

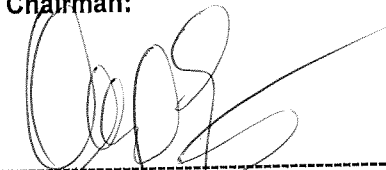
**AMETEK Denmark A/S**

(CVR-nr. 14747079)

**Annual Report  
January 1 - December 31, 2018**

Approved at the annual general meeting on May 29<sup>th</sup>, 2019

Chairman:



Olaf Carl Ehrenskjöld

**Contents**

	<b>Page</b>
<b>Statement by Management on the annual report</b>	1
<b>Independent auditor's report</b>	2 - 3
<b>Management's review</b>	4
Company Information	5
Financial Highlights	6 - 7
Management commentary	
<b>Financial statements January 1 - December 31, 2018</b>	8
Income statement	9 - 10
Balance sheet	11
Statement of changes in equity	12
Cash Flow Statement	13 - 22
Notes	

**Statement by the Management on the annual report**

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of AMETEK Denmark A/S for the financial year January 1 - December 31, 2018.


The annual report has been 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 of the Company at 31 December 2018 and on the result of the company's operations and cash flows for the financial year January 1 - December 31, 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 result of the Company's operations and financial position.

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

Allerød, May 29<sup>th</sup> 2019.

  
Joel Frie  
CEO

  
Craig Timothy Howarth

  
Joel Frie

  
Henrik Allan Olsen

## **Independent auditor's report**

**To the shareholders of AMETEK Denmark A/S**

### **Opinion**

We have audited the financial statements of AMETEK Denmark A/S for the financial year January 1 – December 31 2018, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including 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 financial position of the Company at December 31 2018 and of the results of the Company's operations and cash flows for the financial year January 1 – December 31 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### **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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 Company's internal control.

### **Independent auditor's report**

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 Company'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 Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review 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's review.

Copenhagen, May 29<sup>th</sup>, 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Kennet Hartmann  
State Authorised  
Public Accountant  
MNE no.: mne40036

**Management's review**

**Company Information**

AMETEK Denmark A/S  
Gydevang 32-34  
3450 Allerød

Phone	+45 4816 8000
Fax	+45 4816 8080
Website	<a href="http://www.ametekcalibration.com">www.ametekcalibration.com</a>
E-mail	<a href="mailto:jofra@ametek.com">jofra@ametek.com</a>
VAT No.	14 74 70 79
Founded	1. september 1990
Place	Allerød kommune

**Board of directors**

Craig Timothy Howarth - Malvern, United Kingdom (Chairman)  
Joel Frie - Copenhagen, Denmark  
Henrik Olsen - Skibby, Denmark

**Management**

Joel Frie, General Manager

**Parent company**

AMETEK Holdings B.V., Prins Bernhardplein 200, 1097 JB Amsterdam,  
Netherlands.

**Ultimate parent company**

AMETEK Inc., 1100 Cassatt Road Berwyn, PA 19312

**Auditor**

Ernst & Young  
Godkendt revisionpartnerselskab  
Osvold Helmuths Vej 4  
2000 Frederiksberg

**Other**

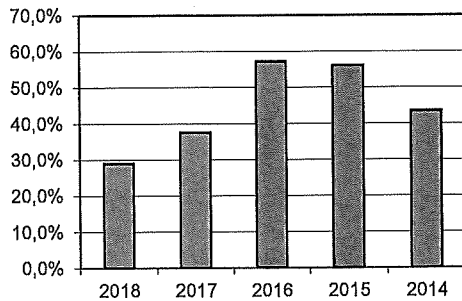
Consolidated annual accounts can be downloaded from [www.Ametek.com](http://www.Ametek.com)

Management's review

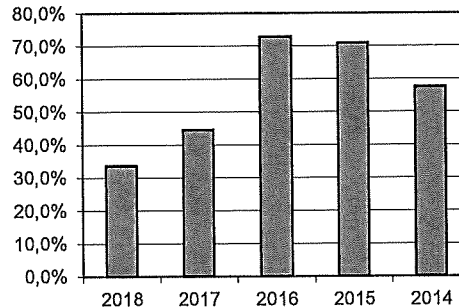
Financial highlights

	2018	2017	2016	2015	2014
<b>Gross profit</b>					
	86.079	85.787	85.218	91.162	82.449
<b>Operating profit</b>					
	40.535	41.202	42.837	47.399	36.529
<b>Profit before tax</b>					
<i>Profit before tax</i>	40.681	39.650	42.255	48.226	36.487
<b>Financial expenses/income - Net</b>					
	146	-1.553	-582	827	959
<b>Profit for the year</b>					
	31.696	30.927	33.003	36.892	28.284
<b>Additions Tangible Fixed Assets</b>					
	1.142	363	841	623	765
<b>Balance</b>					
	139.867	109.566	74.819	84.506	83.924
<b>Equity</b>					
	120.531	88.835	57.908	67.906	64.995
<b>Avg. no of employees</b>					
	43	44	42	44	46

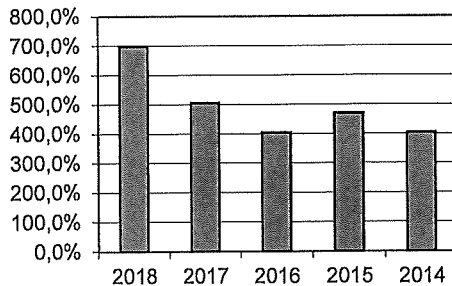
Return on net assets (%)



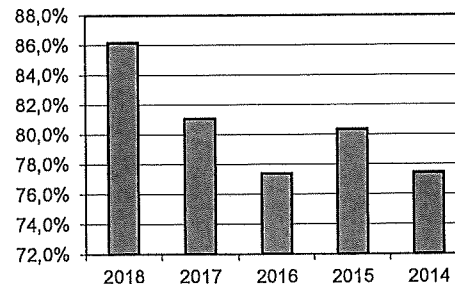
Return on equity (%)



Cash to current liabilities (%)



Solvency (%)



Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios". For terms and definitions, please see accounting policies.

## Management's review

### Management Commentary

#### Primary activity

The primary activity of AMETEK Denmark A/S comprises research & development, production and worldwide sale of temperature, pressure and signal calibration instruments, as well as development and production of temperature sensors.

The division of AMETEK Measurement, Communications & Testing, which AMETEK Denmark A/S is a part of, handles sale, service and calibration in the US and Canada. The affiliated companies in Germany and France handle sale, service and calibration in these markets.

On all other markets, AMETEK Denmark A/S handles marketing and sale from Denmark, either via sales representatives or local distributors.

In 2018, the export share of AMETEK Denmark A/S was 89% compared with 87% in 2017.

#### Trends in activities and economic conditions

##### Result of the year:

Gross Profit for the year ended at TDKK 86,079 vs. TDKK 85,714 in 2017 – an increase primarily driven by stabilized sales to the Oil and Gas Industry as well as tight control of material cost.

Profit after tax for 2018 was TDKK 31,696 (2017: TDKK 30,927) and profit before tax was TDKK 40,681 (2017: TDKK 39,650). The result for the year is considered to be satisfactory under the market conditions.

AMETEK Denmark suggests that profit after tax and additional TDKK 68,304 from previous years are paid as dividend.

##### New products

With the purpose of strengthening the market position as an important global manufacturer and supplier within calibration instruments, AMETEK Denmark A/S introduces more new products during 2019 to complement the existing product portfolio.

##### Investments

Investments of TDKK 1,346 were made during 2018, of which about 65% is related to IT improvements and product tooling.

##### Capital resources

AMETEK Denmark is firmly based and has a high solvency. The solvency in 2018 is 86.2% (2017: 81.1%) corresponding to a total equity as per December 31, 2018 of TDKK 120,531 (2017: TDKK 88,835).

##### Risks

Apart from the general market conditions, the major operating risk of AMETEK Denmark is connected to the ability to hold a strong position on the most important markets. This risk is considered to be limited, as AMETEK Denmark A/S, based on the existing as well as the planned product portfolio and its global sales and distribution network, is at the leading edge of technology and marketing developments within temperature and pressure calibration.

AMETEK Denmark invoices in DKK, EURO, USD, JPY and GBP – the same currencies that cover a considerable part of purchases. In compliance with company policy, all currency funds at AMETEK Denmark A/S are kept at a minimum.



## **Management's review**

### **Management Commentary**

Risks related to receivables are kept on a minimum by tight and ongoing assessment of credit terms. When possible, all foreign trade is insured by Atradius.

#### **Environmental issues**

AMETEK Denmark is continuously working on improvements related to reuse of materials and environment-friendly choice of materials.

Furthermore, air extracting systems, collection filters, and other equipment to continuously collect any substances or materials with a negative impact on the environment, have been installed.

#### **Knowledge resources**

As AMETEK Denmark is a knowledge and know-how intensive company, we always try to document, via our intranet-based ISO-system and other documentation systems, the knowledge of the company at a level protecting this knowledge.

#### **Ownership and other matters**

AMETEK Holdings B.V, Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands owns the whole share capital, and the company is also included in the consolidated accounts.

#### **Future prospects**

In 2019, AMETEK Denmark expects a moderate increase in the gross profit and in earnings due to the expected general pick-up of the global market, continuing introduction of new products and expansion in existing and new market areas.

After the closing of the financial year, no significant events have taken place that affect the financial position and result of the Company.

Financial statements January 1 - December 31, 2018

Income statement

(DKK'000)	Note	2018	2017
<b>Gross profit</b>		86.079	85.714
Other external expenses		-10.224	-10.701
Staff costs	3	-33.894	-32.288
Depreciation intangibles	6	-441	-438
Depreciation, fixed assets	6	<u>-985</u>	<u>-1.085</u>
<b>Operating profit</b>		40.535	41.202
Financial income	4	590	6
Financial expenses	4	<u>-444</u>	<u>-1.559</u>
<b>Profit before tax</b>		40.681	39.650
Income tax	5	<u>-8.986</u>	<u>-8.723</u>
<b>Profit for the year</b>	13	<u><u>31.696</u></u>	<u><u>30.927</u></u>

Financial statements January 1 - December 31, 2018

Balance sheet

(DKK'000)	Note	2018	2017
<b>Assets</b>			
License & software	6	<u>717</u>	<u>955</u>
<b>Intangible fixed assets</b>		<u>717</u>	<u>955</u>
Land & building	6	5.072	5.218
Technical plant and machinery	6	1.153	836
Equipment, fixtures and fittings	6	<u>16</u>	<u>29</u>
<b>Tangible fixed assets</b>		<u>6.241</u>	<u>6.084</u>
<b>Total fixed assets</b>		<u>6.959</u>	<u>7.039</u>
<b>Inventories</b>	7	<u>10.936</u>	<u>11.441</u>
Trade accounts receivable		12.038	14.501
Receivables from group companies		81.660	1.134
Tax receivables	5	-	839
Other receivables		277	3
Prepayments	8	<u>187</u>	<u>179</u>
<b>Receivables</b>		<u>94.163</u>	<u>16.657</u>
<b>Cash</b>		<u>27.809</u>	<u>74.430</u>
<b>Total current assets</b>		<u>132.908</u>	<u>102.528</u>
<b>Total assets</b>		<u><u>139.867</u></u>	<u><u>109.566</u></u>

Financial statements January 1 - December 31, 2018

Balance sheet

(DKK'000)	Note	2018	2017
<b>Liabilities</b>			
Share capital	9	500	500
Reserve for development costs		122	211
Dividend proposed for the year		100.000	0
Retained earnings		<u>19.909</u>	<u>88.124</u>
<b>Total equity</b>		<u>120.531</u>	<u>88.835</u>
Deferred tax	5	<u>322</u>	<u>445</u>
<b>Total provisions</b>		<u>322</u>	<u>445</u>
Trade accounts payable		8.070	9.144
Payable to associated companies		1.501	1.667
Accrued income tax		209	0
Other payables		<u>9.234</u>	<u>9.475</u>
<b>Total short term debt</b>		19.014	20.286
<b>Total debt</b>		<u>19.014</u>	<u>20.286</u>
<b>Total liabilities</b>		<u>139.867</u>	<u>109.566</u>
Accounting policies	1		
Events after the balance sheet date	2		
Contingencies	10		
Joint taxation	11		
Related parties	12		

Financial statements January 1 - December 31, 2018

Statement of changes in equity

(DKK'000)	Note	<u>Share capital</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Dividend proposed for the year</u>	<u>Total</u>
Equity at January 1, 2017		500	173	57.235	0	57.908
Dividend paid out		0	0	0	0	0
Transferred to reserve under equity		0	38	30.889	0	30.927
Equity at January 1, 2018		500	211	88.124	0	88.835
Dividend paid out		0	0	0	0	0
Transferred to reserve under equity	13	0	-89	-68.215	100.000	31.696
<b>Equity at December 31, 2018</b>		<b>500</b>	<b>122</b>	<b>19.909</b>	<b>100.000</b>	<b>120.531</b>

Financial statements January 1 - December 31, 2018

Cash flow statement

(DKK'000)	Note	2018	2017
Profit for the year		31.696	30.927
Adjustments	14	10.266	11.803
Change in Working Capital	15	<u>-77.643</u>	<u>3.527</u>
Cash flow before financial items		<u>-35.682</u>	<u>46.256</u>
Financial income		590	6
Financial expense		<u>-444</u>	<u>-1.559</u>
Cash flow from continuing operations		<u>-35.536</u>	<u>44.703</u>
Paid Income tax		<u>-9.739</u>	<u>-9.451</u>
<b>Cash flow from operating activities</b>		<u><b>-45.275</b></u>	<u><b>35.252</b></u>
Additions to fixed assets	6	-1.142	-363
Additions to intangible assets	6	<u>-204</u>	<u>-285</u>
<b>Cash flow from investing activities</b>		<u><b>-1.346</b></u>	<u><b>-647</b></u>
Dividend paid out		<u>0</u>	<u>-</u>
<b>Cash flow from financing activities</b>		<u><b>0</b></u>	<u><b>-</b></u>
<b>Change in funds, net</b>		<u><b>-46.621</b></u>	<u><b>34.605</b></u>
Cash, beginning of year		<u>74.430</u>	<u>39.825</u>
<b>Cash, year-end</b>		<u><u><b>27.808</b></u></u>	<u><u><b>74.430</b></u></u>

## Financial statements January 1 – December 31, 2018

### Notes

#### Note 1. Accounting policies

##### General aspects

The annual report has been presented in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies are consistent with those of last year.

##### Foreign currency transaction

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the day of payment are recognized in the income statement as financial income or financial expenses. Assets and liabilities denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the day at which the entry arose or was recognized in the latest financial statements is recognized as financial income or financial expenses.

#### Income statement

##### Revenue

The income from sales of goods is recognized in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be measured reliably, and payment is expected to be received. made up reliably. The day at which the risk passes is based on standardized terms of delivery based on Incoterms<sup>®</sup> 2010. VAT, indirect taxes and discounts are excluded from the revenue.

##### Gross margin

With reference to section 32 of the Danish Financial Statement Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operation income' are consolidated into one item designated 'Gross margin'.

##### Cost of sales

Cost of sales comprise costs incurred generating revenue for the year.

##### Other external expenses

Other external expenses comprise expenses related to the entity's core activity, including expenses related to distributing, sales, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs comprise 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 comprise interest income and expenses as well as gain and losses on transactional denominated in foreign currencies.

**Financial statements January 1 – December 31, 2018**

**Notes**

**Note 1. Accounting policies (continued)**

**Research and development costs**

Research and development costs for new products are expensed as and when incurred.

**Tax for the year**

The Company is covered by the Danish rules on mandatory joint taxation of the Danish Group Companies. The Group are included in the joint taxation arrangement from the date at which they are included in the group and up to the date when they are no longer in the group.

The company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

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

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in deferred tax charge – including changes arising from changes in tax rates – is recognized in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entities directly in equity.

**Balance sheet**

**Tangible and intangible fixed assets**

Intangible fixed assets are carried at original cost less accumulated depreciation.

Tangible fixed assets are carried at original cost adjusted for additions and disposals less accumulated depreciation.

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

	Number of years
Buildings	30 years
Special installations	5-10 years
Working plant and furniture	3-5 years
Licenses and software	3-5 years

Depreciation is recognized in the income statement on the respective lines.

Gain and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less cost of selling and the carrying amount at the date of disposal. The gain or losses are recognized in the income statement as other external expenses.

Assets held under finance leases are measured at the lower of cost according to the lease and the net present value of the lease payments, calculated by reference to the interest rate implicit (or an approximation hereof) in the lease less accumulated depreciation and write-downs.



**Financial statements January 1 – December 31, 2018**

**Notes**

**Note 1. Accounting policies (continued)**

An impairment test is made for property, plant and equipment if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

**Inventories**

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

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

The cost of finished goods and work in progress includes the cost of raw material direct labor and indirect production costs, IPO. IPO includes indirect material and wages as well as maintenance and depreciation on buildings and equipment used for the production process and finally costs to the administration and management of the factory. Borrowing costs are not included.

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

**Receivables**

Receivables are measured at amortized cost, which usually corresponds to the nominal value. Provisions are made for bad debt on the basis of objective evidence that the receivable or a group of receivables are impaired. Provisions are made to the lower of the net realizable value and the carrying amount.

**Prepayments**

Prepayments recognized under "Current assets" comprise expenses incurred concerning subsequent financial years.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to an insignificant risk of changes in value.

**Dividend**

Dividend proposed for the year is recognized as a liability at the date when it is adopted at the annual general meeting – declaration date. Dividend expected to be distributed for the financial year is presented as a separate line item under "Equity".

**Income tax and deferred tax**

Current tax payables and receivables are recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior year taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the result of operations nor the taxable income, as well as temporary differences on non-amortizable goodwill.

**Financial statements January 1 – December 31, 2018**

**Notes**

**Note 1. Accounting policies (continued)**

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective counties at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

**Liabilities**

Financial liabilities are recognized at the date of borrowing at the net proceeds received less transaction costs paid. Interest-bearing debt is subsequently measured at amortized cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognized as financing costs in the income statement over the term of the loan.

Financial liabilities also include the capitalized residual lease liability in respect of finance leases.

Other liabilities are measured at net realizable value.

**Cash flow statement**

The cash flow statement shows the Company's cash flow from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

**Cash flows from operating activities**

Cash flows from operating activities include the profit of the year adjusted for non-liquidity operating items, financial items, paid income tax and changes in working capital. The working capital consists of current assets and short-term debt, exclusive of the items included in the financial reserves.

**Cash flows from investing activities**

Cash flows from investing activities include purchase and sales of fixed assets as well as deposits.

**Cash flows from financing activities**

Cash flows from financing activities include changes in mortgage debt, long-term borrowings, payment of dividend to shareholders and external subsidies.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and credit balance.

**Financial statements January 1 – December 31, 2018**

**Notes**

**Note 1. Accounting policies (continued)**

**Other information**

**Financial ratios**

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

**Return on Net Assets:**

$$\frac{\text{Operating Profit} * 100}{\text{Total Assets}}$$

**Return on Equity:**

$$\frac{\text{Profit for the Year} * 100}{\text{Equity}}$$

**Cash to current liabilities:**

$$\frac{\text{Current assets} * 100}{\text{Current liabilities}}$$

**Solvency:**

$$\frac{\text{Equity} * 100}{\text{Total equity and liabilities}}$$

Financial statements January 1 - December 31, 2018

Notes

(DKK'000)

**Note 2. Events after the balance sheet date**

After closing of the financial year, there have been no significant events that affect the financial position and result of the Company.

**Note 3. Staff costs**

Total staff costs are made up as follows:	<b>2018</b>	<b>2017</b>
Salaries and wages	31.339	29.879
Pension costs	2.297	2.133
Social security costs	257	276
	<u>33.894</u>	<u>32.288</u>

The average number of employees was 43 in 2018 compared to 44 in 2017.

No remuneration was paid to the board of directors.

With reference to section 98b(3), of the Danish Financial Statements Act, the company like previous years does not disclose the consideration paid to management.

<b>Note 4. Financial income and expenses</b>	<b>2018</b>	<b>2017</b>
<b>Financial income</b>		
Interest income	288	6
Realized/unrealized exchange gains	302	0
	<u>590</u>	<u>6</u>
<b>Financial expenses</b>		
Interest expenses	444	305
Realized/unrealized exchange loss	-	1.254
	<u>444</u>	<u>1.559</u>

<b>Note 5. Income tax</b>	<b>Accrued tax</b>	<b>Deferred tax</b>	<b>Expensed tax</b>
Balance as at January 1	839	445	0
Tax on the profit for the year	9.109	0	9.109
Movement in deferred tax	0	-123	-123
Tax paid/reclaimed during the year	-9.739	0	0
Balance as at December 31, 2018	<u>209</u>	<u>322</u>	<u>8.986</u>

Financial statements January 1 - december 31, 2018

Notes

(DKK'000)

Note 6. Intangible/Tangible fixed assets

	License and software	Building	Technical plant and machinery	Equipment and fixtures and fittings
<b>Cost:</b>				
Balance January 1	5.267	19.236	6.213	756
Disposals	0	-	-189	-
Additions	204	470	672	-
Balance December 31, 2018	<u>5.471</u>	<u>19.706</u>	<u>6.696</u>	<u>756</u>
<b>Accumulated depreciation:</b>				
Balance January 1	4.312	14.018	5.377	727
Disposals	0	-	-189	-
Depreciation for the year	441	616	355	14
Balance December 31, 2018	<u>4.754</u>	<u>14.634</u>	<u>5.542</u>	<u>741</u>
<b>Booked value December 31, 2018</b>	<u>717</u>	<u>5.072</u>	<u>1.153</u>	<u>16</u>
Depreciation rate (straight line basis)	<u>20-33%</u>	<u>3,3-20%</u>	<u>20-33%</u>	<u>20-33%</u>

**Financial statements January 1 - december 31, 2018**

**Notes**

(DKK'000)

<b>Note 7. Inventories</b>	<b>2018</b>	<b>2017</b>
Raw materials and consumables	8.497	8.839
Work in progress	82	171
Finished goods	<u>2.357</u>	<u>2.431</u>
Total inventories	<u><u>10.936</u></u>	<u><u>11.441</u></u>

**Note 8. Prepayments**

Prepayments relate to insurances and operating leases.

**Note 9. Share capital**

The company's share capital consists of 3 shares of TDKK 195 , TDKK 105 and TDKK 200, total TDKK 500. The share capital has remained TDKK 500 in the past 5 years

**Note 10. Contengencies  
Operational lease commitments**

The company has leased sundry machinery and equipment. The lease contracts cover periods up to September 2021 with a total commitment of TDKK 587 of which TDKK 294 is due within one year.

**Note 11. Joint Taxation**

AMETEK Denmark is jointly taxed with its Danish group company. As management company, the company has joint and several unlimited liability, together with the subsidiary, for all Danish income taxes and withholding taxes on dividend, interest and royalties within the group of jointly taxed entities. The jointly taxed entities' total known net liability in respect of income taxes and withholding taxes payable on dividend, interest and royalties. Any subsequent correction of income subject to joint taxation and withholding taxes, ect. could entail an increase in the entities' tax liability. The group as a whole is not liable vis-á-vis any third parties.

Financial statements January 1 - december 31, 2018

Notes

(DKK'000)

**Note 12. Related parties**  
**Parties exercising control**

AMETEK Holdings B.V., Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands holds the share capital in the entity.

**Related party transactions**

The Company have had following transactions with related parties:

	2018	2017
Sales of goods to associated companies	34.011	31.783
Purchase of goods from associated companies	22	23.581
Sales of services to associated companies	2.697	2.364
Purchase of services from parent company	1.121	1.431
Receivables from associated companies	81.660	1.134
Payable to associated companies	1.501	1.667

**Note 13. Appropriation of profit/loss**  
**Recommended appropriation of profit/loss**

Dividend proposed for the year	100.000	0
Reserve for development costs	-89	38
Retained earnings	<u>-68.215</u>	<u>30.889</u>
	<u>31.696</u>	<u>30.927</u>

**Note 14. Adjustments**

Depreciation intangible assets	441	438
Depreciation other fixed assets	985	1.085
Gain/Loss on disposals of fixed assets	-	4
Interest income/expenses	-146	1.553
Change in deferred tax	-123	62
Income tax	<u>9.109</u>	<u>8.661</u>
<b>Total adjustments</b>	<u>10.266</u>	<u>11.803</u>

Financial statements January 1 - december 31, 2018

Notes

(DKK'000)

Note 15. Changes in working capital	2018	2017
Inventories	505	-1.524
Receivables	-76.667	1.292
Short term debt	<u>-1.481</u>	<u>3.759</u>
<b>Total changes in Working Capital</b>	<b><u>-77.643</u></b>	<b><u>3.527</u></b>