

# Intermec Technologies A/S

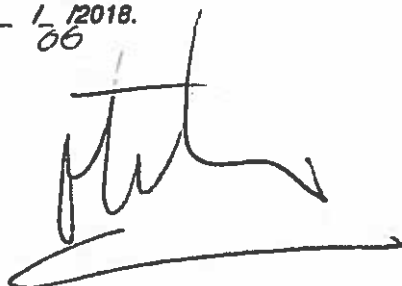
Strandesplanaden 110, 2665 Vallengbaek Strand, Denmark

CVR- nr. 14 22 30 37

*Annual Report for 1 January - 31 December 2017*

*The Annual Report was  
presented and adopted at the  
Annual General Meeting of the  
Company on 1/12/2018.*

Olivier Tehlo  
Chairman

A handwritten signature in black ink, appearing to be 'Olivier Tehlo', written over a horizontal line. The signature is stylized and cursive.

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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 Intermecc Technologies A/S for the financial year 1 January - 31 December 2017.

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 2017 of the Company and of the results of the Company operations for 2017.

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.

Vallensbaek Strand, 7/16/2018.

**Executive Board**



Jens Christian Jensen

**Supervisory Board**



Olivier Laille Tehio



Christer Hagman



Jens Christian Jensen

# Independent Auditor's Report

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To the owners of Intermec Technologies A/S

## Report on the financial statements

We have audited the financial statements of Intermec Technologies A/S for the financial year 1 January – 31 December 2017, 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 2017 and of the results of its operations for the financial year 1 January – 31 December 2017 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 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, 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 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 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.

## Independent Auditor's Report

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, *FH* /2018.

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 98 35 56

  
Jan Larsen  
State Authorised Public Accountant

MNE-Number: mne16541

# Company Information

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**The Company**

Intermec Technologies A/S  
Strandesplanaden 110  
2665-Vallensbaek Strand  
Denmark

Telephone: +45 48 16 61 66  
Telefax: +45 48 16 61 67  
Website: [www.intermec.dk](http://www.intermec.dk)

CVR No.: 14 22 30 37  
Established: 01 06 1990

Financial period: 1 January - 31 December  
Municipality of reg. office: Vallensbaek

**Board of Directors**

Jens Christian Jensen  
Olivier Laille Tehio  
Christer Hagman

**Supervisory Board**

Jens Christian Jensen

**Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6,  
DK-2300 København

**Lawyers**

Ernst & Young

# Management's Review

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## **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 2017 shows a profit of DKK 351k, and at 31 December 2017 the balance sheet of the Company shows equity of DKK 4,378k.

The Operating Income for Intermec Technologies A/S was DKK 467k. The result for 2017 represents DKK 351k compared to DKK 455k for 2016 and is at expected level.

## **Uncertainty relating to recognition and measurement**

Intermec Technologies' abides with Honeywell 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 Intermec Technologies employees.

## **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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Financial Statements of Intermec Technologies for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with addition of certain provisions for reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2017 are presented in *DKK*.

## Rectification of information of previous financial period

There is a reclassification of prior year's staff expenses which is now transferred in other external costs in the Income statement as per the correct nature of expense.

## Recognition and measurement

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

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 the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company and the value of the liabilities 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.

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, administration and management of factories.

### 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.



# Accounting Policies

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## 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.

## 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.

##### 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.

##### Current 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.

##### Deferred income

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

##### Other payables

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

# Income statement

for the year ended 31 December 2017

	Notes	2017	2016
		DKK	DKK
Revenue		15,141,244	13,447,958
Cost of sales		-8,944,042	-9,152,673
<b>Gross profit</b>		<b>6,197,202</b>	<b>4,295,285</b>
Other external expenses		-5,730,040	-3,711,420
<b>Operating profit</b>		<b>467,162</b>	<b>583,865</b>
Financial expenses		-15,309	-27,881
<b>Profit before tax</b>		<b>451,853</b>	<b>555,984</b>
Tax benefit/(expense) for the year	1	-100,678	-101,403
<b>Profit for the year</b>		<b>351,175</b>	<b>454,581</b>
<b>Proposed distribution of profit</b>			
<i>The amount available is:</i>			
Transferred profit from prior years		3,527,148	3,072,567
Profit for the year		351,175	454,581
<b>Available</b>		<b>3,878,323</b>	<b>3,527,148</b>
<i>That is distributed as follows:</i>			
Dividends for the year		0	0
Retained earnings		3,878,323	3,527,148
		<b>3,878,323</b>	<b>3,527,148</b>

# Balance sheet

at 31 December 2017

	Notes	2017 DKK	2016 DKK
<b>Assets</b>			
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		2,017,101	1,069,596
Amounts owed by group enterprises		7,309,769	9,276,791
Deferred tax assets	1	8,389	11,766
<b>Total current assets</b>		<b>9,335,259</b>	<b>10,358,153</b>
<b>Total assets</b>		<b>9,335,259</b>	<b>10,358,153</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		500,000	500,000
Retained earnings		3,878,323	3,527,148
		<b>4,378,323</b>	<b>4,027,148</b>
<b>Long term liabilities</b>			
Deferred income		698,055	962,700
		<b>698,055</b>	<b>962,700</b>
<b>Current liabilities</b>			
Bank loan		955	1,322
Trade payables		0	2,452
Payables to group enterprises		2,065,120	2,507,491
Corporation tax	1	97,301	115,184
Other payables		928,343	1,341,284
Deferred income		1,167,162	1,400,572
<b>Total current liabilities</b>		<b>4,258,881</b>	<b>5,368,305</b>
<b>Total liabilities</b>		<b>4,956,936</b>	<b>6,331,004</b>
<b>Total equity and liabilities</b>		<b>9,335,259</b>	<b>10,358,153</b>
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# Statement of changes in Equity

at 31 December 2017

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	<i>DKK</i>	<i>DKK</i>	<i>DKK</i>
Equity at 1 January	500,000	3,527,148	4,027,148
Net profit / loss for the year	0	351,175	351,175
<b>Equity at 31 December</b>	<b><u>500,000</u></b>	<b><u>3,878,323</u></b>	<b><u>4,378,323</u></b>

The share capital consists of 1 share at DKK 500,000. The share capital has neither been increased nor reduced in the last five years.

# Notes to the annual report

at 31 December 2017

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

	Corporation tax DKK	Deferred tax DKK	Tax for the year DKK
Balance as on 1 January 2017	115,184	-11,766	0
Tax on profit for the year	97,301	3,377	-100,678
Paid tax for the year	-115,184	0	0
Balance as on 31 December 2017	<u>97,301</u>	<u>-8,389</u>	<u>-100,678</u>

Corporation tax payable as at 31 December 2017

97,301

Deferred tax assets

8,389

Tax on profit loss for the year

100,678

## 2. Contractual obligations and contingencies, etc.

### Other contingent liabilities

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. 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.

### Ownership

The following shareholder holds more than 5% of company's share capital:

Intermec Technologies (S) PTE LTD. 10 Collyer Quay, 10-01 Ocean Financial Centre, Singapore 049315

## 4. Consolidated Financial Statements

Intermec Technologies A/S is included in the consolidated financial statements of Intermec Technologies (S) PTE LTD.

The Group Annual Report of Honeywell International Inc. may be obtained at the following address:

Honeywell International Inc.

101 Columbia Rd

Morristown, NJ 07960

USA

Or on the home page [www.honeywell.com](http://www.honeywell.com)