

# ADI Global Distribution Denmark A/S

Baldershøj 13-15, 2635, Ishøj, Denmark  
CVR No.10 50 88 94

*Annual Report for 1 January - 31 December 2018*

*The Annual Report was  
presented and adopted at the  
Annual General Meeting of the  
Company on 05/July/2019.*

Adrian Paul Connell

Chairman

DocuSigned by:

*Adrian Connell*

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## Management's Statement

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The Executive Board and Board of Directors have today considered and adopted the Annual Report of ADI Global Distribution Denmark A/S for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

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.

Copenhagen, 05/July/2019

### **Executive Board**

*Mette Hansen*

**Board of Directors**

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*Mette Hansen*  
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Adrian Paul Connell  
**Chairman**

*Mette Hansen*

Kim Koch Gindrup

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*Adrian Connell*  
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*Mette Hansen*  
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# Independent Auditor's Report

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To the shareholders of ADI Global Distribution Denmark A/S

## Opinion

We have audited the financial statements of ADI Global Distribution Denmark A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen, 05/July/2019

**Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556



Jan Larsen

State Authorised Public Accountant

MNE-number: mne16541

## Company Information

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The company	ADI Global Distribution Denmark A/S Baldershøj 13-15, 2635, Ishøj, Denmark  Telephone: +45 43 24 56 00 Telefax: +45 43 24 56 01 E-mail address: info.dk@adiglobal.com Website: www.adiglobal.com/dk  CVR No.10 50 88 94 Established: 13/11/1986  Financial period: 1 January - 31 December Municipality of reg. office: Ishøj, Denmark
Board of Directors	Adrian Paul Connell, Chairman Mette Hansen Kim Koch Gindrup
Executive Board	Mette Hansen
Auditors	Weidekampsgade 6, DK—2300 København S
Bankers	Danske Bank A/S Holmens Kanal 2-12 1092 Copenhagen
Lawyers	Moltke-Leth Amaliegade, København K

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## Financial Highlights

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Seen over a five-year period, the development of the Company is described by the following financial highlights:

Key figures	2018	2017	2016	2015	2014
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Profit/loss</b>					
Gross Profit	15,081	17,188	15,509	10,503	11,119
Operating Profit	(5,575)	(2,946)	(5,101)	(7,291)	(4,363)
Net financial income/expense	(220)	460	(244)	(926)	(727)
Net profit/loss for the year	(13,570)	(1,940)	(4,175)	(6,053)	(3,844)
<b>Balance sheet</b>					
Total Assets	76,414	57,698	50,866	54,578	42,624
Investment in property, plant and equipment	2,328	264	391	1,583	207
Equity	(6,697)	6,873	(4,475)	(300)	5,753
<b>Financial ratios %</b>					
Return on assets	22.5%	-5.4%	-9.7%	-15.0%	-9.3%
Solvency ratio	-8.8%	11.9%	-8.8%	-0.5%	13.5%
Return on equity	-15420.5%	-161.8%	174.9%	-222.0%	-50.1%

*The financial ratios are calculated in accordance with the Danish Society of Financial Analysts' recommendations and guidelines. For definitions, please see the accounting policies.*

## Management's review

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### Principal activity

The Company's principal activities comprise trade in electronic safety and security products as well as design of electronic safety and security systems.

### Financial review

The income statement of the Company for 2018 shows a loss of DKK -13,570 thousand (2017: loss of DKK 1,940 thousand), and at 31 December 2018 the balance sheet of the Company shows equity of DKK -6,697 thousand (2017: positive DKK 6,873 thousand).

### Outlook

An increase is expected in the safety and security market. This is expected to have a positive impact on the revenue and earnings of the Company.

### Basis of earnings

#### External environment

ADI Global Distribution Denmark A/S' activities do not include actual production and all waste disposal is made in accordance with the regulations of the respective local authorities.

#### Uncertainty relating to recognition and measurement

ADI Global Distribution Denmark A/S Systems abides with the Resideo Technologies, Inc.'s strong financial and ethical controls and undertakes both Internal Financial and External SOX compliance audits to minimize any revenue recognition issues. Stringent controls remain in place and are reviewed annually, including FCPA training which is established as a mandatory requirement for all company employees.

#### Knowledge resources

The Company's business foundation states that all core products must be accompanied by Danish manuals and requires that customers must be able to obtain technical support, training, etc. according to need. This means high requirements as to knowledge resources among our employees.

To ensure the continuous ability to provide these services it is essential that the Company is able to recruit and retain employees with extensive professional qualifications in electronics and IT.

#### Special risks – operating risks and financial risks

Price risks- The Company is not subject to any significant price risks.

*Foreign currency risks-* Due to activities abroad, profit, cash flows and equity are affected by the development in exchange rates for a number of currencies.

*Interest rate risks-* The Company does not have any significant interest-bearing debt and therefore the interest level will not have any significant impact on earnings. Accordingly, no interest-rate instruments are entered to hedge interest-rate risks.

#### Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Accounting Policies

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### **Basis of accounting**

Financial Statements of ADI Global Distribution Denmark A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C. (medium sized).

The accounting policies applied remain unchanged from last year.

Financial Statements for 2018 are presented in TDKK.

In accordance with section 112 (1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The Company is included in the consolidated financial statements of Resideo Technologies Inc

With reference to section 86 of the Danish Financial Statements Act, Cash Flow Statement has not been prepared for the Company as it is included in the Consolidated Financial Statement of Resideo Technologies, Inc.. The Financial Statement for the Resideo Group can be obtained at Resideo Technologies Inc; [www.resideo.com](http://www.resideo.com); 251 Little Falls Drive , Wilmington DE 19808, United States. The company will ensure that consolidated financial statement of Resideo Technologies, Inc. will be available to public before the company's result are being publicized.

### **Recognition and measurement**

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

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

Liabilities are recognised 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.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

### **Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

### **Hedge accounting**

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

## Accounting Policies

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### Income Statement

#### Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

A sale is considered completed when:

- delivery has taken place before the end of the financial year,
- a binding sales agreement has been entered into,
- the sales price has been determined, and payment has been received or it is reasonably certain that payment will be received.

#### Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, revenue is not disclosed in the annual report.

#### Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation and administration.

#### Staff costs

Staff costs comprise wages and salaries as well as related costs.

#### Depreciation/amortisation and impairment losses

Depreciation, amortisation and impairment losses comprise depreciation for the year on property, plant and equipment, amortisation of intangible assets and impairment losses.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Financial income and financial expenses comprise interest, financial expenses on finance leases, realised and unrealised exchange rate adjustments as well as value adjustment of securities.

#### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

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

## Accounting Policies

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### Balance Sheet

#### Non-current assets

##### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub—suppliers.

Interest expenses on loans raised specifically to finance the manufacture of property, plant and equipment are recognised in cost over the manufacturing period. All indirectly attributable borrowing costs are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight—line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment                      3-16 Years

Assets costing less than DKK 12,600 are expensed in the year of acquisition.

##### Write-down of non-current assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

If this is the case, an impairment test is made in order to determine whether the recoverable amount is lower than the carrying amount, and a write-down is made to this lower value.

The recoverable amount for the asset concerned is made up as the higher of the net selling price and the net present value. If it is not possible to determine the recoverable amount for individual assets, the assets are assessed jointly in the smallest identifiable group of assets to determine a reliable recoverable amount.

Assets for which no separate value in use can be determinable, as the asset does not in itself generate any future cash flows, are subject to review for impairment together with the group of assets to which they belong.

##### Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

##### Financial assets

Deposits comprises rent deposits, which are recognized and measured at cost price. There are no depreciation on deposits.

#### Current assets

##### Inventories

Inventories are measured at the lower of cost under the [FIFO/ Average cost] (Select one) method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

##### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable 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 receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Exchange rate adjustments of long-term loans to group enterprises are taken to equity, as these loans are considered "equity" loans.

##### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## Accounting Policies

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### Equity and liability

#### Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

#### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the

#### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

#### Corporation tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

#### Financial debts

Fixed-interest loans, such as mortgage loans and loans from credit institutions, are recognised at the time of borrowing at the proceeds received, net of transaction costs incurred. In subsequent periods, the loans are measured at amortised cost. Accordingly, the difference between the proceeds and the nominal value is recognised as interest expense in the income statement over the term of the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

### Financial Highlights

#### Definition of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit from operating activities} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit for the year after tax} \times 100}{\text{Average equity}}$

## Income Statement

for the year ended 31 December 2018

	Notes	2018 TDKK	2017 TDKK
<b>Gross profit</b>		<b>15,081</b>	<b>17,188</b>
Staff costs	1	-19,776	-19,489
Depreciation, amortization and impairment of intangible assets and	2	-880	-645
<b>Operating loss</b>		<b>-5,575</b>	<b>-2,946</b>
Financial Income	3	0	844
Income from investments in group enterprises	6	-7,775	0
Financial Expenses	4	-220	-384
<b>Loss before tax</b>		<b>-13,570</b>	<b>-2,486</b>
Tax benefit/(expense) for the year	5	0	546
<b>Loss for the year</b>		<b>-13,570</b>	<b>-1,940</b>
Distribution of profit		0	0
Proposed distribution of profit		0	0
<b>Retained earnings</b>		<b>-13,570</b>	<b>-1,940</b>

## Balance Sheet

at 31 December 2018

	Notes	2018 TDKK	2017 TDKK
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
Other fixtures and fittings, tools and equipment	2	2,328	1,184
<b>Total property, plant and equipment</b>		<b>2,328</b>	<b>1,184</b>
<b>Financial assets</b>			
Investments in subsidiaries	6	9,075	16,850
<b>Total investments</b>		<b>9,075</b>	<b>16,850</b>
Deposits	7	875	875
<b>Total financial assets</b>		<b>9,950</b>	<b>17,725</b>
<b>Total non-current assets</b>		<b>12,278</b>	<b>18,909</b>
<b>Current assets</b>			
<b>Inventories</b>			
Finish goods and goods for resale		20,251	17,638
<b>Total inventories</b>		<b>20,251</b>	<b>17,638</b>
<b>Receivables</b>			
Trade receivables		22,883	14,094
Receivables from subsidiaries		5,946	4,180
Corporation tax receivable		1,487	2,091
Other receivables		509	340
Prepayments	8	176	446
<b>Total receivables</b>		<b>31,001</b>	<b>21,151</b>
<b>Cash at hand and in bank</b>		<b>12,884</b>	<b>0</b>
<b>Total current assets</b>		<b>64,136</b>	<b>38,789</b>
<b>TOTAL ASSETS</b>		<b>76,414</b>	<b>57,698</b>

## Balance Sheet

at 31 December 2018

	Notes	<u>2018</u>	<u>2017</u>
		TDKK	TDKK
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		500	500
Retained earnings		-7,197	6,373
<b>Total Equity</b>		<u><b>-6,697</b></u>	<u><b>6,873</b></u>
<b>Provisions</b>			
Other provisions		96	0
<b>Total provisions</b>		<u><b>96</b></u>	<u><b>0</b></u>
<b>Current liabilities</b>			
Trade payables		13,036	15,456
Payables to group enterprises		63,489	30,583
Deferred tax liability		72	72
Other payables		6,418	4,714
<b>Total current liabilities</b>		<u><b>83,015</b></u>	<u><b>50,825</b></u>
<b>Total liabilities</b>		<u><b>83,111</b></u>	<u><b>50,825</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>76,414</b></u>	<u><b>57,698</b></u>
Contingent assets, liabilities and other financial obligations	9		
Currency and interest rate risks and use of derivative financial instruments	10		
Related parties and ownership	11		
Appropriation of profit/loss	12		

## Statement of Changes in Equity

at 31 December 2018

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	TDKK	TDKK	TDKK
Equity at 1 January 2018	500	6,373	6,873
Net profit / loss for the year	0	-13,570	-13,570
<b>Equity at 31 December 2018</b>	<b>500</b>	<b>-7,197</b>	<b>-6,697</b>

	<b>Number</b>	<b>Nominal Value</b>
		<i>TDKK</i>
Shares at TDKK 500	1,000	500
		<b>500</b>

There is no changes in the share capital during the current year.



# Notes to the annual report

at 31 December 2018

<b>1 Staff expenses</b>	<b>2018</b>	<b>2017</b>
	TDKK	TDKK
Wages and salaries	18,426	18,295
Pensions	1,101	1,060
Other social security expenses	249	134
	<b>19,776</b>	<b>19,489</b>

Average number of employees	30	30
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Pursuant to Section 98 (b) (3) of the Danish Financial Statements Act, remuneration of the Executive Board has not been disclosed.

## 2 Property, Plant and Equipment

	<b>Other fixtures and fittings, tools and equipment</b>
	TDKK
Cost at 1 January 2018	3,615
Additions during the year	2,024
Cost at 31 December 2018	<b>5,639</b>
Depreciations and impairment losses at 1 January 2018	2,431
Depreciation for the year	880
Depreciations and impairment losses at 31 December 2018	<b>3,311</b>
<b>Carrying amount at 31 December 2018</b>	<b>2,328</b>

<b>3 Finance income</b>	<b>2018</b>	<b>2017</b>
	TDKK	TDKK
Interest received from group enterprises	0	844
<b>Total</b>	<b>0</b>	<b>844</b>

<b>4 Finance expenses</b>	<b>2018</b>	<b>2017</b>
	TDKK	TDKK
Interest paid to group enterprises	21	28
Exchange adjustments, expenses	149	260
Other financial expenses	50	96
	<b>220</b>	<b>384</b>

<b>5 Tax on profit / loss for the year</b>	<b>2018</b>	<b>2017</b>
	TDKK	TDKK
Current tax for the year	-	-604
Deferred tax for the year	0	58
	<b>-</b>	<b>-546</b>
Deferred tax at 1 January	72	14
Adjustment of the deferred tax charge for the year	0	58
<b>Deferred tax at 31 December</b>	<b>72</b>	<b>72</b>

No on-account tax was paid during the financial year.

## Notes to the annual report

at 31 December 2018

<b>6 Investments in subsidiaries</b>	<b>2018</b>
	<b>TDKK</b>
<b>Cost</b>	
Balance at 1 January 2018	16,850
<b>Balance at 31 December 2018</b>	<b>16,850</b>
<b>Impairment losses</b>	
Balance at 1 January 2018	-
Adjustment at 1 January	-7,775
<b>Balance at 31 December 2018</b>	<b>-7,775</b>
<b>Carrying amount at 31 December 2018</b>	<b>9,075</b>

<i>Name</i>	<i>Registered office</i>	<i>Financial Results</i>	<i>Equity</i>	<i>Voting shares and ownership</i>
ADI Global Distribution AB	Sweden	- TSEK 3,240	-T.SEK 12,489	100%
ADI Global Distribution Finland Oy	Finland	- T. EUR 122,298	T.EUR 73	100%

The equity and results are presented for the latest approved annual report of 2018. The share capital of ADI Global Distribution Finland Oy was written off to DKK 0 in 2008 and of ADI Global Distribution AB was written off by TDKK 7,775 to TDKK 9,075 in 2018.

<b>7 Deposits</b>	<b>2018</b>
	<b>TDKK</b>
Cost at 1 January 2018	875
<b>Cost at 31 December 2018</b>	<b>875</b>
<b>Carrying amount at 31 December 2018</b>	<b>875</b>

- 8 Prepayments**  
Prepayments include rent paid in advance.

**9 Contingent assets, liabilities and other financial obligations**

<b>Rental agreements and leases</b>	<b>2018</b>	<b>2017</b>
	<b>TDKK</b>	<b>TDKK</b>
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	938,217	0
Between 1 and 5 years	224,330	0
	<b>1,162,547</b>	<b>0</b>
<b>Lease obligations, period of non-terminability 12 months</b>	<b>938,217</b>	<b>0</b>

There are no contingent liabilities in the current year.

The Company is jointly taxed with all other Danish companies in the Resideo group. As a consolidated entity, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish corporation tax and withholding tax on dividends, interest and royalties within the jointly taxed companies.

## Notes to the annual report

at 31 December 2018

### 10 Currency and interest rate risks and use of derivative financial instruments

The Company uses hedging instruments to hedge recognised and non-recognised transactions.

#### Recognised transactions

Hedging of recognised transactions primarily includes receivables and payables.

#### Forecast transactions

The company uses forward exchange contracts to hedge expected currency risks relating to sale and purchase of goods in the coming year.

TDKK	Period	Contractual value		Gains and losses in equity and expected to be realised after the balance sheet date	
		2018	2017	2018	2017
Forward exchange contracts	12 Months	0	14,257,107	0	-2,561

### 11 Related parties and ownership

#### Transactions

The company's related parties are Resideo group and its subsidiaries. With reference to section 98 C (7) of the Danish Financial Statements Act, the company has chosen only to disclose transactions with related parties not carried through on normal market terms. All transactions between the related parties are based on arms-length term. The type of transactions with the related parties can be specified as buying and selling of components, management fees, IT-service fees and loan.

#### Consolidated Financial Statements

The Company is owned 100% by ADI-Gardiner EMEA Ltd., which is owned by ADI Gardiner Holdings Ltd, which eventually rolls up to Pittway Homes Sytems SL (Spain) and ADI Global Distribution Denmark A/S is included in the Group Annual Report as a subsidiary. Pittway Homes System S.L. (Spain) is eventually owned by Resideo Technologies Inc.

The company's financial statements are included by full consolidation in the financial statements of Resideo Technologies Inc., a company registered in the USA, which is the smallest and largest group to consolidate these financial statements. The financial statements of Resideo Technologies Inc. are publicly available and can be obtained from Resideo technologies Inc. 251 Little Falls Drive , Wilmington DE 19808, United States.

### 12 Appropriation of profit/loss

	2018	2017
	<i>TDKK</i>	<i>TDKK</i>
<b>Recommended appropriation of profit/loss</b>		
Transferred to reserves under equity	-13,570	-1,940
	<b>-13,570</b>	<b>-1,940</b>