

Honeywell Productivity Solutions A/S

C/O Honeywell A/S Strandesplanaden 110, 2665 Vallensbæk Strand, Denmark

CVR No.14223037

Annual Report for 1 January - 31 December 2018

*The Annual Report was
presented and adopted at the
Annual General Meeting of the
Company on 5/6/2019.*

DocuSigned by:

Tehio, Olivier

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Olivier Laille Tehio

Chairman

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Honeywell Productivity Solutions 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.

Vallensbæk Strand, 5 / 6/2019

Executive Board

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Jens Christian Jensen


Board of Directors

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Olivier Laille Tehio
Chairman

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Christer Hagman

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Jens Christian Jensen

Independent Auditor's Report

To the owners of Honeywell Productivity Solutions A/S

Report on the financial statements

We have audited the financial statements of Honeywell Productivity Solutions A/S for the financial period 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 December 2018 and of the results of its operations for the financial year 1 January – 31 December 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the interim financial reports

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, 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional 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 conclusion is 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.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 5 / 6 / 2019

Deloitte Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556



Jan Larsen

State Authorised Public Accountant

MNE-Number: mne16541

Company Information

The company	Honeywell Productivity Solutions A/S C/O Honeywell A/S Strandesplanaden 110, 2665 Vallensbæk Strand, Denmark Telephone: +45 48 16 61 66 Telefax: +45 48 16 61 67 Website: www.intermec.dk CVR No.14223037 Established: 01-06-1990 Financial period: 1 January - 31 December Municipality of reg. office: Vallensbæk
Board of Directors	Olivier Laille Tehio, Chairman Christer Hagman Jens Christian Jensen
Executive Board	Jens Christian Jensen
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S

Management's review

Principal activity

The company's main objective is to design, manufacture, sell and distribute automatic data collection systems.

Financial review

The income statement of the Company for 2018 shows a profit of DKK 534k, and at 31 December 2018 the balance sheet of the Company shows equity of DKK 4,912k.

The Operating profit for Honeywell Productivity Solutions A/S was DKK 496k compared to profit of DKK 467k for 2017. The results for 2018 represents DKK 534k compared to DKK 351k for 2017 and is at expected level.

Uncertainty relating to recognition and measurement

Honeywell Productivity Solutions abides with Honeywell Inc.'s strong financial and ethical controls 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 Honeywell Productivity employees.

Events during the year

With effect from 31/08/2018 the name of the company was changed from Intermec Technologies A/S to Honeywell Productivity Solutions A/S.

Subsequent events

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

Accounting Policies

Basis of accounting

Financial Statements of Honeywell Productivity Solutions A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Company's Articles of Association with addition of certain provisions for reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2018 are presented in DKK.

Recognition and measurement

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

Revenues are recognised in the income statement as earned. 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.

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.

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.

Cost of sales also includes research and development costs that do not qualify for capitalisations well as amortisation of capitalised development costs. Finally, provisions for losses on contract work are recognised.

Accounting Policies

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, admin expenses etc.

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.

The Company is jointly taxed with the Danish subsidiaries in the Honeywell group. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

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

Balance Sheet

Current assets

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.

Equity and liability

Dividend

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

Other financial liabilities

Other financial liabilities are recognised at cost at the time of contracting the debt. Subsequently, it is stated at amortised cost, which in respect of short-term and non-interest Bearing debt and in respect of floating-rate loans usually corresponds to nominal value.

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.

Other Payables

Other payables are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Income Statement

for the year ended 31 December 2018

	Notes	<u>2018</u>	<u>2017</u>
		DKK	DKK
Revenue		16,528,625	15,141,244
Cost of sales		-12,264,265	-8,944,042
Gross profit		4,264,360	6,197,202
Other external expenses		-3,768,501	-5,730,040
Operating loss/profit		495,859	467,162
Financial Income		221,353	0
Financial Expenses		-33,065	-15,309
Loss/profit before tax		684,147	451,853
Tax benefit/(expense) for the year	1	-150,513	-100,678
Loss/profit for the year		533,634	351,175
Distribution of loss/profit			
Proposed distribution of loss/profit:			
Retained earnings		533,634	351,175
		<u>533,634</u>	<u>351,175</u>

Balance Sheet

at 31 December 2018

	Notes	<u>2018</u>	<u>2017</u>
		DKK	DKK
ASSETS			
Current assets			
Receivables			
Trade receivables		9,865,599	2,017,101
Receivables from group enterprises		2,482,740	7,309,769
Deferred tax assets - current		7,140	8,389
Total receivables		12,355,479	9,335,259
Cash at hand and in bank		499,890	0
Total current assets		12,855,369	9,335,259
TOTAL ASSETS		12,855,369	9,335,259
EQUITY AND LIABILITIES			
Equity			
Share capital		500,000	500,000
Retained earnings		4,411,957	3,878,323
		4,911,957	4,378,323
Non-current liabilities			
Deferred income		478,416	698,055
Total Non-current liabilities		478,416	698,055
Current liabilities			
Bank overdraft		0	955
Payables to group enterprises		2,780,280	2,065,120
Corporation tax	1	147,751	97,301
Other payables		3,634,926	928,343
Deferred income		902,039	1,167,162
Total current liabilities		7,464,996	4,258,881
Total liabilities		7,943,412	4,956,936
TOTAL EQUITY AND LIABILITIES		12,855,369	9,335,259
Contingent assets, liabilities and other financial obligations	2		
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Statement of Changes in Equity

at 31 December 2018

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2018	500,000	3,878,323	4,378,323
Net loss for the year	0	533,634	533,634
Equity at 31 December 2018	500,000	4,411,957	4,911,957

	Number	Nominal Value
		DKK
Shares at DKK 500,000	1	500,000
		500,000

There have been no changes in the share capital during the last 5 years.

Notes to the annual report

at 31 December 2018

1 Tax on profit / loss for the year	2018	2017
	DKK	DKK
Current tax for the year	149,264	97,301
Deferred tax for the year	1,249	3,377
Total	150,513	100,678

2 Contingent assets, liabilities and other financial obligations

The Company is jointly taxed with all other Danish companies in the Honeywell 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.

3 Related parties and ownership

Transactions

The company's related parties are Honeywell International Inc. 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

Honeywell Productivity Solutions A/S is included in the consolidated financial statements of Intermec Technologies (S) PTE LTD.. The financial statements of Honeywell International Inc. are publicly available and can be obtained from corporate publications, Honeywell International Inc., 115 Tabor Rd, Morris plains, NJ 07950, United States Or on the home page www.honeywell.com

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital. Intermec Technologies (S) PTE LTD. 17, Changi Business Park, Central 1, Singapore 486073.