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CVR no. 20 22 26 70

AIRLICH APS

SORTEMOSEVEJ 21, 3450 ALLERØD

ANNUAL REPORT

15 MARCH - 31 DECEMBER 2022

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 30 May 2023

Rasmus Irming Jølck

CVR NO. 43 13 42 80

CONTENTS

COMPANY DETAILS

Company	Airlich ApS Sortemosevej 21 3450 Allerød	
	CVR No.:	43 13 42 80
	Established:	15 March 2022
	Municipality:	Allerød
	Financial Year:	15 March - 31 December
Executive Board	Rasmus Irming Jølck	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	

MANAGEMENT'S STATEMENT

Today the Executive Board has discussed and approved the Annual Report of Airlich ApS for the financial year 15 March - 31 December 2022.

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

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 15 March - 31 December 2022.

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

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

Allerød, 30 May 2023

Executive Board

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Rasmus Irming Jølck

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Airlich ApS

Opinion

We have audited the Financial Statements of Airlich ApS for the financial year 15 March - 31 December 2022, 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 2022 and of the results of the Company's operations for the financial year 15 March - 31 December 2022 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’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Material uncertainty relating to Going Concern

We draw attention to the fact that the Company is a start-up company with a partly uncovered financing need until 31 December 2023. We draw attention to note 9 “Uncertainty with respect to going concern”, in which it appears that the Company’s Management assesses that financing has been secured for the first 10 months of 2023 and that the Company's Management and representatives for the owners are comfortable with financing will be secured within the foreseeable future for the rest of 2023. Based on this, Management assesses that it is appropriate to present the Financial Statements for 2022 assuming that the Company is a going concern at least for a period until 31 December 2023. Our opinion is unmodified regarding this matter.

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:

INDEPENDENT AUDITOR'S REPORT

- 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 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 Commentary
Management is responsible for Management Commentary.

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

Based on the work we have performed, we conclude that 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 Management Commentary.

Copenhagen, 30 May 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Kim Mücke
State Authorised Public Accountant
MNE no. mne10944

MANAGEMENT COMMENTARY

Principal activities

The Company was founded on 15 March 2022. Principal activities in Airlich during 2022 includes establishing the company and build required infrastructure to perform late-stage Research and Development (R&D) activities related to Airlich's air cleaning system. Additional activities include regulatory compliance, outsourcing of manufacturing processes and business development prior to expected commercialization in 2023.

Development in activities and financial and economic position

Description of the product in development

Airlich is currently in the final development stage (CE-marking) of its novel air cleaning system that purifies indoor air and recirculates it without using additional energy for heating or cooling.

The air cleaning system is intended for large commercial buildings with an air flow >5.000 m3/h and can be easily retrofitted to both new and existing HVAC systems.

What the product can solve

Airlich's air cleaning system breaks down and removes both gas-phase pollutants (VOC's) and particulate matter (particles, bacteria, and viruses) through chains of radical reactions in situ. The air cleaning system combines UV radiation, electrostatic forces, and ozone assisted catalysis to effectively remove indoor air pollutants. The system utilizes integrated sensor systems and AI to adjust its cleaning power in real-time based on desired set-points and measured indoor air quality. This allows for constant optimization of both building energy consumption and indoor air quality.

The efficient air cleaning system enables recirculation of indoor air without compromising indoor air quality resulting in increased energy efficiency of the building, reduced operational costs related to HVAC and reduced greenhouse gas emissions.

Why the product is a good investment for customers

Installation of Airlich's air cleaning system allows users to reduce energy costs associated with HVAC by up to 45%, reduce greenhouse gas emissions and improve indoor air quality. Improved indoor air quality is known to result in improved cognitive performance, increased productivity, and fewer sick days. All this, combined with a short payback period, makes Airlich technology a good investment for customers.

The potential of the product in general

Airlich's air cleaning system is tapping in to a 4.2bn USD serviceable obtainable market (EU + US) with a significant opportunity to expand into new value pools. The serviceable obtainable market is expected to grow with a CAGR of 5.6% towards 2026.

Going concern

The Company was founded in 2022, and its activities is to develop a retrofit air cleaning system and as a result of this, it has yet to be clarified whether - and if relevant - from when the Company will start to generate revenue and earnings. As a start-up company, the Company has a current need to secure financing of its development and other start-up activities. Based on the realised costs in the first months of 2023 as well as expectations to costs and investments for the remaining part of 2023, Management has assessed that financing has been secured for the first 10 months of 2023. The Company's Management and representatives for the owners work on securing additional financing for the rest of 2023 and further forward. They are comfortable that necessary funding - equity, loans or a combination - can be obtained in the foreseeable future. Based on this, Management assesses that it is reasonable and appropriate to present the annual report for 2022 assuming that the Company is a going concern, at least for a period until 31 December 2023.

In 2022, the activities and investments have primarily been funded through financing from the parent company, Holdingselskabet af 7. marts 2022 ApS, who has confirmed that it will not demand repayment of the outstanding loan balance as of 31 December 2022 of DKK 8,489,767 before 1 January 2025.

MANAGEMENT COMMENTARY

Financial performance for the year

The realized loss for FY2022 reflects start-up costs as a result of the strategy and long-term value generation taken place in Airlich. Efforts in FY2022 created the foundation for commercialization of the air cleaning system and significantly contribute to the long-term profitability of the Company.

Significant events after the end of the financial year

After closure of FY2022, Airlich has successfully documented that the developed air cleaning system fulfils all the requirements specified in the Machinery Directive 2006/42/EC, the Electromagnetic Compatibility (EMC) Directive 2014/30/EU and the Low Voltage Directive (LVD) (2014/35/EU) and therefore obtained the CE-mark for the developed air cleaning system allowing for commercialization of the product.

Additionally, the first pilot installation of the CE-mark air cleaning system has been initiated in collaboration with a major international brand and additional installations with major international brands are in the pipeline for completion during 2023.

Furthermore, after closure of FY2022, Airlich has acquired critical IP and key assets from both Infuser ApS and Domisphere ApS to further strengthen and protect its proprietary technology.

Research and development activities

FY2022 has been highly focused on late-stage development activities related to obtaining market authorization (CE-mark) of Airlich's air cleaning system.

Research and development activities include mechanical design, development of sensor units measuring key indoor air quality parameters, development of software and control algorithms for integration with existing HVAC-systems and outsourcing of manufacturing activities.

Additionally, significant efforts have been devoted to testing and characterization of the air cleaning system including sensor boxes to ensure that all performance and safety parameters for the system are met and regulatory requirements are fulfilled.

Future expectations

FY2023 will continuously be focused around obtaining market authorization (CE-mark) and initiation of the first commercial pilot-installations with preferred major international brands to document Airlich's value dossier in real-life settings across various segments.

Additionally, pilot-installations are required for securing optimal product-market fit to guide further production optimization.

The Company is expected to be loss generating throughout FY2023.

As stated above, Management and the current majority shareholder have assessed that funding has secured to finance the planned activities for the first 10 months of 2023. Management and the current majority shareholder will continue its dialogue with potential investors and lenders to secure funding for the rest of 2023 and forwards.

INCOME STATEMENT 15 MARCH - 31 DECEMBER

	Note	2022 DKK
GROSS LOSS		**-710.244**
Staff costs	1	-2.822.541
Depreciation, amortisation and impairment losses		-464.548
OPERATING LOSS		**-3.997.333**
Other financial income		7.425
Other financial expenses	2	-347.256
LOSS BEFORE TAX		**-4.337.164**
Tax on profit/loss for the year	3	1.133.177
LOSS FOR THE YEAR		**-3.203.987**

PROPOSED DISTRIBUTION OF LOSS

Retained earnings	-3.203.987
TOTAL	**-3.203.987**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK
Development projects completed		3.234.490
Intangible fixed assets acquired		1.018.363
Intangible assets	4	**4.252.853**
Other plant, machinery tools and equipment		1.075.789
Leasehold improvements		283.355
Property, plant and equipment	5	**1.359.144**
NON-CURRENT ASSETS		**5.611.997**
Raw materials and consumables		542.429
Inventories		**542.429**
Other receivables		690.272
Corporation tax receivable		1.133.177
Prepayments		8.352
Receivables		**1.831.801**
Cash and cash equivalents		**551.022**
CURRENT ASSETS		**2.925.252**
ASSETS		**8.537.249**

EQUITY AND LIABILITIES		
Share capital		40.000
Reserve for development costs		2.522.902
Retained earnings		-5.726.889
EQUITY		**-3.163.987**
Payables to group enterprises		8.489.767
Non-current liabilities	6	**8.489.767**
Trade payables		1.473.812
Other liabilities		1.737.657
Current liabilities		**3.211.469**
LIABILITIES		**11.701.236**
EQUITY AND LIABILITIES		**8.537.249**

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EQUITY

	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 15 March 2022	40.000	0	0	40.000
Proposed loss allocation			-3.203.987	-3.203.987
Other legal bindings				
Capitalized development costs		2.522.902	-2.522.902	0
Equity at 31 December 2022	**40.000**	**2.522.902**	**-5.726.889**	**-3.163.987**

NOTES

	2022 DKK	Note
Staff costs		1
Average number of employees	4	
Wages and salaries	2.502.952	
Pensions	255.147	
Social security costs	28.430	
Other staff costs	36.012	
	2.822.541	

Information on management remuneration has been omitted in accordance with the exemption rule stated in the Danish Financial Statements Act § 98 b, subsection 3, no. 2.

Other financial expenses		2
Group enterprises	338.164	
Other interest expenses	9.092	
	347.256	

Tax on profit/loss for the year		3
Calculated tax on taxable income of the year	-1.133.177	
	-1.133.177	

The calculated tax being an income of DKK 1,133,177, and represents the value of the tax credit refund under the Danish tax credit system relating to the Company's development activities in 2022.

The Company has an unrecognised deferred tax asset of DKK 159,552 representing value of tax loss carry forward less taxable temporary differences from certain non-current assets.

NOTES

Note

Intangible assets 4

	Development projects completed	Intangible fixed assets acquired
Additions	3.420.020	1.035.623
Cost at 31 December 2022	**3.420.020**	**1.035.623**
Amortisation for the year	185.530	17.260
Amortisation at 31 December 2022	**185.530**	**17.260**
Carrying amount at 31 December 2022	**3.234.490**	**1.018.363**

Airlich is currently in the final development stage (CE-marking) of its novel air cleaning system that purifies indoor air and recirculates it without using additional energy for heating or cooling.

The air cleaning system is intended for large commercial buildings with an air flow >5.000 m3/h and can be easily retrofitted to both new and existing HVAC systems.

Airlich's air cleaning system breaks down and removes both gas-phase pollutants (VOC's) and particulate matter (particles, bacteria, and viruses) through chains of radical reactions in situ. The air cleaning system combines UV radiation, electrostatic forces, and ozone assisted catalysis to effectively remove indoor air pollutants. The system utilizes integrated sensor systems and AI to adjust its cleaning power in real-time based on desired set-points and measured indoor air quality. This allows for constant optimization of both building energy consumption and indoor air quality.

The efficient air cleaning system enables recirculation of indoor air without compromising indoor air quality resulting in increased energy efficiency of the building, reduced operational costs related to HVAC and reduced greenhouse gas emissions.

Installation of Airlich's air cleaning system allows companies to reduce energy costs associated with HVAC by up to 45%, reduce greenhouse gas emissions and improve indoor air quality. Improved indoor air quality is known to result in improved cognitive performance, increased productivity, and fewer sick days. All this, combined with a short payback period, makes Airlich technology a good investment for customers.

Airlich's air cleaning system is tapping in to a 4.2bn USD serviceable obtainable market (EU + US) with a significant opportunity to expand into new value pools. The serviceable obtainable market is expected to grow with a CAGR of 5.6% towards 2026.

Being a start-up company without having yet realised any revenue, the recoverable value of the development projects in progress is inherently subject to uncertainty. At this stage, Management is confident that it is both realistic and achievable to commercialise the air cleaning system and securing positive cash-flow generation in the long-term, and hence Management has concluded that it is appropriate to capitalise development costs incurred in 2022. In future, Management will monitor the continued development activities and the commercialization, and upon any negative outcome, it may be necessary to charge any capitalised costs to income as an impairment loss.

NOTES

Note

Property, plant and equipment 5

	Other plant, machinery tools and equipment	Leasehold improvements
Additions	1.296.576	324.326
Cost at 31 December 2022	**1.296.576**	**324.326**
Depreciation for the year	220.787	40.971
Depreciation and impairment losses at 31 December 2022	**220.787**	**40.971**
Carrying amount at 31 December 2022	**1.075.789**	**283.355**

Long-term liabilities 6

	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years
Payables to group enterprises	8.489.767	0	0
	8.489.767	**0**	**0**

The parent company, Holdingselskabet af 7. marts 2022 ApS, has confirmed that it will not demand repayment of the outstanding loan balance at 31 December 2022 of DKK 8,489,767 before 1 January 2025.

Contingencies etc. 7

Contingent liabilities
The Company has a potential contractual obligation of DKK 1.000k with the addition of interest of 5% p.a. if certain conditions are met, where it is at this stage not possible to deterrmine the likelihood of whether these conditions will be triggered, and the obligation is disclosed as a contingent liability. If conditions are triggered, the potential payment will be recognized as an addition to intangible assets.

Rental obligations
The Company has rental obligations which at the balance sheet date amount is DKK 19k in the period of non-terminability.

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 PE Invest ApS, which serves as management Company for the joint taxation.

Charges and securities 8

As security for liabilities of DKK 1,530k, together with the contingent liability disclosed in note 7, the Company has given the creditor a floating charge over the assets of the Company.

NOTES

Note

Uncertainty with respect to going concern 9

The Company was founded in 2022, and until now the Company's activities have consisted of developing a ventilation project. As a result of this, it has yet to be clarified whether - and if relevant - from when the Company will start to realise revenue and earnings. As a start-up company, the Company has a funding need to finance its development activities. In 2022 and in the beginning of 2023, the Company's operations have been financed by loans from its current majority shareholder. The majority shareholder has confirmed that it will not require repayment during 2023. Based on the realised costs in the first months of 2023 as well as expectations to costs and investments for the remaining part of 2023, financing has been secured for the first 10 months of 2023. The Company's Management and representatives for the current majority shareholder is working on securing additional financing for the rest of 2023 and further forward. They are comfortable that the necessary financing will be secured in the foreseeable future. Based on this, Management assesses that it is reasonable and appropriate to present the annual report for 2022 assuming that the Company is a going concern for a period at least until 31 December 2023.

ACCOUNTING POLICIES

The Annual Report of Airlich ApS for 2022 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 with the following accounting principles.

INCOME STATEMENT

Capitalisation of own work
Capitalisation of own work comprises wages and salaries from employees working directly on the development projects.

Other external expenses
Other external expenses include start-up costs, laboratory costs, those development costs that do not meet capitalisation criteria and various corporate costs.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Financial income and expenses
Financial income and expenses include interest income and expenses.

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 share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets
Intangible fixed assets are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period.

Development projects comprise costs, including wages and salaries, and amortisation and depreciation of assets used in the development function, which directly or indirectly can be related to the Company’s development activities and which fulfil the criteria for recognition in the balance sheet.

Completed development projects are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Gains or losses 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. Gains or losses are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets
Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

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.

ACCOUNTING POLICIES

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
Other plant, fixtures and equipment	2-5 years	0 %
Leasehold improvements	3 years	0 %

Gains or losses on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Gains or losses are recognised in the Income Statement as other operating income or other operating expenses.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets, are assessed annually 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 recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the net present value of the net cash inflow, which is expected to be generated from the continued use of the asset or group of assets being tested. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories consist of consumables primarily related to the ongoing development activities, which are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of is calculated at acquisition price with addition of inbound transportation and similar costs.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Prepayments
Prepayments under assets include prepaid costs relating to the subsequent financial year.

ACCOUNTING POLICIES

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 tax-on-account 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 carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 will 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
Financial liabilities are recognised at the time of borrowing with the proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

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 date when the receivables or payables come into existence 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.