

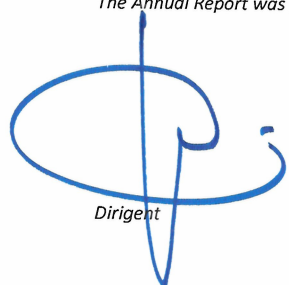
Chanel Denmark ApS

Annual Report

1 January 2020 – 31 December 2020

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 21 / 5 2021



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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 2020 – 31 December 2020.

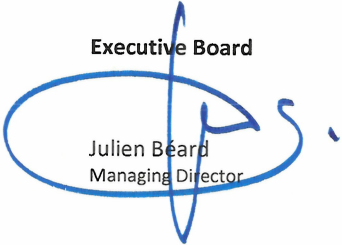
The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 1 January 2020 – 31 December 2020.

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, 21/5- 2021

Executive Board




Julien Béard
Managing Director


Board of Directors



Berndt-Dieter Hauptkorn
Chairman of the board



Michael Rena
Board member



Steven Wright
Board member



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 2020 – 31 December 2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31 December 2020 and of the results of its operations for the financial year 1 January 2020 – 31 December 2020 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, and for such internal control as 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 21 / 5 2021

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56



Jan Larsen
State-Authorised Public Accountant
Identification number (MNE) mne16541

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 2020 - 31 December 2020
Municipality of reg. office: Copenhagen

Board of Directors

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

Executive Board

Julien Béard (Managing Director)

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 København S

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	2015/16	2017	2018	2019	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Gross profit	14,556	19,239	42,829	63,334	57,888
Operating income	280	1,128	10,612	27,472	19,475
Net financial expenses	(32)	(114)	(304)	(111)	163
Profit for the year	193	760	8,021	21,332	15,292
Balance Sheet	47,074	68,430	101,850	105,023	108,005
Investment in tangible assets	11,115	30,479	24,956	1,800	1,636
Equity	243	1,003	9,024	23,356	18,648
Return on equity (%)	159%	122%	160%	132%	73%
Equity ratio (%)	1%	1%	9%	22%	17%

Financial highlights are defined and calculated in accordance with "Recommendations % Ratios 2015" issued by the Danish Society of Financial Analysts.

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 2020 shows a profit of TDKK 15,292 (2019: TDKK 21,332) and at December 31, 2020, the balance sheet of the Company shows equity of TDKK 18,648 (2019: TDKK 23,356).

In 2020, the Company has had a decline in sales and earnings due to the global pandemic. Regardless of the pandemic the Company still showed a strong result, which came as the result of a strengthening of the Company's partnerships with current partners in the Beauty segment and a strong performance of its Fashion boutique.

Targets and expectations for the year ahead

Considering the ongoing Covid-19 pandemic and the overall uncertainty of its duration, the Company is currently in the process of evaluating its impact on operations and financial performance.

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 2021 and onwards.

Corporate Social Responsibility

CHANEL as a Group is committed to responsible and sustainable business practices. In 2019, CHANEL published its inaugural Report to Society [https://services.chanel.com/i18n/en_DK/pdf/Report_to_Society.pdf] 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.

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 2020 – 31 December 2020

	Note	<u>2019</u> TDKK	<u>2020</u> TDKK
Gross profit		63,334	57,888
Employee expenses	2	-25,301	-26,687
Depreciation, Amortization & Write down	3	<u>-10,561</u>	<u>-11,726</u>
Operating income		27,472	19,475
Financial income		0	311
Financial expenses	4	<u>-111</u>	<u>-148</u>
Profit before tax		27,361	19,638
Tax on profit for the year	5	<u>-6,029</u>	<u>-4,346</u>
Net profit for the year		<u>21,332</u>	<u>15,292</u>

Balance Sheet 31 December 2020

Assets

	Note	<u>2019</u> TDKK	<u>2020</u> TDKK
Software		1,067	280
Leasehold rights		761	662
Intangible fixed assets	7	<u>1,828</u>	<u>942</u>
Equipment		8,304	5,383
Leasehold improvements		33,599	27,307
Tangible assets	6	<u>41,903</u>	<u>32,690</u>
Deferred tax	10	1,589	3,869
Deposits	9	476	714
Financial asset		<u>2,065</u>	<u>4,583</u>
Total fixed assets		<u>45,796</u>	<u>38,215</u>
Inventory		<u>15,092</u>	<u>18,823</u>
Trade receivables		23,030	23,685
Receivables from affiliated companies		15,501	26,524
Other receiveable		262	0
Prepayments	8	250	753
Current Receivables		<u>39,043</u>	<u>50,962</u>
Cash on hand and in bank		<u>5,092</u>	<u>5</u>
Currents assets		<u>59,227</u>	<u>69,790</u>
Total assets		<u>105,023</u>	<u>108,005</u>

Balance Sheet 31 December 2020

Liabilities and equity

	Note	2019	2020
		TDKK	TDKK
Share capital		1,000	1,000
Proposed dividend		20,000	15,000
Retained earnings		2,356	2,648
Equity	6	23,356	18,648
Re-establishment liability	11	1,849	1,986
Other long term liabilities		660	0
Longer-term liabilities		2,509	1,986
Trade payables		2,543	2,505
Payables to affiliated companies		30,214	28,876
Loan from affiliated companies		28,442	26,976
Payable income tax		1,163	6,123
Other payables		16,796	22,891
Short-term liabilities		79,158	87,371
Liabilities		81,667	89,357
Liabilities and equity		105,023	108,005
Events after the balance sheet date	1		
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Change in equity

	Equity	Retained earnings	Proposed dividend	Total
	<u>TDKK</u>	<u>TDKK</u>	<u>TDKK</u>	<u>TDKK</u>
Equity at 1 January 2020	1,000	2,356	20,000	23,356
Net profit/loss for the year	0	292	15,000	15,292
Capital increase	0	0	0	0
Paid out dividend	0	0	-20,000	-20,000
Equity at 31 December 2020	<u>1,000</u>	<u>2,648</u>	<u>15,000</u>	<u>18,648</u>

Cash flow statement

	2019	2020
	TDKK	TDKK
Operating profit/loss	27,472	19,475
Amortisation, depreciation and impairment losses	10,561	11,726
Working capital changes	-6,417	-11,683
Cash flow from ordinary operating activities	31,616	19,518
Financial income received	0	311
Financial expenses paid	-111	-148
Income taxes refunded/(paid)	-5,700	-1,666
Cash flows from operating activities	25,805	18,015
Acquisition etc. of tangible and intangible assets	-1,801	-1,636
Cash flows from investing activities	-1,801	-1,636
Instalments on loans etc.	-18,021	-1,466
Dividend paid	-7,000	-20,000
Cash flows from financing activities	-25,021	-21,466
Increase/decrease in cash and cash equivalents	-1,017	-5,087
Cash and cash equivalents beginning of year	6,109	5,092
Cash and cash equivalents end of year	5,092	5

Notes to the Annual Report

1 Events after the balance sheet date

During the period from 1st January 2021 until 28th February 2021 the Fashion boutique in Copenhagen has been closed. Regardless the Company is confident in its abilities to ensure a stable financial position for the year 2021 and onwards.

	<u>2019</u>	<u>2020</u>
	TDKK	TDKK
2 Employee, personal costs		
Salaries	22,180	24,003
Pension	1,451	1,559
Social charge	225	329
Other employee expense	<u>1,445</u>	<u>796</u>
	<u>25,301</u>	<u>26,687</u>
Average number of employees	<u>39</u>	<u>40</u>

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

	<u>2019</u>	<u>2020</u>
	TDKK	TDKK
3 Depreciation and write down of fixed assets		
Depreciation and write down of fixed assets are distributed as follows:		
Software	799	937
Leasehold rights	99	98
Equipment	3,067	4,019
Leasehold improvements	<u>6,596</u>	<u>6,672</u>
	<u>10,561</u>	<u>11,726</u>

4 Financial expenses

Of financial expenses DKK 20K are paid to related parties.

	<u>2019</u>	<u>2020</u>
	TDKK	TDKK
5 Tax on profit/loss for the year		
Current tax for the year	7,197	6,626
Adjustment of deferred tax	<u>-1,168</u>	<u>-2,280</u>
	<u>6,029</u>	<u>4,346</u>

6 Intangible assets

	<u>Software</u>	<u>Leasehold rights</u>
Acquisition price beginning of year	4,120	989
Additions during the year	150	0
Disposals during the year	-282	0
Acquisition price, at year-end	3,988	989
Depreciations and impairment loss, beginning of year	3,053	229
Depreciations for the year	871	98
Disposals during the year	-216	0
Depreciations and impairment loss, at year-end	3,708	327
Net book value as of December 31, 2020	280	662

7 Tangible assets

	<u>Equipment</u>	<u>Leasehold Improve.</u>
Acquisition price beginning of year	17,854	45,389
Additions during the year	1,136	350
Disposals during the year	-3,437	0
Transfer between asset categories	-41	41
Acquisition price, at year-end	15,512	45,780
Depreciations and impairment loss, beginning of year	9,550	11,790
Depreciation for the year	2,943	6,672
Disposals during the year	-2,353	0
Transfer between asset categories	-11	11
Depreciations and impairment loss, at year-end	10,129	18,473
Net book value as of December 31, 2020	5,383	27,307

8 Prepayments

	<u>2019</u>	<u>2020</u>
	TDKK	TDKK
Employee advances	0	36
Other prepayments	250	717
	250	753

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

	<u>2019</u>	<u>2020</u>
	TDKK	TDKK
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	6,112	6,112
Between 1 and 5 years	23,347	24,214
More than 5 years	<u>62,751</u>	<u>57,217</u>
	92,210	87,543

13 Proposed distribution of result

	<u>2019</u>	<u>2020</u>
	TDKK	TDKK
Proposed dividend recognized in equity	20,000	15,000
Retained earnings	<u>1,332</u>	<u>292</u>
	21,332	15,292

14 Related parties and ownership

Transactions with related parties

	<u>2019</u>	<u>2020</u>
	TDKK	TDKK
Cost of goods from group companies	101,613	91,264
Management fee invoiced to other group companies	11,612	13,249
Receivables from group companies	15,501	26,524
Payables to group companies	30,214	28,876
Short term loan from other group companies	23,394	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 2020 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 2020 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.

Material uncertainty related to recognition and measurement

In fiscal year 2020, due to the COVID-19 pandemic, more limited sales prospects for inventories led to the recognition of a non-recurring impairment charge of around 6,305 thousand DKK. Estimates made on the basis of the information available or the situation prevailing at the date which the financial statements are prepared may subsequently prove different from actual events.

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

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/loss for the year

Tax for the year consists of current tax for the year and change in deferred tax for the year. 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 5-7 years

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.

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 average cost formula 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 receivables and liabilities

Current tax liabilities and receivables 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 companies 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.