



Orizzonte Sistemi Navali

FINCANTIERI

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**ORIZZONTE SISTEMI NAVALI SIGNS €1.5 BILLION CONTRACT FOR TWO “FREMM EVO”
FRIGATES FOR THE ITALIAN NAVY**

Genoa/Trieste/Rome, 31 July 2024 – As part of the multi-year “FREMM” program aimed at the renewal of the Italian Navy's fleet through the construction of next-generation frigates, Orizzonte Sistemi Navali (OSN), a joint venture owned by Fincantieri (51%) and Leonardo (49%), has signed a contract worth approximately 1.5 billion euro with OCCAR (*Organisation Conjointe de Coopération en matière d'Armement*) for the construction of two new FREMM frigates of the “EVOLUTION” version, known as “FREMM EVO”.

The two new units will be at the cutting edge of naval military craft, in terms of technology and performance, capitalizing on the important technological developments already undertaken as part of recent programs under the Defence Act, as well as the Mid Life Upgrade project for the Horizon-class destroyers.

The Italian Navy will be able to rely on two new FREMM frigates ensuring high operational performance, with state-of-the-art technology and cutting-edge systems, as well as the latest anti-drone capabilities and the capacity for operational management of unmanned systems across three dimensions (above the surface, on the sea and below the surface).

The engineering expertise of Orizzonte Sistemi Navali at both Whole Warship and Combat System level will enable the Italian Navy to make use of two operationally cutting-edge and technologically state-of-the-art vessels. These units will contribute both to boosting the defensive capabilities and increasing operational flexibility.

All the Anti Submarine Warfare (ASW) capabilities and features of the FREMM ASW units currently in service will also be available in the new vessels. The two new units will be built at Fincantieri's Integrated shipyard in Riva Trigoso and Muggiano, with the first “FREMM EVO” due to be delivered in 2029, while the second unit will be available in 2030.

More specifically, the main modernizations and technological upgrades will concern the Ship Management System Cyber-resilient, the air-conditioning and electrical distribution system, and the implementation of specific solutions aimed at improving the ship's green footprint for the Platform System. The Combat System will be upgraded with the modern Combat Management System SADO 4 Cyber-resilient, radar sensors (specifically with fixed-face X-C dual-band radars) able to support defense against TBM threats, Electronic Warfare, Artillery and Missile Systems, the Sonar Suite, Communication System and tactical data links, capable of ensuring the highest and most effective level of interoperability.

The “FREMM EVO” frigates will be fitted with highly dependable equipment, relying on robust maintenance plans to ensure their readiness for action, with high levels of operational availability.

Admiral Enrico Credendino, Chief of the Italian Navy, stated: *“The acquisition of the two next-generation FREMM (EVO) frigates is part of the broader renewal and modernization plan that the Italian Navy has launched to upgrade its capabilities, in order to adaptively, promptly, and effectively respond to current and future scenarios in a world that has rapidly changed in recent years. The evolution of the FREMM capitalizes on a project that has proven, over the years, its full compliance with the requirements of the Italian Navy and has gained widespread international consensus. Starting from this solid base, we have integrated latest generation technologies and modern systems on the FREMM, thus enhancing the ship's defense capabilities and broadening the spectrum of activities that can be conducted within missions carried out for the defense and security of our country, in order to protect the national maritime cluster - of which we are the catalyst - to keep sea lines of communication and straits open, to monitor and keep the seabed safe, and to project diplomacy, culture, and “Made in Italy”, as well as to provide support to those in need.”*

Giovanni Sorrentino, Chief Executive Officer of Orizzonte Sistemi Navali, said: *“The signing today of a contract to supply the Italian Navy with another two FREMM frigates in the “FREMM EVO” configuration is the result of close collaboration between institutions, armed forces and private industry. I wish to thank all those who have dedicated their commitment and expertise to facilitating the finalization of this contract, which represents a significant achievement for the entire national defense industry, for Fincantieri and Leonardo, the major players in Italian defense at both national and international level, and for all the small and medium-sized businesses that form the backbone of our country’s manufacturing sector.”*

Pierroberto Folgiero, Chief Executive Officer and Managing Director of Fincantieri stated: *“To us relaunching Orizzonte Sistemi Navali is the commitment to create a unique integration point between Fincantieri's naval expertise and Leonardo's armament systems. It is the place where we measure the country's ability to oversee and develop the best military naval skills in the interest of the Italian Navy, representing the tradition and technological excellence of our industry. The new FREMM EVO will be the evolution of the frigate that has set an international standard over the past 20 years, in which we will apply new technological solutions validated in all dimensions, from cybersecurity to underwater.”*

“With the new FREMM EVO, the Italian Navy will be able to count on next-generation naval units, which are reliable, sustainable, and have advanced operational capabilities. We are proud to be part of this highly significant project: it demonstrates how synergy between the public and private sectors can create important economic and technological opportunities,” commented **Lorenzo Mariani, Co-General Manager of Leonardo**. *“We will continue to support the development of these technological excellences with determination and expertise, being aware of their strategic role for the security of our country and their positive impact on the Italian production fabric.”*

In the coming weeks, Orizzonte Sistemi Navali will finalize sub-contracts with Fincantieri and Leonardo, with a value respectively of around 690 million euro and approximately 415 million euro.

The contract with Fincantieri constitutes significant related party transaction defined in compliance with the applicable legislation, while for Leonardo the above sub-contract is a

related party transaction of lesser importance, considering the contract value and the applicable relevance indexes. Both transactions are in keeping with the applicable regulations and are exempt from the procedural regime for related-party transactions (including jointly), pursuant to current regulations and the respective procedures adopted.

Orizzonte Sistemi Navali (OSN) is an Italian company that has been operating for over 20 years as a system integrator at Whole Warship level throughout the ship's life cycle. The Company is Prime Contractor, Whole Warship and Combat System Design Authority for important national and international production and logistics support programs. It is owned by Fincantieri (51%) and Leonardo (49%), the two main Italian industrial groups operating worldwide in the defense sector.

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Fincantieri is one of the world's leading shipbuilding companies, the only one active in all areas of high-tech shipbuilding. It is a leader in the construction and transformation of cruise, military and offshore vessels in the oil & gas and wind power sectors, as well as in the production of systems and components, after-sales services and ship-furnishing solutions. Thanks to the skills it has developed in the management of complex challenges, the Group has completed a number of world-class infrastructure projects and is a leading player in digital technology, cybersecurity, electronics and advanced systems. With over 230 years of history and more than 7,000 ships built, Fincantieri maintains its know-how and management centers in Italy, where it employs 10,000 workers and creates around 90,000 jobs, doubling the employment figure worldwide thanks to a production network of 18 shipyards operating on three continents employing over 21,000 direct workers.

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Leonardo is an international industrial group, among the main global companies in Aerospace, Defence, and Security (AD&S). With 53,000 employees worldwide, the company approaches global security through the Helicopters, Electronics, Aircraft, Cyber & Security and Space sectors, and is a partner on the most important international programmes, within these sectors, such as Eurofighter, NH-90, FREMM, GCAP, and Eurodrone. Leonardo has significant production capabilities in Italy, the UK, Poland, and the USA. Leonardo utilises its subsidiaries, joint ventures, and shareholdings, which include Leonardo DRS (72.3%), MBDA (25%), ATR (50%), Hensoldt (22.8%), Telespazio (67%), Thales Alenia Space (33%), and Avio (29.6%). Listed on the Milan Stock Exchange (LDO), in 2023 Leonardo recorded new orders for €17.9 billion, with an order book of €39.5 billion and consolidated revenues of €15.3 billion. Included in the MIB ESG index, the company has also been part of the Dow Jones Sustainability Indices (DJSI) since 2010.

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