

A/S Kelvin Hughes

Borupvang 3, 2750 Ballerup

Company reg. no. 36 66 49 16

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 7 August 2024.



Russell Charles Gould
Chairman

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of A/S Kelvin Hughes for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

The Board of Directors and the Managing Director consider the conditions for audit exemption of the 2023 financial statements to be met.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Ballerup, 7 August 2024

Managing Director



Adrian Pilbeam

Board of directors



Russell Charles Gould
Chairman



Flemming Haase



Clive Jonathan Corris

Practitioner's compilation report

To the Management of A/S Kelvin Hughes

We have compiled the financial statements of A/S Kelvin Hughes for the financial year 1 January - 31 December 2023 based on the company's bookkeeping and on information you have provided.

These financial statements comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Alleroed, 7 August 2024

Piaster Revisorerne

Statsautoriseret Revisionsaktieselskab
Company reg. no. 25 16 00 37

Emil Lagstrøm

State Authorised Public Accountant
mne45851

Company information

The company

A/S Kelvin Hughes
Borupvang 3
2750 Ballerup

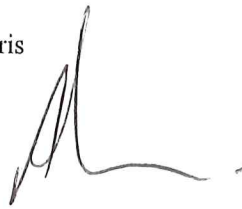
Company reg. no. 36 66 49 16
Domicile: Ballerup
Financial year: 1 January - 31 December

Board of directors

Russell Charles Gould, Chairman
Flemming Haase
Clive Jonathan Corris

Managing Director

Adrian Pilbeam



Management's review

Description of key activities of the company

A/S Kelvin Hughes is part of the HENSOLDT UK Group. The Group is world leader in the development, manufacture and supply of security and surveillance radar systems and maritime surveillance and navigation systems. From solid state surveillance radars to instrumentation and integrated bridge display systems, HENSOLDT UK Group has a long tradition of innovation and engineering excellence and is a trusted and reliable partner to the world's navies and merchant shipping. That expertise is increasingly applied to the land domain where products designed and built by the Group safeguard borders, coastlines, and civil infrastructure in many parts of the world. A/S Kelvin Hughes earns commission regarding sales activities. More information on the Company's principal activities can be found at <https://uk.hensoldt.net/>

Development in activities and financial matters

The income statement for 2023 shows a loss of DKK 2.340.910 against a loss of DKK 437.952 in the previous financial year, and the balance sheet at 31 December 2023 shows an equity of DKK -6.564.065.

The commercial Maritime Systems business has shown signs of growth and we intend to capitalise on this growth going forward.”

Uncertainties concerning the enterprise's ability to continue as a going concern

HENSOLDT group operates within the global defence and security industry and is a key contractor supporting critical outputs of national governments around the world. It remains vital that HENSOLDT group continues uninterruptedly to support those critical defence operations and programmes on which those nations rely. Throughout the world, A/S Kelvin Hughes supports the Commercial Maritime Systems business that helps keep global supply chains moving by providing and servicing Safety Of Life At Sea (SOLAS) equipment to commercial vessels. Based on the above, and the resources available to us, A/S Kelvin Hughes continues to operate as a going concern.

To ensure the Company's ability to continue as going concern, the Company has received a support letter from the parent company Hensoldt UK Limited that confirm that they will assist the Company in meeting its liabilities as they fall due for a period of at least 12 months from the date of the approval of the balance sheet.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	511.406	2.290.972
Administration expenses	-2.824.286	-2.858.839
Operating profit	-2.312.880	-567.867
Other financial income	9.084	159.885
Other financial expenses	-37.114	-29.970
Pre-tax net profit or loss	-2.340.910	-437.952
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-2.340.910	-437.952
Proposed distribution of net profit:		
Allocated from retained earnings	-2.340.910	-437.952
Total allocations and transfers	-2.340.910	-437.952

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
Deposits	66.600	16.200
Total investments	66.600	16.200
Total non-current assets	66.600	16.200
Current assets		
Receivables from group enterprises	131.763	7.200
Other receivables	267.592	151.803
Prepayments and accrued income	0	12.559
Total receivables	399.355	171.562
Cash on hand and demand deposits	4.918	207.917
Total current assets	404.273	379.479
Total assets	470.873	395.679

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2023</u>	<u>2022</u>
Equity			
	Contributed capital	1.500.000	1.500.000
	Retained earnings	-8.064.065	-5.723.155
	Total equity	-6.564.065	-4.223.155
Liabilities other than provisions			
3	Payables to group enterprises	6.027.460	3.961.166
	Total long term liabilities other than provisions	6.027.460	3.961.166
	Trade payables	151.375	78.241
	Payables to group enterprises	684.168	387.350
	Other payables	171.935	192.077
	Total short term liabilities other than provisions	1.007.478	657.668
	Total liabilities other than provisions	7.034.938	4.618.834
	Total equity and liabilities	470.873	395.679
1	Uncertainties concerning the enterprise's ability to continue as a going concern		
2	Staff costs		
4	Contingencies		
5	Related parties		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	1.500.000	-5.285.203	-3.785.203
Retained earnings for the year	0	-437.952	-437.952
Equity 1 January 2023	1.500.000	-5.723.155	-4.223.155
Retained earnings for the year	0	-2.340.910	-2.340.910
	1.500.000	-8.064.065	-6.564.065

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

To ensure the Company's ability to continue as going concern, the Company has received a support letter from the parent company Hensoldt UK Limited that confirm that they will assist the Company in meeting its liabilities as they fall due for a period of at least 12 months from the date of the approval of the balance sheet.

2. Staff costs

Salaries and wages	2.113.747	1.736.229
Pension costs	201.255	163.999
Other costs for social security	13.370	12.310
	<u>2.328.372</u>	<u>1.912.538</u>
 Average number of employees	 <u>2</u>	 <u>2</u>

3. Payables to group enterprises

The full amount is due after 1 year and before 5 years.

4. Contingencies

Contingent liabilities

Unrecognised future payments regarding rental or lease agreements from 31 December 2023 until maturity in total, amount to 84 t.DKK (2022: 27 t.DKK)

5. Related parties

Consolidated financial statements

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

HENSOLDT AG, Willy-Messerschmitt-Str. 3, 82024 Taufkirchen, Germany.

Accounting policies

The annual report for A/S Kelvin Hughes has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

The company has decided to disclose gross profit only. Gross profit consists of revenue, production costs and administrations cost.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Accounting policies

Production costs

Production costs comprise cost of sales for the financial year, including ordinary write-down of inventories and other costs incurred to earn revenue for the financial year, including wages and salaries as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

Administration costs

Administration costs comprise costs incurred during the year concerning management and administration, including costs concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, debt and transactions in foreign currency and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value less writedowns for bad and doubtful debts.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Accounting policies

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to nominal value.

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Emil Lagstrøm

PIASTER REVISORERNE, STATSAUTORISERET REVISIONSAKTIESELSKAB

CVR: 25160037

Revisor

Serienummer: 2b1dd4cf-c1fa-485c-bd96-1eb45a048cb1

IP: 62.242.xxx.xxx

2024-08-12 12:13:10 UTC



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