

General Dynamics European Land Systems Denmark Aps
CVR no. 37389870
Copenhagen, Denmark

Annual report
for the period ended 31 December 2018

Adopted at the Company's Annual General Meeting
on 28 May 2019



Chairman Magnus Bojer-Larsen

General Dynamics European Land Systems Denmark Aps
CVR no. 37389870
Annual report 2018

Contents	Page
Company details	3
Management's review	4
Statement by the Management on the annual report	5
Financial statements:	
Accounting policies	6-8
Income statement	9
Balance sheet	10
Notes to the financial statements	11-12

General Dynamics European Land Systems Denmark Aps
CVR no. 37389870
Annual report 2018

Company details

Company:	General Dynamics European Land Systems Denmark Aps
CVR no:	37389870
Registered address:	c/o TMF Denmark Købmagergade 60, 1 sal tv 1150 Copenhagen K Denmark
Commune	Copenhagen
Website:	www.gdels.com
Financial year:	3rd financial year
Director:	Oliver Dürr Alexander Yorck Fabian Kienle

General Dynamics European Land Systems Denmark Aps
CVR no. 37389870
Annual report 2018

Management's review

Principal Activities of the Company

The objects of the Company are services relating to the manufacture, production, servicing and support of military vehicles as well as any other activities related thereto.

Development in the Company's activities and financial matters

The Company was established at the beginning of the financial year 2016. The overall business objective of the Company is to support the business of General Dynamics European Land Systems - Mowag GmbH in the territory of Denmark. The Company started with its core business during the financial year 2017. For the financial year 2018 the Company shows net profit of DKK 109 909,00 and per the balance sheet date 31.12.2018 equity totals to DKK 234 493,00. The net profit is a result of an intercompany agreement with Company's parent.

Significant events after the balance sheet date

No significant events have occurred after the balance sheet date which would influence the evaluation of the Company's financial position as at the balance sheet date.

General Dynamics European Land Systems Denmark Aps
CVR no. 37389870
Annual report 2018

Statement by the Management on the annual report

The Director has today discussed and approved the annual report of General Dynamics European Land Systems Denmark Aps (the Company) for the financial period 1 January 2018 – 31 December 2018.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations for the financial period 1 January 2018 – 31 December 2018.

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

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 28 May 2019

Director:



Oliver Dürr



Alexander Yorck Fabian Kienle

General Dynamics European Land Systems Denmark Aps
CVR no. 37389870
Annual report 2018

Accounting policies

The annual report has been prepared in accordance with Danish financial statements legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the reporting requirements of the Danish Financial Statements Act of class B entities.

Recognition and Measurement

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Furthermore, all costs incurred to earn the profit or loss for the year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow into the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement item.

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less instalments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

The functional currency is Danish kroner, DKK. All other currencies are considered foreign currencies.

Foreign Currency Translations

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

Income Statement

Gross profit/loss

The Company has aggregated the items "revenue", "other operating income" as well as external expenses.

As income recognition criterion, the completed contract method is applied so that revenue comprises invoiced revenue for the year. Revenue is measured at fair value excl. VAT and less granted goods and customer discounts.

General Dynamics European Land Systems Denmark Aps
CVR no. 37389870
Annual report 2018

Accounting policies

Other operating income

Other operating income includes financial statement items of a secondary nature in relation to the primary activity of the enterprise, including profit on sale of fixed assets.

External expenses

External expenses comprise selling costs, facility costs and administrative expenses.

Other operating expenses

Other operating expenses include financial statement items of a secondary nature in relation to the primary activity of the enterprise, including profit from sale of fixed assets.

Other financial income and other financial expenses

Financial income and expenses comprise interest, realised and unrealised exchange gains and losses as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

Tax on profit or loss for the year income taxes

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

Balance Sheet

The balance sheet has been presented in account form.

Assets

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated amortisation and depreciation. The basis of amortisation and depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation. The costprice for an asset is divided into separate components, that are depreciated separately, if the useful life of the individual components is significantly different.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives.

Profit/loss on sale or retirement has been included in the income statement under other operating income and other operating expenses.

Impairment of property, plant and equipment

The carrying amount of property plant and equipment is reviewed annually for indication of impairment for loss, apart from what is expressed by usual amortisation and depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount.

As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the anticipated cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant and equipment and intangible assets.

Fixed asset investments

Other receivables recognised under fixed assets comprise loans and rental deposits measured at amortised cost, which usually corresponds to nominal amount. In events when the carrying amount exceeds the recoverable amount, impairment for loss is made to such lower value. Impairment for loss for the year is recognised in the income statement as impairment for loss of financial assets.

General Dynamics European Land Systems Denmark Aps
CVR no. 37389870
Annual report 2018

Accounting policies

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

Work in progress

Work in progress is measured at cost price. Where the cost price exceeds the net realisable value, work in progress is written down to this lower value.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

Equity and Liabilities

Equity

Management's proposed dividends for the financial year is disclosed as a separate item in equity.

Provision for deferred tax

Deferred tax is measured according to the liability method. Provision has been made for deferred tax by 22% on all temporary differences between carrying amount and tax-based value of assets and liabilities.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

Other liabilities other than provisions

Other liabilities other than provisions have been measured at amortised cost which corresponds to nominal value.

Deferred income

Deferred income comprises income received relating to subsequent years.

General Dynamics European Land Systems Denmark Aps
CVR no. 37389870
Annual report 2018

Income statement

	Notes	Period ended	
		31-12-18 DKK	31-12-17 DKK
Operating income	1	1,730,957	890,603
Other income		(14,580)	14,581
External costs	2	-	(190,904)
Gross profit		1,716,377	714,280
Staff costs	3	(945,250)	(298,765)
Other operating expenses	4	(390,345)	(319,970)
		380,782	95,545
Other financial income		-	-
Other financial expenses	5	(238,002)	(393)
Profit/loss before tax		142,780	95,152
Tax on profit/loss for the year	6	(32,871)	(21,405)
Profit/loss for the year		109,909	73,747
Proposed profit/loss distribution			
Retained earnings		109,909	73,747
Proposed dividends for the financial year		-	-
Profit/loss for the year		109,909	73,747

General Dynamics European Land Systems Denmark Aps
CVR no. 37389870
Annual report 2018

Balance sheet

	As at	
	31-12-18 DKK	31-12-17 DKK
Assets		
Non-current assets		
Investments	16	16
Total non-current assets	16	16
Receivables from group enterprises	746,974	-
Other receivables	6,677	14,822
Tax receivables	(3)	22,385
Prepayments	(433)	3,612
	753,215	40,819
Cash	149,906	603,885
Total current assets	903,121	644,704
Total Assets	903,137	644,720
Equity and liabilities		
Equity		
Share capital	50,000	50,000
Retained earnings	184,493	74,585
Total equity	234,493	124,585
Liabilities		
Current liabilities		
Trade payables	-	3,757
Payables to group enterprises	550,000	350,000
Income tax payable	32,716	21,415
Other payables	46,928	64,963
Accruals	39,000	80,000
Total current liabilities	668,644	520,135
Total liabilities	668,644	520,135
Total Equity and Liabilities	903,137	644,720

7

General Dynamics European Land Systems Denmark Aps
CVR no. 37388870
Annual report 2018

Notes to the financial statements

1 Operating income	2018 DKK	2017 DKK
Service fees	1,730,957	890,603
	<u>1,730,957</u>	<u>890,603</u>
2 External costs	2018 DKK	2017 DKK
Seconded employees	-	(190,904)
	<u>-</u>	<u>(190,904)</u>
3 Staff costs	2018 DKK	2017 DKK
Gross salaries	(717,748)	(163,600)
Holiday accrual	-	(32,027)
Employee benefits	(100,518)	(45,144)
Company pension contributions	(32,400)	(10,800)
Statutory pension and social contributions	(8,582)	(757)
Other staff cost	(86,001)	(26,437)
	<u>(945,250)</u>	<u>(298,765)</u>
4 Other operating expenses	2018 DKK	2017 DKK
Accounting and compliance services, domiciliation services	(220,103)	(201,448)
Other professional services	(27,000)	(64,445)
Office rent	(24,187)	(24,189)
Travel expenses	(110,652)	(24,988)
Bank charges	(3,854)	(3,114)
Insurances	(3,395)	(991)
Others	(1,154)	(815)
	<u>(390,345)</u>	<u>(319,970)</u>
5 Other financial expenses	2018 DKK	2017 DKK
Foreign exchange losses	(238,002)	(393)
	<u>(238,002)</u>	<u>(393)</u>
6 Corporation tax and deferred tax	2018 DKK	31-12-17 DKK
Corporate tax liability	(32,871)	(21,405)
	<u>(32,871)</u>	<u>(21,405)</u>

General Dynamics European Land Systems Denmark Aps
CVR no, 37389870
Annual report 2018

Notes to the financial statements

7 Equity

	31-12-18 DKK	31-12-17 DKK
Share capital at 31 December 2018	50,000	50,000
Retained earnings at 1 January 2018	74,584	838
Transfer from profit/loss for the year	109,909	73,747
Retained earnings at 31 December 2018	184,493	74,585
Equity at 31 December 2018	234,493	124,585

8 Contingent assets

The Company has no contingent assets

9 Contractual obligations

The Company has no contractual obligations.

* * *