

CONTRACT CONCLUDED: WISŁA LAUNCHERS WILL BE MANUFACTURED IN STALOWA WOLA.

HSW S.A. and Raytheon IDS signed a memorandum of understanding that makes it possible to prepare manufacturing and integration of 16 M903 launchers - the basic building block for the "Wisła" air/missile defence system.

According to PGZ, the umbrella company that gathers the Polish defence industry together, HSW S.A. included, the contract would also undergo audit and acceptance over the course of the upcoming months. This is a standard procedure for the Foreign Military Sales process.

The agreement is perceived by PGZ as a milestone, since HSW is concluding a contract with Raytheon, covering the process of integration and manufacturing of 16 Patriot system missile launchers. All of that is to happen within the scope of Phase I of the Polish Wisła air defence programme. It was in October 2018 when a request was placed by Raytheon with HSW S.A., with regards to the aforesaid agreement - the agreement is one of many business agreements related to the Wisła system. Further orders are queued, both in case of the Raytheon company, as well as in case of the Polish Ministry of Defence (concerning the JELCZ trucks for instance).

Conclusion inaugurates the stage during which missile launcher production would be launched in Poland, with those launchers constituting the basic building block of the "Wisła" system. Thanks to cooperation with the American partners, the PGZ Group could become a part of the Patriot system supply chain. We would be obtaining manufacturing capacity allowing us to deliver crucial equipment for the Polish military and for other clients in the future.

Board member of PGZ S.A., Radosław Domagański-Łabędzki

Raytheon is involved in a partnership-based collaboration with the Polish industry, VP of the Polish IAMDS programme at Raytheon, Pete Bata, said. The representative of the American manufacturer also stated that the agreement signed with HSW is the first of the manufacturing contracts that is to be awarded to the PGZ company, within the framework of the effort related to phase I of the Wisła programme.

PGZ claims that, over the course of Phase I, HSW S.A. and other of the Group's companies, would be obtaining technologies and know-how that would consequently enable them to manufacture

launchers and components of the launchers. The batteries delivered to Poland would utilize Polish-made launchers. In PGZ's opinion the aforesaid transfer of know-how would make it possible to diminish the launcher lifecycle management costs. The PGZ Group would be responsible for operational use and further upgrades of the M903 systems. The launcher in question is also going to be used by Patriot systems operated by other states which paves the way for PGZ and HSW to get more orders.

Meanwhile, the Pentagon has already concluded contracts with Raytheon, Lockheed Martin and Northrop Grumman, covering the delivery of all of the basic elements of the Wisła system: Patriot systems, IBCS command system and PAC-3 MSE missiles. Back in September 2018 Raytheon was awarded a 1.528 billion dollars worth contract concerning the elements of the Polish Patriot system and the subsequent integration, with delivery deadline set in 2022. On 28th February, on the other hand, Lockheed Martin received an order (with a pricetag of USD 680 million) covering delivery of PAC-3 MSE/CRI missiles for 9 foreign users, Poland included. Furthermore, on 14th March it was announced that Northrop Grumman concluded a contract worth 349.4 million dollars, concerning acquisition of two complete IBCS systems (hardware and software), and software updates. The software updates are to take place after the delivery which is scheduled to happen in 2022. However, the update is not to be implemented later than 2026.