

AALBORG CSP A/S
HJULMAGERVEJ 55, 9000 AALBORG
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2020

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 23 June 2021**

Claus Christensen

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COMPANY DETAILS

Company	Aalborg CSP A/S Hjulmagervej 55 9000 Aalborg CVR No.: 21 14 20 42 Established: 29 July 1998 Registered Office: Aalborg Financial Year: 1 January - 31 December
Board of Directors	Claus Christensen, chairman Per Schak Andreasen Peter Badstue Jensen Søren Sandholm Overgaard Peter Rose Thomsen Per Kirk
Executive Board	Svante Bundgaard
Auditor	BDO Statsautoriseret Revisionsaktieselskab Nørrebro 15 9800 Hjørring

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Aalborg CSP A/S for the financial year 1 January - 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 Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aalborg, 23 June 2021

Executive Board

Svante Bundgaard

Board of Directors

Claus Christensen
Chairman

Per Schak Andreasen

Peter Badstue Jensen

Søren Sandholm Overgaard

Peter Rose Thomsen

Per Kirk

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Aalborg CSP A/S

Opinion

We have audited the Financial Statements of Aalborg CSP A/S for the financial year 1 January - 31 December 2020, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 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 the 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 are independent of the Company in accordance with the International Ethics Standards Board for 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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 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 judgment 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

INDEPENDENT AUDITOR'S REPORT

- 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 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Hjørring, 23 June 2021

BDO Statsautoriseret Revisionsaktieselskab
CVR no. 20 22 26 70

Ole Ejsing
State Authorised Public Accountant
MNE no. mne28683

MANAGEMENT COMMENTARY

Main activity

The primary focus of the Aalborg CSP A/S activities is related to engineering, design, and delivery of components within the field of energy - primarily heat exchangers, thermal energy storage and solar energy for thermal heating and CSP (Concentrated Solar Power). During the financial year of 2020, Aalborg CSP has been engaged in assignments mostly in Denmark, China, Middle East, and Canada.

The 2020 activities are divided between different fields of activity of which engineering and deliveries within the field of energy work accounts for 85%. The remaining 15% are engineering services, including assignments for the Danish Defence and assignments for clients operating within the fields of energy, maritime and technical documentation, and 3D drawing; all fields in which the detached area of business BK Engineering is knowledge intensive.

Activity Development and Financial Conditions

The result for the year is unsatisfactory. Already from the beginning of 2020 Aalborg CSP's business suffered from the Covid-19 in ongoing project, especially in China. Later the pipeline on the markets addressed by Aalborg CSP has been significantly affected and projects delayed. The impacts have primarily been postponed delivered of both existing orders and new orders to be assigned.

In 2020, we have in addition to the main activities participated in several storage projects as well as projects focusing on efficient use of excess thermal energy as well as storing surplus electricity from windmills. Thermal energy storage projects are one of our main focus areas.

Medio 2020 Aalborg CSP succeeding in acquiring a new storage technology for low temperature energy, PTES (Pit Thermal Energy Storage) - a business area of which we expect great success within the coming years. We have signed the first project in November 2020; however, installation has been delayed to 2022 due to factors unrelated to Aalborg CSP.

Both the engineering services and after sales market have also been affected by lower activity due to Covid-19 but continue to contribute positively to the Company's results.

Profit/loss for the year compared to the expected development

The result for the year is unsatisfactory and below budget.

Significant events after the reporting period

2021 will also be affected by the Covid-19, but we expect the global extensive vaccination programs will result in a normalization already in second half year of 2021.

Apart from the matter mentioned above no events of special significance, which are expected to have material impact on the financial position or results of operations of Aalborg CSP, have occurred.

Research and development activities

In 2020 our focus has continued on Aalborg CSP's header-and-coil heat exchangers being among the most competitive in terms of both efficiency and price. Further we have also initiated R&D projects for the thermal energy storage products for PTES to be even more efficiency and competitive. The cost has been recognized as an immaterial asset.

During the year, Aalborg CSP has also been involved in development projects regarding new technologies e.g. new solar collection equipment and storage of thermal energy. All work connected to such development has been charged to the profit and loss account on a regular basis.

Future expectations

Based on order in hand and a promising pipeline for both the domestic market and the export market Aalborg CSP expects an increased activity and positive result for 2021.

Branch offices abroad

The company holds a sales and service office in Seville, Spain as well as a branch office in Adelaide, Australia, and a majority owned subsidiary in Denmark, Danish Cleantech Group Africa ApS.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK '000
GROSS PROFIT		27.390.311	35.037
Staff costs.....	1	-31.876.247	-30.895
Depreciation, amortisation and impairment.....		-814.325	-822
OPERATING LOSS		-5.300.261	3.320
Other financial income.....	2	108.332	11
Other financial expenses.....		-834.079	-123
LOSS BEFORE TAX		-6.026.008	3.208
Tax on profit/loss for the year.....	3	1.476.542	-630
LOSS FOR THE YEAR		-4.549.466	2.578
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-4.549.466	2.578
TOTAL		-4.549.466	2.578

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK '000
Development projects completed.....		1.945.694	2.115
Intangible fixed assets acquired.....		781.496	356
Intangible assets.....	4	2.727.190	2.471
Production plants and machinery.....		229.745	336
Leasehold improvements.....		2.555	10
Property, plant and equipment.....	5	232.300	346
Equity investments in group enterprises.....		70.000	70
Rent deposit and other receivables.....		324.068	324
Financial non-current assets.....	6	394.068	394
NON-CURRENT ASSETS.....		3.353.558	3.211
Raw materials and consumables.....		2.000.000	2.000
Inventories.....		2.000.000	2.000
Trade receivables.....		5.925.083	7.438
Contract work in progress.....	7	2.775.805	2.461
Receivables from group enterprises.....		28.197	17
Deferred tax assets.....		1.395.266	0
Derivate financial instruments.....		1.055.035	992
Other receivables.....		566.818	356
Receivables corporation tax.....		719.895	30
Prepayments and accrued income.....		598.073	229
Receivables.....		13.064.172	11.523
Cash and cash equivalents.....		36.901.614	36.798
CURRENT ASSETS.....		51.965.786	50.321
ASSETS.....		55.319.344	53.532

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK '000
Share capital.....		1.750.000	1.750
Reserve for development costs.....		1.517.640	1.649
Retained profit.....		20.765.894	24.431
EQUITY.....		24.033.534	27.830
Provision for deferred tax.....		0	742
Other provisions for liabilities.....		875.000	1.635
PROVISIONS.....		875.000	2.377
Other liabilities.....		2.357.221	2.901
Non-current liabilities.....	8	2.357.221	2.901
Bank debt.....		912.515	1.367
Prepayments received.....	7	8.136.266	8.092
Trade payables.....		8.333.010	6.519
Other liabilities.....		10.671.798	4.446
Current liabilities.....		28.053.589	20.424
LIABILITIES.....		30.410.810	23.325
EQUITY AND LIABILITIES.....		55.319.344	53.532
 Contingencies etc.	 9		
Charges and securities	10		

EQUITY

	Share capital	Reserve for development costs	Retained profit	Total
Equity at 1 January 2020.....	1.750.000	1.649.169	24.430.067	27.829.236
Proposed profit allocation.....			-4.549.466	-4.549.466
Transferred to reserve for development costs.....		-131.529	131.529	0
Net regulation of hedging instruments.....			753.764	753.764
Equity at 31 December 2020.....	1.750.000	1.517.640	20.765.894	24.033.534

NOTES

	2020 DKK	2019 DKK '000	Note
Staff costs			1
Average number of employees	49	49	
Wages and salaries.....	29.116.557	28.030	
Pensions.....	1.922.438	1.788	
Social security costs.....	271.570	294	
Other staff costs.....	565.682	783	
	31.876.247	30.895	
Other financial income			2
Group enterprises.....	1.222	7	
Other interest income.....	107.110	4	
	108.332	11	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	-628.372	-327	
Adjustment of tax for previous years.....	-8.861	0	
Adjustment of deferred tax.....	-839.309	957	
	-1.476.542	630	
Intangible assets			4
	Development projects completed	Intangible fixed assets acquired	
Cost at 1 January 2020.....	11.906.450	1.737.517	
Additions.....	384.710	575.118	
Cost at 31 December 2020.....	12.291.160	2.312.635	
Amortisation at 1 January 2020.....	9.792.130	1.382.500	
Amortisation for the year.....	553.336	148.639	
Amortisation at 31 December 2020.....	10.345.466	1.531.139	
Carrying amount at 31 December 2020.....	1.945.694	781.496	

Aalborg CSP A/S capitalizes its development costs of new developed products / technologies.

It is crucial for Aalborg CSP A/S to offer its customers innovative solutions. Therefore, we continuously are focusing on possible improvement to our product program enabling us to provide a broader and more innovative product palette.

In 2018, we initiated a large development project focusing on efficiency and cost price for our header-and-coil heat exchangers. The project was finished medio 2019 and has turned out very positive and resulted in patent activities for inventions, and Aalborg CSP's header-and-coil heat exchangers being among the most competitive in terms of both efficiency and price.

NOTES

				Note
Property, plant and equipment				5
		Production plants and machinery	Leasehold improvements	
Cost at 1 January 2020.....		3.024.858	535.878	
Cost at 31 December 2020.....		3.024.858	535.878	
Depreciation and impairment losses at 1 January 2020.....		2.689.666	526.420	
Depreciation for the year.....		105.447	6.903	
Depreciation and impairment losses at 31 December 2020....		2.795.113	533.323	
Carrying amount at 31 December 2020.....		229.745	2.555	
 Financial non-current assets				 6
		Equity investments in group	Rent deposit and other receivables	
Cost at 1 January 2020.....		70.000	324.068	
Cost at 31 December 2020.....		70.000	324.068	
Carrying amount at 31 December 2020.....		70.000	324.068	
		2020 DKK	2019 DKK '000	
Contract work in progress				7
Sales value of unfinished production period.....		96.611.239	65.997	
Advance billings.....		-101.971.700	-71.628	
Contract work in progress, net.....		-5.360.461	-5.631	
Which is incorporated as follows:				
Contract work in progress (assets).....		2.775.805	2.461	
Prepayments received (liabilities).....		-8.136.266	-8.092	
		-5.360.461	-5.631	
 Long-term liabilities				 8
	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Other liabilities.....	4.357.221	2.000.000	2.121.000	2.901.269
	4.357.221	2.000.000	2.121.000	2.901.269

NOTES

Note

Contingencies etc.

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Contingent liabilities

Guarantees:

Usual warranty on work performed.

Performance guarantees:

The company has filed working bonds for 27.091 DKK '000.

The company has towards EKF filed guarantee for regress for 2.116 DKK '000.

Rent:

The company has entered into rental agreements for the company's premises. The agreements have a notice period between 6 and 24 months.

Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of BKH Holding I ApS, which serves as management company for the joint taxation.

Charges and securities

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As collateral for exposures to banks is deposited 11.799 DKK '000 in escrow accounts.

As collateral for the bank loans, the company has provided a business charge of a nominal amount of 5.000 DKK '000 secured on intangible and tangible fixed assets, inventories and trade receivables for which the carrying value at 31 December 2020 was 13.660 DKK '000.

ACCOUNTING POLICIES

The Annual Report of Aalborg CSP A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Income from equity interests in subsidiaries

Dividend received is recognised in the company's income statement.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Production plant and machinery and leasehold improvements are measured at cost less accumulated depreciation and write-down.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Production plant and machinery.....	3-10 years	0 %
Leasehold improvements.....	3-10 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments

Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of assets held for sale includes direct and indirect cost related til the acquisition of the assets.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific work in progress.

The specific work in progress is recognised in the balance sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the income statement as and when they are incurred.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated for the contract. The provision is recognised as a cost under production costs.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Other liabilities are measured at amortised cost equal to nominal value.

ACCOUNTING POLICIES

Derivative financial instruments

The initial recognition measures derivative financial instruments in the balance sheet at cost price and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in receivables and liabilities, respectively.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of future cash flows is recognised under receivables or payables and under equity. If the future transaction results in recognition of assets or liabilities, all amounts recognised under equity are transferred from equity and recognised under initial cost for the asset or liability, respectively. If the future transaction results in income or expenses amounts recognised under equity are transferred to the Income Statement for the period where the Income Statement was affected by the hedged amount.

As regards possible derivative financial instruments, which do not comply with the criteria for classification as hedging instruments, any changes in fair value are recognised on a current basis in the Income Statement.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.