

ANALOG DEVICES A/S

Diplomvej 377, 1
2800 Kongens Lyngby

Annual report
1 November 2018 - 31 October 2019

**The annual report has been presented and
approved on the company's general meeting the**

30/03/2020

**Christian Gregersen
Chairman of general meeting**

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Company information

Reporting company ANALOG DEVICES A/S
Diplomvej 377, 1
2800 Kongens Lyngby
Phone number: 48107777
CVR-nr: 27169740
Reporting period: 01/11/2018 - 31/10/2019

Main financial institution
Bank of America
Danske Bank

Auditor ERNST & YOUNG GODKENDT REVISIONSPARTNERSELSKAB
Dirch Passers Allé 36
2000 Frederiksberg
DK Denmark
CVR-nr: 30700228
P-number: 1013415044

Statement by Management

Management has today considered and approved the annual report for the financial year 1 November 2018 - 31 October 2019 for ANALOG DEVICES A/S.

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

Management believes that the financial statements give a true and fair view of the company's assets, liabilities and financial position and of the result.

The annual report is submitted for approval by the General Assembly.

Copenhagen, the 30/03/2020

Management

Shalini Palmer

Board of directors

Thomas Edward Cribben
chairman

Michael Paul Sondel

Kevin Paul Lanouette

The independent auditor's report on financial statements

To the shareholder of ANALOG DEVICES A/S

Opinion

We have audited the financial statements of Analog Devices A/S for the financial year 1 November 2018 – 31 October 2019, which comprise accounting policies, income statement, balance sheet and notes. 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 October 2019 and of the results of the Company's operations for the financial year 1 November 2018 - 31 October 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 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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Responsibilities of management 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 responsibility

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 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 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.
- 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 going concern. If we conclude that a material uncertainty exist, 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 Statements Act. We did not indentify any material misstatement of the Management's review.

Copenhagen, 30/03/2020

Ole Becker , mne33732

State Authorised Public Accountant

ERNST & YOUNG GODKENDT REVISIONSPARTNERSELSKAB

CVR: 30700228

Management's Review

Business activities and mission

The Company's activity is to provide sales of digital integrated circuit for Analog Devices International.

Business review

The Company's income statement for 2018/19 shows a profit of DKK 18,018 and the balance sheet at 31 October 2019 shows shareholders' equity of DKK 3,591,593.

The Management finds the result of the year satisfactory.

Events after end of financial year

No material events affecting the Company's financial position have occurred after the balance sheet date.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B. There have been options of certain rules in reporting class C.

Accounting Policies are consistent with those of last year.

Foreign currency translation

The annual report is represented in Danish Kroner (DKK).

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

Receiveables and payables and other monetary items denominated in foreign currencies are translated at closing rates. 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The company has as interpretation contribution for including revenue chosen IAS 11/IAS 18. Revenue consist of Commission income and cost reimbursement.

Income from the sale of goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can measured reliably and payment is expected to be received.

Other external expenses

Other external expenses comprise expenses relating to sale, advertisement, administration, operating leases etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions and other social security costs etc. for the Company's employees. Refunds received from public authorities are deducted from staff costs.

Other operation costs

Other operating costs include accounting items of secondary nature to those of the business principal activity, including profit or loss on the sale of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised gains and losses on transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relation to the profit/loss for the year is recognised in the income statement, and the tax expense relation to amounts directly recognised in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Balance sheet

Property, plant and equipment

On initial recognition, items of property, plant and equipment are measured at cost.

Fixtures and fittings, other plant and equipment and leasehold improvements are measured at cost less accumulated depreciation.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are 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 depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which are as follows:

Fixture and fittings, other plant and equipment	3-8 years
Leasehold improvement	5 years

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Financial assets

Financial assets comprises deposit.

Impairment of non-current assets

The carrying amount of property, plant and equipment is tested annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual 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 determined as the present value of the anticipated net cash flows from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

Receivables are measured at amortised cost.

The company has a single re-interpretation contribution write-down of financial receivable selected from IAS 39.

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 comprise costs incurred concerning subsequent financial years.

Equity

Dividend

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

Income taxes and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net assets are measured at net realisable values.

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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Income statement 1 Nov 2018 - 31 Oct 2019

	Disclosure	2018/19 kr.	2017/18 kr.
Revenue		9,166,302	7,333,775
External expenses		-2,600,351	-2,510,743
Gross Result		6,565,951	4,823,032
Employee expense	1	-6,464,377	-4,727,828
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets		-28,368	-24,640
Other operating expenses		-12,311	0
Profit (loss) from ordinary operating activities		60,895	70,564
Other finance income		7,954	2,699
Other finance expenses		-50,831	-52,815
Profit (loss) from ordinary activities before tax		18,018	20,448
Tax expense		0	0
Profit (loss)		18,018	20,448
Proposed distribution of results			
Retained earnings		18,018	20,448
Proposed distribution of profit (loss)		18,018	20,448

Balance sheet 31 October 2019

Assets

	Disclosure	2018/19 kr.	2017/18 kr.
Fixtures, fittings, tools and equipment		39,748	19,626
Leasehold improvements		0	26,383
Property, plant and equipment		39,748	46,009
Deposits		142,286	96,780
Investments		142,286	96,780
Total non-current assets		182,034	142,789
Receivables from group enterprises		1,074,132	930,307
Current deferred tax assets		20,000	20,000
Other receivables		31,312	40,906
Deferred income assets		94,273	135,457
Receivables		1,219,717	1,126,670
Cash and cash equivalents		3,857,171	3,796,209
Current assets		5,076,888	4,922,879
Total assets		5,258,922	5,065,668

Balance sheet 31 October 2019

Liabilities and equity

	Disclosure	2018/19 kr.	2017/18 kr.
Contributed capital		3,600,000	3,600,000
Retained earnings		-8,407	-26,425
Total equity		3,591,593	3,573,575
Trade payables		44,610	100,720
Payables to group enterprises		31,424	20,846
Other payables, including tax payables, liabilities other than provisions		1,591,295	1,370,527
Short-term liabilities other than provisions, gross		1,667,329	1,492,093
Liabilities other than provisions, gross		1,667,329	1,492,093
Liabilities and equity, gross		5,258,922	5,065,668

Statement of changes in equity 1 Nov 2018 - 31 Oct 2019

	Contributed capital	Retained earnings	Total
	kr.	kr.	kr.
Equity, beginning balance	3,600,000	-26,425	3,573,575
Profit (Loss)		18,018	18,018
Equity, ending balance	3,600,000	-8,407	3,591,593

Disclosures

1. Employee expense

	2018/19	2017/18
	DKK	DKK
Løn og gager	5,906,681	4,318,642
Pensionsbidrag	539,061	385,493
Andre omkostninger til social sikring	18,634	23,692
	6,464,377	4,727,827

2. Disclosure of contingent liabilities

Collateral and contingent liabilities	2018/19	2017/18
	DKK	DKK
Leasehold liability until February 2020 exceeds DKK 45,506		
Obligation resulting from operating leasing contracts for vehicles exceeds	410,603	483,639

3. Disclosure of ownership

Ownership

The company has registered the following shareholders with more than 5% of the voting rights or nominal value of the share capital:

Analog Devices Holding B.V., Claudius Prinsenlaan 126, Netherland.

Consolidated financial statements are prepared by the parent company, Analog Devices Inc., Norwood 02062, USA.

Consolidated financial statements can be obtained via this link:
<http://investor.analog.com/financial-info/annual-reports>

4. Information on average number of employees

Average number of employees	2018/19
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