

Fluke Danmark A/S

Formervangen 28, 2600 Glostrup
CVR no. 16 58 53 78

Annual report for 2018

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 26.06.19

Jeroen Bernard van de Wiel
Dirigent

Company information etc.	3
Statement of the Board of Directors and Executive Board on the annual report	4
Independent auditor's report	5 - 7
Management's review	8
Income statement	9
Balance sheet	10 - 11
Statement of changes in equity	12
Notes	13 - 20

The company

Fluke Danmark A/S
c/o DOMS A/S
Formervangen 28
2600 Glostrup
Tel.: 80 88 50 89
Fax: 44 57 00 35
Registered office: Albertslund
CVR no.: 16 58 53 78
Founded: 1. oktober 1992
Financial year: 01.01 - 31.12

Executive Board

Ankush Malhotra

Board Of Directors

Jeroen Bernard van de Wiel
Ankush Malhotra
Robertus Meijs

Auditors

ERNST & YOUNG
Godkendt Revisionspartnerselskab

Lawyer

Bruun & Hjejle

Statement of the Board of Directors and Executive Board on the annual report

We have on this day discussed and approved the annual report for the financial year 01.01.18 - 31.12.18 for Fluke Danmark A/S.

The annual report is presented in accordance with Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.18 and of the results of the company's activities for the financial year 01.01.18 - 31.12.18.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Glostrup, June 26, 2019

Executive Board

Ankush Malhotra

Board Of Directors

Jeroen Bernard van de Wiel
Chairman

Ankush Malhotra

Robertus Meijs

To the Shareholders of Fluke Danmark A/S**AUDITORS'S REPORT ON THE FINANCIAL STATEMENTS****Opinion**

We have audited the financial statements of Fluke Danmark A/S for the financial year 1 January – 31 December 2018, which comprise income statement, balance sheet 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 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 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 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 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 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
- 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.
- 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 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 regarding the management's review

Management is responsible for Management's review.

Our opinion on the financial statements does not cover 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 Management's review and, in doing so, consider whether 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 Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of Management's review.

REPORT ON OTHER LEGAL AN REGULATORY REQUIREMENTS

Violation of the danish bookkeeping act

In our opinion, the Company has not complied with the requirements of the Danish Bookkeeping Act regarding storing of accounting records abroad. Management may incur liability in this respect.

Copenhagen, June 26, 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab
CVR no. 30700228

Henrik Kronborg Iversen
State Authorized Public Accountant
MNE-no. 24687

Rasmus Bloch Jespersen
State Authorized Public Accountant
MNE-no. 35503

Primary activities

The company's activities comprise electronic test and measurement tools. Activities within this field include the purchase and sale of finished goods, repair and service of electronic test and measurement tools.

The Company is a commission agent for Fluke Corporation, Fluke Precision Measurement Ltd, Fluke Deutschland GmbH, Fluke Software Ireland Ltd, Datapaq Ltd, Fluke Process Instruments GmbH, Infrared Integrated Systems Ltd, Universal Technic SAS and Tektronix China Trading (the latter represented by Fluke Europe B.V. at its trustee). The Company receives commission on sales based on the commission agreement.

Development in activities and financial affairs

The income statement for the period 01.01.18 - 31.12.18 showed a profit of DKK 500,933 against a profit of DKK 347,258 for the period 01.01.17 - 31.12.17. The balance sheet shows equity of DKK 252,619,466.

The results and financial development of the Company were as expected.

The results of the Company for 2018 are considered satisfactory.

Outlook

The company expect a satisfactory result for forthcoming year.

Subsequent events

No significant events have occurred after the end of the financial year.

Income statement

Note	2018 DKK	2017 DKK
Revenue	2,861,021	2,767,316
Other external expenses	-1,558,255	-1,468,545
Gross profit	1,302,766	1,298,771
1 Financial income	45,973	622,909
2 Financial expenses	-702,073	-1,313,123
Profit/loss before tax	646,666	608,557
3 Tax on profit or loss for the year	-145,733	-261,299
Profit/loss for the year	500,933	347,258
Proposed appropriation account		
Retained earnings	500,933	347,258
Total	500,933	347,258

Balance sheet

ASSETS		31.12.18	31.12.17
Note		DKK	DKK
4	Equity investments in group enterprises	158,500,000	158,500,000
4	Equity investments in associates	139,158,776	139,158,776
Total investments		297,658,776	297,658,776
Total non-current assets		297,658,776	297,658,776
	Receivables from group enterprises	19,539,257	17,936,062
	Deferred tax asset	2,635	3,514
	Income tax receivable	0	175,268
	Other receivables	0	549
Total receivables		19,541,892	18,115,393
5	Cash	81,594,649	135,360,807
Total current assets		101,136,541	153,476,200
Total assets		398,795,317	451,134,976

Balance sheet

EQUITY AND LIABILITIES		31.12.18	31.12.17
		DKK	DKK
Note			
	Share capital	500,000	500,000
	Retained earnings	252,119,466	251,618,533
	Total equity	252,619,466	252,118,533
	Payables to other credit institutions	1,830,562	8,707,295
	Trade payables	114,384	95,648
	Payables to group enterprises	142,126,101	188,824,406
	Income taxes	132,777	0
	Other payables	1,972,027	1,389,094
	Total short-term payables	146,175,851	199,016,443
	Total payables	146,175,851	199,016,443
	Total equity and liabilities	398,795,317	451,134,976

- 6 Contingent liabilities
- 7 Charges and security
- 8 Related parties

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 01.01.17 - 31.12.17			
Balance as at 01.01.17	500,000	251,271,275	251,771,275
Net profit/loss for the year	0	347,258	347,258
Balance as at 31.12.17	500,000	251,618,533	252,118,533
Statement of changes in equity for 01.01.18 - 31.12.18			
Balance as at 01.01.18	500,000	251,618,533	252,118,533
Net profit/loss for the year	0	500,933	500,933
Balance as at 31.12.18	500,000	252,119,466	252,619,466

There have been no changes in share capital during the five preceding financial years.,

	2018	2017
	DKK	DKK

1. Financial income

Interest, group enterprises	0	556,031
Other interest income	36,221	66,878
Foreign currency translation adjustments	9,752	0
Total	45,973	622,909

2. Financial expenses

Interest, group enterprises	694,653	724,312
Other interest expenses	7,420	0
Foreign currency translation adjustments	0	14,812
Other financial expenses	0	573,999
Total	702,073	1,313,123

3. Tax on profit or loss for the year

Current tax for the year	143,902	260,128
Adjustment of deferred tax for the year	878	1,171
Adjustment of tax in respect of previous years	953	0
Total	145,733	261,299

4. Equity investments

Figures in DKK	Equity invest- ments in group enterprises	Equity invest- ments in asso- ciates
Cost as at 01.01.18	158,500,000	139,158,776
Cost as at 31.12.18	158,500,000	139,158,776
Carrying amount as at 31.12.18	158,500,000	139,158,776

Name and Registered office:	Ownership interest
Group enterprises:	
Doms ApS, Glostrup, Denmark	100%
Doms Metrology ApS, Glostrup, Denmark	100%
- Odysii Technologies Ltd., Israel	100%

Associates

Orpak Systems Ltd., Israel	20%
----------------------------	-----

Impairment considerations

Management has identified indicators of impairment of equity investments in group enterprises. Consequently, management has prepared an impairment test and thereby calculated the recoverable amount of the Company's investment in group enterprises at 31 December 2018. The calculation of the recoverable amount is based on the value in use of the investments applying a discounted cash flow model (DCF).

Expected net future cash flows are determined on basis for budgets for the period 2019-2023 and the applied discount factor and inflation rates are estimated by management.

For the impairment test on Doms ApS, the company has applied to following assumptions determined in its determination of the value in use: Expected net future cash flows are determined on basis for budgets for the period 2019-2023, followed by a terminal period.

A growth rate of 5% has been applied in the budget period (except for a rate of 3.87% on sales in 2019 due to a decline in the margin expected and a rate of 9.10% on costs due to the expected shift in the product mix) and a growth rate of 1,5 % has been applied for the terminal period. A WACC after tax of 8% (2017: 8,95%) has been applied as a discount factor.

For the impairment test on Orpak Systems Ltd, the company has applied to following assumptions determined in its determination of the value in use: Expected net future cash flows are determined on basis for budgets for the period 2019-2023, followed by a terminal period. An average growth rate of 5.8% has been applied in the budget period (except for a rate of 17% on sales in 2019 due to a tender in India and a rate of 22% on costs due to the lower margins applied in India on the same tender) and a growth rate of 1,5% has been applied for the terminal period. A WACC after tax of 13% has been applied as a discount factor.

The impairment test did not result in the need for impairment.

5. Cash

Cash relates to the company being legal owner of the Cash Pool with Nordea Bank, which has a positive master account balance of DKK 82 million at 31 December 2018. Each participating account is indemnified in the event of default by other participants and all accounts are covered by a parent guarantee from Fortive Corporation.

The company is further covered by the Fortive group's general treasury policies ensuring that cash pool deposits of other group enterprises, classified as 'payables to group enterprises' can only be withdrawn from the cash pool arrangement to the extent the Company have otherwise agreed on financing.

6. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 16 months and average lease payments of DKK 8k, a total of DKK 99k.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

7. Charges and security

The company has not provided any other security over assets.

8. Related parties

Fluke Danmark A/S is included in the consolidated financial statements of Fortive Corporation, 6920 Seaway Blvd., Everett WA 98203, United States. Requisition of the parents consolidated financial statements at www.fortive.com

- https://investors.fortive.com/sites/fortive.investorhq.businesswire.com/files/doc_library/file/Fortive_AR_2018.pdf

Information about shareholders holding 5 % or more of the share capital or the voting rights:

Fluke International Holding B.V.
Eindhoven, The Netherland.

9. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

In accordance with section 112 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements. The company is a subsidiary of Fortive Corporation which prepares consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

9. Accounting policies - continued -

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

The company has chosen IAS17 as interpretation for accounting for leases. Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT**Revenue**

The company has chosen IAS11/IAS18 as interpretation for revenue recognition. The net revenue for commission is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year. Revenue is determined at fair value exclusive of VAT and discounts.

9. Accounting policies - continued -**Other external expenses**

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Dividend from investments in subsidiaries and associates is recognised in the income statement in the year of declaration.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET**Equity investments in group enterprises and associates**

Equity investments in subsidiaries and associates are measured in the balance sheet at cost less any impairment losses.

9. Accounting policies - continued -

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

The company has chosen IAS39 as interpretation for impairment of financial assets. Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Cash

Cash includes deposits in bank accounts as well as operating cash. Cash relates to the company being legal owner of the cash pool with Nordea Bank, which has a positive master account balance.

Other group enterprises balances (deposits and withdrawals) in the cash pool arrangement are, due to the nature of the scheme, classified under "Receivable from group enterprises" or "Payable to group enterprises" as applicable.

9. Accounting policies - continued -**Current and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.