

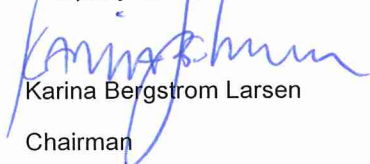
Satcom1 Airtime Services ApS

Strandesplanaden 110, 2665 Vallensbæk Strand, Denmark

CVR- nr. 35 63 45 41

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 Bergstrom Larsen
Chairman

Contents

	Page
Management's Statement	1
Independent Auditor's Report	2
Company Information	4
Financial Highlights	5
Management's Review	6
Accounting Policies	7
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

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

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 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

Executive Board



Karina Bergstrøm Larsen



Jackie Lund Nikolajsen



Vibeke Aagaard Nyberg

Independent auditor's report

To the shareholders of Satcom1 Airtime Services ApS

Opinion

We have audited the financial statements of Satcom1 Airtime Services 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 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

Company Information

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

The Company	Satcom1 Airtime Services ApS Strandesplanaden 110 2665 Vallensbaek Strand Telephone: +45 46 15 45 46 Telefax: +45 46 15 45 36 Website: www.satcom1.com CVR No.: 35 63 45 41 Established: 09 01 2014 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

Financial Highlights

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

Key figures	2016	2015	2014
	TDKK	TDKK	TDKK
Profit/loss			
Revenue	108,886,370	154,494,060	54,577,565
Ordinary operating profit	(5,214,197)	35,389,428	12,434,150
Operating Profit	(5,214,197)	35,389,428	12,434,150
Net financial income/ (expense)	(1,705,591)	3,452,674	390,304
Net profit/loss for the year	(5,397,435)	29,714,208	9,682,463
Balance sheet			
Fixed assets	1,390,710	0	0
Total Assets	105,629,987	56,785,880	33,067,266
Equity	19,049,236	24,446,671	9,732,463
Financial ratios %			
Gross margin	(4.79%)	22.91%	22.78%
Profit margin	(4.79%)	22.91%	22.78%
Return on assets	6.42%	78.77%	75.21%
Solvency ratio	18.03%	43.05%	29.43%
Return on equity	(24.82%)	173.87%	198.97%

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

Management's Review

Principal activity

The Company's main activity is to provide satellite communication services.

Financial review

In 2016, the company's revenue came in at DKK 108,886,370 against DKK 154,494,060 last year. The income statement of the Company for 2016 shows a loss of DKK -5,397,435 and at 31 December 2016 the balance sheet of the Company shows equity of DKK 19,049,236.

Outlook

At the end of 2015, Satcom 1 was sold to Honeywell International, offering operators a seamless experience with an all-in-one connectivity solution spanning routing software, airtime, hardware, avionics flight support services and applications. Honeywell's partnership with Inmarsat to be the exclusive hardware provider for commercial aircraft connecting to Inmarsat's GX Netweok and the exclusive airtime distributor for business aviation provides aircraft owners and operators the best in flight bandwidth globally.

Combining Honeywell's over 100 years of success in aviation with Satcom's 1 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 product and services are found on virtually every commercial, defence 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 fule efficient automobiles and airplanes, more direct and on time flights, safer flying and runway traffic, alongwith aircraft engines, cockpit and cabin electronics, wireless connectivity services,logistics and more. The business delivers safer, faster and more efficient and comfortable transportation related experience worldwide. For more information visit www.honeywell.com or follow us at @Honeywell_Aero and @ Honeywell_Turbo.

Honeywell 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.

External environment

Honeywell Int. is committed to be one of the leading companies within environmental control with regard to the running of own facilities as well as by delivering products and services that will help our customers improve the quality of the environment.

Uncertainty relating to recognition and measurement

Satcom1 Airtime Services 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.

Special risks – operating risks and financial risks

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

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

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

Subsequent events

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

Accounting Policies

Financial Statements of Satcom1 Airtime Services ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C (medium sized).

The accounting policies applied remain unchanged from last year.

Financial Statements for 2016 are presented in *DKK*.

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. The Financial Statement for the Honeywell Group can be obtained at www.honeywell.com

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.

Accounting Policies

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.

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 includes current tax on the year's expected taxable income and the years deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance Sheet

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.

Current assets

Receivables

Receivables are measured in the balance sheet at amortised cost, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

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

Prepayments

Prepayments 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.

Accounting Policies

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.

Financial Highlights

Definition of financial ratios

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

Income statement

	Notes	2016	2015
		<i>DKK</i>	<i>DKK</i>
Revenue		108,886,370	154,494,060
Expenses for raw materials and consumables		-58,873,363	-91,992,514
Other external expenses		-55,227,204	-27,112,118
Operating profit		-5,214,197	35,389,428
Financial income	1	3,220,571	15,296,878
Financial expenses	2	-4,926,162	-11,844,204
Profit before tax		-6,919,788	38,842,102
Tax benefit/(expense) for the year	3	1,522,353	-9,127,894
Profit for the year		-5,397,435	29,714,208

Balance sheet

at 31 December 2016

	Notes	2016	2015
		DKK	DKK
Assets			
Non-current assets			
Property, plant and equipment			
Other fixtures and fittings, tools and equipment		-	-
Construction in Progress at cost		1,390,710	-
		1,390,710	-
Total non-current assets	4	1,390,710	-
Current assets			
Receivables			
Trade receivables		14,190,785	13,737,140
Amounts owed by group entities		24,917,963	25,874,308
Joint taxation contribution		1,522,353	-
Prepayments	5	255,464	246,456
Other receivables		12,990,915	-
		53,877,480	39,857,904
Cash at hand and in bank		50,361,797	16,927,976
Total current assets		104,239,277	56,785,880
Total assets		105,629,987	56,785,880

Balance sheet

at 31 December 2016

	Notes	2016 DKK	2015 DKK
Equity and liabilities			
Equity			
Share capital		50,000	50,000
Retained earnings		18,999,236	24,396,671
		<u>19,049,236</u>	<u>24,446,671</u>
Current liabilities			
Trade payables		14,405,324	12,635,951
Prepayments		10,895,563	7,432,072
Payables to group enterprises		45,466,165	0
Joint taxation corporation		0	12,269,885
Other payables		15,813,699	1,301
Total current liabilities		<u>86,580,751</u>	<u>32,339,209</u>
Total liabilities		<u>86,580,751</u>	<u>32,339,209</u>
Total equity and liabilities		<u>105,629,987</u>	<u>56,785,880</u>
Contingent assets, liabilities and other financial obligations	6		
Related parties and ownership	7		
Distribution of profit	8		
Consolidated financial statements	9		

Statement of changes in Equity

at 31 December 2016

	Share capital	Retained earnings	Total
	<i>DKK</i>	<i>DKK</i>	<i>DKK</i>
Equity at 1 January	50,000	24,396,671	24,446,671
Net profit / loss for the year	-	-5,397,435	-5,397,435
Equity at 31 December	50,000	18,999,236	19,049,236

	Number	Nominal Value
		<i>DKK</i>
Shares at DKK 1	50,000	50,000
		50,000

Notes to the annual report

at 31 December 2016

1. Financial income

	<u>2016</u>	<u>2015</u>
	<i>DKK</i>	<i>DKK</i>
Interest received from group enterprises	-	1,043,869
Other financial income	-	-151,738
Exchange adjustments	3,220,571	14,404,747
	<u>3,220,571</u>	<u>15,296,878</u>

2. Finance expenses

Interest expenses, group entities	190	-
Exchange adjustments, expenses	4,924,692	11,842,785
Other financial expenses	1,279	1,419
	<u>4,926,161</u>	<u>11,844,204</u>

3. Tax on profit / loss for the year

Current tax for the year	(1,522,353)	9,127,894
	<u>(1,522,353)</u>	<u>9,127,894</u>

4. Construction in Progress at cost

	<u>CWIP</u>
	<i>DKK</i>
Cost at 1 January 2016	-
Additions	1,390,710
Cost at 31 December 2016	<u>1,390,710</u>
Impairment losses and amortization at 1 January 2016	-
Depreciation for the year	-
Impairment losses and Depreciation at 31 December 2016	-
	<u>1,390,710</u>

5. Prepayments

Prepayments include rent paid in advance.

6. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Company is jointly taxed with the 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.

Notes to the annual report

at 31 December 2016

7. 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.

Only transactions with related parties that have not been carried through on normal market terms will be disclosed. The Company have not been part in such transactions in the accounting year.

Name of the Related party	Place of register	Basis of controlling influence
Honeywell International Inc.		100 Llc Membership Interest shares
Honeywell Specialty Materials, LLC	2711 Centerville Road Suite 400 Wilmington DE 19808 United States	3.05898259% Llc Membership Interest
UOP LLC		3.05898259% 96062488 Uop International Holdings Limited shares
UOP International Holdings Limited	Liongate Ladymead Guildford, Surrey GU1 1AT, UK	3.05898259% 200 Ordinary shares
Honeywell Switzerland PMT Sarl	Route des Falaises 7 2001 Neuchatel 1, Switzerland	3.05898259% 181 Ordinary Shares
Honeywell International Sarl	Zone d'Activités La Pièce 16,180 Rolle, Switzerland	100% 147,967 Capital shares
Satcom1 APS	Strandesplanaden 110, Vallensbaek Strand, 2665, Denmark	100% Voting rights

8. Distribution of Profit

	2016	2015
	DKK	DKK
Profit for the year	-5,397,435	29,714,208
Distribution of profit	-	-
Extraordinary distribution of dividend	-	-15,000,000
Retained earnings	<u>-5,397,435</u>	<u>14,714,208</u>

9. Consolidated Financial Statements

The Company is owned 100% by Satcom 1 APS which is owned by Honeywell International Sàrl. The company is included in the Group Annual Report as a subsidiary.

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.honeywell.com.