

Signature of MGCS Project Company shareholder agreement

Thursday, January 24, 2025 - KNDS Deutschland, KNDS France, Rheinmetall Landsysteme and Thales signed the shareholder agreement for the “MGCS Project Company GmbH”, Cologne, in Paris in the presence of the French Defense Minister Sébastien Lecornu and the German Defense Minister Boris Pistorius. MGCS, which stands for Main Ground Combat System, is a German-Franco armament program designed to replace the Leopard 2 and Leclerc main battle tanks with a cross-platform combat system by 2040.

Today marks an essential step in the forthcoming creation of the MGCS Project Company. After negotiating a contract with the Federal Office of Bundeswehr Equipment, Information Technology and In-Service Support (BAAINBw), acting on behalf of the two states through a German-Franco Combined Project Team (CPT), this project company will be responsible as the industrial prime contractor for the implementation of the next phase of the MGCS program. In particular, it will consolidate the concept and the main technological pillars of the system. The company will be equally owned by the parties, 25% each, with a national workshare of 50% Germany and 50% France, and will be based in Cologne, Germany.

The industrial partners in the MGCS program are delighted with this signature, which follows on from the impetus given by the French and German governments in the spring of 2024, with the signing of a Letter Of Intent (LOI).

About KNDS:

KNDS is the result of the association of Krauss-Maffei Wegmann (KMW) and Nexter, two of the leading European manufacturers of military land systems based in Germany and France.

KNDS forms a Group of around 10,000 employees, with a 2023 turnover of 3.3 billion euro, an order backlog of around 16 billion euro and incoming orders of 7.8 billion euro. The range of its products includes main battle tanks, armored vehicles, artillery systems, weapons systems, ammunition, military bridges, customer services, battle management systems, training solutions, protection solutions and a wide range of equipment.

The formation of KNDS represents the beginning of consolidation in land defense systems industry in Europe. The strategic alliance between KMW and Nexter enhances both groups' competitiveness and international positions, as well as their ability to meet the needs of their respective national army. In addition, it offers to its European and NATO customers the opportunity of increased standardization and interoperability for their defense equipment, with a dependable industrial base.

KNDS headquarters are based in Amsterdam.

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About Rheinmetall:

Rheinmetall AG of Duesseldorf, a listed company, is a leading international defence contractor and a driver of future-oriented technological and industrial innovation in civil markets. With over 31,000 employees and 171 sites worldwide, Rheinmetall generated sales of €7.2 billion in 2023. With its technologies, products and systems, the company creates the indispensable basis for peace, freedom and sustainable development: security. Rheinmetall Landsysteme GmbH is part of the Rheinmetall Division Vehicle Systems Europe and is one of the leading land system manufacturers.

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About Thales:

Thales (Euronext Paris: HO) is a global leader in advanced technologies specialized in three business domains: Defence, Aerospace and Cyber & Digital. It develops products and solutions that help make the world safer, greener and more inclusive.

The Group invests close to €4 billion a year in Research & Development, particularly in key innovation areas such as AI, cybersecurity, quantum technologies, cloud technologies and 6G.

Thales has close to 81,000 employees in 68 countries. In 2023, the Group generated sales of €18.4bn.

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