Arrow Denmark ApS

Marielundvej 29, 2730 Herlev

CVR no. 10 61 52 91

Annual report 2019

Approved at the Company's annual general meeting on 19 June 2020

Chairman:

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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 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Herlev, 19 June 2020
Executive Board:

Erik Hansen

Board of Directors:

Christopher David Stansbury Chairman	Moa Magnusdotter Eriksson	Erik Hansen

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Herlev, 19 June 2020
Executive Board:

Erik Hansen

Board of Directors:

Christopher David Stansbury Chairman	M Eriksson Moa Magnusdotter Eriksson	Erik Hansen

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 2019, 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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, 19 June 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Steen Skorstengaard	Nikolai Holm Pedersen
State Authorised Public Accountant	State Authorised Public Accountant
mne19709	mne45896

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	Christopher David Stansbury, Chairman Moa Magnusdotter Eriksson Erik Hansen
Executive Board	Erik Hansen
Auditors	Ernst & Young 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	2019	2018	2017	2016	2015
Key figures					
Revenue	786,134	833,571	730,344	592,743	547,672
Operating profit/loss	34,216	48,933	30,422	21,878	15,332
Net financials	-3,361	-725	-1,505	-995	-702
Profit for the year	23,934	37,520	22,636	16,285	11,052
Total assets	273,524	280,389	219,809	175,377	150,392
Equity	210,505	186,571	149,051	126,415	110,130
Financial ratios					
Operating margin	4.3%	5.9%	4.2%	3.7 %	2.8 %
Return on assets	12.4%	19.6%	15.4%	13.4%	6.3%
Equity ratio	77.0%	66.5%	67.8%	72.1%	73.2%
Return on equity	12.1%	22.4%	16.4%	13.8%	5.7%
Average number of employees	48	47	50	53	55

The financial ratios stated in the survey of 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	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

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 2019 shows a profit of DKK 23,934 thousand against a profit of DKK 37,520 thousand last year, and the balance sheet at 31 December 2019 shows equity of DKK 210,505 thousand.

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.

Statutory CSR report

Labor Conditions

Risks: Arrow has identified the potential risks of harassment and discrimination of employees.

Policy: Arrow is committed to a work environment in which all individuals are treated with respect and dignity. Such a work environment cannot exist in the presence of harassment or discrimination, which are contrary to Arrow's policies and interests.

Actions: Arrow strongly encourages its employees to report any incidents of discrimination, harassment or retaliation to appropriate Company officials. Employees who believe they have experienced conduct that may be contrary to Arrow policy or who have concerns about such matters may report their concerns to their immediate manager or the Human Resources Department. Arrow prohibits retaliation against any employee who reports discrimination or harassment or participates in an investigation of such reports. All reported allegations of harassment, discrimination, and retaliation are investigated promptly, thoroughly and impartially.

Results: During 2019, there have not been any reported allegations of harassment, discrimination or retaliation.

Human Rights

Risks: As one of the largest technology lifecycle solutions providers in the world we realize that our supply chain generates as potential risk of violating human rights.

Policy: At Arrow we are committed to ensuring that there is no slavery, servitude, forced or compulsory labor or human trafficking in our supply chain or in any part of our businesses and have a zero-tolerance to such conducts.

Actions: Arrow believes in the importance of its business partners adhering to our high ethical and legal standards, and therefore require its business partners to review and comply with our Business Partner Code of Conduct. Arrow also offers training to partners to make certain of their understanding of all applicable laws, rules and regulations while conducting Arrow business. We further expect each entity in our supply chains to have suitable anti-slavery and human trafficking policies and processes, and we conduct third party due diligence in accordance with our procedures. We expect each entity to, at least, adopt "one-up" due diligence on the next link in the chain.

Results: During 2019, Arrow has not been aware of any violations to the Business Partner Code of Conduct.

Management's review

Environment and Climate

Risks: Arrow's biggest risks related to the environment and climate are identified as waste in the production and CO2 emissions from business travel.

Policy: Arrow is committed to reducing its environmental footprint. Our approach includes amongst other things the use of environmental and climate friendly technologies, avoidance of emissions, reducing waste, and the use of energy-saving solutions.

Actions: Arrow voluntarily complies with internationally recognized environmental management quality standards and is ISO 14001-certified. This specifically includes a strong focus on waste management and CO2 emissions. To reduce our CO2 emissions, Arrow has initiated telepresence using Microsoft Teams to reduce business travel, which is our single-largest source of carbon emissions. To reduce the amount of waste, Arrow has increased the focus on recycling of materials in our production facilities.

Results: As a result, Arrow has managed to decrease the amount of waste going to landfill and our CO2 emissions during 2019.

Anti-corruption

Risks: Arrow has identified the most material risks associated with anti-corruption as related to gifts and entertainment that employees may give or receive.

Policy: Employees and Representatives are prohibited from paying, offering, authorizing, or promising, either directly or indirectly, money or anything of value to any individual to secure an improper advantage, obtain or retain business, or direct business to any other person or entity.

Actions: The company policy and guidelines on purchasing or acceptance of gifts is communicated to all employees on a continuously basis. Employees must refer to the gift policy prior to the purchase or acceptance of a gift. All gifts to a government official or entity must be reviewed in advance with the CFO and the Law Department.

Results: During 2019, Arrow has not been aware of any violations of the guidelines.

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 2021. At present, the Company has 1 female board member out of 3 members which meets the Company's target.

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 underreppresented sex:
- Mentoring schemes
- A staff policy that promotes equal career opportunities for men and women
- Recruitment procedures that contribute to ensuring equal opportunites 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. The target for other mangerial positions is 35-40% by the end of 2021. The share of the underrepresented sex at the end of 2019 is 25% which is below the Company's target and initiatives are therefore planned in the future to live up to the target.

Events after the balance sheet date

At the time of preparation of this annual report, the world is feeling the very significant impact of the COVID-19 pandemic. The Company is continuously assessing the impact this may have and is taking all necessary measures to protect the health and safety of its employees, comply with national and company policies, and protect its business.

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

Management's review

Outlook

The total revenue for 2020 is estimated to amount to DKK 828 million, and the profit for the year is expected to be in the range of DKK 137 million. Management's expectations are based on performance in 1H 2019 to be a bit better in 1H 2020, and the market to increase even more in 2H 2020.

Up to the date this annual report is issued, it is not possible to assess what the impact of COVID-19 will have on our business in the future, as this depends on how this pandemic will further develop in the months to come.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2019	2018
2	Revenue	786,134	833,571
	Cost of sales	-656,940	-695,914
	Other operating income	0	106
	Other external expenses	-56,095	-52,040
	Gross profit	73,099	85,723
3	Staff costs	-38,180	-35,947
	Depreciation and impairment of property, plant and equipment	-703	-737
	Other operating expenses	-29	-69
	Profit before net financials	34,187	48,970
4	Financial income	3,099	1,016
5	Financial expenses	-6,460	-1,741
	Profit before tax	30,826	48,245
6	Tax for the year	-6,892	-10,725
	Profit for the year	23,934	37,520

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2019	2018
	ASSETS		
	Fixed assets		
7	Property, plant and equipment		
	Land and buildings	3,558	3,752
	Fixtures and fittings, other plant and equipment	741	1,050
	Leasehold improvements	135	155
		4,434	4,957
	Total fixed assets	4,434	4,957
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	6,711	5,271
		6,711	5,271
	Receivables		
	Trade receivables	163,062	212,887
	Receivables from group enterprises	50,106	28,988
10	Deferred tax assets	730	540
	Corporation tax receivable	3,579	0
	Other receivables	799	12,824
8	Prepayments	310	1,873
		218,586	257,112
	Cash	43,793	13,049
	Total non-fixed assets	269,090	275,432
	TOTAL ASSETS	273,524	280,389
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	10,902	10,902
	Retained earnings	199,603	175,669
	Total equity	210,505	186,571
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	0	12,347
	Trade payables	2,235	2,697
	Payables to group enterprises	51,893	62,832
	Corporation tax payable	0	6,176
	Other payables	8,891	9,766
		63,019	93,818
	Total liabilities other than provisions	63,019	93,818
	TOTAL EQUITY AND LIABILITIES	273,524	280,389

1 Accounting policies
11 Contractual obligations and contingencies, etc.
12 Collateral
13 Related parties
14 Fee to the auditors appointed by the Company in general meeting

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2018	10,902	138,149	149,051
15	Transfer, see "Appropriation of profit"	0	37,520	37,520
	Equity at 1 January 2019	10,902	175,669	186,571
15	Transfer, see "Appropriation of profit"	0	23,934	23,934
	Equity at 31 December 2019	10,902	199,603	210,505

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Arrow Denmark ApS for 2019 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.

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".

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.

Other operating income and operating expenses

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

Cost of sales

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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	50 years
Fixtures and fittings, other plant and equipment	3-15 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

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)

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

Receivables are measured at amortised cost.

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 has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

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

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

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".

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".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

DKK'000	2019	2018
2 Segment information		
Breakdown of revenue by geographical segment:		
Denmark	439,342	446,719
Other EU countries	50,713	40,842
Non-EU countries	296,079	346,010
	786,134	833,571

The Company has not disclosed the breakdown of revenue by business segment, as Management is of the opinion that its activities constitute one segment.

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	2019	2018
3	Staff costs		
	Wages/salaries	35,010	33,285
	Pensions	1,661	1,636
	Other social security costs	373	315
	Other staff costs	1,136	711
		38,180	35,947

	2019	2018
Average number of full-time employees	48	47

In pursuance of section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

	DKK'000	2019	2018
4	Financial income		
	Interest receivable, group entities	2,720	399
	Other financial income	379	617
		3,099	1,016
5	Financial expenses		
	Interest expenses, group entities	5,471	1,180
	Other financial expenses	989	561
		6,460	1,741
6	Tax for the year		
	Estimated tax charge for the year	7,082	10,983
	Deferred tax adjustments in the year	-190	-258
		6,892	10,725

Financial statements 1 January - 31 December

Notes to the financial statements

7 Property, plant and equipment

DKK'000	Land and buildings	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2019	10,656	6,398	237	17,291
Additions	0	180	0	180
Cost at 31 December 2019	10,656	6,578	237	17,471
Impairment losses and depreciation at 1 January 2019	6,904	5,348	82	12,334
Depreciation	194	489	20	703
Impairment losses and depreciation at 31 December 2019	7,098	5,837	102	13,037
Carrying amount at 31 December 2019	3,558	741	135	4,434

8 Prepayments

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

DKK'000	2019	2018
9 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.

DKK'000	2019	2018
10 Deferred tax		
Deferred tax at 1 January	-540	-282
Deferred tax adjustment in the year, income statement	-190	-258
Deferred tax at 31 December	-730	-540
Deferred tax relates to:		
Property, plant and equipment	-73	-54
Inventories	-81	-65
Provisions	-576	-421
	-730	-540

Financial statements 1 January - 31 December

Notes to the financial statements

11 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	2019	2018
Rent and lease liabilities	3,093	4,039

Rent and lease liabilities include rent obligations totalling DKK 973 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 2,120 thousand.

12 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2019.

13 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

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

DKK'000	2019	2018
Intercompany revenue	887	920
Intercompany cost of sales	37,035	33,000
Cost recharge in	17,771	19,115
Cost recharge out	14,834	21,033
Intercompany receivables	50,106	28,979
Intercompany payables	51,893	58,261

Financial statements 1 January - 31 December

Notes to the financial statements

14 **Fee to the auditors appointed by the Company in general meeting**

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act.

DKK'000	2019	2018
15 Appropriation of profit		
Recommended appropriation of profit		
Retained earnings	23,934	37,520
	23,934	37,520