

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

**Annual report
for the period ended 31 December 2021**

**Adopted at the Company's Annual General Meeting
on 16 June 2022**

Chairman Alexander Yorck Fabian Kienle



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Company details

Company: General Dynamics European Land Systems Denmark ApS

CVR no: 37389870

Registered address: c/o TMF Denmark
H.C. Andersens Boulevard 38, 3. th
1553 København V
Denmark

Municipality: Copenhagen

Website: www.gdels.com

Financial year: 01.01.2021 - 31.12.2021

Board of Directors: Giuseppe Chillari

Alexander Yorck Fabian Kienle

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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 main 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 its core operation during the financial year 2017.

For the financial year 2021, the Company shows net profit of DKK 171,487 and per the balance sheet date 31.12.2021 equity totals to DKK 730,602. 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.

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Statement by the Management on the annual report

The Board of Directors has today discussed and approved the annual report of General Dynamics European Land Systems Denmark ApS (the Company) for the financial period 1 January 2021 – 31 December 2021.

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 2021 and of the results of the Company's operations for the financial period 1 January 2021 – 31 December 2021.

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

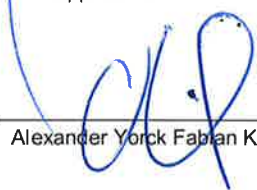
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 16 June 2022

Board of Directors:



Giuseppe Chillari



Alexander Yorck Fabian Kienle

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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.

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.

Accounting policies

Staff Costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

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

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.

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.

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.

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Income statement

	Notes	Period ended	
		12/31/2021 DKK	12/31/2020 DKK
Gross profit	1	2,400,844	2,191,138
Staff costs	2	(1,812,916)	(1,540,172)
Other operating expenses	3	(369,623)	(451,736)
Operating profit/loss		218,305	199,230
Other financial Income		170	-
Other financial expenses	4	(46)	(35)
Profit/loss before tax		218,429	199,195
Tax on profit/loss for the year	5	(46,942)	(43,588)
Profit/loss for the year		171,487	155,607
Proposed profit/loss distribution			
Retained earnings		171,487	155,607
Profit/loss for the year		171,487	155,607

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Balance sheet

	Notes	As at	
		12/31/2021 DKK	12/31/2020 DKK
Assets			
Non-current assets			
Investments		16	16
Total non-current assets		16	16
Trade receivables		-	4,173
Receivables from group enterprises		880,167	529,602
Other receivables		4,896	4,896
Tax receivables		72,575	101,552
		957,638	640,223
Cash		241,304	449,022
Total current assets		1,198,942	1,089,245
Total Assets		1,198,958	1,089,261
Equity and liabilities			
Equity	6		
Share capital		50,000	50,000
Retained earnings		680,602	509,115
Total equity		730,602	559,115
Liabilities			
Current liabilities			
Payables to group enterprises		350,000	350,000
Income tax payable		48,027	45,238
Other payables		60,329	124,908
Accruals		10,000	10,000
Total current liabilities		468,356	530,146
Total liabilities		468,356	530,146
Total Equity and Liabilities		1,198,958	1,089,261

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Notes to the financial statements

1 Gross profit

	2021 DKK	2020 DKK
Service fees	2,400,844	2,191,138
	<u>2,400,844</u>	<u>2,191,138</u>

2 Staff costs

	2021 DKK	2020 DKK
Gross salaries	(1,670,839)	(1,297,914)
Holiday accrual	45,908	(49,363)
Employee benefits	(138,360)	(138,360)
Company pension contributions	(43,200)	(43,200)
Statutory pension and social contributions	(3,983)	(6,196)
Other staff cost	(2,442)	(5,139)
	<u>(1,812,916)</u>	<u>(1,540,172)</u>

Average number of employees

2

4

3 Other operating expenses

	2021 DKK	2020 DKK
Accounting and compliance services, domiciliation services	(153,114)	(146,144)
Other professional services	(148,639)	(228,060)
Travel expenses	(61,568)	(70,740)
Bank charges	(4,344)	(4,976)
Insurances	(1,958)	(1,816)
	<u>(369,623)</u>	<u>(451,736)</u>

4 Other financial expenses

	2021 DKK	2020 DKK
Interests and fines	(46)	(35)
	<u>(46)</u>	<u>(35)</u>

5 Corporation tax and deferred tax

	2021 DKK	2020 DKK
Corporate tax liability	(46,942)	(43,588)
	<u>(46,942)</u>	<u>(43,588)</u>

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Notes to the financial statements

6 Equity

	2021 DKK	2020 DKK
Share capital	50,000	50,000
Retained earnings	509,115	353,508
Transfer from profit/loss for the year	171,487	155,607
Retained earnings	680,602	509,115
Equity	730,602	559,115

7 Contingent assets

The Company has no contingent assets

8 Contractual obligations

The Company has no contractual obligations.

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