

Chanel Denmark ApS

Annual Report

1 January 2021 – 31 December 2021

CVR-nr. 36948086
Kristen Bernikows Gade 6, 3.
DK-1105 Copenhagen K

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 7 July 2022

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Management's Statement

The Board of Directors and the Executive Board have today considered and approved the Annual Report of Chanel Denmark ApS for the financial year 1 January 2021 – 31 December 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 1 January 2021 – 31 December 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review. We recommend that the Annual Report be adopted at the Annual General Meeting.


Copenhagen, 7 July 2022

Executive Board

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Alexander Keller
Managing Director

Board of Directors

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Berndt-Dieter Hauptkorn
Chairman of the board

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Steven Wright
Board member

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Michael Rena
Board member

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Luc Dony
Board member

Independent Auditor's Report

To the Shareholder of Chanel Denmark ApS

Opinion

We have audited the financial statements of Chanel Denmark ApS for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's commentary

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

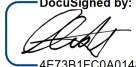
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review. Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 7 July 2022

EY Godkendt Revisionspartnerselskab

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Claus Tanggaard Jacobsen

Statsautoriseret revisor

mne23314

Company Information

The Company

Chanel Denmark ApS
Kristen Bernikowsgade 6, 3
DK-1105 Copenhagen
Telephone: + 45 33 18 63 20
CVR No: 36 94 80 86
Financial period: 1 January 2021 - 31 December 2021
Municipality of reg. office: Copenhagen

Board of Directors

Berndt-Dieter Hauptkorn (Chairman)
Michael Rena
Steven Wright
Luc Dony

Executive Board

Alexander Keller (Managing Director)

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg

Consolidated Financial Statements

The Company is included in the Group Annual Report of Chanel Ltd. Org. no. 217866541, 5 Barlow Place, London, W1J 6DG, United Kingdom.

Management's review

Key figures	2017	2018	2019	2020	2021
	TDKK	TDKK	TDKK	TDKK	TDKK
Gross profit	19,239	42,829	63,334	57,888	81,685
Operating income	1,128	10,612	27,472	19,475	45,181
Net financial expenses	(114)	(304)	(111)	163	(1,681)
Profit for the year	760	8,021	21,332	15,292	33,909
Balance Sheet	68,430	101,850	105,023	108,005	85,464
Investment in tangible assets	30,479	24,956	1,800	1,636	1,144
Equity	1,003	9,024	23,356	18,648	37,557
Return on equity (%)	122%	160%	132%	73%	121%
Equity ratio (%)	1%	9%	22%	17%	45%

The ratios stated in the list of key figures and ratios have been calculated as follows:

Return on equity:
$$\frac{[\text{Profit/loss after tax}] \times 100}{[\text{Average equity}]}$$

Equity ratio:
$$\frac{[\text{Closing equity}] \times 100}{[\text{Closing balance sheet}]}$$

Main activity

Chanel Denmark ApS is part of Chanel Group, one of the world's leading luxury Houses. The principal activity of Chanel Denmark ApS is the marketing and sales of perfumes, cosmetics, fashion clothes and accessories in Denmark only. The Company sells Fashion items through its-owned boutique only and Beauty products both at wholesale - through select channels of distribution - and retail in its-owned boutique.

The directors consider the Company's trading result and financial position to be satisfactory. The directors do not foresee that there will be any change in the Company's activities for the foreseeable future.

Development in the year

The income statement of the Company for the year 2021 shows a profit of TDKK 33,909 (2020: TDKK 15,292) at December 31, 2021, the balance sheet of the Company shows equity of TDKK 37,557 (2020: TDKK 18,648).

In 2021, the Company has had a recovery in sales and earnings after 2020 results due to the global pandemic. The Company still showed a strong result with sales increases in Retail and Wholesale networks in the Beauty segment and a strong performance of its Fashion boutique.

Targets and expectations for the year ahead

Still, the Company has a well-established position on the Danish market and is committed to a long-term vision for the brand based on creativity, innovation, and excellence. The Company will continue to explore new ways of connecting with its customers, both in the boutiques and through digital platforms. The Company is confident in its abilities to ensure a stable financial position for the year 2022 and onwards with an expected profit before tax ranging between TDKK 50,000 to TDKK 55,000 for year 2022.

Corporate Social Responsibility

CHANEL as a Group is committed to responsible and sustainable business practices. In 2019, CHANEL published its inaugural Report to Society which gave a first insight into how CHANEL is transforming its core business to address environmental and social impacts; how the Group is accelerating the transition towards responsible and sustainable practices both for its business and in the supply chain; and how the Group is delivering positive social and environmental impacts for society outside our direct value chain.

In March 2020, CHANEL launched its commitment to tackle climate change, CHANEL Mission 1.5°, in line with the targets of the 2015 Paris Climate Agreement. Available at <https://www.chanel.com/dk/climate-report/>.

Risk Report

The Directors have carried out an assessment of the principle risks facing the Company including those that would threaten its business model, future performance, solvency or liquidity.

Currency Risk

Currency risks are extremely low as all sales are in local currency. All purchases are primarily done in DKK and EUR which DKK is locked against.

Credit risk

The Company has no significant concentration of credit risk and trades with counterparties with good credit ratings. The Company policies in place ensure that the sales of products are made to customers with an appropriate credit history.

Liquidity risk

Liquidity is always ensured since any excess funding requirements are met through access to a global cash pool and an intercompany lending program. Interest rates therefore have minimal impact on the financial statement and the Company's financial position.

Other operating risk

The Company is impacted by the general risk of retail trading. Additionally, the company is impacted by the specific risk of operating in the luxury market which includes cyclical and impact from general financial and macro-economic climate. Other operating risks and uncertainties are covered by internal controls and strategic decisions.

Income Statement 1 January 2021 – 31 December

	Note	<u>2020</u> TDKK	<u>2021</u> TDKK
Gross profit		57,888	81,685
Employee expenses	2	(26,687)	(28,921)
Depreciation, Amortization & Write down	3	<u>(11,726)</u>	<u>(7,583)</u>
Operating income		19,475	45,181
Financial income		311	3
Financial expenses	4	<u>(148)</u>	<u>(1,684)</u>
Profit before tax		19,638	43,500
Tax on profit for the year	5	<u>(4,346)</u>	<u>(9,591)</u>
Net profit for the year		<u>15,292</u>	<u>33,909</u>

Balance Sheet 31 December

Assets

	Note	2020	2021
		TDKK	TDKK
Software		280	444
Leasehold rights		662	563
Intangible fixed assets	7	942	1,007
Equipment		5,383	3,572
Leasehold improvements		27,307	22,614
Tangible assets	6	32,690	26,186
Deferred tax	10	3,869	2,686
Deposits	9	714	725
Financial asset		4,583	3,411
Total non-current assets		38,215	30,604
Inventory		18,823	9,579
Trade receivables		23,685	20,368
Receivables from affiliated companies		26,524	4,816
Loan to affiliated companies		-	18,727
Income tax receivable		-	213
Prepayments	8	753	1,364
Current Receivables		50,962	45,488
Cash on hand and in bank		5	5
Currents assets		69,790	55,072
Total assets		108,005	85,676

Balance Sheet 31 December

Liabilities and equity

	Note	<u>2020</u>	<u>2021</u>
		TDKK	TDKK
Share capital		1,000	1,000
Proposed dividend		15,000	17,000
Retained earnings		<u>2,648</u>	<u>19,557</u>
Equity	6	<u>18,648</u>	<u>37,557</u>
Re-establishment liability	11	<u>1,986</u>	<u>1,986</u>
Longer-term liabilities		<u>1,986</u>	<u>1,986</u>
Trade payables		2,505	6,051
Payables to affiliated companies		28,876	25,769
Loan from affiliated companies		26,976	-
Payable income tax		6,123	-
Other payables		<u>22,891</u>	<u>14,313</u>
Short-term liabilities		<u>87,371</u>	<u>45,133</u>
Liabilities		<u>89,357</u>	<u>47,119</u>
Liabilities and equity		<u>108,005</u>	<u>85,676</u>
Events after the balance sheet date	1		
Contingent assets, liabilities and other financial obligations	12		
Proposed distribution of result	13		
Related parties and ownership	14		

Change in equity

	Equity	Retained earnings	Proposed dividend	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January 2021	1,000	2,648	15,000	18,648
Net profit for the year	-	16,909	17,000	33,909
Paid out dividend	-	-	(15,000)	(15,000)
Equity at 31 December 2021	1,000	19,557	17,000	37,557

Cash flow statement

	2020	2021
	TDKK	TDKK
Operating profit	19,475	45,181
Amortisation, depreciation and impairment losses	11,726	7,583
Working capital changes	<u>(11,683)</u>	<u>25,508</u>
Cash flow from ordinary operating activities	<u>19,158</u>	<u>78,272</u>
Financial income received	311	3
Financial expenses paid	(148)	(1,684)
Income taxes paid	<u>(1,666)</u>	<u>(14,744)</u>
Cash flows from operating activities	<u>18,015</u>	<u>61,847</u>
Acquisition etc. of tangible and intangible assets	<u>(1,636)</u>	<u>(1,144)</u>
Cash flows from investing activities	<u>(1,636)</u>	<u>(1,144)</u>
Instalments on loans etc.	(1,466)	(26,976)
Dividend paid	<u>(20,000)</u>	<u>(15,000)</u>
Cash flows from financing activities	<u>(21,466)</u>	<u>(41,976)</u>
Increase/(decrease) in cash and cash equivalents	<u>(5,087)</u>	<u>-</u>
Cash and cash equivalents beginning of year	<u>5,092</u>	<u>5</u>
Cash and cash equivalents end of year	<u>5</u>	<u>5</u>

Notes to the Annual Report

1 Events after the balance sheet date

No event to be disclosed.

2 Employee, personal costs

	<u>2020</u>	<u>2021</u>
	TDKK	TDKK
Salaries	24,003	24,911
Pension	1,559	1,650
Social charge	329	305
Other employee expense	<u>796</u>	<u>2,055</u>
	26,687	28,921
Average number of employees	40	39

With reference to section 98b of the Danish Financial Statements Act, remuneration to Management is not disclosed.

3 Depreciation and write down of fixed assets

Depreciation and write down of fixed assets are distributed as follows:

	<u>2020</u>	<u>2021</u>
	TDKK	TDKK
Software	937	118
Leasehold rights	98	99
Equipment	4,019	2,326
Leasehold improvements	<u>6,672</u>	<u>5,040</u>
	11,726	7,583

4 Financial expenses

Of financial expenses DKK 144K are paid to related parties.

5 Tax on profit for the year

	<u>2020</u>	<u>2021</u>
	TDKK	TDKK
Current tax for the year	6,626	8,408
Adjustment of deferred tax	<u>(2,280)</u>	<u>1,183</u>
	4,346	9,591

6 Intangible assets

	Software	Leasehold rights
	TDKK	TDKK
Acquisition price beginning of year	3,988	989
Additions during the year	282	-
Acquisition price, at year-end	4,270	989
Depreciations and impairment loss, beginning of year	3,708	327
Depreciations for the year	118	99
Depreciations and impairment loss, at year-end	3,826	426
Net book value as of December 31, 2021	444	563

7 Tangible assets

	Equipment	Leasehold Improvement
	TDKK	TDKK
Acquisition price beginning of year	15,512	45,780
Additions during the year	515	347
Disposals during the year	-115	-
Acquisition price, at year-end	15,912	46,127
Depreciations and impairment loss, beginning of year	10,129	18,473
Depreciation for the year	2,326	5,040
Disposals during the year	-115	-
Depreciations and impairment loss, at year-end	12,340	23,513
Net book value as of December 31, 2021	3,572	22,614

8 Prepayments

	2020	2021
	TDKK	TDKK
Employee advances	36	36
Other prepayments	717	1,328
	753	1,364

9 Deposits

Deposits relate to a deposit paid for rental of office space at Kristen Bernikows Gade 6, Copenhagen (Denmark).

10 Deferred tax

Deferred tax consists of inventories, intangible assets, and tangible assets. Deferred tax is determined using the tax rate at the balance sheet date that apply when the deferred tax is expected to be released as current tax.

11 Re-establishment liability

For leased premises, the Company has an obligation to re-establish the premises to same conditions as when taken over. The liability is calculated as the best cost estimate for the most likely date of when we expect the re-establishment to take place, and the cost to be actual.

12 Contingent assets, liabilities and other financial obligations**Rental agreements and leases**

	2020	2021
	TDKK	TDKK
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	6,112	6,112
Between 1 and 5 years	24,214	22,819
More than 5 years	57,217	52,499
	87,543	81,430

13 Proposed distribution of result

	2020	2021
	TDKK	TDKK
Proposed dividend recognized in equity	15,000	17,000
Retained earnings	292	16,909
	15,292	33,909

14 Related parties and ownership**Transactions with related parties**

	2020	2021
	TDKK	TDKK
Cost of goods from group companies	91,264	116,197
Management fee invoiced to other group companies	13,249	14,470
Receivables from group companies	26,524	4,816
Short term loan to other group companies	-	18,727
Payables to group companies	28,876	25,769
Short term loan from other group companies	26,976	-

Ownership

Chanel Denmark ApS is a wholly owned subsidiary of Chanel Ltd. Org. no. 217866541, 5 Barlow Place, London, W1J 6DG, United Kingdom– and is included in the Group Annual Report.

Accounting Policies

Basis of Preparation

The Annual Report of Chanel Denmark ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C, medium sized enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

The Annual Report for 2021 is presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to 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.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are recalculated to the exchange rate on balance sheet date; for minor amounts the exchange rate of the transaction date is used.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Revenue from the sale of goods is recognised in the income statement when the goods are sent from inventory and transfer of risk has been made to the customer. Revenue is recognised exclusive of VAT and net of returns and discounts relating to sales.

Cost of Goods Sold

The cost of goods sold comprises costs for fashion, fragrance and beauty items, bought and resold to customers to achieve revenue for the year.

Employee expenses

Employee expenses comprise cost in the form of salaries, pension, bonus, allowances, social charges, and cost of our counter staff in department stores.

Depreciations

Depreciations comprise all depreciations made in the current period, for all assets.

Other operating expenses

Other operating expenses comprise items of marketing, administrative costs etc.

Financial income and expenses

Financial income and expenses include interest income and expenses, realized and unrealized exchange gains and losses on payables and transactions in foreign currency, as well as surcharges and allowances under the tax on account scheme etc. Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit for the year

Tax for the year consists of current tax for the year and changes in deferred tax. The tax attributable to the profit for the year is recognised in the income statement.

Balance Sheet**Intangible assets**

Intangible assets are measured at cost less accumulated amortization and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Amortization based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Amortization period:

- Software 5 years
- Leasehold rights 10 years

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Depreciation period:

- Equipment 3 - 10 years
- Leasehold improvements 5-9 years

In 2021, depreciation periods for Boutiques have been adjusted to be closer to the real useful life depending on the type of boutiques. F&B Boutiques went from 7 years to 6 years and Fashion boutiques from 7 years to 9 years.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognized prospectively as a change in accounting estimates.

The carrying amounts of intangible and tangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognized in the income statement as other operating income or other operating expenses, respectively.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases in respect of which the entity does not bear all significant risks and enjoy all significant benefits associated with the title to the assets are considered operating leases. Payments under operating leases are recognized in the income statement over the term of the lease.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables.

Prepayments

Prepayments consist primarily of prepaid expenses concerning airfare passes, salary and IT agreement.

Inventories

Inventories are measured at the lower of cost using the first-in-first-out (FIFO) method and net realisable value. Cost consists of purchase price [plus delivery costs]. The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Deferred tax assets and liabilities

Deferred tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivable and payable

Current tax payable and receivable are recognised in the balance sheet as the expected taxable income for the year. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Provisions

Provisions relates to the Company's liability for re-establishment of leased property at the end of the lease term etc. Provisions are recognized when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realizable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item under equity.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.