

# Honeywell A/S

Strandesplanaden 110, 2665 Vallensbæk Strand, Denmark  
CVR No.15130016

*Annual Report for 1 January - 31 December 2020*

*The Annual Report was  
presented and adopted at the  
Annual General Meeting of the  
Company on 18/06/2021.*

DocuSigned by:

*Ulf Patrik Fredriksson*

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Patrik Fredriksson

Chairman of the general meeting

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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 Honeywell A/S for the financial year 1 January - 31 December 2020.

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 2020 of the Company and of the results of the Company operations for 2020.


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, 18/06/ 2021

## Executive Board


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Jens Christian Jensen

## Board of Directors

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Patrik Fredriksson  
Chairman

DocuSigned by:  
  
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Michael Korsbæk  
Staff Representative

DocuSigned by:  
  
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Charlotte Bredahl Nørring  
Staff Representative

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Jens Christian Jensen

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Henning Lützen  
Staff Representative

# Independent Auditor's Report

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To the owners of Honeywell A/S

## Opinion

We have audited the financial statements of Honeywell A/S for the financial year 1 January – 31 December 2020, 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 2020 and of the results of its operations for the financial year 1 January – 31 December 2020 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.

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, 18/06/ 2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 96 35 56



Jan Larsen

State Authorised Public Accountant

MNE number: 16541

## Company Information

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The company	Honeywell A/S Strandesplanaden 110, 2665 Vallensbæk Strand, Denmark Telephone: +45 39 55 55 55 Telefax: +45 39 55 55 51 Website: <a href="http://www.honeywell.dk">www.honeywell.dk</a>  CVR No. 15130016 Established: 27/09/1954  Financial period: 1 January - 31 December Municipality of reg. office: Vallensbæk
Board of Directors	Patrik Fredriksson, Chairman Jens Christian Jensen Michael Korsbæk Henning Lützen Charlotte Bredahl Norring
Executive Board	Jens Christian Jensen
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6, 2300 København S
Bankers	Danske Bank Holmes kanal 2 1092 København K
Lawyers	Moltke-Leth Amaliegade 12 1256 København K

## Financial Highlights

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

Key figures	2020	2019	2018	2017	2016
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Profit/loss</b>					
Revenue	268,084	297,677	330,867	358,716	370,717
Operating profit/loss	6,429	-5,127	16,936	25,635	38,845
Net financial income/expense	68	-2,146	-682	-1,523	-582
Net profit/loss for the year	4,998	-5,779	12,550	17,702	30,707
<b>Balance sheet</b>					
Fixed assets**	375	376	10,669	292	650
Investments/Disposal in property, plant and equipmen	1	-1,855	1,882	0	0
Total Assets	470,720	471,571	409,508	349,706	335,608
Equity	264,209	259,212	264,991	259,215	241,513
<b>Financial ratios %</b>					
Gross margin	15.1%	14.9%	20.7%	26.6%	26.4%
Profit margin	2.4%	-1.7%	5.1%	7.1%	10.5%
Return on assets	0.5%	-1.2%	4.5%	7.5%	12.6%
Solvency ratio	56.0%	55.0%	64.7%	74.1%	72.0%
Return on equity	1.9%	-2.2%	4.8%	7.1%	13.6%

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

*\*\* During 2018, the Company has transferred Homes business, Comparative figures for year 2016 and 2017 are not restated.*

# Management's review

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## Principal activity

Honeywell A/S's activities are marketing, sales, engineering, design, installation and service within building and industrial automation including supply of components.

The company represents Business Units, which all belong to Home and Building Technologies (HBT) in Norway, Sweden and Finland. The products of the department are mainly used in durable consumer goods of which a very large part is re-exported worldwide. Safety and Productivity Solution (S&PS) with sales activities in Norway, Sweden and Finland. Part of the result has been reached through a continuous development of the sales to system houses and through an extension of the distributor network. The department has focused on the marketing of new products for protection of drinking water, including back flow preventer. The department is Customer Service Centre for the Nordic Countries as well as the Baltic Countries supporting the different countries in their native language from the office in Vallensbæk. Honeywell Building Solutions deliver and service solutions to end users through own technicians and project managers. The market is primarily larger buildings and/or complicated systems containing various solutions, primarily CTS-systems, burglar alarms, fire alarms, access control and video surveillance within building automation, integrated into one system. Health, Safety and Environment (HSE) is a very important part of the activities of Building Automation, and the HSE Playbook lists month by month throughout the year the HSE activities, that are required in order to follow both the demands of the company as well as the local laws. Near miss reporting is also a requirement for all employees.

## Financial review

The income statement of the Company for 2020 shows a profit of DKK 4,998 thousand and at 31 December 2020 the balance sheet of the Company shows equity of DKK 264,209 thousand.

The Sales for 2020 was DKK 268,084 thousand compared to DKK 297,677 thousand for 2019. The revenue has declined in 4 out of the last 5 years disclosed in the annual report in 2017, 2018, 2019 and 2020. Decrease in revenue for current year is due to COVID-19 pandemic.

The Operating profit for the company was DKK 6,429 thousand. The result for 2020 represents profit DKK 4998 thousand compared to loss of DKK -5,779 thousand for 2019. The development is mainly due to a change in the product mix. After the result of the year the solvency ratio is 56% compared to 55% in 2019. The company has been 100% self-financing for a large number of years.

## Outlook

Honeywell A/S is expecting same level of revenue, profit and cashflow as 2020 and is not expecting any growth or specific product.

## Unusual matters having affected the financial statements

Revenue has decreased by 10 % compared to last year, mainly due to less sales to existing customers and a limited effect from COVID-19. Honeywell A/S did not close the business and employees were asked to work from home.

## Basis of earnings

### Goals and policies for the underrepresented gender

Honeywell A/S believes that diversity among employees, including equal distribution of gender contributes positively to the working environment and strengthens the company's performance and competitiveness. Honeywell A/S is working to increase the number of female managers in the company and has on the background from this year, as the first year, set concrete target figures for the proportion of the under-represented gender and policies to ensure this.

Honeywell A/S has a goal to have few of the management positions, must be occupied by women by 2021. Honeywell has elected a new member of board of directors in 2020. Status is now that 1 of member of the Board of Honeywell A/S is woman. 4 men 1 woman occupy leadership positions in Honeywell A/S.

In order to meet the above objective of several female managers, Honeywell A/S has initiated one series of initiatives that can promote development and support for women leaders. Among other things, an internal network for female managers in the company has been initiated, as well as led mentoring to promote female talents. In connection with recruitment to management posts, the goal is that there must be both male and female candidates despite the fact that it operates in a world of men. The principle applies to both internal job posting and external.



## Management's review

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

Honeywell's Systems abides with the company'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.

### **Corporate social responsibility**

Social responsibility is a part of Honeywell A/S's business strategy, and the company has always given top priority to the desire to act responsibly towards customers, staff, business connections and the external environment. Honeywell has prepared the statutory statement on social responsibility for the year 2017 in accordance with section 99a of the Danish Financial Statements Act. The statement can be viewed or downloaded at [https://www.honeywell.com/content/dam/honeywell/files/Corporate\\_Citizenship\\_Report\\_2020.pdf](https://www.honeywell.com/content/dam/honeywell/files/Corporate_Citizenship_Report_2020.pdf). Honeywell A/S Denmark is engaged in marketing, sales, engineering, design, installation and service within building and industrial automation including supply of components. Honeywell is strongly focused on developing its core business and meeting the strategic challenges in an economical and socially responsible way. For this reason, CSR work has always been a top priority for management, and it forms a natural part of the work of all employees in the company in Denmark. For Honeywell, CSR means taking responsibility for adding 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.

### **Knowledge resources**

The company has 70 employees, who work in marketing, sales, engineering, design, installation and service within Building and Industrial Automation including supply of components.

The whole organisation continues the work to improve quality, including a higher degree of standardisation with the company's similar organisations in other countries. All departments are certified according to ISO 9001: 2008. As part of the company's international program Honeywell A/S is continuously investing in training of employees within Six Sigma. This has initiated new quality projects, which we expect will result in a positive return in the years to come. At year end 11 employees of the company has obtained Green belt certification.

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**

*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.

### **Events after the close of the fiscal year**

No significant events have occurred after the end of the financial year.

# Accounting Policies

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## **Basis of accounting**

Financial Statements of Honeywell A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2020 are presented in TDKK.

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 Honeywell International Inc. The Financial Statement for the Honeywell Group can be obtained at [www.honeywell.com](http://www.honeywell.com). The company will ensure that consolidated financial statement of Honeywell International 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.

Rectification of information of previous financial period

There are following reclassifications of prior year's balances as per the correct nature of balances:

1. Receivables from group enterprises of DKK 1,030,367 in 2019 reclassified from "Prepayments" to "Receivables from group enterprises".
2. Negative Financial Income of DKK 73,880 in 2019 is reclassified from "Financial expense" to "Financial Income".

## **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.

## **Leases**

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

# Accounting Policies

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## Income Statement

### Revenue

The company has chosen IAS 18 as interpretation for revenue recognition.

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.

Contract work in progress is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company.

### 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.

### Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

### Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

### Depreciation and impairment losses

Depreciation, and impairment losses comprise depreciation for the year on property, plant and equipment, 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, 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

### Non-current assets

#### Property, plant and equipment

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

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5-15 years
IT equipment	3-5 years
Leasehold improvements	5 years

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

# Accounting Policies

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## **Impairment of fixed assets**

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

## **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**

The company has chosen IAS 39 as interpretation for impairment of financial 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.

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Prepayments and payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

### **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 obligation.

### Prepayments from customers

Prepayments from customers comprises payments received from customers in advance.

### 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

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

### Deferred income

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

## Financial Highlights

### Definition of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit 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 2020

	Notes	2020	2019
		TDKK	TDKK
Revenue	1	268,084	297,677
Cost of sales	2	-227,678	-253,392
<b>Gross profit</b>		<b>40,406</b>	<b>44,285</b>
Distribution expenses	2,7	-28,816	-40,673
Administrative expenses	2	-9,073	-8,739
<b>Ordinary operating profit/(loss)</b>		<b>2,517</b>	<b>-5,127</b>
Other operating income	3	3,912	0
<b>Operating profit/loss</b>		<b>6,429</b>	<b>-5,127</b>
Financial Income	4	3,029	1,094
Financial Expenses	5	-2,961	-3,240
<b>Profit/(loss) before tax</b>		<b>6,497</b>	<b>-7,273</b>
Tax benefit/(expense) for the year	6	-1,499	1,494
<b>Profit/(loss) for the year</b>		<b>4,998</b>	<b>-5,779</b>

# Balance Sheet

at 31 December 2020

	Notes	2020 TDKK	2019 TDKK
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
Leasehold Improvements		0	0
Other fixtures and fittings, tools and equipment		0	2
Property, plant and equipment in progress		28	27
	7	<u>28</u>	<u>29</u>
<b>Financial assets</b>			
Deposits	8	<u>237</u>	<u>262</u>
<b>Total financial assets</b>		<b>237</b>	<b>262</b>
Deferred tax asset- long term portion	6	<u>110</u>	<u>85</u>
<b>Total non-current assets</b>		<b>375</b>	<b>376</b>
<b>Current assets</b>			
<b>Inventories</b>			
Finish goods and goods for resale		<u>3,556</u>	<u>99</u>
		<b>3,556</b>	<b>99</b>
<b>Receivables</b>			
Trade receivables		39,216	39,131
Joint taxation receivables		0	1,447
Receivables from group enterprises		376,381	392,095
Contract work in progress	9	2,531	2,994
Corporation tax receivable		14,007	15,754
Other receivables		3,389	4,271
Prepayments		0	158
<b>Total receivables</b>		<b>435,524</b>	<b>455,850</b>
<b>Cash at hand and in bank</b>		<u>31,265</u>	<u>15,246</u>
<b>Total current assets</b>		<b>470,345</b>	<b>471,195</b>
<b>TOTAL ASSETS</b>		<b>470,720</b>	<b>471,571</b>

# Balance Sheet

at 31 December 2020

	Notes	<u>2020</u>	<u>2019</u>
		TDKK	TDKK
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		4,500	4,500
Retained earnings		<u>259,709</u>	<u>254,712</u>
		<b>264,209</b>	<b>259,212</b>
<b>Provisions</b>			
Other provisions	10	<u>53</u>	<u>0</u>
		<b>53</b>	<b>0</b>
<b>Current liabilities</b>			
Prepayments received from customers	9	2,484	719
Trade payables		5,315	3,497
Payables to group enterprises		180,055	197,414
Other payables		16,860	9,651
Deferred income	11	<u>1,744</u>	<u>1,078</u>
<b>Total current liabilities</b>		<b><u>206,458</u></b>	<b><u>212,359</u></b>
<b>Total liabilities</b>		<b><u>206,511</u></b>	<b><u>212,359</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>470,720</u></b>	<b><u>471,571</u></b>
Contingent assets, liabilities and other financial obligations	12		
Collateral	13		
Fees to auditors appointed at the general meeting	14		
Related parties and ownership	15		
Appropriation of profit/loss	16		



## Statement of Changes in Equity

at 31 December 2020

	Notes	Share capital	Retained earnings	Total
		TDKK	TDKK	TDKK
Equity at 1 January 2020		4,500	254,712	259,212
Net profit for the year			4,998	4,998
<b>Equity at 31 December 2020</b>		<b>4,500</b>	<b>259,710</b>	<b>264,210</b>

	Number	Nominal Value
		TDKK
Shares at DKK 7k	30	210
Shares at DKK 10k	429	4,290
		<b>4,500</b>

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

# Notes to the annual report

at 31 December 2020

<b>1 Revenue</b>	<b>2020</b>	<b>2019</b>
	TDKK	TDKK
<b>Business Segments</b>		
Sensing and Control, S&C	104,889	117,446
Environment and combustion controls, ECC	163,195	180,231
	<b>268,084</b>	<b>297,677</b>
<b>Geographical Segments</b>		
Denmark	154,311	169,911
Rest of the world	113,773	127,766
	<b>268,084</b>	<b>297,677</b>
<b>2 Staff expenses</b>	<b>2020</b>	<b>2019</b>
	TDKK	TDKK
Wages and salaries	41,494	45,633
Pensions	2,660	2,718
Other social security expenses	142	443
	<b>44,296</b>	<b>48,793</b>
Cost of sales	44,296	48,793
	<b>44,296</b>	<b>48,793</b>
Average number of employees	63	65
Pursuant to Section 98 (b) (3) of the Danish Financial Statements Act, remuneration of the Executive Board has not been disclosed.		
<b>3 Other operating income</b>	<b>2020</b>	<b>2019</b>
Spin off adjustments	3,912	0
	<b>3,912</b>	<b>0</b>
<b>4 Finance income</b>	<b>2020</b>	<b>2019</b>
	TDKK	TDKK
Other financial income	593	127
Exchange adjustments	2,436	967
<b>Total</b>	<b>3,029</b>	<b>1,094</b>
<b>5 Finance expenses</b>	<b>2020</b>	<b>2019</b>
	TDKK	TDKK
Exchange adjustments, expenses	2,710	2,986
Interest paid to group enterprises	251	254
<b>Total</b>	<b>2,961</b>	<b>3,240</b>

# Notes to the annual report

at 31 December 2020

6 Tax on loss for the year	2020	2019
	TDKK	TDKK
Current tax for the year	1524	-1,447
Deferred tax for the year	-25	-47
<b>Total</b>	<b>1,499</b>	<b>-1,494</b>
Deferred tax at 1 January	85	38
Adjustment of the deferred tax charge for the year	25	47
<b>Deferred tax at 31 December</b>	<b>110</b>	<b>85</b>
The deferred tax charge relates to:		
Equipment	23	-8
Provision for bad debts	2	55
	25	47
Deferred tax assets are expected to be set off within:		
0-1 year	0	0
1-5 years	25	47
> 5 years	0	0
	25	47

## 7 Property, Plant and Equipment

	Other fixtures and fittings, tools and equipment	Leasehold Improvements	Property, plant and equipment in progress	Total
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January 2020	2,964	90	27	3,081
Additions	0	0	1	1
Cost at 31 December 2020	2,964	90	28	3,082
Depreciations and impairment losses at 1 January 2020	2,962	90	0	3,052
Depreciation for the year	2	0	0	2
Depreciations and impairment losses at 31 December 2020	2,964	90	0	3,054
<b>Carrying amount at 31 December 2020</b>	<b>0</b>	<b>0</b>	<b>28</b>	<b>28</b>

## 8 Deposits

	2020
Cost at 1 January 2020	262
Disposal for the year	-25
<b>Cost at 31 December 2020</b>	<b>237</b>
<b>Carrying amount at 31 December 2020</b>	<b>237</b>

# Notes to the annual report

at 31 December 2020

<b>9 Contract work in progress</b>	<b>2020</b>	<b>2019</b>
	TDKK	TDKK
Selling price of production for the period	279,992	238,893
Payments received on account	-279,945	-236,618
	<b>47</b>	<b>2,275</b>

*Recognised in the balance sheet as follows-*

Contract work in progress recognised in assets	2,531	2,994
Prepayments received from customers	-2,484	-719
	<b>47</b>	<b>2,275</b>

<b>10 Short term provisions</b>	<b>2020</b>	<b>2019</b>
	TDKK	TDKK
Warranty reserve	53	0
	<b>53</b>	<b>0</b>

**11 Deferred income**  
Deferred income pertains to pre-invoiced service contracts.

<b>12 Contingent assets, liabilities and other financial obligations</b>	<b>2020</b>	<b>2019</b>
	TDKK	TDKK
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1,934	358
Between 1 and 5 years	4,224	3,353
	<b>6,158</b>	<b>3,711</b>

The Company's accounts comprise operational lease, which include substantially all of the vehicles. The amount of future lease payments is based on consumer prices. Contracts for the rental of vehicles and property is for 5 and 7 years respectively.

### **Contingent liabilities**

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. The companies are jointly liable for taxes in the joint taxation.

The ultimate parent company Honeywell International Inc. has provided the guarantee in favour of Honeywell A/S amounting to DKK 19,191,572 (USD 3,137,621).

Guarantee credit line with Danske bank for Honeywell A/S is DKK 105,000,000.

**13 Collateral**  
The company has provided collateral in assets amounting to DKK 38,780,500 to Danske bank as at 31 December 2020.

<b>14 Fee to auditors appointed at the general meeting</b>	<b>2020</b>	<b>2019</b>
	TDKK	TDKK
Fees for a statutory audit of the financial statements	89	114
	<b>89</b>	<b>114</b>

# Notes to the annual report

at 31 December 2020

## 15 Related parties and ownership

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### 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

The Company is owned 100% by Pittway Technologica S.r.l (Italien), which is owned by Honeywell S.L (Spain) group and Honeywell A/S is included in the Group Annual Report as a subsidiary. Honeywell S.L. (Spain) is owned by Honeywell International Inc.

### Controlling interest

### Registered address Basis

Pittway Technologica S.r.l (Italien)	Via Caboto 19/3 34147 Trieste Italy	Immediate parent
Honeywell S.L (Spain)	Calle Josefa Valcárcel 24, 28027 Madrid Spain	Middle parent
Honeywell International Inc.	251 Liitte Falls Drive, Wilmington DE 19808 United States	Ultimate parent

The company's financial statements are included by full consolidation in the financial statements of Honeywell International Inc., a company registered in the USA, which is the smallest and largest group to consolidate these financial statements. The financial statements of Honeywell International Inc. are publicly available and can be obtained from Corporate Publications, Honeywell International Inc., 251 Little Falls Drive, Wilmington DE 19808 , United States or on the homepage <http://investor.honeywell.com>.

## 16 Appropriation of profit/(loss)

### Recommended appropriation of profit/(loss)

Transferred to/from reserves under equity

	<u>2020</u>	<u>2019</u>
	TDKK	TDKK
	4,998	-5,779
	<u>4,998</u>	<u>-5,779</u>