

Leonardo DRS Gets \$45M Navy Commitment to Bolster US Submarine Industrial Base

ARLINGTON, Va., Feb. 24, 2025 – Leonardo DRS, Inc. (NASDAQ: DRS) announced today that it has received a \$45 million U.S. Navy Submarine Industrial Base (SIB) investment commitment through contracts with HII's Newport News Shipbuilding. The investment is expected to expand the capabilities of DRS's new, 140,000 square-foot naval propulsion manufacturing facility currently under-construction in Goose Creek, South Carolina, and includes capital equipment and other infrastructure enhancements.

The \$45 million SIB investment will serve as a catalyst for a 40,000 square-foot expansion of the facility in support of capabilities critical to current and future U.S. Navy nuclear submarines and aircraft carriers. This investment builds on several Navy funded engineering contracts, including Newport News Shipbuilding, and from General Dynamics Electric Boat previously issued to Leonardo DRS. These contracts, combined with internal investments, will strengthen steam turbine system design, manufacture, integration, and test capabilities, including steam turbine generators.

"This significant investment is the result of extensive collaboration between Leonardo DRS, the U.S. Navy, and our shipbuilding customers. said Jon Miller, senior vice president and general manager of the Leonardo DRS Naval Power Systems business unit. "It signifies the depth of our combined resolve to address some of the most pressing challenges facing our nation's submarine industrial base with respect to capacity needed to deliver critical capability on-time and on-budget for the warfighter."

The Leonardo DRS purpose-built facility is expected to open in 2026 and will grow the company's naval propulsion capability and streamline its support of the Columbia Class submarine program. The company is currently producing the Columbia Class electric propulsion system components, including the main propulsion motor, the main propulsion drives, and main propulsion controller, and other components in addition to similar systems for international allied navies. The facility will support electric drive for next-generation naval platforms and enables an expansion of DRS's organic capability. It represents a significant expansion in the company's ongoing collaboration with the U.S. Navy and enhances the nation's submarine industrial base.