	Note	2025	2024	Change	% Change
Revenues		11,942	10,965	977	8.9%
Purchase and personnel expenses	1	(10,716)	(9,929)		
Other net operating income(expenses)	2	12	20		
Amortisation, depreciation and write-offs	3	(467)	(485)		
<b>EBITA</b>		<b>771</b>	<b>571</b>	<b>200</b>	<b>35.0%</b>
ROS		6.5%	5.2%	1.3 p.p.	
Non-recurring income/(expenses)		(199)	(82)		
Restructuring costs		(13)	(8)		
Amortisation of intangible assets acquired as part of non-recurring transactions		(2)	(2)		
<b>EBIT</b>		<b>557</b>	<b>479</b>	<b>78</b>	<b>16.3%</b>
EBIT Margin		4.7%	4.4%	0.3 p.p.	
Net financial income (expense)	4	259	201		
Income taxes		(144)	(148)		
Net result related to discontinued operations and extraordinary transactions	5	363	-		
<b>Net result</b>		<b>1,035</b>	<b>532</b>	<b>503</b>	<b>94.5%</b>

Notes to the reconciliation between the reclassified income statement and the statutory income statement (for details, reference is made to the Note on "Non-GAAP alternative performance indicators"):

1. Includes "Purchases and Personnel expense" (excluding restructuring costs and non-recurring costs) and "Accruals (reversals) for onerous contracts (losses at completion)";
2. Includes the net amount of "Other operating income" and "Other operating expenses" (excluding restructuring costs, non-recurring income/(expense) and accruals (reversals) for onerous contracts (losses at completion);
3. Includes "Amortisation, depreciation and impairment losses and value adjustments to financial assets", excluding the amortisation charge referable to intangible assets acquired as part of non-recurring transactions, goodwill impairment and write-downs regarded as "Non-recurring costs";
4. Includes "Financial income (expense)" (net of the gains and losses relating to extraordinary transactions);
5. Includes "Profit (loss) from discontinued operations" in addition to gains, losses, income and expense on extraordinary transactions (main acquisitions and disposals) classified in "Other operating income", "Financial expense" and "Financial expense".

**Net adjusted result** is equal to €mil. 694 (€mil. 566 in 2024) and includes:

(€ millions)	2025	2024	Change	% Change
<b>Net result</b>	<b>1,035</b>	<b>532</b>	<b>503</b>	<b>94.5%</b>
Net result related to discontinued operations and extraordinary transactions	(363)	-		
Non-recurring income/(expenses)	31	47		
Tax effect on non-cash elements	(9)	(13)		
<b>Net result adjusted</b>	<b>694</b>	<b>566</b>	<b>128</b>	<b>22,7%</b>

Cash and cash equivalents stood at €mil. 2,405, up by €mil. 808 from 2024, mainly as a result of the impact of the Free Operating Cash Flow (FOCF) realized in the year equal to €mil. 877. FOCF increased by € mil. 605 compared with the previous year thanks to the actions aimed at strengthening the business performance and the good cash-in process, a tighter control on investments while supporting business growth, and an effective financial strategy and management of working capital.

#### Reclassified cash flow statement

(€ millions)	Note	2025	2024	Change	% Change
Cash flows generated from operating activities	1	1,106	633		
Dividends received		240	146		
Cash flows from ordinary investing activities	2	(469)	(507)		
<b>Free Operating Cash Flow (FOCF)</b>		<b>877</b>	<b>272</b>	<b>605</b>	<b>222.4%</b>
Strategic transactions	3	394	(22)		
Change in other investing activities	4	107	314		
Treasury shares purchase		(30)	-		
Net change in borrowings		(230)	(595)		
Dividends paid		(300)	(161)		
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>818</b>	<b>(192)</b>		
Cash and cash equivalents at 1 January		1,597	1,791		
Exchange rate differences		(10)	(2)		
<b>Cash and cash equivalents at 31 December</b>		<b>2,405</b>	<b>1,597</b>		

*Notes on the reconciliation between the reclassified cash flow and the statutory cash flow (for details reference is made to paragraph "NON-GAAP Alternative Performance Indicators":*

1. Includes "Cash flows generated from (used in) operating activities", excluding debt payments pursuant to Law 808/1985;
2. Includes "Cash flows generated from (used in) investing activities", including payments and collections under Law 808/1985 and net of dividends collected;
3. Includes "Other investing or divestment activities" classified as "Strategic transactions";
4. Includes "Other investing or divestment activities", excluding dividends collected from non-consolidated companies, the effects of transactions classified as "Strategic transactions" and receipts under Law 808/1985.

Cash generation observed in the period benefitted, *inter alia*, from cash flows deriving from strategic transactions, mainly as a result of the total cash-in €mil. 446 arising from the sale of the UAS business, after the acquisitions of Axiomatics AB and SSH Communication Security finalized in the period.

The figure also includes the financial effects of the transactions described below:

- the dividend payment that took place in June 2025, amounting to €mil. 300 compared to €mil. 161 in the previous year (€0.52 per share compared to €0.28 per share in 2024);
- the repayment in March 2025 of the €mil. 500 bonded loan issued in 2005 that reached its natural maturity, partially offset by the drawing of the “Sustainability-Linked” loan of €mil. 260 granted by the European Investment Bank (EIB).

### Reclassified statement of financial position

(€ millions)	Note	31 December 2025	31 December 2024	Change	% Change
Non-current assets		14,750	14,733		
Non-current liabilities		(1,703)	(1,694)		
<b>Capital assets</b>	1	<b>13,047</b>	<b>13,039</b>	<b>8</b>	<b>0.1%</b>
Inventories	2	(877)	(269)		
Trade receivables		3,719	3,419		
Trade payables		(2,857)	(3,003)		
<b>Working capital</b>		<b>(15)</b>	<b>147</b>		
Provisions for short-term risks and charges		(747)	(736)		
Other net current assets (liabilities)	3	(939)	(835)		
<b>Net working capital</b>		<b>(1,701)</b>	<b>(1,424)</b>	<b>(277)</b>	<b>(19.5%)</b>
<b>Net invested capital</b>		<b>11,346</b>	<b>11,615</b>	<b>(269)</b>	<b>(2.3%)</b>
<b>Equity</b>		<b>9,529</b>	<b>8,733</b>		
<b>Net Debt</b>		<b>1,828</b>	<b>2,996</b>	<b>(1,168)</b>	<b>(39.0%)</b>
<b>Net (assets)/liabilities held for sale</b>	4	<b>(11)</b>	<b>(114)</b>	<b>103</b>	<b>n.a.</b>

Notes to the reconciliation between the reclassified and the statutory statements of financial position (for details, reference is made to the Note on “Non-GAAP alternative performance indicators”):

1. Includes all non-current assets and all non-current liabilities, excluding “Non-current financial receivables” and “Non-current loans and borrowings”;
2. Includes “Inventories”, “Contract Assets” and “Contract Liabilities”;
3. Includes “Income tax receivables” and “Other current assets” (excluding “Hedging derivatives in respect of debt items”), net of “Income tax payables” and “Other current liabilities” (excluding “Hedging derivatives in respect of debt items”);
4. Includes the net amount of “Non-current assets held for sale” and “Liabilities associated with assets held for sale”.

At 31 December 2024 the balance of assets and liabilities held for sale included the value of the net assets and liabilities of the Underwater Armaments & Systems line of business sold on 14 January 2025.

At the 2025 year-end the same balance included the book value of the investment in CNBM Leonardo (SHANGHAI) Aerostructures Co., Ltd, in light of the disposal being finalized during 2026.

The Company’s net financial debt at 31 December 2025 came to €mil. 1,828, down by €mil. 1,168 (€mil. 2,996 at 31 December 2024), equal to -39.0%, and breaks down as follows:

(€ millions)	Net Debt		Net Debt	
	31 December 2025	of which current	31 December 2024	of which current
Bonds	512	512	1,029	530
Bank debt	1,257	66	1,046	53
Other financial debts (*)	1,487	1,418	1,509	1,321
Non current financial receivables from Group's consolidated entities	(737)		(583)	
Cash and cash equivalents	(2,405)	(2,405)	(1,597)	(1,597)
Other current loans and receivables (*)	(28)	(28)	(32)	(32)
Hedging derivatives in respect of debt items	(6)	(6)	3	3
<b>Net debt, excluding lease liabilities and net payables to joint ventures</b>	<b>80</b>		<b>1,375</b>	
Borrowings/ (loans) to joint ventures	1,332	1,332	1,132	1,132
Lease liabilities	416	137	489	146
<b>Net Debt</b>	<b>1,828</b>		<b>2,996</b>	

(\*) include portion relating to related parties, excluding joint venture

The reconciliation with the net financial position required by CONSOB Communication no. DEM/6064293 of 28 July 2006, updated by the provisions of ESMA Guideline 32-382-1138 of 4 March 2021 as implemented by CONSOB warning notice no. 5/21 of 29 April 2021, is provided in Note 21 of the Separate Financial Statements.

The improvement of Net Debt is mainly the effect of the strengthening of cash generation from operations and from the collection of a total of €mil. 446 deriving from the sale of the UAS business.

The change in Net Debt also includes the financial effects of certain transactions that took place during the year, such as the payment of dividends for an amount equal to €mil. 300 and the acquisition of 24.55% in the capital of the Finnish company SSH Communications Security Corporation finalized in October 2025 for a consideration of about €mil. 20, and 100% acquisition of the Swedish company Axiomatics AB, finalized in December 2025 for an amount equal to approximately €mil. 32.

As mentioned earlier, the value of loans and borrowings encompasses the effect of the repayment in March 2025 of the €mil. 500 bonded loan, issued in 2005, that reached its natural expiry date, partially offset by the drawing of the "Sustainability-Linked" loan of €mil. 260, granted by the European Investment Bank (EIB).

At 31 December 2025, Leonardo S.p.A. had cash resources available for a total of about €mil. 2,620, to meet the financing needs of the Company's recurring operations, all unused and broken down as follows:

- uncommitted short-term lines of credit of about €mil. 820;
- an ESG-linked Revolving Credit Facility totalling €mil. 1,800, renewed ahead of time in 2025 and maturing on 7 October 2030.

Furthermore, Leonardo has uncommitted lines of credit for guarantees for a total €mil. 13,062, €mil. 3,691 of which was still available at 31 December 2025.

Below are reported the statements of reconciliation between the line items of the reclassified statements with the statutory financial statements for financial year 2025 of Leonardo SpA:

<i>(€ millions)</i>	Scheme	Non-recurring amortization	Restructuration and non recurring costs	Onereous contracts (losses at completion)	Extraord. transactions.	Reclassified scheme
Revenues	11,942					11,942
Purchase and personnel expenses	(10,780)		49	15		(10,716)
Other net operating income/(expenses)	211		132	(15)	(316)	12
Amortisation, depreciation and write-offs	(514)	2	31		14	(467)
<b>EBITA</b>						<b>771</b>
Non-recurring income (expenses)			(199)			(199)
Restructuring costs			(13)			(13)
Amortisation of intangible assets acquired as part of non-recurring transactions		(2)				(2)
<b>EBIT</b>						<b>557</b>
Net financial income (expense)	320				(61)	259
Income taxes	(144)					(144)
Net result related to discontinued operations and extraordinary transactions					363	363
<b>Net result</b>	<b>1,035</b>					<b>1,035</b>

<i>(€ millions)</i>	Scheme	Financial receivables and cash	Financial payables	Hedging derivatives on debt items	Reclassified scheme
Non-current assets	15,487	(737)			14,750
Non-current liabilities	(3,242)		1,539		(1,703)
<b>Capital assets</b>					<b>13,047</b>
Current assets	14,459	(2,654)		(6)	11,799
Current liabilities	(17,186)		3,686		(13,500)
<b>Net working capital</b>					<b>(1,701)</b>
<b>Total equity</b>	9,529				<b>9,529</b>
<b>Net Debt</b>		(3,391)	5,225	(6)	<b>1,828</b>
<b>Net (assets)/liabilities held for sale</b>	<b>(11)</b>				<b>(11)</b>

<i>(€ millions)</i>	Scheme	Dividends received	Royalties / Law no. 808 payables and receipts	Strategic investments	Reclassified scheme
<b>Cash flows generated/(used) from operating activities</b>	1,092			14	1,106
Dividends received		240			240
Investments in property, plant and equipment and intangible assets	(503)				
Sales of property, plant and equipment and intangible assets	19				
Cash flows from ordinary investing activities	(484)			15	(469)
<b>Free Operating Cash Flow (FOCF)</b>					<b>877</b>
Strategic transactions				394	394
Other investing activities	770	(240)	(29)	(394)	107
<b>Cash flows generated (used) from investing activities</b>	<b>286</b>				
New borrowings/ (Repayments) from EIB	210				
Bond buy repayments	(500)				
Net change in other loans and borrowings	60				
Net change in loans and borrowings	<b>(230)</b>				(230)
Increase of share capital	(30)				(30)
Dividends paid	(300)				(300)
<b>Cash flows generated (used) from financing activities</b>	<b>(560)</b>				<b>(560)</b>
Net increase (decrease) in cash and cash equivalents	818				818
Exchange rate differences	(10)				(10)
Cash and cash equivalents at 1 January	1,597				1,597
<b>Cash and cash equivalents at 31 December</b>	<b>2,405</b>				<b>2,405</b>

## Other information

As regards the information requested by Art. 2428 of the Italian Civil Code in relation to the parent company Leonardo SpA, reference is made to Part 1 of this report.

As regards the provisions of Art. 4 of Legislative Decree 125/2024, as allowed by the regulation, the sustainability statement has been prepared on a consolidated basis only and included in a specific section of this report on operations.

### THE PARENT COMPANY'S OFFICES

The Parent Company's offices are:

- Registered Office: Rome, Piazza Monte Grappa, 4
- Secondary office: Genoa, Corso Perrone, 118

For the Board of Directors  
The Chairman  
(Stefano Pontecorvo)

**CONSOLIDATED FINANCIAL STATEMENTS AT 31  
DECEMBER 2025**

## CONSOLIDATED ACCOUNTING STATEMENTS

### Consolidated separate income statements

<b>(€ millions)</b>	<b>Note</b>	<b>2025</b>	<i>of which with related parties</i>	<b>2024</b>	<i>of which with related parties</i>
Revenues	27	19,503	3,517	17,763	2,572
Other operating income	28	1,073	289	779	6
Purchase and personnel expenses	29	(17,240)	(888)	(15,747)	(1,203)
Amortisation, depreciation and financial assets value adjustments	30	(773)		(777)	
Other operating expenses	28	(975)	(126)	(838)	(1)
<b>Income before tax and financial expenses</b>		<b>1,588</b>		<b>1,180</b>	
Financial income	31	249	9	534	14
Financial expenses	31	(336)	(60)	(389)	(69)
Share of profits/(losses) of equity-accounted investees	12	148		121	
<b>Operating profit (loss) before income taxes and discontinued operations</b>		<b>1,649</b>		<b>1,446</b>	
Income taxes	32	(315)		(289)	
Profit (loss) from discontinued operations	33	-		2	
<b>Net profit/(loss) for the period attributable to:</b>		<b>1,334</b>		<b>1,159</b>	
- owners of the parent		1,224		1,074	
- non-controlling interests		110		85	
<b>Earnings/(losses) per share</b>	34	2.122		1.865	
- basic and diluted from continuing operations		2.122		1.862	
- basic and diluted from discontinued operations		-		0.003	

**Consolidated statement of comprehensive income**

<b>(€ millions)</b>	Note	<b>2025</b>	<b>2024</b>
Profit (loss) for the period		<b>1,334</b>	<b>1,159</b>
<b>Other comprehensive income (expenses):</b>			
<u>Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period:</u>			
- Measurement of defined-benefit plans:	20	9	38
- revaluation		5	39
- exchange rate gains (losses)		4	(1)
- Tax effect	20	(2)	(9)
- Tax rate adjustment		-	-
		<b>7</b>	<b>29</b>
<u>Comprehensive income/expense which will or might be subsequently reclassified within the profit (loss) for the period:</u>			
- Changes in cash flow hedges:	20	151	(75)
- change generated in the period		181	(101)
- transferred to the profit (loss) for the period		(30)	26
- Translation differences	20	(514)	313
- change generated in the period		(514)	306
- transferred to the profit (loss) for the period		-	7
- Tax effect and other movements	20	(35)	18
		<b>(398)</b>	<b>256</b>
<u>Current portion of "Other comprehensive income (expenses)", equity-accounted investees</u>		12	46
<b>Total other comprehensive income (expense), net of tax:</b>		<b>(379)</b>	<b>331</b>
<b>Total comprehensive income (expense), attributable to:</b>		<b>955</b>	<b>1,490</b>
- Owners of the parent		942	1,357
- Non-controlling interests		13	133
<b>Total comprehensive income (expense), attributable to Owners of the parent</b>		<b>942</b>	<b>1,357</b>
- from continuing operations		942	1,355
- from discontinued operations		-	2

**Consolidated statement of financial position**

(€ millions)	Note	31 December 2025	of which with related parties	31 December 2024	of which with related parties
Intangible assets	9	8,546		8,728	
Property, plant and equipment	10	3,076		2,834	
Investment property		50		38	
Right of use	11	541		578	
Investments accounted for under equity method	12	1,834		1,877	
Receivables	13	251		258	-
Deferred tax assets	32	1,001		1,104	
Other non-current assets	13	119		52	-
<b>Non-current assets</b>		<b>15,418</b>		<b>15,469</b>	
Inventories	15	7,028		6,520	
Contract assets	16	3,699		3,886	
Trade receivables	17	3,893	1,052	3,838	828
Income tax receivables		85		106	
Loans and receivables	17	244	225	352	330
Other assets	18	892	10	656	3
Cash and cash equivalents	19	3,238		2,556	
<b>Current assets</b>		<b>19,079</b>		<b>17,914</b>	
Non-current assets held for sale	33	12		290	
<b>Total assets</b>		<b>34,509</b>		<b>33,673</b>	
Share capital	20	2,490		2,509	
Other reserves		7,070		6,481	
<b>Equity attributable to the owners of the parent</b>		<b>9,560</b>		<b>8,990</b>	
Equity attributable to non-controlling interests		1,180		1,210	
<b>Total equity</b>		<b>10,740</b>		<b>10,200</b>	
Borrowings (non-current)	21	1,896		2,373	100
Employee benefits	23	306		315	
Provisions for risks and charges	22	627		652	
Deferred tax liabilities	32	402		375	
Other non-current liabilities	24	958		954	-
<b>Non-current liabilities</b>		<b>4,189</b>		<b>4,669</b>	
Contract liabilities	16	10,149		9,506	
Trade payables	25	3,504	369	3,763	553
Borrowings (current)	21	2,593	1,875	2,327	1,624
Income tax payables		200		128	
Provisions for short-term risks and charges	22	1,002		1,018	
Other current liabilities	24	2,132	149	1,924	29
<b>Current liabilities</b>		<b>19,580</b>		<b>18,666</b>	
Liabilities associated with assets held for sale	33	-		138	
<b>Total liabilities</b>		<b>23,769</b>		<b>23,473</b>	
<b>Total liabilities and equity</b>		<b>34,509</b>		<b>33,673</b>	

**Consolidated statement of cash flows**

<b>(€ millions)</b>	<i>Note</i>	<b>2025</b>		<b>2024</b>	
			<i>of which with related parties</i>		<i>of which with related parties</i>
Gross cash flows from operating activities	35	2,439		2,324	
Change in trade receivables/payables, contract assets/liabilities and inventories	35	(261)	(394)	(275)	115
Change in other operating assets and liabilities and provisions for risks and charges	35	(129)	104	(169)	(13)
Interest paid		(162)	(51)	(179)	(55)
Income taxes received/(paid)		(137)	-	(160)	-
<b>Cash flows generated (used) from operating activities</b>		<b>1,750</b>		<b>1,541</b>	
Investments in property, plant and equipment and intangible assets		(1,016)		(895)	
Sales of property, plant and equipment and intangible assets		5		16	
Other investing activities	35	649	446	126	-
<b>Cash flows generated (used) from investing activities</b>		<b>(362)</b>		<b>(753)</b>	
Treasury shares purchase		(30)		-	
BEI Loan subscription/(repayment)		210		(38)	
Bond redemption		(500)		(600)	
Net change in other borrowings		52	269	137	307
Dividends paid		(343)		(177)	
<b>Cash flows generated (used) from financing activities</b>		<b>(611)</b>		<b>(678)</b>	
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>777</b>		<b>110</b>	
Exchange rate differences and other changes		(87)		39	
Cash and cash equivalents at 1 January		2,556		2,407	
Net increase (decrease) in cash of discontinued operations		(8)		-	
<b>Cash and cash equivalents at 31 December</b>		<b>3,238</b>		<b>2,556</b>	

**Consolidated statement of changes in equity**

(€mil.)	Share capital	Retained earnings	Cash flow hedge reserve	Revaluation reserve of defined-benefit plans	Translation reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>1 January 2024</b>	<b>2,499</b>	<b>5,660</b>	<b>(16)</b>	<b>(121)</b>	<b>(222)</b>	<b>7,800</b>	<b>761</b>	<b>8,561</b>
Profit (loss) for the period		1,074				1,074	85	1,159
Other comprehensive income (expenses)			(40)	39	284	283	48	331
<b>Total comprehensive income (expenses)</b>	<b>-</b>	<b>1,074</b>	<b>(40)</b>	<b>39</b>	<b>284</b>	<b>1,357</b>	<b>133</b>	<b>1,490</b>
Dividends resolved		(161)				(161)	(16)	(177)
Repurchase of treasury shares less shares sold	10					10		10
Acquisition (Disposal) of NCI without change in control		(9)				(9)	24	15
Share-based payment plans		(8)				(8)		(8)
Third-party interests related to business combinations							308	308
<b>Total transactions with owners of the parent, recognised directly in equity</b>	<b>10</b>	<b>(178)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(168)</b>	<b>316</b>	<b>148</b>
Other changes		(1)	2			1		1
<b>31 December 2024</b>	<b>2,509</b>	<b>6,555</b>	<b>(54)</b>	<b>(82)</b>	<b>62</b>	<b>8,990</b>	<b>1,210</b>	<b>10,200</b>
<b>1 January 2025</b>	<b>2,509</b>	<b>6,555</b>	<b>(54)</b>	<b>(82)</b>	<b>62</b>	<b>8,990</b>	<b>1,210</b>	<b>10,200</b>
Profit (loss) for the period		1,224				1,224	110	1,334
Other comprehensive income (expenses)		4	121	26	(433)	(282)	(97)	(379)
<b>Total comprehensive income (expenses)</b>	<b>-</b>	<b>1,228</b>	<b>121</b>	<b>26</b>	<b>(433)</b>	<b>942</b>	<b>13</b>	<b>955</b>
Dividends resolved		(300)				(300)	(43)	(343)
Repurchase of treasury shares less shares sold	(19)					(19)		(19)
Acquisition (Disposal) of NCI without change in control		(28)				(28)	6	(22)
Share-based payment plans		(17)				(17)		(17)
Third-party interests related to business combinations							-	-
<b>Total transactions with owners of the parent, recognised directly in equity</b>	<b>(19)</b>	<b>(345)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(364)</b>	<b>(37)</b>	<b>(401)</b>
Other changes		(8)	(2)	1	1	(8)	(6)	(14)
<b>31 December 2025</b>	<b>2,490</b>	<b>7,430</b>	<b>65</b>	<b>(55)</b>	<b>(370)</b>	<b>9,560</b>	<b>1,180</b>	<b>10,740</b>

## **Notes to the consolidated financial statements at 31 December 2025**

### **1. GENERAL INFORMATION**

Leonardo S.p.a. (hereinafter also “the Company”) is a company limited by shares based in Rome (Italy), at Piazza Monte Grappa 4, and is listed on the Italian Stock Exchange (FTSE MIB).

The Leonardo Group (hereinafter also “the Group”) is a major Italian high technology organization operating in the Defence Electronics and Security, Helicopters, Aeronautics, Cyber Security & Solutions and Space sectors.

### **2. FORM, CONTENT AND APPLICABLE ACCOUNTING STANDARDS**

In application of EU Regulation 1606/2002 of 19 July 2002 and of Legislative Decree 38 of 28 February 2005, the consolidated financial statements of the Leonardo Group were prepared in accordance with the international accounting standards (IFRS) endorsed by the European Commission, supplemented by the relevant interpretations (Standing Interpretations Committee - SIC and International Financial Reporting Interpretations Committee - IFRIC) issued by the International Accounting Standard Board (IASB) and in force at the year-end.

The general principle used in preparing these consolidated financial statements is the historical cost method, except for those items that, in accordance with IFRS, are obligatory recognised at fair value, as indicated in the valuation criteria of each item.

The consolidated financial statements are composed of the consolidated separate income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes to the financial statements.

Among the options permitted by IAS 1, the Group has chosen to present its balance sheet by separating current and non-current items and its income statement by the nature of its costs. Instead, the statement of cash flows was prepared using the indirect method.

The International Financial Reporting Standards (IFRS) used for preparing these consolidated financial statements are the same that were used in the preparation of the consolidated financial statements at 31 December 2024 except for what indicated below (Note 5).

All figures are shown in millions of euros unless otherwise indicated.

Preparation of the consolidated financial statements under the going-concern assumption required management to make certain evaluations and estimates. The main areas affected by estimates or assumptions of particular importance or that have significant effects on the balances shown are described in Note 4.

The consolidated financial statements at 31 December 2025 of the Leonardo Group were approved by the Board of Directors on 11 March 2026 that authorized their publication.

The consolidated financial statements are subject to a statutory audit by EY SpA.

### 3. ACCOUNTING POLICIES

#### 3.1 *Standards and scope of consolidation*

The consolidated financial statements include the statements at 31 December 2025 of companies consolidated on a line-by-line basis, which have been prepared in accordance with the IFRSs as applied within the Leonardo Group. The consolidated entities and the respective shares held either directly or indirectly by the Group are reported in the attachment “Scope of consolidation”.

##### *Subsidiaries*

The entities over which Leonardo exercises a controlling power, either by directly or indirectly holding a majority of shares with voting rights or by exercising the right to earn the variable profits deriving from its relations with those same entities, impacting on such profits and exercising its power on the company, also regardless of the nature of the shareholding, have been consolidated on a line-by-line basis. With regard to the activities of the Group in the USA, it is noted that some of them are subject to specific governance rules (such as the Special Security Agreement and the Proxy Agreement), which were agreed with the Defense Counterintelligence and Security Agency (“DCSA”) of the US Department of Defense (in charge of the protection of information related to the national security or, however, subject to special confidentiality restrictions). In particular, the Leonardo DRS group is managed through a Proxy Agreement, which provides for the appointment by Leonardo US Holding (the parent company of Leonardo DRS) – after consultation with Leonardo S.p.A. - of the US Proxy Holders subject to the approval of the DCSA. These Proxy Holders (with US nationality and residence, security clearance and independent with respect to Leonardo DRS and the Leonardo Group), besides acting as the directors of the company, together with Non-Proxy Holders directors (including the CEO) appointed by them according to the designation by Leonardo US Holding, are also entitled to vote on behalf of the latter, in the context of a trust relationship on whose basis their activity must protect, on one hand, the legitimate interest of the shareholders, and, on the other hand, the need for national security in the United States. The Proxy Holders are always in a number greater than the Non-proxy Holders and cannot be discharged by the shareholder, except in case of fraud or gross negligence or, subject to the approval of the DCSA, if their conduct infringes the principle of preservation of Leonardo DRS assets and the legitimate interests of the shareholders. Moreover, the Proxy Holders are committed to implementing specific governance procedures in order (i) to guarantee shareholders their rights and an adequate flow of information, above all with regard to the results of operations and financial data, with the consent of the DCSA and in compliance with the restrictions under the Proxy Agreement in relation to “classified” information, as well as (ii) to protect the management against any possible influence exercised by the foreign partner as to “sensitive” information. On the contrary, the decisions on M&A transactions and the transfer of intellectual property rights, as well as extraordinary debt assumption and intercompany business reorganizations are the direct competence of the shareholder.

Not consolidated on a line-by-line basis are those entities which, because of the dynamics of their operations (e.g. consortia without shares and controlling interests in equity consortia which, by charging costs to their members, do not have their own financial results and the financial statements of which do not, net of intercompany assets and liabilities, have material balances) or their current status (e.g. companies that are no longer operational, have no assets or personnel, or for which the liquidation process appears to be essentially concluded), would be immaterial to the Group’s situation in both quantitative and qualitative terms.

All controlled entities are consolidated at the date on which control was acquired by the Group. The entities are removed from the consolidated financial statements at the date on which the Group loses control.

Business combinations are recognised using the purchase method where the purchase cost is equal to the fair value, at the date of the purchase of assets acquired, of liabilities incurred or assumed, as well as the capital instruments, if any, issued by the purchaser. The cost of the transaction is allocated recognising assets, liabilities and the identifiable contingent liabilities of the acquired company, at their related fair value at the purchase date. Any positive difference between the cost of the transaction and the fair value at the date of the purchase of the assets and liabilities is allocated to goodwill. In the event the process of allocating the purchase price should result in a negative difference, this difference is recorded in the income statement. Additional charges related to the acquisition are recognised in the income statement at the date when services are rendered.

Any capital gains or negative differences arising from business combinations between entities under common control ("transactions under common control") are not recognised through P&L but directly in equity in the separate financial statements.

In the case of purchase of controlling stakes other than 100% stakes, goodwill is recognised only to the extent of the portion attributable to the Group Parent. The value of the non-controlling interests is determined in proportion to the non-controlling equity investments in the identifiable net assets of the acquired company.

In case the business combination is carried out through more than one phase, at the moment of the taking over the equity investments previously held are re-measured at their fair value and the difference (positive or negative), if any, is recognised in the income statement.

In the case of purchase of non-controlling stakes, after control is obtained, the positive difference between the acquisition cost and the book value of the non-controlling stakes acquired is recorded as a reduction of the net equity of the Group Parent. In the event of disposal of stakes while control is retained, the difference between the cashed consideration and the book value of the stakes sold is recorded directly as an increase of the net equity, without recording in the income statement.

Amounts resulting from transactions with consolidated entities have been eliminated, particularly where related to receivables and payables outstanding at the end of the period, as well as interest and other income and expenses recorded on the income statements of these enterprises. Also eliminated are the net profits or losses posted between the consolidated entities along with their related tax adjustments.

### ***Jointly controlled entities and other equity investments***

Joint Arrangements, based on which joint control over an arrangement is assigned to two or more parties, are classified as either a Joint Operation (JO) or a Joint Venture (JV), on the basis of an analysis of the underlying contractual rights and obligations. In particular, a Joint Venture is a joint arrangement whereby the parties, whilst holding control over the main strategic and financial decisions through voting mechanisms requiring the unanimous consent on such decisions, do not hold legally significant rights to the individual assets and liabilities of the JV. In this case joint control regards the net assets of the joint ventures. This form of control is reflected in the financial statements using the equity method, as described below. A Joint Operation is a joint arrangement whereby the parties have rights to the assets, and obligations for the liabilities. In this case, individual assets and liabilities and the related costs and revenues are recognised in the financial statements of the party to the arrangement on the basis of the rights and obligations to each asset and liability, regardless of the interest held. After initial recognition, the assets, liabilities and related costs are valued in accordance with the reference accounting standards applied to each type of asset/liability.

The Group's joint arrangements are all classified as joint ventures.

Entities over which significant influence is exercised, which generally corresponds to a holding of between 20% (10% if listed) and 50% (equity investments in associates), and Joint Ventures (as qualified above) are accounted for using the equity method. When the equity method is applied, the value of the investment is in line with shareholders' equity adjusted, when necessary, to reflect the application of IFRSs, and includes the recognition of goodwill (net of impairments) calculated at the time of purchase, and to account for the adjustments required by the standards governing the preparation of consolidated financial statements. Gains and losses realized among consolidated entities valued at equity and other Group entities consolidated on a line-by-line basis, are eliminated. In the event the Group has evidence of an impairment loss of the investment, in excess of the amount accounted for under the equity method, the Group will proceed with calculating the impairment to be recorded in the income statement which is determined as the difference between the recoverable amount and the carrying amount of the investment.

Any value losses in excess of book value are recorded in the provision for risks on equity investments, to the extent that there are legal or implicit obligations to cover such losses, which are in any case within the limits of the book equity.

The fair value of equity investments, in the event this method applies, is calculated based on the bid price of the last trading day of the month for which the IFRS report was prepared or based on financial valuation techniques for not listed instruments.

Investments available for sale, like those acquired with the sole purpose of being disposed within the subsequent twelve months, are classified separately within "Assets held for sale" applying the recognition criteria described in Note 3.23.

### **3.2 Segment information**

In accordance with the compliance model followed, management has adopted operating segments that corresponds to the business sectors in which the Group operates (Defence Electronics and Security, Helicopters, Aeronautics, Cyber Security & Solutions, Space and Other Activities).

### **3.3 Currency translation**

#### *Identification of the functional currency*

The balances of the financial statements of each Group entity are presented in the currency of the primary economy in which each enterprise operates (the functional currency). The consolidated financial statements for the Leonardo Group have been prepared in euros, as this is the functional currency of the Group Parent.

#### *Translation of transactions denominated in a foreign currency*

Items expressed in a currency other than the functional currency, whether monetary (cash and cash equivalents, receivables or payables due in pre-set or measurable amounts, etc.) or non-monetary (advances to suppliers of goods and services, goodwill, intangible assets, etc.), are initially recognised at the exchange rate prevailing at the date on which the transaction takes place. Subsequently, the monetary items are translated into the functional currency based on the exchange rate at the reporting date, and any differences resulting from this conversion are recognised in the income statement. Non-monetary items continue to be carried at the exchange rate on the date of the transaction.

#### *Translation of financial statements expressed in a currency other than the functional currency*

The rules for translating financial statements expressed in a foreign currency into the functional currency (except where the currency is that of a hyper-inflationary economy) are as follows:

- the assets and liabilities presented are translated at the end-of-period exchange rate;
- costs and revenues, charges and income presented are translated at the average exchange rate for the period in question, or at the exchange rate on the date of the transaction in the event this is significantly different from the average rate;
- the “translation reserve” includes both the exchange rate differences generated by the translation of balances at a rate different from that at the close of the period and those that are generated by the translation of opening equity balances at a rate different from that at the close of the period. The translation reserve is reversed to the income statement upon the full or partial disposal of the equity investment that results in loss of control.

Goodwill and adjustments deriving from the fair value measurement of assets and liabilities related to the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the end-of-period exchange rate.

With reference to data comparability, the current year has been marked by the following changes in the euro against the main currencies of interest for the Group:

	31 December 2025		31 December 2024		% Change	
	average	final	average	final	average	final
U.S.A. Dollar	1.1300	1.1750	1.0824	1.0389	4.4%	13.1%
Pound Sterling	0.8568	0.8726	0.8466	0.8292	1.2%	5.2%

### 3.4 Intangible assets

Intangible assets are non-monetary items without physical form, but which can be clearly identified and generate future economic benefits for the company. They are carried at purchase and/or production cost, including directly related expenses allocated to them when preparing the asset for operations and net of accumulated amortisation (with the exception of intangibles with an indefinite useful life) and any impairments of value. Amortisation begins when the asset is available for use and is recognised systematically over its remaining useful life. In the period in which the intangible asset is recognised for the first time, the amortisation rate applied takes into account the period of actual use of the asset.

Development costs and non-recurring costs are recognised in the item. For further details reference is made to Notes 4.1 and 4.2.

#### *Industrial patent and intellectual property rights*

Patents and intellectual property rights are carried at acquisition cost net of amortisation and accumulated impairment losses. Amortisation begins in the period in which the rights acquired are available for use and is calculated based on the shorter of the period of expected use and that of ownership of the rights. The useful life changes according to the business of the company and its range is between 3 and 15 years.

#### *Concessions, licences and trademarks*

This category includes: concessions, i.e. government measures that grant private parties the right to exclusive use of public assets or to manage public services under regulated conditions; licences that grant the right to use patents or other intangible assets for a determinate or determinable period of time; trademarks that establish the origin of the products of a given company; and licences for the know-how or software owned by others. The costs, including the direct and indirect costs incurred to obtain such rights, can be capitalized after receiving title to the rights themselves and are amortised systematically over the shorter of the period

of expected use and that of ownership of the rights. The useful life changes according to the business of the company and its range is between 3 and 15 years.

*Intangible assets acquired as a result of business combinations*

The intangible assets acquired as a result of business combinations essentially refer to the order backlog and commercial positioning, customer portfolio and software/know-how; they are valued during the purchase price allocation. The assets' useful life changes according to the business of the acquired company and ranges as follows:

	Years
<i>Customer backlog and commercial positioning</i>	7-20
<i>Backlog</i>	10-15
<i>Software/know how</i>	3

**Goodwill**

Goodwill recognised as an intangible asset is associated with business combinations and represents the difference between the cost incurred to acquire a company or division and the sum of the fair values assigned at the purchase date, to the individual assets and liabilities of the given company or division. As it does not have a definite useful life, goodwill is not systematically amortised but is subject to impairment tests conducted at least once a year, according to a specific procedure approved each year by the Board of Directors, unless market and operational factors identified by the Group indicate that an impairment test is also necessary in the preparation of interim financial statements. In conducting an impairment test, goodwill acquired in a business combination is allocated to the individual Cash Generating Unit (CGU) or to groups of CGUs that are expected to benefit from the synergies of the combination, in line with the minimum level at which such goodwill is monitored within the Group. Goodwill related to unconsolidated associates, joint ventures or subsidiaries is included in the value of investments.

**3.5 Property, plant and equipment**

Property, plant and equipment is measured at purchase or production cost net of accumulated depreciation and any impairment losses. The cost includes all direct costs incurred to prepare the assets for use, as well as any charges for dismantlement and disposal that will be incurred to return the site to its original condition.

Charges incurred for routine and/or cyclical maintenance and repairs are expensed in full in the period in which they are incurred. Costs related to the expansion, modernization or improvement of owned or leased structural assets are only capitalized to the extent that such costs meet the requirements for being classified separately as an asset or part of an asset. Any public grants related to property, plant and equipment are recognised as a direct deduction from the asset to which they refer.

The value of an asset is adjusted by systematic depreciation calculated based on the residual useful life of the asset itself. In the period in which the asset is recognised for the first time, the depreciation rate applied takes into account the date in which the asset is ready for use. The estimated useful lives adopted by the Group for the various asset classes are as follows:

	Years
Land	Indefinite useful life
Buildings	20-33
Plant and machinery	5-10
Equipment	3-5
Other assets	5-8

The estimated useful life and the residual value are revised at least annually.

Depreciation ends when the asset is sold or reclassified as asset held for sale.

In the event the asset to be depreciated is composed of significant distinct elements with useful lives that are different from those of the other constituent parts, each individual part that makes up the asset is depreciated separately, in application of the component approach to depreciation.

This item also includes equipment intended for specific programmes (tooling), although it is depreciated, as with other non-recurring costs (Note 4.2), on the basis of units manufactured in relation to those expected to be produced.

The gains and losses from the sale of assets or groups of assets are calculated by comparing the sales price with the related net book value.

### ***3.6 Investment properties***

Properties held to earn rentals or for capital appreciation are carried under “Investment properties”; they are valued at purchase or construction cost plus any related charges, net accumulated depreciation and impairment, if any.

### ***3.7 Impairment of intangible assets and property, plant and equipment***

Assets with indefinite useful lives are not depreciated or amortised but are rather subject to impairment tests at least once a year to ascertain the recoverability of their book value. The test is carried out at each interim reporting date as well, when there are internal and/or external indicators that an asset may be impaired.

For assets that are depreciated or amortised, an assessment is made to determine whether there is any internal or external indication of a loss in value. If so, the recoverable value of the asset is estimated, with any excess being recognised in the income statement.

The recoverable value of an asset is the higher of its fair value less costs to sell and its value in use calculated on the basis of a model of discounted cash flows. The discount rate encompasses the risks peculiar to the asset which have not been considered in the expected cash flows.

Assets which do not generate independent cash flows are tested as Cash Generating Units.

If the reasons for such write-downs should cease to obtain, the asset’s book value is restored within the limits of the book value that would have resulted if no loss was recognised due to previous years’ loss of value. The write-back is also taken to the income statement. Under no circumstances, however, is the value of goodwill that has been written down restored to its previous level.

### ***3.8 Inventories***

Inventories are recorded at the lower of cost, calculated with reference to the weighted average cost, and net realisable value. They do not include financial costs and overheads. The net realisable value is the sales price in the course of normal operations net of estimated costs to finish the goods and those needed to make the sale. Inventories include, within “Point in time contract assets”, the production progress related to contracts which do not meet the requirements for revenue recognition over time.

### **3.9 Revenues and contract assets/liabilities with customers**

Revenue from contracts with customers is recognised when the performance obligations are satisfied through the transfer of control over the good or service to the customer which may occur either over time or at a point in time.

Contracts that meet the requirements for the recognition of revenue over time are classified under “contract assets” or under “contract liabilities” based on the relationship between the Group’s performance and the customer’s payment. In particular:

- “net contract assets” represent the entity’s right to consideration in exchange for goods and services that the entity has transferred to a customer;
- “(net) contract liabilities” represent the Group’s obligation to transfer goods or services to the customer for which the entity has received consideration (or for which the amount is due) from the customer.

If a contract provides for more than one performance obligation, representing a contract promise to transfer a specific good or service to the customer (or a series of specific goods or services that are substantially the same and are transferred according to the same methods), the classification under assets or liabilities is carried out on an overall basis and not by each single performance obligation.

Contract assets and liabilities with customers in which the transfer of control over the goods or services to customers occurs over time are recognised using the percentage-of-completion measuring method, according to which costs, revenues and margins are recognised based on the progress of production. The state of completion is determined on the basis of the ratio between costs incurred at the measurement date and the total expected costs for the programme or based on the production units delivered.

Vice versa, if the requirements for the recognition of contracts over time are not met, revenue is recognised at a point in time; in such cases, the production progress related to contracts with customers is recognised under contract assets at a point in time within “inventories”. Such case is mostly related to certain sales in the helicopter sector where the transfer of control over certain types of goods coincides with the moment of actual delivery of the same.

Contract assets (recognised under a special item or within inventories) are stated net of any provisions for write-down.

The assumptions upon which the estimates are made are periodically updated. Any impact on profit or loss is recognised in the period in which the updates are made. If a contract is an “onerous” contract, the methods for recognition are reported in note 4.4.

Contracts with payments in a currency other than the euro, the functional currency of the Group, are measured by converting the portion of payments due, calculated using the percentage-of-completion method, at the exchange rate prevailing at the close of the period in question. However, the Group’s policy for exchange-rate risk calls for all contracts in which cash inflows and outflows are significantly exposed to exchange rate fluctuations to be hedged specifically. In such cases, the recognition methods described in Note 4.3 below are applied.

### **3.10 Financial assets**

Financial assets are initially measured at fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the

acquisition or issue of the financial asset. Trade receivables are initially measured at their transaction price, since this is representative of the fair value.

At initial recognition financial assets are therefore classified, based on the business model used in the management and on the contractual cash flow characteristics, in one of the following categories:

- amortised cost;
- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income.

Reclassification within categories is envisaged only when the Group changes its own business model for their management.

The Group recognises as value adjustment the expected losses related to financial assets measured at amortised cost, to contract assets and to debt instruments measured at fair value through other comprehensive income. Expected losses are calculated over the credit lifetime.

The classification of assets as current or non-current reflects management expectations regarding their trading.

#### *Financial assets at amortised cost*

Such category includes financial assets held to collect contractual cash flows (Held to Collect), which are solely payments of principal and related interest. All receivables are included in this category.

Such assets are measured at amortised cost, in compliance with the effective interest method, decreased by impairment losses. Interest income, exchange profits or losses and impairment losses are recognised in profit (loss) for the year as well as profits or loss from derecognition.

#### *Financial assets at fair value through other comprehensive income*

Such category includes financial assets that are possibly held by the Group with the twofold objective of collecting contractual cash flows on one hand, which are solely payments of principal and interest calculated on the total of the principal amount outstanding and selling them on the other (Held to Collect and Sell).

#### *Financial assets at fair value through profit or loss*

This category includes financial assets that are not classified as measured at amortised cost or at fair value through other comprehensive income. Such category includes all derivatives (Note 3.11) and financial assets held for trading.

The fair value of financial assets held for trading is calculated by drawing from the market prices at the annual (or interim) reporting date through financial techniques and models.

### **3.11 Derivatives**

Derivatives are still stated at fair value through profit or loss unless they are deemed effective hedge for specific risk in respect of underlying assets, liabilities or commitments undertaken by the Group.

In particular, the Group uses derivatives as part of its hedging strategies to offset the risk of changes in the fair value of financial assets or liabilities on its balance sheet or the risk associated with contractual commitments (fair-value hedges) and the risk of changes in expected cash flows in contractually defined or highly probable operations (cash-flow hedges). For details regarding the methodology for recognising hedges of the exchange rate risk on long-term contracts, see Note 4.3.

The effectiveness of hedges is documented and assessed both at the start of the operation and periodically thereafter (at least every time an annual or interim report is published) and measured by comparing changes in the fair value of the hedging instrument against changes in the hedged item (“dollar offset ratio”). For more complex instruments, the measurement involves statistical analysis based on the variation of the risk.

#### *Fair value hedge*

Changes in the fair value of derivatives that have been designated and qualify as fair-value hedges are recognised in profit or loss, in the same manner as the treatment of changes in the fair value of the hedged assets or liabilities covered with the hedge.

#### *Cash flow hedge*

Changes in the fair value of derivatives that have been designated and qualify as cash-flow hedges are recognised – with reference to the “effective” component of the hedge only – in the statement of comprehensive income through a specific equity reserve (“Cash-flow hedge reserve”), which is subsequently recognised in the income statement when the underlying transaction affects profit or loss. If the occurrence of the underlying operation ceases to be highly probable, the relevant portion of the cash-flow hedge reserve is immediately recognised in the income statement. If the derivative is sold, expires or ceases to function as an effective hedge against the risk for which it was originated, the relevant portion of the “cash-flow hedge reserve” is kept recognised until the underlying contract shows its effect. The recognition of the cash-flow hedge is discontinued prospectively.

The cash flow hedge reserve also includes the recognition of fair value changes in the forward component of forward contracts, taken to the separate income statement at the time when the underlying affects profit or loss.

#### *Determining fair value*

The fair value of instruments quoted on public markets is determined with reference to the bid price for the instrument in question at the reference date. The fair value of unquoted instruments is determined with financial valuation techniques. Specifically, the fair value of interest-rate swaps is measured by discounting the expected cash flows, while the fair value of foreign exchange forwards is determined on the basis of the market exchange rate at the reference date and the expected rate differentials among the currencies involved.

Financial assets and liabilities valued at fair value are classified in the three hierarchical levels described below, on the basis of the materiality of inputs used in the fair value measurement. In particular:

- Level 1: financial assets and liabilities whose fair value is determined on the basis of the unadjusted quoted prices in an active market for identical assets and liabilities that Leonardo can access at the measurement date;
- Level 2: financial assets and liabilities whose fair value is determined on the basis of inputs other than the quoted prices as in Level 1, that are directly or indirectly observable;
- Level 3: financial assets and liabilities whose fair value is determined on the basis of unobservable inputs.

### **3.12 Cash and cash equivalents**

The item includes cash, deposits with banks or other institutions providing current account services, post office accounts and other cash equivalents, as well as investments maturing in less than three months from

the date of acquisition. Cash and cash equivalents are recognised at their fair value, which normally coincides with their nominal value.

### **3.13 Equity**

#### *Share capital*

Share capital consists of the capital subscribed and paid up by the Group Parent. Costs directly associated with the issue of shares are recognised as a decrease in share capital when they are directly attributable to capital operations, net of the deferred tax effect.

#### *Treasury shares*

Treasury shares are recognised as a decrease in Group shareholders' equity. Gains or losses realised in the acquisition, sale, issue or cancellation of treasury shares are recognised directly in shareholders' equity.

### **3.14 Financial liabilities**

Financial liabilities are initially recognised at fair value and subsequently classified as "measured at amortised cost" or at "fair value through profit or loss". Financial liabilities are classified at fair value through profit or loss when these are held for trading, represent a derivative or are so designated at the time of initial recognition. Other financial liabilities are measured at amortised cost, using the effective interest method. All payables are included in this category.

Financial liabilities are classified as current liabilities unless the Group has the contractual right to settle its debts at least 12 months after the date of the annual or interim financial statements.

### **3.15 Taxation**

The Group's tax burden is made up of current and deferred taxes. If these taxes are related to income and expense recognised in equity in the statement of comprehensive income, a balancing entry is recorded under the same item.

Current taxes are calculated in accordance with the existing fiscal legislation applicable to those countries in which the Group operates and in force at the balance-sheet date. Any risks connected with a different interpretation of the positive and negative components of income, together with ongoing disputes with the tax authorities are regularly assessed, in order to adjust the provisions made.

Deferred tax assets and liabilities are calculated based on temporary differences arising between the carrying amounts of assets and liabilities and their value for tax purposes, as well as on fiscal losses. Deferred tax assets and liabilities are calculated by applying the tax rate that is expected to be in force at the time the temporary differences will be reversed. The estimation is made based on tax laws in effect or substantially in effect at the reporting date. Deferred tax assets, including those deriving from tax losses, are recognised to the extent that, based on the company plans approved by the directors, it is probable the company will post future taxable income in respect of which such assets can be utilised.

If there are uncertain tax treatments, the Group determines whether they are likely to be accepted by the tax authorities. If acceptance is considered probable, the tax values must take account of the uncertain tax treatment, while, if acceptance is considered unlikely, the Group calculates the effect of this uncertainty using the most probable amount or expected value method.

### 3.16 Employee benefit obligations

#### *Post-employment benefit plans*

Group companies use several types of pension and supplementary benefit plans, which can be classified as follows:

- *Defined-contribution plans* in which the company pays fixed amounts to a distinct entity (e.g., a fund) but has no legal or constructive obligation to make further payments if the fund does not have sufficient assets to pay the benefits accrued by employees during their period of employment with the company. The company recognises the contributions to the plan only when employees rendered their services to the company specifically in exchange for these contributions;
- *Defined-benefit plans* in which the company undertakes to provide agreed benefits for current and former employees and incur the actuarial and investment risks associated with the plan. The cost of the plan is therefore not determined by the amount of the contributions payable in the financial period but, rather, is redetermined with reference to demographic and statistical assumptions and wage trends. The methodology used is the projected unit credit method. Accordingly, the Group recognises a liability for the same amount arising from the actuarial estimation, and recognises actuarial gains and losses immediately and in full in the period in which they occur in the statement of comprehensive income through a special equity reserve (in the “Remeasurement reserve”). To determine the amount to be entered in the balance sheet, the fair value of the plan assets is deducted from the current value of the obligation for the defined-benefit plans. This fair value is calculated using the interest rate adopted for discounting back the obligation.

#### *Other long-term benefits and post-employment benefits*

Group companies grant employees with other benefits (such as seniority bonuses after a given period of service with the company) that, in some cases, continue to be provided after retirement (for example, medical care). These receive the same accounting treatment as defined-benefit plans, using the projected unit credit method. However, for “Other long-term benefits” net actuarial gains and losses are both recognised to profit or loss immediately and in full as they occur.

#### *Benefits payable for the termination of employment and incentive plans*

Termination benefits are recognised as liabilities and expenses when the enterprise is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date or to providing termination benefits as a result of an offer made in order to encourage voluntary redundancy. The benefits payable to employees for the termination of employment do not bring any future economic benefit to the enterprise and are therefore recognised immediately as expenses.

#### *Equity compensation benefits*

In case the Group uses stock-option and stock-grant plans to compensate the senior management, the theoretical benefit attributable to the recipients is charged to the income statement in the financial periods for which the plan is operative with a contra-item in an equity reserve. The benefit is quantified by measuring at the assignment date the fair value of the assigned instrument, using financial valuation techniques that take account of market conditions and, at the date of each annual report, an updated estimate of the number of instruments expected to be distributed. Vice versa, the fair value calculated at the grant date is not updated in the subsequent recognitions. Any tax or social security obligations fulfilled by the Group as withholding agent on behalf of beneficiaries, if falling under a plan settled through equity instruments, are

recognised with a contra-item in an equity reserve, without any effect through profit or loss, as they are considered as equity-settled share-based payment transactions falling under the plan itself. From a financial point of view, such obligations are recognised within cash flow operations.

### **3.17 Provisions for risks and charges**

Provisions for risks and charges are recognised when, at the reporting date, the entity has a present obligation (legal or constructive) to other parties as a result of a past event, and it is probable that, in order to settle the obligation, whose amount can be reliably estimated, an outflow of resources will be required.

The amount reflects the best current estimate of the cost of fulfilling the obligation. The interest rate used to determine the present value of the liability reflects current market rates and includes the additional effects relating to the specific risk associated with each liability. Changes in the estimates are recognised in the income statement of the year in which the change occurs. With regard to some disputes, the information required by IAS 37 “*Provisions, contingent liabilities and contingent assets*” is not reported, in order to not jeopardize the Group position in the context of such disputes or negotiations.

Risks for which the emergence of a liability is merely a possibility are reported in the section in the notes on commitments and risks and no provision is recognised.

The item includes provisions for onerous contracts. For further details reference is made to Note 4.4.

### **3.18 Leasing**

#### ***Group entities as lessees***

The Group recognises the right-of-use assets and the lease liability for a lease agreement or an agreement that contains a lease component.

Right-of-use assets are valued at cost, net of accumulated amortisation and impairment losses (if any) (Note 3.7), as adjusted by any re-measurement of lease liabilities. The cost includes the value of lease liabilities, any initial direct costs sustained and the lease payments made on the commencement date or before the inception of the same agreement, net of incentives received (if any). Right-of-use assets are amortised on a straight-line basis from the commencement date to until the end of the lease term. If the agreement transfers the ownership of the underlying asset, the Group will amortise the right-of-use assets until the end of the useful life of the underlying asset at the end of the lease term.

Lease liabilities are measured at the present value of the lease payments due and not yet paid as at the commencement date of the agreement. The due payments include fixed payments, net of any lease incentives to be received, variable payments (linked to an index or an interest rate) and the amounts the Group expects to pay as security on the remaining value. Lease payments also include any possible exercise price of a purchase option that is reasonably certain to be exercised by the Group and the payment of penalties that the latter believes it shall incur for any possible early termination of the agreement. The Group restates the lease liabilities in the event of subsequent amendments being made to the agreement.

In calculating the present value of due payments the Group uses the incremental borrowing rate prevailing at the commencement date of the agreement when the implicit interest rate cannot be determined easily.

#### ***Group entities as lessors in a finance lease***

At the date on which a lease is first recognised, the value of the leased asset is eliminated from the balance sheet and a receivable equal to the net investment in the lease is recognised. The net investment is the sum

of the minimum payments plus the residual unguaranteed value discounted at the interest rate implicit in the lease contract. Subsequently, financial income is recognised in the income statement for the duration of the contract in an amount providing a constant periodic rate of return on the lessor's net investment.

The unsecured residual value is reviewed periodically for possible impairment.

#### *Group entities as lessors in an operating lease*

Receipts in respect of contracts qualifying as operating leases are recognised in the income statement over the duration of the contract on a straight-line basis.

### **3.19 Government grants**

Once formal authorisation for their assignment has been issued, grants are recognised on an accruals basis in direct correlation with the costs incurred. Specifically, set-up grants are taken to the income statement in direct relation to the depreciation of the relevant goods or projects, and in the balance sheet, grants are recognised as a reduction of the capitalised assets, for the amount not yet recognised to profit or loss. For the analysis of the aspects related to grants under Law 808/1985, reference should be made to Note 4.2.

### **3.20 Costs**

Costs are recorded in compliance with the accrual principle.

### **3.21 Financial income and expenses**

Interest is recognised on an accruals basis using the effective interest-rate method, i.e. the interest rate that results in the financial equivalence of all inflows and outflows (including any premiums, discounts, commissions, etc.) that make up a given operation.

Financial expenses attributable to the acquisition, construction or production of certain assets taking a substantial period of time to get ready for their intended use or sale (qualifying assets) are capitalised together with the related asset.

### **3.22 Dividends**

Dividends are recognised in the income statement as soon as the right to receive payment arises, which is normally when the shareholders' meeting approves the distribution of dividends.

Dividends distributed to Leonardo shareholders are reported as a change in the shareholders' equity and are recognised as liabilities for the period in which their distribution is approved by the Shareholders' Meeting.

### **3.23 Discontinued operations and non-current assets held for sale**

Non-current assets (or disposal groups) whose carrying amount will be recovered principally through a sale transaction rather than through continuing use, are classified as held for sale and presented separately in the statement of financial position. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable within one year. If these conditions are met after the year-end, the non-current asset (or disposal group) is not classified as held for sale. However, if these conditions are met after the year-end but before the financial statements are approved for publication, appropriate information is provided in the explanatory notes thereto.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell; the corresponding values of the prior year balance sheet are not reclassified.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, an:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations – whether they have been disposed of or classified as held for sale or under disposal – are presented separately in the income statement, less tax effects. The corresponding values of the prior year, if any, are reclassified and shown separately in the income statement, for comparative purposes, net of tax effect.

### **3.24      *New IFRS and IFRIC interpretations***

There were no significant changes in the Group's application of accounting standards during the period in comparison with those applied in the preparation of the consolidated financial statements at 31 December 2024. In particular, Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates", which became effective from 1 January 2025, had no material impact on the Group's data.

At the reporting date, the European Commission had endorsed certain standards and interpretations that were not yet compulsory, which will be adopted by the Group in the following financial periods, if applicable.

Among these, note IFRS 18 "Presentation and Disclosure in Financial Statements", effective 1 January 2027, which will replace IAS 1 "Presentation of Financial Statements" and will introduce changes to IAS 7 "Statement of Cash Flows". IFRS 18 lays down new requirements for the presentation of the income statement, a new definition of management-defined performance measures, and new rules for the aggregation and disaggregation of financial information. The Group has begun a preliminary assessment of the impacts associated with adopting the new standard that is still ongoing. Based on the evaluations carried out so far, the effects are considered to relate mainly to presentation and disclosure in the financial statements.

We expect no material effects on the Group's financial statements deriving from other amendments to standards and interpretations.

There are a number of standards or amendments to existing principles issued by the IASB or new decisions of the International Financial Reporting Interpretations Committee (IFRIC) for which the revision and approval project is still under way.

## **4. SIGNIFICANT ISSUES AND CRITICAL ESTIMATES BY MANGEMENT**

The preparation of the Group's financial statements requires directors to make discretionary assessments, estimates and assumptions that affect revenues, costs, assets and liabilities, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could lead to outcomes that will require significant adjustments in the future. The aspects that required greater subjectivity by the directors in making the estimates are described below.

#### **4.1 Development costs**

This account includes costs related to the application of the results of research or other knowledge in a plan or a project for the production of materials, devices, systems or services that are new or significantly advanced (including higher set-up costs incurred compared to the costs of the asset once fully operating), prior to the start of commercial production or use, for which the generation of future economic benefits can be demonstrated. These costs are amortised according to the units-of-production method, over the period in which the future earnings are expected to be realised for the project itself. The useful life changes according to the business of the company and it exceeds 5 years on average. If such costs fall within the scope of costs defined by Group standards as “non-recurring costs”, they are recognised in a specific item under intangible assets (Note 4.2).

The initial recognition and subsequent assessment of their recoverability require complex estimates by management which estimates are influenced by a number of factors, such as the timeline of the product business plans, the company’s ability to anticipate the commercial success of the new technologies and technological obsolescence.

Research costs, on the other hand, are expensed in the period in which they are incurred.

#### **4.2 Non-recurring costs**

“Non-recurring costs” under intangible assets are the costs incurred in designing, prototyping, starting-up and upgrading to the technical and functional specifications of clearly identified potential clients – including higher set-up costs compared to costs for the asset once fully operating –, if they are financed, in particular under Law 808/1985 governing State aids to support the competitiveness of entities operating in the Aeronautics and Defence segments. These costs are shown excluding the benefits collected or to be collected under Law 808/1985, while the portion to be refunded is recognised among “Other liabilities”, making a distinction between the current portion and the non-current portion, based on the date of repayment. Royalties to be given to the grantor for programmes qualified as functional to National Security that benefit from the previous provisions of Law 808/1985 in force until 2023, are recognised as the requirements are met (sale of products embedding the technology for which the Law permits aids). Non-recurring costs are carried among intangible assets and are amortised within job orders on the units-of-production method.

The main capitalised costs are tested for impairment at least once a year until development is complete; after that, as soon as contract prospects change, when expected orders are no longer made or delayed. The impairment test is conducted on assumed sales plans.

The initial recognition and subsequent assessment of the recoverability of these costs require estimates, which are by their own nature complex and marked by a high level of uncertainty as they are influenced by a number of factors, such as the time-line of the product business plans, which in some cases is particularly long, and the company’s ability to anticipate the commercial success of the new technologies. These estimates therefore imply significant assessments by management which take into account the reasonable certainty that funds are received and the effects of time value in the case of deferment over more than one year of the granting of funds.

In the case of programmes that benefit from the provisions of Law 808/1985 and that are classified as functional to national security, the portion of non-recurring costs capitalised, pending the fulfilment of the legal requirements for the recognition of the amount receivable from the Ministry, is shown separately under “other non-current assets”. The related amount is calculated based on an estimate made by management that reflects the reasonable certainty that funds are received and the effects of time value in the case of deferment over more than one year of the granting of funds.

#### **4.3 Hedging long-term contracts against foreign exchange risk**

In order to hedge exposure to changes in flows of receipts and payments associated with long-term construction contracts denominated in currencies other than the functional currency, the Group enters into specific hedges for the expected individual cash flows in respect of the contracts. The hedges are entered into at the moment the commercial contracts are finalized, except where the award of the contracts is felt to be highly likely as a result of existing framework contracts. Exchange-rate risk is normally hedged with plain vanilla instruments (forward contracts): in some cases, however, in order to protect the Group against any possible persistent adverse trend in some currencies, the Group might enter into more highly structured operations that, while substantively hedging the positions, do not qualify for hedge accounting under IFRS 9. In these cases, as in all cases where hedges prove to be ineffective, changes in the fair value of such instruments are taken immediately to the income statement as financial items. The effects of this recognition policy are reported in Note 31. Hedges in the former case are reported as cash-flow hedges.

#### **4.4 Estimate of revenues and final costs of long-term contracts**

The Group operates in sectors and with contractual arrangements that are especially complex. They are recognised on a percentage-of-completion basis in case the requirements for the revenue recognition over time are met. Margins recognised in the income statement are a function of both the state of progress on performance obligations included in the contracts and the margins that are expected to be recognised for the completed contract.

Any requests for additional considerations arising from contractual changes, including those arising from higher costs incurred for reasons attributable to the customer, shall be incorporated in the total amount of the considerations, if it is highly probable that this will be recognised by the customer, up to the expected value of such recognised amount.

Estimating the expected overall costs of contracts in progress is marked by a high degree of uncertainty as they can be influenced by a number of factors such as the engineering complexity of the products, the ability to precisely fulfil specific technical requests made by customers and to meet the manufacturing timeframe provided for in the contract. Failure to comply with such contractual terms and conditions may imply penalties and extra-costs of a remarkable amount to be considered in estimating total costs. In order to enhance support for management's estimates, the Group has adopted contract management and risk analysis tools designed to identify, monitor and quantify the risks associated with such contracts. The amounts posted in the financial statements represent management's best estimate at the reporting date supported by said tools.

In case the reassessment of the economic plans (whole life estimates) during the progress of a contract highlights the presence of elements that make them onerous, the amount of costs considered necessary to fulfil the obligations that is higher than the economic benefits arising from the contract is recognised in full in the financial period in which it becomes reasonably foreseeable and allocated to a "provision for onerous contracts" under provisions for current risks and charges. The reversal of such accruals is recognised as absorption under "Other operating income".

#### **4.5 Liabilities from defined-benefit pension plans**

The Group is sponsor to two UK defined-benefit pension plans and to various US and other minor European plans. It has the obligation to ensure a given level of benefits to the plan participants and carries the risk that the plan assets are not adequate to cover the benefits promised. In case these plans are in a deficit position, the trustee responsible for the management requests the Group to fund the plan.

The deficit resulting from the most updated actuarial valuations made by independent experts is recognised as a liability: these valuations stem from actuarial, demographic, statistical and financial assumptions that can vary over time.

#### **4.6 Impairment of assets**

Group assets are tested for impairment at least annually if their lives are indefinite, or more often if there are indications of impairment. Similarly, impairment tests are conducted on all the assets with definite useful life showing signs of impairment, even if the amortisation already commenced.

The recoverable amount is generally based on the value in use calculated according to the Discounted Cash-Flow method, which is characterized by a high level of complexity and the use of estimates, which are by their nature uncertain and subjective in relation with the expected cash flows and the financial parameters used to determine the discount rate.

For these valuations, the Group uses the estimated cash flows based on the plans that have been approved by corporate bodies and financial parameters that are in line with those resulting from the current performance of reference markets. The relevant plans take into account all business assessments of risks related also to technological innovations, emerging global scenarios, customer needs and expected regulatory requirements.

The business plans used in order to assess the recoverability of capitalized assets are prepared by also considering additional investments related to the search for innovative solutions in sustainable business, reduction in emissions and decarbonization. Likewise, any prospective aspects and impacts related to climate change are already considered. Leonardo's plan on these issues is explained in more detail in the "Planet" section of the Report on Operations, to which reference should be made.

When listed companies are involved, the recoverable amount is primarily based on fair value less costs to sell, representing what would be obtained from selling the capital invested in the cash-generating unit, while mainly taking into account the reliability of the available market evidence.

Details about the methods for the calculation of the impairment tests are reported in Note 9.

#### **4.7 Disputes**

The Group's operations regard sectors and markets where many disputes, both as petitioner and plaintiff, are settled only after a considerable period of time, especially in cases where the customer is a government entity. In case management deems it probable that following the litigation an outflow of resources, whose amount can be reliably estimated, will be required, this amount that has been discounted in order to consider the timeline for the disbursement, is included in the risk provision. The estimate for the developments of these disputes is particularly complex and requires significant estimates by the management. Disputes where a liability is deemed possible but not probable are shown in the relevant informative section on commitments and risks; against such disputes no allocation is made.

#### **4.8 Risks linked to the impacts from the macro-economic scenario**

The Aerospace, Defence and Security industry is characterised by an increasingly complex geopolitical scenario worldwide. With regard to the impact of international foreign-policy measures, and based on the rules currently enforced by the US government on imported goods, the Group's exposure appears limited, since it only affects commercial contracts and excludes government military contracts. Moreover, some particularly significant civil contracts and programs include safeguards such as, imports handled by the customer, who collects goods directly from Leonardo's production facilities, thereby avoiding, in actual terms, the application of customs duties.

Therefore, as of today the Group's most affected area is its US civil helicopter business, which imports components and spare parts that are assembled locally and sold to both domestic and export customers. Management is considering a range of mitigation measures — for example, raising spare parts prices — and is evaluating the option of using temporary importation for export products to avoid tariffs. If that approach proves impractical, other measures could be taken, including geographically relocating certain production activities within the Group.

For these reasons, it is currently believed that the risk arising from existing regulations, including in relation to the targets of the economic and financial plan, can be kept manageable for the Group.

Furthermore, the high tensions due to wars destabilize the global geopolitical equilibrium - elevating the attention on security and defence issues in the political debate and the stated intention of further expanding defence investments in many countries - and could lead to an unstable scenario and to new complexities, with possible medium- and long-term repercussions on Leonardo eligible markets. The Group's exposure is moderate in the areas affected by wars and the management regularly monitors the evolution in the affected territories in order to capture possible changes affecting the geopolitical context that could require a review of the corporate strategies already defined and/or the adoption of safeguards to protect the Group's competitive positioning, investments, corporate performances and resources.

## **5. EFFECTS OF CHANGES IN ACCOUNTING POLICIES ADOPTED**

There were no significant changes in the Group's application of accounting standards during the period.

## **6. SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE YEAR**

With reference to significant events and transactions occurred during financial year 2025, we note as follows:

- 14 January 2025 saw the closing of the disposal transaction of the Underwater Armaments & Systems (UAS) line of business to Fincantieri. The transaction resulted in a total cash-in amount of €mil. 446 and in the recognition of a capital gain of approx. €mil. 283, classified within "other operating income".
- On 24 February 2025, following the previous agreements signed between Leonardo and Rheinmetall with the aim of forming a new European nucleus for the development and production of military combat vehicles in Europe, the company Leonardo Rheinmetall Military Vehicles S.r.l. was established, equally held by the two partners and classified as a joint venture.
- 14 May 2025 marked the incorporation of Nuclitalia Srl, whose stakes in the capital are held by Enel (51%), Ansaldo Energia (39%) and Leonardo (10%). The aim is to develop innovative nuclear power technologies, with a focus on the Small Modular Reactors (SMRs) and on state-of-the art fourth-generation reactors. The company is recognized in the consolidated financial statements of Leonardo under the historical cost method, as the best fair value approximation.
- 20 June 2025 saw the establishment of Edgewing Systems Ltd., a company invested by Leonardo, BAE Systems and Mitsubishi Heavy Industries, an industrial milestone of the Global Combat Air Programme (GCAP) to deliver sixth generation combat aircraft. The company, whose shareholders hold equal stakes (33.3% each), and classified as a joint venture, will guide the development of the aircraft, and will remain the design authority for the life of the product, whose in-service date is expected in 2035 and the go-out beyond 2070.
- In October 2025, on the occasion of the capital increase of Avio, Leonardo finalized financial transactions which led to a reduction in its shareholding from 28.75% to about 19.3% of the share

capital, with a net cash-in of around €mil. 21. The disposals also entailed for Leonardo a capital gain of about €mil. 70. Avio successfully completed the capital increase transaction amounting to €mil. 400.

- In October 2025, Leonardo finalized the acquisition of 24.55% in the capital of the Finnish company SSH Communications Security Corporation, worth about €mil. 20. The acquisition aims to strengthen the cyber portfolio and develop a Zero Trust European ecosystem. The company is classified as an associate and recognized at equity in Leonardo financial statements.
- In December 2025, Leonardo completed the 100% acquisition of the Swedish company Axiomatics AB, specializing in authorisation management and data security solutions based on the Zero Trust architecture. The company is consolidated line-by-line from the acquisition date; for further details, reference is made to Note 14 on “Business combinations”.

Woth noting are the following significant events:

- Following the signature on 6 March 2025 of a Memorandum of Understanding with Baykar Technologies to cooperate in the development of unmanned systems, on 16 June 2025 an agreement was signed for the establishment of a company having equal shareholders (50% each), named LBA Systems S.r.l., with operational headquarters in Italy. The company will operate in both the European and international markets.
- On 30 July 2025, Leonardo signed an agreement to acquire Iveco Defence, a division of Iveco Group, for a total enterprise value of €bil. 1.7. The transaction strengthens Leonardo’s positioning in the European land defence domain and will allow the integration of Iveco Defence vehicles with the Company’s electronic systems, gaining benefits in terms of industrial efficiency, technology development and expansion of commercial opportunities. The closing of the transaction is expected in the first quarter of 2026, subject to regulatory approvals.
- On 23 October 2025, Leonardo, Airbus and Thales signed a Memorandum of Understanding to create a new company in space, which will become operational from 2027, once the necessary regulatory clearances are obtained. The new company will combine the partners’ space operations and will be aimed at strengthening Europe’s strategic autonomy in the sector, which is key to critical infrastructure and services related to telecommunications, global navigation, earth observation, science, exploration and national security. This new company will combine complementary capabilities and technologies by developing end-to-end solutions, from space infrastructure to services (excluding space launchers), with the purpose of accelerating innovation and creating a European space player to compete globally. Ownership of the new company will be held by Airbus (35%), Leonardo (32.5%) and Thales (32.5%); the company will be based on a fully balanced governance structure among shareholders. At 31 December 2025, not all the conditions required by IFRS 5 were satisfied for classifying the space business of Leonardo as held for sale.
- On 26 May 2025 the Shareholders’ Meeting approved the “2025-2027 Share Ownership Plan of Leonardo” (the “Plan”), with the purpose of strengthening the engagement and sense of belonging of the Group’s resources. The Plan is divided into three annual cycles – that can be started in 2025, 2026 and 2027 – to which the employees of Leonardo Spa and of the other Group companies based in Italy, in the USA (except Leonardo DRS), in the UK and in Poland can voluntarily have access. Participants, with respect to the purchase of Leonardo S.p.a.’s shares will receive free shares measured partially in proportion to the shares acquired on their behalf and partly on a one-off basis at the time they first subscribe the Plan. All shares received for free are subject to a lock-up period (which in Italy lasts three years), which is subordinated to the employee continuing to maintain his/her employment relationship with Leonardo. The Plan activated in 2025 was subscribed to by

about 11 thousand resources for whom a total of about 64.7 thousand free shares have been assigned.

- With reference to the dispute with the Norwegian Ministry of Defence Agency (NDMA) under the contract for the supply of 14 NH90 helicopters entered with NH Industries (NHI, whose shareholders are Leonardo, Airbus Helicopters, and Fokker Aerostructure), a settlement was reached on 1 November 2025 by which all disputes between the parties relating to the Norwegian NH90 program are resolved. The settlement provides that NHI will take back all helicopters, along with associated spare parts, tools, and mission-specific equipment from the Norwegian Government, for which is ongoing the evaluation of other possible use, against the payment by NHI of an agreed cash amount of €mil. 305, €mil. 125 of which as the share attributable to Leonardo, in addition to amounts previously paid pursuant to bank guarantees, amounting to approximately €mil. 70. For further details, reference is made to Note 22 on the provisions for risks and contingent liabilities.

Other significant industrial transactions are outlined in paragraph “Industrial and financial transactions” of the Report on operations, to which reference is made for further details.

## 7. SIGNIFICANT POST-BALANCE SHEET EVENTS

No significant events occurred after the balance-sheet date.

## 8. SEGMENT INFORMATION

The Divisions and companies through which the Group operates are aggregated, for the purposes of internal and external reporting, into the five business sectors of reference: *Defence Electronics and Security, Helicopters, Aeronautics, Cyber Security & Solutions, and Space*. The segment of *Other activities* includes the Corporate and remaining activities. It should be noted that, as from 2025, and following the creation of the new Aeronautics Division, the Group reshaped the way it reports its performance. In the 2024 Financial Statements, the Aerostructures and Aircraft Divisions were reported separately: at present, they are included in the single Aeronautics Sector, which also includes activities carried out under the Global Combat Air Program (GCAP), previously reported under Other Activities. The new configuration aims to consolidate the aeronautical business and strengthen the Group’s role as a key player in the sector, accelerate the execution of strategies for Leonardo in the fixed-wing segment, and in the development of the Unmanned Aerial Systems/Remotely Piloted Aircraft Systems business, as well as strengthening the product portfolio, and management of strategic international partnerships across the entire sector. Comparative figures have been restated to facilitate comparison of performance.

The Group evaluates the performance of its operating sectors and the allocation of financial resources based on revenues and EBITA (see also paragraph “NON-GAAP performance indicators” in the Report on Operations). For the purpose of a correct interpretation of the information provided we note that the results of strategic equity investments (MBDA, GIE ATR, Thales Alenia Space and HENSOLDT), net of non-recurring income statement items which are extraordinary items or unrelated to ordinary operations, have been included within the EBITA of the sectors to which these JVs and associates belong; conversely, these sectors do not reflect the relevant share of revenue.

The results for the operating sectors at 31 December 2025, as compared to 2024, are as follows:

<b>31 December 2025</b>	<b>Defence Electronics &amp; Security</b>	<b>Helicopters</b>	<b>Aeronautics</b>	<b>Cyber &amp; Security Solutions</b>	<b>Space</b>	<b>Other Activities</b>	<b>Eliminations</b>	<b>Total</b>
Revenues	8,350	5,833	4,238	798	1,007	639	(1,362)	<b>19,503</b>
Inter-segment revenues (*)	(767)	(17)	(9)	(119)	(19)	(431)	1,362	-
<b>Third party revenues</b>	<b>7,583</b>	<b>5,816</b>	<b>4,229</b>	<b>679</b>	<b>988</b>	<b>208</b>	-	<b>19,503</b>
<b>EBITA</b>	<b>1,075</b>	<b>523</b>	<b>326</b>	<b>80</b>	<b>59</b>	<b>(311)</b>	-	<b>1,752</b>
Investments (**)	365	319	117	31	68	172	-	<b>1,072</b>
Non-current assets (***)	3,800	4,496	1,084	189	954	1,149	-	<b>11,672</b>

<b>31 December 2024</b>	<b>Defence Electronics &amp; Security</b>	<b>Helicopters</b>	<b>Aeronautics</b>	<b>Cyber &amp; Security Solutions</b>	<b>Space</b>	<b>Other Activities</b>	<b>Eliminations</b>	<b>Total</b>
Revenues	7,758	5,249	3,816	648	906	591	(1,205)	<b>17,763</b>
Inter-segment revenues (*)	(700)	(5)	(12)	(65)	(10)	(413)	1,205	-
<b>Third party revenues</b>	<b>7,058</b>	<b>5,244</b>	<b>3,804</b>	<b>583</b>	<b>896</b>	<b>178</b>	-	<b>17,763</b>
<b>EBITA</b>	<b>1,014</b>	<b>465</b>	<b>278</b>	<b>49</b>	<b>31</b>	<b>(312)</b>	-	<b>1,525</b>
Investments (**)	323	306	137	13	31	164	-	<b>974</b>
Non-current assets (***)	4,020	4,320	1,093	151	948	1,068	-	<b>11,600</b>

(\*) Inter-segment revenue includes revenue among Group consolidated undertakings belonging to various business sectors.

(\*\*) Investments relate to intangible assets and property, plant and equipment as well as to investment property (net of grants ascertained on these items).

(\*\*\*) The share of fixed assets refers to intangible and tangible assets, as well as investment property.

The reconciliation of EBITA, EBIT and earnings before income taxes and financial expense for the periods concerned is shown below:

<b>2025</b>	<b>Defence Electronics &amp; Security</b>	<b>Helicopters</b>	<b>Aeronautics</b>	<b>Cyber &amp; Security Solutions</b>	<b>Space</b>	<b>Other Activities</b>	<b>Total</b>
<b>EBITA</b>	<b>1,075</b>	<b>523</b>	<b>326</b>	<b>80</b>	<b>59</b>	<b>(311)</b>	<b>1,752</b>
Amortisation of intangible assets acquired as part of business combinations	(46)	(4)	-	(1)	(21)	-	<b>(72)</b>
Restructuring costs	(8)	(4)	(1)	-	(6)	(12)	<b>(31)</b>
Non-recurring income/(expenses)	(13)	(132)	(28)	(8)	-	(21)	<b>(202)</b>
<b>EBIT</b>	<b>1,008</b>	<b>383</b>	<b>297</b>	<b>71</b>	<b>32</b>	<b>(344)</b>	<b>1,447</b>
Equity-accounted strategic investments	(155)	-	-	-	27	-	<b>(128)</b>
Effect on extraordinary transactions	283	-	-	-	-	(14)	<b>269</b>
<b>Income before tax and financial expenses</b>	<b>1,136</b>	<b>383</b>	<b>297</b>	<b>71</b>	<b>59</b>	<b>(358)</b>	<b>1,588</b>

<b>2024</b>	<b>Defence Electronics &amp; Security</b>	<b>Helicopters</b>	<b>Aeronautics</b>	<b>Cyber &amp; Security Solutions</b>	<b>Space</b>	<b>Other Activities</b>	<b>Total</b>
<b>EBITA</b>	<b>1,014</b>	<b>465</b>	<b>278</b>	<b>49</b>	<b>31</b>	<b>(312)</b>	<b>1,525</b>
Amortisation of intangible assets acquired as part of business combinations	(45)	(5)	-	(1)	(21)	-	(72)
Restructuring costs	(10)	(1)	(4)	(5)	(21)	6	(35)
Non-recurring income/(expenses)	(66)	-	(36)	(32)	(2)	(11)	(147)
<b>EBIT</b>	<b>893</b>	<b>459</b>	<b>238</b>	<b>11</b>	<b>(13)</b>	<b>(317)</b>	<b>1,271</b>
Equity-accounted strategic investments	(162)	-	12	-	59	-	(91)
Effect on extraordinary transactions							-
<b>Income before tax and financial expenses</b>	<b>731</b>	<b>459</b>	<b>250</b>	<b>11</b>	<b>46</b>	<b>(317)</b>	<b>1,180</b>

Below is the breakdown of revenue by geographical area and relevant sector:

<b>31 December 2025</b>	<b>Defence Electronics &amp; Security</b>	<b>Helicopters</b>	<b>Aeronautics</b>	<b>Cyber &amp; Security Solutions</b>	<b>Space</b>	<b>Other Activities</b>	<b>Elimination s</b>	<b>Total</b>
Italy	1,655	908	1,775	579	238	472	(1,080)	<b>4,546</b>
United Kingdom	1,857	643	4	101	-	14	(64)	<b>2,555</b>
Rest of Europe	705	1,337	591	33	663	89	(134)	<b>3,284</b>
United States of America	2,999	519	932	22	11	52	(12)	<b>4,522</b>
Rest of the world	1,134	2,426	936	63	95	12	(72)	<b>4,596</b>
<b>Revenues</b>	<b>8,350</b>	<b>5,833</b>	<b>4,238</b>	<b>798</b>	<b>1,007</b>	<b>639</b>	<b>(1,362)</b>	<b>19,503</b>
Inter-segment revenues (*)	(767)	(17)	(9)	(119)	(19)	(431)	1,362	-
<b>Third party revenues</b>	<b>7,583</b>	<b>5,816</b>	<b>4,229</b>	<b>679</b>	<b>988</b>	<b>208</b>	-	<b>19,503</b>

<b>31 December 2024</b>	<b>Defence Electronics &amp; Security</b>	<b>Helicopters</b>	<b>Aeronautics</b>	<b>Cyber &amp; Security Solutions</b>	<b>Space</b>	<b>Other Activities</b>	<b>Elimination s</b>	<b>Total</b>
Italy	1,631	1,052	1,067	390	221	493	(1,078)	<b>3,776</b>
United Kingdom	1,339	747	11	109	58	9	(94)	<b>2,179</b>
Rest of Europe	1,085	1,324	1,088	31	571	72	(23)	<b>4,148</b>
United States of America	2,902	311	871	39	6	13	(10)	<b>4,132</b>
Rest of the world	801	1,815	779	79	50	4	-	<b>3,528</b>
<b>Revenues</b>	<b>7,758</b>	<b>5,249</b>	<b>3,816</b>	<b>648</b>	<b>906</b>	<b>591</b>	<b>(1,205)</b>	<b>17,763</b>
Inter-segment revenues (*)	(700)	(5)	(12)	(65)	(10)	(413)	1,205	-
<b>Third party revenues</b>	<b>7,058</b>	<b>5,244</b>	<b>3,804</b>	<b>583</b>	<b>896</b>	<b>178</b>	-	<b>17,763</b>

(\*) Inter-segment revenue includes revenue among Group consolidated undertakings belonging to various business sectors.

Below is the breakdown of fixed assets (intangible assets, property, plant and equipment and investment property) according to the geographical area in which the Group companies are based:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Italy	6,787	6,595
United Kingdom	1,797	1,833
Rest of Europe	904	772
United States of America	2,160	2,376
Rest of the world	24	24
	<b>11,672</b>	<b>11,600</b>

## 9. INTANGIBLE ASSETS

	Goodwill	Development costs	Non-recurring costs	Concessions, licences and trademarks	Acquired through business combinations	Other intangible assets	Total
<b>1 January 2024</b>							
Cost	6,626	2,083	2,674	733	1,493	663	<b>14,272</b>
Depreciation	-	(815)	(642)	(490)	(1,176)	(458)	<b>(3,581)</b>
Impairment losses	(2,727)	(133)	(243)	-	-	(23)	<b>(3,126)</b>
<b>Carrying amount</b>	<b>3,899</b>	<b>1,135</b>	<b>1,789</b>	<b>243</b>	<b>317</b>	<b>182</b>	<b>7,565</b>
Investments (net of grants)	-	156	146	14	-	97	<b>413</b>
Amortisation	-	(56)	(57)	(36)	(55)	(53)	<b>(257)</b>
Impairment losses	-	(7)	(43)	-	-	-	<b>(50)</b>
Increase for business combinations	518	4	-	1	352	27	<b>902</b>
Other changes	120	(15)	22	38	12	(22)	<b>155</b>
<b>31 December 2024</b>	<b>4,537</b>	<b>1,217</b>	<b>1,857</b>	<b>260</b>	<b>626</b>	<b>231</b>	<b>8,728</b>
broken down as follows:							
Cost	7,421	2,193	2,843	783	1,921	947	<b>16,108</b>
Depreciation	-	(838)	(699)	(525)	(1,295)	(692)	<b>(4,049)</b>
Impairment losses	(2,884)	(138)	(287)	2	-	(24)	<b>(3,331)</b>
<b>Carrying amount</b>	<b>4,537</b>	<b>1,217</b>	<b>1,857</b>	<b>260</b>	<b>626</b>	<b>231</b>	<b>8,728</b>
Investments (net of grants)	-	147	150	20	-	92	<b>409</b>
Amortisation	-	(47)	(51)	(38)	(54)	(52)	<b>(242)</b>
Impairment losses	-	(12)	(48)	(1)	-	-	<b>(61)</b>
Increase for business combinations	33	3	-	-	-	-	<b>36</b>
Other changes	(258)	(20)	(48)	50	(13)	(35)	<b>(324)</b>
<b>31 December 2025</b>	<b>4,312</b>	<b>1,288</b>	<b>1,860</b>	<b>291</b>	<b>559</b>	<b>236</b>	<b>8,546</b>
broken down as follows:							
Cost	6,952	2,280	2,944	849	1,790	993	<b>15,808</b>
Depreciation	-	(845)	(750)	(560)	(1,231)	(731)	<b>(4,117)</b>
Impairment losses	(2,640)	(147)	(334)	2	-	(26)	<b>(3,145)</b>
<b>Carrying amount</b>	<b>4,312</b>	<b>1,288</b>	<b>1,860</b>	<b>291</b>	<b>559</b>	<b>236</b>	<b>8,546</b>
<b>31 December 2025</b>							
Gross value Non-recurring costs			4,906				
Grants ex under Law no. 808/85			3,046				
<b>31 December 2024</b>							
Gross value Non-recurring costs			4,880				
Grants ex under Law no. 808/85			3,023				

The investments for the year are stated net of related grants. Commitments were in place for the purchase of intangible assets for €mil. 19 at 31 December 2025 (€mil. 23 at 31 December 2024). The impairment of

non-recurring costs mainly refers to write-downs linked to programmes in the Aircraft and Defense Electronics and Security sectors.

As set out in Notes 4.1 and 4.2 of the consolidated financial statements, to which reference is made, development costs and non-recurring charges are tested for impairment, if the conditions obtain, using the discounted cash flow method. The cash flows used are those under the product business plan, as discounted on the basis of a weighted-average cost of capital (WACC) basis calculated using the Capital Asset Pricing Model method.

### Goodwill

Goodwill is allocated to the Cash Generating Units (CGUs) or to groups of CGUs concerned, which are determined on the basis of the Group's organisational, management and control structure, which coincides, as is known, with five business segments.

Below is the breakdown of goodwill by CGU at 31 December 2025 and 2024:

	31 December 2025	31 December 2024
Defence Electronics & Security	<b>2,377</b>	<b>2,613</b>
<i>DRS</i>	1,496	1,692
<i>Leonardo Divisions</i>	881	921
Helicopters	<b>1,255</b>	<b>1,277</b>
Cyber & Security Solutions	<b>118</b>	<b>85</b>
Aircraft	<b>60</b>	<b>60</b>
Space	<b>502</b>	<b>502</b>
	<b>4,312</b>	<b>4,537</b>

The net decrease compared to 31 December 2024 was mainly due to the translation differences, which are affected by the negative effect achieved on assets denominated in USD and GBP, as well as to the corporate transactions carried out during 2025, for more details of which please refer to Note 14 on "business combinations".

Goodwill is subject to impairment testing to determine any loss in value. This is done by individual CGU by comparing the carrying amount with the greater of the value in use of the CGU and amount recoverable by sale (fair value). The Group has established an operational hierarchy between calculating the fair value net of transaction costs and value in use, where the value in use is estimated first, and then only after, if it is lower than the carrying value, is the fair value net of transaction costs determined. This hierarchy is reversed in the case of listed companies to take account of the existence of an "official" market price to which reference can be made. More specifically, regarding the Leonardo DRS CGU, the fair value less cost to sell, based on market capitalisation at 31 December 2025 was equal to \$mil. 8,713 (€mil. 7,416) and the headroom amounted to \$mil. 5,643 (€mil. 4,803).

With reference to the value in use, it is measured by the unlevered discounting of the cash flows resulting from the Group's five-year business plans prepared by the management of the CGUs and incorporated into the plan approved by Leonardo's Board of Directors, projected beyond the explicit time horizon covered by the plan according to the perpetuity growth method (terminal value), using growth rates ("g-rate") no greater than those forecast for the markets in which the given CGU operates. The cash flows used were those provided for in the plans adjusted to exclude the effects of future business restructurings, if any, not yet approved, or future investments for improving future performance. Specifically, these cash flows are those generated before financial expense and taxes – determined on a notional basis, and include investments in capital assets and monetary changes in working capital, while excluding cash flows from financial

management, extraordinary events or the payment of dividends. The underlying macro-economic assumptions were made on the basis of external information sources, where available, while the profitability and growth estimates used in the plans were calculated by management based on past experience and future developments in the Group's markets.

These cash flows are discounted on a weighted-average cost of capital (WACC) basis calculated using the Capital Asset Pricing Model method. The following factors were taken into account in calculating WACCs, which were also determined by using the data referable to the main competitors operating in each sector:

- the risk-free rate was determined using the 10- and 20-year gross yield of government bonds of the geographic market of the CGU;
- the market premium, determined using computations of external providers;
- the sector beta;
- the cost of debt;
- the debt/equity ratio.

The growth rates used to project the CGU's cash flows beyond the explicit term of the plan were instead estimated by making reference to the growth assumptions of the individual sectors in which said CGUs operate. These assumptions are based on the internal processing of external sources, making reference to a period of time that is usually ten years. The g-rates used for the purposes of the impairment test were equal to 2%, consistently with the actions taken in previous financial years, even in the presence of higher expected growth rates in some sectors.

The mostly important assumptions for the purposes of estimating the cash flows used in determining the value in use are:

- WACC;
- g-rate;
- ROS;
- the trend in Defence budgets.

In estimating these assumptions, management made reference, in the case of external variables, to internal information processed on the basis of external surveys, as well as on its knowledge of the markets and of the specific contractual situations.

The following WACCs and (nominal) growth rates were used at 31 December 2025 and 2024:

	31 December 2025		31 December 2024	
	Wacc	g-rate	Wacc	g-rate
Defence Electronics & Security				
<i>Leonardo Divisions</i>	6.6%	2.0%	7.8%	2.0%
Helicopters	7.6%	2.0%	8.9%	2.0%
Cyber & Security Solutions	7.9%	2.0%	8.6%	2.0%
Aircraft	7.3%	2.0%	8.6%	2.0%
Space	6.6%	2.0%	7.7%	2.0%

Tests made on CGUs where goodwill was allocated revealed no signs of impairment but showed, on the contrary, significant positive margins (headroom). The results of the tests were subjected to sensitivity analysis, taking as reference those assumptions for which it is reasonable to believe that their change could significantly modify the results of the test. In this regard, it should be noted that in all the CGUs where

goodwill was allocated the large positive margins recorded are such that they cannot be significantly modified by changes in the assumptions described; however, for information purposes the results for all CGUs are reported below. The table below shows for the 2025 and 2024 financial years the positive margin relating to the base scenario, compared with the results of the following sensitivity analyses: (i) increase in the Wacc used to discount cash flows on all CGUs by 50 basis points, the other conditions remaining equal; (ii) reduction in the growth rate in the calculation of terminal value by 50 basis points, the other conditions remaining equal; (iii) reduction in operating profitability applied to terminal value by half a point, the other conditions remaining equal.

**31 December 2025**

	Margin (base case)	Margin post sensitivity		
		Wacc	g-rate	ROS TV
Defence Electronics & Security <i>Leonardo Divisions</i>	10,685	9,376	9,584	10,249
Helicopters	3,103	2,493	2,607	2,787
Cyber & Security Solutions	1,233	1,110	1,135	1,181
Aircraft	9,416	8,724	8,848	9,151
Space	1,868	1,526	1,577	1,722

**31 December 2024**

	Margin (base case)	Margin post sensitivity		
		Wacc	g-rate	ROS TV
Defence Electronics & Security <i>Leonardo Divisions</i>	7,225	6,456	6,604	6,930
Helicopters	2,063	1,635	1,730	1,832
Cyber & Security Solutions	1,047	951	971	1,003
Aircraft	7,049	6,616	6,711	6,887
Space	652	507	535	590

**Development costs and non-recurring charges**

Investments in “Development costs” mainly refer to the Helicopters and Defence Electronics and Security sectors (€mil. 105 and €mil. 37, respectively). The increase in “Non-recurring charges” mainly refers to the Helicopters sector for €mil. 94, the Aeronautics sector for €mil. 20, the Defence Electronics and Security sector for €mil. 19, and the Cyber & Security Solutions for €mil. 10. Total investments were affected by the grants received during the year, recognised as a decrease in the related item. As regards programmes that already benefit from the provisions of Law 808/85 and that are classified as functional to national security, the portion of capitalised non-recurring costs, pending the fulfilment of the legal requirements for the classification under receivables, is separately disclosed under other non-current assets (Note 13). Receivables for grants assessed by the grantor in relation to capitalised costs (shown here net of the related grants) are illustrated in Note 28.

Impairment for the year mainly related to impairment losses on Aircraft and Defence Electronics and Security programmes. Impairment tests of non-recurring costs and development costs are performed on the most significant programmes in terms of capitalisation or risk or when impairment indicators emerge. They are carried out – if conditions obtain- using the discounted cash flow method. The cash flows used are those of the product business plans, discounted on the basis of a WACC rate determined by applying the Capital Asset Pricing Model. As noted in the section on accounting policies, product business plans include any investments related to climate change issues; for more details, please refer to Note 39.

Total research and development costs, comprising also “Development costs” and “Non-recurring charges” just mentioned, are equal to €mil. 2,992, of which charged for €mil. 454.

**Other items of intangible assets**

“Concessions, licences and trademarks” include in particular the value of licenses acquired in previous years in the Helicopters sector. With regard to the full acquisition of the AW609 programme, this value also comprises the estimated variable fees which will be due to Bell Helicopter on the basis of the commercial performance of the programme (Note 24).

Below is a breakdown of the intangible assets acquired as part of business combinations:

	31 December 2025	31 December 2024
Know-how	95	122
Trademarks	37	38
Backlog and commercial positioning	427	466
	<b>559</b>	<b>626</b>

The net decrease compared to December 2024 was affected by amortisation for the year, as well as by the exchange rate effect as already mentioned above.

The item “Other intangible assets” mainly includes software, intangible assets under development and advances.

**10. PROPERTY, PLANT AND EQUIPMENT**

	Land and buildings	Plant and machinery	Equipment	Other tangible assets	Total
<b>1 January 2024</b>					
Cost	1,807	1,877	2,640	1,955	<b>8,279</b>
Amortisation, depreciation and write-offs	(864)	(1,462)	(2,251)	(1,154)	<b>(5,731)</b>
<b>Carrying amount</b>	<b>943</b>	<b>415</b>	<b>389</b>	<b>801</b>	<b>2,548</b>
Investments	6	38	55	462	<b>561</b>
Sales	(3)	(2)	(1)	(1)	<b>(7)</b>
Depreciation	(58)	(87)	(98)	(67)	<b>(310)</b>
Impairment losses	-	-	(5)	(5)	<b>(10)</b>
Increase for business combinations	18	32	2	15	<b>67</b>
Other changes	84	100	46	(245)	<b>(15)</b>
<b>31 December 2024</b>	<b>990</b>	<b>496</b>	<b>388</b>	<b>960</b>	<b>2,834</b>
broken down as follows:					
Cost	1,947	2,337	2,747	2,181	<b>9,212</b>
Amortisation, depreciation and write-offs	(957)	(1,841)	(2,359)	(1,221)	<b>(6,378)</b>
<b>Carrying amount</b>	<b>990</b>	<b>496</b>	<b>388</b>	<b>960</b>	<b>2,834</b>
Investments	27	35	56	545	<b>663</b>
Sales	(2)	-	(1)	(1)	<b>(4)</b>
Depreciation	(60)	(91)	(98)	(68)	<b>(317)</b>
Impairment losses	-	-	(2)	-	<b>(2)</b>
Increase for business combinations	-	-	-	-	<b>-</b>
Other changes	75	104	48	(325)	<b>(98)</b>
<b>31 December 2025</b>	<b>1,030</b>	<b>544</b>	<b>391</b>	<b>1,111</b>	<b>3,076</b>
broken down as follows:					
Cost	2,021	2,425	2,805	2,372	<b>9,623</b>
Amortisation, depreciation and write-offs	(991)	(1,881)	(2,414)	(1,261)	<b>(6,547)</b>
<b>Carrying amount</b>	<b>1,030</b>	<b>544</b>	<b>391</b>	<b>1,111</b>	<b>3,076</b>

The 2025 investments were related to the sectors of Defence Electronics and Security for €mil. 281, Helicopters for €mil. 93, Aeronautics for €mil. 84, Cyber Security & Solutions for €mil. 17, Space for €mil. 40, and Other Activities for €mil. 148.

“Other tangible assets” also include the value of tangible assets under construction (€mil. 553 at 31 December 2025 and €mil. 475 at 31 December 2024).

Purchase commitments of property, plant and equipment were recorded in the amount of €mil. 278 at 31 December 2025 (€mil. 233 at 31 December 2024).

No future receipts attributable to operating leases were recognised (€mil. 1 between 2 and 5 years at 31 December 2024).

**11. RIGHTS OF USE**

	Right of use of land and buildings	Right of use of plant and machinery	Right of use of other tangible assets	Total
<b>1 January 2024</b>				
Cost	809	33	76	<b>918</b>
Amortisation, depreciation and write-offs	(295)	(15)	(48)	<b>(358)</b>
<b>Carrying amount</b>	<b>514</b>	<b>18</b>	<b>28</b>	<b>560</b>
New Contract submission	29	3	18	<b>50</b>
Closing and contract modifications	20	-	-	<b>20</b>
Depreciation	(75)	(6)	(15)	<b>(96)</b>
Increase for business combinations	26	3	3	<b>32</b>
Other changes	13	-	(1)	<b>12</b>
<b>31 December 2024</b>	<b>527</b>	<b>18</b>	<b>33</b>	<b>578</b>
broken down as follows:				
Cost	905	47	94	<b>1,046</b>
Amortisation, depreciation and write-offs	(378)	(29)	(61)	<b>(468)</b>
<b>Carrying amount</b>	<b>527</b>	<b>18</b>	<b>33</b>	<b>578</b>
New Contract submission	23	7	27	<b>57</b>
Closing and contract modifications	36	3	(1)	<b>38</b>
Depreciation	(73)	(7)	(18)	<b>(98)</b>
Other changes	(32)	(2)	-	<b>(34)</b>
<b>31 December 2025</b>	<b>481</b>	<b>19</b>	<b>41</b>	<b>541</b>
broken down as follows:				
Cost	862	42	108	<b>1,013</b>
Amortisation, depreciation and write-offs	(381)	(23)	(67)	<b>(472)</b>
<b>Carrying amount</b>	<b>481</b>	<b>19</b>	<b>41</b>	<b>541</b>

During 2025 this item showed an increase due to the signature of new contracts and to the changes in existing contracts.

The leases with a term of less than 12 months and those concerning assets of modest value were recognised among "costs for purchases" (Note 29).

At 31 December 2025 there were no lease commitments. Short-term lease commitments amounted to €mil. 16 (€mil. 8 in 2024).

## 12. EQUITY INVESTMENTS AND SHARE OF PROFITS (LOSSES) OF EQUITY-ACCOUNTED INVESTEES

	2025			2024		
	Equity investments	Risk provisions	Total	Equity investments	Risk provisions	Total
Strategical investments	1,475		1,475	1,561		1,561
Joint venture not individually material:	80	(7)	73	79	(7)	72
- Rotorsim Srl	40		40	39		39
- Polo Strategico Nazionale SpA	5		5	10		10
- Closed Joint Stock Company Helivert		(7)	(7)		(7)	(7)
- Orizzonte - Sistemi navali	21		21	18		18
- Other minor	14		14	12		12
Associates not individually material	279	(2)	277	237	(4)	233
	<b>1,834</b>	<b>(9)</b>	<b>1,825</b>	<b>1,877</b>	<b>(11)</b>	<b>1,866</b>

The Group operates in certain sectors also through entities jointly controlled with third parties and valued under the equity method, since they qualify as joint ventures.

Below are reported the joint ventures considered material in terms of volumes and from a strategic viewpoint for the Group:

Company name	Nature of the relations	Main operating location	Registered office	Ownership %
Thales Alenia Space Group	JV with Thales, among the main European leaders in the satellite systems and at the forefront of orbit infrastructures	Toulouse, France	Cannes, France	33%
GIE ATR	JV with Airbus Group, among the global leaders in regional turboprop aircraft with a capacity of between 50 and 70 seats	Toulouse, France	Toulouse, France	50%
MBDA Group	JV with Airbus Group and BAE Systems (through the parent AMSH BV), among the world leaders in missiles and missile systems	Paris, France	Paris, France	25%

With reference to the Space Alliance, which univocally regulates the governance of Telespazio and Thales Alenia Space, following in-depth analyses, Leonardo considers the former to be “controlled” as a result of the amendment signed at the beginning of 2024, which modified the original agreements.

As regards the associates, the Leonardo Group considered the investment in Hensoldt as a key investment which, given its relevance, is comparable to that in the Strategic Joint Ventures from both a strategic and economic standpoint. Below is some relevant information concerning the company:

Company name	Nature of the relations	Main operating location	Registered office	Ownership %
Hensoldt Group	Associate	Taufkirchen, Germany	Taufkirchen, Germany	22.8%

Accordingly, the economic and financial data of strategic investments are reported below, in accordance with the provisions of IFRS12:

	31 December 2025				Total
	Thales Alenia Space (JV)	MBDA (through AMSH BV) (JV)	GIE ATR (JV)	Hensoldt	
Non-current assets	2,027	4,369	174	2,562	
Current assets	1,916	14,898	722	2,865	
- of which cash and cash equivalent	4	1,283	14	933	
Non-current liabilities	247	664	125	2,091	
- of which non-current financial liabilities	-	8	21	1,172	
Current liabilities	2,383	17,029	613	2,334	
- of which current financial liabilities	434	979	23	58	
NCI net equity (100%)	-	-	-	11	
Group net equity (100%)	1,313	1,574	158	991	
Revenues (100%)	2,329	5,777	1,084	2,455	
Amortisation, depreciation and impairment losses (100%)	67	241	24	171	
Financial income (expenses) (100%)	(34)	207	(8)	(94)	
Income taxes (100%)	(40)	(249)	(1)	(41)	
Profit (loss) from continuing operations (100%)	(86)	578	-	89	
Profit (loss) from discontinued operations, net of taxes (100%)	-	-	-	-	
Other comprehensive income (expenses) (100%)	37	(32)	(21)	91	
<b>Total comprehensive income (expenses) (100%)</b>	<b>(49)</b>	<b>546</b>	<b>(21)</b>	<b>180</b>	
<b>% Groups' interest in equity at 1 January</b>	452	467	92	199	1,210
% Groups' interest in profit (loss) from continuing operations	(28)	144	-	20	136
% Groups' interest in profit (loss) from discontinued operations, net of taxes	-	-	-	-	-
% Groups' interest in other comprehensive income (expenses)	12	(8)	(11)	21	14
<b>% Groups' interest in total comprehensive income (expenses)</b>	<b>(16)</b>	<b>136</b>	<b>(11)</b>	<b>41</b>	<b>150</b>
Dividends received	-	(209)	(3)	(13)	(225)
Subscriptions and capital increases (decrease)					-
Acquisitions					-
Effect of change in control					-
Exchange differences and other movements	(2)		1	(1)	(2)
<b>% Groups' interest in equity at 31 December</b>	<b>434</b>	<b>394</b>	<b>79</b>	<b>226</b>	<b>1,133</b>
Consolidation adjustments	(205)	116		431	342
<b>Equity investments at 31 December</b>	<b>229</b>	<b>510</b>	<b>79</b>	<b>657</b>	<b>1,475</b>
% Groups' interest in profit (loss)	(28)	144	-	20	136
Consolidation adjustments	1	-	-	(9)	(8)
<b>Share of profits (losses) of equity-accounted investees</b>	<b>(27)</b>	<b>144</b>	<b>-</b>	<b>11</b>	<b>128</b>

	31 December 2024				Total
	Thales Alenia Space (JV)	MBDA (through AMSH BV) (JV)	GIE ATR (JV)	Hensoldt	
Non-current assets	2,033	3,734	226	2,289	
Current assets	2,032	12,766	805	2,407	
- of which cash and cash equivalent	6	302	30	733	
Non-current liabilities	267	79	164	1,927	
- of which non-current financial liabilities	-	7	39	1,085	
Current liabilities	2,429	14,556	682	1,883	
- of which current financial liabilities	587	741	54	95	
NCI net equity (100%)	-	1	-	14	
Group net equity (100%)	1,369	1,864	185	872	
Revenues (100%)	2,168	4,913	1,100	2,240	
Amortisation, depreciation and impairment losses (100%)	60	193	87	157	
Financial income (expenses) (100%)	(63)	235	(2)	(68)	
Income taxes (100%)	(35)	(183)	(2)	(12)	
Profit (loss) from continuing operations (100%)	(184)	588	(23)	108	
Profit (loss) from discontinued operations, net of taxes (100%)	-	-	-	-	
Other comprehensive income (expenses) (100%)	(5)	53	38	5	
<b>Total comprehensive income (expenses) (100%)</b>	<b>(189)</b>	<b>641</b>	<b>15</b>	<b>113</b>	
<b>% Groups' interest in equity at 1 January</b>	522	410	91	184	<b>1,207</b>
% Groups' interest in profit (loss) from continuing operations	(61)	147	(12)	25	<b>99</b>
% Groups' interest in profit (loss) from discontinued operations, net of taxes	-	-	-	-	-
% Groups' interest in other comprehensive income (expenses)	(2)	13	19	1	<b>31</b>
<b>% Groups' interest in total comprehensive income (expenses)</b>	<b>(63)</b>	<b>160</b>	<b>7</b>	<b>26</b>	<b>130</b>
Dividends received	(9)	(102)	(11)	(11)	(133)
Subscriptions and capital increases (decrease)					-
Acquisitions					-
Effect of change in control					-
Exchange differences and other movements	2	(1)	5		6
<b>% Groups' interest in equity at 31 December</b>	<b>452</b>	<b>467</b>	<b>92</b>	<b>199</b>	<b>1,210</b>
Consolidation adjustments	(206)	116		441	351
<b>Equity investments at 31 December</b>	<b>246</b>	<b>583</b>	<b>92</b>	<b>640</b>	<b>1,561</b>
% Groups' interest in profit (loss)	(61)	147	(12)	25	99
Consolidation adjustments	2	-	-	(10)	(8)
<b>Share of profits (losses) of equity-accounted investees</b>	<b>(59)</b>	<b>147</b>	<b>(12)</b>	<b>15</b>	<b>91</b>

The recoverability of the carrying amount of investments is verified, when conditions obtain, also through impairment tests. With regard to Hensoldt AG, listed on the Frankfurt Stock Exchange, Avio Spa, listed on the Milan Stock Exchange and SSH Communication Security OYJ, listed on the Helsinki Stock Exchange, below is reported a comparison of the value of the equity investment and the average market price in December:

Listed entity	No. shared owned	Stock Exchange		Equity
		€ per unit	Total €mil.	Investment €mil.
Hensoldt AG	26,355,000	73.40	1,934	657
Avio S.p.A.	9,030,483	29.35	265	137
SSH Communication Security OYJ	13,333,333	3.15	42	20

Below is provided a summary of the aggregate economic and financial data of other associates which are not individually material for the Group.

	31 December 2025		31 December 2024	
	Other JV not individually material	Associates not individually material	Other JV not individually material	Associates not individually material
<b>% Groups' interest in equity at 1 January</b>	79	237	70	230
% Groups' interest in profit (loss) from continuing operations	4	18	4	26
% Groups' interest in profit (loss) from discontinued operations, net of taxes				
% Groups' interest in other comprehensive income (expenses)	(1)	(3)		4
<b>% Groups' interest in total comprehensive income (expenses)</b>	<b>3</b>	<b>15</b>	<b>4</b>	<b>30</b>
Dividends received	(4)	(12)	(4)	(10)
Equity investments of Discontinued Operations				
Subscriptions and capital increases (decrease)	3	81	4	(5)
Acquisitions		5		
Disposals		(30)		
Increase for business combinations			5	
Effect of change in control				(9)
Exchange differences and other movements	(1)	(32)		1
<b>% Groups' interest in equity at 31 December</b>	<b>80</b>	<b>264</b>	<b>79</b>	<b>237</b>
Consolidation adjustments		15		
<b>Equity investments at 31 December</b>	<b>80</b>	<b>279</b>	<b>79</b>	<b>237</b>
% Groups' interest in profit (loss)	4	18	4	26
Consolidation adjustments				
<b>Share of profits (losses) of equity-accounted investees</b>	<b>4</b>	<b>18</b>	<b>4</b>	<b>26</b>
Share of profits (losses) of equity-accounted investees (risk provisions)	-	(2)	-	-

### 13. RECEIVABLES AND OTHER NON-CURRENT ASSETS

	31 December 2025	31 December 2024
Loans and receivables	1	15
Deferred grants under Law no. 808/85	4	6
Defined benefit plan assets, net (Note 23)	224	224
Other non-current receivables	22	13
<b>Non-current receivables</b>	<b>251</b>	<b>258</b>
Prepayments - non-current portion	61	4
Equity investments at cost	30	22
Non-recurring costs pending under Law no. 808/1985	28	26
<b>Non-current assets</b>	<b>119</b>	<b>52</b>

The increase in deferrals was attributable to the recognition of multi-year royalties during the year for the use of intellectual property belonging to a Group subsidiary.

### 14. BUSINESS COMBINATIONS

On 22 December 2025, Leonardo completed the acquisition of 100% of the Swedish company Axiomatics AB, which specialises in authorisation management and data security solutions based on Zero Trust architecture, for a consideration of approximately €mil. 32. The transaction expands Leonardo's portfolio of proprietary solutions in the areas of Data Centric Security and the ABAC (Attribute-Based Access Control) model. The integration of Axiomatics' capabilities with the Global Cybersecurity Platform (GCC Platform) and Leonardo's sales network further strengthens the company's industrial strategy in the Nordic countries, and consolidates Leonardo's role as an international leader in digital security, in line with the Industrial Plan.

With regard to the values subject to acquisition, it should be noted that the purchase price allocation process, as allowed by IFRS 3, has not yet been completed. Therefore, the fair value of individual assets and liabilities may differ upon completion of the allocation process, which is expected to be completed in 2026. The provisional effect of the net assets acquired is shown below.

**(€ millions)**

Non-current assets	3
Current assets	2
Current liabilities	(4)
<b>Net assets acquired, excluding goodwill</b>	<b>1</b>
Cash paid	32
FV of earn out	2
<b>Temporary goodwill resulting from the acquisition</b>	<b>33</b>

## 15. INVENTORIES

	31 December 2025	31 December 2024
Raw materials, supplies and consumables	3,170	2,922
Work in progress and semi-finished goods	2,358	2,245
Assets deriving from at point in time contracts	632	488
Advances to suppliers	868	865
	<b>7,028</b>	<b>6,520</b>

Inventories are shown net of impairment charges of €mil. 807 (€mil. 813 at 31 December 2024).

Point-in-time contract assets include the production progress recognised on contracts that do not meet the requirements for the recognition of revenues on an over-time basis.

## 16. CONTRACT ASSETS AND LIABILITIES

	31 December 2025	31 December 2024
Contract assets (gross)	6,062	7,023
Contract liabilities	(2,363)	(3,137)
<b>Contract assets (net)</b>	<b>3,699</b>	<b>3,886</b>
Contract liabilities (gross)	10,893	9,684
Contract assets	(744)	(178)
<b>Contract liabilities (net)</b>	<b>10,149</b>	<b>9,506</b>

Contract assets, equal to €mil. 3,699 (€mil. 3,886 in 2024), include the net value of the work executed for amounts exceeding the advances received from customers. Similarly, contract liabilities, equal to €mil. 10,149 (€mil. 9,506 in 2024), include the opposite case.

This setoff was made limited to contract assets and liabilities and not also to assets arising from at point in time contracts classified in inventories. If the progress payments and advances from customers have not been collected at the reporting date, the corresponding amount is recognised as a receivable from customers.

In 2025, the portion of Revenues deriving from exposures classified at the beginning of the year within contract liabilities amounted to €bil. 3.8 (€bil. 3.6 in 2024).

## 17. TRADE AND FINANCIAL RECEIVABLES

	31 December 2025		31 December 2024	
	Trade	Financial	Trade	Financial
Receivables	3,263	53	3,473	55
Cumulative impairments	(422)	(34)	(463)	(33)
Related party current receivables (Note 36)*	1,052	225	828	330
	<b>3,893</b>	<b>244</b>	<b>3,838</b>	<b>352</b>

(\* Includes financial receivables from JVs, equal to €mil. 221 (€mil. 325 at 31 December 2024).

The ageing of receivables together with an analysis of how the Group manages credit risk is reported under Note 37.

## 18. OTHER CURRENT ASSETS

	31 December 2025	31 December 2024
Derivatives	253	104
Prepaid expenses - current portion	175	149
Receivables for grants	101	76
Receivables from employees and social security	44	37
Indirect tax receivables	94	104
Other related party receivables (Note 36)	10	3
Other assets	215	183
	<b>892</b>	<b>656</b>

The fair value performance of derivatives in portfolio is broken down below:

	Fair value at					
	31 December 2025			31 December 2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
<b>Interest rate swaps</b>						
Fair value hedge	-	-	-	-	-	-
Cash flow hedge	9	-	9	12	-	12
<b>Currency forward/swap/option</b>						
Fair value hedge	6	-	6	1	(4)	(3)
Cash flow hedge	238	(129)	109	91	(183)	(92)

## 19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 December 2025 amounted to €mil. 3,238, highlighting a change of €mil. 690 compared to 2024, including translation effect and other changes, shown in the statement of cash flows. Cash and cash equivalents at 31 December 2025 included €mil. 1 of term deposits (€mil. 1 at 31 December 2024).

## 20. EQUITY

### Share capital

	Number of shares	Par value	Treasury shares	Costs incurred (net of tax effect)	Total
Ordinary shares	578,150,395	2,544	-	(19)	2,525
Treasury shares	(1,712,950)	-	(16)	-	(16)
<b>Outstanding shares at 31 December 2024</b>	<b>576,437,445</b>	<b>2,544</b>	<b>(16)</b>	<b>(19)</b>	<b>2,509</b>
Repurchase of treasury shares less shares sold	506,728	-	(19)	-	(19)
<b>Outstanding shares at 31 December 2025</b>	<b>576,944,173</b>	<b>2,544</b>	<b>(35)</b>	<b>(19)</b>	<b>2,490</b>
<i>broken down as follows:</i>					
Ordinary shares	578,150,395	2,544	-	(19)	2,525
Treasury shares	(1,206,222)	-	(35)	-	(35)

The share capital, fully subscribed and paid-up, is divided into 578,150,395 ordinary shares with a par value of € 4.40 each, including 1,206,222 treasury shares (1,712,950 at 31 December 2024).

At 31 December 2025, the Ministry of Economy and Finance owned around 30.204% of the share capital.

Furthermore, pursuant to Article 120 of Legislative Decree 58/98 (Consolidated Act on Finance), we highlight that Capital Research and Management Company owned 5.06% of the shares. During 2025, no notices were received pursuant to the same Decree, relating to exceeding the ownership threshold provided for in the abovementioned regulation.

The statement of changes in other reserves and equity attributable to non-controlling interests is presented in the accounting statements section.

### **Cash-flow hedge reserve**

This reserve includes changes in fair value of the effective portions of derivatives used by the Group to hedge its exposure to currency net of the effect of deferred taxes until the moment in which the “underlying position” is recognised in the income statement. When this condition is met, the reserve is recognised in the income statement to offset the economic effects of the hedged transaction. In accordance with the provisions of IFRS 9 governing hedge accounting, the reserve also includes the fair value change in the forward component of forward contracts (premium points), taken to the income statement when the hedged item affects profit or loss.

### **Translation reserve**

The reserve relating to consolidated companies showed the following changes:

	2025	2024
US dollar	(296)	150
Pound sterling	(121)	110
Other currencies	(17)	4
	<b>(434)</b>	<b>264</b>

Overall, the reserve is negative for €mil. 371, mainly for the translation differences on the components denominated in Pound sterling.

### **Gain and loss items recognised in equity and related tax effect**

	Group - consolidated entities			Group - equity accounted investments		
	Amount before taxes	Tax effect	Net amount (*)	Amount before taxes	Tax effect	Net amount
<b>2025</b>						
Revaluation of defined-benefit plans	6	(1)	5	29	(8)	21
Changes in cash-flow hedges	150	(35)	115	8	(2)	6
Foreign currency translation difference	(414)	-	(414)	(19)	-	(19)
Fair value to OCI	-	-	-	4	-	4
<b>Total</b>	<b>(258)</b>	<b>(36)</b>	<b>(294)</b>	<b>22</b>	<b>(10)</b>	<b>12</b>
<b>2024</b>						
Revaluation of defined-benefit plans	40	(10)	30	10	(1)	9
Changes in cash-flow hedges	(75)	18	(57)	16	1	17
Foreign currency translation difference	264	-	264	20	-	20
Fair value to OCI	-	-	-	-	-	-
<b>Total</b>	<b>229</b>	<b>8</b>	<b>237</b>	<b>46</b>	<b>-</b>	<b>46</b>

(\*) The net value includes the Group's share of the components that may not be reclassified to profit (loss) for the period, amounting to €mil. 7 at 31 December 2025 (€mil. 29 in 2024), and the components that may be reclassified to profit (loss) for the period, amounting to -€mil. 398 at 31 December 2025 (€mil. 256 in 2024).

Below are the details of the tax effects related to profit and loss recognised in equity attributable to non-controlling interests:

	Non-controlling interest		
	Amount before taxes	Tax effect	Net amount
<b>2025</b>			
Revaluation of defined-benefit plans	3	(1)	2
Changes in cash-flow hedges	1	-	1
Foreign currency translation difference	(100)	-	(100)
<b>Total</b>	<b>(96)</b>	<b>(1)</b>	<b>(97)</b>
<b>2024</b>			
Revaluation of defined-benefit plans	(2)	1	(1)
Changes in cash-flow hedges	-	-	-
Foreign currency translation difference	49	-	49
<b>Total</b>	<b>47</b>	<b>1</b>	<b>48</b>

## 21. BORROWINGS

	31 December 2025			31 December 2024		
	Non-current	Current	Total	Non-current	Current	Total
Bonds	-	512	512	499	530	1,029
Borrowings	1,346	82	1,428	1,181	67	1,248
Lease liabilities	511	97	608	556	85	641
Other related party borrowings (Note 36)*	-	1,875	1,875	100	1,624	1,724
Other borrowings	39	27	66	37	21	58
	<b>1,896</b>	<b>2,593</b>	<b>4,489</b>	<b>2,373</b>	<b>2,327</b>	<b>4,700</b>

(\* Includes loans and borrowing from joint ventures equal to €mil. 1,553 (€mil. 1,458 at 31 December 2024)

Changes in borrowings are as follows:

	1 January 2025	Increase for business combinations	New borrowings	Repayments /Payment of coupons	Other net increase (decrease)	Exchange differences	31 December 2025
Bonds	1,029	-	-	(536)	19	-	512
Borrowings	1,248	-	260	(105)	-	25	1,428
Lease liabilities	641	-	97	(90)	-	(40)	608
Other related party borrowings	1,724	-	-	-	151	-	1,875
Other borrowings	58	-	-	(3)	11	-	66
	<b>4,700</b>	-	<b>357</b>	<b>(734)</b>	<b>181</b>	<b>(15)</b>	<b>4,489</b>

	1 January 2024	Increase for business combination s	New borrowings	Repayments /Payment of coupons	Other net increase (decrease)	Exchange differences	31 December 2024
Bonds	1,631	-	-	(645)	43	-	<b>1,029</b>
Borrowings	1,312	9	-	(86)	-	13	<b>1,248</b>
Lease liabilities	610	32	68	(93)	-	24	<b>641</b>
Other related party borrowings	1,292	21	-	-	411	-	<b>1,724</b>
Other borrowings	84	11	-	(35)	(3)	1	<b>58</b>
	<b>4,929</b>	<b>73</b>	<b>68</b>	<b>(859)</b>	<b>451</b>	<b>38</b>	<b>4,700</b>

*Net changes for current liabilities. The items also include changes resulting from the application of the effective interest-rate method, which may not correspond with actual cash movements.*

The decrease in bonded loans compared to 31 December 2024 is attributable to the repayment of the bond issued by Leonardo S.p.a. for €mil. 500, which reached its natural expiry date in March 2025.

Leonardo S.p.a. represents the Group's only issuer in the bond market. Leonardo's issuance programmes are governed by regulations laying down standard legal clauses for this type of transactions carried out by corporate entities in institutional markets, which do not require any commitment with respect to specific financial covenants, while they include, among others, negative pledge and cross default clauses. With specific reference to the negative pledge clauses, Leonardo and its Material Subsidiaries (i.e. entities in which Leonardo holds more than 50% of the capital and whose gross revenues and total assets account for at least 10% of consolidated gross revenues and total assets) are specifically prohibited from creating collaterals or any other encumbrance as security for their debt comprised of bonds or financial instruments that are either listed or capable of being listed, unless these guarantees are extended to all the bondholders. This prohibition shall not apply to securitisation transactions and to any set of assets intended for specific businesses pursuant to Articles 2447-bis and ff. of the Italian Civil Code. On the contrary, cross default clauses grant the bondholders the right to request early repayment of bonds in their possession upon the occurrence of an event of default on the part of Leonardo and/or any of its Material Subsidiaries, the result of which would be their failure to make payments above the established limits.

It should be recalled that financial covenants are included both in the ESG-linked Term Loan signed in 2021, which requires Leonardo to comply with two Financial ratios (the ratio of Group net debt - excluding payables to the joint ventures MBDA and Thales Alenia Space, and lease liabilities/EBITDA, including amortisation of the right of use assets, must be no higher than 3.75 and the ratio of EBITDA, including amortisation of the right of use assets/Net interest must be no lower than 3.25), tested annually based on consolidated data and which had been largely complied with at 31 December 2025 (the two indicators are equal to -0.5 and 64.8, respectively). These covenants, tested on an annual basis, are included in the loan agreements with EIB (equal to a total amount of €mil. 654 at 31 December 2025), as are in the ESG-linked Revolving Credit Facility renewed in advance in October 2025, but in relation to which such covenants will be tested only if the credit rating assigned to Leonardo by at least two out of the three credit rating agencies should go below the Investment Grade.

In addition, there are margin adjustment clauses based on the achievement of certain indicators (KPIs) related to ESG targets under the ESG-linked financing agreements. In particular:

- Reduction in CO2 emissions of the Group; such KPI is included in the Term Loan and in the RCF signed in 2025 as well as in the Sustainability-Linked Loan granted by the European Investment Bank in 2022;

- Increase in the percentage of suppliers, calculated based on emissions, who have set science-based decarbonization targets; this KPI is included in the ESG-linked RCF signed in 2025;
- Promotion of female employment with STEM degrees; such KPI is included in the Term Loan signed in 2021;
- Increase in per capita computing power of the Group; such KPI is included in the Sustainability-Linked Loan granted by the European Investment Bank in 2022.

Financial covenants, in line with U.S. standard practices, are also provided for in bank loans granted in favour of Leonardo DRS. Also such financial ratios (Net debt/adj. EBITA no higher than 3.75 and adj. EBITA/Net interest no lower than 3.0, to be determined based on the data obtainable from the US GAAP financial statements of the Leonardo DRS Group) were met at the date of the last reported data.

Below is the reconciliation of the changes in borrowings with the cash flows from financing activities:

	2025	2024
<b>Balance at 1 January</b>	<b>4,700</b>	<b>4,929</b>
<b>Changes included in cash flows from financing activities of the statement:</b>	<b>(276)</b>	<b>(411)</b>
- Repayments of bonds	(500)	(600)
- BEI Loan subscription/(repayment)	210	(38)
- Net change in other borrowings	14	227
<b>Non-monetary changes:</b>	<b>65</b>	<b>182</b>
- Non monetary items of lease liabilities	97	68
- Exchange rate effect	(15)	38
- Accrued interest on bonds	(17)	3
- Increase for business combinations	-	73
<b>Balance at 31 December</b>	<b>4,489</b>	<b>4,700</b>

### Bonds

Below is the detail of the bonds at 31 December 2025:

Issuer	Year of issue	Maturity	Currency	Outstanding nominal amount (mil.)	Annual coupon	Type of offer
LDO (*)	2020	2026	€	500	2.375%	European institutional

(\*) Bonds listed on the Luxembourg Stock Exchange and issued under the EMTN programme of up to €bil. 4. The transaction was authorized pursuant to Article 129 of Legislative Decree No. 385/93.

Movements in bonds are as follows:

	1 January 2025	Interest	Repayments /Repurchases	Payments of coupons	Effect of exchange rate	31 December 2025	Fair value
€mil. 500 LDO 2025 *	519	5	(500)	(24)	-	-	-
€mil. 500 LDO 2026 *	510	14		(12)		512	500
	<b>1,029</b>	<b>19</b>	<b>(500)</b>	<b>(36)</b>	<b>-</b>	<b>512</b>	<b>500</b>

	1 January 2024	Interest	Repayments /Repurchases	Payments of coupons	Effect of exchange rate	31 December 2024	Fair value
€mil. 500 LDO 2025 *	518	25		(24)	-	519	502
€mil. 600 LDO 2024*	605	4	(600)	(9)	-	-	-
€mil. 500 LDO 2026 *	508	14		(12)	-	510	498
	<b>1,631</b>	<b>43</b>	<b>(600)</b>	<b>(45)</b>	-	<b>1,029</b>	<b>1,000</b>

(\* ) Maturity date of bond.

The fair value of the bonds was determined on the basis of the quoted prices of the existing issues (Level 1 of the fair value hierarchy).

The Group's financial liabilities are subject to the following exposures to interest-rate risk:

	Bonds		Borrowings		Lease liabilities		Other related party borrowings (Note 36)*		Other borrowings		Total	
	Floating	Fixed	Floating	Fixed	Floating	Fixed	Floating	Fixed	Floating	Fixed	Floating	Fixed
<b>31 December 2025</b>												
Within 1 year	-	512	17	65	-	97	1,875	-	27	-	1,919	674
2 to 5 years	-	-	750	335	-	440	-	-	38	-	788	775
Beyond 5 years	-	-	-	261	-	71	-	-	1	-	1	332
<b>Total</b>	-	<b>512</b>	<b>767</b>	<b>661</b>	-	<b>608</b>	<b>1,875</b>	-	<b>66</b>	-	<b>2,708</b>	<b>1,781</b>

	Bonds		Borrowings		Lease liabilities		Other related party borrowings (Note 36)*		Other borrowings		Total	
	Floating	Fixed	Floating	Fixed	Floating	Fixed	Floating	Fixed	Floating	Fixed	Floating	Fixed
<b>31 December 2024</b>												
Within 1 year	-	530	13	54	-	85	1,603	21	21	-	1,637	690
2 to 5 years	-	499	790	248	-	444	100	-	36	-	926	1,191
Beyond 5 years	-	-	-	143	-	112	-	-	1	-	1	255
<b>Total</b>	-	<b>1,029</b>	<b>803</b>	<b>445</b>	-	<b>641</b>	<b>1,703</b>	<b>21</b>	<b>58</b>	-	<b>2,564</b>	<b>2,136</b>

Below is the financial information prepared in accordance with the "Indebtedness statement" scheme required under CONSOB communication DEM/6064293 of 28 July 2006 and updated in accordance with the ESMA guidelines 32-382-1138 of 4 March 2021 as implemented in the CONSOB warning notice no. 5/21 of 29 April 2021. The scheme is provided below:

	31 December 2025	31 December 2024
A - Cash	(3,238)	(2,556)
C - Other current financial assets	(244)	(352)
<b>D - Liquidity</b>	<b>(3,482)</b>	<b>(2,908)</b>
E - Current financial debt (*)	2,081	1,797
F - Current portion of non-current financial debt	512	530
<b>G - Current financial debt</b>	<b>2,593</b>	<b>2,327</b>
<b>H - Net current financial debt (funds)</b>	<b>(889)</b>	<b>(581)</b>
I - Non-current financial debt (*)	1,896	2,373
J - Debt instruments (**)	(6)	3
K - Trade payables and other non-current debt	262	233
<b>L - Non-current financial debt</b>	<b>2,152</b>	<b>2,609</b>
<b>M - Total financial debt</b>	<b>1,263</b>	<b>2,028</b>

(\*) Includes payables for leases of €mil. 608, of which €mil. 97 current (€mil. 641 as at 31 December 2024, of which €mil. 85 current)

(\*\*) Includes the fair value of hedging derivatives in respect of debt items

Based on current interpretations, the item “Trade payables and other non-current payables” of the abovesaid scheme includes the value of payables for grants received from MEMiT for the development of programmes not related to national security eligible for benefits under Law 808/1985, even though such value is not, by its very nature, a financial caption. The reconciliation between Net Financial Debt and Group Net Debt, used as KPI, is as follows:

	Note	31 December 2025	31 December 2024
Net financial debt com. CONSOB n. DEM/6064293/ESMA		1,263	2,028
Payables to MEMiT (Law no. 808/85)	24	(262)	(233)
<b>Group net debt (KPI)</b>		<b>1,001</b>	<b>1,795</b>

## 22. PROVISIONS FOR RISKS AND CHARGES AND CONTINGENT LIABILITIES

	Guarantees given	Restructuring	Product guarantees	Onerous contracts (losses at completion)	Other provisions	Total
<b>1 January 2024</b>						
Current	21	81	205	337	443	1,087
Non-current	10	108	83	-	577	778
	<b>31</b>	<b>189</b>	<b>288</b>	<b>337</b>	<b>1,020</b>	<b>1,865</b>
Allocations	2	19	93	206	206	526
Uses	(10)	(74)	(19)	(48)	(65)	(216)
Reversals	(2)	(22)	(54)	(148)	(180)	(406)
Other changes	-	12	(3)	1	(109)	(99)
<b>31 December 2024</b>	<b>21</b>	<b>124</b>	<b>305</b>	<b>348</b>	<b>872</b>	<b>1,670</b>
<i>Broken down as follows:</i>						
Current	21	50	220	348	379	1,018
Non-current	-	74	85	-	493	652
	<b>21</b>	<b>124</b>	<b>305</b>	<b>348</b>	<b>872</b>	<b>1,670</b>
Allocations	5	7	147	176	179	514
Uses	(1)	(53)	(27)	(40)	(58)	(179)
Reversals	-	(1)	(44)	(171)	(128)	(344)
Other changes	-	(8)	(5)	3	(22)	(32)
<b>31 December 2025</b>	<b>25</b>	<b>69</b>	<b>376</b>	<b>316</b>	<b>843</b>	<b>1,629</b>
<i>Broken down as follows:</i>						
Current	25	34	275	316	352	1,002
Non-current	-	35	101	-	491	627
	<b>25</b>	<b>69</b>	<b>376</b>	<b>316</b>	<b>843</b>	<b>1,629</b>

Other provisions mainly included provisions related to critical issues on contracts. The item also includes the Group’s best estimate of the contingent liability it expects to incur for offset obligations that will be settled by payment. If those obligations are fulfilled by supplying goods or services directly related to those set out in the main sales agreement, the best estimate of the costs to be incurred is recognized within the contract costs of the principal contracts.

Given their complexity, their cutting-edge technological content and the nature of the customers, the Company’s long-term contracts are sometimes affected by disputes with customers in relation to the compliance of works with customer specifications and product performances. The Company adjusts the estimated contract costs for foreseeable issues, also taking into account the possible developments in the

relevant disputes. With regard to contracts in progress affected by uncertainties and issues under discussion with customers, it should be noted that with reference to the termination for default due to alleged delays and non-compliance formalised in June 2022 by the governmental Norwegian Defence Materiel Agency (NDMA) under the contract for the supply of 14 NH90 helicopters entered into with NH Industries (NHI, a company whose shareholders are Leonardo, Airbus Helicopters and Fokker Aerostructure), the parties had commenced a mediation process in April 2023, which ended unsuccessfully in May 2024; on 24 May 2024, NDMA sued NHI and its parent companies before the Oslo Court. NHI submitted its defence arguments and counterclaim. The parties agreed to join a new mediation process led by the Oslo Court that took place during the first half of 2025 and ended unsuccessfully. The proceedings were expected to continue with the first hearing scheduled for 10 November 2025, but a new mediation process was started and on 1 November 2025 the parties achieved a resolution for the dispute, following which all legal proceedings around the NH90 Norway programme are to be considered concluded. The settlement provides that NHI will take back all helicopters, along with associated spare parts, tools, and mission-specific equipment from the Norwegian Government, for which is ongoing the evaluation of other possible use, against the payment by NHI of an agreed cash amount of €mil. 305, €mil. 125 of which as the share attributable to Leonardo, in addition to amounts previously paid pursuant to bank guarantees, amounting to approximately €mil. 70.

\* \* \* \* \*

With regard to risks, below is a summary of the criminal proceedings that are currently underway against Leonardo S.p.a. and certain former directors and executives, concerning acts committed during the performance of their duties at the Company, with specific reference to the events that occurred in 2025 and until the date of 2026 when these financial statements were published:

- in relation to the same events relating to the supply of 12 AW 101 VIP/VVIP helicopters to the Indian government for which criminal proceedings had been initiated in Italy, which ended with the final acquittal of the former Chairman and CEO of Leonardo S.p.a., the former CEO of AgustaWestland SpA and the companies AgustaWestland SpA and AgustaWestland Ltd, as well as with the dismissal of Leonardo S.p.a., on 2 February 2018, AgustaWestland International Ltd was served with an invitation to appear before the Patiala House Court in New Delhi as part of criminal proceedings brought therein against the aforementioned company and other parties, including Leonardo SpA as a result of an investigation initiated for the crime of bribery by the Indian Judicial Authority (Central Bureau of Investigation) in February 2013.

The same notice was served, through the Public Prosecutor's Office at the Court of Milan, on Leonardo S.p.a.. Consequently, the Company filed an enforcement incident before the Judge of Preliminary Investigations of the Court of Milan, as well as an appeal before the Lazio Regional Administrative Court, taking the same judicial actions also with regard to the notices received in relation to the subsequent hearings. Furthermore, on 28 August 2019, the Milan Public Prosecutor's Office notified Leonardo S.p.a. of an invitation to appear at a hearing as part of further proceedings initiated, in relation to the same events, for the crime of money laundering by another Indian Judicial Authority (Directorate of Enforcement). Against this notification, the Company also took the same actions.

On 11 February 2020, AgustaWestland International Ltd was also served with an invitation to appear in the proceedings initiated by the Directorate of Enforcement.

By rulings handed down by the Council of State (on 7 May 2020 and 6 December 2022), granting the appeals filed by Leonardo, the orders issued by the Ministry of Justice were annulled, whereby the request for judicial assistance for the purpose of enforcement of the aforementioned requests for

notification had been granted. As for the enforcement incident, the Judge of Preliminary Investigations of the Court of Milan granted, by order filed on 22 March 2022, the petitions filed by Leonardo, revoking the decrees by which the notifications had been ordered by the Milan Public Prosecutor's Office.

AgustaWestland International Ltd has, however, appeared at hearings set as part of the proceedings initiated by the Central Bureau of Investigation (CBI) and the Directorate of Enforcement, and the proceedings are currently pending before the Rouse Avenue Court in New Delhi;

- on 6 June 2023, a search and seizure warrant was executed against the former Chief Executive Officer of Leonardo S.p.a. (who terminated his office on 9 May 2023) as part of the proceedings, initiated by the Public Prosecutor's Office with the Court of Naples against, among others, the former Chief Executive Officer for the crime under articles 110, 61 bis, 322 bis para. I and II, no. 2 of the Italian Criminal Code in relation to the supply of the Company's products to Colombia. We learnt that, following the Public Prosecutor's request, on 27 March 2025 the Judge for Preliminary Investigations dismissed the case with the Court of Naples;
- on 20 September 2023, Leonardo S.p.a., during the preliminary hearing, entered an appearance in the civil action within the criminal proceedings pending before the Court of Gorizia, which involved, inter alia, certain former directors of the then Ansaldo Componenti S.p.a., the then Ansaldo S.p.a. and the then Ansaldo Industria S.p.a, in office in the period between 1979 and 1991, charged with having committed the crimes under Articles 589, paragraphs 1, 2 and 4, 40 and 41 of the Italian Criminal Code for violation of the rules governing the prevention of occupational diseases, and in particular Article 2087 of the Italian Civil Code, Presidential Decree 547/55 and Presidential Decree 303/56. The proceedings are at a trial stage still pending before the Court of Gorizia;
- on 13 January 2025, following the notification to Leonardo S.p.a. of a request for a probationary incident submitted by the Public Prosecutor's Office at the Court of Lecco to the Judge for Preliminary Investigations, it was learned that the Company was entered in the register of crime reports in relation to the violation of Article 25-septies, para. 2, of Legislative Decree 231/2001 ("Manslaughter or serious or very serious injury committed in violation of the rules on the protection of occupational health and safety"). Specifically, criminal proceedings were initiated for the cases of offenses under Article 449, paragraph 1, of the Italian Criminal Code ("Culpable crimes of harm") in relation to Article 428 of the Italian Criminal Code ("Shipwreck, submergence or aviation disaster") and Article 589, paragraphs 1, 2 and 4 of the Italian Criminal Code ("Manslaughter") following the accident that occurred to the M-346FA (Fighter Attack) aircraft over Mount Legnone in the Municipality of Colico (Lecco) on 16 March 2022, as a result of which one of the two pilots of the crew died. On 18 March 2025, the notice of termination of the preliminary investigations was notified pursuant to Article 415 bis of the Italian Code of Criminal Procedure against 8 employees of the Company under investigation as well as against the Company itself. On 23 July 2025, the aforesaid parties were served the notice of preliminary hearing together with the request for indictment from the Public Prosecutor. The proceedings are currently at the preliminary hearing stage before the Court of Lecco and next hearing has been set for 29 April 2026;
- on 20 December 2024, a notice of conclusion of preliminary investigations was served pursuant to Article 415-bis of the Italian Code of Criminal Procedure on the then Manager responsible for the Turin Caselle Plant, as well as delegate of the Employer of the Aircraft Division (now Aeronautics Division) of Leonardo S.p.a., as a suspect for the crime under Article 590, paragraphs 1, 2 and 3 of the Italian Criminal Code ("culpable personal injury") in connection with an accident that occurred to an employee of a third-party firm during the performance of a contract awarded by the Division

in September 2022. From this measure it was learned that criminal proceedings were pending, which had been initiated by the Public Prosecutor's Office at the Ivrea Court against, inter alia, Leonardo S.p.a., for the administrative offence referred to in Article 25-septies, paragraph 3, of Legislative Decree 231/2001 (“culpable injuries committed in violation of the rules on the protection of occupational health and safety”) in relation to the predicate offence referred to in Article 590, paragraphs 1, 2 and 3 of the Italian Criminal Code. On 21 January 2025, the same notice of conclusion of preliminary investigations was served on Leonardo S.p.a.;

- On 8 February 2026, a notice of conclusion of preliminary investigations was served pursuant to Article 415-bis of the Italian Code of Criminal Procedure on the then Manager responsible for the Venegono plant of the Aeronautics Division as well as delegate of the Employer – Environmental Manager of the abovesaid plant, as a suspect for the crime under Article 137, paragraph 5 of Legislative Decree 152/2006. From this measure it was learned that criminal proceedings were pending, which had been initiated by the Public Prosecutor's Office at the Varese Court also against Leonardo S.p.a. for the administrative offence referred to in Article 25-undecies of Legislative Decree 231/2001 (“Environmental crimes”) in relation to Article 137, paragraph 5, of Legislative Decree 152/2006. As of today, the Company has not been served with any summons. In the meantime, the suspect’s lawyer has filed a defense brief with the Public Prosecutor’s Office pursuant to Article 415 bis of the Italian Code of Criminal Procedure.

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

\* \* \* \* \*

With regard to the provisions for civil, tax and administrative disputes, it is underlined that the Company’s operations regard industries and markets where many disputes, both as petitioner and plaintiff, are settled only after a considerable period of time, especially in cases where the customer is a government entity. Pursuant to the IFRSs, provisions have been set aside for risks whose occurrence is deemed probable and reliably quantifiable. No specific provisions have been set aside for certain disputes in which the Company is defendant as these disputes are reasonably expected to be settled, based on current knowledge, satisfactorily and without significantly impacting the Company. Among the following disputes are:

- the proceedings brought by Mr. Pio Deiana (to have a deed of settlement entered into with former Ansaldo Industria declared null and void) before the Rome Court of Appeal, which had been suspended following Mr. Deiana’s death and then resumed by his sister. During the proceedings, the existence of another heir of the deceased person was ascertained; accordingly, at the last hearing held on 26 October 2022, the Court declared the latter's contumacy and set the hearing on 18 December 2024 for the specification of conclusions. At the hearing held on 7 January 2025, the Court adjourned the case for decision, granting the parties time limits under Article 190 of the Italian Code of Civil Procedure. On 23 October 2025, the Court dismissed the appeal ordering that legal costs be paid in favour of Leonardo;
- the proceedings brought by writ of summons served on 24 September 2024 by the Bankruptcy bodies of Fallimento della Moreggia & C. SpA, a company supplying mechanical components, including a

claim for damages allegedly caused by Leonardo S.p.a., for abuse of management and coordination powers under Article 2497 of the Italian Civil Code, for a total of about €mil. 110. Leonardo entered an appearance in court requesting that the claims of the opposing party be dismissed and also suiting the plaintiff back for about €mil. 10. The first hearing took place on 4 July 2025 and, after hearing the parties, the Judge reserved his decision on the preliminary motions. Once the decision was made, the Judge ordered the designation to the court-appointed expert, with a hearing initially set on 17 February 2026 and then postponed to 9 June 2026.

- on 10 January 2025, in relation to the AW169 helicopter crash that occurred near King Power Stadium in Leicester City on 27 October 2018, as a result of which the five people on board died, including the then President of Leicester City Football Club, the law firm assisting the latter's family publicly announced, in advance, the filing of a writ of summons with the "Technology and Construction Court," a specialist division of the High Court of England and Wales, for compensation for the damage suffered as a result of the alleged defectiveness of the helicopter in the amount of GBPbil. 2.15 (€bil. 2.6) and on 20 May 2025 the writ of summons was notified containing a claim for damages against Leonardo equal to GBPmil. 2,148. The case was brought before the "Technology and Construction Court", a specialized division of the High Court of England and Wales. On 1 December 2025, Leonardo filed its statement of appearance and reply, lodging objections to the summons and setting out its defence arguments.

On the basis of information that is available to date, supported by the appointed legal counsels and in close collaboration with the insurance companies involved, Leonardo does not believe that a liability may arise against it.

### 23. EMPLOYEE BENEFIT OBLIGATIONS

The classification of employee benefit obligations is affected by the net balance, per each plan, of the plan assets and liabilities. The Group recognised on its balance sheet the liabilities (net of related plan assets) as well as the assets (net of related liabilities), depending on whether the plans are in a deficit or surplus position.

Net assets under defined-benefit plans are classified among other non-current assets (Note 13) and other long-term benefits are classified under other non-current liabilities (Note 24). Below is a breakdown of the net liabilities and assets:

	31 December 2025			31 December 2024		
	Liabilities	Assets	Net	Liabilities	Assets	Net
Severance pay provision	187	-	187	201	-	201
Defined-benefit plans	59	224	(165)	62	224	(162)
Defined contribution plans	60	-	60	52	-	52
	<b>306</b>	<b>224</b>	<b>82</b>	<b>315</b>	<b>224</b>	<b>91</b>

The surplus for defined-benefit retirement plans is broken down below:

	31 December 2025	31 December 2024
GBP area	(218)	(218)
Euro area	11	11
USD area	28	30
Other	14	15
	<b>(165)</b>	<b>(162)</b>

The change in defined-benefit plans was mainly linked to the plans applicable in the United Kingdom, due to the changes in the financial assumptions and to more contained results of the plan assets.

Below is a breakdown of defined-benefit plans and statistical information regarding the excess (deficit/surplus) of the plans:

	31 December 2025	31 December 2024
Present value of obligations	(1,939)	(2,075)
Fair value of plan assets	2,104	2,237
<b>Plan deficit</b>	<b>165</b>	<b>162</b>
of which, related to:		
- net liabilities	(59)	(62)
- net assets	224	224

Changes in the defined-benefit plans are shown below:

31 December 2025	Present value of obligations	Fair value of plan assets	Net liability (asset) defined benefit plans
<b>Opening balance</b>	<b>2,075</b>	<b>2,237</b>	<b>(162)</b>
Costs of benefits paid	4	(4)	8
Interest expenses	105	113	(8)
Remeasurement	(31)	(27)	(4)
- Actuarial losses (gains) through equity - demographic assumption	(2)	-	(2)
- Actuarial losses (gains) through equity - financial assumptions	(48)	-	(48)
- Actuarial losses (gains) through equity resulting from adjustments based on the experience	19	-	19
- Expected return on plan assets	-	(27)	27
Contributions paid	-	17	(17)
Contributions from other plan participants	2	2	-
Exchange rate differences	(108)	(116)	8
Benefits paid	(108)	(107)	(1)
Other changes		(11)	11
<b>Closing balance</b>	<b>1,939</b>	<b>2,104</b>	<b>(165)</b>
of which, related to:			
- net liabilities	172	113	59
- net assets	1,767	1,991	(224)

31 December 2024	Present value of obligations	Fair value of plan assets	Net liability (asset) defined benefit plans
<b>Opening balance</b>	<b>2,257</b>	<b>2,371</b>	<b>(114)</b>
Costs of benefits paid	11	(4)	15
Interest expenses	102	106	(4)
Remeasurement	(274)	(238)	(36)
- Actuarial losses (gains) through equity - demographic assumption	(12)		(12)
- Actuarial losses (gains) through equity - financial assumptions	(259)		(259)
- Actuarial losses (gains) through equity resulting from adjustments based on the experience	(3)		(3)
- Expected return on plan assets		(238)	238
Curtailments	(30)	(30)	-
Increase for business combinations	11	4	7
Contributions paid		23	(23)
Contributions from other plan participants	4	4	-
Exchange rate differences	102	109	(7)
Benefits paid	(108)	(108)	-
<b>Closing balance</b>	<b>2,075</b>	<b>2,237</b>	<b>(162)</b>
<i>of which, related to:</i>			
- net liabilities	189	127	62
- net assets	1,886	2,110	(224)

Changes in severance pay are shown below:

	31 December 2025	31 December 2024
<b>Opening balance</b>	<b>201</b>	<b>204</b>
Costs of benefits paid	3	3
Interest expenses	6	7
Remeasurement	(1)	(3)
- Actuarial losses (gains) through equity - demographic assumption		
- Actuarial losses (gains) through equity - financial assumptions	(2)	(2)
- Actuarial losses (gains) through equity resulting from adjustments based on the experience	1	(1)
Increase for business combinations		19
Benefits paid	(22)	(27)
Other changes		(2)
<b>Closing balance</b>	<b>187</b>	<b>201</b>

The amount recognised in profit or loss on defined-benefit plans (including the severance pay provision) was calculated as follows:

	2025	2024
Current service costs	11	18
Past service costs	-	-
Costs booked as "personnel expenses"	11	18
Interest expenses	(2)	3
Costs booked as "financial expenses"	(2)	3
	<b>9</b>	<b>21</b>

The main actuarial assumptions used in the valuation of defined-benefit plans and of the portion of severance pay provision that has maintained the nature of defined-benefit plan are as follows:

	Severance pay provision		Defined-benefit plans	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Discount rate (annual)	3.80%	3.30%	5.60% - 5.46%	5.50% - 5.62%
Rate of salary increase	n.a.	n.a.	3.40%	3.55% - 3.50%
Inflation rate	1.90%	1.60%	2.40%	2.60%

The discount rate utilized to discount the defined benefits plans is determined with reference to expected returns of the AA-rated bonds.

The sensitivity analysis for each significant actuarial assumption, which shows the effects on bonds in absolute value, is as follows:

	Severance pay provision				Defined-benefit plans			
	31 December 2025		31 December 2024		31 December 2025		31 December 2024	
	-0.25%	+0.25%	-0.25%	+0.25%	-0.25%	+0.25%	-0.25%	+0.25%
Discount rate (annual)	2	(2)	2	(2)	62	(59)	67	(64)
Inflation rate	(1)	1	(2)	1	(40)	40	(41)	43

The average duration of the severance pay is about 4 years while that of the other defined-benefit plans is about 13 years.

The estimate of the contributions to be paid in 2026 related to defined-benefit plans is about €mil. 39 (of which €mil. 31 relating to the severance pay).

As regards the strategies of correlation of assets and liabilities in defined-benefit plans, there is the prevalence of investing in diversified assets in order to limit the negative impact, if any, on the total return on the plan assets. Assets of defined-benefit plans include:

	31 December 2025	31 December 2024
Cash and cash equivalents	38	11
Shares and investment funds	154	243
Debt instrument	1,781	1,805
Real properties	6	7
Derivatives	3	(62)
Other	122	233
	<b>2,104</b>	<b>2,237</b>

The item "Other" included €mil. 91 (€mil. 99 in 2024) of assets held by insurance companies.

## 24. OTHER CURRENT AND NON-CURRENT LIABILITIES

	31 December 2025		31 December 2024	
	Non-current	Current	Non-current	Current
Employee obligations (*)	45	633	54	586
Deferred income	80	186	82	196
Amounts due to social security institutions	-	284	-	253
Payables to MEMiT (Law no. 808/85)	262	8	233	3
Payables to MEMiT for royalties (Law no. 808/85)	192	32	217	11
Indirect tax liabilities	-	153	-	147
Derivatives	-	129	-	187
Other liabilities	379	558	368	512
Other payables to related parties (Note 36)	-	149	-	29
	<b>958</b>	<b>2,132</b>	<b>954</b>	<b>1,924</b>

(\*) Non-current item includes other employee benefits related to seniority bonuses

The payables to the Ministry of Enterprise and Made in Italy (MEMiT) under Law 808/1985 relate to monopoly costs accrued on national security and similar projects, as well as payables for grants received from MEMiT for development of other programmes eligible for benefits under Law 808/1985.

“Other liabilities” included, in particular, the non-current payable due to Bell Helicopter amounting to €mil. 297 (€mil. 296 at 31 December 2024), deriving from the acquisition of the AW609 programme. This amount also included the reasonably estimated potential consideration due to Bell Helicopter based on the commercial performance of the programme.

## 25. TRADE PAYABLES

	31 December 2025	31 December 2024
Suppliers	3,135	3,210
Trade payables to related parties (Note 36)	369	553
	<b>3,504</b>	<b>3,763</b>

## 26. GUARANTEES

The Group has existing guarantee for €mil. 15,540 (€mil. 14,571 at 31 December 2024).

The item mainly includes bank and insurance guarantees given by the Parent Company in favour of third-party companies for contractual obligations (about €mil. 10,762), direct commitments issued by Leonardo S.p.a. in its own interest or in favour of other Group companies and related parties (Parent Company Guarantees about €mil. 3,034) and bank and insurance guarantees issued by other Group companies and related parties, counter-guaranteed by the Parent Company (about €mil. 1,744).

## 27. REVENUES

	2025	2024
Revenues from contract with customers	15,809	15,109
Change in contract assets	177	82
Revenues from related parties (Note 36)	3,517	2,572
	<b>19,503</b>	<b>17,763</b>

The breakdown by geographical area and business sector is reported in Note 8. The breakdown of revenue by timing is reported below:

	2025	2024
Revenues at point in time	3,762	3,687
Revenues over time	15,741	14,076
	<b>19,503</b>	<b>17,763</b>

The order backlog at 31 December 2025 was equal to about €bil. 47, up by about €bil. 3 compared to the previous year, as a result of orders acquired (about €bil. 24), net of revenues (about €bil. 20) and other movements (about -€bil. 1), which mainly include exchange differences.

## 28. OTHER OPERATING INCOME (EXPENSES)

	2025			2024		
	Income	Expenses	Net	Income	Expenses	Net
Grants for research and development costs (*)	86	-	86	66	-	66
Other operating grants	77	-	77	77	-	77
Gains/losses on sales of intangible asset, property, plant and equipment	1	(3)	(2)	6	(4)	2
Reversals (accruals) to provisions for risks	325	(494)	(169)	364	(485)	(121)
Exchange rate difference on operating items	252	(255)	(3)	224	(241)	(17)
Restructuring costs	-	(1)	(1)	-	(2)	(2)
Indirect taxes	-	(47)	(47)	-	(49)	(49)
Other operating income (expenses)	43	(49)	(6)	36	(56)	(20)
Other operating income (expenses) from/to related parties (Note 36)	289	(126)	163	6	(1)	5
	<b>1,073</b>	<b>(975)</b>	<b>98</b>	<b>779</b>	<b>(838)</b>	<b>(59)</b>

(\*) To which must be added assessments for "Deferred receivables for measures under Law 808/1985", including current and non-current portions (Note 13 and Note 18) equal to €mil. 41 (€mil. 2 at 31 December 2024, including current and non-current portions), and assessments for "Non-recurring costs for measures pending under Law 808/85" (Note 13) equal to €mil. 2 (€mil. 10 at 31 December 2024).

In 2025, other revenues from related parties included the capital gain recognised following the sale of the UAS business to Fincantieri, equal to approximately €mil. 283, which was completed in January 2025. Other costs from related parties mainly included the share of expenses for Leonardo, amounting to approximately €mil. 125, resulting from the agreement reached between the investee NH Industries and the Norwegian Defence Materiel Agency (NDMA) under the contract for the supply of fourteen NH90 helicopters. For more details, please refer to Note 22 on the "Provisions for risks and charges and contingent liabilities".

**29. PURCHASES AND PERSONNEL EXPENSES**

	2025	2024
Purchase of materials from third parties	6,911	6,146
Change in inventories of raw materials	(292)	(283)
Costs for purchases from related parties (Note 36)	340	659
<b>Purchases</b>	<b>6,959</b>	<b>6,522</b>
Services rendered by third parties	4,921	4,431
Costs of leases of low value and short term	87	68
Royalties	7	9
Services rendered by related parties (Note 36)	548	544
<b>Services</b>	<b>5,563</b>	<b>5,052</b>
Wages and salaries	4,116	3,837
Social security contributions	824	755
Costs related to defined-contribution plans	251	221
Costs related to severance pay provision and other defined-benefit plans (Note 23)	11	18
Employee disputes	3	7
Restructuring costs - net	25	23
Other personnel expenses	220	209
<b>Personnel expenses</b>	<b>5,450</b>	<b>5,070</b>
<b>Change in finished goods, work in progress and semi-finished products</b>	<b>(294)</b>	<b>(512)</b>
<b>Internal work capitalised</b>	<b>(438)</b>	<b>(385)</b>
<b>Total purchases and personnel expenses</b>	<b>17,240</b>	<b>15,747</b>

The average and exact workforce showed an increase compared to 2024, mainly attributable to the Defence Electronics & Security (about 1,000 additional resources on the exact number and average), Aeronautics (about 500 resources), Space and Cyber & Security Solutions (both of which with a change of over 200 resources), in line with the growth of the related businesses. From a geographical point of view, growth was mainly concentrated in Italy (about +1.6 thousand) and the United Kingdom (about +400).

Below is the breakdown of workforce by category:

	Average Workforce			Total Workforce		
	31 December 2025	31 December 2024	Change	31 December 2025	31 December 2024	Change
Senior managers (*)	1,271	1,272	(1)	1,303	1,301	2
Middle managers	7,816	7,590	226	7,854	7,610	244
Clerical employees	37,480	35,533	1,947	39,295	37,527	1,768
Manual labourers (**)	14,073	13,660	413	14,310	14,030	280
	<b>60,640</b>	<b>58,055</b>	<b>2,585</b>	<b>62,762</b>	<b>60,468</b>	<b>2,294</b>

(\*) Includes pilots

(\*\*) Includes senior manual labours

### 30. AMORTISATION, DEPRECIATION, IMPAIRMENT LOSSES AND FINANCIAL ASSETS VALUE ADJUSTMENTS

	2025	2024
Amortisation of intangible assets	242	257
<i>Development costs</i>	47	56
<i>Non-recurring income</i>	51	57
<i>Acquired through business combinations</i>	54	55
<i>Concessions, licences and trademarks</i>	38	36
<i>Other intangible assets</i>	52	53
Depreciation of property, plant and equipment and investment properties	317	310
Depreciation of right of use	98	96
Impairment of goodwill	-	-
Impairment of other assets	63	61
financial assets value adjustments	53	53
	<b>773</b>	<b>777</b>

Amortisation and depreciation for the period were in line with the figure posted in the comparative financial year. Impairment of other assets for the period mainly included impairment losses on programmes in the Aeronautics and Defence Electronics and Security businesses while the figure posted in the comparative period had been mainly linked to the Aeronautics sector. For further details reference is made to Note 9 on intangible assets.

Financial assets value adjustments refer to evaluations periodically carried out in order to assess the recoverability of the financial assets recognised in the consolidated financial statements, in compliance with the provisions of IFRS 9 on impairment.

### 31. FINANCIAL INCOME AND EXPENSES

Below is the breakdown of financial income and expense:

	2025			2024		
	Income	Expenses	Net	Income	Expenses	Net
Interest	40	(70)	(30)	53	(110)	(57)
Interest on lease liabilities	-	(26)	(26)	-	(28)	(28)
Premiums received (paid) on IRS	4	-	4	9	-	9
Commissions on borrowings	-	(10)	(10)	-	(10)	(10)
Other commissions	-	(1)	(1)	-	(1)	(1)
Fair value gains (losses) through profit or loss	18	(7)	11	2	(8)	(6)
Premiums received (paid) on forwards	53	(78)	(25)	45	(70)	(25)
Exchange rate differences	46	(51)	(5)	31	(41)	(10)
Interest cost on defined-benefit plans (Note 23)	-	2	2	-	(3)	(3)
Financial income (expenses) - related parties (Note 36)	9	(60)	(51)	14	(69)	(55)
Other financial income and expenses	79	(35)	44	380	(49)	331
	<b>249</b>	<b>(336)</b>	<b>(87)</b>	<b>534</b>	<b>(389)</b>	<b>145</b>

The performance of net financial income and expense was affected by the capital gains recognised in 2025 following the sale of part of the shares held in Avio SpA, equal to approximately €mil. 70, and in 2024, equal

to €mil. 366, relating to the fair value measurement of the Telespazio Group, carried out for the purposes of its consolidation on a line-by-line basis.

Net of these non-recurring components, the item benefitted from a gradual improvement in the Group's net debt, and, specifically, from lower interest linked to the repayments of bonds of €mil. 500, which took place in March 2025, and of €mil. 600, which took place in June 2024. The item was also affected by the higher value of items measured at fair value.

Fair value results through profit or loss are as follows:

	2025			2024		
	Income	Expenses	Net	Income	Expenses	Net
Exchange rate swap	-	-	-	-	(1)	(1)
Ineffective portion of hedging swap	18	(7)	11	2	(7)	(5)
	<b>18</b>	<b>(7)</b>	<b>11</b>	<b>2</b>	<b>(8)</b>	<b>(6)</b>

## 32. INCOME TAXES

Income taxes can be broken down as follows:

	2025	2024
IRES (corporate income tax)	(83)	(11)
IRAP	(36)	(24)
Benefit under consolidated tax mechanism	-	-
Other income taxes (foreign)	(131)	(136)
Tax related to previous periods	4	19
Reversals (accruals) of provisions for tax disputes	9	4
Deferred tax - net	(78)	(141)
	<b>(315)</b>	<b>(289)</b>

The table below shows the analysis of the tax rate compared to the Italian rate of 24%:

	2025	2024
<b>Profit (loss) before income taxes</b>	<b>1,649</b>	<b>1,446</b>
Theoretical tax rate (Ires) %	24%	24%
<b>Theoretical taxes</b>	<b>(396)</b>	<b>(347)</b>
Changes increasing (decreasing):		
effect of companies valued at equity	33	32
IRAP effect of Italian companies	(38)	(30)
taxation effect of foreign companies	6	-
foreign tax effect of Italian companies	(3)	(7)
effect of taxation of intra-group dividends	(6)	(6)
effect of capital gain on first consolidation of Telespazio and Gem	-	89
capital gain effect on the sale of the Underwater line of business	17	-
capital gain effect from the sale of Avio Spa shares	64	-
other movements	8	(20)
Total changes increasing (decreasing)	81	58
<b>Effective taxes</b>	<b>(315)</b>	<b>(289)</b>

Deferred taxes and related receivables and payables at 31 December 2025 were the result of the following temporary differences. In this regard, we point out that part of deferred tax assets were related to tax losses of Group's companies, valued on the basis of the taxable income envisaged by business plans. With reference to the national tax consolidation mechanism, unrecognized losses amounted to about €mil. 76.

	2025	2024
Deferred tax assets on tax losses	(70)	(11)
Property, plant and equipment and intangible assets	9	(3)
Financial assets and liabilities	-	-
Severance and retirement benefits	(5)	(3)
Provision for risks and impairment	(32)	(29)
Effect of change in tax rate	(2)	5
Other	22	(100)
<b>Deferred taxes recognised through profit or loss</b>	<b>(78)</b>	<b>(141)</b>

Below is the breakdown of deferred tax assets and liabilities.

	31 December 2025			31 December 2024		
	Balance sheet			Balance sheet		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Deferred tax assets on tax losses	12		12	105		105
Property, plant and equipment and intangible assets	82	242	(160)	87	253	(166)
Severance and retirement benefits	6	39	(33)	7	34	(27)
Financial assets and liabilities	1		1	1		1
Provision for risks and impairment	591		591	621		621
Other	259	54	205	221	46	175
Offsetting	(16)	(16)	-	(14)	(14)	-
<b>Deferred taxes recognised through balance sheet</b>	<b>935</b>	<b>319</b>	<b>616</b>	<b>1,028</b>	<b>319</b>	<b>709</b>
Cash-flow hedge derivatives	27	41	(14)	31	10	21
On actuarial gains and losses	39	42	(3)	45	46	(1)
<b>Deferred taxes recognised through equity</b>	<b>66</b>	<b>83</b>	<b>(17)</b>	<b>76</b>	<b>56</b>	<b>20</b>
	<b>1,001</b>	<b>402</b>	<b>599</b>	<b>1,104</b>	<b>375</b>	<b>729</b>

### 33. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Below is the breakdown of assets and liabilities held for sale:

	31 December 2025	31 December 2024
Non-current assets	10	98
Current assets	2	192
<b>Assets held for sale</b>	<b>12</b>	<b>290</b>
Non-current liabilities	-	7
Current liabilities	-	131
<b>Liabilities associated with assets held for sale</b>	<b>-</b>	<b>138</b>

Assets and liabilities classified as held for sale at 31 December 2024 mainly consisted of the "Underwater Armaments and Systems" (UAS) business unit of Leonardo SpA, which was sold to Fincantieri at the beginning of 2025.

There was no impact on the income statement deriving from discontinued operations during 2025, while in 2024 following the settlement agreement signed with Hitachi, the remaining balance, equal to about €mil. 2, of the provision set aside to cover guarantees granted in relation to the disposal of the Transport business

unit, was released to discontinued operations, consistently with the presentation of the accounting effects of the transaction in prior financial statements.

### 34. EARNING PER SHARE

Earnings (Losses) per share (hereinafter “earnings per share” or “EPS”) are calculated as follows:

- for basic EPS, by dividing net profit attributable to holders of ordinary shares by the average number of ordinary shares for the period less treasury shares;
- for diluted EPS, by dividing net profit by the average number of ordinary shares and the average number of ordinary shares potentially deriving from the exercise of all the option rights for stock-option plans less treasury shares.

	2025	2024
Average shares outstanding during the reporting period (in thousands)	576,772	575,777
Earnings for the period (excluding non-controlling interests) (€ millions)	1,224	1,074
Earnings from continuing operations (excluding non-controlling interests) (€ millions)	1,224	1,072
Earnings from discontinued operations (excluding non-controlling interests) (€ millions)	-	2
<i>Basic and Diluted EPS (€)</i>	<b>2.122</b>	<b>1.865</b>
<i>Basic and Diluted EPS from continuing operations (€)</i>	2.122	1.862
<i>Basic and Diluted EPS from discontinued operations (€)</i>	n.a	0.003

Basic EPS, as that relating to the comparative period, was equal to diluted earnings per share, since there are no dilutive elements.

### 35. CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES

	2025	2024
Net result	1,334	1,159
Amortisation, depreciation and financial assets value adjustments	773	777
Share of profits/(losses) of equity-accounted investees	(148)	(121)
Income taxes	315	289
Cost of Severance pay provision and other defined-benefit plans	11	18
Net financial expenses /(income)	87	(145)
Net allocations to the provisions for risks and inventory write-downs	278	282
Gain on sale of business	(283)	(2)
Other non-monetary items	72	67
	<b>2,439</b>	<b>2,324</b>

Costs for severance pay provision and other defined-benefit plans include the portion of costs relating to defined-benefit pension plans that is recognised as a personnel expense (the portion of costs relating to interest is carried among net financial expense).

The changes in working capital, net of the effects of the acquisition and sale of consolidated companies and foreign currency translation differences, are as follows:

	2025	2024
Inventories	(686)	(867)
Contract assets and liabilities	783	391
Trade receivables and payables	(358)	201
	<b>(261)</b>	<b>(275)</b>

The changes in other operating assets and liabilities, net of the effects of the acquisition and sale of consolidated companies and foreign currency translation differences, are as follows:

	2025	2024
Payment of pension plans	(40)	(50)
Changes in provisions for risks and other operating items	(89)	(119)
	<b>(129)</b>	<b>(169)</b>

Changes in other investing or disinvesting activities include dividends received and the effects of acquisitions and sales of equity investments and are broken down as follows:

	2025	2024
Strategic transactions	394	(18)
Dividends received	243	148
Change of other investing or disinvesting activities	12	(4)
	<b>649</b>	<b>126</b>

In 2025, “strategic transactions” related to the amount of €mil. 446 collected from the sale of the UAS business, net of the payment of €mil. 20 for the acquisition of 24.55% of the share capital of the Finnish company SSH Communications Security Corporation, and of €mil. 32 for the acquisition of 100% of the Swedish company Axiomatics AB.

### 36. RELATED PARTY TRANSACTIONS

Related party transactions are carried out at arm’s length, as is settlement of the interest-bearing receivables and payables when not governed by specific contractual conditions. The relevant financial statements amounts are shown below. The statement of cash flows presents the impact of related party transactions on cash flows.

<b>RECEIVABLES at 31 December 2025</b>	<b>Non-current loans and receivables</b>	<b>Other non-current receivables</b>	<b>Current loans and receivables</b>	<b>Trade receivables</b>	<b>Other current receivables</b>	<b>Total</b>
<b><u>Associates</u></b>						
NH Industries SAS				289		289
Iveco - Oto Melara Scarl				118		118
Eurofighter Jagdflugzeug GmbH				169		169
AgustaWestland Aviation Services LLC				14		14
Hensoldt AG				14		14
Macchi Hurel Dubois SAS				13		13
CNBM LEONARDO (SHANGHAI)				17		17
AEROSTRUCTURES CO., LTD.						
Other with unit amount lower than €mil. 10			2	27		29
<b><u>Joint Venture</u></b>						
Thales Alenia Space SAS			221	14		235
Polo Strategico Nazionale SpA				112		112
GIE ATR				41		41
MBDA SAS				20		20
Orizzonte - Sistemi Navali SpA				21		21
Spaceopal GmbH				8		8
Other with unit amount lower than €mil. 10				13	1	14
<b><u>Other companies and consortiums</u></b>						
Consorzio Protezioni Balistiche Italia				16		16
Other with unit amount lower than €mil. 10			2	11		13
<b><u>Companies subject to the control or considerable influence of the MEF</u></b>						
Gruppo Fincantieri SpA				88	9	97
Ministero dell'Economia e delle Finanze				7		7
ENAV SpA				15		15
Other with unit amount lower than €mil. 10				25		25
<b>Total</b>	<b>-</b>	<b>-</b>	<b>225</b>	<b>1,052</b>	<b>10</b>	<b>1,287</b>

% against total for the period

n.a.

n.a.

92.2%

27.0%

4.0%

<b>RECEIVABLES at 31 December 2024</b>	<b>Non-current loans and receivables</b>	<b>Other non- current receivables</b>	<b>Current loans and receivables</b>	<b>Trade receivables</b>	<b>Other current receivables</b>	<b>Total</b>
<b><u>Associates</u></b>						
NH Industries SAS				332		<b>332</b>
Iveco - Oto Melara Scarl				81		<b>81</b>
Eurofighter Jagdflugzeug GmbH				51		<b>51</b>
AgustaWestland Aviation Services LLC				24		<b>24</b>
Hensoldt AG				10		<b>10</b>
CNBM LEONARDO (SHANGHAI) AEROSTRUCTURES CO., LTD.				1		<b>1</b>
Macchi Hurel Dubois SAS				14		<b>14</b>
Other with unit amount lower than €mil. 10			3	16	1	<b>20</b>
<b><u>Joint Venture</u></b>						
Thales Alenia Space SAS			325	16		<b>341</b>
Polo Strategico Nazionale SpA				43		<b>43</b>
GIE ATR				41		<b>41</b>
MBDA SAS				27	2	<b>29</b>
Orizzonte - Sistemi Navali SpA				26		<b>26</b>
Spaceopal GmbH				17		<b>17</b>
Other with unit amount lower than €mil. 10				13		<b>13</b>
<b><u>Other companies and consortiums</u></b>						
Consorzio Protezioni Balistiche Italia				14		<b>14</b>
Other with unit amount lower than €mil. 10			2	7		<b>9</b>
<b><u>Companies subject to the control or considerable influence of the MEF</u></b>						
Gruppo Fincantieri SpA				49		<b>49</b>
Ministero dell'Economia e delle Finanze				14		<b>14</b>
ENAV SpA				10		<b>10</b>
Other with unit amount lower than €mil. 10				22		<b>22</b>
<b>Total</b>	-	-	<b>330</b>	<b>828</b>	<b>3</b>	<b>1,161</b>
<b>% against total for the period</b>	<i>n.a.</i>	<i>n.a.</i>	<b>93.8%</b>	<b>21.6%</b>	<b>1.4%</b>	

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<b>PAYABLES at 31 December 2025</b>	<b>Non-current loans and borrowings</b>	<b>Other non-current borrowings</b>	<b>Current loans and borrowings</b>	<b>Trade payables</b>	<b>Other current payables</b>	<b>Total</b>	<b>Guarantees</b>
<b><u>Associates</u></b>							
NH Industries SAS				137	113	250	
Eurofighter Jagdflugzeug GmbH		221		73		294	
Gulf System Logistic Services Company WLL				36		36	
Hensoldt AG				15		15	
Elettronica SpA				13		13	
Leonardo Helicopteres Algeria						-	
Other with unit amount lower than €mil. 10				6	3	9	
<b><u>Joint Venture</u></b>							
MBDA SAS		1,553		7		1,560	8
Thales Alenia Space SAS				10		10	
GIE ATR				4	30	34	
Other with unit amount lower than €mil. 10				11	1	12	
<b><u>Other companies and consortiums</u></b>							
Other with unit amount lower than €mil. 10		1		5	1	7	
<b><u>Companies subject to the control or considerable influence of the MEF</u></b>							
Cassa Depositi e Prestiti SpA			100	2	1	103	111
Gruppo Fincantieri SpA				20		20	
Enel SpA				30		30	
Other with unit amount lower than €mil. 10						-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,875</b>	<b>369</b>	<b>149</b>	<b>2,393</b>	<b>119</b>
<i>% against total for the period</i>	<i>n.a.</i>	<i>n.a.</i>	<i>72.3%</i>	<i>10.5%</i>	<i>8.2%</i>		

<b>PAYABLES at 31 December 2024</b>	<b>Non-current loans and borrowings</b>	<b>Other non-current borrowings</b>	<b>Current loans and borrowings</b>	<b>Trade payables</b>	<b>Other current payables</b>	<b>Total</b>	<b>Guarantees</b>
<b><u>Associates</u></b>							
NH Industries SAS				282		282	
Eurofighter Jagdflugzeug GmbH			144	79		223	
Gulf System Logistic Services Company WLL				27		27	
Hensoldt AG				19		19	
Elettronica SpA				18		18	
Leonardo Helicopteres Algerie			20			20	
Other with unit amount lower than €mil. 10			2	10	4	16	
<b><u>Joint Venture</u></b>							
MBDA SAS			1,457	38		1,495	8
Thales Alenia Space SAS				20		20	
GIE ATR				4	24	28	
Other with unit amount lower than €mil. 10			1	18		19	
<b><u>Other companies and consortiums</u></b>							
Other with unit amount lower than €mil. 10				5		5	
<b><u>Companies subject to the control or considerable influence of the MEF</u></b>							
Cassa Depositi e Prestiti SpA	100				1	101	164
Enel SpA				29		29	
Other with unit amount lower than €mil. 10				4		4	
<b>Total</b>	<b>100</b>	<b>-</b>	<b>1,624</b>	<b>553</b>	<b>29</b>	<b>2,306</b>	<b>172</b>
<i>% against total for the period</i>	<i>4.2%</i>	<i>n.a.</i>	<i>69.8%</i>	<i>14.7%</i>	<i>1.9%</i>		

Trade receivables are commented on later, along with revenue from related parties.

Current loans and borrowings from related parties included in particular the amount of €mil. 1,553 (€mil. 1,457 at 31 December 2024) due to the joint venture MBDA and payables of €mil. 221 (€mil. 144 at 31 December 2024), to Eurofighter, 21% owned. As regards the latter, under a cash pooling agreement its surplus cash and cash equivalents are distributed among the partners; finally, the year 2025 saw the settlement of the debt of €mil. 20 to Leonardo Hélicoptères Algérie for subscribed capital unpaid.

The financial exposure to Cassa Depositi e Prestiti (€mil. 100) related to the loan taken out in 2020 in support of investments in R&D and innovation set out in the Industrial Plan, which is now classified as a current item.

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<i>Income statement transactions at 31 December 2025</i>	Revenue	Other operating income	Costs	Other operating costs	Financial income	Financial expenses
<b><u>Associates</u></b>						
Eurofighter Jagdflugzeug GmbH	1,204		90			1
NH Industries SAS	540		178	126		
Iveco-Oto Melara Scarl	258		3			2
Euromids S.A.S.	24		2			
AgustaWestland Aviation Services LLC	46					
Macchi Hurel Dubois SAS	39					
Hensoldt AG	47		136			
Avio SpA	14					
CNBM LEONARDO (SHANGHAI)	13					
AEROSTRUCTURES CO., LTD.	1					
Elettronica SpA	1		122			
Other with unit amount lower than €mil. 10	11		14			1
<b><u>Joint Venture</u></b>						
GIE ATR	142		44			
Orizzonte - Sistemi Navali SpA	170		1			
MBDA SAS	168		80			52
Spaceopal GmbH	80	2				
Polo Strategico Nazionale SpA	130					
Thales Alenia Space SAS	46		30		9	
Rotorsim Srl	1	3	23			
Other with unit amount lower than €mil. 10		1	5			
<b><u>Other companies and consortiums</u></b>						
Panavia Aircraft GmbH	24					
Consorzio Protezioni Balistiche Italia	27					
Cons. G.e.i.e. Eurotorp						
Other with unit amount lower than €mil. 10	1			8		
<b><u>Companies subject to the control or considerable influence of the MEF</u></b>						
Gruppo Fincantieri SpA	408	283	18			
Cassa Depositi e Prestiti SpA						4
Poste Italiane SpA	22					
ENAV SpA	31					
Ministero dell'Economia e delle Finanze	12					
Ferrovie dello Stato Italiane S.p.A.	18					
ENI SpA	11			9		
Rai – Radiotelevisione italiana S.p.A.	11					
SOGEL - Società generale di informatica SPA	7					
Enel SpA	9		125			
Other with unit amount lower than €mil. 10	2					
<b>Total</b>	<b>3,517</b>	<b>289</b>	<b>888</b>	<b>126</b>	<b>9</b>	<b>60</b>
<i>% against total for the period</i>	18.0%	26.9%	5.2%	12.9%	3.6%	17.9%

## Consolidated Financial Statements at 31 December 2025

<b>Income statement transactions at 31 December 2024</b>	<b>Revenue</b>	<b>Other operating income</b>	<b>Costs</b>	<b>Other operating costs</b>	<b>Financial income</b>	<b>Financial expenses</b>
<b><u>Associates</u></b>						
Eurofighter Jagdflugzeug GmbH	1,017		118			2
NH Industries SAS	311		500			
Iveco-Oto Melara Scarl	195		3			1
Euromids S.A.S.	8					
CNBM LEONARDO (SHANGHAI) AEROSTRUCTURES CO., LTD.	3					
Avio SpA	8					
AgustaWestland Aviation Services LLC	41		5			
Macchi Hurel Dubois SAS	39					
Hensoldt AG	32		114			
Elettronica SpA	1		96			
Other with unit amount lower than €mil. 10	12		13		1	1
<b><u>Joint Venture</u></b>						
GIE ATR	168		70			
Orizzonte - Sistemi Navali SpA	156		1			
MBDA SAS	108	2	68			60
Spaceopal GmbH	75	1				
Polo Strategico Nazionale SpA	65					
Thales Alenia Space SAS	53		20		13	
Rotorsim Srl	1	2	21			
Other with unit amount lower than €mil. 10	1	1	7	1		
<b><u>Other companies and consortiums</u></b>						
Panavia Aircraft GmbH	26					
Consorzio Protezioni Balistiche Italia	20					
Cons. G.e.i.e. Eurotorp	14					
Other with unit amount lower than €mil. 10	4		6			
<b><u>Companies subject to the control or considerable influence of the MEF</u></b>						
Gruppo Fincantieri SpA	85		1			
Cassa Depositi e Prestiti SpA						5
Poste Italiane SpA	41					
ENAV SpA	27					
ENI SpA	16		15			
Ferrovie dello Stato Italiane S.p.A.	6					
Rai – Radiotelevisione italiana S.p.A.	14					
SOGEL - Società generale di informatica SPA	10					
Ministero dell'Economia e delle Finanze						
Enel SpA	7		144			
Other with unit amount lower than €mil. 10	8		1			
<b>Total</b>	<b>2,572</b>	<b>6</b>	<b>1,203</b>	<b>1</b>	<b>14</b>	<b>69</b>
<i>% against total for the period</i>	<i>14.5%</i>	<i>0.8%</i>	<i>7.6%</i>	<i>0.1%</i>	<i>2.6%</i>	<i>17.7%</i>

Trade receivables and revenues, in addition to those from joint ventures, are mainly related to:

- Eurofighter Jagdflugzeug GmbH in the scope of the EFA Kuwait and GCAP programmes;
- NH Industries in the scope of the NH90 helicopter programme;
- Iveco - Oto Melara for production and post-sales assistance on defence and security ground vehicles;
- Macchi Hurel Dubois for the sale of nacelles;
- Ministry of the Economy and Finance mainly for the Italian Tax Police;
- Cassa Depositi e Prestiti due to supplies to the subsidiary Fincantieri.

Costs related to those to Joint Ventures, as well as to companies:

- Eurofighter Jagdflugzeug GmbH within the scope of the abovesaid programme of EFA Kuwait;
- Elettronica Spa for support supplies on naval programmes and the GCAP programme.

### 37. FINANCIAL RISK MANAGEMENT

The Leonardo Group is exposed to financial risks associated with its operations, specifically related to these types of risks:

- interest-rate risks, related to the Group's financial exposure;
- exchange-rate risks, related to operations in currencies other than the reporting currency;
- liquidity risks, relating to the availability of financial resources and access to the credit market;
- credit risks, resulting from normal commercial transactions or financing activities.

Leonardo carefully follows each of these financial risks, with the objective of promptly minimizing them, even using hedging derivatives.

The sections below provide an analysis, conducted through sensitivity analysis, of the potential impact on the final results of assumed fluctuations in reference parameters. As required by IFRS 7, these analyses are based on simplified scenarios applied to the final results of the reference periods and, by their own nature, they cannot be considered as indicators of the actual effects of future changes in reference parameters with different financial statements and market conditions, and cannot reflect the inter-relations and the complexity of reference markets.

#### Interest rate risk

The Leonardo Group is exposed to interest rate risk on borrowings. The management of interest rate risk is consistent with the long-standing practice of reducing the risk of fluctuations in interest rates while seeking to minimize related borrowing costs.

The amount of fixed-rate borrowings from banking and lending institutions (excluding lease liabilities and loans and borrowings with Group's companies), also through the use of hedging instruments, amounts to about 57%, and, consequently, the floating-rate percentage is around 43%. At the date of these financial statements, the cost of debt stood at about 2.6% p.a., with a residual average life of about 2 years. In this regard, it should be noted that borrowings at 31 December 2025, equal to €mil. 4,489, included the value of lease liabilities equal to €mil. 608 and payables to related parties equal to €mil. 1,875.

At 31 December 2025, there was a single hedging transaction in place, consisting of a floating/fixed Interest rate swap for €mil. 300 relating to the EIB loan of the same amount, which guarantees a fixed rate of 1.82% on the loan. Below is the breakdown:

	Notional		Underlying (maturity)	Fair value 01.01.2025	Changes			Fair value 31.12.2025
	2024	2025			Income	Expenses	CFH Reserve	
Options	200		Bond 2025	-	-		-	
IRS floating/fixed	300	300	BEI	12		(3)	9	
<b>Total notional</b>	<b>500</b>	<b>300</b>		<b>12</b>	-	-	<b>(3)</b>	

	Notional		Underlying (maturity)	Fair value 01.01.2024	Changes			Fair value 31.12.2024
	2023	2024			Income	Expenses	CFH Reserve	
Options	200	200	Bond 2025	(1)	1			-
IRS fixed/floating_fixed	300	300	BEI	18			(6)	12
<b>Total notional</b>	<b>500</b>	<b>500</b>		<b>17</b>	<b>1</b>	<b>-</b>	<b>(6)</b>	<b>12</b>

The table below shows the effects of the sensitivity analysis deriving from the 50-basis-point shift in the interest-rate at the reporting date:

Effect of shift of interest rate curve	31 December 2025		31 December 2024	
	Increase of 50 bps	Decrease of 50 bps	Increase of 50 bps	Decrease of 50 bps
Net result	-	-	(1)	1
Equity (*)	2	(2)	2	(2)

(\*) Defined as sum of earnings and cash-flow hedge reserve

## Exchange rate risk

### Transaction risk

Due to its commercial operations, the Group's companies are exposed to the risk of fluctuations in the currencies related to those cases in which orders, revenue and costs are expressed in currencies other than the functional one used in the financial statements (specifically, US dollars and, to a lesser extent, the pound sterling and Polish zloty).

Exchange rate risk management is governed by the directive in force within the Group. The purpose of the directive is to standardize management criteria based on industrial-not-speculative strategies so as to contain risks within specific limits by carefully and constantly assessing all foreign currency transaction positions. The methodology adopted calls for the systematic hedging of commercial cash flows resulting from the assumption of contractual commitments that are certain or highly probable as either buyer or seller, thereby ensuring current exchange rates at the date of acquisition of multi-year contracts and neutralizing the effects of exchange-rate fluctuations. As a result, contracts for purchases or sales denominated in a currency different from the functional currency are hedged using forward contracts of amounts, maturities, and key parameters that are similar to the underlying position. The Group defines the existence of an economic relationship between the hedging instrument and the hedged item on the basis of the currency, amounts and respective cash flows and assesses whether the derivative designated in each hedging relationship will be and has been effective in offsetting changes in the cash flows of the hedged item. In the event that, due to their nature or following events that entail their ineffectiveness, derivative instruments held in the portfolio should be found to no longer be a hedge, the fair value of the instrument is recognised through profit and loss according to accounting principles. In the event the designation of the instrument as a hedge should continue to be supported, the cash-flow hedge accounting method of recognition is adopted (Note 4.3).

Leonardo carries out these transactions with banks in its own interest and of Group companies.

At 31 December 2025 the Leonardo Group had outstanding foreign exchange transactions totalling €mil. 7,040 (notional amount). Overall, the average EUR/USD dollar exchange rate for hedging purposes is 1.0669 on sales and about 1.134 on purchases.

	Notional			Fair value 01.01.2025	Changes			Fair value 31.12.2025	
	Sales	Purchases	Total		Discontinued operation	Income	Expenses		CFH Reserve
Swap and forward transactions	3,753	3,287	7,040	(95)		18	(7)	199	115

	Notional			Fair value 01.01.2024	Changes			Fair value 31.12.2024	
	Sales	Purchases	Total		Discontinued operation	Income	Expenses		CFH Reserve
Swap and forward transactions	4,288	3,201	7,489	15		2	(8)	(104)	(95)

The table below shows the expected due dates of receipts and payments related to derivative instruments broken down by main currencies:

	31 December 2025				31 December 2024			
	Notional Receipts		Notional Payments		Notional Receipts		Notional Payments	
	USD	GBP	USD	GBP	USD	GBP	USD	GBP
<b>Cash-flow and fair-value hedges</b>								
Within 1 year	1,794	11	1,265	1,020	1,673	10	970	989
2 to 3 years	1,127	2	439	17	1,443	-	373	37
4 to 9 years	48	-	11	1	246	-	51	1
<b>Total</b>	<b>2,969</b>	<b>13</b>	<b>1,715</b>	<b>1,038</b>	<b>3,362</b>	<b>10</b>	<b>1,394</b>	<b>1,027</b>
<b>Hedging transactions which cannot be classified as hedging transactions</b>								
	193	2	193	2	209	1	234	1
<b>Total transactions</b>	<b>3,162</b>	<b>15</b>	<b>1,908</b>	<b>1,040</b>	<b>3,571</b>	<b>11</b>	<b>1,628</b>	<b>1,028</b>

The table below shows the effects of the sensitivity analysis carried out on the change in the exchange rates of the euro against the US dollar (USD) and the pound sterling (GBP) and, assuming a +/-5% change in the euro/US dollar exchange rate and the euro/pound sterling exchange rate compared with the reference rates at 31 December 2025 and at 31 December 2024.

	31 December 2025				31 December 2024			
	Effect of change in the €/GBP rate		Effect of change in the €/USD rate		Effect of change in the €/GBP rate		Effect of change in the €/USD rate	
	Increase of 50 bps	Decrease of 50 bps	Increase of 50 bps	Decrease of 50 bps	Increase of 50 bps	Decrease of 50 bps	Increase of 50 bps	Decrease of 50 bps
Net result	(5)	4	4	-	(3)	3	(2)	2
Equity (*)	(3)	2	32	(33)	(2)	3	40	(50)

(\*) Defined as sum of earnings and cash flow hedge reserve

### Translation risk

The Group is exposed to “translation risk”, i.e. the risk that assets, liabilities and results in consolidated companies whose reporting currency is not the euro (mainly USD and GBP) can have different values in euros depending on the performance of exchange rates, which affect the equity reserve named “Translation reserve” (Note 20) and results of operations. It should be noted that Leonardo does not hedge translation risk relating to its own equity investments, the most important of which are in the USA and in the UK.

Leonardo UK Ltd., which is Leonardo's main equity holding in the UK had a positive net financial position which is transferred to Leonardo through cash pooling arrangements. Leonardo systematically hedges this exposure through exchange-rate derivatives recognised as fair value hedges. As a result, even though the Group has no economic exposure, it is subject to balance-sheet volatility directly impacting the amount of Group net debt, which is affected by the realigning payables/receivables in foreign currency.

The effects on the equity of the Group, broken down by the main currencies, are reported in Note 20.

### **Liquidity risk**

The Group is exposed to the risk of not being able to finance the prospective requirements deriving from its usual business and investment operations, as well as those connected with the volatility of the relevant markets and with operations linked to commercial contracts for which there is the risk of renegotiation or cancellation. Furthermore, there is the risk of not being able to repay or refinance debts at the expiry dates. In order to face these risks, the Leonardo Group had at its disposal, for financing its operations, at 31 December 2025:

- the cash and cash equivalents of €mil. 3,238 at 31 December 2025 related to Leonardo Spa (€mil. 2,405) and to Group companies (€mil. 735) that, for different reasons, do not fall within the scope of the cash pooling system, in addition to temporarily available cash amounts of the companies falling, directly or indirectly, within the scope of the cash pooling, as well as to deposits made for different reasons;
- an ESG-linked Revolving Credit Facility (RCF), available to Leonardo Spa, amounting to €mil. 1,800, which was entirely unused at 31 December 2025 and with a term of 5 years expiring on 7 October 2030;
- uncommitted bank credit lines totalling €mil. 820 (entirely unused at 31 December 2025);
- an EMTN (Euro Medium Term Notes) Programme, out of which all the bonds of Leonardo Spa are issued, which are currently in place on the Euromarket and which was still available at 31 December 2025 for a total nominal amount of €mil. 3,500 compared to a total amount of €mil. 4,000 under the programme;
- a RCF available to Leonardo DRS amounting to USDmil. 275 (€mil. 234), which was also entirely unused at 31 December 2025, in addition, a Term Loan raised in 2022 still outstanding for an amount of USDmil. 191 (€mil. 163);
- short-term credit lines subject to revocation, available to the subsidiary Leonardo US Corporation and guaranteed by Leonardo Spa, for an amount of USDmil. 210 (€mil. 178), unused at 31 December 2025;
- short-term credit lines subject to revocation, available to the subsidiary Leonardo US Holding and guaranteed by Leonardo Spa, for an amount of USDmil. 5 (€mil. 4), unused at 31 December 2025;
- uncommitted lines of credit for guarantees for a total amount of €mil. 13,062, of which an amount of €mil. 3,691 was available at 31 December 2025.

### **Credit risk**

The Group is exposed to credit risk, which is defined as the probability of an insolvency with respect to a credit position with commercial and financial counterparties.

Regarding commercial transactions, the most significant programmes are made with public sector contractors or contractors belonging to public institutions, mainly in the Euro area, in the UK, the US and the Middle East. The risks associated with the counterparty, for contracts with countries for which there are no usual commercial relations, are analysed and valued at the time of the offer in order to mitigate insolvency risks, if any. While solvency is guaranteed with public-entity customers, it can entail an extension of the collection times than for other business sectors, creating outstanding credit positions and the subsequent need, in some cases, for transactions to convert the receivables into cash. When requested to do so, the Group hedges against potential defaults of its customers by entering into insurance policies with leading Export Credit Agencies (ECAs) internationally and with major Italian agencies.

The types of contracts entered into by the Group often provide for sizeable retention money possibly withheld by customers, as well as back-to-back clauses in case of sub-supplies. All this may inherently extend the times for collection of outstanding receivables.

Furthermore, the Group operates in markets which are or have been recently affected by geopolitical or financial tensions. In particular, with reference to the situation at 31 December 2025, we note the following relations with countries exposed to credit risk according to the specialist institutions (SACE).

€mil.	Nigeria	Pakistan	Kenya	Angola	Egypt	Bangladesh	Other countries	Total
Assets	157	88	3	68	26	21	175	538
Liabilities	(43)	(37)	(21)	(26)	(55)	(2)	(156)	(340)
<b>Net exposure</b>	<b>114</b>	<b>51</b>	<b>(18)</b>	<b>42</b>	<b>(29)</b>	<b>19</b>	<b>19</b>	<b>198</b>

The Group's exposure is moderate in the areas affected by wars. In drawing up the consolidated financial statements account was taken of the impact that might arise from the conflicts, essentially in relation to the recoverability of amounts receivable and investments, without however recognizing any impairment loss.

Finally, the receivables related to certain existing contracts, might not be paid, renegotiated or written off.

The table below summarizes trade receivables, with most of the balance claimed, as indicated, from public-sector contractors or contractors belonging to public institutions:

(€ billions)	31 December 2025	31 December 2024
Portion due	1.7	1.7
- of which: for more than 12 months	0.5	0.5
Portion not yet due	2.2	2.1
<b>Total trade receivables</b>	<b>3.9</b>	<b>3.8</b>

A part of the portion due is offset by a liability, in relation to payable items or provisions for risks on any net excesses.

Loans and receivables, amounting to €mil. 245 (€mil. 367 at 31 December 2024) included €mil. 1 (€mil. 15 at 31 December 2024) classified as "non-current" and consequently excluded from the net financial position.

Loans and receivables are broken down in the table below:

	31 December 2025	31 December 2024
Loans and receivables from related parties	-	-
Other loans and receivables	1	15
<b>Non-current loans and receivables</b>	<b>1</b>	<b>15</b>
Loans and receivables from related parties	225	330
Other loans and receivables	19	22
<b>Current loans and receivables</b>	<b>244</b>	<b>352</b>
<b>Total loans and receivables</b>	<b>245</b>	<b>367</b>

Both the main trade and financial receivables are impaired based on their probability of default or individually in case of particular situations. Vice versa, for receivables that are not impaired individually, impairment provisions are accrued, using time series, statistical data and probability of default on an aggregate basis also supported by qualitative analyses.

During the year, receivables were assigned without recourse for a total volume of €mil. 115 (€mil. 200 in 2024). The amount of the assignments is lower than the previous year's figure as a result of the further streamlining of working capital management processes, which enabled to further improve the dynamics underlying the realization of collection flows.

### Classification of financial assets and liabilities

The table below shows the fair value hierarchy for the financial assets and liabilities of the Group measured at fair value. The fair value of derivatives (classified under other current assets and liabilities) and of current securities is determined on the basis of measurement techniques which consider directly observable market inputs (the so-called "Level 2").

	31 December 2025			31 December 2024		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Other non-current assets	-	-	-	-	-	-
Other current assets	253	-	253	104	-	104
Other non-current liabilities	-	2	2	-	-	-
Other current liabilities	129	-	129	187	-	187

The total fair value of pension plan assets amounted to €mil. 2,104 (€mil. 2,237 at 31 December 2024), classified under non-current assets and deducted from employee benefits.

## 38. REMUNERATION TO KEY MANAGEMENT PERSONNEL

Remuneration paid to persons who have strategic power and responsibility of Leonardo S.p.a. amounted to €mil. 25 (€mil. 17 at 31 December 2024).

Remuneration paid to Directors, excluding managers with strategic responsibility, amounted to €mil. 2 (€mil. 2 in 2024). This figure includes fees and other compensation, pensions and other benefits, including the portion borne by the Company.

### 39. INFORMATION ON THE IMPACT OF CLIMATE CHANGE

Leonardo has identified climate-related risks and opportunities through the application of the Group's Enterprise Risk Management process, as part of the double materiality analysis, carried out in accordance with Legislative Decree 125/2024 and the European Sustainability Reporting Standards (ESRS). Leonardo carried out scenario analyses to assess the resilience of its corporate strategy with respect to climate changes, considering physical and transitional risks in line with IPCC<sup>141</sup> scenarios. The analysis allowed it to assess to what extent progressive extreme physical events, as well as transition dynamics tied to evolving markets, technologies, and regulatory framework, can affect business continuity, people's safety, and the resilience of company assets. The climate-related risks and opportunities analysed, as well as the double materiality analysis, are explained within the Consolidated Sustainability Statement.

In order to prevent and mitigate the impact of physical risks, Leonardo developed a set of responses and measures, including strengthening insurance programs, expanding site-specific assessments, and introducing design and retrofit guidelines for buildings and facilities. In parallel, to manage transition risks, the Group has defined strategic levers that include a decarbonization plan aligned with the Science Based Targets initiative (SBTi), investments in low-emission technologies, and the development of solutions to reduce customers' carbon footprints by leveraging digitalization, technological advances, and data management.

In 2025, Leonardo defined a concrete and measurable path to guide the Group's transition toward a competitive and resilient business model aimed at reducing environmental impacts in relation to emissions related to industrial processes (Scope 1 and Scope 2 emissions) and to those generated by suppliers and customers (Scope 3 emissions).

With reference to Scope 1 and Scope 2 emissions, Leonardo strategy is based on four pillars: energy efficiency, efficiency of energy transformation plants and processes, rebalancing the energy mix, and use of renewable sources.

With regard to Scope 3 emissions, Leonardo promotes the reduction of emissions along its supply chain through a supplier engagement programme geared towards the creation of a conscious community committed to achieving sustainability goals. In addition, the Group is active in reducing emissions related to the use of the products and services it sells, through innovative solutions, such as the use of latest-generation fuels that replace fossil fuels, the implementation of virtualization technologies which enable customers to reduce the emissions generated in the phase of their use.

For more details, please refer to the Consolidated Sustainability Statement (section "Climate change and decarbonisation" in the chapter "Environmental information").

The business plans used in order to assess the recoverability of capitalised assets are also prepared considering the additional investments related to the search for innovative solutions in sustainable business, reduction of emissions and decarbonisation. Likewise, the work already considers issues and any prospective impacts related to climate change identified through the double materiality analysis mentioned above.

Based on the above the Group does not expect any significant financial impact.

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<sup>141</sup> IPCC — Intergovernmental Panel on Climate Change

#### 40. SHARE-BASED PAYMENTS

In order to implement an incentive and retention system for the Group's employees and associates, Leonardo has established two incentive plans with share-based payments, the Long-Term Incentive Plan and the Employee Share Ownership Plan. Share incentive plans are also in place with regard to the US subsidiary Leonardo DRS, whose cost recognised through profit or loss amounted to €mil. 28 (USDmil. 31) in 2025.

The Long-Term Incentive Plan (LTIP), implemented from 2025, provides, subject to assessing the attainment of pre-set business targets, for the award of shares of the Parent Company. These shares will be awarded to the beneficiaries at the end of the vesting period, provided that they have met the condition of being still employed with the company. The cost recognised in the income statement for this scheme amounted to €mil. 20 in 2025 (€mil. 17 in 2024).

Furthermore, during 2025, the prerequisites were fulfilled for the granting of approximately 1.9 million shares (2.0 million in 2024) under the Long-Term Incentive Plan, cycle 2022-2024. In accordance with the provisions of LTIP's rules, part of the shares awarded were withheld by the Company in order to settle, in its capacity as withholding agent, withholding and tax deductions on behalf of the beneficiaries. The shares withheld amounted to about 860 thousand (860 thousand in 2024), entailing an outlay equal to about €mil. 39 (€mil. 20 in 2024), recognised in equity as they were considered equity-settled share-based payment transactions; as a result, the shares actually delivered amounted to about 1.0 million (1.1 million in 2024).

With specific regard to the abovementioned current Long-Term Incentive Plans of Leonardo SpA, the fair value used to measure the portion linked to the performance indicators (Group Net Debt, ROIC, Sustainability Indicators, and, as from the three-year cycle 2024-2026, the Group's Revenues) was equal to €6.788 (value of Leonardo shares at the grant date of 31 July 2021) with reference to the three-year cycle 2021-2023 and € 9.15 (value of Leonardo shares at the grant date of 31 July 2022) with reference to the three-year cycle 2022-2024, € 13.66 (value of Leonardo shares at the grant date of 1 October 2023) with reference to the three-year cycle 2023-2025 and € 21.60 (value of Leonardo shares at the grant date of 1 August 2024) with reference to the three-year cycle 2024-2026, and € 46.07 (value of Leonardo shares at the grant date of 1 August 2025) with reference to the three-year cycle 2025-2027.

Vice versa, the award of the remaining of the shares depends upon market conditions which affect the determination of the fair value ("adjusted fair value"). The adjusted fair value, calculated using actuarial models to simulate the possible performance of the stock and of the other companies within the basket, was equal to €3.7 with reference to the three-year cycle 2021-2023, €6.4 with reference to the three-year cycle 2022-2024, €12.1 with reference to the three-year cycle 2023-2025 and €15.87 with reference to the three-year cycle 2024-2026, and € 36.73 with reference to the three-year cycle 2025-2027.

The input data used to calculate the adjusted fair value were:

- the stock price at the grant date;
- the average share price in the three months preceding the performance period;
- the risk-free interest rate based on the zero-coupon yield curve in 36 months;
- the expected volatility of the price of Leonardo shares and of the shares of the other companies within the basket based on time series in the 36 months prior to the grant date;
- correlation coefficients between Leonardo and the other companies within the basket on the basis of logarithms of the daily performance of the stocks in the 36 months prior to the grant date;
- dividend distribution forecasts on a historical basis.

The 2025-2027 Employee Share Ownership Plan (ESOP), approved by the Shareholders' Meeting on 26 May 2025, aims to strengthen the involvement and sense of belonging of the Group's resources, encourage their active participation in long-term growth, spread the culture of "ownership" at all levels, and align with Italian and foreign best practices.

The ESOP is divided into three annual cycles, which may be activated in 2025, 2026 and 2027, and which may be joined, on a voluntary basis, by employees of Leonardo SpA and other Group companies based in Italy, the United States - with the exception of Leonardo DRS -, the United Kingdom and Poland. Participants, in exchange for an individual contribution to be used to purchase Leonardo shares ("Purchased Shares"), will receive free Leonardo SpA shares, partly in proportion to the number of shares they have purchased ("Matching Shares"), and partly as a one-off payment upon first joining the Plan. The shares received free of charge will be subject to a lock-up period (equal to 3 years in Italy), which will end only if the employees maintain continuous employment with Leonardo. Approximately 11,000 employees participated in the Plan launched in 2025, for whom a total of approximately 64.7 thousand free shares have already been allocated. The cost recognised in the income statement with regard to this instrument amounted to €mil. 1 in 2025.

For the Board of Directors

The Chairman

(Stefano Pontecorvo)

## ATTACHMENTS

### **Attachment: Disclosure ex-lege 124/2017**

In accordance with the provisions of Article 1, paragraphs 125-126, of Law 124 of 4 August 2017, information on grants received from public administrations and granted by the Group is provided below.

#### *Grants received*

Worth noting are the provisions of Law no. 124/2017 imposing disclosure obligations on those entities carrying out the activity referred to in article 2195 of the Italian Civil Code in relation to sums which are not of a general nature and do not consist of fees, remuneration or compensation received from public administrations or similar entities.

Excluded from such scope are any grant consisting of a consideration for the Group's services and any grant deriving from bilateral financial relationships, which are peculiar to the Group's business, as well as any general measure that falls within the broader general structure of the reference system defined by the State (among others, Law 237/1993, Law 297/1999, Development Contracts and Regional Operational Programme, Law 808/1985, Regional Laws and National Operational Programmes), the effects of which are described in the notes to the Consolidated Financial Statements, based on the accounting standards adopted in the preparation of said accounts that can be used by all sector businesses, as well as grants received for continuing professional development from interprofessional funds.

The Group has not received grants falling within the framework of those referred to in article 1, para. 125, of Law 124/2017.

It should also be noted that the transparency of State aid for which there is a publication obligation is protected by their publication in the National Register of State Aids referred to in Article no. 52 of Law 234 of 24 December 2012.

#### *Grants disbursed*

As a publicly traded company, Leonardo S.p.A. is not subject to the obligations under Article 1, para. 126, in accordance with Article 2-bis, para. 2, letter b) of Legislative Decree 33/2013.

There are no grants disbursed by Leonardo S.p.A. and its Italian subsidiaries in the form of donations or disbursements that do not consist of a consideration for services received, not even in the form of a return in terms of image.

**Attachment: Scope of consolidation**

# Consolidated Financial Statements at 31 December 2025

List of companies consolidated on a line-by-line basis (amounts in currency)

N.	Company name	Registered office	Participating company	Currency	Share capital	% Group ownership		% Group shareholding
						Direct	Indirect	
1	3083683 NOVA SCOTIA LIMITED	Halifax, Nova Scotia (Canada)	ENGINEERED SUPPORT SYSTEMS INC	CAD	-	100		71.38
2	AGUSTAWESTLAND INDIA PRIVATE LTD (IN LIQ.)	New Delhi (India)	LEONARDO GLOBAL SOLUTIONS SPA AGUSTAWESTLAND LTD	INR	11,519,450	100		100
3	AGUSTAWESTLAND INTERNATIONAL LTD	Yeovil, Somerset (UK)	AGUSTAWESTLAND LTD	GBP	511,000	100		100
4	AGUSTAWESTLAND LTD	Yeovil, Somerset (UK)	LEONARDO UK LTD	GBP	1,520,304	100		100
5	AGUSTAWESTLAND PHILADELPHIA CO	Wilmington, Delaware (USA)	LEONARDO US CORPORATION	USD	20,000,000	100		100
6	ALEA SRL	Pordenone	LEONARDO SPA	EUR	120,000	100		100
7	AXIOMATICS AB	Stoccolma (Svezia)	LEONARDO SPA	SEK	338,025	100		100
8	AXIOMATICS CANADA INC	Toronto (Canada)	AXIOMATICS AB	CAD	100	100		100
9	AXIOMATICS FEDERAL INC	Reston (USA)	AXIOMATICS INC	USD	50	100		100
10	AXIOMATICS INC	Chicago (USA)	AXIOMATICS AB	USD	50	100		100
11	DAYLIGHT DEFENCE LLC	Wilmington, Delaware (USA)	DAYLIGHT SOLUTIONS INC	USD	-	100		71.38
12	DAYLIGHT SOLUTIONS INC	Wilmington, Delaware (USA)	LEONARDO DRS INC	USD	1	100		71.38
13	DISPOSITIVI PROTEZIONE INDIVIDUALE D.P.I. SRL	Roma	LARIMART SPA	EUR	309,600	77.92		46.75
14	DRS ADVANCED ISR LLC	Wilmington, Delaware (USA)	DRS DEFENSE SOLUTIONS LLC	USD	-	100		71.38
15	DRS DEFENSE SOLUTIONS LLC	Wilmington, Delaware (USA)	LEONARDO DRS INC	USD	-	100		71.38
16	DRS ENVIRONMENTAL SYSTEMS INC	Wilmington, Delaware (USA)	ENGINEERED SUPPORT SYSTEMS INC	USD	2	100		71.38
17	DRS HOMELAND SECURITY SOLUTIONS INC	Wilmington, Delaware (USA)	LEONARDO DRS INC	USD	1	100		71.38
18	DRS INTERNATIONAL INC	Wilmington, Delaware (USA)	LEONARDO DRS INC	USD	1	100		71.38
19	DRS NAVAL POWER SYSTEMS INC	Wilmington, Delaware (USA)	ENGINEERED SUPPORT SYSTEMS INC	USD	1	100		71.38
20	DRS NETWORK & IMAGING SYSTEMS LLC	Wilmington, Delaware (USA)	LEONARDO DRS INC	USD	-	100		71.38
21	DRS SIGNAL SOLUTIONS INC	Wilmington, Delaware (USA)	DRS DEFENSE SOLUTIONS LLC	USD	10	100		71.38
22	DRS SURVEILLANCE SUPPORT SYSTEMS INC	Wilmington, Delaware (USA)	LEONARDO DRS INC	USD	1	100		71.38
23	DRS SUSTAINMENT SYSTEMS INC	Wilmington, Delaware (USA)	ENGINEERED SUPPORT SYSTEMS INC	USD	1,000	100		71.38
24	DRS SYSTEMS MANAGEMENT LLC	Wilmington, Delaware (USA)	LEONARDO DRS INC	USD	1	100		71.38
25	DRS SYSTEMS INC	Wilmington, Delaware (USA)	LEONARDO DRS INC	USD	1	100		71.38
26	DRS RADA TECHNOLOGIES LTD	Netanya (Israele)	LEONARDO DRS INC	ILS	1,491,527	100		71.38
27	DRS TECHNOLOGIES CANADA INC	Wilmington, Delaware (USA)	LEONARDO DRS INC	USD	1	100		71.38
28	DRS TECHNOLOGIES CANADA LTD	Kanata, Ontario (Canada)	DRS TECHNOLOGIES CANADA INC	CAD	100	100		71.38
29	DRS TECHNOLOGIES SAUDI ARABIA LLC	Riyadh (Arabia Saudita)	LEONARDO DRS INC	SAR	2,000,000	49		34.98
30	DRS TECHNOLOGIES UK LIMITED	Yeovil, Somerset (UK)	LEONARDO UK LTD	GBP	1	100		100
31	DRS TRAINING & CONTROL SYSTEMS LLC	Tallahassee, Florida (USA)	DRS DEFENSE SOLUTIONS LLC	USD	510	100		71.38
32	DRS UNMANNED TECHNOLOGIES INC	Wilmington, Delaware (USA)	DRS TRAINING & CONTROL SYSTEMS LLC	USD	1	100		71.38
33	E2E ENGINEERING LIMITED	Luton (UK)	TELESPAZIO UK LTD	GBP	489	100		67
34	E2E SATCOM LIMITED	Luton (UK)	E2E ENGINEERING LIMITED	GBP	900	100		67
35	E2E SERVICES LIMITED	Luton (UK)	E2E ENGINEERING LIMITED	GBP	300	100		67
36	E - GEOS SPA	Matera	TELESPAZIO SPA	EUR	5,000,000	80		53.60
37	EARTH LAB LUXEMBOURG SA	Mamer (Lussemburgo)	TELESPAZIO BELGIUM SRL E - GEOS SPA	EUR	4,875,000	100		64.72
38	ENGINEERED COIL COMPANY	Jefferson City, Missouri (USA)	ENGINEERED SUPPORT SYSTEMS INC	USD	1,000	100		71.38
39	ENGINEERED SUPPORT SYSTEMS INC	Jefferson City, Missouri (USA)	LEONARDO DRS INC	USD	1	100		71.38
40	ESSI RESOURCES LLC	Frankfort, Kentucky (USA)	DRS SUSTAINMENT SYSTEMS INC	USD	-	100		71.38
41	GAF AG	Monaco (Germania)	E - GEOS SPA	EUR	256,000	100		53.60
42	G.E.M. ELETTRONICA SRL	San Benedetto del Tronto (Ascoli Piceno)	LEONARDO SPA	EUR	4,500,000	65		65
43	KOPTER GERMANY GMBH	HÖHENKIRCHEN-Siegertsbrunn (Germania)	KOPTER GROUP AG	EUR	25,000	100		100
44	KOPTER GROUP AG	Mollis, Glarona Nord (Svizzera)	LEONARDO SPA	CHF	32,000,000	100		100
45	LARIMART SPA	Roma	LEONARDO SPA	EUR	2,500,000	60		60
46	LAUREL TECHNOLOGIES PARTNERSHIP	Wilmington, Delaware (USA)	DRS SYSTEMS MANAGEMENT LLC DRS SIGNAL SOLUTIONS INC	USD	-	100		71.38
47	LEONARDO AUSTRALIA PTY LTD	Essendon, Victoria (Australia)	LEONARDO INTERNATIONAL SPA	AUD	8,366,301	100		100
48	LEONARDO BELGIUM SA	Grace Hollogne (Belgio)	LEONARDO INTERNATIONAL SPA SELEX ES INTERNATIONAL LTD	EUR	500,000	100		100
49	LEONARDO CAE ADVANCED JET TRAINING SRL	Villasor (Cagliari)	LEONARDO SPA	EUR	49,040,000	50		50
50	LEONARDO CANADA INC (ex TTI Tactical Technologies Inc)	Ottawa, Ontario (Canada)	LEONARDO INTERNATIONAL SPA	CAD	2,500,001	100		100
51	LEONARDO (CHINA) CO. LTD	Beijing (Cina)	LEONARDO INTERNATIONAL SPA	USD	800,000	100		100
52	LEONARDO DO BRASIL LTDA	Itapevi (Brasile)	LEONARDO INTERNATIONAL SPA SELEX ES INTERNATIONAL LTD	BRL	48,241,788	100		100
53	LEONARDO DRS INC	Wilmington, Delaware (USA)	LEONARDO US HOLDING LLC	USD	262,454,115	71.38		71.38
54	LEONARDO DRS UNITED KINGDOM LTD	Bramhall Stockport (UK)	DRS RADA TECHNOLOGIES LTD	GBP	1	100		71.38
55	LEONARDO ELECTRONICS US INC	Wilmington, Delaware (USA)	LEONARDO US CORPORATION	USD	32,750,000	100		100
56	LEONARDO FOR AVIATION SERVICES (SPC)	Kuwait City (Kuwait)	LEONARDO SPA	KWD	300,000	100		100
57	LEONARDO GERMANY GMBH	Neuss (Germania)	LEONARDO INTERNATIONAL SPA SELEX ES INTERNATIONAL LTD	EUR	2,500,000	100		100
58	LEONARDO GLOBAL SOLUTIONS SPA	Roma	LEONARDO SPA	EUR	51,000,000	100		100
59	LEONARDO GMBH	Colonia (Germania)	LEONARDO INTERNATIONAL SPA	EUR	25,700	100		100
60	LEONARDO HELICOPTERS USA INC	Wilmington, Delaware (USA)	AGUSTAWESTLAND PHILADELPHIA CO	USD	-	100		100
61	LEONARDO INTERNATIONAL SPA	Roma	LEONARDO SPA	EUR	1,000,000	100		100
62	LEONARDO LOGISTICS SPA	Roma	LEONARDO SPA	EUR	100,000	100		100
63	LEONARDO LOGISTICS POLAND SP Z O.O	Swidnik (Polonia)	LEONARDO LOGISTICS SPA	PLN	5,000	100		100
64	LEONARDO MALAYSIA SDN BHD	Kuala Lumpur (Malesia)	LEONARDO INTERNATIONAL SPA	MYR	2,500,000	100		100

## Consolidated Financial Statements at 31 December 2025

65	LEONARDO ROMANIA AEROSPACE, DEFENCE & SECURITY SA	Ploiesti (Romania)	LEONARDO INTERNATIONAL SPA SELEX ES INTERNATIONAL LTD	RON	10,847,960		100	100
66	LEONARDO SAUDI LTD	Riyadh (Arabia Saudita)	LEONARDO INTERNATIONAL SPA	SAR	30,000,000		100	100
67	LEONARDO SOUTH AFRICA (PTY) LTD	Pretoria (Sud Africa)	LEONARDO INTERNATIONAL SPA	ZAR	1,500		100	100
68	LEONARDO TECHNOLOGIES & SERVICES LTD	Nairobi (Kenya)	LEONARDO INTERNATIONAL SPA	KES	109,600,000		100	100
69	LEONARDO TURKEI HAVACILIK SAVUNMA VE GUVENLIK SISTEMLERI AS	Ankara (Turchia)	LEONARDO INTERNATIONAL SPA SELEX ES INTERNATIONAL LTD	TRY	79,557,009		100	100
70	LEONARDO UK LTD	Londra (UK)	LEONARDO SPA	GBP	314,500,100	100		100
71	LEONARDO US AIRCRAFT LLC	Wilmington, Delaware (USA)	LEONARDO US SUBHOLDINGS LLC	USD	100		100	100
72	LEONARDO US AUTOMATION INC	Wilmington, Delaware (USA)	LEONARDO US CORPORATION	USD	10		100	100
73	LEONARDO US CORPORATION	Wilmington, Delaware (USA)	LEONARDO US HOLDING LLC	USD	10		100	100
74	LEONARDO US HOLDING LLC	Wilmington, Delaware (USA)	LEONARDO SPA LEONARDO INTERNATIONAL SPA	USD	10	53.53	46.47	100
75	LEONARDO US SUBHOLDING LLC	Wilmington, Delaware (USA)	LEONARDO US CORPORATION	USD	100		100	100
76	OTO MELARA NORTH AMERICA LLC	Wilmington, Delaware (USA)	LEONARDO DRS INC	USD	-		100	71.38
77	PIVOTAL POWER INC	Halifax, Nova Scotia (Canada)	3083683 NOVA SCOTIA LIMITED	CAD	-		100	71.38
78	PRECISION AVIATION PROPERTY PTY LTD	Pretoria (Sud Africa)	LEONARDO SOUTH AFRICA (PTY) LTD	ZAR	100		100	100
79	RADA INNOVATIONS LLC	Germantown (USA)	RADA SENSORS INC	USD	1		100	71.38
80	RADA SENSORS INC	Delaware (USA)	DRS RADA TECHNOLOGIES LTD	USD	100		100	71.38
81	RADA TECHNOLOGIES LLC	Germantown (USA)	RADA SENSORS INC	USD	1		100	71.38
82	RARTEL SA	Bucarest (Romania)	TELESPAZIO SPA	RON	468,500		61.06	40.91
83	REGIONALNY PARK PRZEMYSLOWY SWIDNIK SP Z O.O	Swidnik (Polonia)	PZL-SWIDNIK SA	PLN	7,722,000		76.08	76.08
84	SELEX ELSAG LTD	Basildon, Essex (UK)	LEONARDO UK LTD	GBP	25,800,100		100	100
85	LEONARDO US CYBER AND SECURITY SOLUTIONS LLC (ex Selex ES Lic)	Wilmington, Delaware (USA)	LEONARDO US SUBHOLDINGS LLC	USD	100		100	100
86	SELEX ES INTERNATIONAL LTD	Basildon, Essex (UK)	LEONARDO INTERNATIONAL SPA	GBP	100		100	100
87	SELEX ES MALAYSIA SDN BHD	Kuala Lumpur (Malesia)	LEONARDO INTERNATIONAL SPA	MYR	500,000		100	100
88	T - S HOLDING CORPORATION	Austin, Texas (USA)	TECH-SYM LLC	USD	280,000		100	71.38
89	TECH-SYM LLC	Carson City, Nevada (USA)	LEONARDO DRS INC	USD	10		100	71.38
90	TELESPAZIO ARGENTINA SA	Buenos Aires (Argentina)	TELESPAZIO SPA TELESPAZIO BRASIL SA	ARS	9,950,000		100	66.96
91	TELESPAZIO BELGIUM SRL	Bastogne (Belgio)	TELESPAZIO SPA TELESPAZIO FRENCH GUIANA SARL	EUR	1,282,750		100	67
92	TELESPAZIO BRASIL SA	Rio de Janeiro (Brasile)	TELESPAZIO LATIN AMERICA LTDA	BRL	58,724,000		98.77	66.18
93	TELESPAZIO FRANCE SAS	Tolosa (Francia)	TELESPAZIO SPA	EUR	33,670,000		100	67
94	TELESPAZIO FRENCH GUIANA SARL	Kourou (Guyana Francese)	TELESPAZIO SPA	EUR	7,625		100	67
95	TELESPAZIO GERMANY GMBH	Darmstadt (Germania)	TELESPAZIO SPA TELESPAZIO FRANCE SAS	EUR	44,150		100	67
96	TELESPAZIO IBERICA SL	Madrid (Spagna)	TELESPAZIO SPA	EUR	2,230,262		100	67
97	TELESPAZIO LATIN AMERICA LTDA	Rio de Janeiro (Brasile)	TELESPAZIO SPA TELESPAZIO UK LTD	BRL	56,444,390		100	67
98	TELESPAZIO SPA	Roma	LEONARDO SPA	EUR	50,000,000	67		67
99	TELESPAZIO UK LTD	Luton (UK)	TELESPAZIO SPA	GBP	14,400,048		100	67
100	TELESPAZIO UK SL	Madrid (Spagna)	TELESPAZIO UK LTD	EUR	3,100		100	67
101	WYTWORNIA SPRZETU KOMUNIKACYJNEGO "PZL-SWIDNIK" SPOLKA AKCYJNA	Swidnik (Polonia)	LEONARDO SPA	PLN	137,401,350	100		100

## Consolidated Financial Statements at 31 December 2025

### List of companies consolidated using the equity method (amounts in currency)

N.	Company name	Registered office	Participating company	Currency	Share capital	% Group ownership		% Group shareholding
						Direct	Indirect	
1	ADVANCED AIR TRAFFIC SYSTEMS SDN BHD	Shah Alam (Malesia)	SELEX ES INTERNATIONAL LTD	MYR	10,000,000		30	30
2	AGUSTAWESTLAND AVIATION SERVICES LLC	Abu Dhabi (Emirati Arabi Uniti)	LEONARDO SPA	AED	58,010,000	30		30
3	AMSH BV	Rotterdam (Olanda)	LEONARDO SPA	EUR	36,296,316	50		50
4	AVIO SPA	Roma	LEONARDO SPA	EUR	158,506,883	19.30		19.30
5	BLCAT INC	Ottawa, Ontario (Canada)	LEONARDO CANADA INC (ex TTI Tactical Technologies Inc)	CAD	100		50	50
6	CNBM LEONARDO (SHANGHAI) AEROSTRUCTURES CO. LTD	Shanghai (Cina)	LEONARDO SPA	USD	200,000,000	30		30
7	C-27J AVIATION SERVICES INC	Ottawa, Ontario (Canada)	LEONARDO CANADA INC (ex TTI Tactical Technologies Inc)	CAD	10,000		30	30
8	CONSORZIO ATR GIE	Tolosa (Francia)	LEONARDO SPA	USD	-	50		50
9	D-FLIGHT SPA	Roma	LEONARDO SPA	EUR	83,333	40		40
10	EDGEWING SYSTEMS LIMITED	Reading (UK)	LEONARDO SPA	GBP	2,999,970	33.33		33.33
11	ELETTRONICA SPA	Roma	LEONARDO SPA	EUR	9,000,000	31.33		31.33
12	EUROFIGHTER JAGDFLUGZEUG GMBH	Hallbergmoos (Germania)	LEONARDO SPA	EUR	2,556,459	21		21
13	EUROMIDS SAS	Parigi (Francia)	LEONARDO SPA	EUR	40,500	25		25
14	GULF SYSTEMS LOGISTICS SERVICES COMPANY WLL	Kuwait City (Kuwait)	LEONARDO SPA	KWD	75,000	40		40
15	HELIVERT JOINT STOCK COMPANY	Mosca (Russia)	LEONARDO SPA	RUB	325,010,000	50		50
16	HENSOLDT AG	Taufkirchen (Germania)	LEONARDO SPA	EUR	115,500,000	22.80		22.80
17	IAMCO - INTERNATIONAL AEROSPACE MANAGEMENT COMPANY SCRL	Venezia	LEONARDO SPA	EUR	208,000	25		25
18	INMOVE ITALIA SRL	Roma	LEONARDO SPA	EUR	14,441	100		100
19	IVECO - OTO MELARA SC A RL	Roma	LEONARDO SPA	EUR	40,000	50		50
20	JIANGXI CHANGHE AGUSTA HELICOPTER CO LTD	Jingdezhen (Cina)	LEONARDO SPA	CNY	6,000,000	40		40
21	LEONARDO AEROSPACE DEFENSE & SECURITY INDIA PRIVATE LTD	New Delhi (India)	LEONARDO INTERNATIONAL SPA SELEX ES INTERNATIONAL LTD	INR	30,000,000		100	100
22	LEONARDO ELECTRONICS PENSION SCHEME (TRUSTEE) LTD	Yeovil, Somerset (UK)	LEONARDO UK LTD	GBP	100		100	100
23	LEONARDO FOR TRADING OF MACHINERY EQUIPMENT AND DEVICES WLL	Kuwait City (Kuwait)	LEONARDO INTERNATIONAL SPA	KWD	303,000		93	93
24	LEONARDO FUTUREPLANNER (TRUSTEE) LIMITED	Yeovil, Somerset (UK)	LEONARDO UK LTD	GBP	1		100	100
25	LEONARDO HELICOPTERES ALGERIE SPA	Bir Mourad Rais (DZ) (Algerie)	LEONARDO SPA LEONARDO INTERNATIONAL SPA	EUR	55,000,000	39	10	49
26	LEONARDO HELICOPTERS PENSION SCHEME (TRUSTEE) LTD	Yeovil, Somerset (UK)	LEONARDO UK LTD	GBP	1		100	100
27	LEONARDO HISPANIA SAU (IN LIQ.)	Loriguilla, Valencia (Spagna)	LEONARDO INTERNATIONAL SPA	EUR	5,189,019		100	100
28	LEONARDO LIMITED	Yeovil, Somerset (UK)	LEONARDO UK LTD	GBP	1		100	100
29	LEONARDO MW Ltd	Basildon, Essex (UK)	LEONARDO UK LTD	GBP	1		100	100
30	LEONARDO PENSION SCHEME (TRUSTEE) LIMITED	Yeovil, Somerset (UK)	LEONARDO UK LTD	GBP	1		100	100
31	LEONARDO POLAND SP Z O.O	Varsavia (Polonia)	LEONARDO INTERNATIONAL SPA	PLN	850,000		100	100
32	LEONARDO RHEINMETALL MILITARY VEHICLES SRL	Roma	LEONARDO SPA	EUR	3,000,000	50		50
33	LEONARDO SINGAPORE PTE. LTD	Singapore (Singapore)	LEONARDO INTERNATIONAL SPA	USD	150,000		100	100
34	LEONARDO TECHNOLOGIES AND MARKETING SERVICES EGYPT LLC	Il Cairo (Egitto)	LEONARDO INTERNATIONAL SPA SELEX ES INTERNATIONAL LTD	USD	150,000		100	100
35	LEONARDO TECHNOLOGY PAKISTAN (SMC-PRIVATE) LIMITED	Islamabad (Pakistan)	LEONARDO INTERNATIONAL SPA	PKR	30,000,000		100	100
36	MACCHI HUREL DUBOIS SAS	Versailles (Francia)	LEONARDO SPA	EUR	100,000	50		50
37	MBDA SAS	Parigi (Francia)	AMSH BV	EUR	53,824,021		50	25
38	NHINDUSTRIES SAS	Aix en Provence (Francia)	LEONARDO SPA	EUR	306,000	32		32
39	ORIZZONTE - SISTEMI NAVALI SPA	Genova	LEONARDO SPA	EUR	20,000,000	49		49
40	POLO STRATEGICO NAZIONALE SPA	Roma	LEONARDO SPA	EUR	3,000,000	25		25
41	ROTORSIM SRL	Sesto Calende (Varese)	LEONARDO SPA	EUR	9,800,000	50		50
42	ROTORSIM USA LLC	Wilmington, Delaware (USA)	AGUSTAWESTLAND PHILADELPHIA CO	USD	12.607.452		50	50
43	SELEX ES (PROJECTS) LTD	Basildon, Essex (UK)	LEONARDO UK LTD	GBP	100		100	100
44	SPACEOPAL GMBH	Monaco (Germania)	TELESPAZIO SPA	EUR	500,000		50	33.50
45	SSH COMMUNICATIONS SECURITY OYJ	Helsinki (Finlandia)	LEONARDO SPA	EUR	1,629,041	24.55		24.55
46	THALES ALENIA SPACE SAS	Cannes (Francia)	LEONARDO SPA	EUR	918,037,500	33		33
47	TORPEDO SOUTH AFRICA (PTY) LTD	Gauteng (Sud Africa)	LEONARDO SPA	ZAR	-	49		49
48	VITROCISET JADWALEAN LTD	Riyadh (Arabia Saudita)	LEONARDO SPA	SAR	2,000,000	45		45

### List of subsidiaries and associates valued at cost ( amounts in currency)

N.	Company name	Registered office	Participating company	Currency	Share capital	% Group ownership		% Group shareholding
						Direct	Indirect	
1	ADVANCED MALE AIRCRAFT LLC	Al Ain, Muwajji (Emirati Arabi Uniti)	LEONARDO SPA	AED	200,000	49		49
2	ELSACOM - UKRAINE JOINT STOCK COMPANY	Kiev (Ucraina)	LEONARDO PARTECIPAZIONI SPA	UAH	7,945,000		49	49

Below are the main changes in the scope of consolidation at 31 December 2025 in comparison with 31 December 2024:

Company	Event	Month
<b><u>Companies which entered the scope of consolidation:</u></b>		
Leonardo Rheinmetall Military Vehicles Srl (*)	newly established	February 2025
Edgewing Systems Limited (*)	newly established	June 2025
Leonardo Drs United Kingdom Ltd	newly established	June 2025
SSH Communications Security Oyj (*)	acquired	October 2025
Axiomatics Ab	acquired	December 2025
Axiomatics Canada Inc	acquired	December 2025
Axiomatics Inc	acquired	December 2025
Axiomatics Federal Inc	acquired	December 2025

**Companies which left the scope of consolidation:**

Icarus S.c.p.a. (in liquidazione) (*)	struck off	January 2025
Wass Submarine Systems Srl	sold	January 2025
Partech Systems Pty Ltd	struck off	September 2025
Leonardo Portugal SA	struck off	September 2025
Airbus Telespazio Capacity Operator Sas (in liq.) (*)	struck off	September 2025
Libyan Italian Advanced Technology Co (*)	struck off	October 2025
Precision Aviation Training Academy Pty Ltd	struck off	December 2025
Selex Es Australia Pty Ltd	struck off	December 2025

**Companies involved in merger transactions:**

Merged company	Merging company	Month
Leonardo Partecipazioni Spa	Leonardo Global Solutions Spa	January 2025
UTM Systems & Services Srl	Leonardo Spa	January 2025
Leonardo Canada Incorporated	TTI Tactical Technologies Inc	November 2025

**Companies which changed their name:**

Old name	New name	Month
Leonardo Canada Corporation	Leonardo Canada Incorporated	September 2025
TTI Tactical Technologies Inc	Leonardo Canada Incorporated (ex TTI Tactical Technologies Inc)	November 2025

(\*): companies valued at equity

**STATEMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 154-BIS, PARAGRAPH 5 OF LEGISLATIVE DECREE 58/98 AS AMENDED AND SUPPLEMENTED**

1. The undersigned Roberto Cingolani as the Chief Executive Officer and General Manager and Giuseppe Aurilio as the Officer in charge of Financial Reporting for Leonardo Spa, certify, in accordance with Article 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998:
  - the appropriateness of the financial statements with regard to the nature of the business and
  - the effective application of administrative and accounting procedures in preparing the consolidated financial statements at 31 December 2025.
2. In this respect it is noted that no significant matters arose.
3. It is also certified that:
  - 3.1. The consolidated financial statements:
    - were prepared in accordance with International Financial Reporting Standards endorsed by the European Community pursuant to EU Regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002;
    - correspond to the entries in the books and accounting records;
    - were prepared in accordance with Article 154-ter of the aforesaid Legislative Decree 58/1998 and subsequent amendments and integrations and they provide a true and fair view of the financial position and results of operations of the issuer and of the entities included within the scope of consolidation.
  - 3.2. The Report on Operations includes a reliable analysis of the performance and the operating result, as well as the position of the issuer and of the entities included within the scope of consolidation, together with a description of the main risks and uncertainties they are exposed to.

This statement also is made pursuant to and for the purposes of Article 154-bis, paragraph 2, of Legislative Decree 58 of 24 February 1998.

Rome, 11 March 2026

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Chief Executive Officer and General Manager

(Roberto Cingolani)

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Officer in charge of financial reporting

(Giuseppe Aurilio)

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AS  
AT 31 DECEMBER 2025**



Shape the future  
with confidence

# Leonardo S.p.A.

**Consolidated financial statements as at 31 December  
2025**

**Independent auditor's report pursuant to article 14 of  
Legislative Decree n. 39, dated 27 January 2010, and  
article 10 of EU Regulation n. 537/2014**



Shape the future  
with confidence

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# Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014 (Translation from the original Italian text)

To the Shareholders of  
Leonardo S.p.A.

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Leonardo Group (the Group), which comprise the statement of financial position as at 31 December 2025, the separate income statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

### 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 Consolidated Financial Statements* section of our report. We are independent of Leonardo S.p.A. 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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We identified the following key audit matters:

Key Audit Matter	Audit response
<p><b>Recognition of revenues and losses from long-term contracts with customers</b></p> <p>Revenues from long-term contracts with customers are recognized “over-time” using an input method for measuring progress towards complete satisfaction of performance obligations based on the percentage of completion obtained from the ratio of incurred costs on the total expected costs for the contract over the life of the project (cost to cost method).</p> <p>The estimation of the total expected project costs is, by its nature, complex and characterized by significant uncertainties as it may be impacted by many factors, including the ability to fulfill the obligations assumed towards customers, which may also result in penalties and additional expenses for significant amounts.</p> <p>Therefore, the estimate involves a high degree of judgment by Directors that may significantly affect the contract revenues recognition and any loss at completion in cases of negative margin expectation. Accordingly, we identified this area as a key audit matter.</p> <p>The disclosures related to the criteria applied for the recognition and measurement of revenues and margins on long-term contracts with customers are included in notes “3.9 Revenues and contract assets/liabilities with customers and “4.4 Estimate of revenues and final costs of long-term contracts”.</p>	<p>Our audit procedures in response to the key audit matter included, among others:</p> <ul style="list-style-type: none"><li>• the understanding of the criteria applied for the recognition of revenues from long-term contracts with customers;</li><li>• the assessment of the process and key controls over the recognition of revenues from long-term contracts with customers;</li><li>• for a sample of contracts we performed:<ul style="list-style-type: none"><li>(i) testing of relevant contractual terms and conditions in order to verify whether those were adequately considered in management estimates;</li><li>(ii) testing of the reasonableness of key assumptions underlying the estimation of the life-of-project costs based on inquiries, analysis of any communications with customers and comparative analysis;</li><li>(iii) comparative analysis between actual figures and estimates made in previous periods in order to assess the accuracy of management’s forecasting;</li><li>(iv) testing of incurred costs and their allocation to proper on-going contracts.</li></ul></li></ul> <p>Lastly, we have reviewed the disclosures provided in the notes to the financial statements regarding this key audit matter.</p>
<p><b>Test of the recoverability of goodwill</b></p> <p>Goodwill as at 31 December 2025 amounts to Euro 4.312 million.</p> <p>Directors tested for impairment the Cash Generating Units (CGUs) to which goodwill has been allocated in order to identify any</p>	<p>Our audit procedures in response to the key audit matter included, among others:</p> <ul style="list-style-type: none"><li>• the assessment of the procedure applied in the performance of the impairment test as approved by the Directors;</li></ul>



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impairment loss in respect of their recoverable amount.

The recoverable amount of each CGU is determined using the value in use method and it is based on complex assumptions that inherently involve a degree of judgment by Directors, with reference to the expected cash flows over the period considered in the Business Plan 2026-2030, to the estimate of the terminal value and the determination of the long-term growth and discount rates.

Because of the judgement involved and the complexity of the assumptions underlying the estimation of the recoverable amount of goodwill, we identified this area as a key audit matter.

Disclosures on the assumptions and the estimations adopted when performing the impairment test are included in the notes to the consolidated financial statements "4.6 Impairment of assets" and "9. Intangible Assets".

- testing of the criteria applied for identifying the CGUs and allocating relevant assets and liabilities to them;
- the analysis of the expected cash flows of each CGU and testing of their consistency with the expected cash flows resulting from the Business Plan 2026-2030;
- the assessment of the reasonableness of the estimates made by Directors, also by comparing actual figures and estimates made in previous periods;
- the assessment of the long-term growth and discount rates;
- the assessment of the sensitivity analysis performed by Directors on key assumptions underlying the impairment test.

In performing our procedures we involved our experts in valuation techniques.

Lastly, we have reviewed the disclosures provided in the notes to the financial statements regarding this key audit matter.

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### Recognition and subsequent measurement of non-recurring costs and development costs

Non-recurring costs and developments costs capitalized as intangible assets as at 31 December 2025 amount to an aggregate of Euro 3.148 million.

The initial recognition of these assets and the subsequent assessment of their recoverability are based on complex assumptions that inherently involve a degree of judgment by Directors as influenced by many factors including the time horizon of the product business plans and management's ability to forecast the commercial success of the underlying technologies.

Because of the judgement involved and the complexity of the underlying assumptions, we identified this area as a key audit matter.

Disclosures on the assumptions and the estimations adopted in the recognition and subsequent measurement of non-recurring costs

Our audit procedures in response to the key audit matter included, among others:

- understanding of the processes applied in recognizing for non-recurring costs and development costs and the process related to the assessment of their recoverability;
- for a sample of development programs we performed:
  - (i) substantive procedures aimed at verifying internal and external costs recognized during the period;
  - (ii) assessment of the reasonableness of key assumptions underlying the product business plans;
  - (iii) testing of the discount rates;
  - (iv) assessment of the sensitivity analysis performed by Directors on the key assumptions underlying the impairment test.



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and development costs are included in the notes to the consolidated financial statements "4.1 Development costs ", "4.2 Non-recurring costs" and "9. Intangible assets".

In performing our procedures we involved our experts in valuation techniques.

Lastly, we have reviewed the disclosures provided in the notes to the financial statements regarding this key audit matter.

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

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, 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 Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Leonardo S.p.A. 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 Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 consolidated 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 Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of



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- 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 Group'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 Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

### **Additional information pursuant to article 10 of EU Regulation n. 537/14**

The Shareholders of Leonardo S.p.A., in the general meeting held on 20 May 2020, engaged us to perform the audits of the financial statements and consolidated financial statements for each of the years ending 31 December 2021 to 31 December 2029.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.



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## Report on compliance with other legal and regulatory requirements

### Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Leonardo S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulation (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements as at 31 December 2025, to be included in the annual financial report.

We have performed the procedures under the audit standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at 31 December 2025 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at 31 December 2025 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

### Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Leonardo S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Group Leonardo as at 31 December 2025, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the consolidated financial statements of Leonardo Group as at 31 December 2025.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.



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With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Rome, 13 March 2026

EY S.p.A.

Signed by: Riccardo Rossi, Auditor

*As disclosed by the Directors on cover page, the accompanying consolidated financial statements of Leonardo S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*

**SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2025**  
**LEONARDO – SOCIETÀ PER AZIONI**

## ACCOUNTING STATEMENTS TO THE SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### Separate income statement

<i>Euro</i>	<i>Note</i>	<b>2025</b>	<b>of which with related parties</b>	<b>2024</b>	<b>of which with related parties</b>
Revenues	27	11,941,590,585	4,176,372,289	10,964,526,991	3,215,006,117
Other operating income	28	886,858,261	333,115,284	559,932,074	19,066,879
Purchase and personnel expenses	29	(10,780,170,230)	(2,001,125,023)	(9,945,739,278)	(2,247,713,508)
Amortisation, depreciation and financial assets value adjustments	30	(514,404,523)		(518,362,288)	
Other operating expenses	28	(675,256,143)	(127,495,770)	(581,691,208)	(1,360,889)
<b>Income before tax and financial expenses</b>		<b>858,617,950</b>		<b>478,666,291</b>	
Financial income	31	644,410,191	23,200,094	592,244,017	32,057,631
Financial expense	31	(324,422,885)	(101,395,022)	(391,584,512)	(125,139,708)
<b>Operating profit/(loss) before income taxes and discontinued operations</b>		<b>1,178,605,256</b>		<b>679,325,796</b>	
Income taxes	32	(143,425,115)		(147,408,837)	
<b>Net profit/(loss) for the period</b>		<b>1,035,180,141</b>		<b>531,916,959</b>	

### Statement of comprehensive income

<i>Euro</i>	<b>2025</b>	<b>2024</b>
Profit/(loss) for the year	<u>1,035,180,141</u>	<u>531,916,959</u>
<b>Other comprehensive income (expense):</b>		
<u>Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period:</u>		
- Measurement of defined-benefit plans:		
- revaluation	193,888	1,546,735
- Tax effect	-	279,795
	<u>193,888</u>	<u>1,826,530</u>
<u>Comprehensive income/expense which will or might be subsequently reclassified within the profit (loss) for the period:</u>		
- Changes in cash flow hedges:		
- change generated in the period	161,980,596	(95,781,141)
- transferred to the profit (loss) for the period	(29,125,433)	26,716,720
- Tax effect	(31,946,123)	16,295,624
	<u>100,909,040</u>	<u>(52,768,797)</u>
<b>Total other comprehensive income (expense), net of tax:</b>	<u>101,102,928</u>	<u>(50,942,267)</u>
<b>Total comprehensive income</b>	<u><u>1,136,283,069</u></u>	<u><u>480,974,692</u></u>

## Statement of financial position

<i>Euro</i>	<i>Note</i>	31 December 2025	of which with related parties	31 December 2024	of which with related parties
Intangible assets	8	3,273,891,081		3,233,936,908	
Property, plant and equipment	9	1,136,186,364		1,019,718,063	
Right of use	10	413,680,367		489,053,805	
Equity investments	11	9,152,316,832		9,185,103,545	
Receivables	12	748,291,925	737,160,002	610,532,674	583,143,635
Deferred tax assets	32	731,339,300		751,285,206	
Other non current assets	12	32,202,506		26,519,976	
<i>Non-current assets</i>		<b>15,487,908,375</b>		<b>15,316,150,177</b>	
Inventories	13	5,160,411,602		4,649,720,083	
Assets from contracts	14	2,256,686,246		2,408,315,640	
Trade receivables	15	3,719,132,350	1,798,785,569	3,415,932,706	1,402,810,530
Income tax receivables	16	62,972,380		64,278,639	
Loans and receivables	15	249,406,893	237,463,674	356,697,550	343,092,363
Other assets	17	606,053,285	31,028,586	407,762,050	23,683,179
Cash and cash equivalents	18	2,404,802,263		1,596,966,013	
<i>Current assets</i>		<b>14,459,465,019</b>		<b>12,899,672,681</b>	
Non-current assets held for sale	19	10,535,898		263,486,708	
<b>Total assets</b>		<b>29,957,909,292</b>		<b>28,479,309,566</b>	
Share capital		2,490,269,181		2,509,462,051	
Other reserves		7,039,030,953		6,223,129,994	
<b>Total equity</b>	20	<b>9,529,300,134</b>		<b>8,732,592,045</b>	
Loans and borrowings (non current)	21	1,538,507,797	254,456,722	2,023,370,575	435,310,446
Employee benefits	23	207,381,532		216,063,462	
Provisions for risks and charges	22	544,998,069		575,559,849	
Deferred tax liabilities	32	135,451,764		89,649,632	
Other non-current liabilities	24	815,942,843	134,184,260	812,826,305	166,751,632
<i>Non-current liabilities</i>		<b>3,242,282,005</b>		<b>3,717,469,823</b>	
Liabilities from contracts	14	8,293,496,205		7,327,298,597	
Trade payables	25	2,857,340,729	854,722,166	3,002,873,460	958,395,760
Loans and borrowings (current)	21	3,686,119,506	3,062,253,035	3,506,698,929	2,890,995,784
Income tax payables	16	95,682,096		16,880,321	
Provisions for short-term risks and charges	22	747,093,612		735,720,645	
Other current liabilities	24	1,506,595,005	197,436,500	1,290,698,593	64,089,233
<i>Current liabilities</i>		<b>17,186,327,153</b>		<b>15,880,170,545</b>	
Liabilities associated with assets held for sale	19	-		149,077,153	
<b>Total liabilities</b>		<b>20,428,609,158</b>		<b>19,746,717,521</b>	
<b>Total liabilities and equity</b>		<b>29,957,909,292</b>		<b>28,479,309,566</b>	

## Statement of cash flows

<b>Euro</b>	<b>Note</b>	<b>2025</b>	<b>of which with related parties</b>	<b>2024</b>	<b>of which with related parties</b>
Gross cash flows from operating activities	33	1,304,892,318		1,209,371,234	
Change in trade receivables/payables, contract assets/liabilities and inventories	33	(135,996,192)	(485,182,582)	(283,961,721)	149,338,418
Change in other operating assets and liabilities and provisions for risks and charges	33	95,828,504	75,254,855	(131,684,201)	(76,823,145)
Interest paid		(159,290,437)	(78,196,761)	(168,482,526)	(93,081,761)
Income taxes received / (paid)		(13,413,350)		(13,229,802)	
<b>Cash flows generated (used) from operating activities</b>		<b>1,092,020,843</b>		<b>612,012,984</b>	
Investments in property, plant and equipment and intangible assets		(503,322,836)		(504,628,848)	
Sales of property, plant and equipment and intangible assets		19,433,881		2,497,364	
Dividends received		365,917,636		434,443,445	
Other investing activities	33	404,369,762	294,834,110	19,552,042	(169,762,898)
<b>Cash flows generated (used) from investing activities</b>		<b>286,398,443</b>		<b>(48,135,997)</b>	
Treasury shares purchase		(29,707,870)		-	
BEI Loan subscription/(repayment)		210,000,000		(37,500,000)	
Bond redemption		(500,000,000)		(600,000,000)	
Net change in other borrowings		59,286,138	111,169,667	42,397,716	93,926,667
Dividends paid		(299,743,250)		(161,083,721)	
<b>Cash flows generated (used) from financing activities</b>		<b>(560,164,982)</b>		<b>(756,186,005)</b>	
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>818,254,304</b>		<b>(192,309,018)</b>	
Exchange rate differences		(10,418,054)		(1,739,402)	
Cash and cash equivalents at 1 January		1,596,966,013		1,791,014,433	
<b>Cash and cash equivalents at 31 December</b>		<b>2,404,802,263</b>		<b>1,596,966,013</b>	

**Statement of changes in equity**

	Share capital	Retained earnings	Cash flow hedge reserve	Revaluation reserve of defined-benefit plans	Merger surplus	Total equity
<b>Euro</b>						
<b>1 January 2024</b>	<b>2,499,097,262</b>	<b>5,282,303,613</b>	<b>(6,286,474)</b>	<b>(67,890,158)</b>	<b>705,803,017</b>	<b>8,413,027,260</b>
Profit (loss) for the period	-	531,916,959	-	-	-	531,916,959
Other comprehensive income (expenses)	-	-	(52,768,797)	1,826,530	-	(50,942,267)
<b>Total comprehensive income (expenses)</b>	<b>-</b>	<b>531,916,959</b>	<b>(52,768,797)</b>	<b>1,826,530</b>	<b>-</b>	<b>480,974,692</b>
Repurchase of treasury shares less shares sold	10,364,789	-	-	-	-	10,364,789
Dividends resolved	-	(161,673,292)	-	-	-	(161,673,292)
<b>Total transactions with owners of the parent, recognised directly in equity</b>	<b>10,364,789</b>	<b>(161,673,292)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(151,308,503)</b>
Share-based payment plans	-	(10,101,404)	-	-	-	(10,101,404)
<b>31 December 2024</b>	<b>2,509,462,051</b>	<b>5,642,445,876</b>	<b>(59,055,271)</b>	<b>(66,063,628)</b>	<b>705,803,017</b>	<b>8,732,592,045</b>
<b>1 January 2025</b>	<b>2,509,462,051</b>	<b>5,642,445,876</b>	<b>(59,055,271)</b>	<b>(66,063,628)</b>	<b>705,803,017</b>	<b>8,732,592,045</b>
Profit (loss) for the period	-	1,035,180,141	-	-	-	1,035,180,141
Other comprehensive income (expenses)	-	-	100,909,040	193,888	-	101,102,928
<b>Total comprehensive income (expenses)</b>	<b>-</b>	<b>1,035,180,141</b>	<b>100,909,040</b>	<b>193,888</b>	<b>-</b>	<b>1,136,283,069</b>
Repurchase of treasury shares less sold shares	(19,192,870)	-	-	-	-	(19,192,870)
Dividends resolved	-	(300,493,205)	-	-	-	(300,493,205)
<b>Total transactions with owners of the parent, recognised directly in equity</b>	<b>(19,192,870)</b>	<b>(300,493,205)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(319,686,075)</b>
Effect from Mergers/Demergers	-	-	-	-	1,127,867	1,127,867
Share-based payment plans	-	(21,016,772)	-	-	-	(21,016,772)
<b>31 December 2025</b>	<b>2,490,269,181</b>	<b>6,356,116,040</b>	<b>41,853,769</b>	<b>(65,869,740)</b>	<b>706,930,884</b>	<b>9,529,300,134</b>

## **NOTES TO THE SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2025**

### **1. GENERAL INFORMATION**

Leonardo SpA is a company limited by shares based in Rome (Italy), at Piazza Monte Grappa 4, and is listed on the Italian Stock Exchange (FTSE MIB).

The Company is a major Italian high technology organization operating in the Defence Electronics & Security, Helicopters, Aeronautics, , Cyber & Security Solutions and Space business sectors.

### **2. FORM, CONTENT AND APPLICABLE ACCOUNTING STANDARDS**

In application of EU Regulation 1606/2002 of 19 July 2002, the financial statements at 31 December 2025 were prepared in accordance with the international accounting standards (IFRS) endorsed by the European Commission, supplemented by the relevant interpretations (Standing Interpretations Committee - SIC and International Financial Reporting Interpretations Committee - IFRIC) issued by the International Accounting Standards Board (IASB) and in force at the year-end.

The general principle used in preparing these separate financial statements is the historical cost method, except for those items that, in accordance with IFRS, are obligatory recognised at fair value, as indicated in the valuation criteria of each item.

The separate financial statements are composed of the separate income statement, the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related notes to the financial statements.

In consideration of the significant values, the figures in these notes are shown in millions of euros unless otherwise indicated. Among the options permitted by IAS 1, the Company has chosen to present its balance sheet by separating current and non-current items and its income statement by the nature of the costs. Instead, the statement of cash flows was prepared using the indirect method.

The International Financial Reporting Standards (IFRS) used for preparing these separate financial statements, drawn up under the going-concern assumption, are the same that were used in the preparation of the separate financial statements at 31 December 2024 except for what might be indicated in Note 4. Preparation of the separate financial statements required management to make certain valuations and estimates. The main areas affected by estimates or assumptions of particular importance or that have significant effects on the balances shown are described in Note 4 to the Consolidated Financial Statements, to which reference is made.

The Board of Directors of 11 March 2026 resolved to submit to shareholders the draft financial statements at 31 December 2025.

The separate financial statements were prepared in accordance with IFRS and are subject to a statutory audit by EY SpA.

### **3. ACCOUNTING POLICIES**

The accounting policies and criteria are the same adopted, where applicable, for the consolidated financial statements, to which reference is made, except for the recognition and measurement of equity investment in subsidiaries, jointly controlled companies and associates recognised at their purchase or incorporation cost. In case of any impairment losses their recoverability is verified through the comparison between their carrying amount and the higher of their value in use that is determined by discounting prospective cash flows

of the equity investment, where applicable, and the assumed sales value (fair value) which is determined on the basis of recent transactions or market multiples. The portion of losses (if any) exceeding the carrying amount is recognised through profit or loss in a specific provision under liabilities to the extent that the Company states the existence of legal or implicit obligations to cover such losses, which are in any case within the limits of the book equity. If the impaired investee shows a subsequent improvement in performance which leads to believe that the reasons for the impairment cease to exist, the equity investments are revalued to the extent of the impairment losses recognised in previous periods under “adjustments to equity investments” within financial income. In order to define the reversals of the value of an equity investment, the Company monitors, on an annual basis, any equity investment whose value has been previously written down and analyses whether the conditions are fulfilled for its reversal. Specifically, the analysis covers business plans, profitability levels, and future cash flows approved by corporate bodies and, where available, observable market parameters while also assessing the results of sensitivity analyses against the basic assumptions used to determine the recoverable value. The results of write-backs (if any) performed in 2025 are reported in Note 31. Dividends from subsidiaries and associates are recognised in the income statement in the year in which they are resolved.

Finally, with reference to transactions between entities under joint control, which are not governed by IFRS, either from the point of view of the purchaser/assignee or from that of the seller/assignor, Leonardo recognizes such transactions recognising directly in equity any gain on the transfer or sale of its subsidiaries.

Investments available for sale, like those acquired with the sole purpose of being disposed within the subsequent twelve months, are classified separately within “assets held for sale”.

#### **4. EFFECTS OF CHANGES IN ACCOUNTING POLICIES ADOPTED**

No significant changes occurred in the period with reference to the application of the accounting policies on the part of the Company.

#### **5. SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE YEAR**

With reference to significant events and transactions occurred during financial year 2025, we note as follows:

- 14 January 2025 saw the closing of the disposal transaction of the Underwater Armaments & Systems (UAS) line of business to Fincantieri. The transaction resulted in a total cash-in amount of €mil. 446 and in the recognition of a capital gain of approx. €mil. 316, classified within “other operating income”.
- On 24 February 2025, following the previous agreements signed between Leonardo and Rheinmetall with the aim of forming a new European nucleus for the development and production of military combat vehicles in Europe, the company Leonardo Rheinmetall Military Vehicles S.r.l. was established, equally held by the two partners and classified as an associate.
- 14 May 2025 marked the incorporation of Nuclitalia Srl, whose stakes in the capital are held by Enel (51%), Ansaldo Energia (39%) and Leonardo (10%). The aim is to develop innovative nuclear power technologies, with a focus on the Small Modular Reactors (SMRs) and on state-of-the art fourth-generation reactors. The company is recognized in the separate financial statements of Leonardo among investments in *other companies*.
- 20 June 2025 saw the establishment of Edgewing Systems Ltd., a company invested by Leonardo, BAE Systems and Mitsubishi Heavy Industries, an industrial milestone of the Global Combat Air Programme (GCAP) to deliver sixth generation combat aircraft. The company, whose shareholders hold equal stakes (33.3% each), and classified as an associate, will guide the development of the

aircraft, and will remain the design authority for the life of the product, whose in-service date is expected in 2035 and the go-out beyond 2070.

- In October 2025, on the occasion of the capital increase of Avio, Leonardo finalized financial transactions which led to a reduction in its shareholding from 28.75% to about 19.3% of the share capital, with a net cash-in of around €mil. 21. The disposals also entailed for Leonardo a capital gain of about €mil. 61. Avio successfully completed the capital increase transaction amounting to €mil. 400.
- In October 2025, Leonardo finalized the acquisition of 24.55% in the capital of the Finnish company SSH Communications Security Corporation, worth about €mil. 20. The acquisition aims to strengthen the cyber portfolio and develop a Zero Trust European ecosystem. The company is classified as an associate.
- In December 2025, Leonardo completed the 100% acquisition of the Swedish company Axiomatics AB, specializing in authorisation management and data security solutions based on the Zero Trust architecture.

Woth noting are the following significant events:

- Following the signature on 6 March 2025 of a Memorandum of Understanding with Baykar Technologies to cooperate in the development of unmanned systems, on 16 June 2025 an agreement was signed for the establishment of a company having equal shareholders (50% each), named LBA Systems S.r.l., with operational headquarters in Italy. The company will operate in both the European and international markets.
- On 30 July 2025, Leonardo signed an agreement to acquire Iveco Defence, a division of Iveco Group, for a total enterprise value of €bil. 1.7. The transaction strengthens Leonardo's positioning in the European land defence domain and will allow the integration of Iveco Defence vehicles with the Company's electronic systems, gaining benefits in terms of industrial efficiency, technology development and expansion of commercial opportunities. The closing of the transaction is expected in the first quarter of 2026, subject to regulatory approvals.
- On 23 October 2025, Leonardo, Airbus and Thales signed a Memorandum of Understanding to create a new company in space, which will become operational from 2027, once the necessary regulatory clearances are obtained. The new company will combine the partners' space operations and will be aimed at strengthening Europe's strategic autonomy in the sector, which is key to critical infrastructure and services related to telecommunications, global navigation, earth observation, science, exploration and national security. This new company will combine complementary capabilities and technologies by developing end-to-end solutions, from space infrastructure to services (excluding space launchers), with the purpose of accelerating innovation and creating a European space player to compete globally. Ownership of the new company will be held by Airbus (35%), Leonardo (32.5%) and Thales (32.5%); the company will be based on a fully balanced governance structure among shareholders. At 31 December 2025, not all the conditions required by IFRS 5 were satisfied for classifying the space business of Leonardo as held for sale.
- On 26 May 2025 the Shareholders' Meeting approved the "2025-2027 Share Ownership Plan of Leonardo" (the "Plan"), with the purpose of strengthening the engagement and sense of belonging of the Group's resources. The Plan is divided into three annual cycles – that can be started in 2025, 2026 and 2027 – to which the employees of Leonardo Spa and of the other Group companies based in Italy, in the USA (except Leonardo DRS), in the UK and in Poland can voluntarily have access. Participants, with respect to the purchase of Leonardo S.p.a.'s shares will receive free shares measured partially in proportion to the shares acquired on their behalf and partly on a one-off basis

at the time they first subscribe the Plan. All shares received for free are subject to a lock-up period (which in Italy lasts three years), which is subordinated to the employee continuing to maintain his/her employment relationship with Leonardo. The Plan activated in 2025 was subscribed to by about 11 thousand resources for whom a total of about 64.7 thousand free shares have been assigned.

- With reference to the dispute with the Norwegian Ministry of Defence Agency (NDMA) under the contract for the supply of 14 NH90 helicopters entered with NH Industries (NHI, whose shareholders are Leonardo, Airbus Helicopters, and Fokker Aerostructure), a settlement was reached on 1 November 2025 by which all disputes between the parties relating to the Norwegian NH90 program are resolved. The settlement provides that NHI will take back all helicopters, along with associated spare parts, tools, and mission-specific equipment from the Norwegian Government, for which is ongoing the evaluation of other possible use, against the payment by NHI of an agreed cash amount of €mil. 305, €mil. 125 of which as the share attributable to Leonardo, in addition to amounts previously paid pursuant to bank guarantees, amounting to approximately €mil. 70. For further details, reference is made to Note 22 on the provisions for risks and contingent liabilities.

Other significant industrial transactions are outlined in paragraph “Industrial and financial transactions” of the Report on operations, to which reference is made for further details.

## **6. SIGNIFICANT POST-BALANCE SHEET EVENTS**

No significant events occurred after the balance-sheet date.

## **7. SEGMENT INFORMATION**

In accordance with the compliance model followed, management has adopted operating segments that correspond to the business sectors in which the Company operates: Defence Electronics & Security, Helicopters, Aeronautics, Cyber & Security Solutions and Space.

In compliance with the applicable accounting standards, segment information is provided in the Consolidated Financial Statements (see Note 8), to which reference is made, in addition to the information provided in section “Segment Results and Outlook” in the Report on Operations.

## 8. INTANGIBLE ASSETS

	Intangible assets						Total
	Goodwill	Development costs	Non-recurring costs	Concessions, licenses and trademarks	Acquired through business combinations	Other intangible assets	
<i>1 January 2024</i>							
Cost	918	1,153	2,556	788	97	487	5,999
Amortisation, depreciation and write-offs	(210)	(724)	(865)	(548)	(61)	(368)	(2,776)
<b>Carrying amount</b>	<b>708</b>	<b>429</b>	<b>1,691</b>	<b>240</b>	<b>36</b>	<b>119</b>	<b>3,223</b>
Investments (net of grants)	-	45	141	9	-	59	254
Depreciation	-	(43)	(55)	(37)	(2)	(30)	(167)
Impairment losses	-	(7)	(43)	-	-	-	(50)
Other changes	(7)	(37)	19	25	-	(26)	(26)
<b>31 December 2024</b>	<b>701</b>	<b>387</b>	<b>1,753</b>	<b>237</b>	<b>34</b>	<b>122</b>	<b>3,234</b>
broken down as follows:							
Cost	911	1,123	2,715	816	97	520	6,182
Depreciation	-	(644)	(682)	(579)	(63)	(375)	(2,343)
Impairment losses	(210)	(92)	(280)	-	-	(23)	(605)
<b>Carrying amount</b>	<b>701</b>	<b>387</b>	<b>1,753</b>	<b>237</b>	<b>34</b>	<b>122</b>	<b>3,234</b>
Investments (net of grants)	-	50	145	11	-	55	261
Sales	-	(2)	-	-	-	-	(2)
Depreciation	-	(33)	(48)	(36)	(2)	(32)	(151)
Impairment losses	-	(12)	(49)	-	-	-	(61)
Other changes	-	(6)	(45)	74	-	(30)	(7)
<b>31 December 2025</b>	<b>701</b>	<b>384</b>	<b>1,756</b>	<b>286</b>	<b>32</b>	<b>115</b>	<b>3,274</b>
broken down as follows:							
Cost	911	1,124	2,817	899	97	544	6,392
Depreciation	-	(636)	(732)	(613)	(65)	(406)	(2,452)
Impairment losses	(210)	(104)	(329)	-	-	(23)	(666)
<b>Carrying amount</b>	<b>701</b>	<b>384</b>	<b>1,756</b>	<b>286</b>	<b>32</b>	<b>115</b>	<b>3,274</b>

### 31 December 2025

Gross value of non-recurring charges	4,761
Grants under Law 808/1985	(3,005)

### 31 December 2024

Gross value of non-recurring charges	4,732
Grants under Law 808/1985	(2,979)

The item increased by €mil. 40 as a result of new investments net of related grants and amortisation charges for the period, and, to a lesser extent, of impairment of assets recorded in the year.

Investments are mainly related to the Helicopters (€mil. 144), Defence Electronics & Security (€mil. 70) and Aeronautics (€mil. 25) businesses. The impairment of non-recurring costs, on the other hand, mainly refers to write-downs related to programmes in the Aircraft and Defence Electronics & Security sectors.

At 31 December 2025, commitments were in place for the purchase of intangible assets for €mil. 17 (€mil. 21 at 31 December 2024).

As set out in Note 4.1 of the consolidated financial statements, to which reference should be made, impairment tests on development costs and non-recurring costs are carried out – if conditions obtain- using the discounted cash flow method. The cash flows used are those of the product business plans, discounted on the basis of a WACC rate determined by applying the Capital Asset Pricing Model.

### Goodwill

Goodwill is allocated to the Cash Generating Units (CGUs) or groups of CGUs concerned, which are determined on the basis of the Company’s organizational, management and control structure coinciding, as is known, with five business segments.

Below is the breakdown of goodwill by CGU at 31 December 2025:

	31 December 2025	31 December 2024
Helicopters	459	459
Electronics for the Defence and Security	161	161
Cyber & Security Solutions	21	21
Aircraft	60	60
	<b>701</b>	<b>701</b>

Goodwill is tested for impairment through impairment tests. The test is done by individual CGU by comparing the carrying amount with the greater of the value in use of the CGU and amount recoverable by sale (fair value). In practice, the Company has established an operational hierarchy between calculating the fair value net of costs to sell and value in use, where the value in use is estimated first, and then only after, if it is lower than the carrying value, is the fair value net of costs to sell determined.

In particular, the value in use is measured by the unlevered discounting of the cash flows resulting from the Group’s five-year business plans prepared by the CGU’s management and incorporated into the plan approved by Leonardo’s Board of Directors, projected beyond the explicit time horizon covered by the plan according to the perpetuity growth method (terminal value), using growth rates (“g-rate”) no greater than those forecast for the markets in which the given CGU operates. The cash flows used were those provided for in the plans adjusted to exclude the effects of any future business restructurings, not yet approved, or future investments for improving future performance. Specifically, these cash flows are those generated before financial expense and taxes – determined on a notional basis - and include investments in capital assets and monetary changes in working capital, while excluding cash flows from financial management, extraordinary events or the payment of dividends. The basic macro-economic assumptions were made on the basis of external information sources, where available, while the profitability and growth estimates used in the plans were calculated by management based on past experience and expected prospective developments in the markets in which the Company operates.

These cash flows are discounted on a weighted-average cost of capital (WACC) basis calculated using the Capital Asset Pricing Model method. The following factors were taken into account in calculating WACCs, which were also determined using the data referable to the main competitors operating in each sector:

- the risk-free rate was determined using the 10- and 20-year gross yield of government bonds of the geographic market of the CGU;
- the market premium determined using the computations of external providers;
- the sector beta;
- the cost of debt;

- the debt/equity ratio.

On the contrary, the growth rates used to project the CGU's cash flows beyond the explicit term of the plan were estimated by making reference to the growth assumptions of the individual sectors in which said CGUs operate. These assumptions are based on the internal processing of external sources, making reference to a period of time that is usually ten years. The g-rates used for the purposes of the impairment test were equal to 2%, consistently with the actions taken in previous financial years, even in the presence of higher expected growth rates in some sectors.

Below are mostly important assumptions for the purposes of estimating the cash flows used in determining the value in use:

- WACC;
- g-rate;
- ROS;
- trend in Defence budgets.

In estimating these assumptions, the management made reference, in the case of external variables, to internal information processed on the basis of external surveys, as well as on its knowledge of the markets and of the specific contractual situations.

The following WACCs and (nominal) growth rates were used at 31 December 2025 and 2024:

	31 December 2025		31 December 2024	
	Wacc	g-rate	Wacc	g-rate
Helicopters	7.6%	2.0%	8.9%	2.0%
Electronics for the Defence and Security	6.6%	2.0%	7.8%	2.0%
Cyber & Security Solutions	7.9%	2.0%	8.6%	2.0%
Aircraft	7.3%	2.0%	8.6%	2.0%

Testing conducted on the CGUs to which goodwill was allocated revealed no signs of impairment but showed, on the contrary, significant positive margins (Headroom). Sensitivity analysis was conducted on the results of the tests, making reference to the assumptions for which it is reasonable to believe that a change in the same may significantly modify the results of the test. It should be noted that in all the CGUs to which goodwill was allocated the wide positive margins recorded are such that they may not be significantly modified by any changes in the assumptions described above. In any case, the results for all CGUs are reported below for information purposes. The table below shows, for the 2025 and 2024 financial years, the headroom relating to the base scenario, compared with the results of the following sensitivity analyses: (i) increase by 50 basis points in the WACC rate used to discount cash flows across all the CGUs, other conditions being equal; (ii) reduction by 50 basis points in the growth rate used in calculating the terminal value, other conditions being equal; (iii) reduction by half point in the operating profitability applied to the terminal value, other conditions being equal.

31 December 2025	Margin (base case)	Margin post sensitivity		
		Wacc	g-rate	ROS TV
Helicopters	3,358	2,748	2,862	3,042
Electronics for the Defence and Security	10,491	9,182	9,390	10,055
Cyber & Security Solutions	1,303	1,180	1,205	1,251
Aircraft	9,423	8,731	8,855	9,158

31 December 2024

	Margin (base case)	Margin post sensitivity		
		Wacc	g-rate	ROS TV
Helicopters	2,363	1,935	2,030	2,132
Electronics for the Defence and Security	6,876	6,107	6,255	6,583
Cyber & Security Solutions	1,115	1,019	1,039	1,067
Aircraft	7,027	6,594	6,689	6,865

### Development costs and non-recurring charges

Investments in “Development costs” chiefly related to the Helicopters and Defence Electronics & Security sectors for €mil. 33 and €mil. 17, respectively. The investments of “Non-recurring costs” refer to the Helicopters sector for €mil. 90, the Aeronautics sector for €mil. 13, and the Defence Electronics & Security sector for €mil. 42.

As regards programmes that benefit from the provisions of Law 808/85 and that are classified as functional to national security, the portion of capitalised non-recurring costs, pending the fulfilment of the legal requirements for the classification under receivables, is separately stated among “other non-current assets” (Note 12). Receivables for grants assessed by the grantor in relation to capitalised costs (shown here net of the related grants) are illustrated in Note 28.

The impairment for the year mainly refers to write-downs linked to programmes in the Defence Electronics & Security and Aircraft sectors. Impairment tests of non-recurring costs and development costs are performed on the most significant programmes in terms of capitalisation or risk or when impairment indicators emerge. They are carried out – if conditions obtain- using the discounted cash flow method. The cash flows used are those of the product business plans, discounted on the basis of a WACC rate determined by applying the Capital Asset Pricing Model. As stated in the Consolidated Financial Statements section relating to accounting principles, product business plans include the investments related to climate change issues; for more details, please refer to Note 39.

At 31 December 2025, total research and development costs, including also the “development costs” and “non-recurring costs” just mentioned, amount to €mil. 1,867 (€mil. 1,506 at 31 December 2024), of which €mil. 238 expensed (€mil. 220 at 31 December 2024).

### Concessions Licenses and Trademarks

The item “Concessions, licenses and trademarks” mainly includes the value of licenses acquired in previous years by the Helicopters division.

### Other intangible assets

“Other assets” mainly include software, intangible assets in progress and advances.

## 9. PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment				Total
	Land and buildings	Plant and machinery	Equipment	Other tangible assets	
<b>1 January 2024</b>					
Cost	78	1,392	2,072	1,010	4,552
Amortisation, depreciation and write-offs	(25)	(1,131)	(1,812)	(604)	(3,572)
<b>Carrying amount</b>	<b>53</b>	<b>261</b>	<b>260</b>	<b>406</b>	<b>980</b>
Investments	-	23	41	177	241
Sales	-	-	(1)	-	(1)
Depreciation	(2)	(49)	(55)	(33)	(139)
Impairment losses	-	-	(5)	(5)	(10)
Other changes	8	64	7	(130)	(51)
<b>31 December 2024</b>	<b>59</b>	<b>299</b>	<b>247</b>	<b>415</b>	<b>1,020</b>
broken down as follows:					
Cost	86	1,457	2,091	1,036	4,670
Amortisation, depreciation and write-offs	(27)	(1,158)	(1,844)	(621)	(3,650)
<b>Carrying amount</b>	<b>59</b>	<b>299</b>	<b>247</b>	<b>415</b>	<b>1,020</b>
Investments	-	20	40	228	288
Sales	-	-	-	(11)	(11)
Depreciation	(3)	(52)	(55)	(32)	(142)
Impairment losses	-	-	(2)	-	(2)
Other changes	18	62	21	(118)	(17)
<b>31 December 2025</b>	<b>74</b>	<b>329</b>	<b>251</b>	<b>482</b>	<b>1,136</b>
broken down as follows:					
Cost	103	1,531	2,145	1,123	4,902
Amortisation, depreciation and write-offs	(29)	(1,202)	(1,894)	(641)	(3,766)
	<b>74</b>	<b>329</b>	<b>251</b>	<b>482</b>	<b>1,136</b>

Investments in 2025 are mainly related to the sectors of Defence Electronics & Security for €mil. 157, Aeronautics for €mil. 78, and Helicopters for €mil. 43.

The item "Other property, plant and equipment" includes also the amount of property, plant and equipment under completion (€mil. 345 at 31 December 2025 and €mil. 276 at 31 December 2024).

Commitments for the acquisition of tangible assets were in place for €mil. 188 at 31 December 2025 (€mil. 151 at 31 December 2024).

## 10. RIGHTS OF USE

	Right of use		
	Right of use of land and buildings	Right of use of other tangible assets	Total
<b>1 January 2024</b>			
Cost	922	47	969
Amortisation, depreciation and write-offs	(351)	(28)	(379)
<b>Carrying amount</b>	<b>571</b>	<b>19</b>	<b>590</b>
New Contract submission	1	10	11
Closing and contract modifications	10	-	10
Depreciation	(105)	(9)	(114)
Other changes	(8)	-	(8)
<b>31 December 2024</b>	<b>469</b>	<b>20</b>	<b>489</b>
broken down as follows:			
Cost	912	54	966
Amortisation, depreciation and write-offs	(443)	(34)	(477)
<b>Carrying amount</b>	<b>469</b>	<b>20</b>	<b>489</b>
New Contract submission	4	22	26
Closing and contract modifications	10	(1)	9
Depreciation	(99)	(11)	(110)
<b>31 December 2025</b>	<b>384</b>	<b>30</b>	<b>414</b>
broken down as follows:			
Cost	924	69	993
Amortisation, depreciation and write-offs	(540)	(39)	(579)
<b>Carrying amount</b>	<b>384</b>	<b>30</b>	<b>414</b>

During 2025 this item decreased by €mil. 75 mainly due to amortisation for the period net of the signature of new contracts and contractual changes.

The leases with a term of less than 12 months and those concerning assets of modest value were recognised among “costs for purchases” (Note 29).

At 31 December 2025 acquisition commitments were in place for short-term leases for €mil. 16 (€mil. 8 at 31 December 2024).

## 11. EQUITY INVESTMENTS

	31 December 2025			31 December 2024		
	Equity investments	Risk provisions	Total	Equity investments	Risk provisions	Total
<b>1 January</b>	<b>9,185</b>	<b>(4)</b>	<b>9,181</b>	<b>9,426</b>	<b>(4)</b>	<b>9,422</b>
Acquisitions/subscriptions	149	-	149	92	-	92
Repayment of capital	(147)	-	(147)	(295)	-	(295)
Effect from Mergers/Demergers	(6)	-	(6)	-	-	-
Write-back/Write-down	20	-	20	(8)	-	(8)
Disposals	(41)	-	(41)	(30)	-	(30)
Other changes	(8)	-	(8)	-	-	-
<b>31 December</b>	<b>9,152</b>	<b>(4)</b>	<b>9,148</b>	<b>9,185</b>	<b>(4)</b>	<b>9,181</b>

Appendices no. 1 and 2 to these Notes provide, respectively, the changes that occurred in the year and detailed information on equity investments required by IFRS 12 and the Italian Civil Code.

The carrying amount of equity investments, if conditions obtain, is tested for impairment in order to determine any possible loss in value. The carrying amount of individual equity investments is tested alternatively either directly or by making reference to the relevant divisions; for any information on the procedures for the performance of tests and any related information, reference should be made to Note 4.6 of the Consolidated Financial Statements.

Among the changes that occurred during the period were the following transactions:

- On 29 October 2025, Leonardo completed the placement of 2.6 million shares of Avio, equal to approximately 9.4% of the share capital of the associate, and 34% of the interest held, resulting in a decrease in the historical cost of the investment of €mil. 39, and the recognition, based on the consideration received, of a capital gain of €mil 61. The value emerging from the sale of this stake also led to the absorption of the impairment loss recognized on the investment in previous years, with a further impact of €mil. 31. Subsequently, on 11 November 2025, Leonardo exercised all of its option rights relating to the remaining stake held in Avio as part of the capital increase approved by the investee, subscribing 3.9 million shares for a total investment of €mil. 78, recognised as an increase in the historical cost of the investment;
- additional acquisitions and new subscriptions for €mil. 71, mainly including those in the subsidiary Axiomatics AB (€mil. 34) and the associate SSH Communication Secutiru OYJ (€mil. 20);
- additional sales of equity investments for €mil 2;
- capital repayments of €mil. 147, consisting of:
  - the extraordinary distribution of available reserves on the part of Leonardo Global Solutions SpA for €mil. 120;
  - the distribution of capital reserves resolved upon by Leonardo International SpA for €mil. 27;
- the write-down of the carrying amount of associated company CNBM Leonardo (Shanghai) Aereostrutture co. Ltd. for €mil. 9. With regard to the investment, the residual net book value of €mil. 11 was reclassified under assets held for sale in view of the sale being finalized during the 2026 financial year.

As already stated, the recoverability of the carrying amount of equity investments is verified, where the prerequisites are met, including through impairment tests, from which no critical issues have emerged.

Finally, below is reported a comparison of the carrying amounts and the average market price of the listed shares of Avio SpA, Hensoldt AG and SSH Communication Security OYJ in December 2025:

Listed company	N° of shares held	Stock price		Book value		Unit Difference in €	Total Difference in €mil.
		Unit €	Total €mil.	Unit €	Total €mil.		
Avio SpA	9,030,483	29.35	265.0	17.20	155.4	12.2	109.6
Hensoldt AG	26,355,000	73.40	1,934.5	23.45	618.0	50.0	1,316.5
SSH Communication Security OYJ	13,333,333	3.15	42.0	1.50	20.0	1.6	22.0

A breakdown of the changes in equity investments in 2025 is provided below:

Company	Event	Month
D-FLIGHT S.P.A.	acquisition	January 2025
EUROFIGHTER SIMULATION SYSTEMS GMBH (IN LIQ.)	disposal	January 2025
WASS SUBMARINE SYSTEMS Srl (*)	disposal	January 2025
UTM SYSTEMS & SERVICES S.R.L.	merger	January 2025
LEONARDO PARTECIPAZIONI S.P.A.	merger	January 2025
LEONARDO RHEINMETALL MILITARY VEHICLES S.R.L	newly established	February 2025
EUROPEAN SATELLITE NAVIGATION INDUSTRIES GMBH (IN LIQ.)	struck off	April 2025
NUCLITALIA S.R.L.	newly established	May 2025
EDGEWING SYSTEMS LIMITED	newly established	June 2025
INMOVE ITALIA S.R.L.	acquisition	July 2025
GULF SYSTEMS LOGISTICS SERVICES COMPANY W.L.L.	acquisition	July 2025
SSH COMMUNICATIONS SECURITY OYJ	acquisition	October 2025
LIBYAN ITALIAN ADVANCED TECHNOLOGY COMPANY	struck off	October 2025
AXIOMATICS AB	acquisition	December 2025

(\*) Classified as assets held for sale at the end of 2024

## 12. RECEIVABLES AND OTHER NON-CURRENT ASSETS

	31 December 2025	31 December 2024
Deferred grants under Law no. 808/85	4	6
Related parties receivables (Note 34)	737	583
Other non-current receivables	7	22
<b>Non-current receivables</b>	<b>748</b>	<b>611</b>
Prepayments - non-current portion	4	1
Non-recurring costs pending under Law no. 808/1985	28	26
<b>Non-current assets</b>	<b>32</b>	<b>27</b>

The increase of €mil. 137, in non-current receivables was attributable to the higher balance of receivables from related parties, which, as more detailed in Note 34, mainly takes account of the financial disbursements to subsidiary Kopter AG during the year.

The changes during the year and the composition of assets by maturity, currency and geographical area are shown in Appendices nos. 3, 4, 5 and 6 to these Notes.

## 13. INVENTORIES

	31 December 2025	31 December 2024
Raw materials, supplies and consumables	2,237	1,961
Work in progress and semi-finished goods	1,575	1,527
Finished goods and merchandise	63	53
Assets from contracts point in time	504	327
Advances to suppliers	781	782
	<b>5,160</b>	<b>4,650</b>

Inventories showed an increase in the period equal to €mil. 510.

Provisions for write-down are entered against the inventories to cover any obsolescence, slow-moving items or if the entry value is higher than the net realizable value, for a total amount of €mil. 642 (€mil. 631 at 31 December 2024).

“Point-in-time contract assets” include production progress recorded on contracts that do not meet the requirements for the recognition of revenues on an over time basis.

#### 14. CONTRACT ASSETS AND LIABILITIES

	31 December 2025	31 December 2024
Contract assets (gross)	3,789	4,197
Liabilities from contracts	(1,532)	(1,789)
<b>Contract assets (net)</b>	<b>2,257</b>	<b>2,408</b>
Contract liabilities (gross)	8,972	7,462
Assets from contracts	(679)	(135)
<b>Contract liabilities (net)</b>	<b>8,293</b>	<b>7,327</b>

Contract assets, equal to €mil. 2,257 (€mil. 2,408 in 2024), included the net amount of work executed that exceeded the advances received from customers. Similarly, contract liabilities, equal to €mil. 8,293 (€mil. 7,327 in 2024), included the opposite case.

This offsetting is performed only with regard to contract assets and liabilities and not to point-in-time contract assets classified among inventories. If the progress payments and advances from customers have not been collected at the reporting date, the corresponding amount is recognised as a receivable from customers.

In 2025, the portion of revenues deriving from those exposures classified at the start of the period within contract liabilities amounted to €bil. 2.3 (€bil. 2.7 in 2024).

#### 15. TRADE AND FINANCIAL RECEIVABLES

	31 December 2025		31 December 2024	
	Trade	Financial	Trade	Financial
Receivables	2,287	33	2,398	34
Allowance for doubtful accounts	(367)	(21)	(385)	(20)
Related parties current receivables (Note 34)*	1,799	237	1,403	343
	<b>3,719</b>	<b>249</b>	<b>3,416</b>	<b>357</b>

(\* Includes loans and receivables from joint ventures equal to €mil. 221 (€mil. 325 at 31 December 2024)

Changes in trade receivables for the period showed an increase of €mil. 303, mainly attributable to trade positions with related parties, as detailed in Note 34 below.

The “Provision for bad debts” mainly includes the effects of the application of IFRS 9.

The composition of assets by currency and geographical area is shown in Appendices nos. 5 and 6 to these Notes. The ageing of receivables together with an analysis of how the Company manages credit risk is reported under Note 35.

## 16. RECEIVABLES AND PAYABLES FOR INCOME TAXES

At 31 December 2025, income tax receivables and payables amounted to €mil. 63 (€mil. 64 at 31 December 2024) and €mil. 96 (€mil. 17 at 31 December 2024), respectively.

The direct taxes for the period are entered net of advances paid in the year.

The changes during the year and the composition of assets and liabilities by currency and geographical area are shown in Appendices nos. 5, 6, 8 and 9 to these Notes.

## 17. OTHER CURRENT ASSETS

	31 December 2025	31 December 2024
Derivatives	210	81
Prepaid expenses - current portion	110	84
Receivables for grants	98	73
Receivables from employees and social security	41	34
Indirect tax receivables	37	35
Other related parties receivables (Note 34)	31	24
Other assets	79	77
	<b>606</b>	<b>408</b>

The breakdown of current assets from related parties is commented on in Note 34 .

The changes during the year and the composition of assets by currency and geographical area are shown in Appendices nos. 5 and 6 to these Notes.

The balance of other current assets showed an increase of €mil. 198 compared to 2024, mainly in relation to the increase in the balance of derivative assets, as a result of higher business volumes, particularly in the Aeronautics sector, as well as due to the effect of fluctuations in the Euro/US dollar exchange rate.

The table below shows the trend in the fair value of the derivative portfolio:

	Fair value at					
	31 December 2025			31 December 2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
<b>Interest rate swaps</b>						
<i>Cash flow hedge</i>	9	-	9	12	-	12
<b>Currency forward/swap/option</b>						
<i>Trading</i>	5	(5)	-	4	(4)	-
<i>Cash flow hedge</i>	196	(94)	102	65	(154)	(89)

The cash flow hedge is the forward instrument hedging trade items denominated in foreign currency.

## 18. CASH AND CASH EQUIVALENTS

At 31 December 2025, the balance of “Cash and cash equivalents” amounted to €mil. 2,405 ((€mil. 1,597 at 31 December 2024). The change for the period is reported in the cash flow statement. Cash and cash equivalents at 31 December 2025 included €mil. 0.6 of term deposits (€mil. 0.8 at 31 December 2024).

## 19. ASSETS AND LIABILITIES HELD FOR SALE

	31 December 2025	31 December 2024
Non-current assets	11	69
Current assets	-	194
<b>Assets held for sale</b>	<b>11</b>	<b>263</b>
Non-current liabilities	-	11
Current liabilities	-	138
<b>Liabilities associated with assets held for sale</b>	<b>-</b>	<b>149</b>
	<b>11</b>	<b>114</b>

The balance of “non-current assets held for sale”, amounting to €mil. 11 at 31 December 2025, includes the reclassification of the net book value in the investment in CNBM Leonardo (Shanghai) Aerostructures Co. Ltd., in light of the sale being finalized during the 2026 financial year.

Assets and liabilities classified as held for sale at 31 December 2024, for an amount of €mil. 114, were attributable to the Underwater Armaments and Systems (UAS) line of business, the sale of which was finalized at the beginning of 2025.

## 20. EQUITY

	31 December 2025	31 December 2024
Capital	2,490	2,509
<i>Profit reserve:</i>		
Legal reserve	478	451
Extraordinary reserve	392	392
Reserve for actuarial gains/(losses) in equity	(66)	(66)
Cash flow hedge reserve	42	(58)
Stock grant reserve	23	44
Merger/demerger surplus reserve	707	706
Retained earnings and other reserves	4,428	4,223
Net profit/(loss) for the period	1,035	532
<b>Equity</b>	<b>9,529</b>	<b>8,733</b>

The composition of the share capital showed a decrease of € mil. 19 linked to the net effect of treasury shares acquired during the year, net of those transferred:

	Number of shares	Par value	Treasury shares	Costs incurred (net of tax effect)	Total
Ordinary shares	578,150,395	2,544	-	(19)	2,525
Treasury shares	(1,712,950)	-	(16)	-	(16)
<b>Outstanding shares at 31 December 2024</b>	<b>576,437,445</b>	<b>2,544</b>	<b>(16)</b>	<b>(19)</b>	<b>2,509</b>
Repurchase of treasury shares less shares sold	506,728	-	(19)	-	(19)
<b>Outstanding shares at 31 December 2025</b>	<b>576,944,173</b>	<b>2,544</b>	<b>(35)</b>	<b>(19)</b>	<b>2,490</b>
<i>broken down as follows:</i>					
Ordinary shares	578,150,395	2,544	-	(19)	2,525
Treasury shares	(1,206,222)	-	(35)	-	(35)

The share capital, fully subscribed and paid-up, is divided into 578,150,395 ordinary shares with a par value of €4.40 each, including no. 1,206,222 treasury shares (1,712,950 at 31 December 2024).

At 31 December 2025, the Ministry of Economy and Finance owned around 30.204% of the share capital. Furthermore, pursuant to Article 120 of Legislative Decree no. 58/1998 (Consolidated Act on Finance), it should be noted that, among the parties holding a significant stake, Capital Research and Management Company holds an investment equal to 5.06% of the shares. During the 2025 financial year, no notices were received pursuant to the same law, relating to the threshold of shareholding having been exceeded provided for by the aforementioned legislation.

The cash flow hedge reserve includes changes in fair value of derivatives used by the Company to hedge its exposure to currency net of the effect of deferred taxes until the moment in which the “underlying position” is recognised. When this condition is met, the reserve is recognised in the income statement to offset the economic effects of the hedged transaction. In accordance with the provisions of IFRS 9 governing hedge accounting, the reserve also includes the fair value change in the forward component of forward contracts (premium points), taken to the income statement when the hedged item affects profit or loss.

The reserve for actuarial gains (losses) includes the effects of the valuation of actuarial gains and losses with reference to severance pay.

The stock grant reserve includes the theoretical benefit attributed to persons involved in share incentive plans.

The breakdown of the equity items according to their origin, possible use and distributable portion, is shown in the following table:

Nature/description	Amount	Possible use	Available portion	Reserve subject to deferred taxation under Article 110 of Legislative Decree 104/2020
<b>Share capital (*)</b>	2,490			
<b>Profit reserve:</b>				
Legal reserve	478	B		318
Extraordinary reserve	392	A,B,C	392	136
Reserve for actuarial gains/(losses) in equity	(66)	B		
Cash flow hedge reserve	42	B		
Stock grant reserve	23	B		
Reserve for merger and demerger surplus	707	A,B,C	707	
Retained earnings and other reserve	4,428	A,B,C	4,283	141
<b>Total</b>	<b>8,494</b>		<b>5,382</b>	<b>595</b>
<b>Net profit/(loss) for the period</b>	1,035	A,B,C	1,004	
<b>Constraint ex art. 2426 paragraph 1 no. 5 Civil Code</b>			(2,120)	
<b>Total equity</b>	<b>9,529</b>		<b>4,266</b>	

(\*) less treasury shares for € mil. 35

(\*\*) The tied-up amount of €mil. 141 as per tax requirement (Article 110 of Legislative Decree 104/2020) is allocated to the reserve for "Capital gains from transactions under common control"

**Keys:**

A: for capital increase

B: for loss coverage

C: for distribution to shareholders

## 21. LOANS AND BORROWINGS

	31 December 2025			31 December 2024		
	Non current	Current	Total	Non current	Current	Total
Bonds	-	512	512	499	530	1,029
Bank loans and borrowings	1,191	66	1,257	993	53	1,046
Lease liabilities	69	23	92	68	16	84
Lease liabilities from related parties (Note 34)	210	114	324	275	130	405
Other related parties loans and borrowings (Note 34)*	44	2,948	2,992	160	2,761	2,921
Other financial debts	25	23	48	28	17	45
	<b>1,539</b>	<b>3,686</b>	<b>5,225</b>	<b>2,023</b>	<b>3,507</b>	<b>5,530</b>

(\*) Includes loans and borrowings from joint ventures equal to €mil. 1,553 (€mil. 1,457 at 31 December 2024)

The item decreased by €mil. 305 mainly as a net result of a lower debt linked to the subsequent repayment of the bond issued in 2005 for €mil. 500, which had reached its natural maturity, as partially offset by the increase in the balance of bank borrowings due to the drawdown of the €mil. 260 Sustainability-Linked loan granted by the European Investment Bank (EIB).

The main clauses that regulate the Company's loans and borrowings are provided in the section on "Financial Transactions" of the Report on Operations.

The breakdown and changes in borrowings from related parties are instead described in Note 34.

Below is the breakdown of loans and borrowings:

	1 January 2025	New borrowings	Repayments/Payment of coupons	Other net increase (decrease)	Exchange differences	31 December 2025
Bonds	1,029	-	(536)	19	-	512
Bank loans and borrowings	1,046	260	(50)	1	-	1,257
Lease liabilities	84	27	(19)	-	-	92
Lease liabilities from related parties (Note 34)	405	-	(84)	3	-	324
Other related parties loans and borrowings (Note 34)	2,921	-	-	78	(7)	2,992
Other financial debts	45	-	-	3	-	48
	<b>5,530</b>	<b>287</b>	<b>(689)</b>	<b>104</b>	<b>(7)</b>	<b>5,225</b>

	1 January 2024	New borrowings	Repayments/Payment of coupons	Other net increase (decrease)	Exchange differences	31 December 2024
Bonds	1,631	-	(645)	43	-	1,029
Bank loans and borrowings	1,084	-	(37)	(1)	-	1,046
Lease liabilities	97	13	(26)	-	-	84
Lease liabilities from related parties (Note 34)	498	8	(101)	-	-	405
Other related parties loans and borrowings (Note 34)	2,613	-	-	305	3	2,921
Other financial debts	50	-	-	(5)	-	45
	<b>5,973</b>	<b>21</b>	<b>(809)</b>	<b>342</b>	<b>3</b>	<b>5,530</b>

The table below shows the reconciliation of the financial liabilities with the cash flows from financing activities in 2025:

	31 December 2025	31 December 2024
<b>Balance at 1 January</b>	<b>5,530</b>	<b>5,973</b>
<b>Changes included in cash flows from financing activities</b>	<b>(311)</b>	<b>(474)</b>
- Bond issue (Repayments)	(500)	(600)
- New borrowings (Repayments) from EIB	210	(38)
- Net change in other borrowings	(21)	164
<b>Non-monetary movements:</b>	<b>6</b>	<b>31</b>
- Non-monetary items of lease liabilities	30	21
- Exchange rate effects	(7)	5
- Accrued interest in bonded loans	(17)	5
<b>Balance at 31 December</b>	<b>5,225</b>	<b>5,530</b>

## Bonds

Below are the bonded loans in place and listed on the Luxembourg Stock Exchange:

Year of issue	Maturity	Currency	Outstanding nominal amount (mil.)(* )	Annual coupon	Type of offer
2020	2026	€	500	2.375%	European institutional

*(\*) Bonds listed on the Luxembourg Stock Exchange and issued under the EMTN Programme of up to €bil. 4. The transaction was authorised pursuant to Article 129 of Legislative Decree 385/1993.*

During the year, as already noted above, there was the repayment of the bond issued in 2005 for €mil. 500, which had reached its natural maturity.

The Company's issues are governed by rules with standard legal clauses for these types of corporate transactions on institutional markets that do not require any undertaking with regard to compliance with specific financial parameters (financial covenants), but they do require negative pledge and cross-default clauses. Based on negative pledge clauses, the Company is expressly prohibited from pledging collateral security or other obligations to secure its debt in the form of bonds or listed financial instruments or financial instruments that qualify for listing, unless these guarantees are extended to all bondholders. Exceptions to this prohibition are securitization and, as from July 2006, the establishment of assets for the use indicated in Article 2447-bis et seq. of the Italian Civil Code. On the contrary, the cross-default clauses give the bondholders the right to request early redemption of the bonds in their possession in the event of default by the Company that results in a failure to make payment beyond pre-set limits.

## Bank loans and borrowings

Bank loans and borrowings amounted to €mil. 1,257, up by €mil. 211 compared to the previous year in relation to the drawdown of the €mil. 260 Sustainability-Linked loan granted by the European Investment Bank (EIB), with a term of 12 years, including a 4-year pre-amortisation period.

The item also includes the following additional loan agreements entered into with the European Investment Bank (EIB) amounting to:

- €mil. 200 subscribed in December 2020 and used in January 2021, maturity date 2033;
- €mil. 300 subscribed in 2018, maturity date 2031.

The balance of these loans was €mil. 654 at the end of 2025, plus €mil. 3 of accrued interest, of which €mil. 66 due in 2026.

Finally, the item also includes the ESG-linked Term Loan facility raised and used in December 2021 equal to €mil. 600, with a duration of 5 years and maturity date at the beginning of 2027.

It should be noted that financial covenants are provided for in the Term ESG-Linked Loan agreement signed in 2021, which provides for compliance by Leonardo with two financial ratios (Group Net Debt, excluding payables to the joint ventures MBDA and Thales Alenia Space and lease liabilities/EBITDA, including amortisation of the rights of use) of not more than 3.75 and an EBITDA, including amortisation of the rights of use/Net interest ratio of not less than 3.25), which are tested on an annual basis on consolidated data, and which had been complied with in full at 31 December 2025 (the two indicators are equal to -0.5 and 64.8, respectively). The same covenants, tested on an annual basis, are included in the loan agreements with EIB and in the ESG-linked Revolving Credit Facility, which was renewed early in October 2025 but for which they will only be tested if Leonardo's credit rating assigned by at least two of the three rating agencies falls below Investment grade.

In addition, the ESG-linked loans described above include margin adjustment clauses based on the achievement of certain indicators (KPIs) linked to ESG objectives. Specifically:

- Reduction in the Group's CO<sub>2</sub> emissions; this KPI is included in the Term Loan agreement signed in 2021 and in the RCF agreement signed in 2025, as well as in the Sustainability-Linked loan granted by the European Investment Bank in 2022;
- An increase in the percentage of suppliers, calculated on the basis of emissions, which have set science-based decarbonisation targets; this KPI is included in the ESG-linked RCF agreement signed in 2025;
- The promotion of female employment with degrees in STEM disciplines; this KPI is included in the Term Loan agreement signed in 2021;
- An increase in the Group's per capita computing power; this KPI is included in the Sustainability-Linked loan granted by the European Investment Bank in 2022.

### Related parties loans and borrowings

Related parties loans and borrowings included lease liabilities equal to €mil. 324 (€mil. 405 at 31 December 2024) and other financial debts for €mil. 2,992 (€mil. 2,921 at 31 December 2024). The item comprised, among others, the loan agreement of €mil. 100 entered into in 2020 with Cassa Depositi e Prestiti (CDP) aimed at co-financing some investment projects provided for in the Industrial Plan.

For a more detailed breakdown of related parties loans and borrowings, reference is made to Note 34 .

### Other financial debts

The item includes the residual balance of subsidised loans, related to programmes and projects of the companies and business units merged.

Exposure to changes in interest rates of the financial liabilities is as follows:

	Bonds		Bank loans and borrowings				Other related parties loans and borrowings (Note 34)*		Lease liabilities from related parties (Note 34)		Lease liabilities		Other financial debts		Total	
	floating	fixed	floating	fixed	floating	fixed	floating	fixed	floating	fixed	floating	fixed	floating	fixed	floating	fixed
<b>31 December 2025</b>																
Within 1 year	-	512	2	64	2,948	-	-	114	-	22	24	-	-	2,974	712	
2 to 5 years	-	-	600	330	44	-	-	189	-	56	24	-	-	668	575	
Beyond 5 years	-	-	-	261	-	-	-	21	-	14	-	-	-	-	296	
<b>Total</b>	-	<b>512</b>	<b>602</b>	<b>655</b>	<b>2,992</b>	-	-	<b>324</b>	-	<b>92</b>	<b>48</b>	-	-	<b>3,642</b>	<b>1,583</b>	

	Bonds		Bank loans and borrowings				Other related parties loans and borrowings (Note 34)*		Lease liabilities from related parties (Note 34)		Lease liabilities		Other financial debts		Total	
	floating	fixed	floating	fixed	floating	fixed	floating	fixed	floating	fixed	floating	fixed	floating	fixed		
<b>31 December 2024</b>																
Within 1 year	-	530	40	13	2,761	-	-	130	-	16	17	-	<b>2,818</b>	<b>689</b>		
2 to 5 years	-	499	749	100	160	-	-	255	-	52	28	-	<b>937</b>	<b>906</b>		
Beyond 5 years	-	-	56	88	-	-	-	20	-	16	-	-	<b>56</b>	<b>124</b>		
<b>Total</b>	<b>-</b>	<b>1,029</b>	<b>845</b>	<b>201</b>	<b>2,921</b>	<b>-</b>	<b>-</b>	<b>405</b>	<b>-</b>	<b>84</b>	<b>45</b>	<b>-</b>	<b>3,811</b>	<b>1,719</b>		

\*\*\*\*\*

Below is the financial information prepared in accordance with the “Indebtedness statement” scheme required under CONSOB communication DEM/6064293 of 28 July 2006 and updated in accordance with the ESMA guidelines 32-382-1138 of 4 March 2021 as implemented in the CONSOB warning notice no. 5/21 of 29 April 2021.

	31 December 2025	31 December 2024
A - Cash	(2,405)	(1,597)
<b>D - Liquidity</b>	<b>(2,405)</b>	<b>(1,597)</b>
E - Current financial debt (*)	2,925	2,620
F - Current portion of non-current financial debt	512	530
<b>G - Current financial debt</b>	<b>3,437</b>	<b>3,150</b>
<b>H - Net current financial debt (funds)</b>	<b>1,032</b>	<b>1,553</b>
I - Non-current financial debt (*)	1,539	2,023
J - Debt instruments (**)	(6)	3
K - Trade payables and other non-current liabilities	262	233
<b>L - Non-current financial debt</b>	<b>1,795</b>	<b>2,259</b>
<b>M - Total financial debt</b>	<b>2,827</b>	<b>3,812</b>

(\*) Includes leasing payables for € mil. 416, of which € mil. 137 current (€ mil. 489 at 31 December 2024, of which € mil. 146 current)

(\*\*) Includes the fair value of foreign exchange derivatives hedging debt items

Based on current interpretations, the item “Trade payables and other non-current payables” of the abovesaid scheme includes the value of payables for grants received from MEMIT for the development of programmes not related to national security eligible for benefits under Law 808/1985, even though such value is not, by its very nature, a financial caption.

The reconciliation with the Net Financial Debt, used as KPI, is as follows:

	Note	31 December 2025	31 December 2024
Net financial debt com. CONSOB no. DEM/6064293/ESMA		<b>2,827</b>	<b>3,812</b>
Payables to MEMIT (Law 808/1985)	24	(262)	(233)
Non current financial receivables from Group's consolidated entities		(737)	(583)
<b>Net debt (KPI)</b>		<b>1,828</b>	<b>2,996</b>

**22. PROVISIONS FOR RISKS AND CHARGES AND CONTINGENT LIABILITIES**

	Guarantees given	Restructuring	Penalties	Product guarantees	Contracts (final losses)	Other provisions	Total
<b>1 January 2024</b>							
Current	21	64	9	182	224	304	<b>804</b>
Non current	-	107	5	64	-	530	<b>706</b>
	<b>21</b>	<b>171</b>	<b>14</b>	<b>246</b>	<b>224</b>	<b>834</b>	<b>1,510</b>
Allocations	2	11	5	67	93	149	<b>327</b>
Uses	(2)	(56)	(1)	(13)	-	(94)	<b>(166)</b>
Reversals	-	(17)	(5)	(38)	(96)	(128)	<b>(284)</b>
Other changes	-	4	(3)	(6)	(4)	(66)	<b>(75)</b>
<b>31 December 2024</b>	<b>21</b>	<b>113</b>	<b>10</b>	<b>256</b>	<b>217</b>	<b>695</b>	<b>1,312</b>
<i>Broken down as follows:</i>							
Current	21	44	8	190	217	256	<b>736</b>
Non current	-	69	2	66	-	439	<b>576</b>
	<b>21</b>	<b>113</b>	<b>10</b>	<b>256</b>	<b>217</b>	<b>695</b>	<b>1,312</b>
Allocations	5	1	2	100	50	138	<b>296</b>
Uses	(1)	(44)	(1)	(23)	(11)	(28)	<b>(108)</b>
Reversals	-	(1)	-	(21)	(65)	(107)	<b>(194)</b>
Other changes	-	(7)	1	-	11	(19)	<b>(14)</b>
<b>31 December 2025</b>	<b>25</b>	<b>62</b>	<b>12</b>	<b>312</b>	<b>202</b>	<b>679</b>	<b>1,292</b>
<i>Broken down as follows:</i>							
Current	25	30	10	237	202	243	<b>747</b>
Non current	-	32	2	75	-	436	<b>545</b>
	<b>25</b>	<b>62</b>	<b>12</b>	<b>312</b>	<b>202</b>	<b>679</b>	<b>1,292</b>

“Other provisions” mainly included provisions relating to critical issues on contracts. The item also includes the Group’s best estimate of the probable liability it expects to incur for offset obligations that will be settled by payment. If those obligations are fulfilled by supplying goods or services directly related to those set out in the main sales agreement, the best estimate of the costs to be incurred is recognized within the contract costs of the principal contracts.

Given their complexity, their cutting-edge technological content and the nature of the customers, the Company’s long-term contracts are sometimes affected by disputes with customers in relation to the compliance of works with customer specifications and product performances. The Company adjusts the estimated contract costs for foreseeable issues, also taking into account the possible developments in the relevant disputes. With regard to contracts in progress affected by uncertainties and issues under discussion with customers, it should be noted that with reference to the termination for default due to alleged delays and non-compliance formalised in June 2022 by the governmental Norwegian Defence Materiel Agency (NDMA) under the contract for the supply of 14 NH90 helicopters entered into with NH Industries (NHI, a company whose shareholders are Leonardo, Airbus Helicopters and Fokker Aerostructure), the parties had commenced a mediation process in April 2023, which ended unsuccessfully in May 2024; on 24 May 2024, NDMA sued NHI and its parent companies before the Oslo Court. NHI submitted its defence arguments and counterclaim. The parties agreed to join a new mediation process led by the Oslo Court that took place during the first half of 2025 and ended unsuccessfully. The proceedings were expected to continue with the first hearing scheduled for 10 November 2025, but a new mediation process was started and on 1 November 2025 the parties achieved a resolution for the dispute, following which all legal proceedings around the NH90 Norway programme are to be considered concluded. The settlement provides that NHI will take back all helicopters, along with associated spare parts, tools, and mission-specific equipment from the Norwegian

Government, for which is ongoing the evaluation of other possible use, against the payment by NHI of an agreed cash amount of €mil. 305, €mil. 125 of which as the share attributable to Leonardo, in addition to amounts previously paid pursuant to bank guarantees, amounting to approximately €mil. 70.

\* \* \* \* \*

With regard to risks, below is a summary of the criminal proceedings that are currently underway against Leonardo SpA, and certain former directors and executives, concerning acts committed during the performance of their duties at the Company, with specific reference to the events that occurred in 2025 and until the date of 2026 when these financial statements were published:

- in relation to the same events relating to the supply of 12 AW 101 VIP/VVIP helicopters to the Indian government for which criminal proceedings had been initiated in Italy, which ended with the final acquittal of the former Chairman and CEO of Leonardo SpA, the former CEO of AgustaWestland SpA and the companies AgustaWestland SpA and AgustaWestland Ltd, as well as with the dismissal of Leonardo SpA, on 2 February 2018, AgustaWestland International Ltd was served with an invitation to appear before the Patiala House Court in New Delhi as part of criminal proceedings brought therein against the aforementioned company and other parties, including Leonardo SpA as a result of an investigation initiated for the crime of bribery by the Indian Judicial Authority (Central Bureau of Investigation) in February 2013.

The same notice was served, through the Public Prosecutor's Office at the Court of Milan, on Leonardo SpA. Consequently, the Company filed an enforcement incident before the Judge of Preliminary Investigations of the Court of Milan, as well as an appeal before the Lazio Regional Administrative Court, taking the same judicial actions also with regard to the notices received in relation to the subsequent hearings. Furthermore, on 28 August 2019, the Milan Public Prosecutor's Office notified Leonardo SpA of an invitation to appear at a hearing as part of further proceedings initiated, in relation to the same events, for the crime of money laundering by another Indian Judicial Authority (Directorate of Enforcement). Against this notification, the Company also took the same actions.

On 11 February 2020, AgustaWestland International Ltd was also served with an invitation to appear in the proceedings initiated by the Directorate of Enforcement.

By rulings handed down by the Council of State (on 7 May 2020 and 6 December 2022), granting the appeals filed by Leonardo, the orders issued by the Ministry of Justice were annulled, whereby the request for judicial assistance for the purpose of enforcement of the aforementioned requests for notification had been granted. As for the enforcement incident, the Judge of Preliminary Investigations of the Court of Milan granted, by order filed on 22 March 2022, the petitions filed by Leonardo, revoking the decrees by which the notifications had been ordered by the Milan Public Prosecutor's Office.

AgustaWestland International Ltd has, however, appeared at hearings set as part of the proceedings initiated by the Central Bureau of Investigation (CBI) and the Directorate of Enforcement, and the proceedings are currently pending before the Rouse Avenue Court in New Delhi;

- on 6 June 2023, a search and seizure warrant was executed against the former Chief Executive Officer of Leonardo S.p.a. (who terminated his office on 9 May 2023) as part of the proceedings, initiated by the Public Prosecutor's Office with the Court of Naples against, among others, the former Chief Executive Officer for the crime under articles 110, 61 bis, 322 bis para. I and II, no. 2 of the Italian Criminal Code in relation to the supply of the Company's products to Colombia. We learnt that, following the Public Prosecutor's request, on 27 March 2025 the Judge for Preliminary Investigations dismissed the case with the Court of Naples;

- on 20 September 2023 Leonardo SpA, during the preliminary hearing, entered an appearance in the civil action within the criminal proceedings pending before the Court of Gorizia, in which are involved, *inter alia*, certain former directors of the then Ansaldo Componenti SpA, the then Ansaldo SpA and the then Ansaldo Industria SpA, in office in the period between 1979 and 1991, charged with having committed the crimes under Articles 589, paragraphs 1, 2 and 4, 40 and 41 of the Italian Criminal Code for violation of the rules governing the prevention of occupational diseases, and in particular Article 2087 of the Italian Civil Code, Presidential Decree 547/55 and Presidential Decree 303/56. The proceedings are at a trial stage still pending before the Court of Gorizia;
- on 13 January 2025, following the notification to Leonardo SpA of a request for a probationary incident submitted by the Public Prosecutor's Office at the Court of Lecco to the Judge for Preliminary Investigations, it was learned that the Company was entered in the register of crime reports in relation to the violation of Article 25-septies, para. 2, of Legislative Decree 231/2001 (“Manslaughter or serious or very serious injury committed in violation of the rules on the protection of occupational health and safety”). Specifically, criminal proceedings were initiated for the cases of offenses under Article 449, paragraph 1, of the Italian Criminal Code (“Culpable crimes of harm”) in relation to Article 428 of the Italian Criminal Code (“Shipwreck, submergence or aviation disaster”) and Article 589, paragraphs 1, 2 and 4 of the Italian Criminal Code (“Manslaughter”) following the accident that occurred to the M-346FA (Fighter Attack) aircraft over Mount Legnone in the Municipality of Colico (Lecco) on 16 March 2022, as a result of which one of the two pilots of the crew died. On 18 March 2025, the notice of termination of the preliminary investigations was notified pursuant to Article 415 bis of the Italian Code of Criminal Procedure against 8 employees of the Company under investigation as well as against the Company itself. On 23 July 2025, the aforesaid parties were served the notice of preliminary hearing together with the request for indictment from the Public Prosecutor. The proceedings are currently at the preliminary hearing stage before the Court of Lecco and next hearing has been set for 29 April 2026;
- on 20 December 2024, a notice of conclusion of preliminary investigations was served pursuant to Article 415-bis of the Italian Code of Criminal Procedure on the then Manager responsible for the Turin Caselle Plant, as well as delegate of the Employer of the Aircraft Division (now Aeronautics Division) of Leonardo S.p.a., as a suspect for the crime under Article 590, paragraphs 1, 2 and 3 of the Italian Criminal Code (“culpable personal injury”) in connection with an accident that occurred to an employee of a third-party firm during the performance of a contract awarded by the Division in September 2022. From this measure it was learned that criminal proceedings were pending, which had been initiated by the Public Prosecutor's Office at the Ivrea Court against, *inter alia*, Leonardo S.p.a., for the administrative offence referred to in Article 25-septies, paragraph 3, of Legislative Decree 231/2001 (“culpable injuries committed in violation of the rules on the protection of occupational health and safety”) in relation to the predicate offence referred to in Article 590, paragraphs 1, 2 and 3 of the Italian Criminal Code. On 21 January 2025, the same notice of conclusion of preliminary investigations was served on Leonardo SpA;
- On 8 February 2026, a notice of conclusion of preliminary investigations was served pursuant to Article 415-bis of the Italian Code of Criminal Procedure on the then Manager responsible for the Venegono plant of the Aeronautics Division as well as delegate of the Employer – Environmental Manager of the abovesaid plant, as a suspect for the crime under Article 137, paragraph 5 of Legislative Decree 152/2006. From this measure it was learned that criminal proceedings were pending, which had been initiated by the Public Prosecutor's Office at the Varese Court also against Leonardo S.p.a. for the administrative offence referred to in Article 25-undecies of Legislative Decree 231/2001 (“Environmental crimes”) in relation to Article 137, paragraph 5, of Legislative Decree 152/2006. As of today, the Company has not been served with any summons. In the meantime, the

suspect's lawyer has filed a defense brief with the Public Prosecutor's Office pursuant to Article 415 bis of the Italian Code of Criminal Procedure.

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

\* \* \* \* \*

With regard to the provisions for civil, tax and administrative disputes, it is underlined that the Company's operations regard industries and markets where many disputes, both as petitioner and plaintiff, are settled only after a considerable period of time, especially in cases where the customer is a government entity. Pursuant to the IFRSs, provisions have been set aside for risks whose occurrence is deemed probable and reliably quantifiable. No specific provisions have been set aside for certain disputes in which the Company is defendant as these disputes are reasonably expected to be settled, based on current knowledge, satisfactorily and without significantly impacting the Company. Among the following disputes are:

- the proceedings brought by Mr. Pio Deiana (to have a deed of settlement entered into with former Ansaldo Industria declared null and void) before the Rome Court of Appeal, which had been suspended following Mr. Deiana's death and then resumed by his sister. During the proceedings, the existence of another heir of the deceased person was ascertained; accordingly, at the last hearing held on 26 October 2022, the Court declared the latter's contumacy and set the hearing on 18 December 2024 for the specification of conclusions. At the hearing held on 7 January 2025, the Court adjourned the case for decision, granting the parties time limits under Article 190 of the Italian Code of Civil Procedure. On 23 October 2025, the Court dismissed the appeal ordering that legal costs be paid in favour of Leonardo;
- the proceedings brought by writ of summons served on 24 September 2024 by the Bankruptcy bodies of Fallimento della Moreggia & C. SpA, a company supplying mechanical components, including a claim for damages allegedly caused by Leonardo S.p.a., for abuse of management and coordination powers under Article 2497 of the Italian Civil Code, for a total of about €mil. 110. Leonardo entered an appearance in court requesting that the claims of the opposing party be dismissed and also suing the plaintiff back for about €mil. 10. The first hearing took place on 4 July 2025 and, after hearing the parties, the Judge reserved his decision on the preliminary motions. Once the decision was made, the Judge ordered the designation to the court-appointed expert, with a hearing initially set on 17 February 2026 and then postponed to 9 June 2026.
- on 10 January 2025, in relation to the AW169 helicopter crash that occurred near King Power Stadium in Leicester City on 27 October 2018, as a result of which the five people on board died, including the then President of Leicester City Football Club, the law firm assisting the latter's family publicly announced, in advance, the filing of a writ of summons with the "Technology and Construction Court," a specialist division of the High Court of England and Wales, for compensation for the damage suffered as a result of the alleged defectiveness of the helicopter in the amount of GBPbil. 2.15 (€bil. 2.6) and on 20 May 2025 the writ of summons was notified containing a claim for damages against Leonardo equal to GBPmil. 2,148. The case was brought before the "Technology and Construction Court", a specialized division of the High Court of England and Wales. On 1 December 2025, Leonardo filed its statement of appearance and reply, lodging objections to the summons and setting out its defence arguments.

On the basis of information that is available to date, supported by the appointed legal counsels and in close collaboration with the insurance companies involved, Leonardo does not believe that a liability may arise against it.

### 23. EMPLOYEE BENEFITS

	31 December 2025	31 December 2024
Severance pay provision	156	170
Defined contribution plans	51	46
	<b>207</b>	<b>216</b>

The severance pay provision showed a reduction essentially due to the benefits paid during the year.

The amount of the costs related to employee benefit obligations, which was recognised during the year under financial expense, is equal to €mil. 5 (€mil. 6 at 31 December 2024).

Below are the changes in the severance pay:

	31 December 2025	31 December 2024
<b>Opening balance</b>	170	191
Net interest expense	5	6
Remeasurement	(3)	(1)
<i>Actuarial losses (gains) through equity - financial assumptions</i>	(2)	1
<i>Actuarial losses (gains) through equity resulting from adjustments based on the experience</i>	(1)	(2)
Benefits paid	(16)	(23)
Other changes	-	(3)
<b>Closing balance</b>	<b>156</b>	<b>170</b>

It should be noted that the portion of cost for the year relating to amounts transferred to pension funds or to a treasury fund managed by INPS is recognised according to the rules for defined-contribution plans, without any actuarial assessment.

The main actuarial assumptions used in the valuation of defined-benefit plans and of the portion of the severance pay that has maintained the nature of defined-benefit plan are as follows:

	31 December 2025	31 December 2024
Discount rate (annual)	3.8%	3.3%
Inflation rate	1.9%	1.6%

The sensitivity analysis for each significant actuarial assumption, which shows the effects on bonds in absolute value, is as follows:

	31 December 2025		31 December 2024	
	-0.25%	+0.25%	-0.25%	+0.25%
Discount rate (annual)	1	(1)	2	(2)
Inflation rate	(1)	1	(1)	1

The average duration of the severance pay is four years.

## 24. OTHER NON-CURRENT AND CURRENT LIABILITIES

	31 December 2025		31 December 2024	
	Non current	Current	Non current	Current
Employee obligations (*)	26	433	36	396
Deferred income	148	155	140	139
Amounts due to social security institutions	-	242	-	213
Payables to MEMIT (Law 808/1985)	262	8	233	3
Payables to MEMIT for monopoly costs (Law no. 808/85)	192	32	216	11
Indirect tax liabilities	-	93	-	89
Derivatives	-	99	-	158
Other payables to related parties (Note 34)	134	197	167	64
Other liabilities	54	248	21	218
	<b>816</b>	<b>1,507</b>	<b>813</b>	<b>1,291</b>

(\*) Non-current item includes other employee benefits related to seniority bonuses

Other current and non-current liabilities totalled €mil. 2,323 at 31 December 2025 (€mil. 2,104 at 31 December 2024).

The increase recorded during the year was attributable, to a significant extent, to positions with related parties, which include, among other things, the recognition of the debt to NH Industries S.A.S., arising from the settlement agreement concluded during the year as part of the NH90 Norway programme, as well as the higher liability positions with other group companies as part of the tax consolidation scheme.

For details on other payables to related parties, please refer to Note 34.

“Deferred income” substantially includes subsequent years rentals already collected in past years in relation to the agreements for the sale of “Ansaldo” trademark, royalties and grants collected.

The payables to the Ministry of Enterprises and Made in Italy (MEMIT) under Law 808/1985 relate to monopoly costs accrued on national security and similar projects, as well as payables for grants received from MEMIT for the development of programmes not related to national security and similar projects eligible for benefits under Law 808/1985.

“Other liabilities” mainly refer to contractual agreements and penalties, fees on sureties, deposits from customers, commissions payable and royalties.

The changes recorded during the year and the composition of liabilities by maturity, currency and geographical area are shown in Appendices nos. 7, 8 and 9 to these Notes.

## 25. TRADE PAYABLES

	31 December 2025	31 December 2024
Suppliers	2,002	2,045
Trade payables to related parties (Note 34)	855	958
	<b>2,857</b>	<b>3,003</b>

The composition of trade payables by currency and geographical area is shown in Appendices nos. 8 and 9 attached to these Notes.

## 26. GUARANTEES AND OTHER COMMITMENTS

At 31 December 2025 the Company had in place the following guarantees:

	31 December 2025	31 December 2024
Guarantees in favour of related parties (Note 34)	3,370	4,206
Guarantees in favour of third parties	10,762	8,880
Other guarantees given to third parties	1,408	1,485
<b>Unsecured guarantees given</b>	<b>15,540</b>	<b>14,571</b>

Specifically, the main guarantees issued consist of:

- bank and insurance sureties in favour of third-party companies for an amount of €mil. 10,762 (€mil. 8,880 at 31 December 2024);
- bank and insurance counter-guarantees issued in the interest of related parties for €mil. 1,744 (€mil. 1,720 at 31 December 2024);
- direct commitments issued by Leonardo in favour of tax authorities, and customers and co-suppliers (Parent Company Guarantee) in its own interest for €mil. 1,408 (€mil. 1,479 at 31 December 2024), in favour of related parties for €mil. 1,626 (€mil. 2,486 at 31 December 2024). As at 31 December 2024, there was a residual amount of €mil. 6 in direct commitments undertaken on behalf of third-party companies, which reduced to zero during 2025.

In addition to the above commitments, the Company issued non-binding letters of patronage on behalf of subsidiaries and certain associates in support for their commercial activities.

## 27. REVENUES

	2025	2024
Revenue from contracts with customers	7,655	7,675
Change in contract assets	111	75
Revenue and change in contract assets from related parties (Note 34)	4,176	3,215
<b>Total revenues</b>	<b>11,942</b>	<b>10,965</b>

The performance in terms of revenues by business sector at Group level is commented on in the Report on Operations.

Below is the breakdown of revenue by timing of reporting:

	2025	2024
Revenues recognized at point in time	2,182	1,997
Revenues recognized over time	9,760	8,968
<b>Total</b>	<b>11,942</b>	<b>10,965</b>

Revenues were realized in the following geographical areas:

	2025	2024
Italy	3,917	3,310
United Kingdom	419	554
Rest of Europe	3,195	3,062
United states of America	1,385	1,280
Rest of the world	3,026	2,759
<b>Total</b>	<b>11,942</b>	<b>10,965</b>

The order backlog at 31 December 2025 was equal to about €bil. 33 and reported an increase over the previous year of €bil. 3 (balance at 31 December 2024 equal to €bil. 30), mainly due to the net effect of new orders acquired during 2025, amounting to €bil. 16, net of revenues accrued in the year (€bil. 12).

## 28. OTHER OPERATING INCOME (EXPENSES)

	2025			2024		
	Income	Expenses	Net	Income	Expenses	Net
Grants for research and development costs (*)	81	-	81	59	-	59
Other operating grants	23	-	23	11	-	11
Gains/(losses) on sales of intangible asset, property, plant and equipment	7	-	7	-	-	-
Reversals/accruals to provisions for risks	176	(286)	(110)	258	(301)	(43)
Exchange rate difference on operating items	242	(211)	31	186	(219)	(33)
Insurance reimbursements	11	-	11	6	-	6
Indirect taxes	-	(12)	(12)	-	(19)	(19)
Other operating income (expenses)	14	(39)	(25)	21	(42)	(21)
Other operating income (expenses) from related parties (Note 34)	333	(127)	206	19	(1)	18
	<b>887</b>	<b>(675)</b>	<b>212</b>	<b>560</b>	<b>(582)</b>	<b>(22)</b>

(\*) To which must be added assessments for "Deferred receivables for measures under Law 808/1985", including current and non-current portions (Note 12 and Note 17, respectively) equal to €mil. 5 (€mil. 2 as at 31 December 2024, including current and non-current portions), and assessments for "Non-recurring costs for measures pending under Law 808/85" (Note 12) equal to €mil.28 (€mil. 26 as at 31 December 2024).

Other revenues, net of operating expenses, recorded a balance of €mil. 212 at 31 December 2025 (net operating expenses of €mil. 22 at 31 December 2024). The improved balance for the current year was mainly attributable to the recognition of a capital gain on the sale of the UAS business to Fincantieri (€mil. 316), partially offset by the charges reported, in Leonardo's share, in relation to the settlement agreement signed with the Norwegian Defence Materiel Agency (NDMA) under the contract for the supply of NH90 helicopters (€mil. 125). For more details, please refer to Note 22 on "Provisions for risks and charges and contingent liabilities".

## 29. PURCHASE AND PERSONNEL EXPENSES

	2025	2024
Purchase of materials from third parties	3,708	3,276
Change in inventories of raw materials	(277)	(169)
Costs for purchases from related parties (Note 34)	961	1,184
<b>Purchases</b>	<b>4,392</b>	<b>4,291</b>
Services rendered by third parties	3,060	2,718
Costs of leases of low value and short term	71	56
Royalties	6	8
Services rendered by related parties (Note 34)	1,040	1,064
<b>Services</b>	<b>4,177</b>	<b>3,846</b>
Wages and salaries	1,968	1,823
Social security contributions	562	518
Costs related to defined-contribution plans	137	127
Employee disputes	-	2
Restructuring costs - net	25	14
Other personnel expenses net of cost recovery	27	25
<b>Personnel expenses</b>	<b>2,719</b>	<b>2,509</b>
<b>Change in finished goods, work in progress and semi-finished products</b>	<b>(242)</b>	<b>(480)</b>
<b>Internal work capitalised</b>	<b>(266)</b>	<b>(220)</b>
<b>Total purchases and personnel expenses</b>	<b>10,780</b>	<b>9,946</b>

The item increased by €mil. 834 in line with the overall increase in volumes.

The figure related to the average and exact workforce operating in 2025 showed, compared to 2024, an increase of 1,259 and 1,417 units, respectively, across all business sectors in a general manner.

Below is the breakdown of workforce by category:

	Average Workforce			Total Workforce		
	31 December 2025	31 December 2024	Change	31 December 2025	31 December 2024	Change
Senior managers (*)	822	820	2	871	847	24
Middle managers	3,691	3,633	58	3,666	3,581	85
Clerical employees	21,021	19,977	1,044	22,390	21,365	1,025
Manual labourers (**)	7,242	7,087	155	7,471	7,188	283
<b>Total</b>	<b>32,776</b>	<b>31,517</b>	<b>1,259</b>	<b>34,398</b>	<b>32,981</b>	<b>1,417</b>

(\*) Includes pilots

(\*\*) Includes senior manual labours

### 30. AMORTISATION, DEPRECIATION AND FINANCIAL ASSETS VALUE ADJUSTMENTS

	2025	2024
Amortisation of intangible assets	151	167
<i>Development costs</i>	33	43
<i>Non-recurring costs</i>	48	55
<i>Acquired through business combinations</i>	2	2
<i>Concessions, licenses and trademarks</i>	36	37
<i>Other intangible assets</i>	32	30
Depreciation of property, plant and equipment and investment properties	141	139
Depreciation of right of use	110	114
Impairment of other assets	63	59
Financial assets value adjustments	49	39
	<b>514</b>	<b>518</b>

Amortisation, depreciation and impairment losses for the year were in line with the figure for the comparative period. Impairment losses on other assets for the period mainly include write-downs relating to programmes in the Aeronautics and Defence Electronics & Security (see Note 8).

Financial assets value adjustments refer to evaluations periodically carried out in order to assess the recoverability of the financial assets recognized in the separate financial statements, in compliance with the provisions of IFRS 9 on impairment.

### 31. FINANCIAL INCOME AND EXPENSE

	2025			2024		
	Income	Expenses	Net	Income	Expenses	Net
Interest to/from banks	25	(34)	(9)	38	(42)	(4)
Interest on lease liabilities	-	(3)	(3)	-	(3)	(3)
Interest and other charges on bonds	-	(19)	(19)	-	(43)	(43)
Commissions	-	(6)	(6)	-	(8)	(8)
Dividends	366	-	366	434	-	434
Premiums (paid) received on IRS	4	-	4	9	-	9
Premiums (paid) received on forwards	52	(72)	(20)	45	(65)	(20)
Income and charges from equity investments and securities	61	-	61	-	-	-
Value adjustments on equity investments	31	(11)	20	-	(8)	(8)
Fair value gains (losses) through profit or loss	18	(5)	13	1	(7)	(6)
Exchange rate differences	35	(46)	(11)	26	(29)	(3)
Financial income (expense) - related parties (Note 34)	23	(101)	(78)	32	(125)	(93)
Other financial income and expense	29	(27)	2	7	(61)	(54)
	<b>644</b>	<b>(324)</b>	<b>320</b>	<b>592</b>	<b>(391)</b>	<b>201</b>

Financial income, net of financial expenses, amounted to €mil. 320 (€mil. 201 at 31 December 2024), showing a net increase of €mil. 119 compared to 2024.

The change was mainly attributable to the capital gain realised following the sale of part of the shares held in Avio SpA, as well as to the absorption of the provision for impairment recorded on Avio itself in previous years, for an amount of €mil. 31, against the higher value of the investment that emerged in the context of the sale, and taking into account the market capitalisation of the investee company.

These changes were partially offset by lower dividends distributed by investee companies (€mil. 366 in 2025 compared to €mil. 434 in 2024) and by the write-downs of equity investments of €mil. 11, €mil. 9 of which relating to CNBM Leonardo (Shanghai) Aerostructures Co, Ltd.

Finally, the net balance of financial income and expense was positively affected by the lower balance of interest expense, in line with the company's improved net debt for 2025.

The breakdown of income and expense from/to related parties is shown in Note 34.

Fair value results through profit or loss are as follows:

	2025			2024		
	Income	Expenses	Net	Income	Expenses	Net
Ineffective portion of hedging swap	18	(5)	13	1	(7)	(6)
	<b>18</b>	<b>(5)</b>	<b>13</b>	<b>1</b>	<b>(7)</b>	<b>(6)</b>

### 32. INCOME TAXES

Income taxes can be broken down as follows:

	2025	2024
IRES (corporate income tax)	(98)	(24)
IRAP (reg. tax on production)	(29)	(20)
Tax related to previous periods	12	21
Reversals (accruals) for tax disputes	9	(2)
Deferred tax - net	(33)	(116)
Other taxes	(5)	(6)
Total income taxes	<b>(144)</b>	<b>(147)</b>

Below is an analysis of the composition of the theoretical and effective tax rates for 2025 and 2024:

## Separate Financial Statements at 31 December 2025

	2025	2024
<b>Profit (loss) before income taxes</b>	<b>1,179</b>	<b>679</b>
<b>Tax rate</b>	<b>12.2%</b>	<b>21.6%</b>
Theoretical tax	(283)	(163)
Permanent differences	(1)	(36)
Dividends	81	96
Transactions on equity investments	86	-
Reversal (Impairment) of equity investments	4	(2)
IRAP tax	(29)	(20)
Net deferred tax assets	(2)	(7)
Reversals (accruals) for tax disputes	9	(2)
Other taxes	(9)	(13)
<b>Total tax through profit or loss</b>	<b>(144)</b>	<b>(147)</b>
<b>Theoretical tax</b>	<b>24.0%</b>	<b>24.0%</b>
Permanent differences	0.1%	5.3%
Timing differences	n.a.	n.a.
Unrecognised tax consolidation benefit	n.a.	n.a.
Dividends	(6.9%)	(14.1%)
Transactions on equity investments	(7.3%)	n.a.
Reversal (Impairment) of equity investments	(0.3%)	0.3%
IRAP tax	2.5%	2.9%
Net deferred tax assets	0.2%	1.0%
Tax provision	(0.8%)	0.3%
Other taxes	0.8%	1.9%
<b>Total tax</b>	<b>(12.2%)</b>	<b>(21.6%)</b>

The effective tax rate decreased from (21.6%) in 2024 to (12.2%) in 2025, mainly due to the recognition, within the results for the year, including a significant income relating to the management of equity investments of a predominantly non-taxable nature.

It should be noted that, at the end of 2025, there were no longer any deferred tax assets recognised on tax losses, following the use of the residual balance at the end of the previous year, amounting to €mil. 35.

Deferred tax assets were recognised on the basis of the prospective recoverability vis-à-vis the taxable profits envisaged by the business plans, in the context of the national tax consolidation scheme.

Deferred taxes and related receivables and payables at 31 December 2025 were the result of the following differences:

	2025	2024
Deferred tax assets on tax losses	(35)	16
Property, plant and equipment and intangible assets	(5)	(5)
Provision for risks and impairment	(4)	(28)
Other	11	(99)
<b>Deferred taxes recognised through profit or loss</b>	<b>(33)</b>	<b>(116)</b>

Below are the changes in the balances of deferred tax assets and liabilities:

	31 December 2025			31 December 2024		
	Financial statement			Financial statement		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Deferred tax assets on tax losses	-	-	-	35	-	35
Property, plant and equipment and intangible assets	19	(41)	(22)	19	(36)	(17)
Provision for risks and impairment	565	-	565	569	-	569
Other	111	(52)	59	88	(40)	48
<b>Deferred taxes recognised through balance sheet</b>	<b>695</b>	<b>(93)</b>	<b>602</b>	<b>711</b>	<b>(76)</b>	<b>635</b>
Cash-flow hedge derivatives	25	(38)	(13)	29	(10)	19
On actuarial gains and losses	11	(4)	7	11	(4)	7
<b>Deferred taxes recognised through equity</b>	<b>36</b>	<b>(42)</b>	<b>(6)</b>	<b>40</b>	<b>(14)</b>	<b>26</b>
	<b>731</b>	<b>(135)</b>	<b>596</b>	<b>751</b>	<b>(90)</b>	<b>661</b>

### 33. CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES

	2025	2024
Net result	1,035	532
Amortisation, depreciation and financial assets value adjustments	514	518
Income taxes	144	147
Net allocations to the provisions for risks and inventory write-downs	214	183
Gain from disposal of business	(316)	-
Net financial expense /(income)	(320)	(202)
Other non-monetary items	34	31
	<b>1,305</b>	<b>1,209</b>

The changes in working capital are as follows:

	2025	2024
Inventories	(571)	(581)
Contract assets and liabilities	963	(116)
Trade receivables and payables	(528)	413
	<b>(136)</b>	<b>(284)</b>

The changes in other operating assets and liabilities are as follows:

	2025	2024
Payment of pension plans	(19)	(23)
Changes in provisions for risks and other operating items	115	(109)
	<b>96</b>	<b>(132)</b>

Changes in other investing activities in 2025 mainly included the effects of the sale of the UAS business, net cash flows from acquisitions, disposals, and other transactions relating to equity investments, as well as cash flows related to current financial assets, which mainly consist of financial receivables from related parties, and are broken down as follows:

	2025	2024
Strategic transactions	394	(22)
Transactions on equity investments	148	209
Other transactions on non-current financial assets	(151)	(183)
Changes in other investment and divestment activities	13	16
	<b>404</b>	<b>20</b>

### 34. FINANCIAL TRANSACTIONS WITH RELATED PARTIES

Related party transactions are carried out at arm's length, as is settlement of the interest-bearing receivables and payables when not governed by specific contractual conditions. The relevant financial statements amounts are shown below. The statement of cash flows presents the impact of related party transactions on cash flows:

#### Receivables at 31 December 2025

	Non-current loans and receivables	Current loans and receivables	Trade receivables	Other current and non-current receivables	Total
<b><u>Subsidiaries</u></b>					
Agustawestland Philadelphia Corporation			234	1	235
Kopter Group AG	480	7	20		507
Leonardo Australia PTY Ltd			30		30
Leonardo Belgium S.A.			42		42
Leonardo CAE Advanced Jet Training Srl	8		31		39
Leonardo do Brasil LTDA			24		24
Leonardo Global Solutions SpA	238		9	7	254
Leonardo Malaysia SDN BHD			26		26
Leonardo South Africa (PTY) Ltd			15		15
Leonardo UK Ltd			240		240
Gruppo Telespazio SpA	10	1	9	6	26
W.S.K. PZL-Swidnik S.A.			90		90
Other with unit amount lower than €mil. 10		6	35	5	46
<b><u>Associates</u></b>					
Agustawestland Aviation Services LLC			14		14
Eurofighter Jagdflugzeug GmbH			169		169
Hensoldt			12		12
Iveco - Oto Melara S.c.a.r.l.			118		118
Macchi Hurel Dubois SAS			13		13
Nhindustries (S.A.S)			289		289
Other with unit amount lower than €mil. 10			34		34
<b><u>Joint Venture</u></b>					
Avions De Transport Regional - ATR GIE			41		41
Gruppo MBDA S.A.S			17		17
Gruppo Thales Alenia Space S.A.S		221	10		231
Orizzonte - Sistemi Navali SpA			21		21
Polo Strategico Nazionale SpA			112		112
Other with unit amount lower than €mil. 10			8		8
<b><u>Other companies and consortiums</u></b>					
Other with unit amount lower than €mil. 10		2	1		3
<b><u>Companies subject to the control or considerable influence of the MEF</u></b>					
Gruppo Fincantieri SpA			87	9	96
ENAV SpA			15		15
Other with unit amount lower than €mil. 10			33		33
<b><u>Other related parties</u></b>					
Other	1			3	4
<b>Total</b>	<b>737</b>	<b>237</b>	<b>1,799</b>	<b>31</b>	<b>2,804</b>
<i>% against total for the period</i>	98.5%	95.2%	48.4%	5.1%	

## Separate Financial Statements at 31 December 2025

### Receivables at 31 December 2024

	Non-current loans and receivables	Current loans and receivables	Trade receivables	Other current and non- current receivables	Total
<b><u>Subsidiaries</u></b>					
Agustawestland Philadelphia Corporation			194	1	195
Kopter Group AG	399	2	7		408
Leonardo Australia PTY Ltd			24		24
Leonardo Belgium S.A.			32		32
Leonardo CAE Advanced Jet Training Srl			29	2	31
Leonardo do Brasil LTDA			12		12
Leonardo Global Solutions SpA	167		5	8	180
Leonardo Logistics SpA		13	4	1	18
Leonardo Malaysia SDN BHD			40		40
Leonardo South Africa (PTY) Ltd			14		14
Leonardo UK Ltd			231		231
Gruppo Telespazio SpA	17	1	8	1	27
W.S.K. PZL-Swidnik S.A.			18		18
Other with unit amount lower than €mil. 10			31	9	40
<b><u>Associates</u></b>					
Advanced Air Traffic System SDH BHD			24		24
Eurofighter Jagdflugzeug GmbH			50		50
Iveco - Oto Melara S.c.a.r.l.			81		81
Nhindustries (S.A.S)			332		332
Macchi hurel Dubois SAS			14		14
Other with unit amount lower than €mil. 10			12		12
<b><u>Joint Venture</u></b>					
Avions De Transport Regional - ATR GIE			41		41
Gruppo MBDA S.A.S			18		18
Gruppo Thales Alenia Space S.A.S		325	10		335
Orizzonte - Sistemi Navali SpA			26		26
Polo Strategico Nazionale SpA			43		43
Other with unit amount lower than €mil. 10			6		6
<b><u>Other companies and consortiums</u></b>					
Other with unit amount lower than €mil. 10		2	5		7
<b><u>Companies subject to the control or considerable influence of the MEF</u></b>					
ENAV SpA			10		10
Gruppo Fincantieri SpA			49		49
Ministero dell'Economia e delle Finanze			14		14
Other with unit amount lower than €mil. 10			19		19
<b><u>Other related parties</u></b>					
Other with unit amount lower than €mil. 10				2	2
<b><u>Total</u></b>	<b>583</b>	<b>343</b>	<b>1,403</b>	<b>24</b>	<b>2,353</b>
<b><u>% against total for the period</u></b>	<b>95.4%</b>	<b>96.1%</b>	<b>41.1%</b>	<b>5.9%</b>	

As regards the most important loans and receivables we note that:

- Non-current loans and receivables equal to €mil. 737 (€mil. 583 at 31 December 2024) showed an increase of €mil. 154, mainly relating to disbursements of €mil. 81 to the subsidiary Kopter Group AG. Furthermore, we must note the increase in financial receivables linked to lease transactions in compliance with IFRS16;
- Current loans and receivables equal to €mil. 237 (€mil. 343 at 31 December 2024) incorporate the financing activities conducted by Leonardo in favour of the Group companies, through the abovementioned centralisation of treasury resources. The reduction in the balance of these receivables was substantially linked to the lower assets towards the Thales Group;
- Other current receivables equal to €mil. 31 (€mil. 24 at 31 December 2024) included amounts deriving from the Group tax consolidation mechanism, recognised by Leonardo, the party having a legal relationship with the Tax Authority;
- Trade receivables equal to €mil. 1,799 (€mil. 1,403 at 31 December 2024) include receivables related to services rendered in the interest and in favour of the Group's companies.

## Separate Financial Statements at 31 December 2025

### Payables at 31 December 2025

	Other current and non-current loans and borrowings	Trade payables	Current and non-current lease loans and borrowings	Other current payables	Total	Guarantees
<b><u>Subsidiaries</u></b>						
Agustawestland Philadelphia Corporation	44	67		134	245	504
GEM Elettronica		4			4	
Gruppo Telespazio SpA	38	6		2	46	84
Larimart SpA	7	20			27	
Leonardo Australia PTY Ltd		16			16	1
Leonardo Belgium S.A.		12			12	
Leonardo CAE Advanced Jet Training Srl		37			37	
Leonardo do Brasil LTDA		10			10	
Leonardo DRS Inc		2			2	137
Leonardo for Aviation Services (SPC)		16			16	
Leonardo Global Solutions SpA	83	53	324	43	503	137
Leonardo Hispania S.A.U. (in liquid.)					-	
Leonardo International SpA	81			2	83	85
Leonardo Logistics SpA		48		1	49	4
Leonardo Malaysia SDN BHD		18			18	
Leonardo MW LTD		98			98	
Leonardo Saudi Ltd		1			1	12
Leonardo UK Ltd	745	1			746	1,009
Leonardo US Aircraft, Inc		10			10	
Leonardo US Automation, Inc					-	321
Leonardo US Corporation, LLC					-	199
W.S.K. PZL-Swidnik S.A.	117	64		1	182	749
Other with unit amount lower than €mil. 10	3	21			24	9
<b><u>Associates</u></b>						
Elettronica SpA		13			13	
Eurofighter Jagdflugzeug GmbH	221	73			294	
Gruppo HENSOLDT AG		10			10	
Gulf System Logistic Services Company WLL		36			36	
Nhindustries (S.A.S)		137		113	250	
Other with unit amount lower than €mil. 10		6		3	9	
<b><u>Joint Venture</u></b>						
Avions De Transport Regional - ATR GIE		4		30	34	
Gruppo MBDA S.A.S	1,553	7			1,560	8
Other with unit amount lower than €mil. 10		9			9	
<b><u>Other companies and consortiums</u></b>						
Other with unit amount lower than €mil. 10		1			1	
<b><u>Companies subject to the control or considerable influence of the MEF</u></b>						
CDP Cassa Depositi e Prestiti SPA	100	2		1	103	111
Gruppo Fincantieri SpA		20			20	
Enel SpA		28			28	
<b><u>Other related parties</u></b>						
Other		5		1	6	
<b>Total</b>	<b>2,992</b>	<b>855</b>	<b>324</b>	<b>331</b>	<b>4,502</b>	<b>3,370</b>
<b><u>% against total for the period</u></b>	<b>57.3%</b>	<b>29.9%</b>	<b>78.3%</b>	<b>14.2%</b>		<b>21.7%</b>

## Separate Financial Statements at 31 December 2025

### Payables at 31 December 2024

	Other current and non-current loans and borrowings	Trade payables	Current and non-current lease loans and borrowings	Other current payables	Total	Guarantees
<b>Subsidiaries</b>						
Agustawestland Philadelphia Corporation	60	65		167	292	655
Gruppo Leonardo DRS INC		8			8	55
Gruppo Telespazio SpA	36	2		4	42	89
Larimart SpA	6	13			19	
Leonardo CAE Advanced Jet Training Srl		27			27	
Leonardo for Aviation Services (SPC)		10			10	
Leonardo Germany GmbH					-	17
Leonardo Global Solutions SpA	70	41	405		516	3
Leonardo International SpA	81			1	82	54
Leonardo Logistics SpA		50		2	52	2
Leonardo Malaysia SDN BHD		18			18	
Leonardo Partecipazioni SpA	97	1		27	125	147
Leonardo Saudi Ltd					-	13
Leonardo UK Ltd	755	108			863	1,788
Leonardo US Aircraft, Inc		12			12	
Leonardo US Automation, Inc					-	56
Leonardo US Corporation, LLC					-	225
Selex ES Malaysia SDN BHD					-	26
W.S.K. PZL-Swidnik S.A.	95	48			143	884
Other with unit amount lower than €mil. 10	1	45			46	20
<b>Associates</b>						
Eurofighter Jagdflugzeug GmbH	144	79			223	
Gruppo Elettronica SpA		18			18	
Gulf System Logistic Services Company WLL		27			27	
Leonardo Hélicoptères Algérie SpA	16				16	
Nhindustries (S.A.S)		282			282	
Other with unit amount lower than €mil. 10		17		4	21	
<b>Joint Venture</b>						
Avions De Transport Regional - ATR GIE		4		24	28	
Gruppo MBDA S.A.S	1,457	38			1,495	8
Other with unit amount lower than €mil. 10		12			12	
<b>Other companies and consortiums</b>						
Other with unit amount lower than €mil. 10		2			2	
<b>Companies subject to the control or considerable influence of the MEF</b>						
CDP Cassa Depositi e Prestiti Spa	100			1	101	164
Enel Spa		26			26	
Altre di importo unitario inferiore a €mil. 10		4			4	
<b>Other related parties</b>						
Other	3	1		1	5	
<b>Total</b>	<b>2,921</b>	<b>958</b>	<b>405</b>	<b>231</b>	<b>4,515</b>	<b>4,206</b>
<i>% against total for the period</i>	<i>52.8%</i>	<i>31.9%</i>	<i>82.7%</i>	<i>11.0%</i>		<i>28.9%</i>

As regards the most important loans and receivables we note that:

- Loans and borrowings equal to €mil. 2,992 (€mil. 2,921 at 31 December 2024) mainly include current financial debt relationships arising from the Group's cash pooling. Among the main items, in particular, is the debt of €mil. 1,553 (€mil. 1,475 at 31 December 2024) to the joint venture MBDA. The financial exposure to Cassa Depositi e Prestiti (CDP), amounting to €mil. 100, refers to the loan taken out in 2020 to support investments in research, development, and innovation provided for in the industrial plan;
- Other payables, amounting to €mil. 331 (€mil. 231 at 31 December 2024) increased by €mil. 100, mainly due to the recognition of the debt to NH Industries SAS in relation to the settlement

agreement signed by the latter with the Norwegian Defence Materiel Agency (NDMA) under the contract for the supply of NH90 helicopters. In addition, this item includes €mil. 43 in payables to Group companies arising from the Tax consolidation scheme.

The changes during the year and the composition of assets and liabilities by maturity, currency and geographical area are shown in Appendices nos. 3, 4, 5, 6, 7, 8 and 9 to these Notes.

Below are all income statement transactions with the Leonardo's related parties for the years 2025 and 2024:

## Separate Financial Statements at 31 December 2025

### Income statement transactions at 31 December 2025

	Revenue	Other operating revenues	Purchase and Service expenses	Other operating expenses	Financial income	Financial expenses
<b><u>Subsidiaries</u></b>						
Agustawestland Philadelphia Corporation	202		68			
G.E.M. Elettronica srl			15			
Gruppo Telespazio SpA	4		10		1	
Larimart SpA	1		48			
Leonardo Australia PTY Ltd	51		22			
Leonardo Belgium S.A.	38		20			
Leonardo CAE Advanced Jet Training Srl	6	8	81			
Leonardo do Brasil LTDA	23		6			
Leonardo Electronics US Inc.			11			
Leonardo for Aviation Services (SPC)			40			
Leonardo Global Solutions SpA			144			16
Leonardo Logistics SpA			185		1	
Leonardo Malaysia SDN BHD	85		45			
Leonardo MW LTD	227	4	231			
Leonardo Saudi Limited			12			
Leonardo South Africa (PTY) Ltd	11		6			
Leonardo US Aircraft INC	10		8			
Leonardo UK Ltd			1		1	24
Kopter Group AG	22		6		9	
W.S.K. PZL-Swidnik S.A.	204	1	288		1	2
Other with unit amount lower than €mil. 10	7		24	1		
<b><u>Associates</u></b>						
Agustawestland Aviation Services LLC	46					
Elettronica SpA	1		122			
Eurofighter Jagdflugzeug GmbH	1,204		90			1
Euromids S.A.S.	24		2			
Gruppo HENSOLDT AG	30		23			
Iveco-Oto Melara Scarl	258		3			2
Macchi Hurel Dubois SAS	39					
Nhindustries (S.A.S)	540		178	126		
Other with unit amount lower than €mil. 10	31		6			
<b><u>Joint Venture</u></b>						
Avions De Transport Regional - ATR GIE	142		44			
Gruppo MBDA S.A.S	107		79			52
Gruppo Thales Alenia Space S.A.S	28		3		9	
Orizzonte - Sistemi Navali S.p.A.	170		1			
Polo Strategico Nazionale SpA	130					
Rotorsim Srl	1	3	23			
Other with unit amount lower than €mil. 10		1	(1)			
<b><u>Other companies and consortiums</u></b>						
Other with unit amount lower than €mil. 10	1		4			
<b><u>Companies subject to the control or considerable influence of the MEF</u></b>						
CDP Cassa Depositi e Prestiti SPA						4
Gruppo Fincantieri SpA	406	316	18			
Enav SpA	31					
Enel SpA	9		118			
Eni SpA	1		9			
Ministero dell'Economia e delle Finanze	12					
Poste Italiane SpA	22					
Panavia Aircraft GMBH	24					
Other with unit amount lower than €mil. 10	27		1			
<b><u>Other related parties</u></b>						
Other	1		7		1	
<b>Total</b>	<b>4,176</b>	<b>333</b>	<b>2,001</b>	<b>127</b>	<b>23</b>	<b>101</b>
<b>% against total for the period</b>	<b>35.0%</b>	<b>37.5%</b>	<b>18.6%</b>	<b>18.8%</b>	<b>3.6%</b>	<b>31.2%</b>

## Separate Financial Statements at 31 December 2025

Income statement transactions at 31 December 2024	Revenue	Other operating revenues	Purchase and Service expenses	Other operating expenses	Financial income	Financial expenses
<b><u>Subsidiaries</u></b>						
Agustawestland Philadelphia Corporation	202		2	88		
G.E.M. Elettronica srl				10		
Gruppo Telespazio SpA	6			5	2	
Larimart SpA				34		
Leonardo Australia (PTY) Ltd	49			14		
Leonardo Belgium S.A.	43			20		
Leonardo CAE Advanced Jet Training Srl	8	11		56		
Leonardo do Brasil LTDA	11			5		
Leonardo Electronics US Inc.				10		
Leonardo for Aviation Services (SPC)				40		
Leonardo Global Solutions SpA				137		21
Leonardo Logistics SpA				171	1	
Leonardo Malaysia SDN BHD	79			40		
Leonardo Saudi Limited				16		
Leonardo South Africa (PTY) Ltd	14			3		
Leonardo US Aircraft, Inc	2			8		
Leonardo UK Ltd	189	4		222	1	30
Kopter Group AG	15			12	12	
W.S.K. PZL-Swidnik S.A.	227			251	1	1
Other with unit amount lower than €mil. 10	19			25		4
<b><u>Associates</u></b>						
Agustawestland Aviation Services LLC	41			5		
Eurofighter Jagdflugzeug GmbH	1,017			118		2
Gruppo Elettronica SpA	1			96		
Gruppo HENSOLDT AG	12			22		
Iveco-Oto Melara Scarl	195			3		1
Macchi Hurel Dubois SAS	39					
Nhindustries (S.A.S)	311			500		
Other with unit amount lower than €mil. 10	24			6	1	
<b><u>Joint Venture</u></b>						
Avions De Transport Regional - ATR GIE	168			70		
Gruppo MBDA S.A.S	71			67		60
Gruppo Thales Alenia Space Sas	23			3	13	
Orizzonte - Sistemi Navali S.p.A.	156			1		
Polo Strategico Nazionale SpA	65					
Rotorsim Srl	1	2		21		
<b><u>Other companies and consortiums</u></b>						
Cons. G.e.i.e. Eurotorp	14					
Other with unit amount lower than €mil. 10	2			4		
<b><u>Companies subject to the control or considerable influence of the MEF</u></b>						
CDP Cassa Depositi e Prestiti SPA						5
Gruppo Fincantieri SpA	85			1		
Enav SpA	27					
Enel SpA	7			143		
Eni SpA	2			15		
Poste Italiane SpA	41					
Sogei SpA	10					
Panavia Aircraft GMBH	26			1		
Other with unit amount lower than €mil. 10	9					
<b><u>Other related parties</u></b>						
Other	4			5	1	1
<b>Total</b>	<b>3,215</b>	<b>19</b>	<b>2,248</b>	<b>1</b>	<b>32</b>	<b>125</b>
<i>% against total for the period</i>	<i>29.3%</i>	<i>3.4%</i>	<i>22.6%</i>	<i>0.2%</i>	<i>5.4%</i>	<i>32.0%</i>

“Financial income (expense)” relates to interest on loans and receivables and loans and borrowings and commissions which mainly arise from the centralisation of the management of Group treasury resources within Leonardo. In carrying out its treasury management functions, the Company acts as the main

counterparty, always at arm's length, for the financial assets and liabilities of the subsidiaries within the scope of such centralisation.

### 35. FINANCIAL RISK MANAGEMENT

Leonardo SpA is exposed to financial risks associated with its operations, specifically related to these types of risks:

- interest-rate risks, related to the Company's financial exposure;
- exchange-rate risks, related to operations in currencies other than the reporting currency;
- liquidity risks, relating to the availability of financial resources and access to the credit market;
- credit risks, resulting from normal commercial transactions or financing activities.

The Company carefully monitors each of these financial risks, with the objective of promptly minimizing them, even using hedging derivatives.

The following paragraphs describe, through sensitivity analyses, the potential impact on the final results of theoretical fluctuations in the reference parameters. As required by IFRS 7, these analyses are based on simplified scenarios applied to the actual data for the period taken as reference, and, by their very nature, cannot be considered indicators of the actual effects of future changes in the benchmarks in the face of a different capital and financial structure, and different market conditions, nor can they reflect the interrelations and complexity of the target markets.

#### Interest rate risk

The Company is exposed to interest rate risk on borrowings. The management of interest rate risk is consistent with the long-standing practice of reducing the risk of fluctuations in trends in interest rates while seeking to minimize related borrowing costs.

The amount of fixed-rate loans and borrowings from banks and financing institutions (excluding lease liabilities and loans and receivables/borrowings from related parties) – including by using hedging instruments – was equal to about 66% and the amount at floating rate was equal to about 36%. As at the date of these financial statements, the cost of debt stood at approximately 2.6% p.a., with an average residual term of approximately 2 years (approximately 2.7% p.a. and approximately 3 years, respectively, if calculated *pro forma* for the repayment of the €mil. 500 bond and of the Term Loan under the agreement signed with CDP, which reached their maturity in January 2026). In this regard, it should be noted that the financial debt at 31 December 2025, amounting to €mil. 5,225, included the value of lease liabilities totalling €mil. 416, and other payables to related parties amounting to €mil. 2,992.

As at 31 December 2025, there was a single hedging transaction in place:

- Floating/fixed interest rate swap for €mil. 300 relating to the EIB loan of the same amount, which guarantees a fixed rate of 1.82% on the loan.

Below is the breakdown of the main interest rate swaps in place:

	Notional		Underlying (maturity)	Fair value 01.01.2025	Changes			Fair value 31.12.2025
	2024	2025			Income	Expense	CFH Reserve	
IRS fixed/floating	300	300	BEI 2031	12	-	-	(3)	9
<b>Total notional</b>	<b>500</b>	<b>500</b>		<b>12</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>9</b>

	Notional		Underlying (maturity)	Fair value 01.01.2024	Changes			Fair value 31.12.2024
	2023	2024			Income	Expense	CFH Reserve	
Options	200	200	Bond 2025	(1)	1	-	-	-
IRS fixed/floating	300	300	BEI 2031	18	-	-	(6)	12
<b>Total notional</b>	<b>500</b>	<b>500</b>		<b>17</b>	<b>1</b>	<b>-</b>	<b>(6)</b>	<b>12</b>

The table below shows the effects of the sensitivity analysis for 2025 and 2024 on interest rates at the reporting dates deriving from the 50-basis-point shift in the interest rate curve (bps):

**Effect of shift of interest rate curve**

	31 December 2025		31 December 2024	
	Increase of 50 bps	Decrease of 50 bps	Increase of 50 bps	Decrease of 50 bps
Net result	(5)	5	(7)	7
Equity (*)	(2)	2	(3)	3

(\*) Defined as sum of earnings and cash-flow hedge reserve

### Exchange rate risk

Due to its commercial operations, the Company is exposed to the risk of fluctuations in the currencies related to those cases in which orders, revenue and costs are expressed in currencies other than the functional one used in the financial statements (specifically, US dollars and, to a lesser extent, the pound sterling).

Exchange-rate risk management for the Group is governed by the Directive issued by Leonardo SpA, the purpose of which is to standardize management criteria based on industrial-not-speculative strategies so as to contain risks within specific limits by carefully and constantly assessing all foreign currency transaction positions. The methodology adopted calls for the systematic hedging of commercial cash flows resulting from the assumption of contractual commitments that are certain or highly probable as either buyer or seller, thereby ensuring current exchange rates at the date of acquisition of multi-year contracts and neutralizing the effects of exchange-rate fluctuations. As a result, contracts for purchases or sales denominated in a currency different from the functional currency are hedged using forward contracts of amounts, maturities, and key parameters that are similar to the underlying position. The Company defines the existence of an economic relationship between the hedging instrument and the hedged item on the basis of the currency, amounts and respective cash flows and assesses whether the derivative designated in each hedging relationship will be and has been effective in offsetting changes in the cash flows of the hedged item. In the event that, due to their nature or following events that entail their ineffectiveness, derivative instruments held in the portfolio should be found to no longer be a hedge, the fair value of the instrument is recognised through profit and loss according to accounting principles. In the event the designation of the instrument as a hedge should continue to be supported, the cash-flow hedge accounting method of recognition is adopted (see Note 4.3 of the Consolidated Financial Statements).

Leonardo carries out these transactions with banks in its own interest and of Group companies.

As at 31 December 2025, the Company had entered into foreign exchange transactions totalling €mil. 5,684 (notional amount). Overall, the average EUR/USD dollar and EUR/GBP exchange rates for hedging purposes are 1.06 and 0.87 on sales and about 1.15 and 0.86 on purchases, respectively.

## Separate Financial Statements at 31 December 2025

	Notional 2025			Notional 2024		
	Sales	Purchases	Total	Sales	Purchases	Total
Swap and forward transactions	3,028	2,656	5,684	3,344	2,405	5,749

As a result of the financial centralization, the cash flows of the Group's foreign companies were transferred to Leonardo through intercompany transactions mainly denominated in GBP and USD. This risk is hedged using mirror transactions of payables/receivables to/from third parties in the currency of intercompany operations or through specific exchange-rate derivatives, classified as fair-value hedges. The table below shows the expected due dates of receipts and payments related to derivative instruments broken down by main currencies:

	31 December 2025				31 December 2024			
	Notional Receipts		Notional Payments		Notional Receipts		Notional Payments	
	USD	GBP	USD	GBP	USD	GBP	USD	GBP
<b>Cash-flow and fair-value hedges</b>								
Within 1 year	1,877	77	1,270	1,116	1,540	28	854	1,217
2 to 3 years	527	2	235	13	887	-	151	22
4 to 9 years	2	-	57	-	32	-	1	1
<b>Total</b>	<b>2,406</b>	<b>79</b>	<b>1,562</b>	<b>1,129</b>	<b>2,459</b>	<b>28</b>	<b>1,006</b>	<b>1,240</b>
<b>Total transactions</b>	<b>2,406</b>	<b>79</b>	<b>1,562</b>	<b>1,129</b>	<b>2,459</b>	<b>28</b>	<b>1,006</b>	<b>1,240</b>

The table below shows the effects of the sensitivity analysis carried out on the change in the exchange rates of the euro against the US dollar (USD) and the pound sterling (GBP) and, assuming a +/-5% change in the euro/pound sterling exchange rate and in the euro/US dollar exchange rate compared with the reference rates at 31 December 2025 and 31 December 2024.

	31 December 2025				31 December 2024			
	Effect of change in the €/GBP rate		Effect of change in the €/USD rate		Effect of change in the €/GBP rate		Effect of change in the €/USD rate	
	Increase of 50 bps	Decrease of 50 bps	Increase of 50 bps	Decrease of 50 bps	Increase of 50 bps	Decrease of 50 bps	Increase of 50 bps	Decrease of 50 bps
Net result	-	(2)	7	(3)	4	(3)	-	-
Equity (*)	(2)	-	36	(37)	2	-	67	(78)

(\*): Defined as sum of earnings and cash-flow hedge reserve

### Liquidity risk

Leonardo is exposed to liquidity risk, i.e. the risk of not being able to finance the prospective requirements arising from usual business and investment operations, as well as those connected with the volatility of the relevant markets in relation to commercial contracts at risk of renegotiation or cancellation. Moreover, there is the risk of not being able to repay or refinance debts at the expiry dates.

In order to face the series of above-mentioned risks, the Company has adopted a series of instruments aimed at optimizing the management of financial resources by resorting to bank and bond transactions.

In order to finance its operations, Leonardo had at its disposal, at 31 December 2025, cash and cash equivalents of €mil. 2,405 , in addition to:

- an ESG-linked Revolving Credit Facility (RCF) of €mil. 1,800, entirely unused at 31 December 2025, and with a term of 5 years, maturing on 7 October 2030;

- uncommitted bank credit lines totalling €mil. 820 (entirely unused at 31 December 2025);
- the EMTN (Euro Medium Term Note) Programme under which all Leonardo SpA bonds currently outstanding on the Euromarket are issued, which, at 31 December 2025, was still available for a total nominal amount of €mil. 3,500, out of the total amount of the programme of €mil. 4,000;
- uncommitted bank credit lines totalling €mil. 13,062, of which €mil. 3,691 was still available at 31 December 2025.

### Credit risk

The Company is exposed to credit risk, which is defined as the probability of an insolvency with respect to a credit position with commercial and financial counterparties.

Regarding commercial transactions, the most significant programmes are made with public sector contractors or contractors belonging to public institutions, mainly in the Euro area, in the UK, the US and the Middle East. The risks associated with the counterparty, for contracts with countries for which there are no usual commercial relations, are analysed and valued at the time of the offer in order to highlight and mitigate insolvency risks, if any. In addition, the nature of the customers, while guaranteeing solvency, can lead to longer collection times than usual in other business sectors, generating outstanding credit positions and, in some cases, the subsequent need for transactions to convert the receivables into cash. On the other hand, the Company hedges, when deemed appropriate, against potential defaults in the payment of its receivables by entering into insurance policies with leading Export Credit Agencies (ECAs) internationally and with major Italian agencies.

The types of contracts entered into by the Company provide for the possibility of sizeable retention money withheld by customers, as well as back-to-back clauses in case of sub-supplies. Such cases may inherently extend the times for collection of outstanding receivables.

Furthermore, the Company operates in markets which are or have been recently affected by geopolitical or financial tensions. In particular, with reference to the situation at 31 December 2025, we note the following relations with countries exposed to credit risk according to the international institutions (SACE):

(€ millions)	Angola	Nigeria	Turkey	Kenya	Egypt	Pakistan	Other	Total
Assets	67	157	113	3	26	87	50	<b>503</b>
Liabilities	(26)	(43)	(111)	(21)	(55)	(36)	(33)	<b>(325)</b>
Net exposure	<b>41</b>	<b>114</b>	<b>2</b>	<b>(18)</b>	<b>(29)</b>	<b>51</b>	<b>17</b>	<b>178</b>

The Company's exposure is moderate in the areas affected by wars. In drawing up the separate financial statements account was taken of the impact that might arise from the conflicts, essentially in relation to the recoverability of amounts receivable and investments, without however recognizing any impairment loss.

Finally, the receivables related to these agreements might not be paid, renegotiated or written off.

The table below summarizes trade receivables at 31 December 2025 and 2024 (values in €bil.):

	31 December 2025	31 December 2024
Portion due	1.9	1.8
- of which: for more than 12 months	0.6	0.6
Portion not yet due	1.8	1.6
<b>Total trade receivables</b>	<b>3.7</b>	<b>3.4</b>

A part of the portion due is offset by a liability, in relation to payable items or provisions for risks on any net excesses.

Loans and receivables, equal to €mil. 986 (€mil. 954 at 31 December 2024) are reported in the table below:

	31 December 2025	31 December 2024
Non-current loans and receivables	737	597
Current loans and receivables	249	357
<b>Total loans and receivables</b>	<b>986</b>	<b>954</b>

Non-current financial receivables from related parties are fully recognised, while the quota of current financial receivables from related parties recognised in the accounts was equal to €mil. 237.

Both the main trade and financial receivables are impaired based on their probability of default or individually in case of particular situations. Vice versa, for receivables that are not impaired individually, impairment provisions are accrued, using historical series, statistical data and probability of default on an aggregate basis also supported by qualitative analyses.

During the year, no receivables were assigned without recourse (€mil. 25 in 2024). The absence of assignments of receivables was the result of further making the processes to manage working capital more efficient, which has allowed a further improvement in the dynamics underlying the realization of collection flows.

### Classification of financial assets and liabilities

The table below shows the fair value hierarchy for the financial assets and liabilities of Leonardo SpA measured at fair value. The fair value of derivatives (classified under other current assets and liabilities) and of current securities is determined on the basis of measurement techniques which consider directly observable market inputs (the so-called “Level 2”). The fair value of the earn-out linked to the acquisition of Axiomatics was determined on the basis of measurement techniques that do not consider observable market inputs (the so-called “Level 3”).

	31 December 2025			31 December 2024		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Other non current assets	-	-	-	-	-	-
Other assets	210	-	210	81	-	81
Other non-current liabilities	-	2	2	-	-	-
Other current liabilities	99	-	99	158	-	158

### 36. REMUNERATION TO KEY MANAGEMENT PERSONNEL

Remuneration paid to persons who have strategic power and responsibility of Leonardo SpA amounted to €mil. 25 (€mil. 17 at 31 December 2024).

Remuneration paid to Directors, excluding managers with strategic responsibility, amounted to €mil. 2 (€mil. 2 in 2024). This figure includes fees and other compensation, pensions and other benefits, including the portion borne by the Company.

### 37. SHARE-BASED PAYMENTS

In order to implement an incentive and retention system for the Group's employees and associates, Leonardo has established two incentive plans with share-based payments, the Long-Term Incentive Plan and the Employee Share Ownership Plan.

The Long-Term Incentive Plan (LTIP), implemented in 2015, provides for the allocation of shares in the Parent Company, subject to assessing the attainment of preset business targets. These shares will be awarded to the beneficiaries at the end of the vesting period, provided that they have met the condition of being still employed with the company. The cost recognised in the income statement with regard to this instrument amounted to €mil. 20 in 2025 (€mil. 17 in 2024).

Furthermore, during 2025, the prerequisites were fulfilled for the granting of approximately 1.9 million shares (2.0 million in 2024) under the LTIP, cycle 2022-2024. Part of the shares awarded were withheld by the Company in order to settle, in its capacity as withholding agent, withholding and tax deductions on behalf of the beneficiaries, in accordance with the rules of the LTIP. The shares withheld amounted to approximately 860 thousand (860 thousand in 2024), giving rise to a financial outlay of approximately €mil. 39 (€mil. 20 in 2024), recognized against an entry in equity, as it falls within the definition of equity-settled share-based payment transactions, and, consequently, the shares actually delivered amounted to approximately 1.0 million (1.1 million in 2024).

With specific regard to the Long-Term Incentive Plans currently in force, the fair value used to measure the portion linked to the performance indicators (Group Net Debt, ROIC, Sustainability Indicators and, starting from the three-year cycle 2024-2026, Group Revenues) is equal to € 6.788 (the value of Leonardo shares at the grant date of 31 July 2021) with reference to the three-year cycle 2021-2023 and to € 9.15 (the value of Leonardo shares at the grant date of 31 July 2022) with reference to the three-year cycle 2022-2024, to € 13.66 (the value of Leonardo shares at the grant date of 1 October 2023) with reference to the three-year cycle 2023-2025 and to €21.60 (the value of Leonardo shares at the grant date of 1 August 2024) with reference to the three-year cycle 2024-2026 and to €46.07 (the value of Leonardo shares at the grant date of 1 August 2025) with reference to the three-year cycle 2025-2027.

Vice versa, the award of the remaining amount of the shares depends upon market conditions which affect the determination of the fair value ("adjusted fair value"). The adjusted fair value, calculated by using actuarial models for the simulation of the possible performance of the stock and of the other companies within the basket, was equal to € 3.7 with reference to the three-year cycle 2021-2023, € 6.4 with reference to the three-year cycle 2022-2024, €12.1 with reference to the three-year cycle 2023-2025, €15.87 with reference to the three-year cycle 2024-2026, and €36.73 with reference to the three-year cycle 2025-2027.

The input data used to calculate the adjusted fair value were:

- the stock price at the grant date;
- the average share price in the three months preceding the performance period;
- the risk-free interest rate based on the zero-coupon yield curve in 36 months;
- the expected volatility of the price of Leonardo shares and of the shares of the other companies within the basket based on time series in the 36 months prior to the grant date;
- correlation coefficients between Leonardo and the other companies within the basket on the basis of logarithms of the daily performance of the stocks in the 36 months prior to the grant date;
- dividend distribution forecasts on a historical basis.

The 2025-2027 Employee Share Ownership Plan (ESOP), approved by the Shareholders' Meeting on 26 May 2025, aims to strengthen the involvement and sense of belonging of the Group's resources, encourage their active participation in long-term growth, spread the culture of "ownership" at all levels, and align with Italian and foreign best practices.

The ESOP is divided into three annual cycles, which may be activated in 2025, 2026 and 2027, and which may be joined, on a voluntary basis, by employees of Leonardo SpA and other Group companies based in Italy, the United States - with the exception of Leonardo DRS -, the United Kingdom and Poland. Participants, in exchange for an individual contribution to be used to purchase Leonardo shares ("Purchased Shares"), will receive free Leonardo SpA shares, partly in proportion to the number of shares they have purchased ("Matching Shares"), and partly as a one-off payment upon first joining the Plan. The shares received free of charge will be subject to a lock-up period (equal to 3 years in Italy), which will end only if the employees maintains continuous employment with Leonardo. Approximately 11,000 employees participated in the Plan launched in 2025, for whom a total of approximately 64.7 thousand free shares have already been allocated. The cost recognised in the income statement with regard to this instrument amounted to €mil. 1 in 2025.

## Proposal to the shareholders' meeting

Dear Shareholders,

The 2025 financial statements, which we submit for your approval, close with a net profit of Euro 1,035,180,141.22 :

In light of the foregoing, we submit the following proposed resolution for your approval:

“The Ordinary Shareholders’ Meeting of LEONARDO - Società per azioni:

- considering the Report of the Board of Directors;
- considering the Report of the Board of Statutory Auditors;
- having examined the financial statements at 31 December 2025;
- having acknowledged the report of EY S.p.A.

### **resolves**

- to approve the Directors’ Report on operations and the financial statements at 31 December 2025;
- to approve the proposal posed by the Board of Directors of allocating the profit of € 1,035,180,141.22 for the 2025 financial year as follows:
  - to legal reserve, as to € 30,684,339.70, considering that, through this allocation, the balance of said reserve will amount to € 508,772,347.60, equal to one fifth of the share capital;
  - as to the distribution in favour of shareholders of Euro 0.63 per share, on account of dividend, by paying it, including any withholding prescribed by law, as from 24 June 2026 with “detachment date” of coupon no. 16 falling on 22 June 2026 and “record date” (i.e. date on which the dividend is payable, pursuant to Art.83-terdecies of Legislative Decree no. 58 of 24 February 1998 and Art. 2.6.6, paragraph 2, of the Regulations for the Markets organized and managed by Borsa Italiana SpA) falling on 23 June 2026; the above provisions refer to each ordinary share that will be outstanding at the detachment date of the coupon, excluding treasury shares in portfolio at that date;
  - to retained earnings, with regard to the remaining amount.”

For the Board of Directors

The Chairman

(Stefano Pontecorvo)

## **ATTACHMENT: DISCLOSURE EX-LEGE 124/2017**

In accordance with the provisions of Article 1, paragraphs 125-126, of Law 124 of 4 August 2017, information is provided below on grants received from public administrations and granted to Leonardo SpA.

### *Grants received*

Worth noting are the provisions of Law no. 124/2017 imposing disclosure obligations on those entities carrying out the activity referred to in article 2195 of the Italian Civil Code in relation to sums which are not of a general nature and do not consist of fees, remuneration or compensation received from public administrations or similar entities.

Excluded from such scope are any grant consisting of a consideration for Company's services and any grant deriving from bilateral financial relationships, which are peculiar to the Company's business, as well as any general measure that falls within the broader general structure of the reference system defined by the State (among others, Law 237/1993, Law 297/1999, Development Contracts and Regional Operational Programme, Law 808/1985, Regional Laws and National Operational Programmes), the effects of which are described in the notes to the Separate Financial Statements, based on the accounting standards adopted in the preparation of said accounts that can be used by all sector businesses, as well as grants received for continuing professional development from interprofessional funds.

The Company has not received grants falling within the framework of those referred to in article 1, para. 125, of Law 124/2017.

It should also be noted that the transparency of State aid for which there is a publication obligation is protected by their publication in the National Register of State Aids referred to in Article no. 52 of Law 234 of 24 December 2012.

### *Grants disbursed*

As a publicly traded company, Leonardo SpA, is not subject to the obligations under article 1, para. 126 pursuant to art. 2-bis, para. 2, letter b) of Legislative Decree 33/2013.

There are no grants disbursed by Leonardo SpA in the form of donations or disbursements that do not consist of a consideration for services received, not even in the form of a return in terms of image.

## APPENDICES

**Appendix no.1 (€ mil) - EQUITY INVESTMENTS**

1/3

% Equity investments in subsidiaries	31 December 2024	Movements of the year				31 December 2025
	Carrying amount	Acquis./Subscriptions /payments of capital	Disposal / Repayment of capital	Reversals/Impairment	Other changes	Carrying amount
100 ALEA SRL	5	-	-	-	-	5
100 AXIOMATICS AB	-	34	-	-	-	34
100 KOPTER GROUP AG	258	-	-	-	-	258
65 G.E.M. ELETTRONICA SRL	21	-	-	-	-	21
60 LARIMART SPA	14	-	-	-	-	14
100 LEONARDO FOR AVIATION SERVICES (SPC)	1	-	-	-	-	1
100 LEONARDO GLOBAL SOLUTIONS SPA	737	-	(120)	-	29	646
100 LEONARDO INTERNATIONAL SPA	1,469	4	(27)	-	-	1,446
- LEONARDO PARTECIPAZIONI SPA	29	-	-	-	(29)	-
100 LEONARDO UK LTD	2,775	-	-	-	-	2,775
53.53 LEONARDO US HOLDING, LLC	1,558	-	-	-	-	1,558
67 TELESPAZIO SPA	190	-	-	-	-	190
- UTM SYSTEMS & SERVICES SRL	5	-	-	-	(5)	-
100 W.S.K. PZL-SWIDNIK S.A.	143	-	-	-	-	143
<b>TOTAL EQUITY INVESTMENTS IN SUBSIDIARIES</b>	<b>7,205</b>	<b>38</b>	<b>(147)</b>	<b>-</b>	<b>(5)</b>	<b>7,091</b>
<b>of which</b>						
Cost	7,226	38	(147)	-	(26)	7,091
Write-back/Write-down	(21)	-	-	-	21	-

## Appendix no.1 (€ mil) - EQUITY INVESTMENTS

2/3

% Equity investments in associates	31 December 2024	Movements of the year				31 December 2025
	Carrying amount	Acquis./Subscription s/payments of capital	Disposal / Repayment of capital	Reversals/Impairment	Other changes	Carrying amount
30 AGUSTAWESTLAND AVIATION SERVICES LLC	4	-	-	-	-	4
50 AMSH B.V. (*)	481	-	-	-	-	481
19.30 AVIO SPA	85	78	(39)	31	-	155
50 AVIONS DE TRANSPORT REG. - GIE ATR	232	-	-	-	-	232
30 CNBM LEONARDO (SHANGAI) AEROSTRUCTURES CO., LTD (***)	20	-	-	(9)	(11)	-
40 D-FLIGHT S.P.A.	-	7	-	-	-	7
33.33 EDGEWING SYSTEMS LIMITED	-	1	-	-	-	1
31.33 ELETTRONICA SPA	7	-	-	-	-	7
21 EUROFIGHTER JAGDFLUGZEUG GMBH	9	-	-	-	-	9
- EUROFIGHTER SIMULATION SYSTEMS GMBH	2	-	-	(2)	-	-
40 GULF SYSTEMS LOGISTICS SERVICES COMPANY W.L.L.	-	3	-	-	-	3
22.80 HENSOLDT AG	618	-	-	-	-	618
32 NHINDUSTRIES SAS JIANGXI CHANGHE	1	-	-	-	-	1
40 AGUSTA HELICOPTERS CO. LTD	2	-	-	-	-	2
50 LEONARDO CAE ADVANCED JET TRAINING (**)	25	-	-	-	-	25
39 SRL LEONARDO HELICOPTERES ALGERIE SPA	22	-	-	-	-	22
50 LEONARDO RHEINMETALL MILITARY VEHICLES S.R.L.	-	1	-	-	-	1
- LIBYAN ITALIAN ADVANCED TECHNOLOGY COMPANY	-	-	(2)	-	2	-
49 ORIZZONTE - SISTEMI NAVALI SPA	16	-	-	-	-	16
25 POLO STRATEGICO NAZIONALE SPA (*)	18	-	-	-	-	18
50 ROTORSIM SRL	28	-	-	-	-	28
24.55 SSH COMMUNICATIONS SECURITY OYJ	-	20	-	-	-	20
33 THALES ALENIA SPACE S.A.S (*)	401	-	-	-	-	401
Other with unit amount lower than €mil. 1	1	-	-	-	-	1
<b>TOTAL EQUITY INVESTMENTS IN ASSOCIATES</b>	<b>1,972</b>	<b>110</b>	<b>(41)</b>	<b>20</b>	<b>(9)</b>	<b>2,052</b>
of which						
Cost	2,596	110	(41)	(2)	(29)	2,634
Write-back/Write-down	(624)	-	-	22	20	(582)

(\*): joint control

(\*\*): entity consolidated on a line-by-line basis in the consolidated financial statements of the Group

(\*\*\*): investment classified at 31 December 2025 within assets/liabilities held for sale

Appendix no.1 (€ mil) - EQUITY INVESTMENTS

3/3

%	Other companies	31 December 2024	Movements of the year				31 December 2025
		Carrying amount	Acquis./Subscription s/payments of capital	Disposal / Repayment of capital	Reversals/Impairment	Other changes	Carrying amount
3	ISTITUTO TRECCANI SPA	2	-	-	-	-	2
15	PANAVIA AIRCRAFT GMBH	3	-	-	-	-	3
19	VOLTA STRUCTURAL ENERGY SRL	1	-	-	-	-	1
10	NUCLITALIA S.R.L.	-	1	-	-	-	1
	Other with unit amount lower than €mil. 1	2	-	-	-	-	2
	<b>TOTAL EQUITY INVESTMENTS IN OTHER COMPANIES</b>	<b>8</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>
	of which						
	Cost	19	1	-	-	-	20
	Write-back/Write-down	(11)	-	-	-	-	(11)
	<b>TOTAL EQUITY INVESTMENTS</b>	<b>9,185</b>	<b>149</b>	<b>(188)</b>	<b>20</b>	<b>(14)</b>	<b>9,152</b>
	of which						
	Cost	9,841	149	(188)	(2)	(55)	9,745
	Write-back/Write-down	(656)	-	-	22	41	(593)

Appendix no.2 (€mil.) - LIST OF EQUITY INVESTMENTS

1/4

Equity investments in subsidiaries										
Name	Office	Reporting date	Currency	Share capital (total)	Net Equity (€mil.)	Profit (loss) (€mil.)	Ownership %	Equity attributable to the Company (€mil.)	Carrying amount (€mil.)	
ALEA SRL	Polcenigo (Italy)	31/12/2025	EUR	129,383	5	1	100	5	5	
AXIOMATICS AB	Stockholm (Sweden)	31/12/2025	SEK	338,025	1	-	100	1	34	
KOPTER GROUP AG	Wetzikon (Switzerland)	31/12/2025	CHF	32,000,000	166	(22)	100	166	258	
G.E.M. ELETTRONICA SRL	Ascoli Piceno (Italy)	31/12/2025	EUR	4,500,000	44	11	65	29	21	
INMOVE ITALIA S.R.L.	Rome (Italy)	31/12/2025	EUR	14,441	-	-	100	-	-	
LARIMART SPA	Rome (Italy)	31/12/2025	EUR	2,500,000	54	18	60	32	14	
LEONARDO FOR AVIATION SERVICES (SPC)	Kuwait	31/12/2025	KWD	300,000	8	3	100	8	1	
LEONARDO GLOBAL SOLUTIONS SPA	Rome (Italy)	31/12/2025	EUR	51,000,000	812	7	100	812	646	
LEONARDO INTERNATIONAL SPA	Rome (Italy)	31/12/2025	EUR	1,000,000	1,752	27	100	1,752	1,447	
LEONARDO LOGISTICS SPA	Rome (Italy)	31/12/2025	EUR	100,000	13	6	100	13	-	
LEONARDO UK LTD	Basildon (UK)	31/12/2025	GBP	314,500,100	2,654	251	100	2,654	2,774	
LEONARDO US HOLDING, LLC	Wilmington (USA)	31/12/2025	USD	100	4,111	57	53.53	2,201	1,558	
TELESPAZIO SPA	Rome (Italy)	31/12/2025	EUR	50,000,000	279	49	67	187	190	
W.S.K. PZL-SWIDNIK S.A.	Świdnik (Poland)	31/12/2025	PLN	307,642,000	269	47	100	269	143	
<b>TOTAL EQUITY INVESTMENTS IN SUBSIDIARIES</b>									<b>7,091</b>	

Appendix no.2 (€mil.) - LIST OF EQUITY INVESTMENTS

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Equity investments in associates										
Name	Office	Reporting date	Currency	Share capital (total)	Net Equity (€mil.)	Profit (loss) (€mil.)	Ownership %	Equity attributable to the Company (€mil.)	Carrying amount (€mil.)	
ADVANCED MALE AIRCRAFT LLC	Al Ain (United Arab Emirates)	n.d.	AED	200,000	-	-	49	-	-	-
AGUSTAWESTLAND AVIATION SERVICES LLC	Abu Dhabi City (United Arab Emirates)	31/12/2024	AED	58,010,000	41	8	30	12	4	
AMSH B.V.	(*) Rotterdam (Netherlands)	31/12/2024	EUR	36,296,316	1,621	293	50	811	481	
AVIO SPA	Rome (Italy)	31/12/2024	EUR	158,506,883	291	8	19.30	56	155	
AVIONS DE TRANSPORT REGIONAL - GIE ATR	Blagnac Cedex (France)	31/12/2024	USD	n.d.	6	6	50	3	232	
CNBM (SHANGHAI) AVIATION TECHNOLOGY CO. LTD.	(***) Shanghai (China)	n.d.	CNY	200,000,000	-	-	30	-	-	
D-FLIGHT S.P.A.	Rome (Italy)	31/12/2024	EUR	83,333	2	-	40	1	7	
EDGEWING SYSTEMS LIMITED	Brook Drive, Reading (UK)	n.d.	GBP	2,999,970	-	-	33.33	-	1	
ELETTRONICA SPA	Rome (Italy)	31/12/2024	EUR	9,000,000	136	18	31.33	43	7	
EUROFIGHTER JAGDFLUGZEUG GMBH	Hallbergmoos (Germany)	31/12/2024	EUR	639,114	64	40	21	13	9	
EUROMIDS S.A.S	Paris (France)	31/12/2024	EUR	40,500	6	2	25	2	-	
GULF SYSTEMS LOGISTICS SERVICES COMPANY W.L.L.	Kuwait (KWT)	31/12/2024	KWD	233,289	2	-	40	1	3	
HELIVERT JOINT STOCK COMPANY	Moscow (Russia)	31/12/2024	RUB	325,010,000	(13)	1	50	(7)	-	
HENSOLDT AG	Taufkirchen (Germany)	31/12/2024	EUR	115,500,000	1,874	68	22.80	427	618	
IAMCO-INT. AEROSPACE MANAG. COMPANY SCRL	Venice (Italy)	31/12/2024	EUR	208,000	2	1	25	1	-	
IVECO - OTO MELARA S.C. A. RL	Rome (Italy)	31/12/2024	EUR	40,000	-	-	50	-	-	
JIANGXI CHANGHE AGUSTA HELICOPTERS CO. LTD	Jingdezhen (China)	31/12/2024	CNY	48,403,000	7	1	40	3	2	
LEONARDO CAE ADVANCED JET TRAINING SRL	(**) Decimomannu (Italy)	31/12/2024	EUR	49,040,000	42	2	50	21	25	
LEONARDO HELICOPTERES ALGERIE SPA	Ain Arnat (Algeria)	31/12/2024	DZD	7,420,165	53	-	39	21	22	
LEONARDO RHEINMETALL MILITARY VEHICLES S.R.L.	(*) Rome (Italy)	n.d.	EUR	3,000,000	-	-	50	-	2	
MACCHI HUREL DUBOIS S.A.S	Versailles (France)	31/12/2024	EUR	100,000	1	-	50	1	-	
NHINDUSTRIES (S.A.S)	Aix-en-Provence (France)	31/12/2024	EUR	306,000	19	5	32	6	1	
ORIZZONTE - SISTEMI NAVALI SPA	Genoa (Italy)	31/12/2024	EUR	20,000,000	39	2	49	19	16	
POLO STRATEGICO NAZIONALE SPA	(*) Rome (Italy)	31/12/2024	EUR	3,000,000	39	(11)	25	10	18	
ROTORSIM SRL	Sesto Calende (Italy)	31/12/2024	EUR	9,800,000	79	5	50	40	28	
SSH COMMUNICATIONS SECURITY OYJ	Helsinki (FIN)	31/12/2024	EUR	1,629,041	9	(1)	24.55	2	20	
THALES ALENIA SPACE S.A.S	(*) Cannes (France)	31/12/2024	EUR	918,037,500	1,098	5	33	362	401	
<b>TOTAL EQUITY INVESTMENTS IN ASSOCIATES</b>									<b>2,052</b>	

(\*): joint control

(\*\*): entity consolidated on a line-by-line basis in the consolidated financial statements of the Group

(\*\*\*): investment classified at 31 December 2025 within assets/liabilities held for sale

Appendix no.2 (€mil.) - LIST OF EQUITY INVESTMENTS

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Consortiums									
Name	Office	Reporting date	Currency	Share capital (total)	Net Equity (€mil.)	Profit (loss) (€mil.)	Ownership %	Equity attributable to the Company (€mil.)	Carrying amount (€mil.)
CONAI - CONSORZIO NAZIONALE IMBALLAGGI	Rome (Italy)	31/12/2024	EUR	15,073,170	25	1	0.02	-	-
CONSORZIO BI-REX	Bologna (Italy)	31/12/2024	EUR	250,000	-	-	0.45	-	-
CONSORZIO CALEF	Rotondella (Italy)	31/12/2024	EUR	111,529	1	-	5.25	-	-
CONSORZIO CREO - CENTRO RICERCHE ELETTRONICHE	L'Aquila (Italy)	31/12/2024	EUR	774,685	-	-	99	-	1
CONS. ERION PROFESSIONAL	Milan (Italy)	31/12/2024	EUR	103,940	2	-	0.010	-	-
CONSORZIO IANUA	Genoa (Italy)	31/12/2024	EUR	49,716	-	-	16.67	-	-
CONS. IMPRENDITORI GIUGLIANO - ASI	Giugliano (Italy)	31/12/2024	EUR	50,000	-	-	15.15	-	-
CONSORZIO KIDS	Rome (Italy)	31/12/2024	EUR	100,000	-	-	90	-	-
CONS. PER L'ENERGIA VARESE - ENERGI.VA	Varese (Italy)	31/12/2024	EUR	74,028	-	-	0.70	-	-
CONSORZIO HYPERBUILDERS	Rome (Italy)	31/12/2024	EUR	10,000	-	-	3.78	-	-
CONS. SISTEMA SOLDATO SICURO	Rome (Italy)	31/12/2024	EUR	40,000	-	-	65	-	-
CONSORZIO TESSERA	Venice (Italy)	31/12/2024	EUR	40,000	-	-	90	-	-
E-NET SERVIZI DI PRESIDIO E ASSISTENZA TECNICA (E-SPAT)	Rome (Italy)	31/12/2024	EUR	10,000	-	-	92	-	-
CONS. LEONARDO SKILLS AND TRAINING	Naples (Italy)	31/12/2024	EUR	611,123	1	-	64.81	1	-
CONS ELIS FORM PROFES SUP SCRL	Rome (Italy)	31/12/2024	EUR	51,000	-	-	0.10	-	-
TICOM -CONSORZIO PER LE TECNOLOGIE DELL'INFORMAZIONE E COMUNICAZIONE (IN LIQ.)	Campi Bisenzio (Italy)	31/12/2024	EUR	10,000	-	-	100	-	-
<b>TOTAL EQUITY INVESTMENTS IN CONSORTIUMS</b>									<b>1</b>

Appendix no.2 (€mil.) - LIST OF EQUITY INVESTMENTS

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Other companies									
Name	Office	Reporting date	Currency	Share capital (total)	Net Equity (€mil.)	Profit (loss) (€mil.)	Ownership %	Equity attributable to the Company (€mil.)	Carrying amount (€mil.)
A4ESSOR S.A.S	Gennevilliers (France)	31/12/2024	EUR	123,100	1	-	18.77	-	-
AGGREG. PUBL-PRIV. SULLA LOGISTICA MARE-TERRA SCARL	Naples (Italy)	31/12/2024	EUR	81,000	-	-	7.69	-	-
CAF ITALIA 2000 S.R.L.	Rome (Italy)	31/12/2024	EUR	52,000	-	-	3	-	-
CANARY BIT AB	Sollentuna (Sweden)	31/12/2024	SEK	29,412	1	-	15	-	1
C.I.R.A. (CENTRO ITALIANO DI RICERCHE AEROSPAZIALI) - SCPA	Capua (Italy)	31/12/2024	EUR	985,224	118	7	12.05	14	-
CENTRO PER GLI STUDI DI TECNICA NAVALE CETENA SPA	Genoa (Italy)	31/12/2024	EUR	1,000,000	12	1	2.60	-	-
COMPAGNIA AEREA ITALIANA SPA	Rome (Italy)	31/12/2024	EUR	3,526,846	9	-	0.01	-	-
COMPETENCE INDUSTRY MANUFACTURING 4.0 S.C. A R.L.	Turin (Italy)	31/12/2024	EUR	232,000	5	-	4.31	-	-
DISTRETTO AEROSPAZIALE DELLA SARDEGNA S.C.A R.L.	Cagliari (Italy)	31/12/2024	EUR	97,112	-	-	5.44	-	-
DISTRETTO LIGURE DELLE TECNOLOGIE MARINE S.C.A R.L.	La Spezia (Italy)	31/12/2024	EUR	1,140,000	1	-	9.80	-	-
DISTRETTO TECNOLOGICO AEROSPAZIALE DELLA CAMPANIA S.C.A R.L.	Capua (Italy)	31/12/2024	EUR	907,500	1	-	3.49	-	-
DISTRETTO TECNOLOGICO AEROSPAZIALE S.C.A R.L.	Brindisi (Italy)	31/12/2024	EUR	150,000	2	-	18.74	-	-
FLYINGBASKET SRL	Bolzano (Italy)	31/12/2024	EUR	15,673	1	(1)	11.23	-	-
I.M.A.S.T. S.C. A R.L.	Naples (Italy)	31/12/2024	EUR	689,000	2	-	7.54	-	-
ISTITUTO DELLA ENCICL. ITALIANA TRECCANI SPA	Rome (Italy)	31/12/2024	EUR	84,852,121	91	1	2.72	2	2
NATIONAL QUANTUM SCIENCE AND TECHNOLOGY INSTITUTE S.C. A R.L.	Rome (Italy)	31/12/2024	EUR	190,000	-	-	5.26	-	-
NUCLITALIA S.R.L.	Rome (Italy)	n.d.	EUR	200,000	-	-	10	-	1
PANAVIA AIRCRAFT GMBH	Hallbergmoos (Germany)	31/12/2024	EUR	10,225,838	40	3	15	6	3
S.E.C.B.A.T. SARL	Saint - Cloud (France)	31/12/2024	EUR	32,000	1	-	13.55	-	-
SIIT SCPA	Genoa (Italy)	31/12/2024	EUR	600,000	1	-	12.10	-	-
SPACE IT UP S.C.A.R.L.	Turin (Italy)	31/12/2024	EUR	165,000	-	-	3.03	-	-
SKYDWELLER AERO INC	Delaware (USA)	31/12/2022	USD	474,004	37	2	16.53	6	-
SUPERJET INTERNATIONAL SPA	Tessera (Italy)	n.d.	EUR	32,984,147	-	-	10	-	-
TEC DATABENC S.C.A R.L.	Naples (Italy)	31/12/2024	EUR	30,000	-	-	3.33	-	-
VITROCISSET JADWALEAN LTD	Riyadh (Saudi Arabia)	n.d.	RIAL SAUDITA	2,000,000	-	-	45	-	-
VOLTA STRUCTURAL ENERGY SRL	Milan (Italy)	31/12/2024	EUR	15,309	1	-	19.05	-	1
<b>TOTAL EQUITY INVESTMENTS IN OTHER COMPANIES</b>									<b>8</b>
<b>TOTAL EQUITY INVESTMENTS</b>									<b>9,152</b>

Appendix no.3 (€ mil.)- NON-CURRENT RECEIVABLES

	31 December 2024			Movements of the year			31 December 2025		
	Residual nominal amount	Impairment	Carrying amount	Disbursement	Reclass.	Reimbursements	Residual nominal amount	Impairment	Carrying amount
Receivables	28	-	28	-	50	(67)	11	-	11
- Receivables from subsidiaries	583	-	583	154	7	(7)	737	-	737
<b>Total receivables</b>	<b>611</b>	<b>-</b>	<b>611</b>	<b>154</b>	<b>57</b>	<b>(74)</b>	<b>748</b>	<b>-</b>	<b>748</b>

## Separate Financial Statements at 31 December 2025

### Appendix no. 4 (€ mil.) - ASSETS BROKEN DOWN BY MATURITY

	31 December 2025			31 December 2024		
	Amounts due			Amounts due		
	from 2nd to 5th subsequent year	beyond 5th year	Total	from 2nd to 5th subsequent year	beyond 5th year	Total
Receivables	9	2	11	26	2	28
Non-current loans and receivables from relates parties	509	228	737	456	127	583
Other non current assets	32	-	32	27	-	27
<b>Total receivables and non-current assets</b>	<b>550</b>	<b>230</b>	<b>780</b>	<b>509</b>	<b>129</b>	<b>638</b>

### Appendix no.5 (€ mil.) - FOREIGN CURRENCY ASSETS

	31 December 2025			31 December 2024		
	In foreign currency	in Euro	Total	In foreign currency	in Euro	Total
Receivables	1	10	11	-	28	28
Non-current loans and receivables from relates parties	480	257	737	399	184	583
Other non current assets	-	32	32	-	27	27
<b>Total receivables and other non-current assets</b>	<b>481</b>	<b>299</b>	<b>780</b>	<b>399</b>	<b>239</b>	<b>638</b>
Deferred tax assets	-	731	731	-	751	751
<b>Total non-current assets</b>	<b>481</b>	<b>1,030</b>	<b>1,511</b>	<b>399</b>	<b>990</b>	<b>1,389</b>
Loans and receivables	-	12	12	-	14	14
Loans and receivables form related parties	8	229	237	3	340	343
	<b>8</b>	<b>241</b>	<b>249</b>	<b>3</b>	<b>354</b>	<b>357</b>
Trade receivables	357	1,563	1,920	391	1,622	2,013
Trade receivables from related parties	484	1,315	1,799	389	1,014	1,403
	<b>841</b>	<b>2,878</b>	<b>3,719</b>	<b>780</b>	<b>2,636</b>	<b>3,416</b>
Other assets	15	560	575	12	372	384
Other receivables from related parties	1	30	31	1	23	24
	<b>16</b>	<b>590</b>	<b>606</b>	<b>13</b>	<b>395</b>	<b>408</b>
Income tax receivables	6	57	63	7	57	64
Cash and cash equivalents	185	2,220	2,405	208	1,389	1,597
<b>Total current assets</b>	<b>1,056</b>	<b>5,986</b>	<b>7,042</b>	<b>1,011</b>	<b>4,831</b>	<b>5,842</b>

## Separate Financial Statements at 31 December 2025

### Appendix no.6 (€ mil.) - ASSETS BY GEOGRAPHICAL AREA

	31 December 2025					31 December 2024				
	Italy	Rest of Europe	North America	Rest of the world	Total	Italy	Rest of Europe	North America	Rest of the world	Total
Receivables	11	-	-	-	11	-	28	-	-	28
Non-current loans and receivables from related parties	257	480	-	-	737	184	399	-	-	583
Other non current assets	32	-	-	-	32	27	-	-	-	27
<b>Total receivables and other non-current assets</b>	<b>300</b>	<b>480</b>	<b>-</b>	<b>-</b>	<b>780</b>	<b>211</b>	<b>427</b>	<b>-</b>	<b>-</b>	<b>638</b>
Deferred tax assets	731	-	-	-	731	751	-	-	-	751
<b>Total non-current assets</b>	<b>1,031</b>	<b>480</b>	<b>-</b>	<b>-</b>	<b>1,511</b>	<b>962</b>	<b>427</b>	<b>-</b>	<b>-</b>	<b>1,389</b>
Loans and receivables	12	-	-	-	12	14	-	-	-	14
Loans and receivables form related parties	8	228	1	-	237	16	326	1	-	343
	<b>20</b>	<b>228</b>	<b>1</b>	<b>-</b>	<b>249</b>	<b>30</b>	<b>326</b>	<b>1</b>	<b>-</b>	<b>357</b>
Trade receivables	406	415	225	874	1,920	503	404	197	909	2,013
Trade receivables from related parties	522	855	242	180	1,799	327	687	185	204	1,403
	<b>928</b>	<b>1,270</b>	<b>467</b>	<b>1,054</b>	<b>3,719</b>	<b>830</b>	<b>1,091</b>	<b>382</b>	<b>1,113</b>	<b>3,416</b>
Other assets	443	99	19	14	575	268	77	2	37	384
Other receivables from related parties	30	0	1	0	31	22	-	1	1	24
	<b>473</b>	<b>99</b>	<b>20</b>	<b>14</b>	<b>606</b>	<b>290</b>	<b>77</b>	<b>3</b>	<b>38</b>	<b>408</b>
Income tax receivables	56	1	0	6	63	57	-	-	7	64
Cash and cash equivalents	2,017	352	0	36	2,405	1,412	135	-	50	1,597
<b>Total current assets</b>	<b>3,494</b>	<b>1,950</b>	<b>488</b>	<b>1,110</b>	<b>7,042</b>	<b>2,619</b>	<b>1,629</b>	<b>386</b>	<b>1,208</b>	<b>5,842</b>

### Appendix no.7 (€ mil.) - LIABILITIES BROKEN DOWN BY MATURITY

	31 December 2025			31 December 2024		
	Amounts due			Amounts due		
	from 2nd to 5th subsequent year	beyond 5th year	Total	from 2nd to 5th subsequent year	beyond 5th year	Total
Other non-current liabilities	275	407	682	304	342	646
Other non-current liabilities to related parties	40	94	134	79	88	167
Loans and borrowings (non current)	984	301	1,285	1,424	164	1,588
Non-current loans and borrowings to related parties	178	76	254	342	93	435
<b>Total non-current liabilities</b>	<b>1,477</b>	<b>878</b>	<b>2,355</b>	<b>2,070</b>	<b>599</b>	<b>2,669</b>

## Separate Financial Statements at 31 December 2025

### Appendix no.8 (€ mil.) - FOREIGN CURRENCY LIABILITIES

	31 December 2025			31 December 2024		
	In foreign currency	in Euro	Total	In foreign currency	in Euro	Total
Loans and borrowings (non current)	-	1,285	1,285	-	1,588	1,588
Non-current loans and borrowings to related parties	45	209	254	59	376	435
	<b>45</b>	<b>1,494</b>	<b>1,539</b>	<b>59</b>	<b>1,964</b>	<b>2,023</b>
Deferred tax assets	6	129	135	-	90	90
Other non-current liabilities	54	628	682	-	646	646
Other non-current liabilities to related parties	134	-	134	167	-	167
<b>Total non-current liabilities</b>	<b>239</b>	<b>2,251</b>	<b>2,490</b>	<b>226</b>	<b>2,700</b>	<b>2,926</b>
Loans and Borrowings	2	622	624	-	616	616
Related-parties loans and borrowings	1,283	1,779	3,062	1,315	1,576	2,891
	<b>1,285</b>	<b>2,401</b>	<b>3,686</b>	<b>1,315</b>	<b>2,192</b>	<b>3,507</b>
Trade payables	390	1,612	2,002	527	1,518	2,045
Trade payables to related parties	340	515	855	237	721	958
	<b>730</b>	<b>2,127</b>	<b>2,857</b>	<b>764</b>	<b>2,239</b>	<b>3,003</b>
Other liabilities	17	1,293	1,310	16	1,211	1,227
Other payables to related parties	30	167	197	24	40	64
	<b>47</b>	<b>1,460</b>	<b>1,507</b>	<b>40</b>	<b>1,251</b>	<b>1,291</b>
Income tax payables	-	96	96	1	16	17
<b>Total current liabilities</b>	<b>2,062</b>	<b>6,084</b>	<b>8,146</b>	<b>2,120</b>	<b>5,698</b>	<b>7,818</b>

## Separate Financial Statements at 31 December 2025

### Appendix no. 9 (€ mil) - LIABILITIES BY GEOGRAPHICAL AREA

	31 December 2025					31 December 2024				
	Italy	Rest of Europe	North America	Rest of the world	Total	Italy	Rest of Europe	North America	Rest of the world	Total
Loans and borrowings (non current)	93	1,191	-	1	1,285	578	1,010	-	-	1,588
Non-current loans and borrowings to related parties	210	-	44	-	254	376	-	59	-	435
	<b>303</b>	<b>1,191</b>	<b>44</b>	<b>1</b>	<b>1,539</b>	<b>954</b>	<b>1,010</b>	<b>59</b>	<b>-</b>	<b>2,023</b>
Deferred tax assets	135	-	-	-	135	90	-	-	-	90
Other non-current liabilities	628	-	54	-	682	626	-	20	-	646
Other non-current liabilities to related parties	-	-	134	-	134	-	-	167	-	167
<b>Total non-current liabilities</b>	<b>1,066</b>	<b>1,191</b>	<b>232</b>	<b>1</b>	<b>2,490</b>	<b>1,670</b>	<b>1,010</b>	<b>246</b>	<b>-</b>	<b>2,926</b>
Loans and Borrowings	550	74	-	-	624	563	53	-	-	616
Related-parties loans and borrowings	425	2,637	-	-	3,062	422	2,453	-	16	2,891
	<b>975</b>	<b>2,711</b>	<b>-</b>	<b>-</b>	<b>3,686</b>	<b>985</b>	<b>2,506</b>	<b>-</b>	<b>16</b>	<b>3,507</b>
Trade payables	1,435	237	161	169	2,002	1,446	260	162	177	2,045
Trade payables to related parties	246	394	78	137	855	233	537	80	108	958
	<b>1,681</b>	<b>631</b>	<b>239</b>	<b>306</b>	<b>2,857</b>	<b>1,679</b>	<b>797</b>	<b>242</b>	<b>285</b>	<b>3,003</b>
Other liabilities	1,250	11	3	46	1,310	1,182	5	35	5	1,227
Other payables to related parties	53	144	-	-	197	40	24	-	-	64
	<b>1,303</b>	<b>155</b>	<b>3</b>	<b>46</b>	<b>1,507</b>	<b>1,222</b>	<b>29</b>	<b>35</b>	<b>5</b>	<b>1,291</b>
Income tax payables	87	-	-	9	96	16	-	-	1	17
<b>Total current liabilities</b>	<b>4,046</b>	<b>3,497</b>	<b>242</b>	<b>361</b>	<b>8,146</b>	<b>3,902</b>	<b>3,332</b>	<b>277</b>	<b>307</b>	<b>7,818</b>

For the Board of Directors

The Chairman

(Stefano Pontecorvo)

**STATEMENT ON THE SEPARATE FINANCIAL STATEMENTS PURSUANT TO  
ART. 154-BIS, PARAGRAPH 5 OF LEGISLATIVE DECREE 58/98 AS  
AMENDED**

1. The undersigned Roberto Cingolani as the Chief Executive Officer and General Manager and Giuseppe Aurilio as the Officer in charge of Financial Reporting for Leonardo SpA, certify, in accordance with Article 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998:
  - the appropriateness of the financial statements with regard to the nature of the business and
  - the effective application of administrative and accounting procedures in preparing the separate financial statements at 31 December 2025.
2. In this respect it is noted that no significant matters arose.
3. It is also certified that:
  - 3.1 The separate financial statements:
    - were prepared in accordance with International Financial Reporting Standards endorsed by the European Community pursuant to EU Regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002;
    - correspond to the entries in the books and accounting records;
    - were prepared in compliance with Article 154-ter of the mentioned Legislative Decree no. 58/98 as amended and supplemented, and provide a true and fair view of the financial position and results of operations of the issuer.
  - 3.2 The Report on Operations includes a reliable analysis of the performance and the operating result, as well as the position of the issuer, together with a description of the main risks and uncertainties it is exposed to.

This statement is also made pursuant to and for the purposes of Article 154-bis, paragraph 2, of Legislative Decree 58 of 24 February 1998.

Rome, 11 March 2026

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Chief Executive Officer and  
General Manager  
(Roberto Cingolani)

---

Officer in charge of financial reporting  
  
(Giuseppe Aurilio)

**Independent Auditor's report on the separate financial statements as at 31 December 2025**

**Report of the Board of statutory Auditors to the Shareholders' Meeting**



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# Leonardo S.p.A.

**Financial statements as at 31 December 2025**

**Independent auditor's report pursuant to article 14 of  
Legislative Decree n. 39, dated 27 January 2010, and  
article 10 of EU Regulation n. 537/2014**



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# Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014 (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 Leonardo S.p.A. (the Company), which comprise the statement of financial position as at 31 December 2025, the separate income statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

### 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EY S.p.A.  
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Sede Secondaria: Via Lombardia, 31 - 00187 Roma  
Capitale Sociale Euro 3.000.000 i.v.  
Iscritta alla S.O. del Registro delle Imprese presso la CCAA di Milano Monza Brianza Lodi  
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We identified the following key audit matters:

Key Audit Matter	Audit response
<p><b>Recognition of revenues and losses from long-term contracts with customers</b></p> <p>Revenues from long-term contracts with customers are recognized “over-time” using an input method for measuring progress towards complete satisfaction of performance obligations based on the percentage of completion obtained from the ratio of incurred costs on the total expected costs for the contract over the life of the project (cost to cost method).</p> <p>The estimation of the total expected project costs is, by its nature, complex and characterized by significant uncertainties as it may be impacted by many factors, including the ability to fulfill the obligations assumed towards customers, which may also result in penalties and additional expenses for significant amounts.</p> <p>Therefore, the estimate involves a high degree of judgment by Directors that may significantly affect the contract revenues recognition and any loss at completion in cases of negative margin expectation. Accordingly, we identified this area as a key audit matter.</p> <p>The disclosures related to the criteria applied for the recognition and measurement of revenues and margins on long-term contracts with customers are included in notes “3. Accounting policies” “22. Provisions for risks and charges and contingent liabilities” and “27. Revenues”.</p>	<p>Our audit procedures in response to the key audit matter included, among others:</p> <ul style="list-style-type: none"><li>• the understanding of the criteria applied for the recognition of revenues from long-term contracts with customers;</li><li>• the assessment of the process and key controls over the recognition of revenues from long-term contracts with customers;</li><li>• for a sample of contracts we performed:<ul style="list-style-type: none"><li>(i) testing of relevant contractual terms and conditions in order to verify whether those were adequately considered in management estimates;</li><li>(ii) testing of the reasonableness of key assumptions underlying the estimation of the life-of-project costs based on inquiries, analysis of any communications with customers and comparative analysis;</li><li>(iii) comparative analysis between actual figures and estimates made in previous periods in order to assess the accuracy of management’s forecasting;</li><li>(iv) testing of incurred costs and their allocation to proper on-going contracts.</li></ul></li></ul> <p>Lastly, we have reviewed the disclosures provided in the notes to the financial statements regarding this key audit matter.</p>

<p><b>Test of the recoverability of goodwill and equity investments</b></p> <p>Goodwill as at 31 December 2025 amounts to Euro 701 million; Equity investments amount to Euro 9.152 million.</p> <p>Directors tested for impairment the Cash Generating Units (CGUs) to which goodwill and</p>	<p>Our audit procedures in response to the key audit matter included, among others:</p> <ul style="list-style-type: none"><li>• the assessment of the procedure applied in the performance of the impairment test as approved by Directors;</li><li>• testing of the criteria applied for</li></ul>
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equity investments have been allocated in order to identify any impairment loss in respect of their recoverable amount.

The recoverable amount of each CGU is determined using the value in use method and it is based on complex assumptions that inherently involve a degree of judgment by Directors, with reference to the expected cash flows over the period considered in the Business Plan 2026-2030, to the estimate of the terminal value and the determination of the long-term growth and discount rates.

Because of the judgement involved and the complexity of the assumptions underlying the estimation of the recoverable amount of goodwill and equity investments, we identified this area as a key audit matter.

Disclosures on the assumptions and the estimations adopted when performing the impairment test are included in the notes “3. Accounting policies”, “8. Intangible Assets” and “11. Equity investments”.

identifying the CGUs and allocating relevant assets and liabilities to them;

- the assessment of the presence of any impairment indicator on the recoverability of equity investments;
- the analysis of the expected cash flows of each CGU and testing of their consistency with the expected cash flows resulting from the Business Plan 2026-2030;
- the assessment of the reasonableness of the estimates made by Directors, also by comparing actual figures and estimates made in previous periods;
- the assessment of the long-term growth and discount rates;
- the assessment of the sensitivity analysis performed by Directors on key assumptions underlying the impairment test.

In performing our procedures we involved our experts in valuation techniques.

Lastly, we have reviewed the disclosures provided in the notes to the financial statements regarding this key audit matter.

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### Recognition and subsequent measurement of non-recurring costs and development costs

Non-recurring costs and developments costs capitalized as intangible assets as at 31 December 2025 amount to an aggregate of Euro 2.140 million.

The initial recognition of these assets and the subsequent assessment of their recoverability are based on complex assumptions that inherently involve a degree of judgment by Directors as influenced by many factors including the time horizon of the product business plans and management’s ability to forecast the commercial success of the underlying technologies.

Because of the judgement involved and the complexity of the underlying assumptions, we identified this area as a key audit matter.

Disclosures on the assumptions and the estimations adopted in the recognition and

Our audit procedures in response to the key audit matter included, among others:

- understanding of the processes applied in recognizing for non-recurring costs and development costs and the process related to the assessment of their recoverability;
- for a sample of development programs we performed:
  - (i) substantive procedures aimed at verifying internal and external costs recognized during the period;
  - (ii) assessment of the reasonableness of key assumptions underlying the product business plans;
  - (iii) testing of the discount rates;
  - (iv) assessment of the sensitivity analysis performed by Directors on the key assumptions



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subsequent measurement of non-recurring costs and development costs are included in the notes "3. Accounting policies" and "8. Intangible Assets".

underlying the impairment test  
In performing our procedures we involved our experts in valuation techniques.

Lastly, we have reviewed the disclosures provided in the notes to the financial statements regarding this key audit matter.

---

## 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 IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, 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 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



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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.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

### **Additional information pursuant to article 10 of EU Regulation n. 537/14**

The Shareholders of Leonardo S.p.A., in the general meeting held on 20 May 2020, engaged us to perform the audits of the financial statements and consolidated financial statements for each of the years ending 31 December 2021 to 31 December 2029.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

## **Report on compliance with other legal and regulatory requirements**

### **Opinion on the compliance with Delegated Regulation (EU) 2019/815**

The Directors of Leonardo S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulation (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the "Delegated Regulation") to the financial statements as at 31 December 2025, to be included in the annual financial report.

We have performed the procedures under the audit standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements as at 31 December 2025 with the provisions of the Delegated Regulation.



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In our opinion, the financial statements as at 31 December 2025 have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.

**Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998**

The Directors of Leonardo S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Leonardo S.p.A. as at 31 December 2025, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the financial statements of Leonardo S.p.A. as at 31 December 2025.

Furthermore, in our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Rome, 13 March 2026

EY S.p.A.

Signed by: Riccardo Rossi, Auditor

*As disclosed by the Directors on cover page, the accompanying financial statements of Leonardo S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*

**REPORT OF THE BOARD OF STATUTORY AUDITORS  
TO THE SHAREHOLDERS' MEETING OF LEONARDO S.P.A.  
CALLED TO APPROVE THE 2025 FINANCIAL STATEMENTS  
(PURSUANT TO ART. 153 OF LEGISLATIVE DECREE NO. 58/1998)**

*To the Shareholders' Meeting of the company Leonardo S.p.a.*

Dear Shareholders,

the Board of Statutory Auditors of the company Leonardo S.p.a. (hereinafter also "the Company") hereby submits its report pursuant to Article 153 of Legislative Decree No. 58/1998 (T.U.F. - *Testo Unico della Finanza*, Consolidated Law on Financial Intermediation) to report on the activity performed.

The Board of Statutory Auditors serving at present was appointed by the Shareholders' Meeting on 24 May 2024 and will terminate its mandate with the Shareholders' Meeting to approve the Financial Statements as at 31 December 2026.

The Board of Statutory Auditors consists of the following members: Mr Luca Rossi, Chairman, Prof. Marco Fazzini, Ms Giulia Pusterla, Ms Paola Simonelli, and Prof. Alessandro Zavaglia, Regular Auditors.

The Shareholders' Meeting held on 20 May 2020 appointed the independent auditing firm EY S.p.A. (hereinafter also the "Auditing Firm"), to carry out the statutory audit of accounts starting from 2021 and for the period from 2021 to 2029.

During the year ended on 31 December 2025 the Board of Statutory Auditors, also in its capacity as Internal Control and Auditing Committee, carried out the checks and other supervisory activities in compliance with the relevant laws and regulations in force, as well as the Corporate Governance Code, the Rules of Conduct of the Board of Statutory Auditors of listed companies issued by the National Council of Chartered Accountants and Accounting Experts and the Communications issued by CONSOB regarding corporate checks and the activities of the Board of Statutory Auditors.

With effect from 1 June 2022, Leonardo S.p.a. is subject to the audit of the Court of Auditors pursuant to Art. 12 of Law No. 259 of 21 March 1958. We point out that, by virtue of the provisions of Art. 12 of Law No. 259/1958, the Delegated Judge for the audit of the financial transactions attends the meetings of the Board of Directors and of the Board of Statutory Auditors of Leonardo S.p.a..

This Report has been prepared in accordance with the instructions provided by CONSOB with Communication DEM/1025564 of 6 April 2001 as amended and supplemented.

\* \* \*

The Board of Statutory Auditors has adopted its own Rules of Procedure which govern the role, organization and the methods of functioning of the body, in line with the main organizational aspects of Leonardo's corporate governance model, in the light of the principles and rules laid down by the Corporate Governance Code and by the Rules of conduct of the boards of statutory auditors of listed companies. These Rules of Procedure were lastly updated during the meeting of the Board of Statutory Auditors of 29 January 2025.

During the year the Board of Statutory Auditors –in the meeting held on 19 February 2026 – provided for the self-evaluation of the independence of its members, whose outcome confirmed the existence of the independence requirements for all its members. It is hereby acknowledged that no Statutory Auditor has had any interests, on his/her own behalf or on behalf of third parties, in any transaction of the Company during the financial year and that the members of the Board of Statutory Auditors have complied with the cumulation of offices required by Art. 144-*terdecies* of the Issuers' Regulation.

As required by the Corporate Governance Code, the Board of Statutory Auditors, within the scope of the tasks assigned to it by law, verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members.

As in previous years, the Board carried out a self-evaluation process relating to the 2025 financial year, thus making use for the second consecutive year of the support of the external consultant Egon Zehnder International S.p.A.. This self-evaluation process was aimed at gathering the opinions of the members of the Board of Statutory Auditors regarding both the work and the composition of the Board itself, in line with the provisions of the Rules of Conduct of the Board of Statutory Auditors of listed companies issued by the National Council of Chartered Accountants and Accounting Experts. The results, the assessments carried out and the conclusive guidelines of the Board of Statutory Auditors were discussed collectively and subsequently collected in the document called "*Summary of the results for the Board of Statutory Auditors of Leonardo*", on the basis of which an executive summary was prepared, sent to the Board of Directors and whose content was incorporated in the Report on Corporate Governance and Shareholder Structure.

\* \* \*

The Board of Statutory Auditors regularly met during the year, minuting the control activities carried out. As part of the activities and tasks assigned to the Board of Statutory Auditors while implementing the relevant regulations, the Board of Statutory Auditors:

- a) held twenty-two meetings in 2025 and six meetings from the beginning of 2026 to the date of this Report and carried out audits and gathered information from the heads of the different corporate functions, periodically meeting the top positions for an exchange of information on the performance of the corporate transactions, thus acquiring the knowledge necessary to monitor, pursuant to Art. 149 of T.U.F., the compliance with the law and the memorandum of association, the compliance with the principles of correct management and the adequacy of the organizational structure, the internal control system, the administrative-accounting system, also pursuant to Art. 2086 of the Italian Civil Code and of Legislative Decree No. 14 of 12 January 2019 (Business Crisis and Insolvency Code), as well as the implementation of the corporate governance rules from the codes of conduct and the adequacy of the instructions given to the subsidiaries pursuant to para. 2 of Article 114 of T.U.F., without any remark; relations with the Company's personnel were inspired by mutual collaboration in compliance with the subjective roles and areas of competence and each body or function of the Company has fulfilled the reporting obligations provided for by the applicable regulation;
- b) attended the Shareholders' Meeting held on 26 May 2025 in its ordinary and extraordinary sessions, to which the Shareholders were able to intervene exclusively through the designated representative, pursuant to Art. 106 of Law Decree No. 18/2020, subsequently converted into Law No. 27/2020, whose efficacy was extended until 31 December 2025 by Law No. 15 of 21 February 2025;
- c) attended the thirteen meetings held by the Board of Directors during 2025 and the three meetings held from the beginning of 2026 to the date of this Report, during which it was informed of the work done and of the financial transactions which are materially important in terms of the Company's assets and financial position carried out by the Company and its subsidiaries, thus obtaining adequate and timely information on their performance;
- d) attended the thirteen meetings of the Control and Risks Committee, the eight meetings of the Remuneration Committee, the ten meetings of the Nomination and Governance Committee, the thirteen meetings of the Sustainability and Innovation Committee held in 2025 and the four meetings of the Control and Risks Committee, the two meetings of the Remuneration Committee, the three meetings of the Nomination and Governance Committee, the three meetings of the Sustainability and Innovation Committee held from the beginning of 2026 to the date of this Report, thus acknowledging that the above-mentioned Committees have worked in compliance with the provisions of the Corporate Governance Code and their own Rules of Procedure.

An effective flow of information is in place between the Board of Statutory Auditors, the Board of Directors, the internal Committees and the Company's offices.

The collaboration and discussions with the Control and Risks Committee, also through the organization of joint meetings on topics of common interest, have been fruitful and effective and have, among other things, allowed to complete the analysis process of the Board of Statutory Auditors on risk control and management, thus acquiring further information with respect to that obtained through the constant contacts and meetings with the Chief Audit Executive ("CAE") and the Head of the Risk Management O.U. of the Company, as well as with the other persons involved in any capacity in the internal control and risk management system including the Heads of the Compliance O.U. and Legal Affairs O.U..

The Board of Statutory Auditors, in particular, acknowledges that during the meetings of the Control and Risks Committee, checks were carried out, as established by the Corporate Governance Code and the Committee's Rules of Procedure, regularly presented to the Board of Statutory Auditors also as Internal Control and Auditing Committee, in particular monitoring the adequacy and effectiveness of the Internal Control and Risks Management System, with respect to the Company's characteristics and the risk factor accepted by the Company and of the Work Plan prepared by the CAE and referred to the audits of Leonardo planned for 2025 and carried out by the Group Internal Audit O.U. ("GIA") in the relevant period (April 2025 – December 2025) after submission of the Plan to the Control and Risks Committee and then to the Board of Directors. Furthermore, the Board of Statutory Auditors acknowledged that the Control and Risks Committee expressed its favourable opinion on 10 March 2026 on the annual assessment of the adequacy of the Internal Control and Risks Management System on the basis of the relevant results provided by the CAE in relation to what is provided for in the Guidelines regarding the assessment process of the Internal Control and Risk Management System adopted by the Board of Directors of Leonardo in February 2022.

Furthermore, the Board of Statutory Auditors acknowledged that the Board of Directors, on 11 March 2026, assessed, also in light of Art. 2086 of the Italian Civil Code, the adequacy of the organizational, administrative and accounting structure of the Company and strategic subsidiaries, also for the purpose of timely detection of the company's crisis and loss of business continuity, after having obtained the opinion of the Control and Risks Committee with specific reference to the Internal Control and Risk Management System;

e) during the reporting period it received detailed audit reports made by the GIA O.U., also as part of the periodic meetings with the CAE, acknowledging the results of the control activities carried out in 2025, in line with the audit plan and the special audits carried out from time to time as requested by the top management, the Surveillance Body and the Whistleblowing Committee. From the recurring audit activities, the opportunity sometimes emerged to implement improvement actions on the processes examined that, after being

shared with the corporate management, were reflected in Action Plans whose implementation was monitored by the GIA O.U. on a quarterly basis and whose results were transmitted to the Top management. As for the Special Audits required to the GIA O.U. by management, the Surveillance Body or the Whistleblowing Committee, the Board acknowledged that the results of some audits, in a few cases, led to the Leonardo management taking management initiatives in order also to strengthen the Internal Control and Risk Management System. The Board also acknowledged the results of the "Quality Assurance and Improvement Plan" (QAIP) of the GIA O.U. prepared in order to monitor and improve the effectiveness, efficiency and quality of its activities; the results revealed, for all the audits sampled, a General Compliance with international standards and best practices that is the "highest compliance degree" required by the Institute of Internal Auditors. Furthermore, the Board was informed that the GIA O.U. intends to develop, also for 2026, internal audit activities on the quality of its work, through a new Quality Assurance & Improvement Plan. The results of the 2025 Plan and the activities envisaged by the new 2026 QAIP were analyzed by the Control and Risks Committee in the meeting of 10 March 2026 and explained to the Board of Directors on 11 March 2026. Considering that the Global Internal Audit Standards became effective, in 2025 the GIA O.U. availed itself of the support of an external expert for a gap-analysis activity preliminary to the renewal of the certification expected for 2027;

*f)* received information about the activities carried out by the GIA O.U. in order to evaluate the operations of the Internal Control over Financial Reporting (hereinafter ICFR) system at Leonardo S.p.a. and the companies falling under the scope of Law 262/2005. In addition to the Test 262 activities for 2025, the Board was informed by the GIA O.U. about the specific monitoring (the so-called "Detection Audit"), as an anti-fraud component of the ICFR Model; for 2025 the "Fixed asset management" process was analysed. Following the performance of these activities, the GIA O.U. provided an account of the subject to the Officer in charge of financial reporting, who informed the Board of Statutory Auditors that no critical issues emerged such as to affect the reliability of the Internal Control System with regard to the Accounting and Financial Information;

*g)* received information about the Control Model on the Leonardo Consolidated Sustainability Statement, designed also to allow the issue of a "reasonable assurance" opinion by the independent auditing firm in relation to a set of indicators within the aforesaid Statement;

*h)* periodically met with the Officer in charge of financial reporting, identified by the Company as the person in charge of certifying the Sustainability Statement pursuant to Article 154-*bis*, para. 5-*ter* of T.U.F.;

*i)* periodically met the Surveillance Body pursuant to Legislative Decree No. 231/2001;

- j)* received regular reports prepared by the Whistleblowing Committee based on the “Whistleblowing Management Guidelines” related to evidence taken from the activities carried out every six months by the GIA O.U. or by other competent functions. As part of this, we note that the statutory auditors are informed by the Surveillance Body at the same time as the members of the Whistleblowing Committee about the reports received by the Company and of the relevant decisions;
- k)* also participated, in the person of the Chairman, in the meetings of the Coordinating and Consultative Body for the prevention of corruption, chaired by the Chairman of the Board of Directors as coordinator and composed of the Chairman of the Control and Risks Committee, the Chairman of the Surveillance Body and the Chairman of the Board of Statutory Auditors; it was also informed of the activity carried out by the same Body within the framework of the reports that it periodically provides to the Board;
- l)* was informed of the activities carried out by the Compliance organizational unit on anti-corruption, acknowledging the annual audit, by the Certification Body, of the ISO 37001:2016 (“Anti-bribery Management System”) certification;
- m)* was kept abreast of the activities carried out by the Company with regard to the implementation of the requirements referred to in Legislative Decree no. 138/2024 (the “NIS 2 Decree”);
- n)* was updated of the level of compliance with and the state of progress of the activities related to the GDPR and to the implementation of governance safeguards aimed at ensuring the ethical, fair, transparent and safe development and use of artificial intelligence systems (Responsible AI);
- o)* was periodically updated regarding the main disputes of the Company and the Group, thus monitoring their progress during the financial year;
- p)* during 2025 and from the beginning of 2026 to the date of this Report, received from the independent auditing firm information on the audit strategy, the areas of attention, the checks performed and the related outcomes, as well as the essential issues encountered in carrying out the statutory audit and independent assurance activities on the sustainability statement pursuant to the provisions of Art. 19 of Legislative Decree No. 39/2010 and Art. 11 of Regulation (EU) No. 537/2014;
- q)* verified the full compliance with the obligations regarding regulated, privileged information or otherwise required by the Supervisory Authorities;
- r)* verified the adequacy of the instructions given to the subsidiaries in order to ensure prompt compliance with reporting obligations pursuant to Art. 114, paragraph 2, of T.U.F.;
- s)* received every six months from the Company, through the Legal Affairs O.U., information on Transactions with Related Parties initiated or concluded during the period, including those exempt transactions under CONSOB Regulation No. 17221/2010 as amended

and supplemented and the Leonardo S.p.a. procedure, as well as the information on the distribution of the powers to represent the Company;

t) monitored the adequacy of the processes whereby the Parent Company receives the financial and earnings data from the subsidiaries established and regulated by the laws of non-EU countries that are required for preparing the consolidated accounts, in compliance with Articles 15 et seqq. of Consob Market Regulation no. 20249/2017; adequate information was also received from the CAE on 10 March 2026 that was also brought to the attention of the Control and Risks Committee. Such analysis showed that the companies that are significant according to the criteria laid down in the Issuers' Regulation present a control environment free from significant anomalies and substantially adequate to the requirements of the above-mentioned Art. 15;

u) verified that the Report on Corporate Governance and Shareholder Structure contains all the information required by Art. 123-bis of T.U.F. as well as other information provided in compliance with the regulation governing issuers listed on regulated markets;

v) received, every six months, information from the Company on the signs referred to in Article 3, para. 4 of the Italian Business Crisis and Insolvency Code, noticing that the thresholds provided for in such Code were not exceeded;

w) was informed of changes in the organizational structure, thus supervising the existence, updating and effective dissemination of the corporate directives and procedures and the general adequacy of the organizational structure;

x) supervised the adequacy of the internal control system and the administrative and accounting system and the reliability of the latter as a means of accurately reporting business operations;

y) met with the Boards of Statutory Auditors of the subsidiaries directly controlled by Leonardo S.p.a. in order to acquire information in particular regarding the operation of the company business, the reliability of the internal control system and the company organization, the relevant disputes - as required by Art. 151 of T.U.F. - and compliance with internal procedures issued by the Parent Company, also with specific reference to the procedure for the management of inside information. In particular, the checks were aimed at acquiring information and assessments regarding the management and control systems of the subsidiaries: on these profiles the Boards of Statutory Auditors of the Group companies did not represent critical issues worthy of mention. All the Boards of Statutory Auditors involved also expressed a positive opinion regarding the adequacy of the organizational, administrative and accounting system of the respective companies; no breach of procedures qualifying as material or significant emerged, nor any gaps or inadequacies in the internal control systems; for foreign companies controlled directly by Leonardo S.p.a. the supervisory activity of the Board developed with the collaboration of the Group Internal Audit organizational unit.

Specifically, in relation to the 2024 Aggregate Audit Plan and the 2025 Aggregate Audit Plan, the Board was periodically informed about the results of the audits carried out at the said Leonardo Group foreign companies and about the related results expressed in the audit reports;

z) actively participated in all the meetings organized by the Company as part of the "Induction" program proposed to the Corporate Bodies, in compliance with the Corporate Governance Code, in order to increase the skills and knowledge of the business sectors in which the Company operates and to investigate any changes introduced by the legislation and regulations that have a direct impact on the supervisory role of the Board of Statutory Auditors;  
aa) received, on a quarterly basis, an update by the Chief Executive Officer regarding the exercise of the delegated powers granted by the Board of Directors and the implementation of the Board's resolutions.

The Board of Statutory Auditors, also in compliance with the recommendations of CONSOB Resolution DEM/1025564 of 6 April 2001, reports that it has not found any critical issues regarding the main transactions of greater financial and economic importance, carried out during the reporting period, including through subsidiaries, which are shown in the draft financial statements to which reference should be made.

With reference to significant transactions having an impact on the overall operating model of the Company, the Board of Statutory Auditors monitored the organizational changes that the Company has put in place during the year for the implementation and monitoring of the initiatives provided for in the Industrial Plan.

The Board of Statutory Auditors did not detect any atypical and/or unusual transactions that, due to their significance or relevance, nature of the counterparties, object of the transaction, methods for determining the transfer price and timing of the event, could give rise to doubts regarding the correctness/completeness of the information in the financial statements, conflict of interests, safeguarding of corporate assets, protection of minority shareholders.

\* \* \*

Furthermore, the Board, in the course of the activities carried out:

- a) found no omissions or reprehensible facts;
- b) acknowledged that no reports were lodged by the Shareholders pursuant to Article 2408 of the Italian Civil Code;
- c) acknowledged that no complaints were received;
- d) acknowledged that no appeals were notified to the Company related to reports to a court pursuant to Art. 2409, first paragraph, of the Italian Civil Code, nor was the

- Board required to make reports pursuant to Art. 2409, paragraph 7, of the Italian Civil Code;
- e) was not required to take action due to omissions by the Board of Directors pursuant to Art. 2406 of the Italian Civil Code;
  - f) made no reports to the Board of Directors pursuant to and for the purposes of Art. 25-octies of Legislative Decree No. 14/2019;
  - g) expressed its opinion in all the cases provided for by the law and by the Corporate Governance Code and, in particular, with regard to the appointment of the Officer in charge of financial reporting and the correct application of the criteria for assessing the independence of directors;
  - h) verified the methods of actual implementation of the corporate governance rules;
  - i) also supervised the corporate documents and information to the market, in particular:
    - noted that the Report on Operations to the financial statements for the financial year 2025 contains adequate information on transactions with related parties and has verified, pursuant to Art. 4, sixth paragraph, of the Regulation approved by CONSOB with resolution 17221 of 12 March 2010 as amended, the compliance of the "Procedure for Related Parties Transactions", implemented by the Company, with the principles listed in the same Regulation, as well as full compliance with this procedure for individual transactions with related parties entered into during the financial year;
    - ascertained that the 2025 Integrated Annual Report had been drafted on the single electronic reporting format provided for by the European Commission Delegated Regulation No. 2019/815 of 17 December 2018;
    - supervised communications to the market, thus monitoring the adequacy of the related procedures;
  - l) acknowledges that, in compliance with the recommendations of the joint Banca d'Italia-CONSOB-ISVAP document No. 4 of 3 March 2010, the Impairment Test procedure governed by IAS 36 received the favorable opinion of the Control and Risks Committee on 19 February 2026 and was approved by the Board of Directors on 24 February 2026; in this regard, the Board monitored the substantive and formal legitimacy of the impairment process;
  - m) verified that the Company complied with the requirements on sustainability reporting pursuant to Legislative Decree no. 125/2024, Legislative Decree no. 58/1998 and other applicable laws and in particular, that it included and marked in a specific section of the Report on Operations the information required by Articles 3 and 4 of Legislative Decree no. 125/2024, and the specific initiatives adopted pursuant to Article 8, para. 4, of the Regulation (EU) 2020/852 of the European Parliament and the Council, of 18 June 2020.

\* \* \*

The responsibility for expressing an opinion on the financial statements pursuant to Article 14 of Legislative Decree No. 39 of 27 January 2010 lies with the auditing firm EY S.p.A., entrusted with the statutory audit of the accounts.

Since the Board of Statutory Auditors is not entrusted with the analytical control on the merits of the content of the financial statements, the Board supervised the Directors' compliance with the procedural rules relating to the preparation, approval and publication of the consolidated financial statements and draft financial statements, assessing their overall compliance with the law with regard to their formation and structure, and supervised the process of preparing and presenting the financial statement disclosures to the Shareholders' Meeting.

The Auditing Firm released the reports pursuant to Art. 14 of Legislative Decree No. 39 of 27 January 2010 and of articles 10 and 11 of Regulation (EU) No. 537/2014; the aforementioned reports show that there are no qualifications or emphasis of matters, nor statements issued pursuant to subparas. e) and f) of Art. 14, second paragraph of Legislative Decree No. 39/2010.

More specifically, the Board examined the Independent Auditors' Reports on the consolidated financial statements of the Group and on the separate financial statements of Leonardo S.p.a. for the year ended 31 December 2025 issued, pursuant to Art. 14 of Legislative Decree No. 39/2010 and Art. 10 of the Reg. (EU) No. 537/2014, on 13 March 2026 and from which it emerged that:

- the consolidated financial statements of the Group and the separate financial statements of the Company provide a true and fair view of the financial position as at 31 December 2025, the result of operations and the cash flows for the financial year then ended in compliance with the International Financial Reporting Standards adopted by the European Union as well as the provisions issued in implementation of Art. 9 of Legislative Decree No. 38/2005 and are prepared in compliance with the European Commission Delegated Regulation (EU) 815/2019 of 17 December 2018;
- the Report on Operations and some specific information contained in the Report on Corporate Governance and Shareholder Structure indicated in Art. 123-bis, paragraph 4, of Legislative Decree No. 58/1998 are consistent with the financial statements of the Company and with the consolidated financial statements of the Group and drafted in compliance with the law;
- the opinion on the separate financial statements and consolidated financial statements expressed in the aforementioned Reports is in line with what is shown in the Additional Report prepared pursuant to Art. 11 of Regulation (EU) No. 537/2014.

The Board also examined the contents of the Additional Report pursuant to Art. 11 of Regulation (EU) No. 537/2014, which is sent to the Board of Directors, whose examination showed no aspects that need to be highlighted in this Report.

Pursuant to Article 14-bis of Legislative Decree no. 39/2010 the Auditing Firm is responsible for expressing its conclusions in an assurance report on the compliance of the sustainability statement with the provisions of Legislative Decree no. 125/2024 governing the criteria for its preparation, as well as with the disclosure requirements envisaged by Article 8 of Regulation (EU) no. 852/2020 of the European Parliament and the Council of 18 June 2020.

Since the Board of Statutory Auditors was not entrusted with the analytical control on the merits of the contents of the Sustainability Statement, the Board supervised the Directors' compliance with the procedural rules relating to the preparation, approval and publication of the Sustainability Statement, assessing its overall compliance with the law with regard to its formation and structure, and supervised the process of preparing the document.

The Auditing Firm EY S.p.A. carried out independent assurance activities on the Sustainability Statement in accordance with Article 18 of Legislative Decree no. 125/2024, based on which the limited assurance engagement of the non-financial statement assigned by Leonardo to EY S.p.A. until 2029 has remained valid until it expires, for the purposes of the performance of the limited assurance engagement on the Sustainability Statement.

The assurance obligations on the Sustainability Statement introduced by Legislative Decree no 125/2024 also entailed a higher effort on the part of the Auditing Firm compared to what they expected in 2020 for the limited assurance engagement on the non-financial statement. Given such circumstance, on 12 December 2024, the Board of Directors resolved, in favour of EY S.p.A., an increase in their fees originally agreed for the limited assurance engagement on the non-financial statement.

On 13 March 2026, the Auditing Firm EY S.p.A. issued an unqualified report as a result of the limited assurance engagement performed in compliance with the Standard on Sustainability Assurance Engagement – SSAE (Italia), on the information related to Sustainability Statement pursuant to Article 4 of Legislative Decree no. 125/2024 and on that under Article 8 of Regulation (EU) no. 852/2020 of the European Parliament and the Council of 18 June 2020.

Moreover, by virtue of a separate engagement specifically assigned, the Auditing Firm issued an unqualified report as a result of a reasonable assurance engagement, performed in compliance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), on a set of indicators shown in the Sustainability Statement.

The Board, pursuant to Art. 19 of Legislative Decree No. 39/2010 and Art. 150, paragraph 3 of T.U.F., periodically met the Auditing Firm for a constant exchange of information useful

to perform their respective tasks. During the meetings and from the exchange of information, no facts or situations emerged worthy of mention in this Report.

The Board monitored the observance of the Company's procedure and policy for the assignment of tasks to the Group Auditing Firm, which envisages specific information and authorization flows and procedures for the assignment of such appointments aimed at allowing the Board of Statutory Auditors to carry out its supervision properly. From the set of information flows put in place in compliance with the provisions of the procedure and the policy for the assignment of appointments to the Group Auditing Firm, which the Board considers adequate, no critical issues or anomalies emerged that could affect the opinions on the separate financial statements and the consolidated financial statements of the Company.

Pursuant to Art. 149-*duodecies* of the Issuers' Regulation, a summary table is attached to the notes to the financial statements showing the fees paid to the Auditing Firm and to the entities belonging to its network for auditing, assurance and other services provided to Leonardo S.p.a. and its subsidiaries, in relation to which the Board:

- verified that no assignments were granted that were not permitted under Art.5, paragraph 1, of Regulation (EU) No. 537/2014;
- carried out a monitoring process in order to verify that the Auditing Firm, in relation to the "non-audit services" provided to Leonardo S.p.a. and its subsidiaries complied with the limits set by Art. 4, paragraph 2, of Regulation (EU) No. 537/2014;
- declares that the fees paid for assurance and other services other than the audit for the financial year amount to a total of €1,149 thousand and related (i) for €299 thousand to the limited assurance of the Sustainability Statement (ii) for €524 thousand to the reasonable assurance on a selection of performance indicators (KPIs) included in the Consolidated Sustainability Statement (iii) for €326 thousand to other assurance services.

Taking into account the declarations of independence issued by EY S.p.A., as well as the tasks assigned to it and to the companies belonging to its network by Leonardo S.p.a. and by its subsidiaries, the Board believes that there are no critical aspects to report on the continued fulfilment of the independence requirement by the Auditing Firm.

During the supervisory activity performed by the Board of Statutory Auditors in accordance with the methods described above, on the basis of the information and data acquired, no facts emerged from which to infer that the law and the memorandum of association were not complied with or that justified any reports to the Supervisory Authority or the mention in this Report.

\* \* \*

With regard to the result for the financial year ended 31 December 2025, which recorded a net profit of € 1,035,180,141.22, the Board of Directors set out in detail the formation of the result and the events that generated it in the Report on Operations and in the Explanatory Notes.

On the basis of the supervisory activities carried out up to today, taking into account the above and within its sphere of competence, the Board of Statutory Auditors, pursuant to Article 153, paragraph 2, of the T.U.F. finds no grounds for objecting to the proposal to approve the financial statements for the year ended 31 December 2025, nor the proposal for the allocation of the relevant FY result as put forward by the Board of Directors.

13 March 2026

ON BEHALF OF THE BOARD OF STATUTORY AUDITORS

The Chairman

Luca Rossi

## INFORMATION PURSUANT TO ARTICLE 149 DUODECIIES OF THE ISSUER REGULATION

The following statement reports the fees for the year 2025 for auditing and assurance services and for tax and other services provided by the same auditing firm and entities belonging to the auditing firm's network.

	Entity providing the services	To	Fees for the 2025 year (€ thousands)
Auditing services	EY SpA	Parent Company	2,650
	EY SpA	Subsidiaries	887
	EY Network	Subsidiaries	7,669
Assurance services	EY SpA	Parent Company	1,062
	EY SpA	Subsidiaries	85
	EY Network	Subsidiaries	2
Other services	EY SpA	Parent Company	-
	EY Network	Parent Company	-
	EY Network	Subsidiaries	-
<b>Total</b>			<b>12,355</b>

**ANNEX TO THE REPORT ON OPERATIONS –  
NOTE TO THE CSS**

## Other Sustainability Indicators

### European Taxonomy tables

On the following pages, the results related to eligibility/alignment according to the framework in force today are reported. The particularly low alignment values depend on the fact that the 'core' activities for AD&S are eligible but not aligned, as the 'significant contribution' criteria of the two sector-relevant activities seem to have been designed for commercial goods, without considering the peculiarities of the defence sector<sup>142</sup>.

It should be noted that a further cause of the lack of alignment is the provisions of the DNSH criterion referring to the pollution<sup>143</sup> target, which, in many cases, prohibits the use of chemicals included in the European regulations referred to.

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<sup>142</sup> Please refer to the chapter "Environmental Information" for details.

<sup>143</sup> Particular reference is made to Appendix C "Generic DNSH Criteria for Pollution Prevention and Control Regarding the Use and Presence of Chemicals".

Annex to the Report on operations – Note to the CSS 2025

Financial Year 2025	2025			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	Turnover	Proportion of Turnover, year 2025	Climate Change mitigation	Climate Change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change mitigation	Climate Change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2024	Category enabling activity	Category transitional activity
<i>Text</i>		€ Mln	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	n/a	E	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	n/a		T
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
1.2 Manufacture of electrical and electronic equipment	CE	4,655	24%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								27%		
3.21 Manufacturing of aircraft	CCM	6,351	33%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								33%		
3.6 Manufacture of other low carbon technologies	CCM	107	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
5.1 Repair, refurbishment and remanufacturing	CE	565	3%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								4%		
5.2 Sale of spare parts	CE	128	1%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		11,806	61%	33%	0%	0%	0%	27%	0%								65%		
A. Turnover of Taxonomy eligible activities (A1+A2)		11,806	61%	33%	0%	0%	0%	27%	0%								65%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
Turnover of Taxonomy-non-eligible activities		7,697	39%																
<b>TOTAL</b>		<b>19,503</b>	<b>100%</b>																



Annex to the Report on operations – Note to the CSS 2025

Financial Year 2025	2025			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')					Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2.) OpEx, year 2024	Category enabling activity	Category transitional activity	
	Code	OpEx	Proportion of OpEx year 2025	Climate Change mitigation	Climate Change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change mitigation	Climate Change adaptation	Water	Pollution	Circular Economy					Biodiversity
Economic Activities				Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Text																			
<b>A TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																			
5.2 Renewal of water collection, treatment and supply systems	CCM	0.3	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	n/a		
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM	4.3	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	n/a	E	
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM	0.0	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.02%	E	
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM	0.3	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.11%	E	
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) A.1</b>		<b>8.2</b>	<b>1%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>0.04%</b>		
<b>Of which Enabling</b>		3.9	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.00%	E	
<b>Of which Transitional</b>		4.3	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
					EL/N/EL	EL/N/EL	EL/N/EL	EL/N/EL	EL/N/EL										
1.2 Manufacture of electrical and electronic equipment	CE	214	31%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								27.79%		
3.21 Manufacturing of aircraft	CCM	209	31%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								30.13%		
3.6 Manufacture of other low carbon technologies	CCM	2	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.83%		
4.1 Electricity generation using solar photovoltaic technology	CCM	0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
5.1 Repair, refurbishment and remanufacturing	CE	15	2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								2.51%		
5.2 Renewal of water collection, treatment and supply systems	CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								n/a		
5.4 Renewal of waste water collection and treatment	CCM	0.5	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								n/a		
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM	4	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.39%		
7.1 Construction of new buildings	CCM	4	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.56%		
7.2 Renovation of existing buildings	CCM	10	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.69%		
7.3 installation, maintenance and repair of energy efficiency equipment	CCM	4	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.54%		
9.1 Close to market research, development and innovation	CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.04%		
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>463</b>	<b>68%</b>	<b>31%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>34%</b>	<b>0%</b>								<b>65.74%</b>		
<b>A. OpEx of Taxonomy eligible activities (A1+A2)</b>		<b>471</b>	<b>69%</b>	<b>32%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>34%</b>	<b>0%</b>								<b>65.85%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
<b>OpEx of Taxonomy-non-eligible activities</b>		211	31%																
<b>Total</b>		<b>682</b>	<b>100%</b>																

<b>Nuclear energy related activities</b>		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
<b>Fossil gas related activities</b>		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

## Other employee indicators

<b>Characteristics of the undertaking's employees</b>			
<b>Employees by professional category and gender</b>	<b>Unit</b>	<b>2025</b>	<b>2024</b>
<b>Managers</b>	<b>N.</b>	<b>1,253</b>	<b>1,251</b>
Men	N.	1,016	1,030
Female	N.	237	221
Other	N.	-	-
Not disclosed	N.	-	-
<b>Middle managers</b>	<b>N.</b>	<b>7,854</b>	<b>7,610</b>
Men	N.	6,161	6,017
Female	N.	1,693	1,593
Other	N.	-	-
Not disclosed	N.	-	-
<b>White collars</b>	<b>N.</b>	<b>39,295</b>	<b>37,527</b>
Men	N.	29,770	28,419
Female	N.	9,524	9,107
Other	N.	-	-
Not disclosed	N.	1	1
<b>Blue collars</b>	<b>N.</b>	<b>14,310</b>	<b>14,030</b>
Men	N.	12,901	12,667
Female	N.	1,409	1,363
Other	N.	-	-
Not disclosed	N.	-	-
<b>Pilots</b>	<b>N.</b>	<b>50</b>	<b>50</b>
Men	N.	50	50
Female	N.	-	-
Other	N.	-	-
Not disclosed	N.	-	-
<b>Employees by Country and gender</b>	<b>Unit</b>	<b>2025</b>	<b>2024</b>
<b>Italy</b>	<b>N.</b>	<b>38,320</b>	<b>36,704</b>
Men	N.	31,272	30,024
Female	N.	7,047	6,679
Other	N.	-	-
Not disclosed	N.	1	1
<b>United States</b>	<b>N.</b>	<b>7,809</b>	<b>7,782</b>
Men	N.	5,766	5,742
Female	N.	2,043	2,040
Other	N.	-	-
Not disclosed	N.	-	-
<b>United Kingdom</b>	<b>N.</b>	<b>9,362</b>	<b>8,957</b>
Men	N.	7,336	7,042
Female	N.	2,026	1,915
Other	N.	-	-
Not disclosed	N.	-	-
<b>Poland</b>	<b>N.</b>	<b>3,301</b>	<b>3,300</b>
Men	N.	2,585	2,609
Female	N.	716	691
Other	N.	-	-
Not disclosed	N.	-	-
<b>Other countries</b>	<b>N.</b>	<b>3,970</b>	<b>3,725</b>
Men	N.	2,939	2,766
Female	N.	1,031	959
Other	N.	-	-
Not disclosed	N.	-	-

Note: Middle managers include Middle managers and Junior managers

<b>Characteristics of the undertaking's employees</b>			
<b>New employee hires</b>	<b>Unit</b>	<b>2025</b>	<b>2024</b>
<b>Total hires and gender breakdown</b>	<b>N.</b>	<b>6,666</b>	<b>7,434</b>
<b>Percentage of hires on total employees</b>	<b>%</b>	<b>11</b>	<b>12</b>
Men	N.	5,131	5,642
Female	N.	1,535	1,792
Other	N.	-	-
Not disclosed	N.	-	-
<b>Number of hires by Age group</b>		<b>6,666</b>	<b>7,434</b>
<b>Percentage of hires by Age group on total employees</b>	<b>%</b>	<b>11</b>	<b>12</b>
< 30 years	N.	3,478	3,757
30-50 years	N.	2,619	2,978
> 50 years	N.	569	699
<b>Number of hires by Country</b>		<b>6,666</b>	<b>7,434</b>
<b>Percentage of hires by Country on total employees</b>	<b>%</b>	<b>11</b>	<b>12</b>
Italy	N.	3,237	3,246
United States	N.	1,227	1,437
United Kingdom	N.	1,211	1,426
Poland	N.	193	538
Other countries	N.	798	787
<b>Number of employees hired with a technical-scientific degree (STEM)</b>		<b>2,891</b>	<b>3,161</b>
Men	N.	2,272	2,428
Female	N.	619	733
Other	N.	-	-
Not disclosed	N.	-	-
<b>Employee turnover</b>	<b>Unit</b>	<b>2025</b>	<b>2024</b>
<b>Total employees leaving and gender breakdown</b>	<b>N.</b>	<b>4,397</b>	<b>3,922</b>
<b>Percentage of employees leaving on total employees</b>	<b>%</b>	<b>7</b>	<b>6</b>
Men	N.	3,426	3,089
Female	N.	971	833
Other	N.	-	-
Not disclosed	N.	-	-
<b>Number of employees leaving by Age group</b>		<b>4,397</b>	<b>3,922</b>
<b>Percentage of employees leaving by Age group on total employees</b>	<b>%</b>	<b>7</b>	<b>6</b>
< 30 years	N.	1,091	855
30-50 years	N.	1,587	1,217
> 50 years	N.	1,719	1,850
<b>Number of employees leaving by Country</b>		<b>4,397</b>	<b>3,922</b>
<b>Percentage of employees leaving by Country on total employees</b>	<b>%</b>	<b>7</b>	<b>6</b>
Italy	N.	1,611	1,432
United States	N.	1,195	960
United Kingdom	N.	807	780
Poland	N.	193	149
Other countries	N.	591	601
<b>Number of employees leaving by Category</b>		<b>4,397</b>	<b>3,922</b>
<b>Percentage of employees leaving by Category on total employees</b>	<b>%</b>	<b>7</b>	<b>6</b>
Managers	N.	108	133
Middle managers	N.	590	545
White collars	N.	2,792	2,411
Blue collars	N.	907	832
Pilots	N.	-	1

NOTE: hiring data do not include the increase in headcount related to acquisitions

Training and skills development metrics			
Average hours of training per employee by age group	Unit	2025	2024
< 30 years	hours	38.0	38.7
30-50 years	hours	27.7	23.3
> 50 years	hours	18.1	15.7
N. employees who received training	Unit	2025	2024
N. employees who received training in the reporting period	n.	60,973	54,800
Average hours of training per employee by mandatory	Unit	2025	2024
Total average training hours by mandatory	hours	26.19	24.13
Mandatory training	hours	12.3	12.8
Non mandatory training	hours	13.9	10.2

Employees assessed by category	Unit	2025	2024
Managers	N.	1,153	1,107
	%	92	88
Middle managers	N.	7,130	6,967
	%	91	92
White collars	N.	32,468	30,149
	%	83	80
Blue collars	N.	2,389	2,797
	%	17	20

NOTE:Data includes part time employees

Remuneration metrics					
Gender pay gap	First quarter	Second quarter	Third quarter	Last quarter	Total
Men	81%	76%	78%	84%	80%
Female	19%	24%	22%	16%	20%
<b>2025 remuneration ratio</b>	<b>93%</b>	<b>99%</b>	<b>101%</b>	<b>98%</b>	<b>98%</b>

First quartile: employees with higher remuneration

Second quartile: employees with medium-high remuneration

Third quartile: employees with low-medium remuneration

Fourth quartile: employees with lower remuneration

Remuneration ratio is calculated on 94.8% of employees using the following formula: women average remuneration/men average remuneration. The total median value of the remuneration ratio is 104%. 10% of employees with the highest remuneration is composed of 18% women and 82% men.

Remuneration metrics			
Gender pay gap by category	Unit	2025	
Managers	%	91	
Middle managers	%	95	
White collars	%	92	
Blue collars	%	96	

Diversity and equal opportunities			
Diversity of governance bodies	Unit	2025	2024
Composition of governance bodies by gender and age			
Men	%	58	58
Female	%	42	42
Other	%	-	-
Not disclosed	%	-	-
< 30 years	%	-	-
30-50 years	%	25	25
> 50 years	%	75	75

## Content Index

### ESRS CONTENT INDEX

ESRS	Disclosure Requirement	Location	Datapoints that derive from other EU legislation as listed in Appendix B, if applicable
<b>ESRS 2 - General Disclosures</b>			
GOV 1	The role of the administrative, management and supervisory bodies	In 2025 Leonardo’s Board of Directors received an update on the development of the Strategic Plan, supervising, on this occasion, any issues related to business development, including the strategy in information security and cyber security, and ongoing activities and prospects in this area.  General information – Governance Governance Information - The role of the administrative, management and supervisory bodies	ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d) - <i>SFDR reference</i> : Indicator number 13 of Table #1 of Annex 1 - <i>Benchmark Regulation reference</i> : Commission Delegated Regulation (EU) 2020/1816, Annex II  ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e) - <i>Benchmark Regulation reference</i> : Delegated Regulation (EU) 2020/1816, Annex II
GOV 2	Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	General information - Governance	
GOV 3	Integration of sustainability-related performance in incentive schemes	General information - Governance	
GOV 4	Statement on due diligence	The sustainability indicators in the 2025 remuneration policy (MBO and LTIP sections) are reported below: MBO > Inclusion in the Dow Jones Sustainability Index: Inclusion in the 2025 index. > Injury rate: 1.93 in 2025. LTIP > Scope 1 + Scope 2 (Location Based) CO2 emission intensity / Revenues: 22.6 in 2024, 19.13 in 2025. > CO2 emission intensity Scope 1 + Scope 2 (Market Based) / Revenues: 12.2 in 2025. > % of female STEM degree hires out of total STEM degree hires: 22% in 2023-2025.  General information - Governance	ESRS 2 GOV-4 Statement on due diligence paragraph 30 - <i>SFDR reference</i> : Indicator number 10 Table #3 of Annex 1
GOV 5	Risk management and internal controls over sustainability reporting	General information - Governance	
SBM 1	Market position, strategy, business model and value chain	Leonardo S.p.A. has its registered office at Piazza Monte Grappa, 4 - Rome (Italy)  General information – Strategy and stakeholder engagement  In terms of capital allocation, Leonardo achieved its 2025 target of having over 50% of investments supporting the SDGs out of a total investment value of approximately €1 billion, including capitalized R&D, capital expenditures (Capex), tooling, and other intangible investments. In particular, the main impacts of the investments identified are related to SDG 9 “Industry, Innovation & Infrastructure,” SDG 8 “Decent work and economic growth” and SDG 13 “Climate Action”, providing a direct contribution to the promotion of sustainable industrialisation and technological innovation and the adoption of concrete strategies to reduce emissions, improve energy efficiency and strengthen resilience to climate impacts throughout the entire value chain.	ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i - <i>SFDR reference</i> : Indicators number 4 Table #1 of Annex 1 - <i>Pillar 3 reference</i> : Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk - <i>Benchmark Regulation reference</i> : Delegated Regulation (EU) 2020/1816, Annex II  ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii - <i>SFDR reference</i> : Indicator number 9 Table #2 of Annex 1 - <i>Benchmark Regulation reference</i> : Delegated Regulation (EU) 2020/1816, Annex II  ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii - <i>SFDR reference</i> : Indicator number 14 Table #1 of Annex 1 - <i>Benchmark Regulation reference</i> : Delegated Regulation (EU) 2020/181829, Article

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			12(1) Delegated Regulation (EU) 2020/1816, Annex II  ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv - <i>Benchmark Regulation reference</i> : Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II
SBM 2	Interests and views of stakeholders	In 2025, membership fees for trade associations, industry and business support organisations, technical interest bodies and think tanks totalled approximately €mil. 5.4 (approx €mil. 5.5 in 2024, approx. €mil. 5.7 in 2023, approx. €mil. 5.3 in 2022, approx. €mil. 5.8 in 2021, approx. €mil. 5.2 in 2020, approx. €mil. 5 in 2019 and approx. €mil. 5 in 2018). In particular, the most significant contributions in 2025 concerned Confindustria (associated local bodies) for €mil. 2.5, AIAD (Italian Industry Federation for Aerospace, Defence and Security) for €mil. 1.19 and Gama (General Aviation Manufacturers Association) for 198K€.  General information – Strategy and stakeholder engagement	
SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	General information – Managing impacts, risks and opportunities - double materiality	ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f) - <i>SFDR reference</i> : Indicator number 13 Table #3 of Annex I  ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g) - <i>SFDR reference</i> : Indicator number 12 Table #3 of Annex I  ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b) - <i>SFDR reference</i> : Indicators numbers 12 and 13 Table #3 of Annex I
IRO 1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	General information – Managing impacts, risks and opportunities - double materiality	ESRS 2- IRO 1 - E4 paragraph 16 (a) i - <i>SFDR reference</i> : Indicator number 7 Table #1 of Annex 1  ESRS 2- IRO 1 - E4 paragraph 16 (b) - <i>SFDR reference</i> : Indicator number 10 Table #2 of Annex 1  ESRS 2- IRO 1 - E4 paragraph 16 (c) - <i>SFDR reference</i> : Indicator number 14 Table #2 of Annex 1
IRO 2	Disclosure Requirements in ESRS covered by the undertaking’s sustainability statement.	General information – Managing impacts, risks and opportunities - double materiality	
MDR	Minimum disclosure requirement on policies, actions, metrics and targets (MDR-P, MDR-A, MDR-M, MDR-T)	Implementation of policies is, in general, the responsibility of Managing Directors, heads of Business Units, and CEOs of subsidiaries identified by the Board of Directors. In particular, the identification of roles and responsibilities is described in specific procedures of the integrated management system that Leonardo has adopted.	
<b>Material topics</b>			
<b>Climate Change</b>			
ESRS E1	E1-1 Transition plan for climate change mitigation	With regard to “locked-in” emissions, the company is currently evaluating and aligning its in-house methodologies and data collection practices to meet the additional information required by the ESRS standard. Although the necessary information is not yet available, we are committed to making progress toward full alignment with the reporting requirements in the future.  Environmental information – Climate change and decarbonisation – Materiality and Leonardo approach	ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14 - <i>EU Climate Law reference</i> : Regulation (EU) 2021/1119, Article 2(1)  ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g) - <i>Pillar 3 reference</i> : 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity - <i>Benchmark Regulation reference</i> : Article 12.1 (d) to (g), and Article 12.2

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E1-2 Policies related to climate change mitigation and adaptation	General information – Sustainability management policy	
E1-3 Actions and resources in relation to climate change policies	Environmental information – Climate change and decarbonisation – Managing impacts, risks and opportunities	
E1-4 Targets related to climate change mitigation and adaptation	Environmental information – Climate change and decarbonisation – Metrics and targets General information – Strategy and stakeholder engagement General information – Strategy and stakeholder engagement – Sustainability goals	ESRS E1-4 GHG emission reduction targets paragraph 34 - <i>SFDR reference</i> : Indicator number 4 Table #2 of Annex 1 - <i>Pillar 3 reference</i> : Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics - <i>Benchmark Regulation reference</i> : Delegated Regulation (EU) 2020/1818, Article 6
E1-5 Energy consumption and mix	Environmental information – Climate change and decarbonisation – Metrics and targets	ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38 - <i>SFDR reference</i> : Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1  ESRS E1-5 Energy consumption and mix paragraph 37 - <i>SFDR reference</i> : Indicator number 5 Table #1 of Annex 1  ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 - <i>SFDR reference</i> : Indicator number 6 Table #1 of Annex 1
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	<p>With regards to other indirect Scope 3 emissions (calculated in accordance with the Greenhouse Protocol), an analysis was made of the Group's activities with the greatest impact in terms of emissions, following which the reporting categories were identified.</p> <p>Based on the data collected, the calculation of GHG emissions generated by the Group involved the application of literature emission factors (GHG Emission = Primary Data * Emission Factor).</p> <p>Emissions associated with the purchase of goods and services and capital goods (category 1 and 2 respectively) were calculated using a spend-based approach using the value of orders and delivery schedules as input data. Category 3 emissions were calculated from the same input data as Scope 1 and 2 emissions. With regard to inbound (category 4) and outbound (category 9) logistics, the primary data relate to kilometres travelled with the relevant means of transport from the system for monitoring purchases and products sold. The emissions associated with waste treatment/disposal (category 5) have as input data the total by weight of waste produced during the year. With regard to the journey to work (category 7) and business trips (category 6), kilometres travelled by specific means of transport were taken into account. For the calculation of emissions related to the use of the product sold (category 11), delivery volumes, consumption, usage times and useful life of the products sold were considered. Finally, emissions relating to leased goods outside the organisational perimeter were also calculated from the leasing data of the short-term car fleet.</p> <p>The emission factors used for the calculation are shown below.</p> <p>In addition, the calculation methodologies for Scope 3 greenhouse gas emissions are subject to greater inherent limitations than those for Scope 1 and 2, due to the limited availability and relative accuracy of the information used to define this information, both quantitative and qualitative in nature, relating to the value chain.</p> <p>Scope 1 Source of emission factors: &gt; UNFCCC - National Inventory Submissions 2024 &gt; IPCC AR6 - Sixth assessment report 2024 &gt; Table of national standard parameters (MASE) 2024 &gt; AIMS Energy Article 2018 &gt; Australian National Greenhouse accounts factors 2025</p> <p>Scope 2 Source of emission factors: &gt; Location Based Sources: • AIB - Association of Issuing Bodies - European Residual Mixes 2024;</p>	<p>ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44 - <i>SFDR reference</i>: Indicators number 1 and 2 Table #1 of Annex 1 - <i>Pillar 3 reference</i>: Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity - <i>Benchmark regulation reference</i>: Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)</p> <p>ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55 - <i>SFDR reference</i>: Indicators number 3 Table #1 of Annex 1 - <i>Pillar 3 reference</i>: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics - <i>Benchmark regulation reference</i>: Delegated Regulation (EU) 2020/1818, Article 8(1)</p>

	<ul style="list-style-type: none"> <li>• Terna – Enerdata 2022</li> <li>• EPA - United States Environmental Protection Agency – eGRID 2022;</li> <li>• Australian National Greenhouse Accounts Factors 2025;</li> </ul> <p>&gt; Market Based Sources:</p> <ul style="list-style-type: none"> <li>• AIB - Association of Issuing Bodies - European Residual Mixes 2024;</li> <li>• 2023 Green-e Energy Residual Mix Emissions Rates;</li> <li>• Climate Transparency 2022;</li> <li>• Terna – Enerdata 2022;</li> <li>• Australian National Greenhouse Accounts Factors 2025;</li> </ul> <p>&gt; Location Based District Heating, Source: UK Government GHG Conversion Factors for Company Reporting (DEFRA 2023). &gt; Market Based District Heating, Source: site’s providers.</p> <p>Scope 3 Source of emission factors: &gt; GHG Protocol - Emission factors from cross sector tools 2024; &gt; DEFRA - GHG Conversion Factors for Company Reporting 2025; &gt; DEFRA - GHG Conversion Factors for Company Reporting 2021; &gt; UNFCCC – National Inventory Submissions 2024; &gt; Australian National Greenhouse accounts factors 2025. &gt; SBT Aviation Guideline; &gt; Terna Enerdata 2022;</p> <p>&gt; IPCC AR6 - Sixth assessment report 2024 &gt; IAEG emissions factors available in the calculation tool IAEG v2.2.</p> <p>With reference to the levers for reducing Scope 3 emissions, in some cases their contribution is only available in qualitative terms.</p> <p>All GHG emissions, including those in all Scope 3 categories, are subject to the limited assurance engagement of the external auditor, in line with what is reported in the section on the “Auditor’s Report on the RCS as at 31 December 2025”.</p> <p>Environmental information – Climate change and decarbonisation – Metrics and targets</p>	
E1-7 GHG removals and GHG mitigation projects financed through carbon credits	Environmental information – Climate change and decarbonisation – Metrics and targets	ESRS E1-7 GHG removals and carbon credits paragraph 56 - <i>EU Climate Law reference</i> : Regulation (EU) 2021/1119, Article 2(1)
E1-8 Internal carbon pricing	Environmental information – Climate change and decarbonisation – Metrics and targets	
E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Leonardo has decided to use the phase-in clause for this Disclosure, as required by ESRS 1 “Appendix C: List of phased-in Disclosure Requirements”.	<p>ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66 - <i>Benchmark regulation reference</i>: Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II</p> <p>ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c). - <i>Pillar 3 reference</i>: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.</p> <p>ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c). - <i>Pillar 3 reference</i>: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -</p>

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			Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral  ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69 - <i>Benchmark regulation reference:</i> Delegated Regulation (EU) 2020/1818, Annex II
<b>Natural resource management and biodiversity</b>			
ESRS E2	E2-1 Policies related to pollution	General information – Sustainability management policy	
	E2-2 Actions and resources related to pollution	Environmental information – Pollution – Managing impacts, risks and opportunities	
	E2-3 Targets related to pollution	Environmental information – Pollution – Metrics and targets	
	E2-4 Pollution of air, water and soil	During 2025, 9 environmental incidents occurred, which were mainly attributable to leaks. These included, in particular, 2 F-Gas leaks at the Villaputzu site (1 of R-407C GAS estimated at 40 kg and 1 of R-32 GAS estimated at 25 Kg). In addition, 3 violations of health and safety regulations were reported by the supervisory bodies, resulting in monetary penalties amounting to €7,918.  In 2025, the amount of Volatile Organic Compounds (VOCs) produced by Leonardo’s activities will amount to 198.2 tons (146.3 tons in 1014).  Environmental information – Pollution – Metrics and targets	ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 - <i>SFDR reference:</i> Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1
	E2-5 Substances of concern and substances of very high concern	Environmental information – Pollution – Metrics and targets	
	E2-6 Anticipated financial effects from pollution-related impacts, risks and opportunities	Leonardo has decided to use the phase-in clause for this Disclosure Requirement, as required by ESRS 1 “Appendix C: List of phased-in Disclosure Requirements”.  Environmental information – Pollution – Metrics and targets	
ESRS E3	E3-1 Policies related to water and marine resources	General information – Sustainability management policy	ESRS E3-1 Water and marine resources paragraph 9 - <i>SFDR reference:</i> Indicator number 7 Table #2 of Annex 1  ESRS E3-1 Dedicated policy paragraph 13 - <i>SFDR reference:</i> Indicator number 8 Table 2 of Annex 1  ESRS E3-1 Sustainable oceans and seas paragraph 14 - <i>SFDR reference:</i> Indicator number 12 Table #2 of Annex 1
	E3-2 Actions and resources related to water and marine resources	Environmental information – Water and marine resources – Managing impacts, risks and opportunities	
	E3-3 Targets related to water and marine resources	Environmental information – Water and marine resources – Metrics and targets	
	E3-4 Water consumption	Environmental information – Water and marine resources – Metrics and targets	ESRS E3-4 Total water recycled and reused paragraph 28 (c) - <i>SFDR reference:</i> Indicator number 6.2 Table #2 of Annex 1  ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29 - <i>SFDR reference:</i> Indicator number 6.1 Table #2 of Annex 1
	E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Leonardo has decided to use the phase-in clause for this Disclosure Requirement, as required by ESRS 1 “Appendix C: List of phased-in Disclosure Requirements”.  Environmental information – Water and marine resources – Metrics and targets	
ESRS E4	E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Environmental information – Biodiversity and ecosystems – Materiality and Leonardo approach	

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	E4-2 Policies related to biodiversity and ecosystems	General information – Sustainability management policy	ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b) - <i>SFDR reference</i> : Indicator number 11 Table #2 of Annex 1  ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c) - <i>SFDR reference</i> : Indicator number 12 Table #2 of Annex 1  ESRS E4-2 Policies to address deforestation paragraph 24 (d) - <i>SFDR reference</i> : Indicator number 15 Table #2 of Annex 1
	E4-3 Actions and resources related to biodiversity and ecosystems	The assessment of impacts and dependencies was carried out on a desk basis. The detailed analysis of the industrial activities that generate these impacts and dependencies is being refined. Following this further step, possible mitigation actions can be defined.  Environmental information – Biodiversity and ecosystems – Managing impacts, risks and opportunities	
	E4-4 Targets related to biodiversity and ecosystems	Environmental information – Biodiversity and ecosystems – Metrics	
	E4-5 Impact metrics related to biodiversity and ecosystems change	Environmental information – Biodiversity and ecosystems – Metrics	
	E4-6 Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Leonardo has decided to use the phase-in clause for this Disclosure Requirement, as required by ESRS 1 “Appendix C: List of phased-in Disclosure Requirements”.  Environmental information – Biodiversity and ecosystems – Metrics	
<b>Environmental impact of material use and circularity</b>			
	E5-1 Policies related to resource use and circular economy	General information – Sustainability management policy	
	E5-2 Actions and resources related to resource use and circular economy	Environmental information – Use of resources and circular economy – Managing impacts, risks and opportunities	
	E5-3 Targets related to resource use and circular economy	Environmental information – Use of resources and circular economy – Metrics and targets General information – Strategy and stakeholder engagement – Sustainability goals	
ESRS E5	E5-4 Resource inflows	In 2025, Leonardo consumed approximately 16.6 ktonne of raw materials (compared to 26.7 ktonne in 2024), including: - approximately 3.9 kton of iron and steel alloys (10.4 kton in 2024); - approximately 12.7 kton of semi-finished products (6.9 kton in 2024).  Data relating to the total weight of products and technical and biological materials used increased in 2025, partially due to refinements in calculation methods.  Environmental information – Use of resources and circular economy – Metrics and targets	
	E5-5 Resource outflows	Leonardo's targets on waste reduction were set on a voluntary basis.  Environmental information – Use of resources and circular economy – Metrics and targets	ESRS E5-5 Non-recycled waste paragraph 37 (d) - <i>SFDR reference</i> : Indicator number 13 Table #2 of Annex 1  ESRS E5-5 Hazardous waste and radioactive waste paragraph 39 - <i>SFDR reference</i> : Indicator number 9 Table #1 of Annex 1
	E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Leonardo has decided to use the phase-in clause for this Disclosure Requirement, as required by ESRS 1 “Appendix C: List of phased-in Disclosure Requirements”. Environmental information – Use of resources and circular economy – Metrics and targets	
<b>Health and safety</b>			
ESRS S1	S1-1 Policies related to own workforce	General information – Sustainability management policy	ESRS S1-1 Human rights policy commitments paragraph 20 - <i>SFDR reference</i> : Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I  ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 - <i>Benchmark regulation reference</i> : Delegated Regulation (EU) 2020/1816, Annex II

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			<p>ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22                      - <i>SFDR reference</i>: Indicator number 11 Table #3 of Annex I</p> <p>ESRS S1-1 workplace accident prevention policy or management system paragraph 23                      - <i>SFDR reference</i>: Indicator number 1 Table #3 of Annex I</p>
S1-2 Processes for engaging with own workers and representatives about impacts	Social information – Own workforce – Managing impacts, risks and opportunities		
S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	Social information – Own workforce – Managing impacts, risks and opportunities		<p>ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)                      - <i>SFDR reference</i>: Indicator number 5 Table #3 of Annex I</p>
S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Social information – Own workforce – Managing impacts, risks and opportunities		
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social information – Own workforce – Metrics and targets		
S1-14 Health and safety metrics	Social information – Own workforce – Metrics and targets		<p>ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)                      - <i>SFDR reference</i>: Indicator number 2 Table #3 of Annex I                      - <i>Benchmark regulation reference</i>: Delegated Regulation (EU) 2020/1816, Annex II</p> <p>ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)                      - <i>SFDR reference</i>: Indicator number 3 Table #3 of Annex I</p>
S1-15 Work-life balance metrics	In Italy, the fully-paid secondary parental leave is 10 days. Leonardo offers 1 additional day of fully-paid secondary parental leave. In contrast, in the United Kingdom, and Poland, the fully-paid secondary parental leave is 2 weeks. In the United States, parental leave is guaranteed by the Family and Medical Leave Act (FMLA), which entitles employees to up to 12 weeks of <i>unpaid</i> leave with job protection. However, remuneration is at the discretion of each federal state and/or the employer. Leonardo DRS offers two weeks of fully-paid secondary parental leave.  Social information - Own workforce - Metrics and targets		
S1-17 Incidents, complaints and severe human rights impacts	Social information - Own workforce - Metrics and targets Governance Information – Business conduct - Whistleblowing		<p>ESRS S1-17 Incidents of discrimination paragraph 103 (a)                      - <i>SFDR reference</i>: Indicator number 7 Table #3 of Annex I</p> <p>ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)                      - <i>SFDR reference</i>: Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I                      - <i>Benchmark regulation reference</i>: Delegated Regulation (EU) 2020/1816, Annex II                      Delegated Regulation (EU) 2020/1818 Art 12 (1)</p>
<b>Diversity, equity and inclusion</b>			
ESRS S1	S1-1 Policies related to own workforce	General information – Sustainability management policies	<p>ESRS S1-1 Human rights policy commitments paragraph 20                      - <i>SFDR reference</i>: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I</p> <p>ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21                      - <i>Benchmark regulation reference</i>: Delegated Regulation (EU) 2020/1816, Annex II</p> <p>ESRS S1-1 processes and measures for preventing trafficking in human beings</p>

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			<p>paragraph 22 - <i>SFDR reference</i>: Indicator number 11 Table #3 of Annex I</p> <p>ESRS S1-1 workplace accident prevention policy or management system paragraph 23 - <i>SFDR reference</i>: Indicator number 1 Table #3 of Annex I</p>
	S1-2 Processes for engaging with own workers and representatives about impacts	Social information – Own workforce – Managing impacts, risks and opportunities	
	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	Social information – Own workforce – Managing impacts, risks and opportunities	ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c) - <i>SFDR reference</i> : Indicator number 5 Table #3 of Annex I
	S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Social information – Own workforce – Managing impacts, risks and opportunities	
	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social information – Own workforce – Metrics and targets	
	S1-9 Diversity metrics	Social information – Own workforce – Metrics and targets	
	S1-12 Persons with disabilities	Social information – Own workforce – Metrics and targets	
ESRS S2	S2-2 Processes for engaging with value chain workers about impacts	Social information – Workers in the value chain – Materiality and Leonardo approach	
<b>Skills development, talent attraction and employee wellbeing</b>			
ESRS S1	S1-1 Policies related to own workforce	<p>In Italy the rules governing permits and leave to protect maternity and paternity are mainly laid down in Legislative Decree 151/2001. For metalworking companies, the matter is also governed by the current National Collective Labour Agreement (CCNL). Specific better provisions on the subject for Leonardo employees are also laid down in the current Company Supplementary Agreement.</p> <p>General information – Sustainability management policy</p>	<p>ESRS S1-1 Human rights policy commitments paragraph 20 - <i>SFDR reference</i>: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I</p> <p>ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 - <i>Benchmark regulation reference</i>: Delegated Regulation (EU) 2020/1816, Annex II</p> <p>ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22 - <i>SFDR reference</i>: Indicator number 11 Table #3 of Annex I</p> <p>ESRS S1-1 workplace accident prevention policy or management system paragraph 23 - <i>SFDR reference</i>: Indicator number 1 Table #3 of Annex I</p>
	S1-2 Processes for engaging with own workers and representatives about impacts	Social information – Own workforce – Managing impacts, risks and opportunities	
	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	Social information – Own workforce – Managing impacts, risks and opportunities	ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c) - <i>SFDR reference</i> : Indicator number 5 Table #3 of Annex I
	S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	In 2025 voluntary resignation schemes accounted for 3.1% of total employees.  Social information – Own workforce – Managing impacts, risks and opportunities	

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	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social information – Own workforce – Metrics and targets	
	S1-7 Characteristics of non-employee workers in the undertaking's own workforce	Social information – Own workforce – Metrics and targets	
	S1-13 Training and skills development metrics	Social information – Own workforce – Metrics and targets	
	S1-16 Compensation metrics (pay gap and total compensation)	In 2025 the total compensation of the CEO increased by 14% compared to 2024 while the median total compensation of employees increased by 6%.  For the calculation, remuneration received by CEO-GM and the employees during the year, valued on a cash basis, was used.  Social information – Own workforce – Metrics and targets	ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a) - <i>SFDR reference</i> : Indicator number 12 Table #1 of Annex I - <i>Benchmark regulation reference</i> : Delegated Regulation (EU) 2020/1816, Annex II
ESRS S3	S3-1 Policies related to affected communities	General information – Sustainability management policy	ESRS S3-1 Human rights policy commitments paragraph 16 - <i>SFDR reference</i> : Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1  ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17 - <i>SFDR reference</i> : Indicator number 10 Table #1 Annex 1 - <i>Benchmark regulation reference</i> : Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)
	S3-2 Processes for engaging with affected communities about impacts	Social information – Value for communities and social impact – Materiality and Leonardo approach	
	S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	Social information – Value for communities and social impact – Managing impacts, risks and opportunities	
	S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Social information – Value for communities and social impact – Managing impacts, risks and opportunities	ESRS S3-4 Human rights issues and incidents paragraph 36 - <i>SFDR reference</i> : Indicator number 14 Table #3 of Annex 1
	S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Leonardo has not set targets on these issues for the time being.	
<b>Global security</b>			
ESRS S3	S3-1 Policies related to affected communities	General information – Sustainability management policy	ESRS S3-1 Human rights policy commitments paragraph 16 - <i>SFDR reference</i> : Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1  ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17 - <i>SFDR reference</i> : Indicator number 10 Table #1 Annex 1 - <i>Benchmark regulation reference</i> : Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)
	S3-2 Processes for engaging with affected communities about impacts	Social information – Value for communities and social impact – Materiality and Leonardo approach	
	S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	Social information – Value for communities and social impact – Managing impacts, risks and opportunities	
	S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities	Social information – Value for communities and social impact – Managing impacts, risks and opportunities	ESRS S3-4 Human rights issues and incidents paragraph 36 - <i>SFDR reference</i> : Indicator number 14 Table #3 of Annex 1

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	related to affected communities, and effectiveness of those actions		
	S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Leonardo has not set targets on these issues for the time being.	
<b>Solutions' quality, safety and performance</b>			
ESRS S4	S4-1 Policies related to consumers and end-users	General information – Sustainability management policy	ESRS S4-1 Policies related to consumers and end-users paragraph 16 - <i>SFDR reference</i> : Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1  ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17 - <i>SFDR reference</i> : Indicator number 10 Table #1 of Annex 1 - <i>Benchmark regulation reference</i> : Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)
	S4-2 Processes for engaging with consumers and end-users about impacts	Social information – Consumers and end-users – Managing impacts, risks and opportunities	
	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	The process for handling complaints is as described in the whistleblowing section.  Social information – Consumers and end-users – Managing impacts, risks and opportunities	
	S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Social information – Consumers and end-users – Managing impacts, risks and opportunities	ESRS S4-4 Human rights issues and incidents paragraph 35 - <i>SFDR reference</i> : Indicator number 14 Table #3 of Annex 1
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Leonardo has not set targets on these issues for the time being.	
<b>Protection of human rights</b>			
ESRS S1	S1-1 Policies related to own workforce	General information – Sustainability management policy	ESRS S1-1 Human rights policy commitments paragraph 20 - <i>SFDR reference</i> : Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I  ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 - <i>Benchmark regulation reference</i> : Delegated Regulation (EU) 2020/1816, Annex II  ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22 - <i>SFDR reference</i> : Indicator number 11 Table #3 of Annex I  ESRS S1-1 workplace accident prevention policy or management system paragraph 23 - <i>SFDR reference</i> : Indicator number 1 Table #3 of Annex I
	S1-2 Processes for engaging with own workers and representatives about impacts	Social information – Own workforce – Managing impacts, risks and opportunities	
	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	Social information – Own workforce – Managing impacts, risks and opportunities	ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c) - <i>SFDR reference</i> : Indicator number 5 Table #3 of Annex I
	S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Social information – Own workforce – Managing impacts, risks and opportunities	

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	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social information – Own workforce – Metrics and targets General Information – Strategy and stakeholder engagement – Sustainability goals	
	S1-8 Collective bargaining coverage and social dialogue	Social information – Own workforce – Metrics and targets	
	S1-10 Adequate wages	Social information – Own workforce – Materiality and Leonardo approach	
	S1-11 Social protection	Social information – Own workforce – Materiality and Leonardo approach	
	S1-17 – Incidents, complaints, and serious impacts on human rights	Social information – Own workforce – Metrics and targets	ESRS S1-17 Discrimination-related incidents, paragraph 103(a) - SFDR reference: Annex I, Table 3, indicator No. 7 ESRS S1-17 Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD, paragraph 104(a)
ESRS S2	S2-1 Policies related to value chain workers	General information – Sustainability management policy	ESRS S2-1 Human rights policy commitments paragraph 17 - <i>SFDR reference</i> : Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1  ESRS S2-1 Policies related to value chain workers paragraph 18 - <i>SFDR reference</i> : Indicator number 11 and n. 4 Table #3 of Annex 1  ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines - <i>SFDR reference</i> : Indicator number 10 Table #1 of Annex 1 - <i>Benchmark regulation reference</i> : Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)  ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 - <i>Benchmark regulation reference</i> : Delegated Regulation (EU) 2020/1816, Annex II
	S2-2 Processes for engaging with value chain workers about impacts	Social information – Workers in the value chain – Materiality and Leonardo approach	
	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	Social information – Workers in the value chain – Managing impacts, risks and opportunities	
	S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Social information – Workers in the value chain – Managing impacts, risks and opportunities	ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36 - <i>SFDR reference</i> : Indicator number 14 Table #3 of Annex 1
	S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social information – Supply chain development – Metrics and targets	
<b>Creating value for society</b>			
ESRS S3	S3-1 Policies related to affected communities	General information – Sustainability management policy  See also chapters “General Information”, paragraph “Due Diligence” and “Social Information”, paragraph “Consumers and End Users”.	ESRS S3-1 Human rights policy commitments paragraph 16 - <i>SFDR reference</i> : Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1  ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17 - <i>SFDR reference</i> : Indicator number 10 Table #1 Annex 1 - <i>Benchmark regulation reference</i> : Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)
	S3-2 Processes for engaging with affected communities about impacts	Social information – Value for communities and social impact – Materiality and Leonardo approach	

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	S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	Social information – Value for communities and social impact – Managing impacts, risks and opportunities	
	S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Social information – Value for communities and social impact – Materiality and Leonardo approach	ESRS S3-4 Human rights issues and incidents paragraph 36 - SFDR reference: Indicator number 14 Table #3 of Annex 1
	S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Leonardo has not set targets on these issues for the time being.	
<b>Cyber security, resilience and data protection</b>			
ESRS S3	S3-2 Processes for engaging with affected communities about impacts	Social information – Workers in the value chain - Materiality and Leonardo approach	
	S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Social information – Workers in the value chain – Managing impacts, risks and opportunities	ESRS S3-4 Human rights issues and incidents paragraph 36 - SFDR reference: Indicator number 14 Table #3 of Annex 1
ESRS S4	S4-1 Policies related to consumers and end-users	General information – Sustainability management policy	ESRS S4-1 Policies related to consumers and end-users paragraph 16 - SFDR reference: Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1  ESRS S4-1 Non-respect of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines paragraph 17 - SFDR reference: Indicator number 10 Table #1 of Annex 1 - Benchmark regulation reference: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)
	S4-2 Processes for engaging with consumers and end-users about impact	Social information – Workers in the value chain – Materiality and Leonardo approach	
	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Social information – Workers in the value chain – Managing impacts, risks and opportunities	
<b>Business integrity, compliance and anticorruption</b>			
ESRS G1	G1-1 Corporate culture and business conduct policies and corporate culture	Governance information – Business conduct – Managing impacts, risks and opportunities	ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b) - SFDR reference: Indicator number 15 Table #3 of Annex 1  ESRS G1-1 Protection of whistle- blowers paragraph 10 (d) - SFDR reference: Indicator number 6 Table #3 of Annex 1
	G1-2 Management of relationships with suppliers	For the disclosure of this DR, please refer to Social information – Workers in the value chain and to Social information – Supply chain development	
	G1-3 Prevention and detection of corruption and bribery	In 2025, work also continued on anti-corruption training, including for newly hired employees, with a course utilization rate equal to 50% of users.  There were no legal actions related to unfair competition, antitrust and monopolistic practices during 2025. In case of harassment, disciplinary actions ranging from verbal warning to dismissal are envisaged, depending on its severity,  Governance information – Business conduct – Managing impacts, risks and opportunities.	
	G1-4 Confirmed incidents of corruption or bribery	Governance information – Business conduct – Managing impacts, risks and opportunities.	ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a) - SFDR reference: Indicator number 17 Table #3 of Annex 1 - Benchmark regulation reference: Delegated Regulation (EU) 2020/1816, Annex II)

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			ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b) - <i>SFDR reference</i> : Indicator number 16 Table #3 of Annex 1
	G1-5 Political influence and lobbying activities	As provided for in Leonardo’s Code of Ethics, the Company does not contribute company funds to political and trade union parties, movements, committees and organizations, or to their representatives and/or candidates; therefore, Leonardo did not pay any political contribution in 2024. The prohibition in the Code of Ethics on political contributions applies to all Group companies worldwide, including the United States. For more details, please see the Code of Ethics and Business conduct of Leonardo DRS. In the United States, where voluntary contributions to Political Action Committees (PACs) by employees are allowed, the operation of the PAC is supervised and monitored for legal compliance to ensure they are not used as vehicles for corruption.  Governance information – Business conduct – Managing impacts, risks and opportunities.	
	G1-6 Payment practices	Governance information – Business conduct – Managing impacts, risks and opportunities.	
<b>Competitiveness linked to ESG factors and market risk</b>			
ESRS G-1	G1-1 Business conduct policies and corporate culture	General information – Sustainability management policy	ESRS G1-1 UN Convention against corruption paragraph 10, letter b) - <i>SFDR reference</i> : Indicator number 15 Table #3 of Annex 1  ESRS G1-1 Protection of whistleblowers paragraph 10, letter d) - <i>SFDR reference</i> : Indicator number 6 Table #3 of Annex 1
	G1-2 Management of relationships with suppliers	For the disclosure of this DR, please refer to Business review – Strategy – Trend and vision	
<b>Research and development, innovation and advanced technologies</b>			
Minimum Disclosure Requirements	Policies MDR-P - Policies adopted to manage material sustainability matters	General information – Sustainability management policy	
	Actions MDR-A - Actions and resources in relation to material sustainability matters	Social information – Innovation	
	Metrics MDR-M – Metrics in relation to material sustainability matters	Social information – Innovation	
	Targets MDR-T - Tracking effectiveness of policies and actions through targets	Social information – Innovation General Information – Strategy and stakeholder engagement – Sustainability goals	
<b>Sustainable supply chain</b>			
Minimum Disclosure Requirements	Policies MDR-P - Policies adopted to manage material sustainability matters	General information – Sustainability management policy	
	Actions MDR-A - Actions and resources in relation to material sustainability matters	Social information – Value chain	
	Metrics MDR-M – Metrics in relation to material sustainability matters	Procurement processes and practices are continuously updated to ensure alignment with the Supplier Code of Conduct and to avoid any conflict situations with social and environmental requirements.  The Chief Sustainability Officer is responsible for the definition and implementation of the Sustainability Plan and the coordination of initiatives, including those relating to supply chain development. In addition, the Sustainability and Innovation Committee monitors the implementation of initiatives and the contribution to achieving the Group's sustainability goals.  Social information – Value chain	
	Targets MDR-T - Tracking effectiveness of policies and actions through targets	Social information – Value chain General information – Strategy and stakeholder engagement – Sustainability objectives and plan  With regard to the objectives related to the development of the value chain, the following methodological approaches are specified: 1. “% of suppliers with science-based emissions targets”: ratio between emissions associated with suppliers with science-based targets defined/validated in accordance with the SBTi framework and total emissions from suppliers in categories 1 and 2 of Scope 3; 2. Number of key suppliers to provide training on sustainability issues: number of key suppliers who have received at least €500K in orders in the reporting year and who have completed at least one training course on sustainability issues among those offered by Leonardo starting in 2024.	

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		3. “% (in value) of major new tenders awarded that include ESG criteria or requirements”: ratio of major tenders (value >= €1 million) awarded on the Ariba tender portal in the reporting year that include sustainability criteria to the total number of major tenders awarded.	
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## Due Diligence

<u>BASIC ELEMENTS OF DUE DILIGENCE</u>	<u>PARAGRAPHS IN SUSTAINABILITY REPORTING</u>
<b>a) Integrating due diligence into governance, strategy and business model</b>	General information - Statement on due diligence - Respect for human rights
<b>b) Involving stakeholders in all key steps of the due diligence</b>	General information - Statement on due diligence - Respect for human rights
<b>c) Identifying and assessing adverse impacts</b>	Social information – Own workforce, Value chain, Consumers and end users
<b>d) Taking action to address adverse impacts</b>	Social information – Own workforce, Value chain, Consumers and end users
<b>e) Monitoring the effectiveness of interventions and communicating</b>	Social information – Own workforce, Value chain, Consumers and end users

## SASB Content Index

Disclosure		Section/Notes
RT-AE-000.A	Production/trend by reportable segment	Profile Sector results and outlook
RT-AE-000.B	Number of employees	Own workforce
RT-AE-130a.1	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable	Climate change and decarbonisation
RT-AE-150a.1	Amount of hazardous waste generated percentage recycled	Resource use of and circular economy
RT-AE-150a.2	Number and aggregate quantity of reportable spills, quantity recovered	E2-4 Pollution of air, water and soil
RT-AE-230a.1	(1) Number of data breaches (2) percentage involving confidential information	Governance Business conduct
RT-AE-230a.2	Description of approach to identifying and addressing data security risks in (1) company operations and (2) products	Value chain Business conduct
RT-AE-250a.1	Number of recalls issued, total units recalled	Any measure issued to the in-service fleet, should there be a safety impact, is covered by the Authority with an Emergency Airworthiness Directive (see indicator RT-AE-250a.3).
RT-AE-250a.2	Number of counterfeit parts detected, percentage avoided	NA

RT-AE-250a.3	Number of Airworthiness Directives received, resulting in Emergency Airworthiness Directive, total units affected	<p>In the applicable businesses, Leonardo has Airworthiness Review processes in place to investigate any events with potential impact on the safety of its products and takes appropriate precautionary and/or corrective actions. Following the investigations and in compliance with the current regulations, Leonardo agrees with the competent aviation authority on the issuance of Emergency Airworthiness Directives and Alert Service Bulletins (ASBs). With regard to helicopters, EASA did not issue any Emergency Airworthiness Directives in 2025. More information is available on the website of the European Union Aviation Safety Agency. With regard to aircraft, Leonardo Aeronautics-Aircraft Business Unit agreed with DAAA one AD for C-27J, three ADs for M-345, and one AD for M-346 in 2025.</p> <p>Furthermore, there was the issue of one AD on the part of the Australian DASA applicable only to the fleet of C-27J RAAF.</p>
RT-AE-250a.4	Amount of fines and legal and regulatory transactions associated with product safety	No fine/settlement agreement associated with Emergency Airworthiness directives referred to in indicator RT-AE-250a.3.
RT-AE-410a.1	Revenue from alternative energy-related products	Some of the helicopters produced by Leonardo can operate with fuels having up to 50% of SAFs without operational limitations or performance degradation are the following: AW139, AW169, AW189, AW149, A109S, AW109SP, AW119MkII, A109A/II, A109C, A109K2, A109E, A119.
RT-AE-410a.2	Description of strategic approach to reduce fuel consumption and greenhouse gas (GHG) emissions of products	Climate change and decarbonisation
RT-AE-440a.1	Description of risk management associated with the use of critical materials	Risk factors
RT-AE-510a.1	Total amount of monetary losses resulting from legal proceedings associated with incidents of corruption, bribery and/or illicit international trade.	In 2025, there were not convictions or compensation ordered to the Group's legal entities as part of criminal proceedings for corruption.
RT-AE-510a.2	Revenues from countries classified in band "E" and "F" of Transparency International's Government Defence Anti-Corruption Index	13% of revenues in 2025 from countries classified in bands E and F of the Government Defence Anti-Corruption Index of Transparency International.
RT-AE-510a.3	Description of processes to manage ethical risks in conducting business throughout the value chain	<p>Governance</p> <p>Risk factors</p> <p>Value chain</p>



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