



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 980 448 614
Organisasjonsform: Aksjeselskap
Foretaksnavn: ARROW ECS NORWAY AS
Forretningsadresse: Innspurten 1A
0663 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Widar Thorstein Granly
Dato for fastsettelse av årsregnskapet: 27.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 13.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	1 761 189 000	1 510 271 000
Annen driftsinntekt		-1 000	423 000
Sum inntekter		1 761 188 000	1 510 694 000
Kostnader			
Varekostnad		1 628 806 000	1 398 964 000
Lønnskostnad	3, 4	59 024 000	49 141 000
Avskrivning	7	211 000	283 000
Annen driftskostnad	3	31 784 000	32 205 000
Sum kostnader		1 719 825 000	1 480 593 000
Driftsresultat		41 363 000	30 101 000
Finansinntekter og finanskostnader			
Annen finansinntekt	6	2 999 000	6 109 000
Sum finansinntekter		2 999 000	6 109 000
Annen finanskostnad	6	2 148 000	1 367 000
Sum finanskostnader		2 148 000	1 367 000
Netto finans		851 000	4 741 000
Ordinært resultat før skattekostnad		42 214 000	34 842 000
Skattekostnad på ordinært resultat	12	9 362 000	7 717 000
Ordinært resultat etter skattekostnad		32 852 000	27 126 000
Årsresultat		32 852 000	27 126 000
Overføringer og disponeringer			
Overføringer annen egenkapital	13	32 852 000	27 126 000
Sum overføringer og disponeringer		32 852 000	27 126 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12	155 000	1 205 000
Sum immaterielle eiendeler		155 000	1 205 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner ol	7	603 000	372 000
Sum varige driftsmidler		603 000	372 000
Sum anleggsmidler		759 000	1 576 000
Omløpsmidler			
Varer			
Sum varer	8	7 684 000	2 545 000
Fordringer			
Kundefordringer	9, 10	492 375 000	442 320 000
Andre fordringer	10	167 020 000	33 928 000
Sum fordringer		659 395 000	476 248 000
Bankinnskudd, kontanter og lignende			
Sum bankinnskudd, kontanter og lignende	5	1 688 000	119 999 000
Sum omløpsmidler		668 767 000	598 792 000
SUM EIENDELER		669 526 000	600 369 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	13	220 000	220 000
Overkurs	13	2 751 000	2 751 000
Sum innskutt egenkapital		2 971 000	2 971 000



Balanse

Beløp i: NOK	Note	2021	2020
Opptjent egenkapital			
Annen egenkapital	13	130 579 000	97 727 000
Sum opptjent egenkapital		130 579 000	97 727 000
Sum egenkapital		133 550 000	100 697 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	10	419 458 000	399 350 000
Betalbar skatt	12	8 312 000	5 902 000
Skyldige offentlige avgifter	5	93 049 000	84 814 000
Annen kortsiktig gjeld		15 156 000	9 606 000
Sum kortsiktig gjeld		535 976 000	499 671 000
Sum gjeld		535 976 000	499 671 000
SUM EGENKAPITAL OG GJELD		669 526 000	600 369 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 796318

Enheten

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Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Har utarbeidet 'land-for-land' rapport: Ja

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Widar Thorstein Granly
Dato for fastsettelse av årsregnskapet: 27.06.2022

Grunnlag for avgivelse

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Brønnøysundregistrene, 06.08.2022



Organisasjonsnr: 980 448 614
ARROW ECS NORWAY AS

RESULTATREGNSKAP

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Organisasjonsnr: 980 448 614
ARROW ECS NORWAY AS

BALANSE

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Sum langsiktig gjeld		0	0



Kortsiktig gjeld			
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Organisasjonsnr: 980 448 614
ARROW ECS NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
14

Antall aksjer og aksjeeiere

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
Arrow ECS Nordic AS	2200.00	100.00	220000.00
<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
Arrow ECS Nordic AS	2200.00	100.00%	Ordinary shares
<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>	
	2200.00	100.00%	

Group accounts can be obtained from parent company: Arrow ECS Nordic A/S Jens Juulsvej 42 8260 Viby J Denmark

Note
3

Lønn og ytelser

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	43508303000.00	38330724000.00
<u>Arbeidsgiveravgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	6842968000.00	6095881000.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	2535694000.00	2257036000.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	6137161000.00	1831327000.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	59024126000.00	48514968000.00

The average number of employees in the company during the year is 51

Ytelser til daglig leder



Note

Ytelser til andre ledende personer

<u>Ledende person</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
General manager			

General manager has a salary based on 56 % fixed salary and 44% commission. Commission is based on achievements of predetermined goals, and amounted to TNOK 921 in 2021.

Note

Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	407900000.00	396000000.00
<u>Andre tjenester</u>	<u>Årets</u>	<u>Fjorårets</u>
	63100000.00	90020000.00
<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>
	471000000.00	486020000.00

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00

Note

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

No loans or collateral have been provided for senior employees or the board. Board fees for 2021 are also not given.

<u>Omløpsmidler</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
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<u>Skattemessig fremf.undersk.</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
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Kortsiktig gjeld Startdato Sluttdato Endring



ARROW ECS NORWAY AS

Cash flow statement

All amounts in thousand NOK	Note	2021	2020
Cash flow from operating activities			
Profit before tax		42 214	34 704
Taxes paid		-5 902	-4 483
Depreciation		211	283
Changes in inventories, trade receivables and trade payables		-35 085	26 443
Changes in other current balance sheet items		11 175	15 984
Net cash flow from operating activities		<u>12 613</u>	<u>72 931</u>
Cash flow from investing activities			
Purchase of fixed assets		<u>-443</u>	<u>0</u>
Net cash flow from investing activities		<u>-443</u>	<u>0</u>
Cash flow from financing activities			
Net change cash-pool		<u>-130 481</u>	<u>-10 493</u>
Net cash flow from financing activities		<u>-130 481</u>	<u>-10 493</u>
Net change in cash and cash equivalents		-118 311	62 438
Cash and cash equivalents as of 01.01		<u>119 999</u>	<u>57 561</u>
Cash and cash equivalents as of 31.12		<u>1 688</u>	<u>119 999</u>



ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act and generally accepted accounting principles.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long-term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non-incidentally reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Inventories

Inventories are valued at the lower of cost or market value. Cost is estimated using the FIFO method. Finished goods and work in progress are valued at full production cost. Write-downs are carried out for foreseeable obsolescence.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Leasing / rent agreements

The companies leasing expenses are operational and are expensed through the year

Pensions

The company has a defined contribution pension plan that cover all of its employees, and pension is expensed as incurred.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary



ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable is expensed as occurred.

Note 2 - Sales

	2021	2020
<i>By business area</i>		
Sales	1 758 914	1 503 962
Courses	2 128	5 721
Consulting	147	587
	<u>1 761 189</u>	<u>1 510 271</u>

Note 3 - Payroll expenses, number of employees and loans to employees and auditor's fee

<i>Wage costs</i>	2021	2020
Salaries	43 508	38 331
Payroll tax	6 843	6 096
Pension costs	2 536	2 257
Other payments	6 137	1 831
Total payroll expenses	<u>59 024</u>	<u>48 515</u>

The average number of employees in the company during the year is 51

Management remuneration

	Salary	Pensionexpenses	Other remuneration
General manager			

General manager has a salary based on 56 % fixed salary and 44% commission. Commission is based on



ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

achievements of predetermined goals, and amounted to TNOK 921 in 2021.

Loans and collateral to senior employees, union representative and shareholders, etc.

No loans or collateral have been provided for senior employees or the board. Board fees for 2021 are also not given.

Auditor fee has been divided as follows **2021**

Audit fee	408
Other services	63

VAT is not included in the auditor fees.

Note 4 - Pensions

All amounts in thousand NOK

Obligatory occupational pension

The company is obligated to have occupational pension in accordance with the Act on mandatory occupational pension. The company's pension plan satisfies the requirements of this Act.

All of the company's employees are covered by a defined contribution pension plan.

The defined contribution plan was in 2020 based on 5% of salary between 1G and 7,1G, and 8% of salary between 7,1G and 12G.

	2021	2020
Pension expense (incl. charges)	<u>2 536</u>	<u>2 119</u>
Total	<u>2 536</u>	<u>2 119</u>

Note 5 - Bank deposit

	2021
Restricted tax withholdings	1 688

Note 6 - Financial risk

Arrow ECS Norway AS both buys and sells goods in different currency and is therefore exposed to currency risk. To minimize the risk of loss, hedges are carried out by entering into forward contracts where part is acquired currency to cover outstanding amounts. In total for 2021 the company had a currency gain of TNOK 2 101

The company has contracts of EUR 235 000 and USD -465 000 corresponding to TNOK 1 738.



ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

Note 7 - Tangible assets

All amounts in thousand NOK

	Operating equipment, fixtures, tools etc	Total
Acquisition cost 01.01.	7 893	7 893
Purchased tangibles	443	443
Acquisition cost 31.12.	8 336	8 336
Acc.depreciation 31.12.	-7 733	-7 733
Booked value at 31.12.	603	603
Depreciation for the year	211	211
Useful economic life	5-10 Linear	

Annual rent expense from off-balance sheet lease plans for offices amounts to TNOK 4 162 Lease plan expiration 2024

Annual rent expense from off-balance sheet lease plans for cars and equipment (operational leasing) amounts to TNOK 126 Lease plan expiration 2021

Note 8 - Inventories

	2021	2020
Inventories of purchased demos	7 684	2 545

Note 9 - Accounts receivable

<i>Specification accounts receivable</i>	2021	2020
Accounts receivable	492 240	442 370
Provision for expected loss	-106	-145
Accounts receivable with related parties	240	95
Total	492 375	442 320

Accounts receivable are valued at face value, written down with provision for expected losses on receivables.

Note 10 - Intercompany balances



ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

<i>Transaction with related parties</i>	2021	2020
Arrow ECS Denmark	236 480	226 165
Arrow ECS Nordic A/S	1 147	2 633
Arrow ECS AG	0	186
Arrow ECS France	14 568	10 627
Arrow Electronics, Inc	0	70
Arrow ECS Finland	14	86
Arrow ECS Sweden AB	3 643	2 431
Arrow ECS Belux	22	16
Arrow ECS Baltic OÜ	2 812	2 316
Arrow Service ECS Poland Services	280	479
Arrow ECS BV	0	6
Arrow ECS GmbH	468	379
Arrow Electronics (UK) LTD.	701	575
Arrow Electronics GMBH & CO KG	858	866
Arrow ECS Ireland Ltd	20	0
Arrow ECS Portugal	40	0
Total	261 053	246 835

<i>Accounts payable</i>	2021	2020
Arrow ECS Denmark A/S	25 242	30 882
Arrow Sweden AB	254	249
Arrow ECS France	4 577	0
Arrow ECS Baltic Oü	580	0
Arrow ECS Nordic A/S	95	45
IPVista	0	2
Arrow Services Sp. Z o.o.	80	149
Arrow Electronics GMBH & CO.KG	125	70
Arrow ECS SA/NV	0	15
Arrow ECS Denmark - EXP	-6 555	-1 372
Arrow ECS GmbH	66	56
Arrow ECS Suomi Oy	0	22
Arrow ECS SAS	0	24
Arrow ECS Finland OY	-46	0
Arrow Enterprise computing	134	0
Total	24 552	30 143

<i>Accounts receivables</i>	2021	2020
Arrow ECS Denmark A/S	250	-24
Arrow Finland OY	-104	0
Arrow ECS Sweden AB	95	113
Arrow ECS BV	0	6
Total	240	95

<i>Cash-pool</i>	2021	2020
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ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

BV Arrow Electronics DLC	153 519	23 038
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Note 11 - Mortgages and guarantees

<i>Guarantee commitments</i>	2021	
Rent guarantee	0	

Note 12 - Income taxes

All amounts in thousand NOK

<i>Income tax expenses</i>	2021	2020
Tax payable	8 312	5 902
Too much/little allocated in previous year(s)	0	-7
Change in deferred tax	1 049	1 821
Total income tax expense	<u>9 362</u>	<u>7 717</u>

<i>Tax base estimation</i>	2021	2020
Ordinary result before tax	42 214	34 842
Permanent differences	339	298
This year's change in temporary differences	-239	-157
Limitation of deduction for interest between related parties	-4 532	-8 156
Tax base	<u>37 782</u>	<u>26 827</u>
Tax payable (22% this year, 23% last year) of tax base	8 312	5 902

<i>Temporary differences outlined</i>	2021	2020
Fixed assets	-658	-855
Receivables	-48	-89
Total	<u>-706</u>	<u>-944</u>
Tax-reducing differences that cannot be offset	0	-4 532
Net differences	<u>-706</u>	<u>-5 476</u>

Deferred income tax liability (22%)	-155	-1 205
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Note 13 - Owners equity

All amounts in thousand NOK

	Share capital	Share premium reserve	Other equity	Total
Owners equity 01.01.	220	2 751	97 727	100 697



ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

Profit for the year	0	0	32 852	32 852
Owners equity 31.12.	220	2 751	130 579	133 550

Note 14 - Equity

Share capital:

	Number of shares	Face value	Book value
Arrow ECS Nordic AS	2 200	100	220

Share capital in Arrow ECS Norway AS is NOK 220 000 and consists of 2 200 shares à NOK 100,-.

All shares are owned by Arrow ECS Nordic AS and there is only one class of shares.

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
Arrow ECS Nordic AS	2 200	100 %	100 %

Group accounts can be obtained from parent company:

Arrow ECS Nordic A/S
Jens Juulsvej 42
8260 Viby J
Denmark

Note 15 - Ukraine-Russia war and Covid-19 effects

Up to the date of the audit 2021, the Ukraine-Russia war has had no measurable impact on our business in Norway, and the company does not have any business in Ukraine or Russia at this moment. There is a risk that the Ukraine-Russia war could have an indirect impact on our business in the future as a result of disruption/delays in global supply chains or macro-economic effects (higher inflation and/or slower growth/recession). Additionally, there are other risks in the macro-economic environment, including the aftermath of the COVID-19 pandemic and tensions in global trade (USA/China/EU), which might impact our business. So far, this has had limited impact on our results, but uncertainties are significant and include possible new virus variants, policy of governments and central banks and development of the world economy.



Skatteetaten

Our date 12.02.2019	Din/Your date 11.01.2019	Inquiries to Torstein Kinden Helleland
800 80 000 Tax Administration Norway.no	Din/Your reference Jens Skovsgaard Homum	Telephone 22078139
Org.nr 974761076	Our reference 2019/5233124	Postal address P.O. Box 9200 Grønland 0134 OSLO

ARROW ECS NORWAY AS
P.O. Box 6562 Etterstad
0606 OSLO

Permission to prepare the annual accounts and directors' report in English language for Arrow Ecs Norway AS, org.nr. 980 448 614

With reference to your letter received 11 January 2019 with respect to the above matter regarding Arrow Ecs Norway AS.

Based on a total evaluation, the view of The Directorate of Taxes is that Arrow Ecs Norway AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

From your letter:

Arrow ECS Norway's ultimate parent company is Arrow Electronics Inc., a US located company, listed on NYSE. As a Fortune 500 company with 18,800 employees worldwide, Arrow brings technology solutions to a breadth of markets, including telecommunications, information systems, transportation, medical, industrial and consumer electronics.

The chairman of the board of Arrow ECS Norway AS, and one more board member of the board are US citizens and need to understand the annual report. They do not understand Norwegian, only English.

Our Finance team, responsible for the annual report, is located in United Kingdom. Our Finance team does not speak Norwegian, but only English.

Permission to make the annual accounts and the directors' report in Norwegian in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall "the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language".



Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

“The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors, which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information.”

Hence, one of the main aims of the Accounting Act is to contribute to “informative accounts for different users of accounts”. The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors’ report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information, which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that the company is a subsidiary of a foreign company. The company is a part of an international group. All key players and partners in this industry speak and use English.

Please state "our reference" (see above) in all written communication with the Norwegian Tax Authorities.

Best regards

Henning Stokke
Senior Adviser
Juridisk avdeling
Norwegian Directorate of Taxes

Torstein Kinden Helleland

This document has been electronically approved and contains therefore no handwritten signatures.



Statsautoriserte revisorer
Ernst & Young AS

Armemannsveien 3
3510 Hønefoss

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Arrow Ecs Norway AS

Opinion

We have audited the financial statements of Arrow Ecs Norway AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, 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 other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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



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going concern basis of accounting 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 about 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 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 these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors 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.

Oslo, 30.04.2022
ERNST & YOUNG AS

Håvard Norsrøm
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been prepared for information purposes only.)



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ARROW ECS NORWAY AS

Annual report 2021

Board of directors' report

Annual accounts

- **Income statement**
- **Balance sheet**
- **Cash flow statement**
- **Notes**

Auditors' report



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Income statement

All amounts in thousand NOK	Note	2021	2020
Revenue			
Sales revenue	2	1 761 189	1 510 271
Other operating income		-1	423
Total revenue		<u>1 761 188</u>	<u>1 510 694</u>
Operating expenses			
Cost of stocks		1 628 806	1 398 964
Payroll expenses	3, 4	59 024	49 141
Depreciation of tangible and intangible fixed assets	7	211	283
Other operating expenses	3	31 784	32 205
Total operating expenses		<u>1 719 825</u>	<u>1 480 593</u>
Operating result		<u>41 363</u>	<u>30 101</u>
Financial income and expenses			
Other financial income	6	2 999	6 109
Other financial expenses	6	2 148	1 367
Net financial items		<u>851</u>	<u>4 741</u>
Ordinary result before tax		<u>42 214</u>	<u>34 842</u>
Tax on ordinary result	12	<u>9 362</u>	<u>7 717</u>
Net profit or loss for the year		<u>32 852</u>	<u>27 126</u>
Allocated as follows			
Transferred to other equity	13	<u>32 852</u>	<u>27 126</u>



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ARROW ECS NORWAY AS

Balance sheet pr. 31. december

All amounts in thousand NOK	Note	2021	2020
Fixed assets			
<i>Intangible assets</i>			
Deferred tax asset	12	155	1 205
Total intangible assets		155	1 205
<i>Tangible assets</i>			
Fixtures and fittings, tools, office machinery etc.	7	603	372
Total tangible assets		603	372
Total fixed assets		759	1 576
Current assets			
Inventories	8	7 684	2 545
<i>Receivables</i>			
Trade receivables	9, 10	492 375	442 320
Other receivables	10	167 020	33 928
Total accounts receivable		659 395	476 248
Cash and cash equivalents	5	1 688	119 999
Total current assets		668 767	598 792
Total assets		669 526	600 369



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ARROW ECS NORWAY AS

Balance sheet pr. 31. december

All amounts in thousand NOK	Note	2021	2020
Equity			
<i>Paid-in capital</i>			
Share capital	13	220	220
Share premium reserve	13	2 751	2 751
Total paid-in capital		<u>2 971</u>	<u>2 971</u>
<i>Retained earnings</i>			
Other equity	13	<u>130 579</u>	<u>97 727</u>
Total retained earnings		<u>130 579</u>	<u>97 727</u>
Total equity		<u>133 550</u>	<u>100 697</u>
Liabilities			
<i>Current liabilities</i>			
Trade creditors	10	419 458	399 350
Tax payable	12	8 312	5 902
Public duties payable	5	93 049	84 814
Other short-term liabilities		<u>15 156</u>	<u>9 606</u>
Total current liabilities		<u>535 976</u>	<u>499 671</u>
Total liabilities		<u>535 976</u>	<u>499 671</u>
Total equity and liabilities		<u>669 526</u>	<u>600 369</u>

Oslo, 24 June 2022

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Lars- Erik Halvorsen - Bauk
Board member

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Widar Thorstein Granly
Managing director

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Henrik Resting-Jepesen
Chairman

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Frederik Stolwijk
Board member



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ARROW ECS NORWAY AS

Cash flow statement

All amounts in thousand NOK

	Note	2021	2020
Cash flow from operating activities			
Profit before tax		42 214	34 704
Taxes paid		-5 902	-4 483
Depreciation		211	283
Changes in inventories, trade receivables and trade payables		-35 085	26 443
Changes in other current balance sheet items		11 175	15 984
Net cash flow from operating activities		<u>12 613</u>	<u>72 931</u>
Cash flow from investing activities			
Purchase of fixed assets		-443	0
Net cash flow from investing activities		<u>-443</u>	<u>0</u>
Cash flow from financing activities			
Net change cash-pool		-130 481	-10 493
Net cash flow from financing activities		<u>-130 481</u>	<u>-10 493</u>
Net change in cash and cash equivalents		-118 311	62 438
Cash and cash equivalents as of 01.01		<u>119 999</u>	<u>57 561</u>
Cash and cash equivalents as of 31.12		<u>1 688</u>	<u>119 999</u>



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ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act and generally accepted accounting principles.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long-term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non-incident reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Inventories

Inventories are valued at the lower of cost or market value. Cost is estimated using the FIFO method. Finished goods and work in progress are valued at full production cost. Write-downs are carried out for foreseeable obsolescence.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Leasing / rent agreements

The companies leasing expenses are operational and are expensed through the year

Pensions

The company has a defined contribution pension plan that cover all of its employees, and pension is expensed as incurred.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary



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ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable is expensed as occurred.

Note 2 - Sales

	2021	2020
<i>By business area</i>		
Sales	1 758 914	1 503 962
Courses	2 128	5 721
Consulting	147	587
	<u>1 761 189</u>	<u>1 510 271</u>

Note 3 - Payroll expenses, number of employees and loans to employees and auditor's fee

<i>Wage costs</i>	2021	2020
Salaries	43 508	38 331
Payroll tax	6 843	6 096
Pension costs	2 536	2 257
Other payments	6 137	1 831
Total payroll expenses	<u>59 024</u>	<u>48 515</u>

The average number of employees in the company during the year is 51

Management remuneration

	Salary	Pensionexpenses	Other remuneration
General manager			

General manager has a salary based on 56 % fixed salary and 44% commission. Commission is based on



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ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

achievements of predetermined goals, and amounted to TNOK 921 in 2021.

Loans and collateral to senior employees, union representative and shareholders, etc.

No loans or collateral have been provided for senior employees or the board. Board fees for 2021 are also not given.

Auditor fee has been divided as follows **2021**

Audit fee	408
Other services	63

VAT is not included in the auditor fees.

Note 4 - Pensions

All amounts in thousand NOK

Obligatory occupational pension

The company is obligated to have occupational pension in accordance with the Act on mandatory occupational pension. The company's pension plan satisfies the requirements of this Act.

All of the company's employees are covered by a defined contribution pension plan.

The defined contribution plan was in 2020 based on 5% of salary between 1G and 7,1G, and 8% of salary between 7,1G and 12G.

	2021	2020
Pension expense (incl. charges)	<u>2 536</u>	<u>2 119</u>
Total	<u>2 536</u>	<u>2 119</u>

Note 5 - Bank deposit

	2021
Restricted tax withholdings	1 688

Note 6 - Financial risk

Arrow ECS Norway AS both buys and sells goods in different currency and is therefore exposed to currency risk. To minimize the risk of loss, hedges are carried out by entering into forward contracts where part is acquired currency to cover outstanding amounts. In total for 2021 the company had a currency gain of TNOK 2 101

The company has contracts of EUR 235 000 and USD -465 000 corresponding to TNOK 1 738.



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ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

Note 7 - Tangible assets

All amounts in thousand NOK

	Operating equipment, fixtures, tools etc	Total
Acquisition cost 01.01.	7 893	7 893
Purchased tangibles	443	443
Acquisition cost 31.12.	8 336	8 336
Acc.depreciation 31.12.	-7 733	-7 733
Booked value at 31.12.	603	603
Depreciation for the year	211	211
Useful economic life	5-10 Linear	

Annual rent expense from off-balance sheet lease plans for offices amounts to TNOK 4 162 Lease plan expiration 2024

Annual rent expense from off-balance sheet lease plans for cars and equipment (operational leasing) amounts to TNOK 126 Lease plan expiration 2021

Note 8 - Inventories

	2021	2020
Inventories of purchased demos	7 684	2 545

Note 9 - Accounts receivable

<i>Specification accounts receivable</i>	2021	2020
Accounts receivable	492 240	442 370
Provision for expected loss	-106	-145
Accounts receivable with related parties	240	95
Total	492 375	442 320

Accounts receivable are valued at face value, written down with provision for expected losses on receivables.

Note 10 - Intercompany balances



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ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

<i>Transaction with related parties</i>	2021	2020
Arrow ECS Denmark	236 480	226 165
Arrow ECS Nordic A/S	1 147	2 633
Arrow ECS AG	0	186
Arrow ECS France	14 568	10 627
Arrow Electronics, Inc	0	70
Arrow ECS Finland	14	86
Arrow ECS Sweden AB	3 643	2 431
Arrow ECS Belux	22	16
Arrow ECS Baltic OÜ	2 812	2 316
Arrow Service ECS Poland Services	280	479
Arrow ECS BV	0	6
Arrow ECS GmbH	468	379
Arrow Electronics (UK) LTD.	701	575
Arrow Electronics GMBH & CO KG	858	866
Arrow ECS Ireland Ltd	20	0
Arrow ECS Portugal	40	0
Total	261 053	246 835
<i>Accounts payable</i>	2021	2020
Arrow ECS Denmark A/S	25 242	30 882
Arrow Sweden AB	254	249
Arrow ECS France	4 577	0
Arrow ECS Baltic Oü	580	0
Arrow ECS Nordic A/S	95	45
IPVista	0	2
Arrow Services Sp. Z o.o.	80	149
Arrow Electronics GMBH & CO.KG	125	70
Arrow ECS SA/NV	0	15
Arrow ECS Denmark - EXP	-6 555	-1 372
Arrow ECS GmbH	66	56
Arrow ECS Suomi Oy	0	22
Arrow ECS SAS	0	24
Arrow ECS Finland OY	-46	0
Arrow Enterprise computing	134	0
Total	24 552	30 143
<i>Accounts receivables</i>	2021	2020
Arrow ECS Denmark A/S	250	-24
Arrow Finland OY	-104	0
Arrow ECS Sweden AB	95	113
Arrow ECS BV	0	6
Total	240	95
<i>Cash-pool</i>	2021	2020



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ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

BV Arrow Electronics DLC	153 519	23 038
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Note 11 - Mortgages and guarantees

<i>Guarantee commitments</i>	2021	
Rent guarantee	0	

Note 12 - Income taxes

All amounts in thousand NOK

<i>Income tax expenses</i>	2021	2020
Tax payable	8 312	5 902
Too much/little allocated in previous year(s)	0	-7
Change in deferred tax	1 049	1 821
Total income tax expense	<u>9 362</u>	<u>7 717</u>

<i>Tax base estimation</i>	2021	2020
Ordinary result before tax	42 214	34 842
Permanent differences	339	298
This year's change in temporary differences	-239	-157
Limitation of deduction for interest between related parties	-4 532	-8 156
Tax base	<u>37 782</u>	<u>26 827</u>
Tax payable (22% this year, 23% last year) of tax base	8 312	5 902

<i>Temporary differences outlined</i>	2021	2020
Fixed assets	-658	-855
Receivables	-48	-89
Total	<u>-706</u>	<u>-944</u>
Tax-reducing differences that cannot be offset	0	-4 532
Net differences	<u>-706</u>	<u>-5 476</u>

Deferred income tax liability (22%)	-155	-1 205
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Note 13 - Owners equity

All amounts in thousand NOK

	Share capital	Share premium reserve	Other equity	Total
Owners equity 01.01.	220	2 751	97 727	100 697



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ARROW ECS NORWAY AS

Notes to the accounts for 2021

All amounts in thousand NOK

Profit for the year	0	0	32 852	32 852
Owners equity 31.12.	220	2 751	130 579	133 550

Note 14 - Equity

Share capital:

	Number of shares	Face value	Book value
Arrow ECS Nordic AS	2 200	100	220

Share capital in Arrow ECS Norway AS is NOK 220 000 and consists of 2 200 shares à NOK 100,-. All shares are owned by Arrow ECS Nordic AS and there is only one class of shares.

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
Arrow ECS Nordic AS	2 200	100 %	100 %

Group accounts can be obtained from parent company:

Arrow ECS Nordic A/S
Jens Juulsvej 42
8260 Viby J
Denmark

Note 15 - Ukraine-Russia war and Covid-19 effects

Up to the date of the audit 2021, the Ukraine-Russia war has had no measurable impact on our business in Norway, and the company does not have any business in Ukraine or Russia at this moment. There is a risk that the Ukraine-Russia war could have an indirect impact on our business in the future as a result of disruption/delays in global supply chains or macro-economic effects (higher inflation and/or slower growth/recession). Additionally, there are other risks in the macro-economic environment, including the aftermath of the COVID-19 pandemic and tensions in global trade (USA/China/EU), which might impact our business. So far, this has had limited impact on our results, but uncertainties are significant and include possible new virus variants, policy of governments and central banks and development of the world economy.



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Annual Report 2021 – Board of directors' report

Nature of business

Arrow ECS Norway AS operates its business in the field of computer hardware and software from Oslo office to resellers in Norway. The company is located A, 0663 Oslo. The company is a 100% owned subsidiary of Arrow ECS Nordic A / S in Denmark.

Still operating

The Board confirms that continued operations are present and used as basis for the preparation of the year's accounts.

Outline of the company's outlook

For 2022, revenue and profit are expected to grow compared to 2021 as we expect continued demand growth for IT products and services and we expect the economy to further recover from the impact of the COVID 19 pandemic. Uncertainties in the global economy and our markets remain significant however (a.o. possible impact of Russia-Ukraine war and/or Covid-19 and/or other factors on macro-economy, inflation and/or growth) and these uncertainties may impact our results during the year ahead.

Financial risk

Arrow ECS Norway is trading relatively much from the Group's centralized Nordic warehouse located in Denmark, as well as having more foreign suppliers. Arrow ECS Norway is thus exposed to changes in currency, especially Euro and USD. In order to minimize the risk of loss, hedges are carried out through the conclusion of Forward contracts where currency is purchased to cover outstanding amounts. In total for 2021, the company had a currency gain.

Historically, the company has had very little loss on receivables, so the risk of the counterparty being unable to meet its obligations is considered to be low, even in today's market. The company also has increased focus on outstanding receivables and, in addition, has credit insured a significant proportion of the receivables.

Research and development

The company does not conduct research and development work.

The working environment

The board regards the working environment in the company as satisfactory. There have been no serious occupational accidents or accidents during the year. Management continuously assesses the need for any measures for improvements in the working environment. An internal control system is introduced and maintained continuously.

Environmental

The company's business is not regulated by licenses, but as an importer of electrical / electronic products, the EE regulation imposes responsibility for return and proper recycling. Arrow ECS Norway is a member of EI-retur and Grønt Punkt. The business does not affect the external environment.

Equality



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The company operates in a market that traditionally is male-dominated and is therefore aware of issues of gender equality. Knowledge and experience are therefore important criteria for dealing with issues affecting employees. Per 31.12.2021, 38 men, 14 women and 1 undeclared employee worked in the company.

Statement of the financial statements

Turnover in the company went from t.NOK. 1 510 271. - in 2020 to t.NOK. 1 761 189.- in 2021. At the same time, the annual result was t.NOK. 27 126.- in 2020 to t.NOK. 32 852.- in 2021. The company's participation in the Group's cash pool and liquidity situation is satisfactory and the ability to fund investments is very good.

Total capital per. 31.12.2021 was t.NOK 669 526 -. Compared with t.NOK 600 369.- in 2020.

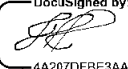
Equity ratio per. 31.12.2021 was 19,95 % compared to 16.77% in 2020.


The difference between the annual result and cash flow from operating activities amounts to t.NOK 12 613.-, mainly due to changes in the year's profit before tax, trade receivables, trade payables and other current balance sheet items.

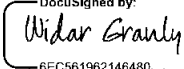
The annual result in Arrow ECS Norway AS is proposed as follows:

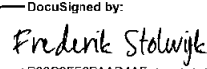
Transferred to other equity	t.NOK 32 852
Total available	t.NOK 32 852

Oslo, , 24. June 2022

DocuSigned by:

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Henrik Resting-Jepesen
Chairman

DocuSigned by:

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Lars-Erik Halvorsen - Bauck
Board Member

DocuSigned by:

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Widar Thorstein Granly
Managing Director

DocuSigned by:

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Frederik Stolwijk
Board Member