

Arrow ECS Services A/S under frivillig likvidation

Jens Juuls Vej 42, DK-8260 Viby J

CVR no. 31 77 53 61

Annual report 2019

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

Chairman:

DocuSigned by:

Henrik Resting-Jepsen

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Statement by the Board of Directors and the Executive Board

Today, I have discussed and approved the annual report of Arrow ECS Services A/S under frivillig likvidation for the financial year 1 January - 31 December 2019.

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

In my 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 my 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.

Aarhus, 19 June 2020

Liquidator:

DocuSigned by:

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Jan Bech

Independent auditor's report

To the liquidator of Arrow ECS Services A/S under frivillig likvidation

Opinion

We have audited the financial statements of Arrow ECS Services A/S under frivillig likvidation 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.

Emphasis of matter in the financial statements

We wish to draw attention to note 1 to the financial statements, which describes the accounting policies applied by the Company. The financial statements are prepared for purposes of the Company's liquidation. Consequently, the financial statements may be unsuitable for other purposes.

We have not modified our opinion in respect of this matter.

Liquidator's responsibilities for the financial statements

Liquidator 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 Liquidator 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 liquidator 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:

Independent auditor's report

- ▶ 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 liquidator.
- ▶ Conclude on the appropriateness of liquidator'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 liquidator 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

The liquidator 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
State Authorised Public Accountant
mne19709



Nikolai Holm Pedersen
State Authorised Public Accountant
mne45896

Management's review

Company details

Name	Arrow ECS Services A/S under frivillig likvidation
Address, Postal code, City	Jens Juuls Vej 42, DK-8260 Viby J
CVR no.	31 77 53 61
Established	9 October 2008
Registered office	Aarhus
Financial year	1 January - 31 December
Telephone	+45 70 23 16 00
Liquidator	Jan Bech
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark
Bankers	Danske Bank

Management commentary

Business review

The Company has had no activities in 2019.

Financial review

The income statement for 2019 shows a loss of DKK 11,241 against a loss of DKK 10,783 last year, and the balance sheet at 31 December 2019 shows equity of DKK 650,652.

By resolution at an extraordinary general meeting on 17 March 2020, Management decided to let the Company enter into liquidation. It is expected that the liquidation process will be completed before the end of 2020.

Financial statements 1 January - 31 December**Income statement**

Note	DKK	<u>2019</u>	<u>2018</u>
	Gross loss	-14,500	-14,500
2	Staff costs	<u>0</u>	<u>0</u>
	Profit/loss before net financials	-14,500	-14,500
3	Financial income	<u>89</u>	<u>16</u>
	Profit/loss before tax	-14,411	-14,484
4	Tax for the year	<u>3,170</u>	<u>3,701</u>
	Profit/loss for the year	<u>-11,241</u>	<u>-10,783</u>
	 Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	<u>-11,241</u>	<u>-10,783</u>
		<u>-11,241</u>	<u>-10,783</u>

Financial statements 1 January - 31 December**Balance sheet**

Note	DKK	<u>2019</u>	<u>2018</u>
	ASSETS		
	Non-fixed assets		
	Receivables		
	Receivables from group entities	647,482	658,707
	Joint taxation contribution receivable	3,170	3,186
		<u>650,652</u>	<u>661,893</u>
	Total non-fixed assets	<u>650,652</u>	<u>661,893</u>
	TOTAL ASSETS	<u>650,652</u>	<u>661,893</u>
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	1,000,000	1,000,000
	Retained earnings	<u>-349,348</u>	<u>-338,107</u>
	Total equity	<u>650,652</u>	<u>661,893</u>
	TOTAL EQUITY AND LIABILITIES	<u>650,652</u>	<u>661,893</u>

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral
- 8 Related parties

Financial statements 1 January - 31 December**Statement of changes in equity**

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2018	1,000,000	-327,324	672,676
Transfer through appropriation of loss	0	-10,783	-10,783
Equity at 1 January 2019	1,000,000	-338,107	661,893
Transfer through appropriation of loss	0	-11,241	-11,241
Equity at 31 December 2019	1,000,000	-349,348	650,652

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Arrow ECS Services A/S under frivillig likvidation for 2019 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.

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).

Income statement

Gross loss

The items revenue and external expenses have been aggregated into one item in the income statement called gross loss 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 administration, etc.

Financial income

Financial income are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income 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

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.

Financial statements 1 January - 31 December**Notes to the financial statements****1 Accounting policies (continued)****Equity****Proposed dividends**

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

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.

2 Staff costs

The Company has no employees.

DKK	<u>2019</u>	<u>2018</u>
3 Financial income		
Interest receivable, group entities	<u>89</u>	<u>16</u>
	<u>89</u>	<u>16</u>
4 Tax for the year		
Estimated tax charge for the year	-3,170	-3,186
Tax adjustments, prior years	<u>0</u>	<u>-515</u>
	<u>-3,170</u>	<u>-3,701</u>

5 Share capital

Analysis of changes in the share capital over the past 5 years:

DKK	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Opening balance	1,000,000	1,000,000	1,000,000	1,000,000	500,000
Capital increase	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

Financial statements 1 January - 31 December**Notes to the financial statements****6 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.

7 Collateral

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

8 Related parties**Information about consolidated financial statements**

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
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