

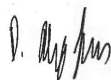
BAE Systems Applied Intelligence A/S

Annual report 2020

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

on _____ 24 June _____ 2021

_____ chairman



Contents

Company details	2
Statement by the Board of Directors and the Executive Board	3
Independent auditor's report	4
Financial highlights	8
Management's review	9
Operating review	9
Financial statements 1 January – 31 December 2020	11
Income statement	11
Balance sheet	12
Statement of changes in equity	14
Notes	15

Company details

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

Telephone: +45 96 32 30 00
Website: www.baesystems.com

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

Board of Directors

Daniel Rhys Jones (Chairman)
Anthony Graham Jordan
David John Lawton

Executive Board

David John Lawton

Auditor

Deloitte
Statsautoriseret Revisionspartnerselskab
City Tower
Vaermestergade 2
8000 Aarhus C
Denmark

Annual general meeting

The annual general meeting will be held on 24 June 2021.

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 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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.

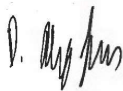
We recommend that the annual report be approved at the annual general meeting on 24 June 2021.

Nørresundby,
Executive Board:



David John Lawton

Board of Directors:



Daniel Rhys Jones
Chairman



Anthony Graham Jordan



David John Lawton

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 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 31-12-2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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.

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, 24-06-2021

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56



Henrik Vedel

State-Authorised Public Accountant

MNE no 10052

Management's review

Financial highlights

DKK'000	2020	2019	2018	2017	2016
Gross profit	1,260	103,977	87,274	231,245	210,243
Profit/loss before financial income and expenses (EBIT)	1,270	100,771	38,685	40,584	44,218
Loss from financial income and expenses	-465	-254	-3,435	-1,398	-459
Profit/loss for the year	-3,335	77,670	22,512	29,699	47,387
Total assets	340,221	404,665	285,173	343,931	431,884
Portion relating to investment in property, plant and equipment		0	0	195	4,805
Share capital	2,000	2,000	2,000	2,000	2,000
Equity	323,945	327,279	249,588	229,888	198,734
Return on capital employed	0.39	28.27%	16.77%	10.5%	10.0%
Solvency ratio	96.20%	61.68%	80.61%	66.84%	46.0%
Return on equity	-1.03%	23.73%	9.02%	13.86%	27.0%
Average number of full-time employees	0	0	5	192	231

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios".

The financial ratios have been calculated as follows:

Return on capital employed
$$\frac{\text{profit/loss before net financials} \times 100}{\text{Average total assets}}$$

Solvency ratio
$$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

Return on equity
$$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$$

Management's review

Operating review

Principal activities of the Company

The primary activities of the Company are the development, purchase and sales of information technology equipment and associated support services.

Development in activities and financial position

The Company's income statement for 2020 shows a net loss of DKK -3,335 thousand, and equity in the balance sheet at 31 December 2020 stood at DKK 323,945 thousand.

Results were in line with expectations and are considered satisfactory.

Going concern

After making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements.

Risks

Foreign currency risks

Due to activities abroad, results, cash flows and equity are affected by the development in exchange rates for a number of currencies as well as movement in interest rates. It is the Company's policy to hedge commercial currency risks. Hedging is primarily made via forward contracts to hedge forecast revenue and purchases within the next 12 months. The Company does not enter into currency transactions for speculative purposes.

Foreign exchange risks relating to investments in subsidiaries and associates abroad are generally not hedged, as the Company is of the opinion that regular hedging of such long-term investments will not be favourable taking into account overall risks and costs.

Interest rate risks

All borrowings are raised with a fellow group company. Accordingly, interest rate instruments to hedge interest rate risks are not taken out.

Credit risks

The Company is not subject to any significant risks regarding one individual customer or cooperator.

The Company's policy in respect of credit risks implies that all major customers and other co-operators are credit rated on an ongoing basis.

Management's review

Environment

The Company's policies regarding the environment comprise environmental policy as well as health and safety policy.

The environmental policy is based on environmentally sound operations and is integral part of the Group's objectives for product quality and production environment. The objective of a health and safety policy is to ensure regular improvements in relation to the safety and health of employees.

All group entities regularly strive at improving health and safety conditions.

Management is of the opinion that this work has a positive impact on the Company's reputation and efficiency.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2020	2019
Gross profit		1,260	103,977
Staff costs	2	10	-1,173
Depreciation of property, plant and equipment	3	0	-2,033
Profit before financial income and expenses		1,270	100,771
Profit/loss from investments in group entities	9	-500	0
Other financial income	4	4	20
Other financial expenses	5	-469	-274
Profit before tax		305	100,517
Tax charge	6	-3,640	-22,847
Profit for the year		-3,335	77,670

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2020	2019
ASSETS			
Property, plant and equipment			
Property		0	0
Fixtures and fittings, tools and equipment		0	0
		0	0
Investments			
Other receivables	7	49	41
Investments in group entities	7	15,097	15,597
		15,146	15,638
Total non-current assets		15,146	15,638
Current assets			
Receivables			
Trade receivables		0	439
Construction contracts	8	7	1,095
Receivables from group entities		312,304	341,518
Corporation tax receivable	6	1,227	0
Prepayments		0	0
Deferred tax assets		0	0
		313,538	343,052
Non-current assets held for sale		0	32,522
Cash at bank and in hand		11,537	13,453
Total current assets		325,075	389,027
TOTAL ASSETS		340,221	404,665

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Share capital		2,000	2,000
Retained earnings		321,945	325,279
Total equity		<u>323,945</u>	<u>327,279</u>
Provisions			
Other provisions	7,9	15,171	19,740
Total provisions		<u>15,171</u>	<u>19,740</u>
Current liabilities other than provisions			
Construction contracts	8	691	901
Payables to group entities		1	27,186
Corporation tax		0	28,177
Other payables		412	1,382
		<u>1,104</u>	<u>57,646</u>
Total liabilities other than provisions		<u>1,104</u>	<u>57,646</u>
TOTAL EQUITY AND LIABILITIES		<u><u>340,221</u></u>	<u><u>404,665</u></u>

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total equity
Equity at 1 January 2020	2,000	325,279	327,279
Profit for the year		-3,335	-3,335
Equity at 31 December 2020	2,000	321,945	323,945

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of BAE Systems Applied Intelligence A/S for 2020 has been presented in accordance with the provisions applying to reporting class C medium-sized 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.

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

Revenue

Revenue derived from professional services represents the value of work completed, including attributable profit, based on the stage of completion achieved on each project on completion of milestones as set out in our terms of engagement.

Revenue from the sale of products is recognised on delivery to the customer. Revenue from licence sales is recognised where there is persuasive evidence that an arrangement exists, delivery has occurred and no significant vendor obligations remain, the fee is fixed or determined and collectability is probable. Revenue from support and maintenance contracts is recognised evenly over the period of the support contract.

Other operating income and costs

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

Other external costs

Other external costs include costs related to distribution, sale, advertising, administration, premises, bad debt, lease payments under operating leases, computer equipment, etc.

Financial statements 1 January – 31 December

Accounting policies

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".

Amortisation/depreciation and impairment losses

Property, plant and equipment are depreciated on a straight-line basis to the residual value based on cost measured by reference to the following assessment of the useful life:

Property	10-50 years
Fixtures and fittings, tools and equipment	3-10 years

Gains or losses from the sale of non-current assets are recognised in the income statement under Gross Profit.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

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

Property, plant and equipment

Property, plant and equipment comprise development equipment, and fixtures and fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. Depreciations periods are specified under the section Depreciations.

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.

Financial statements 1 January – 31 December

Accounting policies

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.

Construction contracts

Construction contracts are measured at the selling price of the work performed less progress billings and anticipated losses. Construction contracts entail a significant degree of design customisation of produced goods. Moreover, before the work is commenced, a binding agreement must have been entered into.

Financial statements 1 January – 31 December

Accounting policies

The selling price is measured by reference to the percentage of completion at the end of the reporting period and total expected income from the contract. The percentage of completion is determined on the basis of an assessment of the work performed, which is usually measured as on the basis of milestones.

When it is probable that the total contract costs will exceed the total contract revenue, the anticipated loss on the contract is recognised as an expense and a provision immediately.

When income and expenses on a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Where the selling price of work performed exceeds progress billings on construction contracts and anticipated losses, the excess is recognised under receivables. If progress billings and anticipated losses exceed the selling price of a construction contract, the deficit is recognised under liabilities.

Prepayments from customers are recognised under liabilities.

Selling costs and costs incurred in securing contracts are recognised in profit or loss as incurred.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent reporting years.

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.

Financial statements 1 January – 31 December

Accounting policies

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

DKK'000	2020	2019
2 Staff costs		
Wages and salaries	0	1,109
Pensions	0	0
Other social security costs	-10	64
	-10	1,173
Average number of employees	0	0
The board of directors has not been subject for remuneration.		
3 Depreciation regarding property, plant and equipment		
Property	0	1,072
Leasehold improvements	0	0
Fixtures and fittings, tools and equipment	0	871
Right of use Land and Buildings	0	90
	0	2,033
4 Other financial income		
Other interest receivables, exchange gains and similar income	0	20
	0	20
5 Other financial expenses		
Interest payable, group entities	73	42
Interest payable, exchange losses and similar expenses	396	232
	469	274

Financial statements 1 January – 31 December

Notes

6 Tax on profit for the year

DKK'000	2020	2019
Tax on profit from ordinary activities		
Estimated income tax charge	0	22,847
Prior year adjustment	3,640	0
	<u>3,640</u>	<u>22,847</u>

Financial statements 1 January – 31 December

Notes

Financial statements 1 January – 31 December

Notes

7 Investments

DKK'000	Other receivables	Investments in subsidiaries	Total
Cost at 1 January 2020	41	22,208	22,249
Additions during the year	8	0	8
Cost at 31 December 2020	49	22,208	22,257
Value adjustments at 1 January 2020		-17,510	-17,510
Adjustments during the year	0	-500	-500
Value adjustments at 31 December 2020	0	-18,010	-18,010
Hereof presented as provisions	0	10,899	10,899
Carrying amount at 31 December	49	15,097	15,146

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.

There has been no sale or purchases of the shares in the fiscal year.

Stake, equity and results are specified as follows for the six subsidiaries:

DKK'000	Stake	Equity	Results
Company 1	100	-834	21
Company 2	100	26,117	9,524
Company 3	100	14,492	452
Company 4	100	-9,461	63
Company 5	100	3,234	-153
Company 6	65	7,751	129

Financial statements 1 January – 31 December

Notes

8 Construction contracts

DKK'000	2020	2019
Specification on contract work in progress		
Sales value of work performed	-684	194
On-account payments received	0	0
	<u>-684</u>	<u>194</u>
Which is specified as follows:		
Construction contracts (net assets)	7	1,095
Construction contracts (net liabilities)	-691	-901
	<u>-684</u>	<u>194</u>

The computation of the degree of completion is based on the progress of part deliveries in the form of partial approvals, milestones, etc. obtained from the customer. Due to the nature and complexity of the construction contracts, project completion is often subject to uncertainty. The Company's principle for assessing the degree of completion allows for this issue as a significant part of total income from a construction contract is recognised at a late stage along with the completion of approvals, tests, etc.

The Company's Management is of the opinion that the accounting estimates in connection with the recognition and measurement of constructions contracts are sound.

Financial statements 1 January – 31 December

Notes

9 Other provisions

DKK'000	2020	2019
Provision on investment	10,899	10,899
Provision for future rental payments	4,272	8,841
	<u>15,171</u>	<u>19,740</u>

10 Non-current liabilities other than provisions

No non-current liabilities are outstanding after 5 years.

11 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 from the financial year 2013 for income etc for the jointly taxed entities, and from 1. July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Financial statements 1 January – 31 December

Notes

12 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.

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.

13 Events after the balance sheet date

There have been no events after the balance sheet date.