

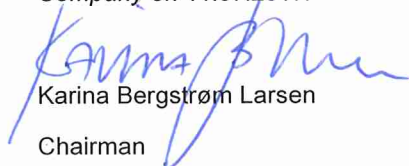
# Satcom1 ApS

Strandesplanaden 110, 2665 Vallensbaek Strand Denmark

CVR- nr. 27 92 47 78

*Annual Report for 1 January - 31 December 2016*

*The Annual Report was  
presented and adopted at the  
Annual General Meeting of the  
Company on 11.07.2017.*

  
Karina Bergstrøm Larsen  
Chairman

# Contents

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	<b>Page</b>
Management's Statement	1
Independent Auditor's Report	2
Company Information	4
Management's Review	5
Accounting Policies	6
Income statement for the year ended 31 December	10
Balance sheet at 31 December	11
Statement of changes in Equity	13
Notes to the annual report	14

# Management's Statement

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The Executive Board have today considered and adopted the Annual Report of Satcom1 ApS for the financial year 1 January - 31 December 2016.

The 0041nnual 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 2016 of the Company and of the results of the Company operations for 2016.

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, 11.07.2017



Karina Bergstrøm Larsen

**Executive Board**



Jackie Lund Nikolajsen



Vibeke Aagaard Nyberg

# Independent Auditor's Report

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## Independent auditor's report

To the shareholders of Satcom1 ApS

### Opinion

We have audited the financial statements of Satcom1 ApS for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 31-12-2016 and of the results of its operations and cash flows for the financial year 01.01.2016 - 31.12.2016 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 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 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

# Independent Auditor's Report

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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.

## **Other reporting requirements**

Without qualifying our opinion, we point out that the Company changed its bookkeeping currency from DKK to USD during 2016. This procedure is against the Danish Bookkeeping Act.

The Company has prepared the annual report for the financial year 1 January to 31 December 2016 too late compared to the provisions in section 138 of the Danish Financial Statement Act and, consequently, Management may be fined.

Copenhagen, 11.07.2017

## **Deloitte**

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56



Jan Larsen

State-Authorised Public Accountant

## Company Information

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### **The Company**

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Strandesplanaden 110  
2665 Vallensbaek Strand

Telephone: +45 46 15 45 46  
Telefax: +45 46 15 45 36  
Website: [www.satcom1.com](http://www.satcom1.com)

CVR No.: 27 92 47 78  
Established: 01 07 2004

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

### **Executive Board**

Karina Bergstrøm Larsen  
Jackie Lund Nikolajsen  
Vibeke Aagaard Nyberg

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6,  
DK-2300 København

# Management's Review

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## Principal activity

The company's main activity is the delivery of management, employees and other shared functions to group companies providing satellite communication services.

## Financial review

In 2016, the company's revenue came in at DKK 52,202,324 against DKK 27,801,604 last year. The income statement of the Company for 2016 shows a profit of DKK 12,294,244 and at 31 December 2016 the balance sheet of the Company shows equity of DKK 57,006,974

The Operating profit for Satcom1 ApS was DKK 16,754,876. The result for 2016 represents DKK 12,294,244 compared to DKK 42,600,021 for 2015 and is at expected level.

Combining Honeywell's over 100 years of success in aviation with Satcom's VIP cabin, airtime, network software management and engineering expertise provides a foundation for the best satellite communications offerings in the industry and around the world.

Honeywell Aerospace products and services are found on virtually every commercial, defense and space aircraft, and its turbochargers are used by nearly every automaker and truck manufacturer around the world. The Aerospace business unit develops innovative solutions for more fuel-efficient automobiles and airplanes, more direct and on-time flights, safer flying and runway traffic, along with aircraft engines, cockpit and cabin electronics, wireless connectivity services, logistics, and more. The business delivers safer, faster, and more efficient and comfortable transportation-related experiences worldwide. For more information, visit [www.honeywell.com](http://www.honeywell.com) or follow us at @Honeywell\_Aero and @Honeywell\_Turbo.

Honeywell ([www.honeywell.com](http://www.honeywell.com)) is a Fortune 100 diversified technology and manufacturing leader, serving customers worldwide with aerospace products and services; control technologies for buildings, homes and industry; turbochargers; and performance materials. For more news and information on Honeywell, please visit [www.honeywecom/newsroom](http://www.honeywecom/newsroom).

## Uncertainty relating to recognition and measurement

Satcom1 abides with Honeywell Inc.'s strong financial and ethical controls and undertakes Internal Financial 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 Satcom1 ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2016 are presented in *DKK*.

## Consolidated financial statements

In accordance with section 112(2) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The financial statements of Satcom1 ApS and subsidiaries are included in the consolidated financial statements of Honeywell International Inc.

## 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

Income from the rendering of services, is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

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, etc.

### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.



# Accounting Policies

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## Income from investments in group entities

These include the parent's proportionate share of the profit or loss for the year and adjustment of intra-group gains/losses, and net of amortisation of goodwill on consolidation.

## 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

The parent company is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The parent company is the management company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax charge is allocated between the jointly taxed enterprises in proportion to their taxable income. Enterprises with tax losses receive joint taxation contributions from enterprises that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current corporation tax, joint taxation contributions for the year and changes in deferred tax for the year - including changes resulting from changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

## Balance Sheet

### Non-current assets

#### Intangible assets

Intangible assets comprise software licences and other acquired rights. Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Intangible assets are amortised on a straight-line basis over the expected useful life which is 5 years.

#### 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.

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      3-5 years

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

### Non-Current Assets

#### 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.

# Accounting Policies

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## Investments in group entities

Investments in group enterprises are measured, using the equity method, at the parent's proportionate share of such enterprises' equity plus goodwill on consolidation and less intra-group profits and negative goodwill. Enterprises whose equity is negative are measured at zero, as the proportionate share corresponding to the negative value is set off against receivables, if any. Any additional amounts are recognised under 'Provisions' if the parent is liable for the debt.

## 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.

## Write-down of non-current assets (continued)

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.

## 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.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

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

### Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

### Cash at hand and in bank

Cash at hand and in bank comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

## Equity and liability

### Dividend

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

### Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

### Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, restructurings, etc. Provisions are recognised when the company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation concerned is expected to be settled far into the future.

# Accounting Policies

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## **Deferred tax assets and liabilities**

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax 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. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. 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.

## **Liabilities**

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Other debt is subsequently measured at amortised cost corresponding to the nominal unpaid debt.

## **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 2016

	Notes	2016 DKK	2015 DKK
Revenue		52,202,324	27,801,604
Other external expenses		-19,889,071	-16,299,505
<b>Gross profit</b>		<b>32,313,253</b>	<b>11,502,099</b>
Staff expenses	1	-10,474,111	-12,268,900
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	2,3	-5,084,266	-3,558,544
<b>Operating profit</b>		<b>16,754,876</b>	<b>-4,325,345</b>
Income from shares in group undertakings		-5,397,434	45,564,324
Financial income	4	8,029,230	2,979,903
Financial expenses	5	-2,102,467	-2,853,281
<b>Profit before tax</b>		<b>17,284,205</b>	<b>41,365,601</b>
Tax benefit/(expense) for the year	6	-4,989,961	1,234,420
<b>Profit for the year</b>		<b>12,294,244</b>	<b>42,600,021</b>
<i>Distribution of profit:</i>			
Extraordinary distribution of dividends in the accounting year		0	20,000,000
Transfer to net revaluation reserve according to the equity method		-5,397,434	11,460,951
Transfer to retained earnings		17,691,678	11,139,070
		<b>12,294,244</b>	<b>42,600,021</b>

# Balance sheet

at 31 December 2016

	Notes	2016 DKK	2015 DKK
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Acquired intangible assets	2	4,662,220	9,428,753
		<u>4,662,220</u>	<u>9,428,753</u>
<b>Property, plant and equipment</b>			
Other fixtures and fittings, tools and equipment	3	113,235	839,630
Construction in Progress at cost		455,883	0
		<u>569,118</u>	<u>839,630</u>
<b>Financial assets</b>			
Investments in subsidiaries	7	19,049,237	24,496,671
Other receivables	8	291,169	268,650
		<u>24,571,744</u>	<u>35,033,704</u>
<b>Total non-current assets</b>			
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		3,532,761	579,489
Amounts owed by subsidiaries		33,034,750	0
Corporation tax		0	1,183,136
Joint taxation contribution receivable		0	8,545,020
Other receivables		163,700	876,343
Prepayments		0	38,504
		<u>36,731,211</u>	<u>11,222,492</u>
Cash at hand and in bank		9,558,129	35,547,881
		<u>46,289,340</u>	<u>46,770,373</u>
<b>Total current assets</b>			
		<u>70,861,084</u>	<u>81,804,077</u>
<b>Total assets</b>			

# Balance sheet

at 31 December 2016

	Notes	2016 DKK	2015 DKK
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		147,967	147,967
Net revaluation reserve according to equity method		18,999,237	24,396,671
Retained earnings		37,859,770	20,168,092
		<u>57,006,974</u>	<u>44,712,730</u>
<b>Provisions</b>			
Provision for deferred tax	6	2,076,407	2,076,407
		<u>2,076,407</u>	<u>2,076,407</u>
<b>Current liabilities</b>			
Trade payables		500,736	3,900,997
Payables to group enterprises		0	29,242,553
Joint tax contribution		4,989,961	
Other payables		6,287,006	1,871,390
<b>Total current liabilities</b>		<u>11,777,703</u>	<u>35,014,940</u>
<b>Total liabilities</b>		<u>13,854,110</u>	<u>37,091,347</u>
<b>Total equity and liabilities</b>		<u>70,861,084</u>	<u>81,804,077</u>
Collateral	9		
Contingent assets, liabilities and other financial obligations	10		
Related parties and ownership	11		

# Statement of changes in Equity

at 31 December 2016

	Share capital	Net revaluation reserve according to equity method	Retained earnings	Total
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity at 1 January	147,967	24,396,671	20,168,092	44,712,730
Net profit / loss for the year	0	-5,397,434	17,691,678	12,294,244
<b>Equity at 31 December</b>	<b><u>147,967</u></b>	<b><u>18,999,237</u></b>	<b><u>37,859,770</u></b>	<b><u>57,006,974</u></b>

The share capital consists of 147,967 shares at DKK 1. In 2014, share capital of DKK 192,967 was reduced by DKK 45,000.

# Notes to the annual report

at 31 December 2016

## 1. Staff expenses

	<u>2016</u>	<u>2015</u>
	<i>DKK</i>	<i>DKK</i>
Wages and salaries	7,791,908	10,180,237
Pensions	781,023	885,361
Other social security expenses	38,720	57,510
Other staff costs	1,862,460	1,145,792
	<u><b>10,474,111</b></u>	<u><b>12,268,900</b></u>
 Average number of employees	 15	 18

## 2. Intangible Assets

	<u>Acquired Intangible assets</u>
	<i>DKK</i>
Cost at 1 January 2016	20,643,785
Cost at 31 December 2016	<u>20,643,785</u>
 Impairment losses and amortization at 1 January 2016	 -11,215,032
Amortisation for the year	-4,766,533
Impairment losses and amortisation at 31 December 2016	<u>-15,981,565</u>
 Carrying amount at 31 December 2016	 <u><b>4,662,220</b></u>

## 3. Property, Plant and Equipment

	<u>Other fixtures and fittings, tools and equipment</u>
	<i>DKK</i>
Cost at 1 January 2016	1,694,556
Transfer	-408,662
Cost at 31 December 2016	<u>1,285,894</u>
 Impairment losses and depreciation at 1 January 2016	 -854,926
Depreciation for the year	-317,733
Impairment losses and depreciation at 31 December 2016	<u>-1,172,659</u>
 Carrying amount at 31 December 2016	 <u><b>113,235</b></u>

## 4. Financial income

	<u>2016</u>	<u>2015</u>
	<i>DKK</i>	<i>DKK</i>
Interest received from group enterprises	0	18,933
Other financial income	1,075,698	170
Exchange adjustments	6,953,532	2,960,800
	<u><b>8,029,230</b></u>	<u><b>2,979,903</b></u>

## 5. Finance expenses

	<u>2016</u>	<u>2015</u>
	<i>DKK</i>	<i>DKK</i>
Interest expenses, group entities	0	1,043,869
Exchange adjustments, expenses	2,085,463	1,771,570
Other financial expenses	17,004	37,842
	<u><b>2,102,467</b></u>	<u><b>2,853,281</b></u>



# Notes to the annual report

at 31 December 2016

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

	2016	2015
	DKK	DKK
Estimated tax charge for the year	-4,989,961	-1,305,402
Deferred tax adjustments in the year	0	70,982
Balance as on 31 December 2016	<u>-4,989,961</u>	<u>-1,234,420</u>
Deferred tax at 1 January	2,076,407	2,005,425
Adjustment of the deferred tax charge for the year	0	70,982
Deferred tax at 31 December	<u>2,076,407</u>	<u>2,076,407</u>

## 7. Investments in subsidiaries

	2016
	DKK
<b>Cost</b>	
Balance at 1 January 2016	100,000
<b>Disposal</b>	-50,000
<b>Balance at 31 December</b>	<u>50,000</u>
<b>Value</b>	
Balance at 1 January	24,396,671
Dividend distributed	0
Share of Profit/loss for the year	-5,397,435
<b>Balance at 31 December</b>	<u>18,999,236</u>
<b>Carrying amount at 31 December</b>	<u>19,049,236</u>

Name	Registered office	2016 Financial Result (DKK)	2016 Equity (DKK)	Voting shares and ownership
Satcom1 Airtime Services ApS	Denmark	-5,397,435	19,049,236	100%

The equity and results are presented for the latest approved annual report.

## 8. Financial assets

	2016
	DKK
Cost at 1 January 2016	268,650
Additions for the year	22,519
Cost at 31 December 2016	<u>291,169</u>
<b>Carrying amount at 31 December 2016</b>	<u>291,169</u>

## 9. Collateral

The Company has not placed any assets or other as security for loans at 31/12/2016.

## 10. Contractual obligations and contingencies. etc.

### Other contingent liabilities

The Company is jointly taxed with its sister company Honeywell A/S and has joint and several liability for the payment of income taxes for the income year 2015 and onwards as well as for withholding taxes on interest, royalties and dividends falling due for payment on or after 10 December 2015.

## 10. Contractual obligations and contingencies. etc. (continued)

### Other financial obligations

Rent payments concerning a contract, which is interminable for 6 months total DKK 291,169.

# Notes to the annual report

at 31 December 2016

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## 11. 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.

### Consolidated Financial Statements

The Company is owned 100% by Honeywell International Sàrl. Satcom1 is included in the Group Annual Report as a subsidiary. Satcom1 is ultimately owned by Honeywell International Inc.

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

115 Tabor Road  
Morris Plains NJ 07950  
United States

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