

Satcom1 Airtime Services ApS

Strandesplanaden 110, 2665 Vallensbæk Strand, Denmark

CVR No. 35634541

Annual Report for 1 January - 31 December 2018

*The Annual Report was presented
and adopted at the Annual General
Meeting of the Company on 26/06
/2019.*

Allan Reinert

Chairman

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ALLAN REINERT

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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 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position. We recommend that the annual report be approved at the annual general meeting.

Vallensbæk Strand, 26/06/2019

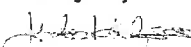
Executive Board

Allan Reinert

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Jackie Lund Nikolajsen

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Independent Auditor's Report

To the shareholders of Satcom1 Airtime Services ApS

Report on the financial statements

We have audited the financial statements of Satcom1 Airtime Services ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31-12-2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the 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 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.

26/6
Copenhagen, ----, ----, 2019

Deloitte Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 96 35 56


Jan Larsen

State Authorised Public Accountant

MNE-number: mne16541

Company Information

The company

Satcom1 Airtime Services ApS
Strandesplanaden 110, 2665 Vallensbæk Strand, Denmark
Telephone: +45 46 15 45 46
Telefax: +45 46 15 45 36
Website: www.satcom1.com

CVR No. 35634541
Established: 09-01-2014

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

Executive Board

Allan Reinert
Jackie Lund Nikolajsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6,
DK-2300 København S

Financial Highlights

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

Key figures	2018	2017	2016	2015	2014
	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>
Profit/(loss)					
Revenue	25,485,185	19,483,411	16,079,950	22,999,531	9,728,451
Ordinary operating profit/(loss)	-4,533,936	2,047,451	-495,859	5,268,424	2,216,387
Operating profit/(loss)	-4,533,936	2,047,451	-495,859	5,268,424	2,216,387
Net financial income/(expense)	540,692	376,690	-277,727	514,000	69,572
Net profit/(loss) for the year	-3,114,730	1,890,830	-560,207	4,423,554	1,725,899
Balance sheet					
Investments in property, plant and equipment	0	0	194,927	0	0
Total Assets	52,490,428	29,743,839	14,805,519	8,315,974	5,400,051
Equity	1,446,117	4,560,847	2,670,017	3,580,078	1,589,360
Financial ratios %					
Gross margin	-17.79%	10.51%	-4.79%	22.91%	22.78%
Profit/(loss) margin	-17.79%	10.51%	-4.79%	22.91%	22.78%
Return on assets	-11.03%	9.19%	6.42%	78.77%	75.21%
Solvency ratio	2.76%	15.33%	18.03%	43.05%	29.43%
Return on equity	-103.70%	52.30%	-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

The income statement of the Company for 2018 shows a loss of USD 3,114,730 and at 31 December 2018 the balance sheet of the Company shows equity of USD 1,446,117.

The Sales for 2018 was USD 25,485,185 compared to USD 19,483,411 for 2017.

The Operating loss for the company was USD 4,533,936. The result for 2018 represents USD -3,114,730 compared to profit of USD 1,890,830 for 2017 and is at expected level. After the result of the year the solvency ratio is 2.76% compared to 15% in 2017.

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 Network 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 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 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

The company is committed to be one of the leading companies within environmental control with regard to the running of own facilities.

Uncertainty relating to recognition and measurement

Satcom1 Airtime Services abides with Honeywell Inc.'s strong financial and ethical controls to minimize any revenue recognition issues. Stringent controls remain in place and are reviewed annually, including FCPA training which is established as a mandatory requirement for all Honeywell 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

Basis of accounting

Financial Statements of Satcom1 Airtime Services ApS for 2018 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 2018 are presented in USD

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. The company will ensure that consolidated financial statement of Honeywell International Inc will be available to public before the company's result are being

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.

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

Income Statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

A sale is considered completed when:

- delivery has taken place before the end of the financial year,
- a binding sales agreement has been entered into,
- the sales price has been determined, and payment has been received or it is reasonably certain that payment will be received.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation and administration.

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

Accounting Policies

Other external expenses

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

Staff expenses

Staff costs comprise wages and salaries as well as related costs.

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 year's 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

Current assets

Receivables

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

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

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

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.

Other financial liabilities

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

Accounting Policies

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.

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	$\frac{\text{Profit for the year after tax} \times 100}{\text{Average equity}}$

Rectification of information of previous financial period

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

1. Payables to group enterprises of USD 2,530,355 in 2017 reclassified from "Other payables" to "Payables to group enterprises".

Income Statement

for the year ended 31 December 2018

	Notes	2018 USD	2017 USD
Revenue		25,485,185	19,483,411
Expenses for raw materials and consumables		-21,787,657	-13,211,072
Other external expenses		-8,231,464	-4,224,888
Cost of sales		-30,019,121	-17,435,960
Gross profit/(loss)		-4,533,936	2,047,451
Operating profit/(loss)		-4,533,936	2,047,451
Financial Income	1	673,474	389,175
Financial Expenses	2	-132,782	-12,485
Profit/(loss) before tax		-3,993,244	2,424,141
Tax benefit/(expense) for the year	3	878,514	-533,311
Profit/(loss) for the year	6	-3,114,730	1,890,830

Balance Sheet

at 31 December 2018

	Notes	2018 USD	2017 USD
Assets			
Current assets			
Receivables			
Trade receivables		2,056,174	2,368,619
Receivables from group enterprises.		5,137,490	1,738,682
Deferred tax assets		878,514	0
Other receivables		1,188	12,121
Prepayments		1,633,977	7,211
Total receivables		9,707,343	4,126,633
Cash at hand and in bank		42,783,085	25,617,206
Total current assets		52,490,428	29,743,839
Total Assets		52,490,428	29,743,839
Equity And Liabilities			
Equity			
Share capital		7,008	7,008
Retained earnings		1,439,109	4,553,839
Total Equity		1,446,117	4,560,847
Trade payables		1,658,769	684,643
Payables to group enterprises		49,233,575	22,881,790
Corporation tax	3	0	555,177
Other payables		61,479	10,625
Deferred income		90,488	1,050,757
Total current liabilities		51,044,311	25,182,992
Total liabilities		51,044,311	25,182,992
Total Equity And Liabilities		52,490,428	29,743,839
Contingent assets, liabilities and other financial obligations	4		
Related parties and ownership	5		
Appropriation of profit/loss	6		

Statement of Changes in Equity

at 31 December 2018

	Share capital	Retained earnings	Total
	USD	USD	USD
Equity at 1 January 2018	7,008	4,553,839	4,560,847
Net profit / loss for the year		-3,114,730	-3,114,730
Equity at 31 December 2018	7,008	1,439,109	1,446,117

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

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

Notes to the annual report

at 31 December 2018

1 Finance income	2018	2017
	USD	USD
Other financial income	673,474	389,175
Total	673,474	389,175

2 Finance expenses	2018	2017
	USD	USD
Interest paid to group enterprises	0	1,345
Exchange adjustments, expenses	132,782	11,140
Total	132,782	12,485

3 Tax on profit / loss for the year	2018	2017
	USD	USD
Current tax for the year	0	555,177
Deferred tax for the year	-878,514	-21,866
Current tax, adjustments to prior year	0	-21,866
Deferred tax, adjustments to prior year	0	21,866
Total	-878,514	533,311

4 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

5 Related parties and ownership

Transactions

The company's related parties are Honeywell International Inc. and its subsidiaries. With reference to section 98 C (7) of the Danish Financial Statements Act, the company has chosen only to disclose transactions with related parties not carried through on normal market terms. All transactions between the related parties are based on arms-length terms. 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 has not been part in such transactions in the accounting year.

Notes to the annual report

at 31 December 2018

5 Related parties and ownership (continued)

Name of the Related party	Place of register	Basis of controlling
Honeywell International Inc.	251 Little Falls Drive Wilmington DE 19808 United States	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, 2665 Vallensbaek Strand, Denmark	100% Voting rights

6 Appropriation of profit/loss

	2018	2017
	USD	USD
Recommended appropriation of profit/loss		
Transferred to reserves under equity	-3,114,730	1,890,830
	-3,114,730	1,890,830

7 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:

251 Little Falls Drive
Wilmington DE 19808
United States

Or on the home page www.honeywell.com