

Arrow ECS Nordic A/S

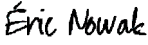
Jens Juuls Vej 42, 8260 Viby J

CVR no. 12 27 41 81

Annual report 2020

Approved at the Company's annual general meeting on 18 June 2021

Chair of the meeting:

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Eric Claude Nowak

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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 ECS Nordic A/S for the financial year 1 January - 31 December 2020.

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 2020 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2020.

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.

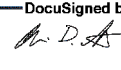
We recommend that the annual report be approved at the annual general meeting.

Aarhus, 18 June 2021

Executive Board:

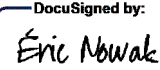
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Board of Directors:

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Christopher David
Stansbury
Chair

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Frederik Petrus Antonius
Cornelis Stolwijk
Vice-Chair

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Eric Claude Nowak

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Henrik Resting-Jepesen

Independent auditor's report

To the shareholder of Arrow ECS Nordic A/S

Opinion

We have audited the financial statements of Arrow ECS Nordic A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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 2020 and of the results of the Company's operations as well as the cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We 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.
- ▶ 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.

Independent auditor's report

- ▶ 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, 18 June 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Steen Skorstengaard
State Authorised Public Accountant
mne19709



Nikolai Holm Pedersen
State Authorised Public Accountant
mne45896

Management's review

Company details

Name Arrow ECS Nordic A/S
Address, Postal code, City Jens Juuls Vej 42, 8260 Viby J

CVR no. 12 27 41 81
Established 1 June 1988
Registered office Aarhus
Financial year 1 January - 31 December

Board of Directors Christopher David Stansbury, Chair
Frederik Petrus Antonius Cornelis Stolwijk, Vice-Chair
Eric Claude Nowak
Henrik Resting-Jeppesen

Executive Board Henrik Resting-Jeppesen

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	2020	2019	2018	2017	2016
Key figures					
Gross profit	8,798	9,186	9,687	12,924	13,367
Operating profit/loss	1,475	958	319	982	2,719
Net financials	3,623	2,863	1,030	3,975	2,123
Profit for the year	112,402	78,862	52,138	67,895	64,024
Total assets					
Total assets	981,965	879,549	986,096	952,121	904,176
Equity	953,894	844,256	765,714	716,642	663,946
Financial ratios					
Return on assets	0.2%	0.1%	0.0%	0.1%	0.3%
Equity ratio	97.1%	96.0%	77.7%	75.3%	73.4%
Return on equity	12.5%	9.8%	7.0%	9.8%	10.1%
Average number of employees					
Average number of employees	9	13	15	16	17

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
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

As in prior years, the Company's main activity is to act as a parent company.

Financial review

The income statement for 2020 shows a profit of DKK 112,402 thousand against a profit of DKK -78,862 thousand last year, and the balance sheet at 31 December 2020 shows equity of DKK 953,894 thousand.

Income from investments and profit for the year in Arrow ECS Nordic A/S for 2020 is in line with the expectations of management at the start of the year. Impact of the COVID-19 pandemic on consolidated results for 2020 was limited.

Non-financial matters

Knowledge resources

Massive investments have been made to create one of the country's most powerful competence centres within IT products, market conditions, support and training.

Ongoing training and competence development ensure that we always hold cutting-edge competences within all areas.

Financial risks and use of financial instruments

The Company's foreign activities mean that results, cash flows and equity are affected by exchange and interest rate developments for a number of currencies. It is part of the Company's policy to hedge commercial currency risks, and forward exchange contracts were entered into from time to time for such purposes.

Interest bearing net debts are insignificant and moderate interest rate changes will therefore not have any significant direct effect on earnings. Accordingly, the Company does not hedge interest rate risks.

Outlook

For 2021, profit are expected to grow compared to 2020 as we expect the economy to recover from the impact of the COVID-19 pandemic.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2020	2019
	Gross profit	8,798	9,186
2	Staff costs	-7,230	-7,953
	Depreciation of property, plant and equipment	-93	-275
	Profit before net financials	1,475	958
	Income from investments in group entities	108,429	75,885
3	Financial income	3,739	3,573
	Financial expenses	-116	-710
	Profit before tax	113,527	79,706
4	Tax for the year	-1,125	-844
	Profit for the year	<u>112,402</u>	<u>78,862</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	40	91
	Leasehold improvements	48	90
		<u>88</u>	<u>181</u>
6	Investments		
	Investments in group entities	830,755	725,016
		<u>830,755</u>	<u>725,016</u>
	Total fixed assets	<u>830,843</u>	<u>725,197</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	150,807	153,613
	Receivables from group entities, cash-pool	0	96
	Deferred tax assets	203	85
7	Prepayments	112	558
		<u>151,122</u>	<u>154,352</u>
	Total non-fixed assets	<u>151,122</u>	<u>154,352</u>
	TOTAL ASSETS	<u>981,965</u>	<u>879,549</u>
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	1,500	1,500
	Net revaluation reserve according to the equity method	279,867	174,129
	Retained earnings	672,527	668,627
	Total equity	<u>953,894</u>	<u>844,256</u>
	Liabilities other than provisions		
9	Non-current liabilities other than provisions		
	Other payables	482	288
		<u>482</u>	<u>288</u>
	Current liabilities other than provisions		
	Bank debt	20,870	28,617
	Trade payables	62	76
	Payables to group entities	215	4,471
	Payables to group entities, cash-pool	3,472	0
	Joint taxation contribution payable	1,243	664
	Other payables	1,727	1,177
		<u>27,589</u>	<u>35,005</u>
		<u>28,071</u>	<u>35,293</u>
	TOTAL EQUITY AND LIABILITIES	<u>981,965</u>	<u>879,549</u>

- 1 Accounting policies
- 10 Contractual obligations and contingencies, etc.
- 11 Collateral
- 12 Related parties
- 13 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 January 2019	1,500	98,788	665,426	765,714
13	Transfer, see "Appropriation of profit"	0	75,885	2,977	78,862
	Exchange adjustment	0	-320	0	-320
	Other value adjustments of equity	0	-224	224	0
	Equity at 1 January 2020	1,500	174,129	668,627	844,256
13	Transfer, see "Appropriation of profit"	0	108,429	3,973	112,402
	Exchange adjustment	0	-2,691	-73	-2,764
	Equity at 31 December 2020	1,500	279,867	672,527	953,894

Financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	2020	2019
	Profit for the year	112,402	78,862
14	Adjustments	-110,908	-77,573
	Cash generated from operations (operating activities)	1,494	1,289
15	Changes in working capital	-1,132	-53,835
	Cash generated from operations (operating activities)	362	-52,546
	Interest received, etc.	3,739	3,573
	Interest paid, etc.	-116	-710
	Cash flows from operating activities	3,985	-49,683
	Additions of property, plant and equipment	0	-198
	Cash flows to investing activities	0	-198
	Cash-pool displacements	3,568	-161,905
	Raising of loan in the Employees' Fund for Residual Holiday Funds	194	288
	Cash flows from financing activities	3,762	-161,617
	Net cash flow	7,747	-211,498
	Cash and cash equivalents at 1 January	-28,617	182,881
16	Cash and cash equivalents at 31 December	-20,870	-28,617

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Arrow ECS Nordic A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The financial statements of Arrow ECS Nordic A/S and its group entities are included in the consolidated financial statements of Arrow Electronic Inc.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

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.

Foreign group entities

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Income statement

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

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.

Gross profit

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-10 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.

Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

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 Company and its Danish group entities are jointly taxed. 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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".

Investments in subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Consolidated goodwill is amortised over its estimated economic life, determined on the basis of Management's assessment that the assets are strategic investments and its expectations as to future cash flows. The amortisation period is 10-20 years.

Impairment of fixed assets

The carrying amount of plant and equipment and investments in subsidiaries 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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" and "Payables to group entities".

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

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".

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2020	2019
2 Staff costs		
Wages/salaries	6,707	7,202
Pensions	205	352
Other social security costs	64	97
Other staff costs	254	302
	<u>7,230</u>	<u>7,953</u>
	2020	2019
Average number of full-time employees	<u>9</u>	<u>13</u>

The Company did not pay any remuneration to Management during the financial year.

DKK'000	2020	2019
3 Financial income		
Interest receivable, group entities	3,431	3,421
Other financial income	308	152
	<u>3,739</u>	<u>3,573</u>
4 Tax for the year		
Estimated tax charge for the year	1,243	664
Deferred tax adjustments in the year	-118	180
	<u>1,125</u>	<u>844</u>

5 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2020	11,207	471	11,678
Cost at 31 December 2020	<u>11,207</u>	<u>471</u>	<u>11,678</u>
Impairment losses and depreciation at 1 January 2020	11,116	381	11,497
Depreciation in the year	51	42	93
Impairment losses and depreciation at 31 December 2020	<u>11,167</u>	<u>423</u>	<u>11,590</u>
Carrying amount at 31 December 2020	<u>40</u>	<u>48</u>	<u>88</u>

Financial statements 1 January - 31 December

Notes to the financial statements

6 Investments

DKK'000	Investments in group entities
Cost at 1 January 2020	550,887
Cost at 31 December 2020	550,887
Value adjustments at 1 January 2020	174,129
Exchange adjustment	-2,690
Share of the profit/loss for the year	111,002
Impairment losses	-2,573
Value adjustments at 31 December 2020	279,868
Carrying amount at 31 December 2020	830,755

Name	Legal form	Domicile	Interest
Subsidiaries			
Arrow ECS Denmark A/S	Private limited company	Aarhus, Denmark	100.00%
- IPVista A/S*	Private limited company	Aarhus, Denmark	100.00%
Arrow ECS Sweden AB	Private limited company	Stockholm, Sweden	100.00%
Arrow ECS Finland OY	Private limited company	Helsinki, Finland	100.00%
Arrow ECS Norge AS	Private limited company	Oslo, Norway	100.00%
Arrow ECS Baltic OÜ	Private limited company	Tallinn, Estonia	100.00%

*Subsidiary of Arrow ECS Denmark A/S.

7 Prepayments

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

DKK'000	2020	2019
8 Share capital		
Analysis of the share capital:		
1,500,000 A shares of DKK 1.00 nominal value each	1,500	1,500
	1,500	1,500

The Company's share capital has remained DKK 1,500 thousand over the past 5 years.

9 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	482	0	482	0
	482	0	482	0

Financial statements 1 January - 31 December

Notes to the financial statements

10 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 has limited and alternative liability together 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	2020	2019
Rent and lease liabilities	<u>927</u>	<u>932</u>

11 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2020.

12 Related parties

Arrow ECS Nordic A/S' related parties comprise the following:

Significant influence

Related party	Domicile	Basis for significant influence
Arrow ECS SAS	Courbevoie, Paris, France	Parent company
Arrow Electronics Inc.	Centennial, Colorado, USA	Ultimate parent company

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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 ECS Nordic A/S was engaged in the below related party transactions:

DKK'000	2020	2019
Intercompany cost of sales	0	67
Staff allocation in	3,543	1,876
Staff allocation out	4,109	4,544
Cost recharge in	1,500	452
Cost recharge out	12,551	15,229
Intercompany receivables	150,807	153,613
Intercompany payables	215	4,471

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	<u>2020</u>	<u>2019</u>
13 Appropriation of profit		
Recommended appropriation of profit		
Net revaluation reserve according to the equity method	108,429	75,885
Retained earnings	<u>3,973</u>	<u>2,977</u>
	<u>112,402</u>	<u>78,862</u>
14 Adjustments		
Amortisation/depreciation and impairment losses	93	275
Income from investments in group entities	-108,429	-75,885
Financial income	-3,739	-3,573
Financial expenses	116	710
Tax for the year	1,125	844
Other adjustments	-74	56
	<u>-110,908</u>	<u>-77,573</u>
15 Changes in working capital		
Change in receivables	3,252	-1,052
Change in trade and other payables	-4,384	-52,783
	<u>-1,132</u>	<u>-53,835</u>
16 Cash and cash equivalents at year-end		
Short-term debt to banks	-20,870	-28,617
	<u>-20,870</u>	<u>-28,617</u>