

Arrow Denmark ApS


Marielundvej 29, 2730 Herlev

CVR no. 10 61 52 91

Annual report 2022

Approved at the Company's annual general meeting on 23 June 2023

Chair of the meeting:

DocuSigned by:

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Arrow Denmark ApS for the financial year 1 January - 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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

We recommend that the annual report be approved at the annual general meeting.

Herlev, 23 June 2023

Executive Board:

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Christian Brusdal

Board of Directors:

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Moa Eriksson
Chairman

DocuSigned by:

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Christian Brusdal

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We recommend that the annual report be approved at the annual general meeting.

Herlev, 23 June 2023
Executive Board:

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Christian Brusdal

Board of Directors:

DocuSigned by:

Moa Eriksson

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Moa Eriksson
Chairman

.....
Christian Brusdal

Independent auditor's report

To the shareholder of Arrow Denmark ApS

Opinion

We have audited the financial statements of Arrow Denmark ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Aarhus, 23 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Steen Skorstengaard
State Authorised Public Accountant
mne19709

Management's review

Company details

Name	Arrow Denmark ApS
Address, Postal code, City	Marielundvej 29, 2730 Herlev
CVR no.	10 61 52 91
Established	1 January 1987
Registered office	Herlev
Financial year	1 January - 31 December
Website	www.arrow.com
Board of Directors	Moa Eriksson, Chairman Christian Brusdal
Executive Board	Christian Brusdal
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark
Bankers	Danske Bank A/S Bank Mendes Gans N.V.

Management's review

Financial highlights

DKK'000	2022	2021	2020	2019	2018
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Key figures

Revenue	1,559,357	974,457	751,563	786,134	833,571
Operating profit/loss	76,996	43,378	28,798	34,216	48,933
Net financials	-2,977	-873	-2,046	-3,361	-725
Profit for the year	57,728	33,069	20,767	23,934	37,520

Total assets	486,168	344,833	302,961	273,524	280,389
Equity	162,069	104,341	231,272	210,505	186,571

Financial ratios

Operating margin	4.9%	4.4%	3.8%	4.3 %	5.9 %
Return on assets	18.5%	13.4%	10.0%	12.4%	19.6%
Equity ratio	33.3%	30.3%	76.3%	77.0%	66.5%
Return on equity	43.3%	19.7%	9.4%	12.1%	22.4%

Average number of full-time employees	46	43	44	48	47
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The financial ratios stated under "Financial highlights" have been calculated as follows:

Ordinary operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Management's review

Business review

Arrow Denmark ApS' primary activities are import and wholesale of high-tech electronic components for the professional electronics and PC industry. The Company also sells systems solutions and electric motors and provides technical support. The Company is one of the leading suppliers to the industrial market.

Financial review

The income statement for 2022 shows a profit of DKK 57,728 thousand against a profit of DKK 33,069 thousand last year, and the balance sheet at 31 December 2022 shows equity of DKK 162,069 thousand.

In 2022, the Company reported revenue of DKK 1,559 million against DKK 974 million last year. In the annual report for 2021, Management expected revenue in the range of DKK 1.200 million and a profit in the range of DKK 166 million. Management considers the Company's financial performance in the year satisfactory.

Non-financial matters

The Company's key operational risk relates to its ability to maintain a strong market position. It is also crucial that the Company keeps abreast of technological developments and maintains its price competitiveness.

Financial risks and use of financial instruments

Financial risks

Due to its robust equity ratio and strong financial resources, the Company is only moderately exposed to interest rate fluctuations. The Company is, however, exposed to exchange rate risks in relation to its day-to-day operations.

Credit risks

Under the Company's credit risk policy, all major customers and other business relations are credit-rated on a current basis. In addition, the Company takes out credit insurance through Euler Hermes.

Statutory CSR report

Statutory CSR report

The Company has not established any independent social responsibility policies, including climate, environment, social and labor conditions or anti-corruption and human rights policies, as the Company is already covered by the parent company's policies. The parent company, Arrow Electronics Inc., is a participant in the United Nations Global Compact and has prepared a progress report. Please refer to the ESG report of our ultimate parent company Arrow Electronics, Inc. available on:

<https://esg.arrow.com/>, <https://www.arrow.com/en/fiveyearsout/corporate-social-responsibility/reporting>

Account of the gender composition of Management

The Board of Directors targets a representation of the underrepresented sex of 33%, i.e. 1 out of 3 members. The goal of the Board of Directors is that the target must be achieved before the end of 2023. At present, the Company has 1 female board member out of 2 members which meets the Company's target.

Management's review

Management has also adopted a group guideline to increase the share of the underrepresented sex at other managerial levels, including department managers and team leaders. The guideline lays down the framework for individual manager's career development, including mentoring schemes, as well as internal targets for the underrepresented gender's share of managerial positions. The guideline also lays down targets for the recruitment and retention of female managers. The Company has launched the following specific measures to increase the share of the underrepresented sex:

- Individual career planning support
- Mentoring schemes
- A staff policy that promotes equal career opportunities for men and women
- Recruitment procedures that contribute to ensuring equal opportunities for men and women.

Based on these measures, the Company expects the share of the underrepresented sex at managerial levels other than the board to increase. Accelerate supervisor share growth: grow global women a minimum of 1.0 percentage points in years 2022 and 2023 combined with a path towards an additional 0.5 percentage point growth in 2024 for a total of 1.5 percentage point growth from 2022 - 2024.

The share of the underrepresented sex at the end of 2022 is 40% which is over the Company's target and initiatives are therefore planned in the future to keep the target.

Data ethics

Risks: Arrow had identified the risks of data breaches and non-compliance to GDPR and other privacy regulations on its business, employees and business partners.

Policy: Arrow Electronics, Inc. takes its privacy responsibility very seriously. Arrow will not transfer Personal Data (as defined below) to any entity, individual, or organization, particularly entities within countries without adequate data protections, except in accordance with the applicable laws and regulations. The company employs administrative and systems protections to assure that Personal Data is transferred only in accordance with applicable privacy regulations. We use appropriate steps to ensure that human resource data is protected and access to the data is restricted to necessary individuals. It is Arrow's policy that employees must process Personal Data fairly and lawfully. Our operations are responsible for collecting Personal Data only for specific, lawful, explicit and legitimate purposes, and for further processing of Personal Data consistent with those purposes. Personal Data that we maintain must be adequate and relevant to the purpose for which it is collected or used. As Arrow Electronics, Inc. is a U.S. company, it has voluntarily decided to comply with the EU - U.S. Privacy Shield Framework and is subject to the investigatory and enforcement powers of the Federal Trade Commission.

Actions: We make reasonable efforts to maintain such Personal Data accurately, to provide reasonable means to correct, delete, or rectify any inaccurate Personal Data, and to store such Personal Data for periods no longer than is necessary. Arrow complies with the EU - U.S. Privacy Shield Framework, as set forth by the U.S. Department of Commerce in consultation with the European Commission, regarding the collection, use and retention of Employee Personal Data received from the European Union. Arrow annually certifies its adherence to the Privacy Shield Principles of notice; choice; accountability for onward transfer; security; data integrity and purpose limitation; access; and recourse, enforcement and liability. To learn more about the EU - U.S. Privacy Shield Framework, please visit <https://www.privacyshield.gov/EU-US-Framework>. To view Arrow's certification, please visit: <https://www.privacyshield.gov/list>.

Results: There have been no data breaches in Arrow Denmark during 2022.

Events after the balance sheet date

Currently the Company are not experiencing the negative effects of the Ukraine crisis.

Besides the above mentioned, no further events have occurred after the financial year end which could significantly affect the Company's financial position.

Outlook

The total revenue for 2023 is estimated to amount to DKK 1,500 million and the profit is expected to be in the range of DKK 208 million. Management expectations are based on the current market environment and no impact of the Ukraine crisis

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2022	2021
2	Revenue	1,559,357	974,457
	Cost of sales	-1,358,377	-842,115
3	Other external expenses	-78,446	-51,587
	Gross profit	122,534	80,755
4	Staff costs	-45,169	-36,981
5	Depreciation of property, plant and equipment	-370	-397
	Other operating expenses	-87	-43
	Profit before net financials	76,908	43,334
6	Financial income	274	135
7	Financial expenses	-3,251	-1,008
	Profit before tax	73,931	42,461
8	Tax for the year	-16,203	-9,392
	Profit for the year	57,728	33,069

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Fixed assets		
9	Property, plant and equipment		
	Land and buildings	2,963	3,154
	Fixtures and fittings, other plant and equipment	342	378
	Leasehold improvements	64	88
		<u>3,369</u>	<u>3,620</u>
	Total fixed assets	<u>3,369</u>	<u>3,620</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	5,655	4,358
		<u>5,655</u>	<u>4,358</u>
	Receivables		
	Trade receivables	422,427	281,243
	Receivables from group enterprises	4,008	3,628
10	Deferred tax assets	348	164
	Corporation tax receivable	0	1,636
	Other receivables	476	442
11	Prepayments	245	204
		<u>427,504</u>	<u>287,317</u>
	Cash	<u>49,640</u>	<u>49,538</u>
	Total non-fixed assets	<u>482,799</u>	<u>341,213</u>
	TOTAL ASSETS	<u>486,168</u>	<u>344,833</u>
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	10,902	10,902
	Retained earnings	151,167	93,439
	Dividend proposed	0	0
	Total equity	<u>162,069</u>	<u>104,341</u>
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Corporation tax payable	515	0
		<u>515</u>	<u>0</u>
	Current liabilities other than provisions		
	Trade payables	8,000	3,445
	Payables to group enterprises	304,469	227,553
	Other payables	11,115	9,494
		<u>323,584</u>	<u>240,492</u>
	Total liabilities other than provisions	<u>324,099</u>	<u>240,492</u>
	TOTAL EQUITY AND LIABILITIES	<u>486,168</u>	<u>344,833</u>

- 1 Accounting policies
- 13 Contractual obligations and contingencies, etc.
- 14 Collateral
- 15 Related parties
- 16 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed	Total
	Equity at				
	1 January 2021	10,902	60,370	160,000	231,272
16	Transfer, see				
	"Appropriation of profit"	0	33,069	0	33,069
	Dividend distributed	0	0	-160,000	-160,000
	Equity at				
	1 January 2022	10,902	93,439	0	104,341
16	Transfer, see				
	"Appropriation of profit"	0	57,728	0	57,728
	Equity at				
	31 December 2022	10,902	151,167	0	162,069

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Arrow Denmark ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	5-50 years
Fixtures and fittings, other plant and equipment	3-10 years
Leasehold improvements	10 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Impairment of fixed assets

The carrying amount of property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Restructuring provisions comprise severance pay to employees, losses incurred due to the termination of contracts, etc. following Management's decision to restructure the Company. Restructuring provisions are recognised when it has been decided to restructure the Company and the restructuring process has been initiated.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2022	2021
2 Segment information		
Breakdown of revenue by geographical segment:		
Denmark	1,033,944	655,350
Other EU countries	59,886	40,280
Non-EU countries	465,527	278,827
	<u>1,559,357</u>	<u>974,457</u>
The Company has not disclosed the breakdown of revenue by business segment, as Management is of the opinion that its activities constitute one segment.		
3 Fee to the auditors appointed in general meeting		
Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act.		
4 Staff costs		
Wages/salaries	41,993	34,258
Pensions	1,725	1,597
Other social security costs	437	488
Other staff costs	1,014	638
	<u>45,169</u>	<u>36,981</u>
Average number of full-time employees	<u>46</u>	<u>43</u>
In pursuance of section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
5 Depreciation of property, plant and equipment		
Depreciation of property, plant and equipment	370	397
	<u>370</u>	<u>397</u>
6 Financial income		
Interest receivable, group entities	274	135
	<u>274</u>	<u>135</u>
7 Financial expenses		
Interest expenses, group entities	2,662	262
Other financial expenses	589	746
	<u>3,251</u>	<u>1,008</u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2022	2021
8 Tax for the year		
Estimated tax charge for the year	16,515	9,364
Deferred tax adjustments in the year	-184	28
Tax adjustments, prior years	-128	0
	<u>16,203</u>	<u>9,392</u>

9 Property, plant and equipment

DKK'000	Land and buildings	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2022	10,656	6,814	237	17,707
Additions	0	119	0	119
Cost at 31 December 2022	<u>10,656</u>	<u>6,933</u>	<u>237</u>	<u>17,826</u>
Impairment losses and depreciation at 1 January 2022	7,502	6,436	149	14,087
Depreciation	191	155	24	370
Impairment losses and depreciation at 31 December 2022	<u>7,693</u>	<u>6,591</u>	<u>173</u>	<u>14,457</u>
Carrying amount at 31 December 2022	<u>2,963</u>	<u>342</u>	<u>64</u>	<u>3,369</u>

DKK'000	2022	2021
10 Deferred tax		
Deferred tax at 1 January	-164	-192
Deferred tax adjustment in the year, income statement	-184	28
Deferred tax at 31 December	<u>-348</u>	<u>-164</u>
Deferred tax relates to:		
Property, plant and equipment	-69	-83
Inventories	-234	-81
Provisions	-45	0
	<u>-348</u>	<u>-164</u>

11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies and other prepayments.

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Notes to the financial statements

DKK'000	2022	2021
12 Share capital		
Analysis of the share capital:		
10,902 shares of DKK 1,000.00 nominal value each	10,902	10,902
	10,902	10,902

The Company's share capital has remained DKK 10,902 thousand over the past 5 years.

13 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with Arrow Electronics Danish Holdings ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2022	2021
Rent and lease liabilities	3,663	4,452

Rent and lease liabilities include rent obligations totalling DKK 1,427 thousand relating to non-cancellable rent agreements and other contracts concerning maintenance of leases as well as liabilities under operating leases concerning cars and IT equipment totalling DKK 2236 thousand.

14 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2022.

15 Related parties

Arrow Denmark ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Arrow Norway AS	Stokkastrandvegen 85, 5578 Nedre Vats, 1160 Vindafjord, Norway	Parent company
Arrow Electronics Inc.	Centennial, Colorado, USA	Ultimate parent company

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Arrow Electronics Inc.	Centennial, Colorado, USA	https://investor.arrow.com/financials/financial-results/default.aspx
Arrow Electronics EMAESA S.r.l	Milan, Italy	Viale Fulvio Testi, 280, Milan, 20126, Italy

Related party transactions

Financial statements 1 January - 31 December

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15 Related parties (continued)

Arrow Denmark ApS was engaged in the below related party transactions:

DKK'000	2022	2021
Intercompany revenue	1,360	1,087
Intercompany cost of sales	70,208	44,496
Cost recharge in	13,967	12,203
Cost recharge out	21,979	16,650

Intercompany receivables	4,007	3,630
Intercompany payables	304,469	227,553

DKK'000	2022	2021
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16 Appropriation of profit

Recommended appropriation of profit
Retained earnings

57,728	33,069
57,728	33,069