

Satcom1 Airtime Services ApS

Strandesplanaden 110, 2665, Vallensbæk Strand, Denmark

CVR no. 35634541

Annual report 2022

Approved at the Company's annual general meeting on

Chairman:

.....
Thinus Svendsen

Satcom1 Airtime Services ApS

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COMPANY INFORMATION

Entity

Satcom1 Airtime Services ApS
Strandesplanaden 110
2665, Vallensbæk Strand , Denmark
Telephone: +45 46 15 45 46
Telefax: +45 46 15 45 46

Company CVR: 35634541
Established on: 09-01-2014

Financial year: 2022-01-01 - 2022-12-31
Municipality of reg. office: Vallensbæk

Annual general meeting:

Executive Board

Thinus Svendsen
Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the annual report of Satcom1 Airtime Services ApS for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In my opinion, the company financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2022.

Further, in my 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.

I recommend that the annual report be approved at the annual general meeting.

Copenhagen, 29/06/2023

Executive Board:

Thinus Svendsen
Director

**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 01.01.2022 - 31.12.2022, 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 2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis of 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 scepticism 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.

Independent auditor's report

To the shareholders of Satcom1 Airtime Services ApS

Auditor's responsibilities for the audit of the financial statements (continued)

- 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's review

Management is responsible for the Management's review.

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.

Copenhagen, 29.06.2023

Deloitte Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Jan Larsen

State Authorised Public Accountant

Identification No (MNE) mne16541

COMPANY

Financial highlights

31 december

	2022	2021	2020	2019	2018
	USD	USD	USD	USD	USD
Key figures					
Revenue	69.368.405	49.697.220	37.193.928	35.521.305	33.612.003
Profit/loss from ordinary activities	7.023.604	2.480.269	2.527.472	3.950.430	(4.141.201)
Profit/loss from net financials	(2.279.632)	(1.465.137)	(702.660)	(1.298.991)	(1.683.097)
Profit/loss for the year	3.285.667	791.588	1.422.654	2.059.880	(4.556.657)
	USD	USD	USD	USD	USD
Investments in property, plant and equipment	0	0	0	696.850	0
Total assets	71.032.798	67.921.421	63.671.334	60.561.023	52.334.815
Equity	10.529.270	7.243.603	6.452.015	5.029.364	2.969.482

31 december

	USD	USD	USD	USD	USD
Financial ratios %					
Profit/(loss) margin	10,1	5,0	6,8	11,1	(12,3)
Gross margin	28,1	32,4	9,4	17,0	(5,5)
Solvency ratio	14,8	10,7	10,1	8,3	5,7
Return on assets	(32,5)	3,8	4,1	7,0	(10,1)
Return on equity	37,0	11,6	24,8	51,5	(121,0)

31 december

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and ratios".

Financial highlights for the year 2018 does not reconcile to last year due to merger of Satcom1 Aps into Satcom1 Airtime Services Aps.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Profit margin	$\frac{\text{Operating profit(EBIT)} \times 100}{\text{Revenue}}$
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COMPANY

Financial highlights (continued)

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total Equity and liabilities, year-end}}$
Return on assets	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average assets}}$
Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$

COMPANY

Management commentary

Business review

Satcom1 Airtime Services ApS is fully owned by Honeywell International SÁRL, Business Identification Number CHE-116.346.195, Zone d'Activités, La Piece 16, CH-1180 Rolle, Switzerland.

The company provides airtime and advanced connectivity services and solutions to the global General Aviation market, that is for non-scheduled aviation such as Corporate, Business, Private, as well as certain governmental VIP and transport aircrafts.

Financial review

The income statement of the Company for 2022 shows a profit of USD 3.285.667 and at 31 december 2022 the balance sheet of the Company shows equity of USD 10.529.270.

The Sales for 2022 was USD 69.368.405 compared to USD 49.697.220 for 2021.

The Operating income for the company was USD 7.023.605. The result for 2022 represents USD 3.285.667 compared to gain of USD 791,588 for 2021. After the result of the year the solvency ratio is 14.82% compared to 10.66% in 2021.

COMPANY**Management commentary (continued)****Outlook**

The overall demand for in-flight connectivity at fastest possible data speeds is expected to continue and increase in the coming years. For existing aircraft, the trend of upgrading its SATCOM communication terminal for newer systems persist and the outlook for new aircraft deliveries with the latest communication technologies is expected to grow further in the years to come.

Honeywell Aerospace's 31st annual Global Business Aviation Outlook (October 2022) projects 8,500 new business jet deliveries valued at \$274 billion over the next decade. Projected business jet deliveries, expenditures over the next decade surge 15% from last year's survey in 2021, along with a 9% increase of business jet usage through same period. This while aircraft operators report interest in reducing their carbon footprints.

Honeywell Aerospace is a leading manufacturer of SATCOM communication systems that together with Satcom1 Airtime Service ApS will continue to pursue and grow within this highly attractive inflight connectivity market.

Satcom1 Airtime Services are sold and supported through Honeywell's global team of sales managers and technical supporters, including four employees working out of the Danish office.

The 2023 Annual Operating Plan (AOP) forecasted revenue for Satcom1 Airtime Services ApS is \$70.042.000 .

Honeywell Aerospace product and services are found on virtually every commercial, defense and space aircraft. The aerospace business unit develops innovative solutions for fuel efficient airplanes, enabling 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.

External environment

Following the geopolitical events since 24 February 2022, and the ongoing conditions in Ukraine, Honeywell has suspended substantially all sales, distribution and service activities in Russia and Belarus. The situation is under continuous evaluation and how it will affect the business through 2023 is unclear.

2022 marked the end of the COVID-19 pandemic and had no influence on the general business environment as such. During spring 2022 the general in-office work and business travel restrictions were lifted in correlation with Danish Health Authorities guidance.

External environment

Honeywell is committed to become carbon neutral in its operations and facilities by 2035. These initiatives represent a continuation of the company's sustainability efforts since 2004, which have already driven a more than 90% reduction in the greenhouse gas intensity of its operations and facilities. Within the aviation sector, Honeywell Aerospace is involved in several green transformation initiatives, including Sustainable Aviation Fuel (SAF), eFuel (Power to X), electric powered aircrafts and drones, new turbojet engines using less fuel etc. Read more on <https://www.honeywell.com/us/en/company/sustainability>

COMPANY**Management commentary (continued)****Uncertainty relating to recognition and measurement**

Satcom1 Airtime Services ApS abides with Honeywell Inc.'s strong financial and ethical controls to minimize any revenue recognition issues. Stringent controls remain in place and are reviewed on regular basis, including Foreign Corrupt Practices Act (FCPA) training which is established as a mandatory requirement for all Honeywell employees.

Knowledge resources

The Company maintain and drives Honeywell Aerospace's sales team for the Business Aviation Connectivity products for Europe. Each employee participates in Honeywell's comprehensive on-line training academy within Business Code of Conduct, Inclusion & Diversity, Product Training, business insight and intelligence courses etc., along with regular webinars, TEAMS meetings with Product Management and R&D functions, as well as general on-the-job training in the field. Honeywell Aerospace offers structured and wide-ranged On-Boarding programs for New Hires covering same topics as above.

For more information visit www.honeywell.com or follow @Honeywell_Aero and @Honeywell on social media platforms.

Corporate social responsibility

Social responsibility is a part of Satcom1 Airtime Services ApS'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. Satcom1 Airtime Services ApS Denmark as part of 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 Satcom1 Airtime Services ApS, 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.

Data ethics

In the annual report of the Group, Honeywell Inc comments on data ethics policies. For further details, we recommend checking the annual report of the Group, which can be found using the following link: <http://investor.honeywell.com>. In 2023, a data ethics policy will be prepared and approved by the Board of Directors. Honeywell Inc will actively work to ensure that all information is responsibly handled and follows all applicable standards, policies and laws. Of course, this work also implies that the Group strives to conduct its business ethically, acknowledging the increased use and processing of data as an integral part of the Group's business. Before the Board of Directors approves the data ethics policy, it will be discussed and approved by the management team of the Group.

Goals and policies for the underrepresented gender

Goals and policies for the underrepresented gender Satcom1 Airtime Services ApS believes that diversity among employees, including equal distribution of gender contributes positively to the working environment and strengthens the Company's performance and competitiveness.

Due to the size of the company and the limited number of employees there are no female employees at the moment. The company will continue to consider the equal gender distribution as an important objective would the situation change in the future.

	Note	2022 USD	2021 USD
Revenue	2	69.368.405	49.697.220
Cost of sales		(56.817.199)	(43.881.273)
Other external expenses		(4.660.994)	(2.347.855)
Gross margin		<u>7.890.211</u>	<u>3.468.092</u>
Staff costs	3	(822.238)	(938.116)
Amortisation, depreciation and impairment losses		(44.369)	(49.707)
Operating profit		<u>7.023.604</u>	<u>2.480.269</u>
Profit before net financials		7.023.604	2.480.269
Financial income	4	760.450	26.462
Finance expenses	5	(3.040.082)	(1.491.599)
Profit before tax		<u>4.743.972</u>	<u>1.015.132</u>
Tax benefit/(expense) for the year	6	(1.458.305)	(223.544)
Profit for the year		<u>3.285.667</u>	<u>791.588</u>

	Note	2022 USD	2021 USD
ASSETS			
Non-current assets			
<i>Property, plant and equipment</i>			
Fixtures and fittings, plant and equipment	8	546.369	590.738
		<u>546.369</u>	<u>590.738</u>
<i>Financial assets</i>			
Deferred tax assets	7, 9	23.879	0
		<u>23.879</u>	<u>0</u>
Total non-current assets		<u>570.248</u>	<u>590.738</u>
Current assets			
<i>Receivables</i>			
Trade receivables		138.695	3.191.934
Other receivables		2.678	21
Prepayments	9	83.850	83.850
Receivables from group enterprises		69.468.418	63.742.594
		<u>69.693.641</u>	<u>67.018.399</u>
Cash		768.909	312.285
Total current assets		<u>70.462.550</u>	<u>67.330.684</u>
TOTAL ASSETS		<u>71.032.798</u>	<u>67.921.422</u>

(continued)

	Note	2022	2021
		USD	USD
Equity and liabilities			
<i>Equity</i>			
Share capital		7.010	7.010
Retain earnings		10.522.261	7.236.594
Total equity		<u>10.529.271</u>	<u>7.243.604</u>
<i>Provisions</i>			
Provision for deferred tax		0	23.004
		<u>0</u>	<u>23.004</u>
<i>Current liabilities</i>			
Trade payables		5.477.932	3.578.962
Payables to group enterprises		53.551.756	54.534.821
Other payables		215.199	2.325.170
Corporation tax payable		1.258.640	215.861
Total current liabilities		<u>60.503.527</u>	<u>60.654.814</u>
Total liabilities		<u>60.503.527</u>	<u>60.677.818</u>
Total equity and liabilities		<u>71.032.798</u>	<u>67.921.422</u>

31 december

	Note	Share Capital USD	Retained earning USD	Total USD
Equity at 1 January 2022		7.010	7.236.594	7.243.604
Transfer, see "Appropriation of profit/loss"	14	0	3.285.667	3.285.667
Equity at 31 December 2022		<u>7.010</u>	<u>10.522.261</u>	<u>10.529.271</u>

NOTES TO THE FINANCIAL STATEMENTS

Contents of the notes to the financial statements

- 1 Accounting policies
- 2 Segment information
- 3 Staff costs and incentive plans
- 4 Financial income
- 5 Financial expenses
- 6 Tax for the year
- 7 Deferred tax
- 8 Property, plant and equipment
- 9 Deferred tax assets
- 10 Contractual obligations and contingencies, etc.
- 11 Collateral
- 12 Fees paid to auditors appointed at the annual general meeting
- 13 Related parties
- 14 Appropriation of profit/loss

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies**

The annual report of Satcom1 Airtime Services ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large size reporting class C entities.

1.1 Omission of a cash flow statement

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 publicized.

1.2 Financial statements

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.

US Dollar is used as the measurement currency. All other currencies are regarded as as foreign currencies.

1.3 Income statement**(a) Revenue**

The Company has chosen IFRS 15 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.

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.

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies (continued)****(b) Expenses for raw materials and consumables**

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises 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.

(c) Other external expenses

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

(d) Staff expenses

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

(e) 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.

(f) Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. 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.

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.

1.4 Balance sheet**(a) Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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.

Interest expenses on loans raised specifically to finance the manufacture of property, plant and equipment are recognised in cost over the manufacturing period. All indirectly attributable borrowing costs are recognised in the income statement.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Other fixtures and fittings, plant and equipment

3 - 15 years

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies (continued)***(a) Property, plant and equipment (continued)*

Assets costing less than USD 1,886 are expensed in the year of acquisition.

(b) 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"

(c) Impairment of 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.

Gain and losses on sale of intangible assets are recognised in the income statement under "other operating income" or "other operating expense", respectively. Gain and losses are calculated as difference between selling price less selling expense and carrying amount at time of sale.

(d) 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.

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.

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies (continued)****(f) Prepayments**

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

(g) Cash at hand and in bank

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

(h) Equity*(i) Dividend*

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

(i) 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.

(j) 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.

(k) 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.

(l) Other payables

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

NOTES TO THE FINANCIAL STATEMENTS

2. Segment information**Activities - Primary segment**

	Note	2022 USD	2021 USD
Airtime		69.368.405	49.697.220

Geographical – Secondary segment

	Note	2022 USD	2021 USD
Denmark		96.090	64.927
Rest of the world		69.272.315	49.632.293
		<u>69.368.405</u>	<u>49.697.220</u>

3. Staff costs and incentive plans

	2022 USD	2021 USD
Wages and salaries	762.509	847.073
Pensions	59.729	91.043
	<u>822.238</u>	<u>938.116</u>

Average number of full-time employees	<u>4</u>	<u>4</u>
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By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

NOTES TO THE FINANCIAL STATEMENTS

4. Financial income

	2022 USD	2021 USD
Interest income from group enterprises	753.345	4.452
Other financial income	7.105	22.010
	<u>760.450</u>	<u>26.462</u>

5. Financial expenses

	2022 USD	2021 USD
Interest expenses, group enterprises	467.568	80.812
Foreign exchange losses	2.572.514	1.410.787
	<u>3.040.082</u>	<u>1.491.599</u>

6. Tax for the year

	2022 USD	2021 USD
<i>Tax for the year</i>		
Current tax charge for the year	1.505.186	215.861
Adjustment of the deferred tax charge for the year	(46.881)	7.683
	<u>1.458.305</u>	<u>223.544</u>

NOTES TO THE FINANCIAL STATEMENTS

7. Deferred tax

	Note	2022 USD	2021 USD
Deferred tax at 1 January		23.002	15.319
Adjustment of the deferred tax charge for the year		(46.881)	7.683
		(23.879)	23.002
<i>The deferred tax charge relates to:</i>			
Equipment		(46.881)	7.683
<i>Deferred tax assets are expected to be set off within:</i>			
0 - 1 years		0	0
1 - 5 years		23.879	0
> 5 years		0	0
		23.879	0

8. Property, plant and equipment

**31 december
2022**

	Fixtures and fittings, plant and equipment USD	Total
Cost at 1 January 2022	877.086	877.086
Cost at 31 december 2022	877.086	877.086
Depreciation and impairment losses at 1 January 2022	286.348	286.348
Depreciation	44.369	44.369
Depreciation and impairment losses at 31 december 2022	330.717	330.717
Carrying amount at 31 december 2022	546.369	546.369

9. Prepayments

Prepayment include accrual of expenses relating to subsequent financial years, which consists of prepaid air time service cost for \$83,850.

10. Contingent assets, liabilities and other financial obligations

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.

The company contracted a Multi option facility for an amount of USD 191.277 .

NOTES TO THE FINANCIAL STATEMENTS

11. Collateral

The Company has not placed any assets or other as security for loans at 31/12/2022.

12. Fees paid to auditors appointed at the annual general meeting

	2022 USD	2021 USD
Fee for statutory audit	27.008	26.268
Total fee paid to Auditor	27.008	26.268

13. Related parties and ownership**13.1 Related party 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.

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.

Controlling interest	Registered address	Basis
Honeywell International Inc.	251 Little Falls Drive Wilmington DE 19808 United States	100 Llc Membership Interest shares
Honeywell Specialty Materials, LLC	251 Little Falls Drive Wilmington DE 19808 United States	3.05898259% Llc Membership Interest
UOP LLC	251 Little Falls Drive Wilmington DE 19808 United States	3.05898259% 96062488 Uop International Holdings Limited shares
UOP International Holdings Limited	Honeywell House, Skimped Hill Lane, Bracknell, Berkshire, RG12 1EB, United Kingdom	3.05898259% 200 Ordinary shares
Honeywell Switzerland PMT Sarl	Zurichstrasse 9, 6004, Lucerne, Lucerne, Switzerland	3.05898259% 181 Ordinary Shares
Honeywell International Sarl	Zone d'Activités La Pièce 16,180 Rolle, Switzerland	100% 1 Capital share

NOTES TO THE FINANCIAL STATEMENTS

13. Related parties (continued)

The Company is owned 100% by Honeywell International Sarl. 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:
251 Little Falls Drive
Wilmington DE 19808
United States

Or on the home page <http://investor.honeywell.com>

14. Appropriation of profit/loss

	2022 USD	2021 USD
<i>Recommended appropriation of profit/loss</i>		
Transferred to reserves under equity	3.285.667	791.588
	<u>3.285.667</u>	<u>791.588</u>