6 February 2018

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")

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 a trading update for the 12 month period ended 31 December 2017.

Overall, the Company continued to make good progress in all of its important key areas. These included the following (which remain subject to audit):

- Revenue increased to €2.2 million, up by 84% on revenue in 2016 (€1.2 million), and Gross Profit was €1.0 million against €0.6 million in 2016
- Order intake in 2017 of €5.9 million up four-fold compared to 2016 (€1.4 million)
- Order backlog at the end of 2017 for deliveries in 2018 increased to €3.9 million up from €0.2 million at the end of 2016
- Continued reduction in operational costs (excluding depreciation, amortisation and warrant costs) by 30% to €2.1 million (2016: €3.0 million) despite realising costs related to the realignment process carried through in 2017. As a result of the above the net EBITDA loss for the year is reduced by 57% to €1.1 million (2016: €2.4 million)
- Cash holdings at the end of 2017 amounted to €1.3 million including restricted cash holdings of €0.2 million (2016: €0.8 million and €0.0 million, respectively)

As part of our realignment process undertaken in 2017, combined with extending our distribution network around the world, we have now further reduced costs with closures of offices other than our headquarters and main production facility in Copenhagen (Denmark) and our sales and service office in Shanghai (China).

Despite the reduction in the overall operational cost level, the Company has in 2017 increased resources within our Wind Analytic and Turbine Optimisation team who have been focusing on developing new features such as wake and turbulence detection. These developments have led to a record number of ongoing OEM turbine integration projects at the end of 2017. This development, combined with a substantial reduction of the Company's core product costs during the year, permits competitive pricing of Windar products in the market.

Further details of trading in 2017 together with a business update will be provided in the final results for the year ended 31 December 2017 which are expected to be released in late April 2018.

Jørgen Korsgaard Jensen, CEO of Windar, said:

"2017 was a record year for the Company and I am particularly pleased that we enter 2018 with a significant order backlog and with further orders already recorded in 2018. Following the build out of our distributor network in key wind markets with credible partners, we have been able to further rationalise the business to focus on what we do best - developing further LiDAR solutions to reduce costs and to improve the performance of both existing and new build wind farms. Also, with a record number of ongoing OEM integration projects, we expect that some of these will translate into larger scale orders for new turbine design wins in 2018 supporting our long-term revenue targets.

These factors, along with the reduction in our core product cost base, have laid the foundation for further progress in 2018. "

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