

1 July 2025

BAESystems plc
Commencement of buy-back

BAE Systems plc (the "Company") announces that it has entered into arrangements with Morgan Stanley & Co. International plc ("Morgan Stanley") in relation to the second tranche (the "Second Tranche") of the three-year up to £1.5bn share buy-back programme announced on 2 August 2023 (the "Buy-back Programme").

The Company has instructed Morgan Stanley, acting as riskless principal, to carry out on-market purchases of ordinary shares of 2.5 pence each in the Company ("Ordinary Shares") for up to a maximum consideration of £500m. The Second Tranche of the Buy-back Programme is expected to be completed by 30 June 2026.

The purpose of the Buy-back Programme is to reduce the share capital of the Company and therefore Ordinary Shares purchased under the Second Tranche of the Buy-back Programme will be cancelled.

Any purchases of Ordinary Shares under the Second Tranche of the Buy-back Programme will be effected within certain pre-set parameters and in accordance with (and subject to the limits prescribed by) the Company's general authority to repurchase Ordinary Shares granted by its shareholders at the annual general meeting on 7 May 2025 (the "2025 Authority"), the applicable UK Listing Rules, Article 5(1) of the Market Abuse Regulation (EU) No 596/2014 (as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended), the Commission Delegated Regulation (EU) No 2016/1052 (as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended), and other applicable laws.

The maximum number of Ordinary Shares that may be repurchased under the Second Tranche of the Buy-back Programme will be such number as is equal to the number of Ordinary Shares the Company is authorised to repurchase under the 2025 Authority (300,785,866 Ordinary Shares).

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