Dansensor A/S

Rønnedevej 18

4100 Ringsted

CVR no. 70 60 38 10

Annual Report 2015

(11th financial year)

The Annual Report was adopted at the Annual General Meeting of the Company on 3/5 2016

Jesper Bilde
Chairman of the general meeting

Ellebjergvej 52, 2., 2450 København SV
T +45 3338 9800
E copenhagen@rsmplus.dk, www.rsmplus.dk
CVR-nr. 34713022 (Hjemsted: København)

RSM

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Management's Statement on the Annual Report

The Supervisory and Executive Boards have today considered and adopted the Annual Report of Dansensor A/S for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the Company and the Group's assets, liabilities and financial position at 31 December 2015 and of the Company and the Group's operations and of consolidated cash flows for the year 1 January - 31 December 2015.

In our opinion, Management's review includes a true and fair account of the matters adressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting of shareholders.

Ringsted, 7 April 2016

Executive Board

Jesper Bilde

Supervisory Board

Robert Lee Demorest Chairman	Donald Nicholas DeMorett	Jesper Bilde
Elissa Jeanette Lindsoe	Kenneth Weber Staff Representative	Tascha Friis Staff Representative

Independent Auditor's Report

To the Shareholder of Dansensor A/S

Report on the Financial Statements

We have audited the Financial Statements of Dansensor A/S for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet, cash flow statement and notes, for the Company. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of Financial Statements and the Consolidated Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as the Management determines is necessary to enable the preparation of financial statements and the Consolidated 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 and the Consolidated 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 and the Consolidated 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 and the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the Consolidated 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 and Consolidated 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 the Management, as well as the overall presentation of the Financial Statements and the Consolidated Financial Statements.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements gives a true and fair view of the Company´s financial position at 31 December 2015 and of the results of the Group and the Parent Company's and cash flows operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report

Statement on Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management´s review. We have not performed any further procedures in addition to the audit of the financial statements and the Consolidated Financial Statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the Financial Statements and the Consolidated Financial Statements.

København, 7 April 2016

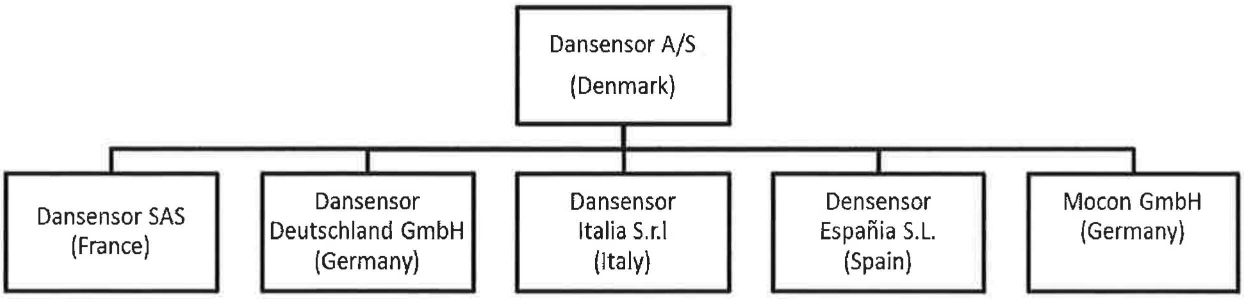
RSM Plus P/S
State Authorized Public Accountants
CVR no.34 71 30 22

Jan Stender
State Authorised Public Accountant

Company Information

The Company	Dansensor A/S Rønnedevej 18 4100 Ringsted
	Telephone: 57660088 Fax: 57660099 E-mail: info@dansensor.com Website: www.dansensor.dom CVR no.: 70 60 38 10 Financial year: 1 January - 31 December Incorporated: 7 November 1983 Municipality of reg. office: Ringsted
Supervisory Board	Robert Lee Demorest, Chairman Donald Nicholas DeMorett, Jesper Bilde Elissa Jeanette Lindsoe Kenneth Weber Tascha Friis
Executive Board	Jesper Bilde
Auditors	RSM Plus P/S State Authorized Public Accountants Ellebjergvej 52, 2. 2450 København SV

Group Chart



Company details

Parent Company		**Board**	**Executive Board**	**Auditors**
Dansensor A/S				
Rønnedevej 18		Robert Lee	Jesper Bilde	RSM plus P/S
4100 Ringsted		Demorest		
Denmark				Ellebjergvej
		Chairman		52.2
		Donald		DK-2450
		Nicholas		København
		DeMorett		SV
Phone:	+45 57 66 00 88	Jepser		
Fax:	+45 57 66 00 99	Bilde		
Website:	www.dansensor.com			
E-mail:	info@dansensor.com	Elissa		
CVR no:	70 60 38 10	Jeanette		
Founded:	7 November 1983	Lindsoe		
Registered office:	Ringsted			
		Kenneth		
		Weber		
		Tascha		
		Friis		

Company details (continued)

Subsidiaies		Board	Executive Board	Auditors
Dansensor France SAS				
14, rue de Ris		None	Jesper Bilde	RSM
F+6004 Viry Chátillon				26, rue
France				Cambacérés
				75008 Paris
			Michel Boullenger	
Phone:	+33 1695 6515 6			
Fax	+33 1694 4191 0			
Website	www.dansensor.fr			
E-mail	courrier@dansensor.com			
CVR no	Evry 33 708 182			
Founded	2002			
Registered office	Viry-Chätillom			
Dansensor Deutchland GmbH				
Diester Trennhesour Strasse 7		None	Jesper Bilde	RSM
D-56170 Bendorf				Georg-Glock
Germany				Strasse 4
			Karsten Kejlhof	40474 Düsseldorf
Phone	+49 2622 9089 80		Karsten Joppich	
Fax	+49 2622 9089 28			
Website	www.dansensor.de			
E-mail	info-de@dansensor.com			
CVR no	HRB 4661			
Founded	2003			
Registered office	Nuewied			

Company details (continued)

Subsidiaies		Board	Executive Board	Auditors
Dansensor Italia S.r.l Piazza Centro Commerciale no.43 1-20090 Segrate (Milano) Iltaly		Jesper Bilde *Chairman* Karsten Kejlhof	Simona Colli	RSM Via Corecefisso 5 20122 Milano
Phone:	+39 0270 3008 07			
Fax:	+39 0270 3008 09			
Website:	www.dansensor.it			
E-mail:	info-it@dansensor.com			
CVR no:	C.F. 10792780156			
Founded:	1992			
Registered office:	Milano			
Dansensor Espana S.L. Dr. Roux 123, bjos E-08017 Barcelona Spain		Jesper Bilde *Chairman* Charlotte Støjholm	David S. Estrada, S.L.P Calle Sant Joaquim 11, Mataro, 08302,	N/A
Phone:	+34 932 052 286	Karsten		
Fax:	+34 932 804 027	Kejlhof	Barcelona	
Website:	www.dansensor.es			
E-mail:	info-es@dansensor.com			
CVR no:	B-64222219			
Founded:	2007			
Registered office:	Barcelona			

Company details (continued)

Subsidiaies		Board	Executive Board	Auditors
Mocon GmbH Carl Borgward-Str. 10 56566 Neuwied Germany		None	Jesper Bilde Karsten Joppich	RSM Georg-Glock Strasse 4 40474 Düsseldorf
Phone:	+49 2631 3933 0			
Fax:	+49 2631 3933 33			
Website:	www.mocon.eu			
Email:	info@mocon.eu			
CVR no:	HRB 210982			
Founded:	5 June 1997			
Registered office:	Bühlertal			

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	Group				
	2015	2014	2013	2012	2011
	t.kr.	t.kr.	t.kr.	t.kr.	t.kr.
Key figures					
Revenue	156.902	128.982	111.222	109.406	108.453
Operating profit/loss	19.987	14.906	9.640	2.467	11.574
Net financials	400	-224	-132	9	-226
Net profit/loss for the year	15.188	10.826	6.817	1.824	8.485
Balance sheet total	128.552	64.846	51.058	46.501	71.036
Investment in property, plant and equipment	684	688	-2.438	1.560	2.434
Equity	81.359	43.592	32.789	25.997	47.822
Ratios					
Gross margin	63,3%	63,1%	61,1%	61,6%	66,3%
Operating margin	12,7%	11,6%	8,7%	2,3%	10,7%
Return on assets	20,7%	25,7%	19,8%	4,2%	17,9%
Solvency ratio	63,3%	67,2%	64,2%	55,9%	67,3%
Return on equity	24,3%	28,3%	23,2%	4,9%	19,5%

For definitions, refer to chapter on applied accounting policies.

Management's Review

Principal activities of the company

The main activities of the Dansensor Group are development, manufacturing, and sales of quality assurance and quality control equipment mainly for the food and health care industry.

Dansensor has subsidiaries in France, Germany, Italy and Spain. The activities on the remaining core markets are managed by distributors.

Dansensor Group is part of the MOCON, Inc. Group which offers a complementary product portfolio, primarily within permeation and Oil & Gas applications.

Organization

3rd quarter of 2015 Dansensor A/S merged the former sister company MOCON GmbH into Dansensor A/S and consequently the impact on P&L and Balance is seen from the last 5 months of the full year.

The acquisition resulted in an increase in the share capital by MDKK 9.2 on the balance. MOCON GmbH affected the P&L with a total of MDKK 13.9 in revenue and Income before tax of MDKK 1.491 in 2015.

On December 31st 2015 the German subsidiary Dansensor Deutschland GmbH and MOCON GmbH merged into one legal entity, with the purpose of benefitting from the MOCON acquisition of Dansensor A/S back in 2012, and creating a European platform for all MOCON related products and services.

To support this ambition the management of Dansensor A/S is focusing on optimizing the newly implemented ERP system which was introduced to all subsidiaries in 2015. This will enable Dansensor A/S to continue its growth and profitability ambitions for the period to come.

Development in activities and financial matters

Registered revenue in 2015 ended at TDKK 143.018, an improvement of TDKK 14.116 compared to 2014. The development in revenue from 2014 to 2015 shows a year over year growth of 11%, which is considered to be satisfactory.
With MOCON GmbH, the revenue increased to TDKK 156.902 compared to TDKK 128.902 in 2014.

Gross margin was 56%, which is an improvement of 2 pct. point compared to 2014. The gross profit of TDKK 80.314 is an increase of TDKK 10.161 compared to 2014. This improvement is caused by increase in economy of scale in our production facilities and is considered as a positive indication of continued efforts in optimization of our internal production processes.
Including MOCON GmbH, the gross profit is TDKK 85.539 and the gross margin 55%.

Income before tax for the year is TDKK 19.047 compared to a profit in 2014 of TDKK 14.682. With MOCON GmbH Income before tax is TDKK 20.386.

The result for the year is above expected and considered satisfactory, as the Dansensor Group is able to generate profit while increasing our focus on internal process improvements.

Dansensor Espana has had a good year and generated income before tax of TDKK 920. This result is very satisfactory as this is the first consecutive year with positive profits. This can be explained by a continued management effort in Spain and an improved economical, financial situation in Spain. EBIT margin in 2015 was 10%, which is very satisfactory.

Dansensor Deutschland has increased income before tax to TDKK 3.407. This is an increase by TDKK 300 from 2014 where net income before tax was TDKK 2.914. This is a result of an increase in sales revenue from TDKK 15.866 to TDKK 19.361. EBIT margin was 17%.

Dansensor France has in the financial year generated sales of TDKK 19.430, which is at the same level as in 2014. Income before tax increased by TDKK 42 to TDKK 951 in 2015 compared to 2014. EBIT margin was 5% in 2015.

Management's Review

Dansensor Italy has increased its revenue to TDKK 17.783, which is an improvement of TDKK 2.302 compared to 2014, where revenue was recorded at TDKK 15.481.Income before tax was TDKK 2.144 compared to 2014 where income before tax was TDKK 1.646. EBIT margin was 12% in 2015.

In 2015, an ERP platform was successfully implemented into all subsidiaries. This will be a significant driver for continued process improvement and strengthening of our organization for future growth opportunities.

Research and Development Activities

In the financial year the parent Dansensor Group has paid TDKK 9.158 in development costs compared to TDKK 7.199 in 2014. The higher R&D expenses are related to planned product launches in 2016.

Capital resources

The group is firmly based. The equity amounts to TDKK 56.381 equaling an equity ratio of 59%. The cash resources of the group at year-end amount to TDKK 23.162 compared to TDKK 11.888 at the end of 2014. Including MOCON GmbH, equity ratio is 63%, with the equity of TDKK 81.359. Cash resources are TDKK 31.131 including MOCON GmbH.

New products

No new products have been introduced in 2015.

General risks

The growth potential of the Dansensor Group is dependent on a strong positioning on the focus markets in the EU, North America, and South East Asia. Furthermore, it is essential for the group to keep fully updated on the technological development within sensor technology and associated applications.

Incidents Occured after Closing the Financial Year

No incidents have occurred after the closing of the financial year, which might influence the financial position of the Dansensor Group significantly

Financial Risks

To some extent the group is exposed to fluctuations in foreign currency rate.

Foreign currency risks

The group is exposed to general foreign currency risks in respect of the current operation, however, primarily related to USD. Sales as well as purchasing are carried out in EURO, USD and DKK.

Credit risks

The group is not exposed to material risk in respect of individual customers or collaborators. The group credit policy demands current credit rating of all major customers and collaborators.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Knowhow resources

In order to secure continuous growth, the Dansensor Group must maintain the ability to attract and keep a highly educated staff, primarily within management, technology development, production and marketing.

In order to secure a high and competitive quality the group applies outsourcing to a great extent. Thus the Dansensor Group has current access to the newest technology without binding own resources in plant and equipment.

Management's Review

Environment issues

The direct environmental effects from the daily operation are limited to very small quantities, primarily dissolutions, which are disposed of in compliance with the Danish legislation. Optimization of energy consumption and indoor climate is a current focus area.
Dansensor is not obliged to submit an environmental report but is constantly aware of the values of such.

Expectations for 2016

In 2016 the Dansensor Group will launch a major new product to our product portfolio. Additionally, Dansensor Group are looking forward to introduce a new generation of equipment which includes new competitive technology.

We expect that the revenue growth level from the past period to continue in 2016 at a constant EBIT margin.

Accounting Policies

The annual report of Dansensor A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized companies of reporting class C.

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

The Annual Report for 2015 is presented in TDKK.

Basis of recognition and measurement

Income is recognized in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortized cost. Equally, cost incurred to generate the year's earnings are recognized, including depreciation, amortization, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Group and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow from the Group and the value of the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognizing and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

The carrying amount of intangible assets and plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by amortization or depreciation. Write-down is made to the recoverable amount if this is lower than carrying amount.

Income Statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year-end. Revenue is measured exclusive VAT and taxes charged on behalf of third parties and discounts.

Production costs

Production costs comprise costs, including depreciation and amortization and salaries, incurred in generating the revenue for the year. Trading enterprises recognize their cost of sales, and production enterprises recognize their production cost incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases, and depreciation of production plant.

Development cost

Development Costs comprise research and development costs not fulfilling the criteria for capitalization and depreciations on capitalized development costs.

Accounting Policies

Distribution Costs

Distribution Costs incurred in distributing goods sold during the year and in conducting sales campaigns, etc., during the year are recognized as distribution costs. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognized as distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred income during the year for group management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortization of financial asstets and liabilities as well as surcharges refunds under the on-account tax scheme,etc..

Tax on profit/loss for the year

The Parent Company is covered by the Danish rules on compulsory joint taxation with the parent company MOCON Denmark Holding ApS.

Foreign subsidiaries are not part of the joint taxation.

The company is administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carry forwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year - due to changes in tax rate. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to amounts directly recognized in equity is recognized directly in equity.

Balance Sheet

Intangible assets

Software

On initial recognition, software is measured at costs.

Software is measured at costs less accumulated amortization and impairment losses. Software is amortized on a straight line basis over the estimated useful life. The amortization period is usually 5 years.

Depreciation is recognized in the income statement as production costs, distribution costs, and administrative expenses, respectively.

Tangible assets

Fixtures and fittings, tools and equipment are measured at cost price less accumulated depreciation.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers, and wages and salaries.

Accounting Policies

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

	Useful life	Residual value
Fixtures and fittings, tools and equipment	3-5 years	%

Depreciation is recognized in the income statement as production costs, distribution costs,and administrative expenses, respectively.

Gains and losses on the disposal of plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognized in the income statement as other operating income or other operating costs, respectively.

Write-down is made to the recoverable amount of plant and equipment if this is lower than the carrying amount. Impairment tests are yearly conducted of individual assets or groups of assets

Investments in subsidiaries

Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealized intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nill), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognized under provisions.

Net revaluation of investments in subsidiaries and associates is recognized in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report are not recognized in the reserve for net revaluation.

Impairment of non-current assets

The carrying amounts of intangible assets and property, plant and equipment as well as investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by amortization and depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets.

Inventories

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

Finished goods are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads.

The net realizable value of inventories is determined taking into account marketability, obsolescence and development in excepted selling price.

Accounting Policies

Receivables

Receivables are measured at amortized cost price. Write-down is made for bad debt losses to the net selling price.

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Current asset invest ments

Current asset invest ments recognized under current assets are measured at fair value (the marked price) at the balance sheet date.

Equity

Reserve for Net Revaluation under the Equity metoed

Net revaluation of investments in subsidiaries is recognized at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realization of investments or a change in accounting estimates. The reserve cannot be recognized at a negative amount.

Dividend

Proposed dividends are recognized as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Provisions

Provisions comprise anticipated costs related to warranties, restructurings etc. Provisions are recognized when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Corporations tax and deferred tax

The Company is part of the joint taxation with the parent company MOCON Denmark Holding ApS. MOCON Denmark Holding is the administrative company for the joint taxation.

Current tax payable and receivable are recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contribution payable and receivable is recognized in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes and other items where temporary differences, arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognized at the expected value of their utilization, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealized intra-group profits and losses.

Accounting Policies

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

Liabilities

Financial liabilities comprising amounts owed to credit institutions, trade payables and payables to group enterprises are recognized at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortized cost.

Financial liabilities also include the capitalized residual obligation on finance leases. Other liabilities are measured at net realizable value.

Other liabilities are measured at net realizable value.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are measured at the exchange rate at the transactions date

Derivative financial instruments

Derivative financial instruments are initially recognized in the balance sheet at cost, and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are classified as other receivables and other debts, respectively.

Consolidated Financial Statement

The consolidated financial statements include the Parent Company Dansensor A/S and those companies, where Dansensor A/S holds more than 50 % of the voting rights.

On consolidation, intra-group income and expenses, shareholdings, intragroup balances and dividends, and realized and unrealized gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Non controlling Interests

In the consolidated financial statements, the items of subsidiaries are recognized in full. The non-controlling interests' proportionate shares of the subsidiaries' results and equity are adjusted annually and recognized separately in the income statement and balance sheet.

Accounting Policies

Financial Highlights overview

Explanation of key figures:

Gross margin	Gross profit x 100 / Revenue
Operating margin	Profit before financials x 100 / Revenue
Return on assets	Profit before financials x 100 / Average equity
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity

Income Statement 1 January - 31 December 2015

	Note	Group		Parent Company	
		2015	2014	2015	2014
		t.kr.	t.kr.	t.kr.	t.kr.
Revenue	1	156.902	128.982	109.019	98.565
Cost of sales		-57.603	-47.631	-48.899	-46.928
Gross profit		**99.299**	**81.351**	**60.120**	**51.637**
Distribution cost		-34.261	-27.328	-17.760	-14.669
Administrative expenses		-35.894	-31.919	-21.906	-20.852
Development cost		-9.157	-7.198	-9.159	-7.198
Operating profit/loss		**19.987**	**14.906**	**11.295**	**8.918**
Income from investments in subsidiares		0	0	6.354	4.236
Financial income	3	1.337	193	1.195	131
Financial expenses	4	-937	-417	-874	-375
Profit/loss before tax		**20.387**	**14.682**	**17.970**	**12.910**
Tax on profit/loss for the year	5	-5.199	-3.856	-2.782	-2.084
Net profit/loss for the year		**15.188**	**10.826**	**15.188**	**10.826**
Distribution of profit					
Proposed dividend for the year		0	0	0	0
Extraordinary dividend for the year		0	0	0	0
Retained earnings		15.188	10.826	15.188	10.826
		15.188	**10.826**	**15.188**	**10.826**

Balance Sheet at 31 December 2015

	Note	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
		t.kr.	t.kr	t.kr.	t.kr
ASSETS					
FIXED ASSETS					
Intangible assets	6				
Software		7.355	4.721	7.355	4.721
		7.355	4.721	7.355	4.721
Tangible assets	7				
Other fixtures and fittings, tools and equipment		4.713	3.200	1.906	1.594
		4.713	3.200	1.906	1.594
Fixed asset investments					
Investments in subsidiaries	8	0	0	38.376	11.150
Deposits		737	597	329	329
		737	597	38.705	11.479
Total fixed assets		**12.805**	**8.518**	**47.966**	**17.794**

Balance Sheet at 31 December 2015 (Continued)

	Note	Group 2015 t.kr.	Group 2014 t.kr	Parent Company 2015 t.kr.	Parent Company 2014 t.kr
ASSETS					
CURRENT ASSETS					
Stocks	**9**	13.855	10.086	8.621	7.647
Receivables					
Trade receivables		48.115	20.627	10.619	9.185
Receivables from group enterprises		15.774	10.037	26.335	15.942
Other receivables		3.037	909	1.872	815
Corporation tax		1.247	1.413	1.031	1.070
Prepayments	10	2.588	1.368	2.044	1.117
		70.761	34.354	41.901	28.129
Cash at bank and in hand		31.131	11.888	14.727	7.553
Total current assets		**115.747**	**56.328**	**65.249**	**43.329**
TOTAL ASSETS		**128.552**	**64.846**	**113.215**	**61.123**

Balance Sheet at 31 December 2015

	Note	Group		Parent Company	
		2015	2014	2015	2014
		t.kr.	t.kr	t.kr.	t.kr
LIABILITIES AND EQUITY					
EQUITY	11				
Share capital		89.200	20.000	89.200	20.000
Retained earnings		-7.841	23.592	-7.841	23.592
Total equity		**81.359**	**43.592**	**81.359**	**43.592**
PROVISIONS					
Obligations to former employees		233	0	0	0
Warranty	13	481	454	172	229
Total provisions		**714**	**454**	**172**	**229**
LIABILITIES OTHER THAN PROVISIONS					
Long-term liabilities	12				
Financial lease obligations		10	95	0	0
		10	95	0	0
Short-term liabilities					
Short-term part of financial lease obligation	12	85	85	0	0
Trade payables		7.022	5.212	5.922	4.530
Payables to group enterprises		20.966	1.819	18.901	5.775
Corporation tax		0	583	0	241
Other payables		18.396	13.006	6.861	6.756
		46.469	20.705	31.684	17.302
Total liabilities other than provisions		**46.479**	**20.800**	**31.684**	**17.302**
TOTAL EQUITY AND LIABILITIES		**128.552**	**64.846**	**113.215**	**61.123**

Staff	2
Contingencies assets, etc., liabilities and other financial obligations	14

Balance Sheet at 31 December 2015 (Continued)

		Group		Parent Company	
	Note	2015	2014	2015	2014
		t.kr.	t.kr	t.kr.	t.kr
LIABILITIES AND EQUITY					
Related parties and ownership	15				

Cash Flow Statement 1 January - 31 December 2015

	Note	Group 2015	Group 2014
		t.kr.	t.kr
Net profit/loss for the year		15.188	10.826
Adjustments		6.668	3.740
Change in working capital		-4.794	-3.398
Cash flows from operating activities before financial income and expenses		17.062	11.168
Financial income		357	25
Cash flows from ordinary activities		17.419	11.193
Corporation tax paid		-583	-1.571
Cash flows from operating activities		16.836	9.622
Purchase of property, plant and equipment		-5.475	-2.885
Fixed asset investments made, etc.		-2	0
Cash flows from investing activities		-5.477	-2.885
Repayment of loans from credit institutions		-85	-1.510
Cash flows from financing activities		-85	-1.510
Change in cash and cash equivalents		11.274	5.227
Cash and cash equivalents 1 January		11.888	6.686
Exchange adjustment of trading securities		0	-25
Cash and cash equivalents 31 December		**23.162**	**11.888**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		23.162	11.888
Cash and cash equivalents 31 December	16	**23.162**	**11.888**

Notes to the Financial Statements

		Group		Parent Company	
		2015	2014	2015	2014
		t.kr.	t.kr.	t.kr.	t.kr.
1	**Revenue**				
	Sale of goods	156.902	128.982	109.019	98.565
	Total Revenue	**156.902**	**128.982**	**109.019**	**98.565**
2	**Staff**				
	Wages and Salaries	53.020	45.022	34.897	32.066
	Pensions	4.013	3.606	3.475	3.089
	Other social security expenses	4.618	4.030	607	486
		61.651	**52.658**	**38.979**	**35.641**
	Wages and Salaries, pensions and other social security expenses are recognized in the following items:				
	Cost of sales	16.576	15.535	16.576	15.535
	Distribution expenses	26.589	21.158	12.757	10.891
	Administrative expenses	18.486	15.965	9.645	9.215
		61.651	**52.658**	**38.978**	**35.641**
	Including remuneration to the Executive and Supervisory Boards of				
	Executive Board	2.485	2.278	2.485	2.278
	Supervisory Board	10	20	10	20
		2.495	**2.298**	**2.495**	**2.298**
	Average number of employees	111	90	61	59

Notes to the Financial Statements

	Group		Parent Company	
	2015	2014	2015	2014
	t.kr.	t.kr.	t.kr.	t.kr.
3 Financial income				
Interest received from subsidiaries	880	64	783	2
Other financial income	46	0	0	0
Exchange adjustments	411	129	412	129
	1.337	**193**	**1.195**	**131**
4 Financial expenses				
Financial expenses group enterprises	211	137	211	95
Other financial expenses	174	126	111	126
Exchange loss	552	154	552	154
	937	**417**	**874**	**375**
5 Tax on profit/loss for the year				
Current tax for the year	5.151	3.925	2.500	2.122
Deferred tax for the year	48	-69	282	-38
	5.199	**3.856**	**2.782**	**2.084**

Notes to the Financial Statements

6 Intangible assets

Group

	Software
Cost at 1 January 2015	7.564
Additions for the year	4.116
Cost at 31 December 2015	11.680
Amortization at 1 January 2015	2.843
Amortization for the year	1.482
Amortization at 31 December 2015	4.325
Carrying amount at 31 December 2015	**7.355**

Parent Company

	Software
Cost at 1 January 2015	7.564
Additions for the year	4.116
Cost at 31 December 2015	11.680
Depreciation at 1 January 2015	2.843
Depreciation for the year	1.482
Depreciation at 31 December 2015	4.325
Carrying amount at 31 December 2015	**7.355**

Notes to the Financial Statements

7 Tangible assets

Group

Cost at 1 January 2015	11.794
Additions for the year	2.179
Disposals for the year	-363
Cost at 31 December 2015	13.610
Impairment losses and depreciation at 1 January 2015	8.594
Depreciation for the year	667
Reversal of impairment and depreciation of sold assets	-364
Impairment losses and depreciation at 31 December 2015	8.897
Carrying amount at 31 December 2015	**4.713**

Parent Company

Cost at 1 January 2015	10.188
Additions for the year	978
Disposals for the year	-363
Cost at 31 December 2015	10.803
Impairment losses and depreciation at 1 January 2015	8.594
Depreciation for the year	667
Reversal of impairment and depreciation of sold assets	-364
Impairment losses and depreciation at 31 December 2015	8.897
Carrying amount at 31 December 2015	**1.906**

Notes to the Financial Statements

		Parent Company 2015	Parent Company 2014
		t.kr.	t.kr
8	**Investments in subsidiaries**		
	Cost at 1 January 2015	17.613	17.613
	Additions for the year	448	0
	Cost at 31 December 2015	18.061	17.613
	Revaluations at 1 January 2015	-6.463	-9.240
	Exchange adjustment	-100	-42
	Net profit/loss for the year	7.622	4.235
	Dividend to the Parent Company	-3.209	-744
	Additions for the year	23.337	0
	Change in intercompany profit on inventories	-872	-672
	Revaluations at 31 December 2015	20.315	-6.463
	Carrying amount at 31 December	**38.376**	**11.150**

Notes to the Financial Statements

Group
Investments in group enterprises are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Dansensor France SAS	France	100%	4.114	690
Dansensor Deutschland GmbH	Germany	100%	5.332	2.396
Dansensor Italia S.r.l	Italy	100%	5.691	1.439
Dansensor Espana S.L.	Spain	100%	1.287	1.166
Mocon GmbH	Germany	100%	24.978	813
			41.402	6.504

Results for year and equity for the companies stated above are based on the figure included in the conslidated financial statement of MOCON inc., which presents their financial statement in accordance with US GAAP.

The information may therefore deviate materially from the relevant company's locally published financial statements, which are presented in accordance woth local accounting standards.

	Group		Parent Company	
	2015	2014	2015	2014
	t.kr.	t.kr	t.kr.	t.kr
9 Stocks				
Inventories consist of the following: Raw materials and consumables	8.075	4.977	5.676	4.019
Finished goods and goods in progres	5.780	5.109	2.945	3.628
	13.855	**10.086**	**8.621**	**7.647**

10 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

Notes to the Financial Statements

11 Equity

Group

	Share capital	Retained earnings	Total
Equity at 1 January 2015	20.000	23.592	43.592
Net effect from merger and acquisition under the uniting of interests method	0	24.350	24.350
Exchange adjustments	0	-35	-35
Cash capital increase	69.200	-70.936	-1.736
Net profit/loss for the year	0	15.188	15.188
Equity at 31 December 2015	**89.200**	**-7.841**	**81.359**

Parent Company

Equity at 1 January 2015	20.000	23.592	43.592
Net effect from merger and acquisition under the uniting of interests method	0	24.350	24.350
Exchange adjustments	0	-35	-35
Cash capital increase	69.200	-70.936	-1.736
Net profit/loss for the year	0	15.188	15.188
Equity at 31 December 2015	**89.200**	**-7.841**	**81.359**

The share capital consists of 89.200.000 shares of a nominal value of t.kr. 89.200.000. No shares carry special rights.

Share capital are specified as follows:

	2015 t.kr.	2014 t.kr.	2013 t.kr.	2012 t.kr.	2011 t.kr.
Share capital at 1 January 2015	20.000	20.000	20.000	20.000	20.000
Additions for the year	69.200	0	0	0	0
Disposals for the year	0	0	0	0	0
Share capital at 31 December 2015	**89.200**	**20.000**	**20.000**	**20.000**	**20.000**

Notes to the Financial Statements

12 Long term debt

	Group		Parent Company	
	2015	2014	2015	2014
	t.kr.	t.kr	t.kr.	t.kr
Financial lease obligations				
Between 1 and 5 years	10	95	0	0
Long-term part	10	95	0	0
Within 1 year	85	85	0	0
	95	**180**	**0**	**0**

13 Other provisions

Warranty	481	454	172	229
Obligations to former employees	233	0	0	0
	714	**454**	**172**	**229**
The expected due dates of other provisions are:				
Other provisions at 1 January	454	1.183	229	773
Utilized during the year	-454	-1.183	-229	-773
Provision during the year	714	454	172	229
	714	**454**	**172**	**229**

14 Contingencies assets, etc., liabilities and other financial obligations

Contractual obligations

Lease obligations related to operating lease in the Parent Company that falls due within 5 years totalts at 1.551 TDKK (2014: 231 TDKK)

Lease obligations related to operating lease in the Group that falls due within 5 years totals at 1.157 TDKK (2014: 1.906 TDKK)

Rent obligations related to lease of buildings in the Parent Company that falls due within 5 years totals at 6.548 TDKK (2014: 771 TDKK)

Notes to the Financial Statements

14 Contingencies assets, etc., liabilities and other financial obligations (Continued)

Rent Obligations related to lease of buildings in the Group that falls due within 5 years totals at 1.094 TDKK (2014: 2.459 TDKK)

15 Related parties and ownership

Controlling interest
The following related parties has controlling interest:

MOCON Europe Sárl
18 Avenue Marie-Therese
2132 Luxemborg

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:

MOCON Europe Sárl, 18 Avenue Marie-Therese - 2132 Luxemborg

The financial statements are included in the consolidated financial statements for MOCON Inc., 7500 Mendelssohn Ave. N., Minneapolis, MN 55428 USA. The consolidated financial statements of MOCON inc. are available at the Company's adress or on the Company's website, www.mocon.com.

16 Cash and cash equivalents

Mocon GmbH is not included in the cash flow statement for the Group. The opening year cash holdings in Mocon GmbH was TDKK 17.772 and by end year the cash holdings has decreased to TDKK 7.969. The decrease is largely explained by a intercompany transaction of TDKK 14.921 from Mocon GmbH to the parent company Dansensor A/S and cash flow from operating activites. When including Mocon GmbH's cash holdings with the rest of the Group, end year cash holdings for the Group total TDKK 31.131.