

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

**Annual report  
for the period ended 31 December 2020**

**Adopted at the Company's Annual General Meeting  
on 18 June 2021**

---

**Chairman Rana Salame**

**General Dynamics European Land Systems Denmark ApS**  
CVR no. 37389870  
Annual report 2020

<b>Contents</b>	<b>Page</b>
Company details	3
Management's review	4
Statement by the Management on the annual report	5
<b>Financial statements:</b>	
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 2020

**Company details**

Company: General Dynamics European Land Systems Denmark ApS

CVR no: 37389870

Registered address: c/o TMF Denmark  
Købmagergade 60, 1. tv.  
1150 København K  
Denmark

Municipality: Copenhagen

Website: [www.gdels.com](http://www.gdels.com)

Financial year: 01.01.2020 - 31.12.2020

Board of Directors: Giuseppe Chillari  
Alexander Yorck Fabian Kienle

**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 2020, the Company shows net profit of DKK 155,607 and per the balance sheet date 31.12.2020 equity totals to DKK 559,115. The net profit is a result of an intercompany agreement with Company's parent.

**Significant events after the balance sheet date**

The exact assessment of the risk from the outbreak of coronavirus is currently not quantifiable and depends on further developments, which the management is monitoring closely. However, in management's view, based on cash flow projections and taking into account the current financial and liquidity position, the Company will have sufficient resources to continue for a period of at least 12 months from the reporting date and the going concern assumption adopted in the preparation of these financial statements is appropriate.

However, to minimize the risk, the company has allowed employees who are not directly involved in equipment preparation / service activities, to have the opportunity to work from home, all trips in the interest of service are stopped for this category of personnel.

Apart from above, no further events have occurred after the balance sheet date which would influence the evaluation of the Company's financial position at the balance sheet date.

**General Dynamics European Land Systems Denmark ApS**  
CVR no. 37389870  
Annual report 2020

**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 2020 – 31 December 2020.

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

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, 18 June 2021

**Board of Directors:**

  
Giuseppe Chillari  
Alexander Yorck Fabian Kienle

## **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.

## 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.

### 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

#### 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.

**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 2020

**Income statement**

	Notes	Period ended	
		12/31/2020 DKK	12/31/2019 DKK
<b>Gross profit</b>	1	<u>2,191,138</u>	<u>2,390,676</u>
Staff costs	2	(1,540,172)	(1,777,238)
Other operating expenses	3	(451,736)	(396,465)
<b>Operating profit/loss</b>		<u>199,230</u>	<u>216,973</u>
Other financial expenses	4	(35)	-
<b>Profit/loss before tax</b>		<u>199,195</u>	<u>216,973</u>
Tax on profit/loss for the year	5	(43,588)	(47,960)
<b>Profit/loss for the year</b>		<u><u>155,607</u></u>	<u><u>169,013</u></u>
<b>Proposed profit/loss distribution</b>			
Retained earnings		155,607	169,013
<b>Profit/loss for the year</b>		<u><u>155,607</u></u>	<u><u>169,013</u></u>

General Dynamics European Land Systems Denmark ApS  
CVR no. 37389870  
Annual report 2020

**Balance sheet**

	As at	
	12/31/2020 DKK	12/31/2019 DKK
<b>Assets</b>		
<b>Non-current assets</b>		
Investments	16	16
<b>Total non-current assets</b>	<b>16</b>	<b>16</b>
Trade receivables	4,173	-
Receivables from group enterprises	529,602	744,615
Other receivables	4,896	4,896
Tax receivables	101,552	26,757
	<b>640,223</b>	<b>776,268</b>
<b>Cash</b>	449,022	331,540
<b>Total current assets</b>	1,089,245	1,107,808
<b>Total Assets</b>	<b>1,089,261</b>	<b>1,107,824</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	50,000	50,000
Retained earnings	509,115	353,506
<b>Total equity</b>	<b>559,115</b>	<b>403,506</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	-	170
Payables to group enterprises	350,000	550,000
Income tax payable	45,238	48,320
Other payables	124,908	95,828
Accruals	10,000	10,000
<b>Total current liabilities</b>	<b>530,146</b>	<b>704,318</b>
<b>Total liabilities</b>	530,146	704,318
<b>Total Equity and Liabilities</b>	<b>1,089,261</b>	<b>1,107,824</b>

General Dynamics European Land Systems Denmark ApS  
CVR no. 37389870  
Annual report 2020

Notes to the financial statements

**1 Gross profit**

	2020 DKK	2019 DKK
Service fees	2,191,138	2,390,676
	<u>2,191,138</u>	<u>2,390,676</u>

**2 Staff costs**

	2020 DKK	2019 DKK
Gross salaries	(1,297,914)	(1,569,312)
Holiday accrual	(49,363)	-
Holiday allowance	-	(7,690)
Employee benefits	(138,360)	(137,100)
Company pension contributions	(43,200)	(43,200)
Statutory pension and social contributions	(6,196)	(4,493)
Other staff cost	(5,139)	(15,443)
	<u>(1,540,172)</u>	<u>(1,777,238)</u>

Average number of employees	4	2
-----------------------------	---	---

**3 Other operating expenses**

	2020 DKK	2019 DKK
Accounting and compliance services, domiciliation services	(146,144)	(161,308)
Other professional services	(228,060)	(122,672)
Office rent	-	1,859
Travel expenses	(70,740)	(103,728)
Bank charges	(4,976)	(7,266)
Insurances	(1,816)	(1,755)
Others	-	(1,595)
	<u>(451,736)</u>	<u>(396,465)</u>

**4 Other financial expenses**

	2020 DKK	2019 DKK
Interest paid to tax office	(35)	-
	<u>(35)</u>	<u>-</u>

**5 Corporation tax and deferred tax**

	2020 DKK	2019 DKK
Corporate tax liability	(43,588)	(47,960)
	<u>(43,588)</u>	<u>(47,960)</u>

General Dynamics European Land Systems Denmark ApS  
CVR no. 37389870  
Annual report 2020

Notes to the financial statements

**6 Equity**

	2020 DKK	2019 DKK
Share capital	50,000	50,000
Retained earnings	353,508	184,493
Transfer from profit/loss for the year	155,607	169,013
	<hr/>	<hr/>
<b>Retained earnings</b>	<b>509,115</b>	<b>353,506</b>
	<hr/>	<hr/>
<b>Equity</b>	<b>559,115</b>	<b>403,506</b>
	<hr/>	<hr/>

**7 Contingent assets**

The Company has no contingent assets

**8 Contractual obligations**

The Company has no contractual obligations.

\* \* \*