

Arrow Electronics Danish Holdings ApS


c/o Arrow Denmark ApS, Marielundvej 29, 2730 Herlev

CVR no. 25 43 88 33

Annual report 2022

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

Chair of the meeting:

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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 Electronics Danish Holdings 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 Magnusdotter
Eriksson
Chairman

DocuSigned by:

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Christian Brusdal

Independent auditor's report

To the shareholder of Arrow Electronics Danish Holdings ApS

Opinion

We have audited the financial statements of Arrow Electronics Danish Holdings 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 Electronics Danish Holdings ApS
Address, Postal code, City	c/o Arrow Denmark ApS, Marielundvej 29, 2730 Herlev
CVR no.	25 43 88 33
Established	9 June 2000
Registered office	Herlev
Financial year	1 January - 31 December
Board of Directors	Moa Magnusdotter 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

Management's review

Business review

The Company has solely operated as a holding company for its Norwegian subsidiary whose principle activities are the same as the other Arrow entities, and it acts as a holding company for the Nordic and Baltic companies in the Arrow Electronic Group.

The principal activities of Arrow in the Nordic countries are import and wholesale of high-tech electronic components for the IT industry.

The companies sell advanced electronic components from market leading producers in the US, Europe and the Far East.

Financial review

The income statement for 2022 shows a loss of DKK 84 thousand against a loss of DKK 81 thousand last year, and the balance sheet at 31 December 2022 shows equity of DKK 533,471 thousand.

The COVID pandemic is continuing into 2022 and the Company is continuing to assess the impact that this may have and is taking the necessary measures to protect the health and safety of its employees, comply with national and Company policies, and to protect its business.

The subsidiaries managed to grow the sales despite the COVID pandemic and the worldwide shortage of electronic components. This is due to the main growth in the automotive, marine, defense and aerospace, smart home and data storage markets.

Events after the balance sheet date

Currently the Company and the Subsidiaries 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.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2022	2021
	Gross profit/loss	-105	-93
	Financial expenses	0	-9
	Profit/loss before tax	-105	-102
2	Tax for the year	21	21
	Profit/loss for the year	-84	-81
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-84	-81
		-84	-81

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Fixed assets		
3	Investments		
	Investments in group entities	535,188	535,188
		<u>535,188</u>	<u>535,188</u>
	Total fixed assets	<u>535,188</u>	<u>535,188</u>
	Non-fixed assets		
	Receivables		
	Corporation tax receivable	23	20
		<u>23</u>	<u>20</u>
	Total non-fixed assets	<u>23</u>	<u>20</u>
	TOTAL ASSETS	<u>535,211</u>	<u>535,208</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	49,925	49,925
	Retained earnings	483,546	483,630
	Total equity	<u>533,471</u>	<u>533,555</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	103	98
	Payables to group entities	1,637	1,555
		<u>1,740</u>	<u>1,653</u>
	Total liabilities other than provisions	<u>1,740</u>	<u>1,653</u>
	TOTAL EQUITY AND LIABILITIES	<u>535,211</u>	<u>535,208</u>
1	Accounting policies		
4	Staff costs		
5	Contractual obligations and contingencies, etc.		
6	Collateral		
7	Related parties		

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2021	49,925	483,711	533,636
Transfer through appropriation of loss	0	-81	-81
Equity at 1 January 2022	49,925	483,630	533,555
Transfer through appropriation of loss	0	-84	-84
Equity at 31 December 2022	49,925	483,546	533,471

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Arrow Electronics Danish Holdings ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements of Arrow Electronics Danish Holdings ApS and its group entities are part of the consolidated financial statements of Arrow Electronics Inc.

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.

Income statement

Gross profit/loss

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

Profit/loss from investments in group entities

The item includes dividend received from group entities in so far as the dividend does not exceed the accumulated earnings in the group entity in the period of ownership.

Financial expenses

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in group entities

Investments in group entities and associates are measured at cost. Dividends received that exceed the accumulated earnings in the group entity or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

The carrying amount of 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.

Receivables

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

Receivables are measured at amortised cost.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprises cash balances and bank balances.

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".

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.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2022	2021
2 Tax for the year		
Estimated tax charge for the year	-23	-21
Tax adjustments, prior years	2	0
	<u>-21</u>	<u>-21</u>

3 Investments

DKK'000	Investments in group entities
Cost at 1 January 2022	535,188
Cost at 31 December 2022	535,188
Value adjustments at 1 January 2022	0
Value adjustments at 31 December 2022	0
Carrying amount at 31 December 2022	<u>535,188</u>

Group entities

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Arrow Norway AS	Private limited company	Nedre Vats, Norway	100.00%	2,577,498	67,655
- Arrow Components Sweden AB	Private limited company	Stockholm, Sweden	100.00%	189,674	59,423
- Arrow Denmark ApS	Private limited company	Herlev, Denmark	100.00%	162,069	57,728
- Arrow Finland OY	Private limited company	Helsinki, Finland	100.00%	146,259	23,154
- Arrow Electronics Estonia OÜ	Private limited company	Tallin, Estonia	100.00%	219,851	33,855

Financial statements 1 January - 31 December**Notes to the financial statements****4 Staff costs**

The Company has no employees, besides the Executive Board.

5 Contractual obligations and contingencies, etc.**Other contingent liabilities**

As management company, the Company is jointly taxed with other Danish group entities 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.

6 Collateral

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

7 Related parties**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