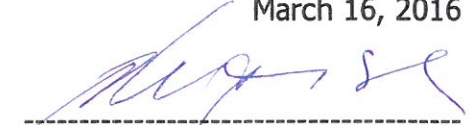


Approved at general meeting
March 16, 2016



Chairman of the general meeting

FOSS Nordic A/S

**Annual report for the period
14th January - 31st December 2015**

CVR-No 36501731

FOSS Nordic A/S, Foss Allé 1, DK-3400 Hillerød, Denmark.

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Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of FOSS Nordic A/S for the period 14 January to 31 December 2015.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and financial performance for the period 14 January to 31 December 2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hillerød, March 16, 2016

Executive Board



Morten Løgager
General Manager

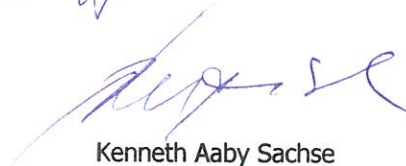
Board of Directors



Poul Bundgaard



Henrik Wiboltt
Chairman



Kenneth Aaby Sachse

Independent Auditor's Reports

To the Shareholder of FOSS Nordic A/S

Report on the financial statements

We have audited the financial statements of FOSS Nordic A/S for the period 14 January to 31 December 2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015, and of the results of operations for the period 14 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, March 16, 2016

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No 33 96 35 56



Nikolaj Thomsen
State Authorized Public Accountant

Management Commentary

Main Activity

FOSS Nordic A/S distributes rapid, reliable and dedicated analytical solutions for routine control of quality and production of food in the aim of improving the business of our customers. FOSS Nordic A/S' solutions contribute to human nutrition and health and to a rational use of natural resources.

FOSS Nordic A/S is 100% owned by FOSS A/S and is a part of the N. Foss & Co. A/S consolidated group accounts (Ultimate Parent Company). FOSS Nordic A/S distributes its' products in Denmark and Sweden. FOSS Nordic A/S has been established on 14 January 2015 and consists of FOSS Nordic A/S, Denmark and a Swedish branch "FOSS Nordic A/S – filial Sverige", Sweden.

Development in activities and financial conditions

FOSS Nordic A/S has been established on 14 January 2015. The company is selling and distributing FOSS products on the Danish and Swedish markets. The Swedish markets are handled through a branch in Sweden.

FOSS Nordic A/S has achieved a gross profit of DKK 9.4 million through 2015.

Profit before tax amounts to DKK 1.5 million.

Uncertainty relating to recognition and measurement

There is no significant uncertainty related to the annual report.

Unusual circumstances

The annual report is not impacted by any unusual circumstances.

Expected development

A positive result development is expected for 2016 due to a continuously sales improvement and a full 12 month reporting period.

Events after closing of accounts

No events have occurred after 31 December 2015 which is considered having a significant impact on an assessment of the annual report.

Income Statement

	Note	14 Jan - 31 Dec
		TDKK
Gross Profit		9,454
Staff expenses	1	-7,883
Earnings before Depreciation and Interest		1,571
Other financial income	2	17
Other financial expenses	3	-98
Profit from ordinary activities before tax		1,490
Tax on profit for the year	4	-292
Profit for the year		1,198
Proposed distribution of profit		
Proposed dividend for the financial year		1,198
Retained earnings		0
		1,198

Balance Sheet

Assets

	Note	2015
		TDKK
Manufactured goods and goods for resale		1,277
Inventories		1,277
Trade receivables		10,136
Receivables from group enterprises		4,720
Income tax receivable		251
Other short-term receivables		66
Receivables		15,173
Cash and cash equivalents		0
Current assets		16,450
Assets		16,450

Balance Sheet

Liabilities

	Note	2015
		TDKK
Contributed capital	5	3,000
Retained earnings		0
Proposed dividend for the year		1,198
Equity		4,198
Other provisions	6	158
Provisions		158
Trade payable		624
Payables to group enterprises		3,665
Other payables		3,715
Deferred income	7	4,090
Current liabilities other than provisions		12,094
Liabilities other than provisions		12,094
Equity and Liabilities		16,450
Contingent liabilities	8	
Related parties	9	
Ownership and group relationship	10	

Statement of Changes in Equity

	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
	TDKK	TDKK	TDKK	TDKK
Equity beginning of year	0	0	0	0
Contributed capital	3,000	0	0	3,000
Profit for the year	0	0	1,198	1,198
Equity end of year	<u><u>3,000</u></u>	<u><u>0</u></u>	<u><u>1,198</u></u>	<u><u>4,198</u></u>

Notes to the Annual Report

	2015
	TDKK
1 Staff Expenses	
Wages and salaries	7,050
Pensions	384
Other social security expenses	449
	7,883
2 Other financial income	
Interest received from affiliated companies	5
Exchange rate adjustment	12
	17
3 Other financial expenses	
Interest paid	4
Exchange rate adjustment	94
	98
4 Tax on profit for the year	
Corporation tax for the year	292
Tax for the year	292
5 Contributed Capital	
Contributed capital is composed as follows:	
6.000 units of shares of DKK 500	3,000

There has not been any capital changes since formation of the company.

Notes to the Annual Report

	<u>2015</u>
	TDKK
6 Other provisions	
Provisions for warranty	158
	158
7 Deferred income	
Service contracts	4,090
	4,090
8 Contingent assets and Liabilities	
Lease commitments	478
	478

The company is a part of a Danish joint taxation of which N. Foss & Co. A/S is the administrative entity. The parent company is liable for potential obligations for withholding taxes on interest, royalties and dividends and for company taxes within the joint taxation according to the company tax law.

9 Related parties

FOSS Analytical A/S, FOSS A/S and N. Foss & Co. A/S are considered related parties.

10 Ownership and group relationship

All shares are owned by:

FOSS A/S, Hillerød, Denmark

The Company's annual report is included in the consolidated financial statement of FOSS A/S and the ultimate parent company N. Foss & Co. A/S.

Accounting Principles

Basis of preparation

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises applying certain selections for class C enterprises.

The annual report is prepared in thousands DKK.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Group, and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange rate differences that arise between the rate at the transaction date and the one in effect at the payment date, or the balance sheet date, are recognized in the income statement as financial income or financial expenses.

Income statement

Gross Profit or loss

With reference to section 32 of Danish financial statements Act, revenue has not been disclosed in the Annual report.

Gross profit or loss comprises of revenue, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognized in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognized net of VAT, duties and sales discounts and measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other operating income and expenses

Other operating income and expenses comprise income and expenses of a secondary nature viewed in relation to the Company's primary activities, including subsidies, rental income, license income, etc.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Other external expenses also include research costs, costs of development projects that do not meet the criteria for recognition in the balance sheet, and amortization of recognized development projects. In addition, provisions for loss on contract work in progress are recognized.

Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contributions, etc for the Company's staff.

Other financial income and expenses

These items comprise interest income and expenses, realized and unrealized capital gains and losses on securities, payables and transactions in foreign currencies as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

The current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

The Company is part of a Danish joint taxation of which N. FOSS & Co A/S is the administrative entity. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance Sheet

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realizable value.

Cost of goods for resale consists of purchase price plus delivery costs. Cost of manufactured goods consists of costs of raw materials and consumables.

The net realizable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortized cost, usually equalling nominal value less provisions for bad debts.

Dividend

The proposed dividend for the financial year is disclosed as a separate item in equity.

Other provisions

Other provisions comprise anticipated warranty commitments, decided and published restructurings, etc.

Other provisions are recognized and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Warranty commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Other financial liabilities

Other financial liabilities are recognized at amortized cost which usually corresponds to nominal value.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.