

**BAE Systems Applied  
Intelligence A/S**  
Sundkrogsgade 5  
DK-2100 Copenhagen Ø

**BAE Systems Applied Intelligence A/S**

## Annual report 2024

The annual report was presented and approved at the  
Company's annual general meeting

on 28 May 2025

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chairman



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## **Company details**

BAE Systems Applied Intelligence A/S  
Sundkrogsgade 5  
DK-2100 Copenhagen Ø

Telephone: +45 96 32 30 00  
Website: [www.baesystems.com](http://www.baesystems.com)

CVR no.: 11 93 97 75  
Established: 1 January 1988  
Registered office: Copenhagen  
Financial year: 1 January – 31 December

## **Board of Directors**

Bruce Martin (Chairman)

Daren Smith

Richard Haycock

## **Executive Board**

Bruce Martin

## **Auditor**

Deloitte  
Statsautoriseret Revisionspartnerselskab

City Tower

Vaerkmestergade 2

8000 Aarhus C

Denmark

## **Annual general meeting**

The annual general meeting will be held on 28 May 2025



## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of BAE Systems Applied Intelligence A/S for the financial year 1 January – 31 December 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting on 28 May 2025.

Nørresundby, 28 May 2025

Executive Board:

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Bruce Martin

Board of Directors:

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Bruce Martin  
Chairman

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Daren Smith

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Richard Haycock



## **Independent auditor's report**

### **To the shareholder of BAE Systems Applied Intelligence A/S**

#### **Opinion**

We have audited the financial statements of BAE Systems Applied Intelligence A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations and cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## **Independent auditor's report**

### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## **Independent auditor's report**

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## **Independent auditor's report**

### **Statement on the Management's review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 28 May 2025

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56

Henrik Vedel

State Authorized Public Account

Identification No (MNE) mne10052

Mikael Møller

State Authorized Public Account

Identification No (MNE) mne47835



## **Management's review**

### **Operating review**

#### **Principal activities of the Company**

The primary activity of the Company is an investment holding company.

#### **Development in activities and financial position**

The Company's income statement for 2024 shows a net profit of DKK 18,370k and equity in the balance sheet at 31 December 2024 stood at DKK 71,747k.

During the year the Company received a dividend of DKK 2,683k (2023 – nil) and also disposed two subsidiaries for total profit of DKK 47k (2023 – nil).

Results were in line with expectations and are considered satisfactory.

#### **Events after the balance sheet date**

There have been no events after the balance sheet date.



## **Financial statements 1 January – 31 December**

### **Income statement**

DKK'000	Note	2024	2023
<b>Gross profit</b>		1,952	(464)
Profit on disposal of investment		47	-
Income from investments from group enterprises		11,899	(578)
<b>Profit before financial income and expenses</b>		13,898	(1,042)
Other financial income	3	4,472	4,779
Other financial expenses	4	-	(264)
<b>Profit before tax</b>		18,370	3,473
Prior year tax adjustment	5	-	472
<b>Profit for the year</b>		18,370	3,945



## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2024	2023
<b>ASSETS</b>			
<b>Investments</b>			
Investments in group entities	6	11,250	14,879
		<u>11,250</u>	<u>14,879</u>
<b>Total non-current assets</b>		<u>11,250</u>	<u>14,879</u>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group entities		49,496	34,202
Corporation tax receivable	5	-	7,321
		<u>49,496</u>	<u>41,523</u>
<b>Cash at bank and in hand</b>		<u>11,444</u>	<u>10,599</u>
<b>Total current assets</b>		<u>60,940</u>	<u>52,122</u>
<b>TOTAL ASSETS</b>		<u>72,190</u>	<u>67,001</u>



## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2024	2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		2,000	2,000
Retained earnings		69,747	51,377
<b>Total equity</b>		<b>71,747</b>	<b>53,377</b>
<b>Provisions</b>			
Other provisions	6,8	-	11,259
<b>Total provisions</b>		<b>-</b>	<b>11,259</b>
<b>Current liabilities other than provisions</b>			
Payables to group entities		-	1,952
Trade creditors		170	161
Other payables		273	252
		443	2,365
<b>Total liabilities other than provisions</b>		<b>443</b>	<b>2,365</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>72,190</b>	<b>67,001</b>



## **Statement of changes in equity**

DKK'000	Share capital	Retained earnings	Total equity
<b>Equity at 1 January 2024</b>	2,000	51,377	53,377
Profit for the year	-	18,370	18,370
<b>Equity at 31 December 2024</b>	<u>2,000</u>	<u>69,747</u>	<u>71,747</u>



## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies**

The annual report of BAE Systems Applied Intelligence A/S for 2024 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### **Consolidated financial statements**

According to section 112 (1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

According to section 86 (4) of the Danish Financial Statements Act, the Company has not prepared any cash flow statement since the Company is included in the consolidated cash flow statement of the ultimate parent undertaking, BAE Systems PLC.

The financial statements of BAE Systems Applied Intelligence A/S and its group entities are included in the consolidated financial statements of BAE Systems PLC.

The consolidated financial statements of BAE Systems PLC may be obtained from the Company or at the website, [www.baesystems.com](http://www.baesystems.com).

#### **Foreign currency translation**

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Danish kroner at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/ expenses.

#### **Foreign group entities**

As for foreign entities, financial statement items are translated using the following principles:

- Balance sheet items are translated at closing rates
- Income statement items are translated at the rates at the date of the transaction
- Any exchange differences resulting from the translation of opening equity at the closing rate and the exchange adjustment of the items in the income statement from the rate at the date of the transaction to the closing rate are taken directly to equity.



## **Financial statements 1 January – 31 December**

### **Accounting policies**

#### **Income statement**

##### **Gross profit**

With reference to section 32 of the Danish Financial Statements Act, the items "Revenue" to and including "Other external costs" are aggregated in the item "Gross profit".

The company doesn't have any revenue. Other external costs include costs related to administration.

##### **Other operating income and costs**

Other operating income and costs include items of a secondary nature relative to the entity's core business.

##### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Financial income and expenses include interest income and expenses, financial expenses related to finance leases, realised and unrealised exchange gains and losses on foreign currency transactions and surcharges and allowances under the on-account tax scheme, etc.

##### **Tax**

Tax for the year includes current tax on the year's projected taxable income and the year's deferred tax adjustments less the share of the tax for the year that concerns changes in equity.

Current and deferred taxes related to items recognised directly in equity are taken directly to equity.

The Company and all Danish group entities are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full absorption).



## **Financial statements 1 January – 31 December**

### **Accounting policies**

#### **Balance sheet**

##### **Investments**

Investments in subsidiaries are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables and deposits are recognised at amortised cost.

Dividends from equity investments in subsidiaries measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

##### **Impairment of non-current assets**

The carrying amount of non-current assets is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

##### **Receivables**

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that an individual receivable or a portfolio of receivables has been impaired. Impairment tests are conducted of individual assets or groups of assets when there is an objective indication that they may be impaired.

Receivables with no objective evidence of individual impairment are assessed for objective evidence of impairment on a portfolio basis. The portfolios are primarily assessed on the basis of the country of domicile and credit ratings of the debtors in accordance with the credit risk management policy of the Company. The objective indicators used in relation to portfolios are determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivable and the present value of the projected cash flows, including the realisable value of any collateral received.



## **Financial statements 1 January – 31 December**

### **Accounting policies**

#### **Equity - dividends**

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

#### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised in the statement of financial position as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the end of the reporting period when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement for the year.

#### **Liabilities other than provision**

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Other debt is subsequently measured at amortised cost corresponding to the nominal unpaid debt.

Other payables are measured at amortised cost which, essentially, corresponds to the fair value.



## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs

The board of directors has not been subject for remuneration.

#### 3 Other financial income

DKK'000	<b>2024</b>	<b>2023</b>
Interest receivable, group entities	1,607	4,143
Interest receivable	137	88
Dividends receivable	2,683	548
Exchange gains	45	-
	4,472	4,779

#### 4 Other financial expenses

Foreign exchange	-	264
	-	264

#### 5 Tax on profit for the year

DKK'000	<b>2024</b>	<b>2023</b>
Tax on profit from ordinary activities;		
Income tax charge – current year	-	-
Prior year adjustment	-	472
	-	472



## **Financial statements 1 January – 31 December**

### **Notes**

#### **6 Investments**

DKK'000	<u>Investments in subsidiaries</u>
Cost at 1 January 2024	22,208
Disposals during the year	<u>(4,847)</u>
Cost at 31 December 2024	17,361
Value adjustments at 1 January 2024	(18,588)
Adjustments during the year	<u>12,477</u>
Value adjustments at 31 December 2024	<u>(6,111)</u>
<b>Carrying amount at 31 December 2024</b>	<b><u>11,250</u></b>

According to section 97a (4) of the Danish Financial Statements Act, no information regarding name, registered office and legal structure is to be disclosed on subsidiaries, as it may be detrimental to the Company.



## **Financial statements 1 January – 31 December**

### **Notes**

#### **7 Other provisions**

DKK'000	<b>2024</b>	<b>2023</b>
Provision on investment	-	11,259
	-	11,259

#### **8 Contingent liabilities**

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

#### **9 Related party disclosures**

##### **Control**

Related parties exercising control include the principal shareholder BAE Systems PLC due to its stake in the Company.

The following shareholders are registered in the Company's register of shareholder as holding minimum 5% of the voting rights or minimum 5% of the share capital:

- BAE Systems (Overseas Holdings) Ltd.

Related parties also include the directors of the Company, subsidiaries of the Company and other subsidiaries of the principal shareholder.

BAE Systems Applied Intelligence A/S is part of the consolidated financial statements of BAE Systems PLC, United Kingdom, which is both the smallest and the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of BAE Systems PLC can be obtained by contacting the Company or at the following website: [www.baesystems.com](http://www.baesystems.com).

##### **Related party transactions**

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c (7) of the Danish Financial Statements Act.

The Company has not had any significant transactions that have not been concluded on an arm's length basis.



