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## Overview of the Greek Defense sector agreements

### 1) Greece - USA

1. The agreement was signed in 2019 and includes programs concerning the following: Meeting the needs and enhancing the operational capabilities and readiness of the Armed Forces by providing materials, equipment and services, and developing and supporting their infrastructure. Establishment of a failure analysis capability and material composition calibration for the Armed Forces. Construction of additional aircraft sub-assemblies, installation of aircraft upgrade collections, establishment of factory maintenance capabilities with anodizing, wet and dry discoloration and painting of aircraft, by NAB. Assembly and testing of aircraft electronic systems and equipment. Manufacture of aircraft upgrades harnesses and provision of technical support for aircraft upgrades. It should be noted that the upgrade of eighty-three (83) Block 52+ and Block 52+ Advanced, to Viper level, is to be completed in 2028 So according to Pentagon sources, the total cost of the deal is \$1.5 billion (or €1.1 billion) with some of the financial aspects being: Specifically, eighty-three (83) F-16 aircraft will be upgraded to the advanced Viper class by 2027, in a program estimated at \$1.5 billion.

2. A five-year defense cooperation agreement between Greece and the USA. It was signed by the two Foreign Ministers in 2021. In essence, it is a renewal of the defense agreement signed in 1990 between the two states.

### 2) Greece - France

1. Conclusion of a contract for the supply of 18 French Rafale fighter aircraft in 2021. The total cost of the 18 aircraft amounts to €1.92 billion. Of these, six are



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new and 12 are second-hand. The cost of equipping the aircraft (Meteor drones) and the necessary upgrades to the existing missiles (Mica, Scalp and Ecoxet missiles) amounts to €400 million, excluding reservations. Delivery of the first six second-hand fighters will start in July 2021 at a rate of one per month. The six new fighters will be delivered in spring 2022, while the last six used fighters are expected to be delivered in early 2023.

2. A contract for the acquisition of three Belharra frigates with the option to buy one more; and six additional Rafale fighter aircraft - in addition to the 18 already acquired by the Air Force was signed in 2022. The maximum cost of the supply of the frigates amounts to €3.049 billion. More specifically, the contract for the supply of the three frigates has a cost of €2.261 billion, the contract for subsequent support is €138 million, while the contract for the weapons and subsequent support is €650 million. If the option for the acquisition of a fourth frigate is exercised, the cost would be €4.07 billion. These amounts do not include deductions, taxes, duties and / or any other costs borne by the contracts (6.144%).

### **3) Greece - Israel**

- 1) In April 2021, Israel and Greece signed their biggest ever defense procurement deal. The Greek-Israeli relationship received another powerful boost. In April 2021, a \$1.68 billion contract was signed for the establishment and operation of a cutting-edge fighter aircraft simulation training center for the Hellenic Air Force, by the Israeli defense contractor Elbit Systems over a 22-year period.



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**4) Greece - UAE**

The ratified Agreement aims at cooperation between the Parties for the defense and maintenance of the security, sovereignty, unity, protection and independence of the territory of their countries.

Among other things, the Agreement:

1. Provides for mutual contribution to the defense and maintenance of the security, sovereignty, unity, protection and independence of the territory of each State, for communication between the Parties in the event of a threat to the above, in order to take action and measures deemed necessary by the Parties, and for the establishment of measures and mechanisms for the implementation of the Agreement under ratification.

2. To regulate consultation between the Parties. In particular, provision is made for the holding of regular consultation meetings between the Ministers of Foreign Affairs and the holding of consultation meetings and exchanges of analyses between the Parties in the event of a threat to peace which may affect their national interests.

3. Matters relating to actions by one Party in the territory of the other Party shall be settled. In particular, it is stipulated that the actions provided for in the Agreement under ratification, as well as the use of facilities, installations and working places by the armed forces and personnel of one Party are subject to the prior approval of the host Party. In addition, the forces and personnel of one Party shall be allowed to be stationed in the territory of the host Party in accordance with relevant agreements, memoranda of understanding, arrangements, letters or protocols to be concluded subsequently. Finally, the possibility of concluding separate agreements, memoranda of understanding, memoranda of understanding, protocols of cooperation, arrangements, letters of understanding for the placement of equipment, supplies and the use of facilities and working areas by the Parties shall be provided for.

**5) Greece - Saudi Arabia**



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- 1) Signing of an agreement in 2021 for the loan of a Guided Missile Battalion (MCB) of the PATRIOT long-range anti-aircraft system, which will contribute to the air defense of the Kingdom of Saudi Arabia.
- 2) Signing of a cooperation agreement between the Greek night vision and thermal imaging systems company THEON SENSORS S.A. and the Saudi Arabian company National Company for Mechanical Systems (NCMS) for the joint production of the Mikron biplane night vision instrument. The two companies have placed two (2) initial orders which are expected to reach €80 million with a timeframe of the next four (4) years and with production of the biplanes to start at the end of 2022.

### **Greek Defense sector agreements to be signed**

#### **1. Greek Corvettes.**

Greece is in the process of selecting the corvettes with which the Navy will be equipped for the surveillance of the Greek maritime space in the Aegean and the safeguarding of Greek sovereignty up to the outermost point of the island territory. Following the final evaluation of the candidate warships by the Navy and the Prime Minister's briefing, the Italian Doha corvettes are reportedly in the lead, with the French corvettes in second place and the Dutch corvettes following. The corvettes offered by Italy, France and the Netherlands are the final three options being considered by the Greek government, according to the assessment made by the Navy leadership and the Hellenic Navy's General Staff. For a €2 billion program, that will provide four powerful ships that will serve the Navy for a period of forty (40) years. The winner of the race to build the four corvettes, three (3) of which will have to be built in Greek shipyards, has a few weeks to finalize the details of the financial component and submit a proposal that is more competitive than the two (2) rival candidates for the Greek fleet. The final decision is expected to be taken by the Greek government leadership as early as



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September, with the aim of completing the contract by the end of 2022 and activating the program in early 2023 with the disbursement of the advances.

**2. Upgrading of MEKO frigates**

This is a program with a ceiling of €500 million. The upgrade of the four (4) frigates is of critical importance for the Navy, since after the integration of the three (3) new Belharra frigates in 2028, the Dutch S-type frigates on which the fleet's firepower has been based for decades will gradually be decommissioned. The German consortium of KMS and the Dutch Thales Netherlands have built the ships in question, which is why they have a clear advantage in taking on the modernization of the four (4) frigates. The Americans, who have also submitted a proposal for the modernization of the German frigates, are asking for an amount that exceeds the Navy's budget by at least €200 million and will also rely heavily on German builders. The MEKO upgrade program is expected to be awarded to the Germans, but work is unlikely to start before another twelve (12) months have passed, as detailed dialogue is needed to accurately define the modernization and contracting.

**3. Tank modernization (Germany)**

The preparation that has long been going on in the Directorate General for Defense Equipment and Investment is to modernize a number of German Leopard tanks. Of the approximately three-hundred-fifty (350) Leopard 1A5 and Leopard 2A4 tanks in the Armored Division's force, a sufficient number, about two thirds (2/3) of the total, are expected to be modernized at a cost of about €800 million. The agreement is expected to be transnational, between Greece and Germany, and offers guarantees and assurance of good execution of the complex program. The upgrade will not only include the thermal periscope of the tanks, but also their electronic systems and armoring, according to a senior source in



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the Ministry of National Defense, explaining that the budget for the program will reach close to €1 billion. The last hundred-seventy (170) and newest Leopard 2HEL tanks acquired in 2003 had cost the state €1.7 billion.

**4. F-35 Fighter jet (USA)**

The Minister of National Defense Nikos Panagiotopoulos participated in discussions on the procedures required to proceed with the phased integration of fifth generation F-35 aircrafts into the Greek Air Force. During his visit to the US, he was in Fort Worth, Texas, where the offices of the Lockheed Martin aeronautical company and the production line are located. After the Letter of Request for a Letter of Offer and Acceptance, a stage which is almost complete, Athens seems determined to move on to the next stage, which is a Letter of Agreement for the first twenty (20) F-35s. Although these procedures seem bureaucratic, they are absolutely necessary in order for Greece to gradually join the plan to deliver the aircrafts, which, since the outbreak of war in Ukraine, have been attracting the interest of more and more customers.