

Grant Thornton
Godkendt
Revisionspartnerselskab

Stockholmsgade 45
2100 København Ø
CVR-nr. 34209936

T (+45) 33 110 220

www.grantthornton.dk

Boston Group A/S

Lucernemarken 9, 3520 Farum

Company reg. no. 19 19 60 03

Annual report

1 July 2022 - 30 June 2023

The annual report was submitted and approved by the general meeting on the 28 December 2023.

Advokat Axel Tobias Vieth
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Financial highlights	6
Management's review	7
Financial statements 1 July 2022 - 30 June 2023	
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Statement of cash flows	12
Notes	13
Accounting policies	19

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Boston Group A/S for the financial year 1 July 2022 - 30 June 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2023 and of the results of the Company's operations and cash flows for the financial year 1 July 2022 – 30 June 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Farum, 28 December 2023

Managing Director

Christian Banzhaf

Board of directors

Axel Tobias Vieth
Chairman of the board

Christian Banzhaf

Jan Brus Albæk

Independent auditor's report

To the Shareholders of Boston Group A/S

Opinion

We have audited the financial statements of Boston Group A/S for the financial year 1 July 2022 - 30 June 2023, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2023, and of the results of the Company's operations and cash flows for the financial year 1 July 2022 - 30 June 2023 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 (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 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.

Independent auditor's report

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.
- 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.

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 28 December 2023

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36

Michael Beuchert

State Authorised Public Accountant
mne32794

Company information

The company

Boston Group A/S
Lucernemarken 9
3520 Farum

Company reg. no. 19 19 60 03
Established: 1 March 1996
Domicile: Farum
Financial year: 1 July - 30 June

Board of directors

Axel Tobias Vieth, Chariman of the board
Christian Banzhaf
Jan Brus Albæk

Managing Director

Christian Banzhaf

Auditors

Grant Thornton, Godkendt Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

Boston Nordic Group A/S

Financial highlights

DKK in thousands.	<u>2022/23</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>
Income statement:					
Gross profit	47.016	28.893	28.076	24.009	19.830
Profit from operating activities	35.968	19.598	20.413	18.244	14.127
Net financials	-3.242	-3.107	-137	-163	-137
Net profit or loss for the year	25.514	12.880	15.833	14.018	10.911
Statement of financial position:					
Balance sheet total	170.067	145.782	94.943	59.972	46.500
Investments in property, plant and equipment	15	72	22	0	608
Equity	54.750	29.236	20.355	18.522	15.505
Employees:					
Average number of full-time employees	19	16	14	12	12
Key figures in %:					
Acid test ratio	148,8	129,7	143,9	189,3	217,8
Solvency ratio	32,2	20,1	21,4	30,9	33,3
Return on equity	60,8	51,9	81,5	82,4	75,0

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Acid test ratio
$$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$$

Solvency ratio
$$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

Return on equity
$$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

Management's review

Description of key activities of the company

Like previous years, the activities are trading in consumer electronic, drones and robots etc.

Development in activities and financial matters

The gross profit for the year totals DKK 47.015.881 against DKK 28.893.170 last year. Net profit or loss for the year totals DKK 25.513.968 against DKK 12.880.418 last year. Management considers the net profit or loss for the year satisfactory.

The gross profit for the year has lived up to the expectations that was. During the financial year, there was a continued focus on optimizing both costs and product range.

Investments

Management does not expect any major investments in the coming financial year.

Financial resources

Management expects that the credit facilities for the company will be sufficient to meet the finance needs.

Expected developments

In the coming financial year, the gross profit is expected to be in the range of DKK 45 - 50 million, and net profit or loss for the year is expected to be in the range of DKK 20 - 30 million.

Knowledge resources

The company has in depth knowledge of its products and sales and marketing resources in the Nordics.

Environmental issues

The company complies with the all legal requirements regarding the environment.

Events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the the company's financial position.

Income statement 1 July - 30 June

All amounts in DKK.

<u>Note</u>	<u>2022/23</u>	<u>2021/22</u>
Gross profit	47.015.881	28.893.170
1 Staff costs	-10.914.872	-9.172.427
Depreciation and impairment of property, land, and equipment	-133.025	-122.875
Operating profit	35.967.984	19.597.868
Other financial income	1.100	3.819
2 Other financial expenses	-3.242.613	-3.110.882
Pre-tax net profit or loss	32.726.471	16.490.805
3 Tax on net profit or loss for the year	-7.212.503	-3.610.387
4 Net profit or loss for the year	25.513.968	12.880.418

Balance sheet at 30 June

All amounts in DKK.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
5 Other fixtures, fittings, tools and equipment	111.955	230.080
Total property, plant, and equipment	<u>111.955</u>	<u>230.080</u>
6 Deposits	456.858	416.073
Total investments	<u>456.858</u>	<u>416.073</u>
Total non-current assets	<u>568.813</u>	<u>646.153</u>
Current assets		
Manufactured goods and goods for resale	150.061.768	116.212.621
Prepayments for goods	2.947.436	6.309.353
Total inventories	<u>153.009.204</u>	<u>122.521.974</u>
Trade receivables	10.515.119	14.869.336
Receivables from group enterprises	0	97.743
7 Deferred tax assets	121.660	107.333
Other receivables	5.191.984	2.188.999
8 Prepayments	100.423	265.700
Total receivables	<u>15.929.186</u>	<u>17.529.111</u>
Cash and cash equivalents	<u>559.985</u>	<u>5.084.923</u>
Total current assets	<u>169.498.375</u>	<u>145.136.008</u>
Total assets	<u>170.067.188</u>	<u>145.782.161</u>

Balance sheet at 30 June

All amounts in DKK.

Equity and liabilities		<u>2023</u>	<u>2022</u>
<u>Note</u>			
Equity			
	Contributed capital	500.000	500.000
	Retained earnings	<u>54.249.701</u>	<u>28.735.733</u>
	Total equity	<u>54.749.701</u>	<u>29.235.733</u>
Provisions			
9	Other provisions	<u>1.400.000</u>	<u>4.667.234</u>
	Total provisions	<u>1.400.000</u>	<u>4.667.234</u>
Liabilities other than provisions			
	Bank loans	0	18.130.118
	Trade payables	78.128.907	56.193.831
	Payables to group enterprises	24.484.690	30.831.029
	Income tax payable	7.226.830	3.617.284
	Other payables	<u>4.077.060</u>	<u>3.106.932</u>
	Total short term liabilities other than provisions	<u>113.917.487</u>	<u>111.879.194</u>
	Total liabilities other than provisions	<u>113.917.487</u>	<u>111.879.194</u>
	Total equity and liabilities	<u>170.067.188</u>	<u>145.782.161</u>
10	Charges and security		
11	Contingencies		
12	Related parties		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 July 2022	500.000	28.735.733	29.235.733
Retained earnings for the year	<u>0</u>	<u>25.513.968</u>	<u>25.513.968</u>
	<u>500.000</u>	<u>54.249.701</u>	<u>54.749.701</u>

Statement of cash flows 1 July - 30 June

All amounts in DKK.

<u>Note</u>	<u>2022/23</u>	<u>2021/22</u>
Net profit or loss for the year	25.513.968	12.880.418
13 Adjustments	7.319.807	2.421.352
16 Change in working capital	<u>-12.314.112</u>	<u>-37.137.703</u>
Cash flows from operating activities before net financials	20.519.663	-21.835.933
Interest received, etc.	1.099	3.815
Interest paid, etc.	<u>-3.242.613</u>	<u>-3.110.882</u>
Cash flows from ordinary activities	17.278.149	-24.943.000
Income tax paid	<u>-3.617.284</u>	<u>-4.463.203</u>
Cash flows from operating activities	<u>13.660.865</u>	<u>-29.406.203</u>
Purchase of property, plant, and equipment	-14.900	-72.285
Purchase of fixed asset investments	<u>-40.785</u>	<u>-8.080</u>
Cash flows from investment activities	<u>-55.685</u>	<u>-80.365</u>
Repayments of long-term payables	0	28.710.869
Dividends distributed	<u>0</u>	<u>-16.000.000</u>
Cash flows from financing activities	<u>0</u>	<u>12.710.869</u>
Change in cash and cash equivalents	13.605.180	-16.775.699
Cash and cash equivalents at 1 July 2022	<u>-13.045.195</u>	<u>3.730.504</u>
Cash and cash equivalents at 30 June 2023	<u>559.985</u>	<u>-13.045.195</u>
Cash and cash equivalents		
Cash and cash equivalents	559.985	5.084.923
Short-term bank loans	<u>0</u>	<u>-18.130.118</u>
Cash and cash equivalents at 30 June 2023	<u>559.985</u>	<u>-13.045.195</u>

Notes

All amounts in DKK.

	<u>2022/23</u>	<u>2021/22</u>
1. Staff costs		
Salaries and wages	9.139.098	7.885.499
Pension costs	1.649.469	1.169.321
Other costs for social security	<u>126.305</u>	<u>117.607</u>
	<u>10.914.872</u>	<u>9.172.427</u>
Average number of employees	<u>19</u>	<u>16</u>
<p>Remuneration to the Executive Board and Board of Directors has not been disclosed in accordance with section 98B(3) of the Danish Financial Statements Act.</p>		
2. Other financial expenses		
Financial costs, group enterprises	2.744.250	2.704.328
Other financial costs	<u>498.363</u>	<u>406.554</u>
	<u>3.242.613</u>	<u>3.110.882</u>
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	7.226.830	3.617.284
Adjustment of deferred tax for the year	<u>-14.327</u>	<u>-6.897</u>
	<u>7.212.503</u>	<u>3.610.387</u>
4. Proposed distribution of net profit		
Extraordinary dividend distributed during the financial year	0	16.000.000
Transferred to retained earnings	25.513.968	0
Allocated from retained earnings	<u>0</u>	<u>-3.119.582</u>
Total allocations and transfers	<u>25.513.968</u>	<u>12.880.418</u>

Notes

All amounts in DKK.

	<u>30/6 2023</u>	<u>30/6 2022</u>
5. Other fixtures, fittings, tools and equipment		
Cost 1 July 2022	1.893.523	1.821.238
Additions during the year	14.900	72.285
Disposals during the year	<u>-366.562</u>	<u>0</u>
Cost 30 June 2023	<u>1.541.861</u>	<u>1.893.523</u>
Depreciation and write-down 1 July 2022	-1.663.443	-1.540.568
Amortisation and depreciation for the year	-133.025	-122.875
Depreciation, amortisation and impairment loss for the year, assets disposed of	<u>366.562</u>	<u>0</u>
Depreciation and write-down 30 June 2023	<u>-1.429.906</u>	<u>-1.663.443</u>
Carrying amount, 30 June 2023	<u>111.955</u>	<u>230.080</u>
6. Deposits		
Cost 1 July 2022	416.073	407.993
Additions during the year	<u>40.785</u>	<u>8.080</u>
Cost 30 June 2023	<u>456.858</u>	<u>416.073</u>
Carrying amount, 30 June 2023	<u>456.858</u>	<u>416.073</u>
7. Deferred tax assets		
Deferred tax assets 1 July 2022	107.333	100.436
Deferred tax of the net profit or loss for the year	<u>14.327</u>	<u>6.897</u>
	<u>121.660</u>	<u>107.333</u>
The following items are subject to deferred tax:		
Property, plant, and equipment	194.114	179.787
Current assets	-38.781	-38.781
Other	<u>-33.673</u>	<u>-33.673</u>
	<u>121.660</u>	<u>107.333</u>
8. Prepayments		
Prepayments consists of prepayments for insurance and other subscriptions.		

Notes

All amounts in DKK.

	<u>30/6 2023</u>	<u>30/6 2022</u>
9. Other provisions		
Other provisions 1 July 2022	4.667.234	9.086.213
Change in other provisions for the year	<u>-3.267.234</u>	<u>-4.418.979</u>
	<u>1.400.000</u>	<u>4.667.234</u>
Maturity is expected to be:		
1-5 years	<u>1.400.000</u>	<u>4.667.234</u>
	<u>1.400.000</u>	<u>4.667.234</u>

The Company provides warranties on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of returns, other provisions of DKK 1,400,000 have been recognised for expected warranty claims.

10. Charges and security

The company has provided a floating charge of DKK 15,000 thousand over the company's simple claims and DKK 5,000 thousand over the company's simple claims and inventory as security for company's bank facility. The following assets have been placed as security with bankers

	<u>DKK in thousands</u>
Inventories	150.062
Trade receivables	10.515

The company has issued a guarantee of payment, suretyship against the group enterprises bank facility.

Notes

All amounts in DKK.

11. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	212
Rent liabilities	896
Total contingent liabilities	1.108

Lease liabilities

In addition to finance leases, the company has entered into operational leases. The leases have 28 months to maturity and total outstanding lease payments total DKK 212.440.

The Company has a rent obligation, which is irrevocable up to 31 December 2021 after which the notice period is 12 month.

Joint taxation

With Boston Nordic Group A/S, company reg. no 13 90 72 77 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Notes

All amounts in DKK.

12. Related parties

Controlling interest

Boston Nordic Group A/S Majority shareholder

Transactions

The company has the following related party transactions:

	<u>2022/23</u>
The sale of goods to group companies	604.562.802
Other expenses to group companies and management	25.083.959
The sale of services to group companies	2.367.608
Interest paid to group companies	2.917.709
Receivables from subsidiaries	0
Payables to subsidiaries	24.484.690

Consolidated financial statements

The company is included in the consolidated financial statements of Boston Nordic Group A/S, company reg. no 13 90 72 77, which is the smallest group in which the company is included as a subsidiary. The consolidated financial statements of C. Banzhaf Holding ApS, company reg. no 40 11 20 57, is the largest group in which the company is included as a subsidiary.

	<u>2022/23</u>	<u>2021/22</u>
13. Adjustments		
Depreciation, amortisation, and impairment	133.025	122.875
Other financial income	-1.100	-3.819
Other financial expenses	3.242.613	3.110.882
Tax on net profit or loss for the year	7.212.503	3.610.387
Other provisions	-3.267.234	-4.418.973
	<u>7.319.807</u>	<u>2.421.352</u>
14. Adjustments		
Depreciation, amortisation, and impairment	133.025	122.875
Other financial income	-1.100	-3.819
Other financial expenses	3.242.613	3.110.882
Tax on net profit or loss for the year	7.212.503	3.610.387
	<u>10.587.041</u>	<u>6.840.325</u>

Notes

All amounts in DKK.

	<u>2022/23</u>	<u>2021/22</u>
15. Change in working capital		
Change in inventories	-30.487.230	-46.737.409
Change in receivables	1.614.252	-2.069.993
Change in trade payables and other payables	<u>16.558.866</u>	<u>11.669.699</u>
	<u>-12.314.112</u>	<u>-37.137.703</u>
16. Change in working capital		
Change in inventories	-30.487.230	-46.737.410
Change in receivables	1.614.252	-2.340.956
Change in trade payables and other payables	<u>16.558.866</u>	<u>29.093.987</u>
	<u>-12.314.112</u>	<u>-19.984.379</u>

Accounting policies

The annual report for Boston Group A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, as well as salary reimbursements received and profit from the disposal of intangible and tangible assets.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, debt and transactions in foreign currency, as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Accounting policies

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable from group enterprises" or "Income tax payable to group enterprises".

According to the rules of joint taxation, Boston Group A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

Liabilities other than provisions

Liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accounting policies

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and short-term bank loans and cash equivalents and are associated with an insignificant risk of value change.