



DANIELI-LEONARDO-SAIPEM PRESS RELEASE

DANIELI, LEONARDO AND SAIPEM WORKING TOGETHER FOR THE GREEN CONVERSION OF STEEL

February 18, 2021 - Danieli, Leonardo and Saipem have signed a framework agreement to work together on projects both in Italy - particularly in the South - and abroad, for the sustainable conversion of energy-intensive primary plants in the steel sector by driving and integrating an Italian technological and production chain that constitutes a world-class excellence.

The three companies propose to jointly supply technologies and services aimed at reducing carbon dioxide emissions in the steel production process to create an innovative and sustainable model that is consistent with current environmental regulations and current national and EU CO2 emissions reduction objectives also in line with the CO2 reduction targets established by COP in the Paris Agreement.

The new technological solution involves replacing conventional steel production processes based on blast furnaces with a new process that will use hybrid electric powered furnaces integrated with direct iron ore reduction plants that apply a methane and hydrogen mixture to obtain a green steel with limited Green House Gas emissions.

As part of the agreement, Danieli will be the contractor for the supply of the direct reduction technological equipment and electric furnaces.

Saipem will take charge of the on-site construction of plants, integrating technologies and competences required for the natural gas, hydrogen, and CO2 capture chains.

Leonardo, through its Cyber Security Division, will take on the role of digital and security technological partner for Industry 4.0 integrated solutions aimed at safely optimizing the production processes, as well as for the protection of the physical and digital components (IT/OT/IoT/SCADA). Leonardo supports sustainable growth processes thanks to its leadership in new-generation technologies in line with its strategic plan "Be Tomorrow – Leonardo 2030".

In addition, the proprietary *Energiron* technology jointly developed by Tenova and Danieli based on the direct reduction of iron ore using natural gas or natural gas enriched with hydrogen will also be integrated into the new solution.

The Danieli Group, listed on the Milan Stock Exchange, is headquartered in Friuli-Venezia Giulia. It has approximately 9,000 employees in over 50 companies worldwide that produce and install innovative machines and systems for the steel industry, non-ferrous metals sector and energy production. The reliability of the company is based on research, know-how and experience that have made it possible to achieve a position of leadership in steel mill and rolling plant markets, also using digital electric furnaces combined with direct iron ore reduction plants which, as well as being competitive in terms of Capex and Opex, are "environmentally friendly" when compared to blast furnace integrated systems that use coke.

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Leonardo, a global high-technology company, is among the top ten world players in Aerospace, Defence and Security and Italy's main industrial company. Organized into five business divisions, Leonardo has a significant industrial presence in Italy, the United Kingdom, Poland and the USA, where it also operates through subsidiaries such as Leonardo DRS (defense electronics), and joint ventures and partnerships: ATR, MBDA, Telespazio, Thales Alenia Space and Avio. Leonardo competes in the most important international markets by leveraging its areas of technological and product leadership (Helicopters, Aircraft, Aerostructures, Electronics, Cyber Security and Space). Listed on the Milan Stock Exchange (LDO), in 2019 Leonardo recorded consolidated revenues of €13.8 billion and invested €1.5 billion in Research and Development. The Group has been part of the Dow Jones Sustainability Index (DJSI) since 2010 and is named as sustainability global leader in the Aerospace & Defence sector for the second year in a row of DJSI in 2020.

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Saipem is a leading company in engineering, drilling and construction of major projects in the energy and infrastructure sectors. It is "One-Company" organized in five business divisions (Offshore E&C, Onshore E&C, Offshore Drilling, Onshore Drilling and XSIGHT, dedicated to conceptual design). Saipem is a global solution provider with distinctive skills and competences and high-tech assets, which it uses to identify solutions aimed at satisfying customer requirements. Listed on the Milan Stock Exchange, it is present in over 60 countries worldwide and has 35 thousand employees of 130 different nationalities.

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