

# Honeywell Productivity Solutions A/S

Strandesplanaden 110, 2665, Vallensbæk Strand

CVR no. 14223037

## **Annual report 2023**

Approved at the Company's annual general meeting on 02-08-2024

Chairman: Olivier Laille Tehio

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## **Company information**

### **Entity**

Honeywell Productivity Solutions A/S  
Strandesplanaden 110  
2665, Vallensbæk Strand

Company CVR: 14223037

Financial year: 2023-01-01 - 2023-12-31

### **Directors**

Patrik Fredriksson  
Director

Khellafi Hicham  
Director

Olivier Laille Tehio  
Chairman

### **Executive Board**

Khellafi Hicham

### **Bankers**

Danske Bank  
Holmes kanal 2  
1092 København K

### **Lawyers**

MoltkeLeth  
Amaliegade 12  
1256 København K

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 København S

### Management's statement

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Honeywell Productivity Solutions A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the entity financial statements give a true and fair view of the entity's financial position at 31 December 2023 and of the results of the entity's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the entity's operations and financial matters and the results of the entity's operations and financial position.

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

2 August 2024

Executive Board:

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Khellafi Hicham

Board of Directors:

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Patrik Fredriksson  
Director

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Khellafi Hicham  
Director

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Olivier Laille Tehio  
Chairman

**Independent auditor's report  
To the shareholders of Honeywell Productivity Solutions A/S  
(Incorporated in Denmark with limited liability)**

**Opinion**

We have audited the financial statements of Honeywell Productivity Solutions A/S for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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 responsibilities for the financials 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 (continued)**  
**To the shareholders of Honeywell Productivity Solutions A/S**  
**(Incorporated in Denmark with limited liability)**

- 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 2 August 2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Jan Larsen**

State Authorised Public Accountant  
Identification No (MNE) mne16541

## **Management commentary**

### **Principal activity**

Honeywell Productivity Solutions A/S's main objective is to design, manufacture, sell and distribute automatic data collection systems.

### **Financial review**

The income statement of the Company for 2023 shows a profit of DKK 3.917 thousand and at 31 December 2023 the balance sheet of the Company shows equity of DKK 13.424 thousand.

The Operating profit for the company was DKK 4.342 thousand.

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

Honeywell's Productivity Solutions A/S abides with Honeywell Inc.'s strong financial and ethical controls and undertakes both Internal Financial and External SOX compliance audits to minimize any revenue recognition issues. Stringent controls remain in place and are reviewed annually.

### **Events after the balance sheet date**

The entity does not have any significant events after the balance sheet date with impact on the 2023 figures.

	<b>Note</b>	2023 DKK	2022 DKK
Revenue		67.016.608	67.264.312
Cost of sales		(24.749.064)	(32.208.301)
<b>Gross margin</b>		<u>42.267.544</u>	<u>35.056.011</u>
Other external expenses		(37.925.964)	(40.835.939)
<b>Operating profit/(loss)</b>		<u>4.341.580</u>	<u>(5.779.928)</u>
<b>Profit/(Loss) before net financials</b>		4.341.580	(5.779.928)
Financial income	3	1.283.348	295.268
Finance expenses	4	(602.962)	(1.006.723)
<b>Profit/(Loss) before tax</b>		<u>5.021.967</u>	<u>(6.491.383)</u>
Tax benefit/(expense) for the year	5	(1.104.825)	1.428.104
<b>Profit/(loss) for the year</b>		<u>3.917.142</u>	<u>(5.063.279)</u>

**Statement of financial position**

	<b>Note</b>	2023 DKK	2022 DKK
<b>ASSETS</b>			
<b>Current assets</b>			
Inventories			
Finished goods and goods for resale		10.258	10.528
		<u>10.258</u>	<u>10.528</u>
Receivables			
Trade receivables		18.199.997	9.146.608
Other receivables		0	23.595
Deferred tax asset		261	261
Receivables from group enterprises		25.654.276	31.339.361
Corporation tax receivable		0	1.428.104
		<u>43.854.534</u>	<u>41.937.929</u>
<b>Cash</b>		5.026	11.229
<b>Total current assets</b>		<u>43.869.818</u>	<u>41.959.686</u>
<b>TOTAL ASSETS</b>		<u>43.869.818</u>	<u>41.959.686</u>

**Statement of financial position (continued)**

	<b>Note</b>	2023 DKK	2022 DKK
<b>Equity and liabilities</b>			
Equity			
Share capital		500.000	500.000
Retained earnings		12.924.495	9.007.353
<b>Total equity</b>		<u>13.424.495</u>	<u>9.507.353</u>
Non-current liabilities			
Deferred income	6	4.604.090	5.596.662
<b>Total non-current liabilities</b>		<u>4.604.090</u>	<u>5.596.662</u>
Current liabilities			
Trade payables		45.677	70.055
Payables to group enterprises		9.331.543	11.521.508
Other payables		9.929.451	9.851.904
Deferred income	6	5.429.737	5.412.204
Corporation tax payable		1.104.825	0
<b>Total current liabilities</b>		<u>25.841.233</u>	<u>26.855.671</u>
<b>Total liabilities</b>		<u>30.445.323</u>	<u>32.452.333</u>
<b>Total equity and liabilities</b>		<u>43.869.818</u>	<u>41.959.686</u>

**Statement of changes in equity****31 December**

	<b>Note</b>	Share Capital DKK	Retained earning DKK	Total DKK
Equity at 1 January 2023		500.000	9.007.353	9.507.353
Net profit for the year		0	3.917.142	3.917.142
<b>Equity at 31 December 2023</b>		<b>500.000</b>	<b>12.924.495</b>	<b>13.424.495</b>

**Notes to the financial statements**

**Contents of the notes to the financial statements**

- 1 Accounting policies
- 2 Staff costs and incentive plans
- 3 Financial income
- 4 Financial expenses
- 5 Tax for the year
- 6 Deferred income
- 7 Contingent assets, liabilities and other financial obligations
- 8 Collateral
- 9 Related parties
- 10 Ownership

**Notes to the financial statements (continued)****1. Accounting policies****1.1 Financial statements**

The annual report of Honeywell Productivity Solutions A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Financial Statements for 2023 are presented in DKK.

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. 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.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

**1.2 Income statement****(a) Revenue**

The company has chosen IFRS 15 as interpretation for revenue recognition

**(i) Revenue from the sale of goods**

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.

**(b) 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.

**Notes to the financial statements (continued)****(c) Other external expenses**

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

**(d) 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.

**(e) 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.

**1.3 Balance sheet****(a) Inventories**

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

**(b) 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.

**(c) Cash at hand and in bank**

Cash comprises cash in hand and bank deposits.

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".

**(d) Prepayments**

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

**(e) Equity**

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

**Notes to the financial statements (continued)****(f) Other financial liabilities**

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

**(g) 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.

**(h) 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.

**(i) Other payables**

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 income**

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

**Basis of accounting****2. Staff costs and incentive plans**

The Company does not have employees, except the management which have not received salary.

**3. Financial income**

	2023 DKK	2022 DKK
Interest income from group enterprises	902.845	6.905
Foreign exchange gains	380.503	288.363
	1.283.348	295.268

**Notes to the financial statements (continued)****4. Financial expenses**

	2023 DKK	2022 DKK
Foreign exchange losses	602.962	1.006.723
	<u>602.962</u>	<u>1.006.723</u>

**5. Tax for the year**

	2023 DKK	2022 DKK
Tax for the year		
Current tax charge for the year	1.104.825	(1.428.104)
	<u>1.104.825</u>	<u>(1.428.104)</u>

**6. Deferred income**

	<b>Note</b>	2023 DKK	2022 DKK
Long term deferred income		4.604.090	5.596.662
Short term deferred income		5.429.737	5.412.204
		<u>10.033.827</u>	<u>11.008.866</u>

There are no long term contracts with a duration of more than 5 years.

**7. Contingent assets, liabilities and other financial obligations****7.1 Contingent liabilities**

The Company is jointly taxed with the Danish subsidiaries in the Honeywell group. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes. The companies are jointly liable for taxes in the joint taxation.

**8. Collateral**

The company has not provided any security or other collateral in assets as at 31 December 2023.

**9. Related parties****9.1 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 armslength 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.

**Notes to the financial statements (continued)****9.2 Consolidated Financial Statements**

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

<b>Controlling interest</b>	<b>Registered address</b>	<b>Basis</b>
Honeywell International Inc.	251 Little Falls Drive, Wilmington DE 19808 United States	Ultimate parent

**10. Ownership**

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital. Intermecc Technologies (S) PTE LTD. 17, Changi Business Park, Central 1, Singapore 486073.