

11 February 2019

**The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.**

**Windar Photonics plc**  
(“Windar” or the “Company”)

### **2018 Trading Update**

Windar Photonics plc (AIM:WPHO), the technology group that has developed a cost efficient and innovative LiDAR wind sensor for use on electricity generating wind turbines, is pleased to announce an unaudited trading update for the year ended 31 December 2018.

Overall, the Company continued to make progress in all of its key areas:

- Total revenue recognised increased 59% to €3.5m (2017: €2.2m) and record volume of product shipped, with such revenues up 80% in 2018 to €3.6m (2017: €2.0m)
- Gross profit up 86% to €1.7m (2017: €0.9m)
- Operating costs (ex. depreciation, amortisation and warrant costs) unchanged at €2.1m (2017: €2.1m) - despite considerable increases in operational costs in the Shanghai sales and service office and R&D (primarily wind analytics and turbine integration)
- EBITDA loss reduced by 71% to €0.36 million (2017: loss €1.22m)
- Order backlog at the end of 2018 for deliveries in 2019 totalled €1.0m (2017: €3.9m)
- Net cash of €2.2 million including restricted cash holdings of €0.5 million (2017: €1.1 million and €0.2 million, respectively)

Shortages of certain components in our supply chain during the second half of 2018 impacted revenues generated in the year. These shortages resulted in orders, primarily for the Asian markets received in 2017 not being fully delivered during the year and consequently being rolled into 2019. This issue was compounded with expected new orders from these markets then being deferred, which will now also be delivered in 2019. The primary reason for the shortages were longer than expected running in times for new fully automated compression moulding equipment which has since been resolved and the Board are confident the supply chain is now capable of supporting a substantial increase in order volumes going forward.

As in prior years, revenues in 2018 were predominantly achieved in the retro-fit market segment, primarily in our Asian markets. The global distribution agreement with Vestas Service has not yet had a material impact on the Company’s revenues, however based on a broad range of ongoing end-user projects with Vestas Service, as well as other projects with our other distribution partners in Asia, the Company expects to see continued growth within the retro-fit segment as well as a more balanced spread of revenue across geographies through 2019 and beyond.

Revenue from the OEM market segment in 2018 included just a small number of orders for new test projects. At the end of 2018, the Company had a record number of ongoing OEM turbine integration projects, some of which are in the final turbine type verification stages.

Further information will be provided in the final results for the year ended 31 December 2018 which are expected to be released in May 2019.

#### **Jørgen Korsgaard Jensen, CEO of Windar, said:**

While 2018 had unexpected challenges in fine tuning our external and internal supply chains to support the increasing demand for our products, we have taken action to significantly improve this situation. Therefore, whilst not fully achieving our targets in 2018, based on our current customer projects with Vestas Service and the continued demand from our Asian partners, I expect Windar to maintain growth in line with previous years within the retro-fit market segment in 2019. In addition, given the significant

investments our OEM customers are making to integrate our LiDAR products on various wind turbine platforms, I expect this market segment will begin to act as an additional key growth driver for Windar in the near future. The combination of this with the continued growth of the retro-fit market will help us achieve our ambition to build a strong and profitable company.”

**For further information:**

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**About Windar:**

Windar Photonics is a technology group that develops cost-efficient and innovative Light Detection and Ranging ("LiDAR") optimisation systems for use on electricity generating wind turbines. LiDAR wind sensors in general are designed to remotely measure wind speed and direction.

<http://investor.windarphotonics.com>