

Farnell Danmark A/S

Lyskaer 9, 1, 2730 Herlev

CVR no. 13919941

Annual report for the period 1 July 2023 - 30 June 2024

Approved at the company's annual general meeting on 16 December 2024

Chairman:

DocuSigned by:


Stéphanie Damien

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Farnell Danmark A/S

Contents

	Pages
Management's statement	2
Independent auditor's report	3-5
Management's review	6
Management commentary	6
Annual financial statements	
Statement of profit and loss account	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10-16

Farnell Danmark A/S

1 of 16

Company information

Entity

Farnell Danmark A/S
Lyskaer 9, 1
2730 Herlev

Company CVR: 13919941

Financial year: 2023-07-01 - 2024-06-30

Chairman

Stéphanie Damien

Board of Directors

Stéphanie Damien
Gavin Peter Hodgson-Silke
Darrel Scott Jackson

Auditors

PricewaterhouseCoopers
Strandvejen 44
2900 Hellerup
Danmark
CVR number: 33771231

Farnell Danmark A/S

2 of 16

Management's statement

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Farnell Danmark A/S for the financial year 1 July 2023- 30 June 2024.

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

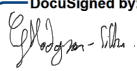
In our opinion, the company financial statements give a true and fair view of the company's financial position at 30 June 2024 and of the results of the company's operations for the financial year 1 July 2023 - 30 June 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the company's operations and financial matters and the results of the company's operations and financial position.

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

Herlev, 16 December 2024

Executive Board:

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Gavin Peter Hodgson-Silke
Managing Director

Board of Directors:

DocuSigned by:

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Stéphanie Damien
Chairman

DocuSigned by:

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Darrel Scott Jackson

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Gavin Peter Hodgson-Silke

Farnell Danmark A/S

3 of 16

Independent auditor's report

To the shareholders of Farnell Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2024, and of the results of the Company's operations and cash flows for the financial year 1 July 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Farnell Danmark A/S for the financial year 1 July 2023 - 30 June 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 identify any material misstatement in Management's Review.

Farnell Danmark A/S

4 of 16

Independent auditor's report (continued)

To the shareholders of Farnell Danmark A/S

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 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 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 these 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 skepticism 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 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Farnell Danmark A/S

5 of 16

Independent auditor's report (continued)

To the shareholders of Farnell Danmark A/S

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

Copenhagen, 16 December 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no. 33771231



Claus Damhave , mne34166
State Authorised Public Accountant

Farnell Danmark A/S

6 of 16

Management's review

Management commentary

Business review

The company sells electronic components, industrial products and hereto allied business.

The company comprises 2 divisions.

- Farnell Danmark division.
- Farnell Norge, a branch of Farnell Danmark A/S. The branch operates as a Norwegian sales branch to the Farnell Danmark division.

The company remains a subsidiary of Avnet, Inc. ('group').

Financial review

The financial statements show a profit for the year of DKK 3.321.000 which is proposed to be carried forward to next year. Shareholder's equity subsequently amounts to DKK 32.371.000. Current year's profit is slightly higher than last year's profit. The results are considered satisfying.

Foreign branches

The company operates a foreign branch in Norway, Farnell Norge.

Outlook

The company's management expect 2024/25 revenues to be between DKK 120.000.000 and DKK 108.000.000, and operating profit to be between DKK 3.400.000 and DKK 2.700.000.

Risks

The directors do not consider, on a company only basis, there to be any material risks or uncertainties which require disclosure. The principal risks and uncertainties of Avnet Inc. are disclosed in that company's financial statements.

Events after the balance sheet date

No events have occurred since year-end which could materially affect the financial position of the Company on 30 June 2024.

Farnell Danmark A/S

7 of 16

Statement of profit and loss account

		2023/24	2022/23
	Note	DKK000	DKK000
Revenue		119.221	137.498
Cost of sales		(108.779)	(128.427)
Gross margin		10.442	9.071
Distribution costs	10	(306)	(471)
Other income and gains		0	1.033
Administrative expenses	10	(6.773)	(5.941)
Operating profit		3.363	3.692
Financial income	4	977	761
Finance expenses	5	0	(3)
Profit from continuing operations before tax		4.340	4.450
Tax on continuing operations	6	(1.019)	(1.357)
Profit for the year from continuing operations		3.321	3.093
Profit for the year		3.321	3.093

Farnell Danmark A/S

8 of 16

Statement of financial position

		30 June 2024	30 June 2023
	Note	DKK000	DKK000
ASSETS			
Current assets			
<i>Receivables</i>			
Trade receivables		16.518	19.944
Prepayments	8	95	95
Receivables from group enterprises	12	29.821	23.577
Deferred tax assets	7	110	156
		<u>46.544</u>	<u>43.772</u>
Cash		<u>2.479</u>	<u>4.224</u>
Total current assets		<u>49.023</u>	<u>47.996</u>
TOTAL ASSETS		<u>49.023</u>	<u>47.996</u>
Equity and liabilities			
<i>Equity</i>			
Share capital		6.300	6.300
Retained earnings		26.071	22.442
Equity holders' share of equity		<u>32.371</u>	<u>28.742</u>
Total equity		<u>32.371</u>	<u>28.742</u>
<i>Current liabilities</i>			
Trade payables		542	9
Accrued charges		789	1.098
Payables to group enterprises	12	10.551	12.393
Income tax	9	890	1.011
Other payables		3.880	4.743
Total current liabilities		<u>16.652</u>	<u>19.254</u>
Total liabilities		<u>16.652</u>	<u>19.254</u>
Total equity and liabilities		<u>49.023</u>	<u>47.996</u>

Farnell Danmark A/S

9 of 16

Statement of changes in equity

	Share Capital DKK000	Retained earning DKK000	Total DKK000
Equity at 1 July 2022	6.300	20.570	26.870
Foreign exchange adjustments, foreign branches	0	(1.221)	(1.221)
Profit for the year	0	3.093	3.093
Equity at 30 June 2023	6.300	22.442	28.742
Equity at 1 July 2023	6.300	22.442	28.742
Foreign exchange adjustments, foreign branches	0	308	308
Profit for the year	0	3.321	3.321
Equity at 30 June 2024	6.300	26.071	32.371

Notes to the financial statements**1. Accounting policies**

The annual report of Farnell Danmark A/S for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The financial statements are presented in Danish Kroner (DKK000).

Recognition and measurements

Revenues are recognized in the profit and loss account as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the profit and loss account, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the profit and loss account.

Assets are recognized in the balance sheet when it is probable that future economic benefits are attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

1.2 Financial statements**(a) Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognized in the income statement as financial income or financial expenses.

Receivables 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 recognized in the latest financial statements is recognized in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

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

Notes to the financial statements (continued)**1. Accounting policies (continued)****1.3 Income statement****(a) Revenue***(i) Revenue from the sale of goods*

Income from the sale of goods for resale and finished goods is recognized in revenue when the most significant rewards and risks have been passed on to the buyer and provided the income can be measured reliably and payment is expected to be received. Revenue is recognized exclusive of VAT and net of discounts relating to sales.

(b) Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

(c) Sales and distribution costs

Sales and distribution costs comprise costs incurred on the sale, distribution and marketing of the products, depreciation, write-downs for losses and realized losses on trade debtors.

(d) Administrative expenses

Administrative expenses include costs of administrative staff, office premises, office expenses, etc. including depreciation.

(e) Other operating income

Other operating income comprises items secondary to the entities' activities, including gains on disposal of intangible assets and items of property, plant and equipment.

(f) Other operating expenses

Other operating expenses comprise items secondary to the entities' activities, including losses on disposal of intangible assets and items of property, plant and equipment.

(g) Financial income and expenses

Financial income and expenses comprise interest income and expenses, charges in respect of finance leases, realized and unrealized gains and losses on securities, payables and transactions denominated in foreign currencies, amortization of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Notes to the financial statements (continued)**1. Accounting policies (continued)****(h) Tax for the year**

Avnet Nortec ApS, a fellow group company, is subject to the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Avnet Nortec ApS is included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

Avnet Nortec ApS 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.

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in the deferred tax charge - including changes arising from changes in tax rates - is recognized 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.

1.4 Balance sheet**(a) Receivables**

Receivables are measured at amortised cost.

An impairment loss is recognized 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 recognized on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are assessed for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the Group's credit risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the net present value of the expected cash flows, including the realizable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

(b) Prepayments

Prepayments recognized under current assets comprise expenses incurred concerning subsequent financial years.

(c) Financial assets

Debtors are recognized in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each debtor, and in respect of trade debtors, a general provision is also made based on the company's experience.

(d) Corporation tax and deferred tax

Current tax payables and receivables are recognized 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.

Joint taxation contribution payable and receivable is recognized in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Notes to the financial statements (continued)**1. Accounting policies (continued)****(d) Corporation tax and deferred tax (continued)**

Deferred tax is measured using the statement of financial position liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes or on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting neither the profit/loss for the year nor the 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 assets, including the tax base of tax loss carry-forwards, are recognized at the expected value of their utilization; 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 and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealized intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallize as current tax.

(e) Liabilities

Financial liabilities are recognized at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortized cost, corresponding to the capitalized value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan.

Other liabilities are measured at net realizable value.

2. Appropriation of profit

The directors recommend that the profit for the year is apportioned as below:

	30 June 2024 DKK000	30 June 2023 DKK000
<i>Recommended appropriation of profit/loss</i>		
Transferred to reserves under equity	3.321	3.093
	<u>3.321</u>	<u>3.093</u>

3. Events after the balance sheet date

No post balance sheet events required disclosure.

4. Financial income

	30 June 2024 DKK000	30 June 2023 DKK000
Interest income from group enterprises	781	726
Bank interest income	196	35
	<u>977</u>	<u>761</u>

Farnell Danmark A/S

14 of 16

Notes to the financial statements (continued)**5. Financial expenses**

	30 June 2024 DKK000	30 June 2023 DKK000
Other interest expenses	0	3
	<u>0</u>	<u>3</u>

6. Tax for the year

	30 June 2024 DKK000	30 June 2023 DKK000
<i>Tax for the year</i>		
Current tax charge for the year	913	1.003
Adjustment of the deferred tax charge for the year	46	(48)
Prior year adjustment to current tax charge	60	402
	<u>1.019</u>	<u>1.357</u>
<i>Analysed as follows:</i>		
Tax on continuing operations	1.019	1.357
	<u>1.019</u>	<u>1.357</u>

7. Deferred tax

	30 June 2024 DKK000	30 June 2023 DKK000
Deferred tax at 1 July	156	117
Adjustment in relation to foreign exchange changes	0	(9)
Recognised in income statement	(46)	48
Deferred tax at 30 June	<u>110</u>	<u>156</u>

Deferred tax assets

At 30 June 2024, the Group recognized an asset totalling DKK 110 thousand. The tax asset relates to non-utilized tax deductions in the form of timing differences.

Management considers it likely that there will be future taxable income against which non-utilized tax losses and tax deductions can be offset.

8. Prepayments

Prepayments consist of prepaid expenses concerning licences, subscription and leases.

Farnell Danmark A/S

15 of 16

Notes to the financial statements (continued)**9. Income tax**

	30 June 2024 DKK000	30 June 2023 DKK000
Corporation tax payable at 1 July	1.011	832
Current tax charge for the year, including foreign branches	913	1.003
Adjustments in respect of prior periods	60	402
Corporation taxes paid during the year	(1.071)	(1.217)
Foreign exchange rate adjustment	(23)	(9)
Corporation tax payable at 30 June	890	1.011

10. Staff costs and incentive plans

	30 June 2024 DKK000	30 June 2023 DKK000
Wages and salaries	4.190	4.631
Pensions	205	234
Other social security costs	20	259
	4.415	5.124

Staff costs are recognised in the financial statements and the parent company financial statements under the following line items:

Distribution costs	0	0
Administrative expenses	4.415	5.124
	4.415	5.124

Average number of full-time employees	7	9
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11. Contractual obligations and contingencies**11.1 Operating lease commitments**

	2023/24	2022/23
	DKK000	DKK000
Payable within a year	672	631
Payable between 2-5 years	454	917
	1.126	1.548

Farnell Danmark A/S

16 of 16

Notes to the financial statements (continued)**11. Contractual obligations and contingencies (continued)**

The Danish Companies in the Group guarantees jointly for the Group's joint taxed income etc. The total amount for the tax liability is stated in the Annual Report of Avnet Nortec ApS, which is the administrator of the joint taxation. The Group's Danish companies also guarantees jointly for all other taxes like dividend tax, royalty taxes and interest. Any subsequent corrections to corporate taxes and other taxes can result in that the company guarantees for a higher amount.

12. Related parties

Farnell Danmark A/S related parties comprise the following:

12.1 Parties exercising control

The company's immediate parent is element14 Holding B.V. The ultimate parent is Avnet, Inc, a company incorporated in the United States of America.

The largest and the smallest group in which the results of the company are consolidated is that headed by Avnet Inc. The consolidated financial statements of this group are available to the public and may be obtained from Avnet Inc., 2211 South 47th Street, Phoenix, AZ85034, USA or by visiting Avnet Inc. Investor Relations website at www.ir.avnet.com.