



Windar Photonics plc

Introduction and Admission to AIM

Nominated Adviser and Broker
Sanlam Securities UK Limited

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000 ("FSMA"), who specialises in advising on the acquisition of shares and other securities.

This document is an admission document required by the rules of AIM, the market of that name operated by the London Stock Exchange. This document contains no offer to the public within the meaning of FSMA or otherwise. Accordingly this document does not comprise a prospectus for the purposes of the Prospectus Rules issued by the Financial Conduct Authority ("FCA") and has not been drawn up in accordance with the Prospectus Rules or approved by the FCA.

Application has been made for the Issued Ordinary Shares to be admitted to trading on AIM and it is expected that Admission will take place, and dealings in the Issued Ordinary Shares will commence on AIM, on 30 March 2015. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The Company and the Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document.

Your attention is drawn in particular to the section entitled "Risk Factors" in Part II of this document.

Windar Photonics plc

(Incorporated and registered in England and Wales with registered number 09024532)

Admission to trading on AIM

Nominated Adviser and Broker

Sanlam Securities UK Limited



SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

38,166,377 Ordinary Shares of 1 pence each

This document does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, Ordinary Shares to any person to whom, or in any jurisdiction in which, such offer or distribution is unlawful and is not for distribution in or into the United States, Australia, Canada, the Republic of South Africa or Japan. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any securities authority of any state or other jurisdiction in the United States or qualified for sale under the laws of any state of the United States or under any applicable securities laws of Australia, Canada, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered for sale or subscription, or sold or subscribed, directly or indirectly, within the United States, Australia, Canada, the Republic of South Africa or Japan or to, or for the account or benefit of, any US persons (as such term is defined in Regulation S under the Securities Act) or any national, resident or citizen of Australia, Canada, the Republic of South Africa or Japan. The Ordinary Shares have not been approved or disapproved by the Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Sanlam Securities, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the Introduction and Admission. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in reliance on any part of this document. Sanlam Securities is acting exclusively for the Company and for no one else in connection with the Introduction and Admission. Sanlam Securities will not regard any other person (whether or not a recipient of this document) as its customer in relation to the Introduction and Admission and will not be responsible to any other person for providing the protections afforded to customers of Sanlam Securities or for providing advice in relation to Admission or any transaction or arrangement referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Sanlam Securities by FSMA or the regulatory regime established thereunder, Sanlam Securities does not accept responsibility whatsoever for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf in connection with the Company, the Ordinary Shares or the Introduction and Admission. Sanlam Securities accordingly disclaims all and any liabilities whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

The distribution of this document in certain jurisdictions may be restricted by law. This document may not be distributed in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes are required by the Company, the Directors and Sanlam Securities to inform themselves about and to observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of the relevant jurisdiction.

No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors or Sanlam Securities. Without prejudice to the Company's obligations under the AIM Rules the delivery of this document shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this document or that the information contained in this document is correct as of any time subsequent to the date of this document. Sanlam Securities has not authorised the contents of this document and, without limiting the statutory rights of any person, no representation or warranty, express or implied, is made by Sanlam Securities as to the contents of this document and no responsibility or liability whatsoever is accepted by Sanlam Securities for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document, for which the Company and the Directors are solely responsible.

It should be remembered that the price of Ordinary Shares and the income from them can go down as well as up.

The contents of this document are not to be construed as legal, business or tax advice. Any person considering an investment in the Company should consult their own professional advisers for legal, financial or tax advice in relation to an investment or proposed investment in Ordinary Shares.

This document should not be considered as a recommendation by the Company that any person should purchase any of the Ordinary Shares. Any person contemplating purchasing Ordinary Shares should make their own investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Company.

Forward-looking statements

This document contains statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward looking terminology, including the terms "anticipates", "believes", "could", "envisages", "estimates", "expects", "intends", "may", "plans", "projects", "should", "will" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs and current expectations of the Company or the Directors concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth and strategies of the Company and the industry in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual results, performance or achievements of the Company or developments in the industry in which Windar Photonics plc operates may differ materially from the future results, performance or achievements or industry developments expressed or implied by the forward-looking statements contained in this document.

Particular attention is drawn to the risk factors set out in Part II of this document for a more complete discussion of the factors that could affect the Company's future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

The forward-looking statements contained in this document speak only as at the date of this document. The Company undertakes no obligation to update or revise publicly the forward-looking statements contained in this document to reflect any change in expectations or to reflect events or circumstances occurring or arising after the date of this document, except as required in order to comply with its legal and regulatory obligations (including under the AIM Rules).

Industry, market and other data

Information regarding the economic environment has been compiled from publicly available sources. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market related analyses and estimates, requiring the Company to rely on internally developed estimates. The Company takes responsibility for compiling, extracting and reproducing market or other industry data from external sources, including third parties or industry or general publications, which data has been accurately reproduced and, so far as the Company and the Directors are aware and able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Neither the Company nor Sanlam Securities has independently verified that data. Neither the Company nor Sanlam Securities gives any assurance as to the accuracy and completeness of, and takes no further responsibility for, such data. Similarly, while the Board believes its and the Company's internal estimates to be reasonable, they have not been verified by any independent sources and neither the Company nor Sanlam Securities can give any assurance as to their accuracy.

Currency conversions

All references to the conversion of Danish Kroner (DKK) into Euros (EUR) in this document have been carried out using the exchange rate of 1 DKK = 0.1342 EUR, the rate at the close of business on 20 March 2015.

Copies of this document will be available to the public free of charge at the offices of Sanlam Securities at 10 King William Street, London EC4N 7TW during normal business hours on any day (except Saturdays, Sundays and public holidays) for a period of one month from the date of Admission. This document will also be available for download from the Company's website at www.investor.windarphotonics.com.

Contents

	<i>Page</i>
Directors, Secretary and Advisers	4
Key information	5
Expected timetable of principal events	5
Definitions	6
Glossary	9
Part I Introduction to the Group	10
Part II Risk factors	28
Part III Historical financial information on Windar Photonics A/S	34
Part IV Unaudited pro forma statement of net assets of the Group	58
Part V Tax	60
Part VI Additional information	62

Directors, Secretary and Advisers

Directors	<p>John Pix Weston (<i>Non-Executive Chairman</i>) Martin Rambusch (<i>Danish</i>) (<i>Chief Executive Director</i>) Jørgen Korsgaard Jensen (<i>Danish</i>) (<i>Chief Operating Officer</i>) Simon Gregory Barrell (<i>Senior Independent Non-Executive Director</i>) Johan Blach Petersen (<i>Danish</i>) (<i>Non-Executive Director</i>) Niels Vejrup Carlsen (<i>Danish</i>) (<i>Non-Executive Director</i>)</p>
Company Secretary	<p>Edward Ratnam FCA 23 Chetwynd Park Cannock Staffordshire WS12 0NZ</p>
Registered Office	<p>3 More London Riverside London SE1 2AQ</p>
Nominated Adviser, Joint Financial Adviser and Broker	<p>Sanlam Securities UK Limited 10 King William Street London EC4N 7TW</p>
Joint Financial Adviser to the Company	<p>West Hill Corporate Finance Limited 60 Lombard Street London EC3V 9EA</p>
Legal Adviser to the Company as to English law	<p>Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ</p>
Legal Adviser to the Company as to Danish law	<p>Magnusson Advokatfirma Frederiksgade 7, 3 DK- 1265 Copenhagen K Denmark</p>
Legal Adviser to the Nominated Adviser and Broker	<p>Osborne Clarke One London Wall London EC2Y 5EB</p>
Auditors, Reporting Accountant and Tax Adviser	<p>BDO LLP 55 Baker Street London W1U 7EU</p>
Financial PR	<p>Haggie Partners LLP 4 Sun Court 66-67 Cornhill London EC3V 3NB</p>
Registrars	<p>Share Registrars Limited 9 Lion and Lamb Yard Farnham Surrey GU9 7LL</p>
Website	<p>www.investor.windarphotonics.com</p>

Key information

Number of Shares in issue at the date of Admission	38,166,377
ISIN	GB00BTFR4F17
SEDOL	BTFR4F1
AIM trading ticker	WPHO

Expected timetable of principal events

Publication of this document	24 March 2015
Admission effective and dealings commence in the Ordinary Shares on AIM	30 March 2015

Each of the dates in the above timetable is subject to change. All references to times are to London time unless otherwise stated. Temporary documents of title will not be issued.

Definitions

“Admission”	Admission of the Issued Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“AGM”	an annual general meeting of the Company
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies
“Articles”	the articles of association of the Company in force with effect from Admission, a summary of which is set out in paragraph 6 of Part VI of this document
“Board” or “Directors”	the directors of the Company as at Admission, whose names are set out on page 4 of this document
“certificated” or “in certificated form”	not in uncertificated form (that is, not in CREST)
“City Code”	the City Code on Takeovers and Mergers
“Companies Act”	Companies Act 2006 (UK) (as amended)
“Company”	Windar Photonics plc
“Company Secretary”	Edward Ratnam of 23 Chetwynd Park, Cannock, Staffordshire, WS12 0NZ
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (as amended from time to time) and such other regulations as are applicable to Euroclear and/or the CREST UK system from time to time
“DTU”	Technical University of Denmark
“EU”	European Union
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales and the operator of CREST
“FCA”	Financial Conduct Authority of the United Kingdom
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group” or “Windar Photonics”	the Company and its wholly owned subsidiaries and subsidiary undertakings
“HMRC”	Her Majesty’s Revenue and Customs

“IFRS”	International Financial Reporting Standards, as adopted by the European Union
“Introduction”	the introduction of the Ordinary Shares to AIM by Sanlam Securities, as agent for the Company, pursuant to the Introduction Agreement
“Introduction Agreement”	the introduction agreement dated 24 March 2015 between (1) the Company (2) the Directors and (3) Sanlam Securities relating to the Introduction, further details of which are set out in paragraph 14.2 of Part VI of this document
“Issued Ordinary Shares”	the 38,166,377 Ordinary Shares in issue at Admission, being the entire issued Ordinary Share capital of the Company
“London Stock Exchange”	London Stock Exchange plc
“QCA Code”	Corporate Governance Code for Small and Mid-Sized Companies 2013 and the Quoted Companies Alliance (as amended from time to time)
“Official List”	the official list of the UKLA
“Ordinary Shares” or “Shares”	ordinary shares of 1 pence each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Registrar”	Share Registrars Limited
“Registrars Agreement”	the agreement between the Company and the Registrar further details of which are set out in paragraph 14.10 of Part VI of this document
“Regulatory Information Service” or “RIS”	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements
“Regulation S”	Regulation S under the Securities Act
“Retrofit Market”	existing wind turbines in operation
“Sanlam Securities”	Sanlam Securities UK Limited, which is authorised and regulated in the United Kingdom by the FCA
“Shareholder”	a holder of Ordinary Shares
“Share Swap Agreement”	the share swap agreement dated 30 June 2014 between the Company, Windar Photonics A/S, the shareholders and debt holders of Windar Photonics A/S and Martin Rambusch, further details of which are set out in paragraph 14.6 of Part VI of this document
“UK Listing Authority” or “UKLA”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA

“uncertificated” or “in uncertificated form”	recorded in the register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST
“US”, “USA” or “United States”	the United States of America, its territories and possessions, any state or political sub-division of the United States of America, the District of Columbia and all other areas subject to the jurisdiction of the United States of America
“Wind Park Operator”	a broad term to define both wind park operators and owners of wind parks which may include utility companies
“Windar Photonics A/S”	Windar Photonics A/S, a wholly owned subsidiary of the Company registered in Denmark
“WindEye™ Sensor”	the Company’s Light Detection and Ranging system, which is marketed and sold in China under the name ‘Windar’
“West Hill”	West Hill Corporate Finance Limited, which is authorised and regulated in the United Kingdom by the FCA
“West Hill Engagement”	the terms of the engagement letters between the Company and each of West Hill Corporate Finance Limited and West Hill Capital LLP dated 4 July 2014

Glossary

anemometer	a wind measuring device either measuring wind speed and/or pressure
all semi-conductor laser	a master oscillator power amplifier with a semiconductor laser and a tapered semiconductor amplifier integrated on the same substrate
DS OHSAS 18001/2008	an internationally applied occupational health and safety standard
GW	gigawatt, equal to one trillion watts
GWEC	the Global Wind Energy Council, an international trade association for the wind power industry
LED	Light Emitting Diode
LIDAR	a light detection and ranging system
linewidth	the width of a laser's frequency
ISO 9001/2008	a quality management standard
ISO 14001	an environmental management standard
kW	kilowatt, equal to one thousand watts
kWh	kilowatt hour
MW	megawatt, equal to one million watts
MWh	megawatt hour
nacelle	the cover that houses all of the electrical generating components in a wind turbine
nm	nanometre, equal to one billionth of a metre
OEM	original equipment manufacturer, which manufactures products or components that are purchased by another company and are retailed under that company's brand name
SCADA	Supervisory Control and Data Acquisition System, an integrated hardware and software system for monitoring and controlling a wind turbine in real-time

PART I

INFORMATION ON THE GROUP

Introduction

Windar Photonics is a technology group that has developed a cost efficient and innovative Light Detection and Ranging (“LIDAR”) wind sensor for use on electricity generating wind turbines. LIDAR wind sensors in general are designed to remotely measure wind speed and direction.

WindEye™ Sensor

The Group’s key product is the WindEye™ Sensor which measures wind direction and wind speed by scanning a laser beam ahead of the wind turbine. The WindEye™ Sensor was designed for the general optimisation of wind turbines.

Based on the Group’s testing, it has proven possible for the WindEye™ Sensor to increase the power output of a wind turbine by approximately one to three per cent. and further reduce strain on vital components of the wind turbine. The WindEye™ Sensor has been designed to have a multi-year lifecycle with limited maintenance other than the replacement of the light source every two years. Due to the use of a semi-conductor laser, the Directors believe that the Company is able to offer the WindEye™ Sensor at a lower cost compared to competing products whilst still retaining an attractive margin.

The Directors believe that the WindEye™ Sensor can be differentiated from comparable products currently available on the market by its lower price and durability, which typically enables the Company to provide its customers with a return on investment within one to four years.

The Group has been granted a patent for the use of a semi-conductor laser in a LIDAR wind sensor in the EU, the USA and Russia with applications or divisional applications filed and pending in the EU, India, China and Japan.

The WindEye™ Sensor was released for commercial sale at the end of 2013 and, in the nine months ended 30 September 2014, Windar Photonics achieved revenue of DKK 5,879,000 (EUR 788,962) from delivery of WindEye™ Sensors for installation to a combination of Wind Park Operators and OEMs. The Directors anticipate significant growth in future order volumes.

Target markets

Wind Park Operators are primarily interested in achieving better yaw alignment of existing wind turbines thereby potentially increasing power output. One method of achieving this is by fitting a LIDAR wind sensor such as the WindEye™ Sensor. OEMs are primarily focused on fully integrating LIDAR wind sensor information to address both yaw misalignment and more complex load reduction strategies. OEMs typically have longer design times for product integration compared to the shorter time normally taken to retrofit a sensor on an existing wind turbine. As such, the Company expects that the majority of its initial orders will be from Wind Park Operators. China is a global leader in terms of installed electricity generating wind turbines and the Directors therefore see the existing Wind Park Operator market (the “Retrofit Market”) in China as a key potential market for the Group.

It is estimated that there are currently more than 130,000 installed wind turbines operated by Wind Park Operators with capacities of more than 1.5MW in the world, including at least 17,000 - 18,000 new wind turbines which were installed in the year ended 31 December 2014. The Directors believe that the Group will be able to significantly increase its market share within both the OEM market and the Retrofit Market.

Background to the Company

The Company was incorporated on 6 May 2014 and owns 100 per cent. of the ordinary share capital of its two subsidiaries Windar Photonics A/S and, through Windar Photonics A/S, Windar Photonics Inc. On 29 August 2014 the Company issued Ordinary Shares in consideration for the transfer to the

Company of the entire issued share capital in its subsidiaries pursuant to the Share Swap Agreement and, on the same date, the Company closed an initial private offering which raised approximately £2 million. On 2 October 2014, the Company subsequently closed a further private offering which raised approximately £1 million. Between 28 November 2014 and 12 December 2014, institutional and other investors invested approximately a further £2.88 million. All of these fundraisings were conducted at a price of 100 pence per Ordinary Share. At Admission, the Company will have a single class of Ordinary Shares in issue, which will be admitted to trading on AIM.

Background to Windar Photonics and WindEye™ Sensor

The origin of the WindEye™ Sensor lies in the development of a LIDAR wind sensor which accurately measures wind speed and direction at a lower cost than competing LIDAR wind sensors. In 2002, Jørgen Korsgaard Jensen, the present Chief Operating Officer, founded OPDI Technologies to work in conjunction with the Technical University of Denmark (“DTU”) to commercially exploit certain optical technologies. This progressed in 2006 with the start of a LIDAR wind sensor development project, the technology of which is now owned by the Group. OPDI Technologies and the DTU conducted extensive testing and proof of concept work on this LIDAR technology. In 2008, the shareholders of OPDI Technologies formed Windar Photonics A/S, which was granted the exclusive licence to this LIDAR wind sensor technology by the DTU, including the combination of using a low cost semi-conductor light source in a LIDAR wind sensor. In 2011, Windar Photonics A/S acquired DTU’s intellectual property rights relating to the LIDAR wind sensor development project in consideration of ordinary shares issued by Windar Photonics A/S to DTU. At that time, Windar Photonics A/S raised further funds from seed investors and its shareholders. Since then, a team of experienced staff has been working to develop and commercialise the LIDAR wind sensor.

The Group has its headquarters in the UK with the business primarily being operated by Windar Photonics A/S in Copenhagen, Denmark. The Group also has sales representation in USA, Canada, Europe and China. The Group currently employs 23 people.

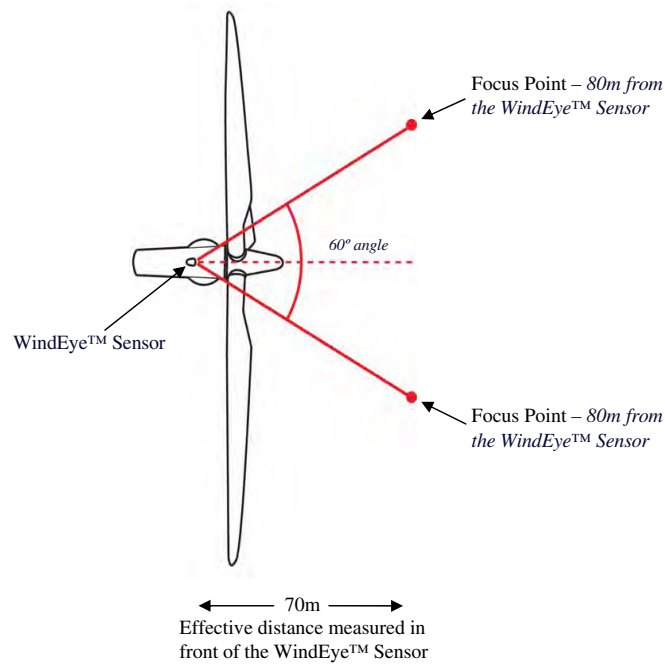
Technology and intellectual property

Overview

The WindEye™ Sensor, which incorporates Windar Photonics A/S proprietary LIDAR wind sensor technology, is designed to be both safe and robust and has been purpose built to be installed on most commercial wind turbines.

The WindEye™ Sensor measures wind speed and direction by scanning a laser beam horizontally ahead of the turbine. The light emitted by the WindEye™ Sensor identifies the movement of tiny particles in the air and can transmit data every second to the wind turbine control. Software algorithms then calculate the oncoming wind speed and direction relative to the turbine direction, enabling the turbine control to respond and optimise the performance of the wind turbine.

The diagram below shows an overhead representation of a wind turbine and a WindEye™ Sensor in operation.



The WindEye™ Sensor acts as a supplement to built-in wind sensors already fitted on wind turbines. The forward looking wind information it gathers can improve a wind turbine's performance and efficiency by reducing yaw misalignment and reducing loads, thereby potentially increasing the power output and potential lifetime of the wind turbine.

On the basis of the Group's testing, it has proven possible for the WindEye™ Sensor to increase power output of a turbine by approximately one to three per cent. Further, third party testing has shown that forward looking LIDAR sensors can reduce strain on vital components by up to 14 per cent.

LIDAR wind sensor technology

LIDAR technology was invented in the 1970s and has the potential to become an important technology within the wind turbine industry for its ability to measure wind speed and direction remotely. LIDAR sensors do not replace conventional wind sensors but rather complement them to improve the performance of wind turbines.

The current standard industry practice for the placement of wind sensors is for the device to be mounted on top of a wind turbine nacelle behind the rotor blades. The wind field behind the rotor blades is frequently affected by turbulence from the turbine itself. As such wind intelligence measured in this location may not correspond to the incoming wind field approaching the wind turbine. This typically results in the yaw misalignment of the turbine which negatively affects its power output.

Better wind intelligence is achieved with forward looking sensors using LIDAR wind sensor technology, such as the WindEye™ Sensor, which measures the wind speed and direction in front of the wind turbine. The wind turbine controller can receive this data in respect of the approaching wind and is able to adapt in advance.

The light emitted by the wind sensor is reflected back by small particles in the air: pollen, dust and water droplets. By measuring how these wind-borne particles move, a LIDAR wind sensor can derive wind speed and wind direction. This is the principle behind LIDAR wind measurement.

The benefits of LIDAR wind sensor technology are widely recognised and can be summarised as:

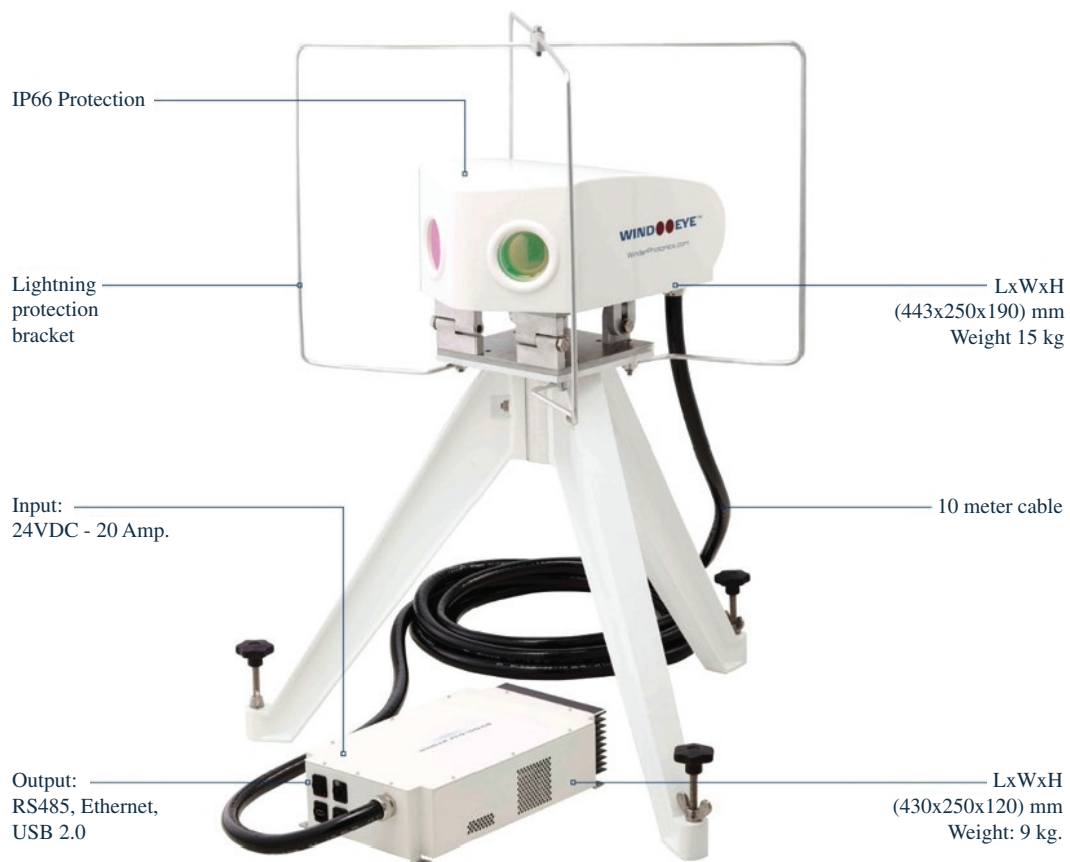
- More accurate wind direction data → better yawing → more kWh and load reduction
- Forward looking wind speed data → better pitching → more kWh and load reduction
- Load reduction → increased lifetime of turbine → more kWh

For commercial LIDAR wind sensors, stringent eye-safety requirements have led to the preference for lasers operating near the 1550 nm wavelength. LIDAR wind sensors have typically used relatively expensive fibre amplified laser to achieve the required laser output power and narrow linewidth. The WindEye™ Sensor is based on an all semi-conductor laser without the need for any fibre amplifier.

WindEye™ Sensor

In addition to using a cheaper all semi-conductor laser, other components of the WindEye™ Sensor have been adapted to achieve a compact design with no mechanical moving parts to wear out or break down. The WindEye™ Sensor is controlled entirely electronically and is built with the aim of withstanding the often harsh environmental operating conditions on the top of a wind turbine.

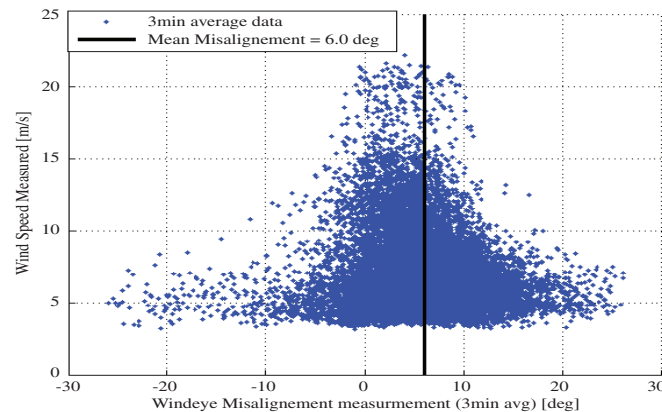
The WindEye™ Sensor has been specifically engineered to be installed on a wind turbine. Most of the electronic components are in the control unit which is positioned inside the nacelle of the wind turbine. Only the optical head, which is small and light, is mounted on the top of the nacelle. Its compact design allows it to be easily transported, handled and installed without the use of cranes or heavy machinery. Moreover, this system can be fitted on the majority of wind turbines currently used by Wind Park Operators. Depending on the turbine design, the WindEye™ Sensor can be mounted either on a tripod or on an existing structure of the wind turbine, such as the turbine cooling tower. Windar Photonics A/S has filed a patent application over the method used to ascertain the precise alignment of the WindEye™ Sensor when installed.



WindEye™ Sensor (not to scale)

Comparative test and results

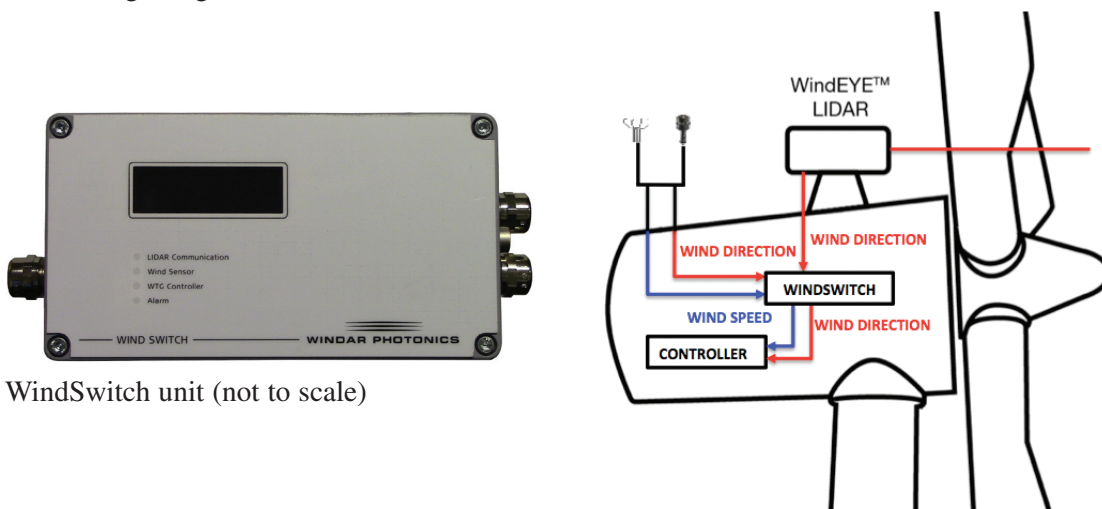
In one of the first trials, the WindEye™ Sensor was used to test yaw misalignment on a 3.6 MW Siemens wind turbine located in Denmark over a two month period. The results of that test are presented below.



The results showed a mean misalignment of 6 degrees and an absolute mean yaw misalignment of 9.7 degrees. In addition, over that period, the results demonstrated that the WindEye™ Sensor could potentially increase energy output by 35 MW. This would represent a 2.38 per cent. energy output increase and an estimated investment payback period of 1.1 years based on a load-factor of 28.93 per cent. (for 95 per cent. of which it is further assumed that the WindEye™ Sensor will be operational) and a feed-in tariff of €90 per MWh.

WindSwitch

The WindSwitch is a control box designed by Windar Photonics to easily integrate the WindEye™ Sensor measurements into the control system of existing wind turbines without the need to make any changes to the wind turbine control system itself. In existing wind turbines, integration of the WindEye™ Sensor without the WindSwitch requires amendments to the software of the wind turbine's control system. The WindSwitch is therefore an essential accompaniment to the WindEye™ Sensor for some existing wind turbines where the software in the control system cannot be accessed. The WindSwitch is primarily being marketed towards the Retrofit Market as the WindSwitch will not normally be needed for integration of the WindEye™ Sensor within the OEM market as the software in the control system in new wind turbines is usually adapted on the integration of the WindEye™ Sensor at the design stage of the wind turbine.



WindSwitch unit (not to scale)

As LIDAR sensors measure air born particles, any LIDAR sensor will experience periods where back scattered signals cannot be detected by the WindEye™ Sensor. By default the WindSwitch will transmit the wind direction data received from the WindEye™ Sensor to the wind turbine control system. However, during periods where no WindEye™ Sensor wind data is available, the WindSwitch will

automatically switch to transmitting the wind data from an existing wind sensor, such as a simple anemometer, which continues to provide wind data for such an event to the wind turbine control system as illustrated in the diagram above.

Status of intellectual property

The Group has been granted patents for the use of a semi-conductor laser in a LIDAR wind sensor in Russia in 2013, the USA in 2014 and Europe in 2015 with corresponding applications or divisional applications for a similar use filed and pending in India, China and Japan.

The use of the all semi-conductor laser in the WindEye™ Sensor was developed in partnership between OPDI Technologies and the DTU in Roskilde, Denmark. The DTU further holds a patent registered in the USA relating to the combination of LIDAR sensors and wind turbine control that Windar Photonics A/S is licenced to use under a freedom-to-operate agreement with DTU, allowing the product to be integrated into a wind turbine in the USA.

The Group has a strategy to file patent applications on new inventions that will typically cover the areas of the EU, USA, Russia, India, China and Japan. Besides the application for the use of an all semi-conductor laser, further applications have been filed but have not yet been designated to specific countries for the following:

- circulator based LIDAR wind sensors filed in 2012;
- advanced installation technology for precise installation of sensors on wind turbines relative to the main shaft of the turbine filed in 2014; and
- beam scanning technology for LIDAR wind sensors filed in 2014.

No assurance can be given regarding the outcome of the pending patent applications. Particular attention is drawn to the risk factor entitled “Intellectual Property” in Part II of this document.

Design & Manufacturing

Windar Photonics is responsible for the design of the WindEye™ Sensor. Manufacturing of subcomponents used in the WindEye™ Sensor is predominantly outsourced to external suppliers, whilst its assembly and quality control is conducted by Windar Photonics A/S in Denmark.

The Directors aim for Windar Photonics to provide compact remote wind sensors with precise quality standards. As part of the commitment to maintaining these high standards, Windar Photonics A/S is certified to conform to the management system standard of DS/EN ISO 9001:2008, ISO 14001:2004, DS/OHSAS 18001:2008 and Danish occupational health and safety regulation no. 1191 dated 9 October 2013 by DNV Business Assurance.

All sales of the WindEye™ Sensor are supported by a two year warranty.

In the future, assuming growth targets are met and any jurisdictional barriers (for example any intellectual property matters impeding the Group’s ability to do so) are overcome, Windar Photonics’ target is to have local assembly plants/distribution centres serving regional markets. As part of this strategy an assembly plant is currently planned in China for the Asian market.

Partnerships

Windar Photonic’s sales and marketing team works in close partnership with other third parties that provide its business with access to a multi-jurisdictional sales network as set out below.

It is intended that maintenance services in Europe and North America in the future will be provided by Availon United Wind Service. Availon United Wind Service is an established company founded in Germany and has a presence in Germany, Italy, Spain and offices in Des Moines and Houston in the USA.

Windar Photonic A/S's distribution in the Chinese market has been made possible through a distribution agreement with LSAP Holdings AG (known as "TRES Wind"), based in Switzerland, which in turn has a strong collaboration with Shanghai Taisheng Wind Power Equipment Co., Ltd. ("TSP"), a leading Chinese wind turbine tower manufacturer listed on the Shenzhen Stock Exchange. TSP has three production facilities in China and it currently supplies some of the leading wind turbine manufacturers in the Chinese market.

In addition, Windar Photonics collaborates with design offices that provide testing, certification and advisory services to complement its product offering to customers.

Customers

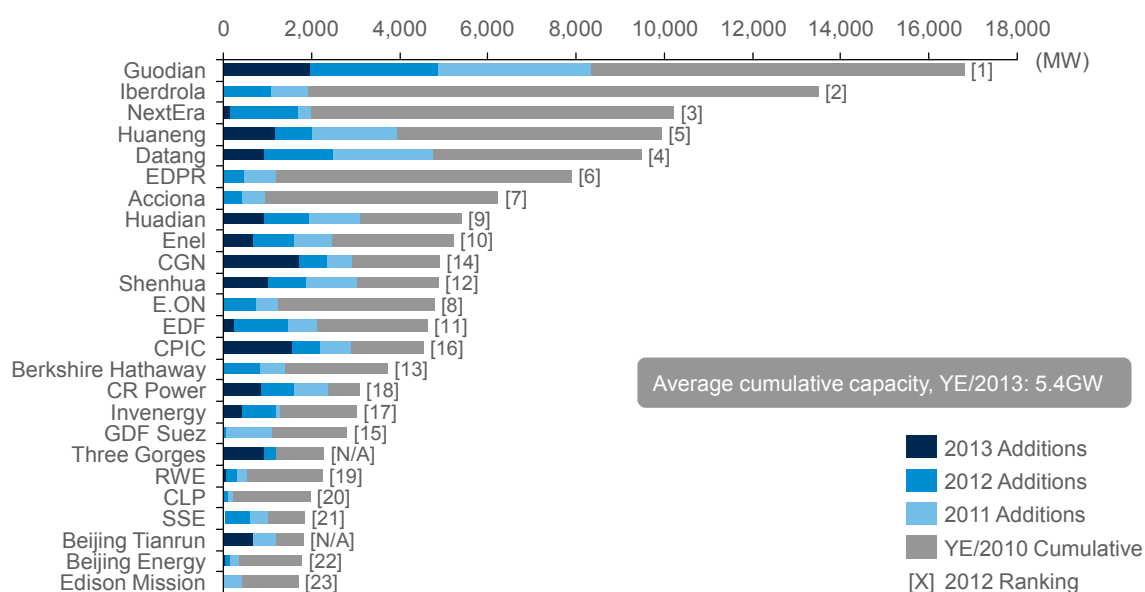
Windar Photonics A/S has been actively marketing to potential customers over the past two years and has secured orders from both OEMs and Wind Park Operators. There are on-going discussions with several potential customers for large scale new installations within both the OEM market and the Retrofit Market.

The sale process typically involves a product trial/demonstration over a two to three month period. Upon completion of the trial period, Windar Photonics performs analysis of the collected data and presents the results to the potential customer. Following verification, negotiations regarding further installation/control integration will usually commence.

The scale of the Company's target markets, and the traction it has already made in selling WindEye™ Sensors to some of the leading global OEMs and Wind Park Operators, are highlighted in the information below.

Wind Park Operators

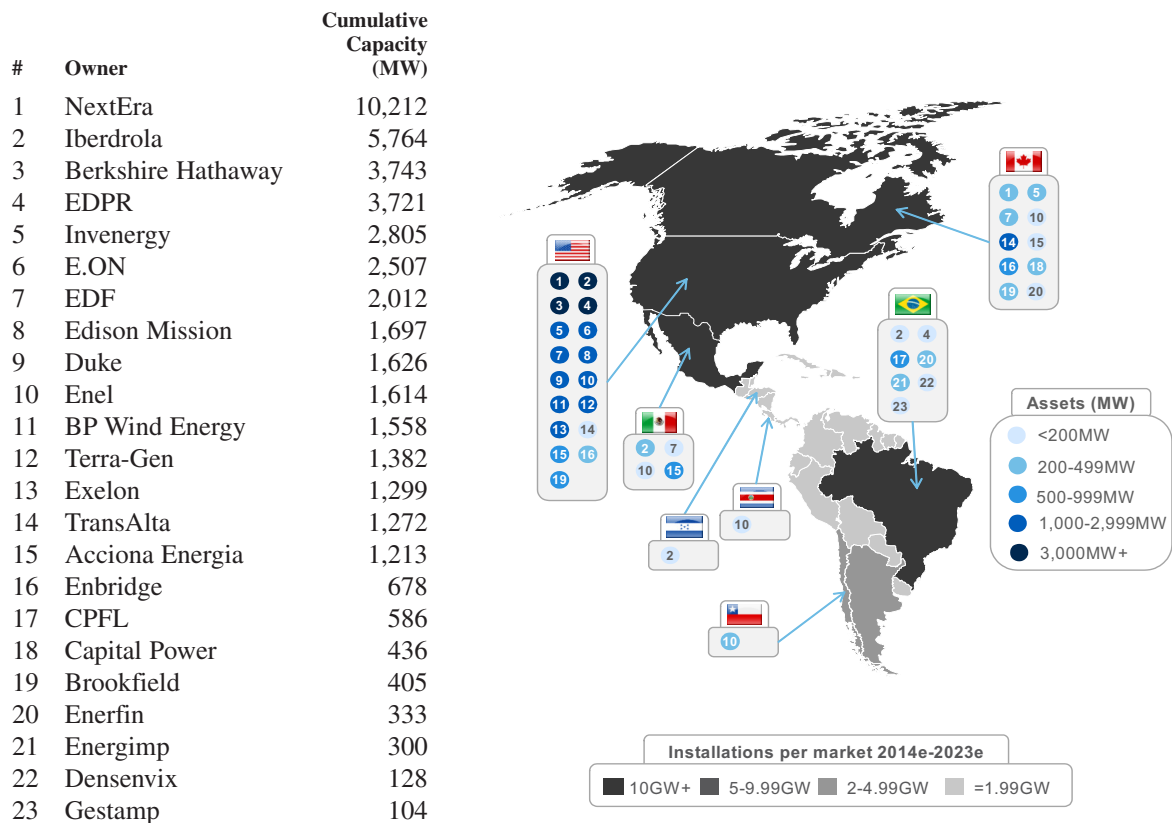
A list of the largest Wind Park Operators by annual installed capacity is shown in the graph below.



Source: MAKE, Global Wind Power Asset Ownership 2014

Americas

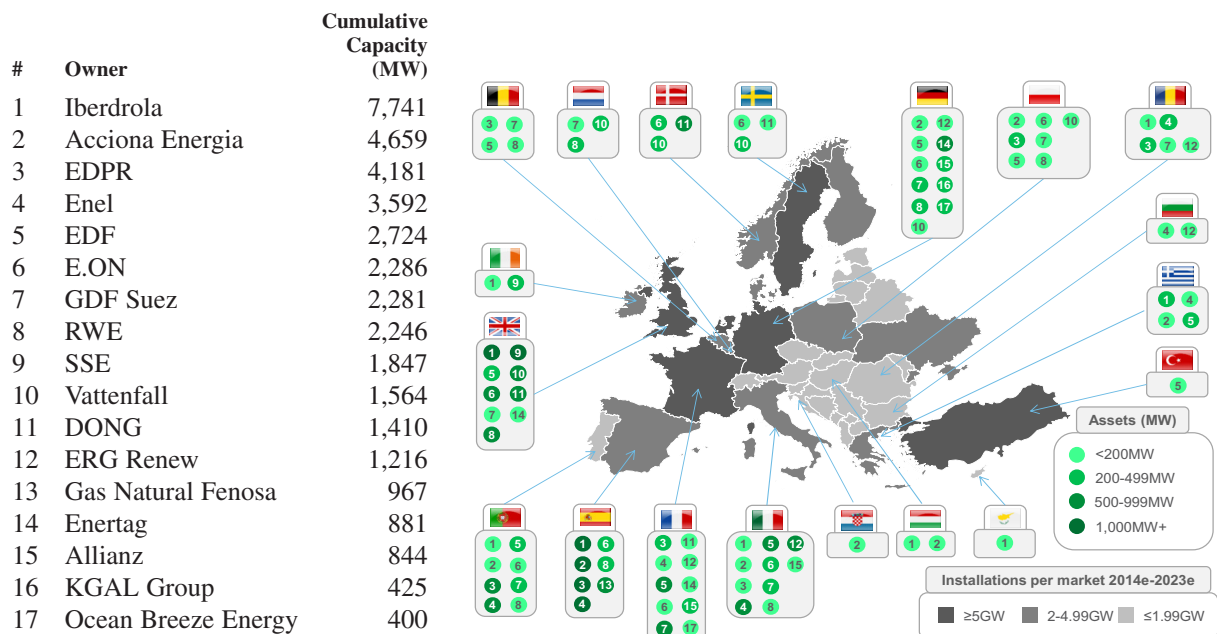
Windar Photonics has supplied LIDAR systems to two of the top 23 Wind Park Operators in the Americas as at December 2014.



Source: MAKE, Global Wind Power Asset Ownership 2014

EMEA

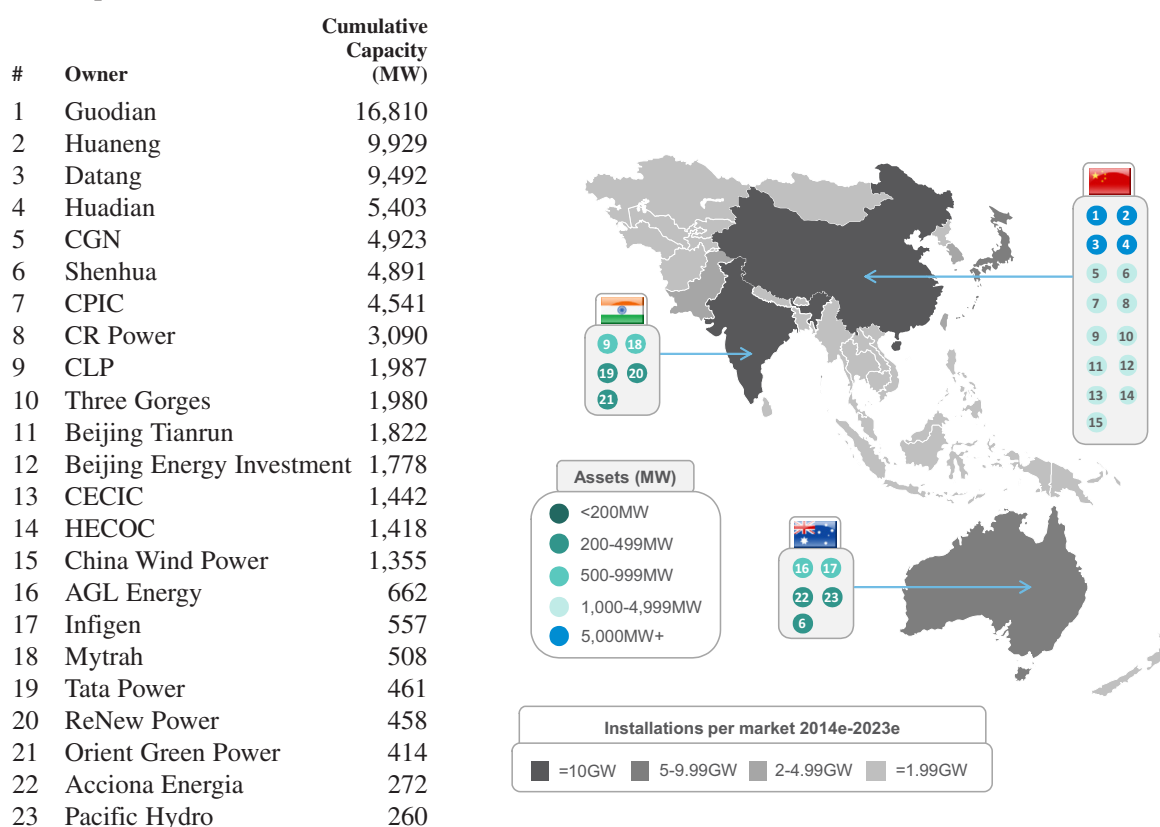
Windar Photonics has supplied LIDAR systems to three of the top 17 Wind Park Operators in EMEA as at December 2014.



Source: MAKE, Global Wind Power Asset Ownership 2014

Asia

Windar Photonics, via its distribution partners, has supplied LIDAR systems to four of the top 23 Wind Park Operators in Asia as at December 2014.



Source: MAKE, Global Wind Power Asset Ownership 2014

OEMs

Windar Photonics and its distributors have supplied WindEye™ Sensors to four of the top ten OEMs in the world.

A list of top ten global wind turbine OEMs by market share in 2013 is presented in the table below.

Rank	Manufacturer	Origin	Market Share
1	Vestas	Denmark	13.1%
2	Goldwind	China	11.0%
3	Enercon	Germany	9.8%
4	Siemens	Denmark	7.4%
5	Ge wind	USA	6.6%
6	Gamesa	Spain	5.5%
7	Suzlon group	India	5.3%
8	United power	China	4.0%
9	Ming yang	China	3.5%
10	Nordex	Germany	3.3%
	Total		69.5%

Source: Evwind – www.evwind.es (based on the total market of 37,478 MW)

Payback calculations

The payback period for customers installing a WindEye™ Sensor depends on the size and output of the wind turbine as well as the feed-in tariff. Today, many new turbines built have an output capacity of 2 MW or greater. The Directors believe that, based on Windar Photonics tests and internal projections

on a standard 2 MW wind turbine, the WindEye™ Sensor could increase energy output by approximately one to three per cent. On that basis, and assuming a load factor of 25 per cent. (for 95 per cent. of which it is further assumed that the WindEye™ Sensor will be operational) and a feed-in tariff of €75 per MWh, the estimated payback period would be 2.1 years. On a 5.0 MW wind turbine the payback period could be under a year. These payback periods are made possible due to the low cost of the WindEye™ Sensor.

The table below shows the projected payback period, based on the load factor and feed-in tariff assumptions detailed above, for customers purchasing a WindEye™ Sensor across a range of turbine specifications (excluding additional returns from load productions). It is the Directors' belief that payback periods of approximately three years or less provide a viable investment case.

Wind turbine capacity

<i>Energy Improvement</i>	<i>Wind turbine capacity</i>							
	<i>750kW</i>	<i>1.0MW</i>	<i>1.5MW</i>	<i>2.0MW</i>	<i>3.0MW</i>	<i>3.6MW</i>	<i>5.0MW</i>	<i>6.0MW</i>
	<i>1.5%</i>	<i>11.4 years</i>	<i>8.5 years</i>	<i>5.7 years</i>	<i>4.3 years</i>	<i>2.8 years</i>	<i>2.4 years</i>	<i>1.7 years</i>
	<i>2.0%</i>	<i>8.5 years</i>	<i>6.4 years</i>	<i>4.3 years</i>	<i>3.2 years</i>	<i>2.1 years</i>	<i>1.8 years</i>	<i>1.3 years</i>
	<i>3.0%</i>	<i>5.7 years</i>	<i>4.3 years</i>	<i>2.8 years</i>	<i>2.1 years</i>	<i>1.4 years</i>	<i>1.2 years</i>	<i>0.9 years</i>
	<i>4.0%</i>	<i>4.3 years</i>	<i>3.2 years</i>	<i>2.1 years</i>	<i>1.6 years</i>	<i>1.1 years</i>	<i>0.9 years</i>	<i>0.6 years</i>

Source: Windar Photonics own calculations on the basis of the following assumptions: (1) the load factor equals 25%; (2) the period which the WindEye™ Sensor will be operational is 95%; and (3) the feed-in tariff is €75 per MWh

Competition

There are a number of companies that manufacture and market different types of wind sensors to the wind turbine industry. The WindEye™ Sensor is marketed as a supplemental remote wind sensor and as such does not seek to replace traditional wind sensors used for wind turbine control. The Directors therefore consider those remote wind sensor manufactures marketing wind sensors based on fundamental LIDAR technology as the Company's only existing direct competitors.

The Directors consider the following to be important differentiators in today's market with regard to the integration of remote wind sensors for wind turbine control:

- competitive sensor price;
- durability of the sensor; and
- weight and physical dimensions.

In relation to these differentiators, the Directors believe that the Group's products are better placed in a number of respects in the market than its competitors' product offerings.

The Directors have identified approximately five different remote wind sensor competitors currently marketing products using LIDAR technology, including Galion (product name: Galion), Zephir (product name: Zephir), Leosphere (product name: Wind Cube), Avent (product name: Windiris), and Pentalum (product name: Spidar).

Some of these competing products are not designed to be integrated for dynamic wind turbine control, but the Directors expect that these products can be modified to be installed on wind turbines for such purposes and is why they are therefore considered to be competing products.

To achieve its competitive advantage in its market sector, the WindEye™ Sensor utilises different technologies for which the Group has filed patent applications. Among these is the use of a low-cost all semi-conductor laser and other scanning technologies which allow the Company to offer WindEye™ Sensor at a competitive price in relation to competing LIDAR remote wind sensors.

Additionally, in comparison the published product specifications of the products produced by the five identified competitors, the WindEye™ Sensor is both physically smaller and lighter, which is beneficial to end users both for the transportation and installation of a remote wind sensor on existing wind turbines.

Current trading and future prospects

In the nine months ended 30 September 2014, Windar Photonics A/S incurred an unaudited loss before tax of DKK 9,696,029 (EUR 1,301,207) on revenue of DKK 5,879,000 (EUR 788,962).

The Directors anticipate that the Group's financial performance for the year ended 31 December 2014 will be in-line with their expectations.

The Directors foresee a positive trading outlook for the Company in 2015 building on the successful testing and sales of the WindEye™ Sensor in 2014. The Chinese Retrofit Market is a key target area for revenue growth in the near term where the Directors aim to capitalise on new and existing sales channels. The Group is also committed to the development of new technologies for use in LIDAR wind sensors and will seek to complement and expand on its existing product offering where appropriate.

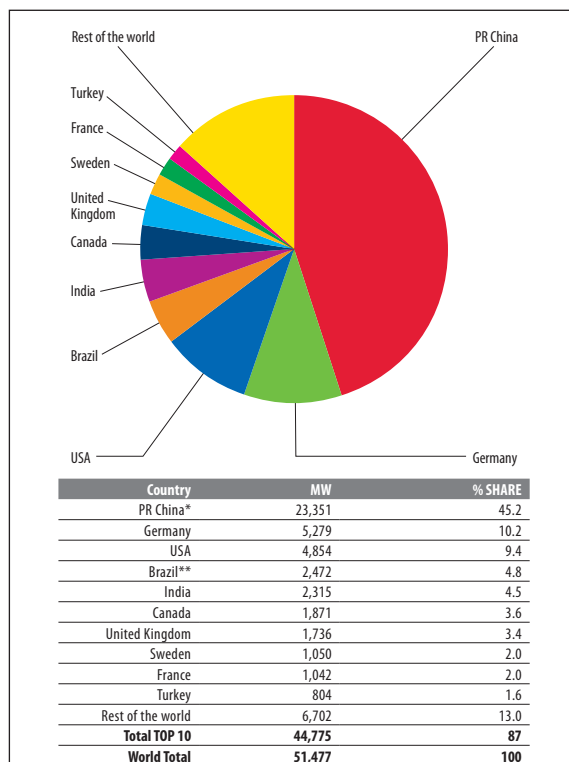
Global wind energy market

Market developments in 2014

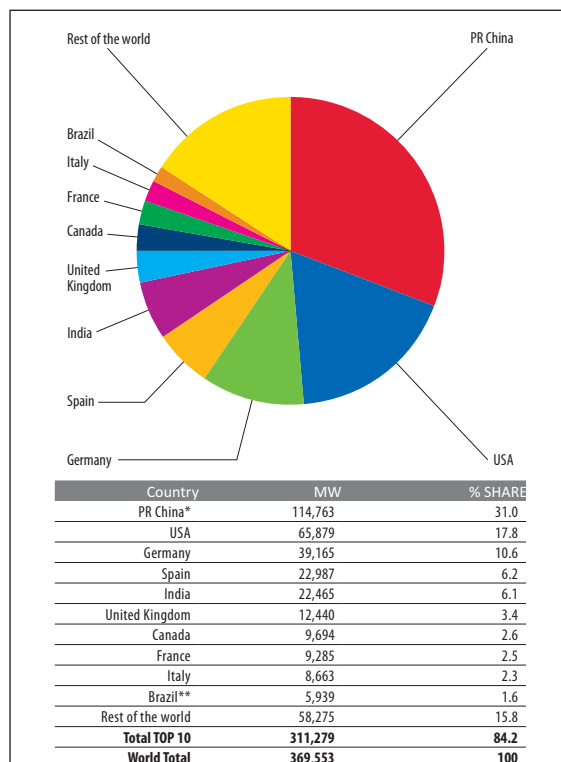
According to Global Wind Statistics published by Global Wind Energy Council ("GWEC") more than 51 GW of new wind power capacity was installed in 2014, taking the global total of installed capacity to 369 GW at the year end. Cumulative market growth was 16.0 per cent. in 2014.

During 2014, China installed more than four times the capacity of the next largest nation, Germany and, at 31 December 2014 China held 31.0 per cent. of the total installed capacity as demonstrated by the charts below:

**TOP 10 CUMULATIVE CAPACITY
DECEMBER 2014**



**TOP 10 NEW INSTALLED CAPACITY
JANUARY – DECEMBER 2014**



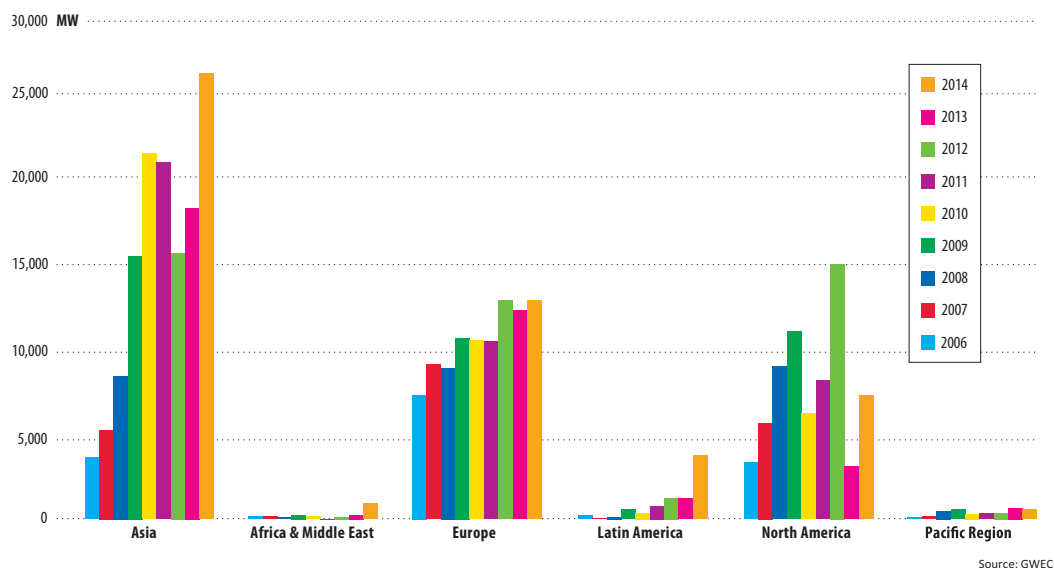
* Provisional figure

** Projects fully commissioned, grid connections pending in some cases

Source: GWEC, Global Wind Statistics 2014

The historic development of the wind power sector is presented in the following graph:

ANNUAL INSTALLED CAPACITY BY REGION 2006-2014



Source: GWEC, Global Wind Statistics 2014

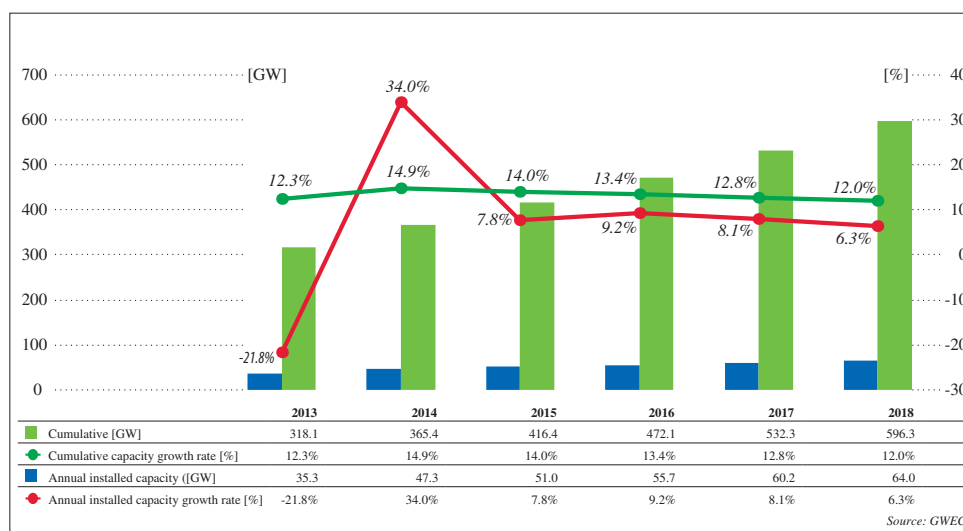
Market

National and regional policies are the main drivers for wind energy deployment. Demand in the US is driven by a changing legislative environment; China's support for wind as a major pillar of its energy strategy supports the continued growth in that market; and in the EU, the debate over 2030 climate and energy policy dominates the perspective for wind going forward, both onshore and offshore.

While global markets will continue to be dominated by Asia, Europe and North America, new markets (countries such as Brazil) are expected to start gaining momentum over the next five years.

In its Global Wind Report published in 2013, GWEC expects the global installed capacity to rise from approximately 318 GW at 31 December 2013 to 596 GW by the end of 2018, an increase of 87 per cent.

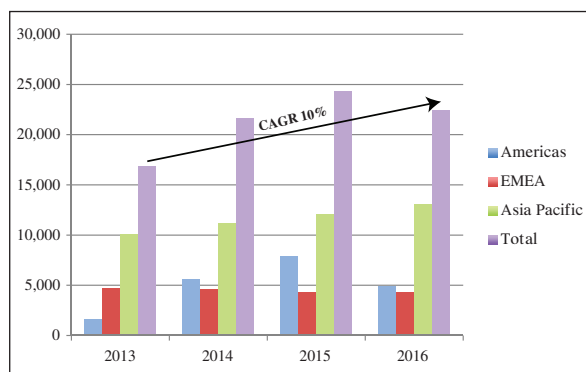
MARKET FORECAST FOR 2014-2018



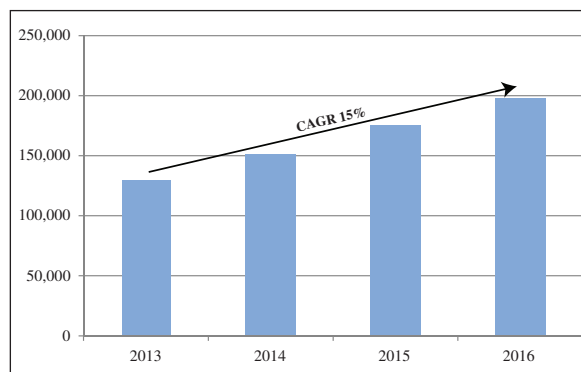
Source: GWEC, Global Wind Report, Annual Market Update 2013

Based on published and predicted figures for the market over the period 2013-2016, the Company has calculated the number of installed wind turbines for that period as illustrated in the following graphs:

**ANNUAL TOTAL WIND TURBINES
INSTALLED BY REGION**



**ACCUMULATED TOTAL WIND
TURBINES INSTALLED**



Source: Company's own calculations derived from MAKE figures of installed capacity and on the assumption that from 2014 all turbines will have an installed capacity of 1.5MW or more.

Directors and senior management

The Board comprises six Directors, comprising two executive directors and four non-executive directors.

The Directors are as follows:

John Weston (*Non-Executive Chairman*), aged 63

John Weston worked in the Aerospace and Defence industry for 32 years predominantly with BAE Systems plc where he ultimately became chief executive, leading a group with \$20 billion in sales, employing 120,000 people, and was a member of the team credited with turning around the group's fortunes in the 1990s.

John's previous chairmanships include Acra Controls Ltd, AWS Electronics plc, Insensys plc, Inbis plc, iSOFT plc and Spirent plc and he currently acts as chairman of Fibercore, Accesso Technology Group plc and MB Aerospace Holdings Limited as well as being appointed a non-executive director of Torotrack plc.

John is a Vice President of the Royal United Services Institute. He has previously served on the council of the Royal Academy of Engineering, and the Prime Minister's council for science and technology. In addition to his CBE, he is also a Commander of the Order of the Pole Star (Sweden) and a freeman of the City of London. John was educated at Trinity Hall Cambridge, where he read engineering.

Martin Rambusch (*Chief Executive Officer*), aged 41

Martin Rambusch has worked in the wind turbine industry for more than seventeen years. He was the chief executive of Svendborg Brakes A/S which was sold to Doughty Hanson for EUR 460 million. Prior to this he was the chief executive of Dansk Synergi A/S. He has been involved in several acquisitions and turnarounds of smaller Danish companies. He has an Executive MBA from the University of Aarhus, a diploma degree in Business Administration from the University of Odense and is a qualified Export Technician from the Technical School of Odense.

Jørgen Korsgaard Jensen (*part-time Chief Operating Officer and Founder*), aged 52

Jørgen Korsgaard Jensen is an expert in optical technology solutions and has been involved in Research & Development projects in the field of optical technology in collaboration with Risø DTU for twelve years. Prior to that he held leading positions in international companies with responsibilities for strategy, finance, purchasing and logistics. He is the chief executive and founder of OPDI Technologies, which develops and markets opto/electronic sensors primarily for consumer electronic products.

Further, he is chief executive of the O-Net WaveTouch group, which develops and markets optical touch screen technologies.

The businesses of Windar Photonics and O-Net WaveTouch group were both initially created by, and are derived from businesses within, OPDI Technologies. As a result of these other positions Jørgen Korsgaard Jensen is employed by Windar Photonics on a part time basis. While he is currently employed by the Group in an executive position, the Company intends to appoint a new chief operating officer in 2015 to gradually take over Jørgen Korsgaard Jensen's executive duties and the additional operations of the Group as it expands its activities. It is intended that Jørgen Korsgaard Jensen's involvement with the Group will reduce and that, following appointment and integration of a new chief operating officer, he will step down to a non-executive role.

Prior to this he was the chief executive and founder of Kanitech International A/S, chief financial officer of Gram A/S, Glasuld A/S (Saint Gobain) and Farre Food A/S. He also has a Bachelor's degree in Sales and Marketing from University of Southern Denmark and a Bachelor's degree in Accountancy and Finance from University of Southern Denmark.

Simon Barrell (*Senior Independent Non-Executive Director*), aged 56

Simon Barrell qualified as a chartered accountant with Arthur Young in 1983. He then joined an accountancy practice in Nairobi, Kenya as a Senior Manager. On his return to the UK in 1987, he joined Binder Hamlyn. In 1994 Simon was appointed finance director of Napier Brown & Company Limited and in 2003 as finance director of Napier Brown Foods plc. Since leaving Napier Brown Foods plc in 2005 he has acted in non-executive director and non-executive chairman capacities for a number of public companies and continues to act as an adviser to listed and non-listed companies.

Johan Blach Petersen (*Non-Executive Director*), aged 63

Johan Blach Petersen is an experienced business development consultant and has provided such services through J. Blach Petersen Business Development A/S since 1987. He serves as Chairman in a number of companies including M2Film A/S, M2 Entertainment Ltd, London, Picture This Studio Ltd, Bangkok, Bila A/S, JMM Group A/S, Loevschall A/S, Trifork AG, Teknikgruppen A/S, Tuco Marine Group A/S, TrimIt A/S, Lindcon A/S Trekanten-Hestbæk A/S, Østergaard Møbelindustri A/S, Junget A/S and is a Board Member of Poul Tarp A/S, OPDI Technologies A/S, Global Car Leasing A/S, and Kinnan A/S. Prior to forming his own business he was a management consultant as well as he served as the Trade Commissioner for Denmark in Houston, Texas. Johan was educated at the Aarhus Business School, holding two business degrees: HA and HD.

Niels Vejrup Carlsen (*Non-Executive Director*), aged 51

Niels Carlsen brings venture capital investment experience through his career at SEED Capital Denmark. He worked for Siemens where he spearheaded a rapid product development initiative and managed development partnerships with Apple and Microsoft. He also worked in the capacity of chief executive officer in two Danish internet startups in the media segment (Berlingske Online A/S and NetDoktor A/S). He holds a number of board positions in various companies such as Brain+, Vivino, watAgame, GoMore, Blackwood Seven, DealCircle and TRD Surfaces. He also holds a PhD in Software Engineering from the DTU and has worked with innovation, management and business development in the telecom, media and internet industries.

Senior management comprises:

Daniel Jepsen (*Chief Financial Officer*), aged 33

Daniel joined Windar Photonics A/S in October 2014 from Agenda Group, a communications and marketing consultancy based in Copenhagen where he was chief financial officer. He qualified as a chartered accountant with Deloitte in Denmark and holds a Master's degree in Business Economics from the University of Southern Denmark. Daniel brings valuable previous financial and management experience to his current role at Windar Photonics.

Corporate governance

The Directors are committed to maintaining a high standard of corporate governance and intend to comply with those aspects of the QCA Code which they consider appropriate, taking into account the size of the Company and the nature of its business.

The Company currently has six Directors, four of whom are non-executive.

The Board will be supplied with regular and timely information concerning the activities of the Company so that it is able to exercise its responsibilities and control functions in a proper and effective manner.

Audit Committee

The Audit Committee comprises John Weston, Johan Blach Petersen and Simon Barrell and is chaired by Simon Barrell. The Audit Committee will meet at least twice a year and is responsible for reviewing the annual and half-yearly accounts, the system of internal controls and risk management, and the terms of appointment and remuneration of the auditors. It is also the forum through which the auditor's report to the Board. The Audit Committee is also responsible for reviewing the objectivity of the external auditors and the terms under which the external auditors are appointed to perform non-audit services.

The Company's auditor will also attend the Audit Committee at its request and report on its work procedures, the quality and effectiveness of the Company's accounting records and its findings in relation to the Company's statutory audit. The Audit Committee will meet with the auditors at least once a year.

Nomination Committee

The Nomination Committee comprises John Weston, Johan Blach Petersen and Simon Barrell and is chaired by John Weston. It will meet at least once a year and otherwise as required. The Nomination Committee considers the composition of the Board, retirements and appointments of additional and replacement directors and makes appropriate recommendations to the Board.

Remuneration Committee

The Remuneration Committee comprises John Weston, Johan Blach Petersen and Simon Barrell and is chaired by John Weston. It will meet at least once a year and is responsible for reviewing the scale and structure of the executive directors' remuneration and the terms of their service or employment contracts, including any share option granted and other bonus arrangements. The remuneration and terms and conditions of the Non-Executive Directors are set by the entire board.

Dividend policy

In establishing the Group's dividend policy, the Directors have taken into consideration the following factors:

- the Company's intention to generate shareholder return in the short term;
- the current and future ability of the business of the Group to generate a sustained level of distributable profits and its working capital and cash flow requirements;
- the Group's ongoing need to re-invest funds for the purposes of research and product development; and
- the need for additional resources to grow the business of the Group.

The Board considers that the primary method for distributing profits to its shareholders will be by way of dividends. The Company does not expect to be in a position to declare a dividend in respect of the financial year ending 31 December 2015. Following such period, the current intention of the Directors is that the Group's dividend policy will be to pay at least 50 per cent. of its annual net distributable profits (to the extent that any such profits are available for distribution) by way of ordinary dividends on an annual basis as a final dividend.

Declaration of dividends does, however, remain at the discretion of the Directors and the Board will not exercise this discretion where it is not commercially prudent for it to do taking into account the factors set out above. Particular attention is drawn to the risk entitled “Dividends” in Part II of this document.

The Group may revise its dividend policy from time to time.

Warrants

On 30 June 2014, Martin Rambusch was granted warrants to subscribe for 1,520,956 Ordinary Shares. The warrants are exercisable at a price of 35.44 pence per share until 31 December 2017.

In accordance with their appointments to the Board, in December 2014, the Company granted John Weston and Simon Barrell warrants to subscribe for 50,000 and 25,000 Ordinary Shares respectively. The warrants are exercisable at a price of 100 pence per share and, subject to extension if the Company is in a close period (as defined in the AIM Rules), will lapse three years from grant (in December 2017).

Further details of the warrant arrangements can be found in paragraphs 14.7 to 14.9 of Part VI of this document.

Employee incentive arrangements

The Company believes that the recruitment, motivation and retention of key employees is vital for the successful growth of the Group. The Board considers that an important element in achieving these objectives is the ability to incentivise and reward its employees and align the interests of those staff with shareholders. Whilst the Company does not currently operate a share option scheme it may, subject to the approval of Shareholders, introduce such a scheme at a future date.

Directors’ share dealings

The Directors have adopted a code of directors’ dealings in Ordinary Shares that is appropriate for a company admitted to trading on AIM. The Board will comply with Rule 21 of the AIM Rules relating to directors’ dealings and will be responsible for taking all proper and reasonable steps to ensure compliance by all “applicable employees” of the Company (as defined in the AIM Rules).

Registrar

Share Registrars Limited has been appointed as the Company’s Registrar pursuant to the Registrars Agreement, further details of which are set out in paragraph 14.10 of Part VI of this document.

Share capital

At the date of this document the share capital of the Company consists of Ordinary Shares.

At any general meeting of the Company each Shareholder has on a show of hands one vote and on a poll one vote in respect of each Ordinary Share held.

Further issues of Ordinary Shares

Further issues of shares, of whatever class, for cash will be subject to pre-emption rights conferred on existing Shareholders, save to the extent these rights have been dis-applied by special resolution of the Company. Conditional on Admission the Directors will have authority to allot ordinary shares (or rights to subscribe in them) on a non-pre-emptive basis up to an aggregate nominal amount of £134,511. This authority expires on the earlier of the date of the first AGM of the Company and 31 January 2016.

The Directors currently intend to seek an annual renewal of the authority to issue Ordinary Shares on a non-pre-emptive basis from Shareholders in respect of a number of Ordinary Shares deemed at the Board’s discretion as appropriate.

Shareholder meetings, reports and accounts of the Company

All General Meetings will be held in the UK. The first annual general meeting is expected to be held in May 2015. Thereafter, the Company will hold an annual general meeting each calendar year.

The Company's annual report and accounts will be prepared up to 31 December each year and copies will be sent to Shareholders. Shareholders will also receive an unaudited half yearly report covering the six months to 30 June each year which will be posted on the Company's website.

Accounting policies

The audited accounts of the Company will be prepared under IFRS. Financial statements prepared by the Company in accordance with IFRS will include a statement of comprehensive income, a statement of financial position, a statement of changes in equity and a cash flow statement.

Reasons for the Introduction

The Directors believe that Admission will be beneficial to the Company for the following reasons:

- it will raise the profile of the Company;
- the Company will be able to issue new Ordinary Shares as consideration in connection with acquisition opportunities;
- it will provide a market for the sale of shares by existing Shareholders and may assist in attracting new investors;
- it will increase access to capital should further finance be required to expand the business of the Company;
- the Company will be better positioned to attract, recruit and retain key employees; and
- it will provide the Company with greater flexibility for further growth.

Details of the Introduction and Admission

The Company, the Directors and Sanlam Securities have entered into the Introduction Agreement relating to the Introduction pursuant to which, subject to certain conditions, Sanlam Securities has agreed to use its reasonable endeavours to procure that the Issued Ordinary Shares are admitted to trading on AIM.

Under the Introduction Agreement, the Company and the Directors shall take all steps necessary to obtain Admission by not later than 8.00 a.m. on 6 April 2015.

Further details of the Introduction Agreement are set out in paragraph 14.2 of Part VI of this document.

Immediately following Admission, it is expected that approximately 83.65 per cent. of the Issued Ordinary Shares will not be held in public hands as defined by the AIM Rules for Companies.

Application has been made to the London Stock Exchange for the Issued Ordinary Shares to be admitted to trading on AIM. It is expected that the Admission will become effective and dealings in the Issued Ordinary Shares will commence at 8.00 a.m. on 30 March 2015 (or such later date as Sanlam Securities may agree but in any event not later than 8.00 a.m. on 6 April 2015).

Lock-in arrangements

Each of the Directors holding Ordinary Shares or warrants, and certain other Shareholders, who in aggregate will hold approximately 83.63 per cent. of the Issued Ordinary Shares, have agreed, subject to certain customary exceptions, not to sell any Ordinary Shares for a period of 12 months following Admission without the prior written consent of Sanlam Securities and the Board. In addition, they have agreed, for a further period of six months other than with the prior written consent of Sanlam Securities (provided that Sanlam Securities continues to act as the nominated adviser and broker to the Company) to effect any such disposal through Sanlam Securities.

Further details of lock-in arrangements are set out in paragraph 14.4 of Part VI of this document.

CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles permit the holding of Ordinary Shares to be evidenced in uncertificated form in accordance with the CREST Requirements. The Group has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. It is expected that the Admission will become effective and dealings in the Issued Ordinary Shares will commence at 8.00 a.m. on 30 March 2015. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to retain share certificates will be able to do so.

Regulatory rights and obligations

Disclosure and Transparency Rules

Shareholders are required to comply with DTR5, which, subject to certain qualifications and exceptions, requires a person who acquires or disposes of shares (or other financial instruments) carrying voting rights in the Company, to notify the Company where the acquisition or disposal results in the proportion of voting rights held by that person exceeding or falling below three per cent. (and each one per cent. above three per cent.).

The City Code on Takeovers and Mergers

The Takeover Code is issued and administered by the Panel on Takeovers and Mergers. The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC) (the “Directive”). Following the implementation of the Directive by the Takeovers Directive (Interim Implementation) Regulations 2006, the rules set out in the Takeover Code which are derived from the Directive now have a statutory basis. Further information on the Takeover Code is set out in paragraph 11 of Part VI of this document.

The Company is a public limited company incorporated in England and Wales. Accordingly, the Takeover Code applies to the Company.

Under Rule 9 of the Takeover Code, where (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carries 30 per cent. or more of the voting rights of a company subject to the Takeover Code, or (b) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of such a company, if such person, or any person acting in concert with him, acquires an interest in any other shares which increases the voting rights in which he is interested, then, except with the consent of the Panel, he, and any person acting in concert with him, must make a general offer in cash to the other shareholders to acquire the balance of the shares not held by him and his concert parties.

An offer under Rule 9 of the Takeover Code must be in cash and at the highest price paid within the preceding 12 months for any shares by the person required to make the offer or any person acting in concert with him.

Taxation

Attention is drawn to the information regarding taxation set out in Part V of this document. This information is intended only as a general guide to the current tax position under UK taxation law.

Further information

Parts II to VI inclusive of this document provide additional information on the Company.

PART II

RISK FACTORS

In addition to the other relevant information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a professional adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

The Directors believe the risks set out below to be the most significant for potential investors. The risks listed, however, do not necessarily comprise all those associated with an investment in the Company and are not intended to be presented in any assumed order of priority. In particular, the Group's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates or intends to operate as well as overall global financial conditions.

RISKS RELATING TO THE BUSINESS AND THE INDUSTRY IN WHICH THE GROUP OPERATES

Technology and competition

The business of the Group involves new technology and requires the management of the risks associated with such enterprises. The future success of the Group will depend on its ability to market its existing solution, address the increasingly sophisticated and varied needs of its customers, and respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis.

New technology, changing commercial circumstances and new entrants to the market in which the Group operates may impinge on the Group's business. Competition may in particular come from companies which have greater research, development, marketing, financial and personnel resources than the Group. Competitors may develop or commercialise a competitive product, may launch a product ahead of the Group with little or no notice that is more effective, economically viable or technologically advanced than the Group's product, or may undertake an aggressive pricing policy. If competitors introduce new products or if existing or new industry and government standards and practices change or emerge, the Group's existing products and services may become less competitive or even obsolete.

Developing the Group's technology and product range entails significant technical and business risks. The Group may fail to develop, use or procure new technologies or may do so ineffectively or fail to adapt to meet customer requirements. If the Group faces material delays in introducing new products, services or enhancements, it may be at a significant competitive disadvantage. Any of these events could have a material adverse effect on the Group's business and prospects.

Market share

The Group intends to continue investing in marketing and distribution channels and its own sales functions to grow its business. Success of the Group's business will require the establishment of additional sales and marketing channels. Penetration of new markets can be slow, expensive and subject to delays, and ultimately may not be successful. The Group is likely to incur costs in these areas earlier than some of the anticipated benefits materialise, the return on these investments may be lower or develop more slowly than expected and there can be no guarantee that the Group will be able to increase its sales and market share.

Sales cycle

The successful addition of a client and the successful installation of the Group's product for a potential client can entail a long sales cycle, which often also involves protracted negotiations and meeting detailed technical specifications and requirements, the length of which may adversely affect the Group's

financial situation and cashflow and increase project costs. Further, there can be no guarantee that the commencement of such negotiations will result in successful addition of a client and, as such, significant time may be spent and expense may be incurred without return for the Group.

Products and services failure

Quality is critical to the Group's business solution. While the Group's technology is complete and extensive security and scalability testing has been carried out, a major system defect, due to design mistake or technology failure could impact upon current and future customer demand. This may lead to adverse press and market commentary damaging the reputation of the Group and require rectification costs and/or claims against the Group. Further, all sales made by the Group are made with a two year warranty with the first sale being made in the fourth quarter of 2013. No claims have been made under such warranties to date but there can be no assurance that the Group will not incur significant liabilities in satisfying warranty claims in the future.

The Group has not had to initiate a product recall. However, it may be exposed to product recalls if its products are faulty or if regulations are breached. If the Group has to recall products, it may incur significant and unexpected costs and damage to its reputation.

Contractual arrangements

The arrangements that the Group has entered into with certain of its customers, distributors and sales partners (including material customers, distributors and sale partners), as well as certain of its service providers have been informal in nature and sometimes potentially inadequately documented. The lack of documentation may give rise to a number of areas of legal and/or commercial uncertainty. Where formal contracts have not been entered into, the areas of contractual uncertainty may include, amongst other things, (i) termination provisions; (ii) limitations and exclusions on liability (in time and monetary amount); (iii) insurance arrangements; (iv) the nature and extent of any indemnification provisions; (v) dispute resolution procedures; (vi) ownership of intellectual property; and (vii) governing law.

In light of the foregoing, there can be no assurance that third parties with whom contractual arrangements have not been entered into will not terminate their arrangements with the Group at short notice or without notice or that the Group will not in the future face challenges or disputes in relation to the contractual or other arrangements with such parties.

Whilst the Group has a standard form customer agreement which sets out certain contractual protections in favour of the Group, in many cases, the Group has not contracted with customers on such standard terms and there can be no assurance that the Group will have the benefit of appropriate contractual protections and/or such arrangements will not be terminated by customers at short notice or without notice. Termination of any of the abovementioned agreements/arrangements and/or entry into contractual arrangements without appropriate protections in favour of the Group could have a material adverse effect on the Group's business, financial condition or results of operations.

Reliance on suppliers

The substantial part of subcomponents that are assembled into the WindEye™ Sensor are manufactured and supplied by third parties. It may be difficult to replace any of these subcomponents if there was an interruption in the supply, consistency, quality or timely delivery or an increase in costs above the forecast levels, which could adversely affect the Group's operating results or harm its reputation. Any such interruption where the Group is unable to locate and engage an alternative within a reasonable time and at an acceptable cost may result in the Group being unable to offer its services or products or a material interruption in the provisions of its services or products, which in turn may have a material adverse effect on the Group's business and prospects.

Confidentiality

In order to protect its proprietary technology and processes, the Group relies on confidentiality agreements with employees, licensees, independent contractors and other third parties. These

agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of disclosure of confidential information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of the Group's proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect the Group's competitive business position.

Intellectual property

The Group relies on a combination of patents, trade secrets, copyright, and other contractual agreements and technical measures to protect its proprietary rights. The Group's success will in part depend on its ability to establish, protect and enforce proprietary rights relating to the development, manufacture, use or sale of its existing and proposed products. Patent applications and divisional applications have been filed by the Group and are pending. The Group has received prior art objections in connection with certain of these applications, both in jurisdictions where a patent has ultimately been granted and in jurisdictions where the application, or a divisional application, is pending. During the examination of these patent applications, it has been necessary for the Group to revise the claims for the use of a semi-conductor laser in a LIDAR wind sensor for the patents to be granted and the Group has revised, and continues to revise, such claims in connection with the applications it has made in pending jurisdictions. No assurance can be given that the patents that have been or are in the future applied for will be granted, or, if granted, will be sufficiently broad in their scope to provide protection for the Group's intellectual property rights and exclude competitors with similar products.

Further, third parties may have filed applications for, may have been granted, or may obtain patents that relate to products competitive with those of the Group or its technology. This may result in the Group being required to develop or obtain alternative technology, or required obtain appropriate licences under these patents, which may not be available on acceptable terms or at all. Such a circumstance may result in the Group having to indemnify customers or obtain replacement technology for customers, to significantly increase development efforts and resources to redesign technology as a result of these claims or to discontinue the sale of some or all of the Group's products and services.

Third parties may register or have registered trademarks in jurisdictions in which the Group trades or proposes to trade. The Group has not been able to register the trademark "WindEye" in China as the mark has been registered there by a third party. Any use of the trademark in China may infringe that third party's proprietary rights, and may have resulted in breaches by the Group of the terms of other contracts to which it is a party, either of which may lead to claims being made against the Group by the trademark owner or by other third parties. Further, import or export of any products on which the trademark appears may be seized from the Group by the Chinese customs authorities if the owner of the trademark registers the mark with the authorities. As such, the Group has ceased to use its trademarks on products that are imported into China and, unless the trademark is acquired, it will not be able to carry on any business in China using the "WindEye" trademark. Accordingly, in China the Group trades under the "Windar" registered trademark.

There can be no assurance that, if the Group commences trading in any other jurisdiction in which it does not have registered trademarks, the trademarks it requires will not have been registered by another person and the Group may need to carry out a re-branding exercise or seek to acquire any such proprietary rights. The costs of re-branding may be extensive and the Group may not be able to acquire any such rights without incurring significant liabilities, or at all.

In addition to the risks of litigation described below, the inability of the Group to use its trademarks on its products or advertise or market under its trademark in the jurisdictions in which it carries on business or in a consistent manner globally may affect public awareness and perception of its brand which, ultimately, may prevent the Group from being able to improve its reputation and/or increase its market share.

Litigation may be necessary in the future to enforce the Group's patents and other intellectual property rights, to determine the scope of the proprietary rights of others, or to defend against claims of infringement or invalidity, and there can be no assurance that the Group would prevail in any future litigation. Such litigation, whether or not determined or resolved in the Group's favour, would be costly

and may divert the efforts and attention of the Group's management and technical personnel from normal business operations. Adverse determinations in litigation could result in the loss to the Group of its proprietary rights, subject the Group to significant liabilities, or prevent the Group from selling its products. If the Group cannot successfully enforce or defend its intellectual property rights, this could have a material adverse effect on its business, financial condition and prospects.

Regulatory environment

The Group is subject to regulatory requirements, in particular in relation to eye safety requirements resulting from the use of lasers in its products. While the Directors believe that the WindEye™ Sensor complies with applicable regulations, any failure to comply with such laws and regulations could result in the Group incurring costs and/or liabilities and in damage to its reputation.

Further, many laws and regulations relating to health and safety are becoming increasingly stringent (and may impose strict liability). The Group cannot predict the events or concerns that may lead to a change in law or regulation or impact of new or changed law or regulation on the Group. If applicable regulations became more stringent, the Group may face significant costs in complying with such regulations and compliance may result in reduction of the Group's profit margin.

Reliance on key personnel

The Company's future success is substantially dependent on the Group's ability to attract, train, motivate and retain key management, commercial and technical personnel with the necessary skills and experience. There is no guarantee that the Group will be successful in attracting and/or retaining key personnel. The loss of any of these key personnel for whatever reason may have a material adverse effect on the future of the Company's business.

Enforceability of employee restrictive covenants

The contracts of employment of certain of the Group's key employees (namely Martin Rambusch and Jørgen Korsgaard Jensen) contain post-termination of employment restrictive covenants covering non-compete obligations, which are typical under Danish law. These covenants will only be effective to the extent that they are enforceable in the jurisdiction in which they are breached and terms that would typically be enforced in Denmark will not necessarily be enforceable in other jurisdictions. Further, in Denmark, the restrictive covenants will not be enforceable following all termination events. In the event that such restrictive covenants were unenforceable, employees, who may have knowledge of technology and other strategic information about the Group or its customers, may be able to use such knowledge to compete with the Group. Any ability of any employee of the Group to do so could adversely affect the Group's competitive business position.

In addition, the contracts do not contain post-termination restrictions covering non-solicitation of employees (as would be typical in England) as these are unlikely to be upheld by the Danish courts.

Litigation

The Group is exposed to the risk of litigation from its customers, distributors, suppliers and employees, amongst others. Any legal proceedings, whether or not determined in the Group's favour, could be costly and may divert the efforts of management and personnel from normal business operations. Exposure to litigation may affect the Company's reputation even where the monetary consequences may not be significant.

Adequacy of insurance coverage

There can be no guarantee that the Group has insurance cover that is adequate to meet the Group's risks and expenses or sufficient to recover all losses that the Group may suffer. In addition, certain types of risk may be, or may become, either uninsurable or not economically insurable or may not be currently or in the future covered by the Group's insurance policies.

Currency

The Group reports its revenues and costs in Euros, whilst some of these revenues and costs may arise in currencies other than this including, *inter alia*, US Dollars, Pounds Sterling and Danish Krone. As a result the Group is exposed to risks associated with fluctuations in foreign currency exchange rates, which may adversely affect the Group's reported profits or make its overseas contracts relatively less valuable. In particular, customers are invoiced in their local currency rate, which may in the future give rise to material currency exposure risks. The Group does not currently engage in any currency hedging.

RISKS RELATING TO THE COMPANY AND ITS SHARES

Limited operating history

The Company is a recently incorporated company which has not yet commenced substantive operations and therefore have no track record of past performance or meaningful operating or financial data on which potential investors may base an evaluation. Although the Company has acquired the entire issued share capital of Windar Photonics A/S, Windar Photonics A/S itself is a young technology company and any investment in the Ordinary Shares remains subject to all of the risks and uncertainties associated with any new business including the risk that the Group fails to achieve its business plan, through a failure to estimate the speed of market penetration, and the cash costs associated with penetrating markets. A large majority of early stage companies fail to continue to finance their operations which often results in insolvency. Shareholders should note that the value of the Company's investment in Windar Photonics A/S could substantially decline. Any past performance of Windar Photonics A/S is not indicative of the future performance and prospects of the Company.

Revenue and profitability

The Group is currently not profitable and cannot guarantee that it will be able to achieve or sustain revenue growth and achieve or sustain profitability in the future. If the Group is unable to achieve or sustain profitability, the business could be severely harmed. The Group's operating results may fluctuate as a result of a number of factors, many of which are beyond its control. These factors include, amongst other things, the growth rate of the markets in which the Group operates, market acceptance for its services and products and unanticipated delays. If the Group does not acquire sufficient revenue levels to sustain profitability, it may require additional financing, which may not be available.

The Group may require additional funds to support its planned operations in the long run, in particular for financing future working capital needs and development activities and/or acquisitions. The Directors recognise that the Group, in the future, may not be able to obtain financing on acceptable terms, or at all. In addition, the terms of any such financing may be dilutive to, or otherwise adversely affect, its then existing shareholders. If the Group does not obtain access to additional capital it may be forced to scale back its operations.

In the past when the Company was a private company, the Company provided financial forecasts to shareholders and prospective shareholders. No reliance can be placed on such forecasts and the actual results of the Company may differ materially from such forecasts.

Dividends

The Group intends to distribute dividends. However, the declaration, payment and amount of any future dividends will be at the discretion of the Directors, and the Company's ability to pay dividends will depend upon, among other things, the results of the Group's operations, cash flows and financial condition, operating and capital requirements, availability of distributable reserves and other factors as the board of Directors considers relevant. The Company's dividend policy described in Part I of this document should not be considered as a dividend forecast. There is no assurance that future dividends will be paid or, if paid, of the amount of any such dividend.

Market value

Following Admission, it is likely that the Company's share price will fluctuate and may not always accurately reflect the underlying value of business. The value of the Ordinary Shares may go down as well as up and investors may lose some or all of the original sum invested. The price that investors may

realise for their holdings of Ordinary Shares, when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and others of which are extraneous. Such factors may include the possibility that the market for the Ordinary Shares will be less liquid than for other equity securities and that the price of the Ordinary Shares will be relatively volatile.

Liquidity

Although an application has been made for the Ordinary Shares to be admitted to trading on AIM, as there has been no public trading market for the Ordinary Shares, there can be no assurance that an active market will develop or, if one does develop, that it will be maintain. Shareholders representing approximately 83.63 per cent. of the Company's issued share capital have undertaken, save in limited circumstances, not to dispose of any of their Ordinary Shares for a period of one year following Admission. This may affect the liquidity of the Ordinary Shares.

Investment in AIM

Application has been made for the Ordinary Shares to be admitted to AIM, a market designed primarily designed for emerging or smaller companies. The AIM Rules are less demanding than those of the Official List of the UK Listing Authority. Further, neither the London Stock Exchange nor the UK Listing Authority has examined or approved the contents of this document. Investments in shares on AIM is perceived to involve a higher degree of risk and therefore may be less liquid than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Company's securities cannot be guaranteed. A prospective investor should be aware of the risks of investing in such companies and should make any investment decision only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Further issues of shares

The Company may issue additional Ordinary Shares in public offerings or private placements. Statutory pre-emption rights prevent the issue of shares for cash consideration with such shares being first offered to Shareholders, subject to disapplication of such rights by special resolution of the Shareholders. Therefore, existing Shareholders may not be offered the right to participate in such future issues (to the extent that the existing disapplication referred to in paragraph 4.4 of Part VI of this document is used), which may dilute the existing Shareholders' interests in the Company.

RISKS RELATING TO TAXATION

Change in accounting standards, tax law and practice

Any change in the tax status of the Company or Windar Photonics A/S or in tax legislation or practice (including in relation to taxation rates and allowances) or in accounting standards could adversely affect the Company's ability to pay dividends, dividend growth and/or market value of the Ordinary Shares.

In particular, in Denmark, the general limitation rule will apply if there is a change of control of the company and certain restrictions will apply. These restrictions may prevent the Group from offsetting losses against future income.

Taxation risks

Information in this document concerning the taxation of Shareholders and the Company are based on law and practice as at the date of this document. These are, in principle, subject to change and such changes may affect the Company's ability to generate returns for Shareholders and/or the taxation of such returns to Shareholders. Any person contemplating dealing in Ordinary Shares who is in any doubt as to their tax position should consult an appropriate independent professional adviser.

Any change in the Company's tax status, or in taxation legislation or the taxation regime, or in the interpretation or application of taxation legislation applicable to the Company could affect the value of the investments held by the Company, the Company's ability to achieve its stated objective, the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders.

PART III

HISTORICAL FINANCIAL INFORMATION ON WINDAR PHOTONICS A/S

Section A: Accountant's report on the historical financial information of Windar Photonics A/S



BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
Windar Photonics plc
3 More London Riverside
London
SE1 2AQ

The Directors
Sanlam Securities UK Limited
10 King William Street
London
EC4N 7TW

24 March 2015

Dear Sirs

Windar Photonics A/S

Introduction

We report on the financial information set out in Section B of Part III. This financial information has been prepared for inclusion in the admission document dated 24 March 2015 of Windar Photonics plc (the “Company”) (the “Admission Document”) on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

We have not audited or reviewed the financial information for the nine months ended 30 September 2014 and accordingly do not express an opinion thereon.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Windar Photonics A/S as at 31 December 2011, 2012 and 2013 and of its results, cash flows, recognised gains and losses for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document/Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Section B: Historical financial information of Windar Photonics A/S

STATEMENTS OF COMPREHENSIVE INCOME

	Note	Unaudited				
		Year ended 31 December 2011 DKK	Year ended 31 December 2012 DKK	Year ended 31 December 2013 DKK	9 months ended 30 September 2013 DKK	9 months ended 30 September 2014 DKK
Revenue	4	—	—	552,684	238,000	5,879,000
Cost of goods sold		—	—	(330,010)	(130,000)	(4,019,000)
Other external costs		(79,332)	(1,672,117)	(3,339,558)	(2,338,000)	(3,991,000)
Gross loss		(79,332)	(1,672,117)	(3,116,884)	(2,230,000)	(2,131,000)
Employee benefits expense		(200,000)	(1,472,870)	(4,671,451)	(3,702,000)	(4,753,000)
Depreciation and amortisation expense		—	(43,113)	(2,335,712)	(1,722,000)	(1,794,000)
Loss from operations		(279,332)	(3,188,100)	(10,124,047)	(7,654,000)	(8,678,000)
Finance income	8	—	—	512,151	—	633,546
Finance expenses	8	—	(295,746)	(1,210,890)	(750,127)	(1,651,575)
Loss before taxation		(279,332)	(3,483,846)	(10,822,786)	(8,404,127)	(9,696,029)
Taxation	9	—	704,977	881,939	555,000	596,000
Loss for the period		(279,332)	(2,778,869)	(9,940,847)	(7,849,127)	(9,100,029)
Total comprehensive income for the period		(279,332)	(2,778,869)	(9,940,847)	(7,849,127)	(9,100,029)
Loss per share attributable to the ordinary equity holders of the Company						
Basic, øre per share	10	(4.95)	(33.73)	(112.15)	(88.55)	(101.97)
Diluted, øre per share	10	(4.95)	(33.73)	(137.16)	(115.32)	(97.01)

STATEMENTS OF FINANCIAL POSITION

		As at 31 December 2011 DKK	As at 31 December 2012 DKK	As at 31 December 2013 DKK	Unaudited As at 30 September 2014 DKK
	Note				
Assets					
Non-current assets					
Intangible assets	12	9,155,761	11,259,069	9,374,860	8,091,000
Property, plant & equipment	13	—	109,456	130,013	130,000
Deposits		—	84,462	81,111	81,111
Total non-current assets		9,155,761	11,452,987	9,585,984	8,302,111
Current assets					
Inventory	14	—	389,235	1,094,491	1,410,000
Trade receivables	15	—	—	340,395	3,772,000
Other receivables	15	92,718	1,882,689	1,441,706	2,342,995
Prepayments		—	92,433	38,842	274,889
Cash and cash equivalents	16	970,324	3,791,034	1,860,498	—
Total current assets		1,063,042	6,155,391	4,775,932	7,799,884
Total assets		10,218,803	17,608,378	14,361,916	16,101,995
Equity					
Share capital	19	7,231,079	8,863,732	8,863,732	9,380,392
Share premium	20	3,380,197	5,747,544	5,747,544	16,735,859
Accumulated loss/retained earning	20	(622,830)	(3,401,699)	(13,342,546)	(22,307,443)
Total equity		9,988,446	11,209,577	1,268,730	3,808,808
Non-current liabilities					
Convertible bonds – debt	18	—	—	3,733,701	—
Convertible bonds – embedded derivative	18	—	—	2,213,377	—
Other liabilities	18	—	4,255,738	4,761,451	5,206,000
Total non-current liabilities		—	4,255,738	10,708,529	5,206,000
Current liabilities					
Trade and other payables	17	230,357	1,696,896	1,232,387	3,362,000
Inter-company loan	21	—	—	—	3,305,187
Other liabilities	17	—	446,167	1,152,270	420,000
Total current liabilities		230,357	2,143,063	2,384,657	7,087,187
Total liabilities		230,357	6,398,801	13,093,186	12,293,187
Total equity and liabilities		10,218,803	17,608,378	14,361,916	16,101,995

STATEMENTS OF CASH FLOWS

	Unaudited				
	Year ended 31 December 2011 DKK	Year ended 31 December 2012 DKK	Year ended 31 December 2013 DKK	9 months ended 30 September 2013 DKK	9 months ended 30 September 2014 DKK
Loss for the period	(279,332)	(2,778,869)	(9,940,847)	(7,849,127)	(9,100,029)
Adjustments for:					
Financial income	—	—	(512,151)	—	(633,546)
Financial expenses	—	295,746	1,210,890	750,127	1,651,575
Depreciations	—	43,113	2,335,712	1,722,000	1,794,000
Taxation	—	(704,977)	(881,939)	(555,000)	(596,000)
Received tax credit	—	—	704,914	—	—
Adjustments	(279,332)	(3,144,987)	(7,083,421)	(5,932,000)	(6,884,000)
<i>Movements in working capital</i>					
Changes in inventory	—	(389,235)	(705,257)	(612,765)	(315,509)
Changes in receivables	(85,123)	(1,177,427)	331,204	963,782	(4,205,511)
Changes in other short-termed payables	(1,746,247)	1,912,706	(3,719)	(8,459)	4,666,281
Cash flow from operations	(2,110,702)	(2,798,943)	(7,461,193)	(5,589,442)	(6,738,739)
Payments for intangible assets	(1,054,858)	(4,206,616)	(816,000)	(80,902)	(465,140)
Proceeds from subsidy	—	2,103,308	408,000	40,451	232,570
Payments for tangible assets	—	(152,569)	(63,669)	(12,544)	(44,987)
Payments for financial assets	—	(84,462)	3,351	3,351	—
Cash flow from investing activities	(1,054,858)	(2,340,339)	(468,318)	(49,644)	(277,557)
<i>Financing activities</i>					
Issue of ordinary shares	3,592,131	4,000,000	—	—	—
Issue of convertible debt	—	—	6,004,975	6,004,975	5,500,000
Proceeds from Growth Fund	—	4,255,738	—	—	—
Interest paid	—	(295,746)	(6,000)	(272,346)	(344,202)
Cash flow from financing activities	3,592,131	7,959,992	5,998,975	5,732,629	5,155,798
Net increase in cash and cash equivalents	426,571	2,820,710	(1,930,536)	93,543	(1,860,498)
Cash and cash equivalents at the beginning of the year	543,753	970,324	3,791,034	3,791,034	1,860,498
Cash and cash equivalents at the end of the year	970,324	3,791,034	1,860,498	3,884,577	—

STATEMENT OF CHANGES IN EQUITY

	Share Capital DKK	Share Premium DKK	Accumulated Losses DKK	Total DKK
At 1 January 2011	5,014,700	233,445	(343,498)	4,904,647
Issue of share capital	2,216,379	3,146,752	—	5,363,131
Comprehensive income, year	—	—	(279,332)	(279,332)
At 31 December 2011	7,231,079	3,380,197	(622,830)	9,988,446
Issue of share capital	1,632,653	2,367,347	—	4,000,000
Comprehensive income, year	—	—	(2,778,869)	(2,778,869)
At 31 December 2012	8,863,732	5,747,544	(3,401,699)	11,209,577
Comprehensive income, year	—	—	(9,940,847)	(9,940,847)
At 31 December 2013	8,863,732	5,747,544	(13,342,546)	1,268,730
Bonds conversion (Unaudited)	516,660	10,988,315	135,132	11,640,107
Comprehensive income, 9 months (Unaudited)	—	—	(9,100,029)	(9,100,029)
At 30 September 2014 (Unaudited)	9,380,392	16,735,859	(22,307,443)	3,808,808

NOTES TO THE FINANCIAL INFORMATION

1. Accounting policies

Basis of preparation

The principal accounting policies adopted in the preparation of the financial information are set out below. The policies have been consistently applied to all the periods presented.

The financial information has been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively “IFRSs”) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (“adopted IFRSs”).

The functional currency of Windar Photonics A/S is Danish Kroner (DKK), and all amounts are presented in the functional currency.

Revenue

Revenue arises from the sale of the product WindEye, which is an apparatus that measures windspeed and direction via LIDAR. Revenue is recognised exclusive of VAT and other taxes when products are shipped in accordance with the terms of the contractual arrangement.

Foreign currency

Transactions entered into in a currency other than the currency of the primary economic environment in which they operate (their “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss and is included under administrative expenses.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the board of directors.

Financial assets and liabilities

Windar Photonics A/S classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Windar Photonics A/S has not classified any of its financial assets at fair value through profit or loss, as available for sale or held to maturity.

The accounting policy for loans and receivables are as follows:

Windar Photonics A/S’s loans and receivables comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term investments with original maturities of three months or less.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that Windar Photonics A/S will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are

reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The accounting policy for other financial liabilities is as follows:

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

The proceeds received on issue of the Group's convertible loan notes are split in to two components; contractual cash flows and the conversion feature. If the conversion feature has an obligation to issue a variable number of shares it is classified as an embedded derivative liability and measured at fair value with changes in value being recorded in the income statement. The contractual cash flows are classified as a financial liability and on initial measurement is the residual value of the loan note and embedded derivative and is subsequently carried at amortised cost using the effective interest rate.

IFRS 13 fair value measurement

IFRS 13 sets out the framework for determining the measurement of fair value and the disclosure of information relating to fair value measurement, when fair value measurements are required/used.

IFRS 13 requires certain disclosures which require the classification of assets and liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement (see note 3). The fair value hierarchy has the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the asset or liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Assets and liabilities are classified in their entirety into only one of the three levels.

Share capital

Financial instruments issued by Windar Photonics A/S are classified as equity only to the extent that they do not meet the definition of a financial liability.

Windar Photonics A/S's ordinary shares (A and B shares) are classified as equity instruments.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, if any, pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

Current taxation

The current tax is based upon the taxable profit for the period together with adjustments, where necessary, in respect of prior periods. Windar Photonics A/S's asset or liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the financial period end date.

Current tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Statement of Financial Position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors and paid. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost and subsequently stated at cost less accumulated depreciation and, where appropriate, provision for impairment in value or estimated loss on disposal.

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value, less its residual value, over their expected useful economic lives. It is provided at the following rates:

Plant and equipment	over 3 – 5 years
---------------------	------------------

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets – Development project

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- Technical feasibility of completing the intangible asset so that It will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

- The ability to measure reliably the expenditure attributable to the intangible asset during its development.
- The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in Statement of Comprehensive Income in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses.

The development project is amortized over 5 years. Amortization of the project was not initiated until 2013, as the asset was not considered available for commercial use until then.

Inventory

Cost of raw materials and consumables consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance and depreciation and impairment losses on machinery and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

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

Provisions

Provisions are recognised for liabilities of uncertain timing or amounts that have arisen as a result of past transactions and are discounted at a pre-tax rate reflecting current market assessments of the time value of money and the risks specific to the liability.

Government grants

Government grants are not recognised until there is reasonable assurance that Windar Photonics A/S will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Comprehensive Income on a systematic basis over the periods in which Windar Photonics A/S recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to Windar Photonics A/S with no future related costs are recognised in Statement of Comprehensive Income in the period in which they become receivable.

Standards, amendments and interpretations to published standards not yet effective

The following standards, interpretations and amendments, have been published but have not been endorsed by the European Union, or are not effective for the periods presented and Windar Photonics A/S has chosen not to early adopt.

- IFRS 9: Financial Instruments (from 1 January 2018)
- IFRS 10: Consolidated Financial Statements*
- IFRS 11: Joint Arrangements*
- IFRS 12: Disclosure of Interests in Other Entities*
- IFRS 14: Regulatory Deferral Accounts (from 1 January 2016)

- IAS 27: Separate Financial Statements*
- IAS 28: Investments in Associations and Joint Ventures*
- IAS 19 (Amendment): Employee Benefits (from 1 July 2014)
- IAS 36 (Amendment): Impairment of assets (from 1 January 2014)
- IAS 39 (Amendment): Financial instruments Recognition and Measurement (from 1 January 2014)
- IFRIC 21: Levies (from 1 January 2014)
- Annual improvements to IFRS (from 1 July 2014)
- * IFRS 10, IFRS 11, IFRS 12, the amended IAS 27 and IAS 28, and the consequential amendments, has to be applied at the latest, from financial years starting on or after 1 January 2014.

Windar Photonics A/S is currently assessing the impact of these amendments, revisions and interpretations on its Financial Statements but, at this stage, does not consider that they will have a significant material effect save for any additional disclosure requirements.

2. Critical accounting estimates and judgements

Windar Photonics A/S makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(a) Useful lives of intangible assets

Intangible assets with finite useful life are amortised or depreciated over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the Statement of Comprehensive Income in specific periods. More details including carrying values are included in notes.

(b) Fair value measurements and valuation processes

Some of Windar Photonics A/S's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, Windar Photonics A/S uses market-observable data to the extent it is available.

Where Level 1 inputs are not available, Windar Photonics A/S uses appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in respective notes.

3. Financial instruments – risk management

Windar Photonics A/S is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price risk
- Liquidity risk

In common with all other businesses, Windar Photonics A/S is exposed to risks that arise from its use of financial instruments. This note describes Windar Photonics A/S's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in Windar Photonics A/S's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by Windar Photonics A/S, from which financial instrument risk arises, include Trade and other receivables, Cash and cash equivalents, and Trade and other payables.

Financial instruments measured at fair value

Windar Photonics A/S has obtained convertible bonds from existing shareholders. The bonds were obtained in June 2013 and again in March 2014 and contain an option for the bond holders to convert the debt into shares if some conditions are met. This option is measured at fair value at hierarchy level 3, see note 18.

General objectives, policies and processes

The Board has overall responsibility for the determination of Windar Photonics A/S's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to Windar Photonics A/S's finance function. The Board receives quarterly reports from the company Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting Windar Photonics A/S's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to Windar Photonics A/S if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Windar Photonics A/S seeks to receive prepayments for all orders, and are in the process of negotiating contracts with major customers which also includes negotiating payment terms. Credit risks will arise as some of the customers demand credit. However, the customers are primarily large Windmill manufacturers or large Windmill utility providers where the risk of bankruptcy or other financial difficulties are low, hence Windar Photonics A/S's exposure to credit risk from trade and other receivables is considered insignificant.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Windar Photonics A/S does not enter into derivatives to manage credit risk.

Market risk

Market risk arises from Windar Photonics A/S's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Fair value and cash flow interest rate risk

Windar Photonics A/S has previously been funded through a mix of borrowings from a Danish public institution, Vækstfonden, and convertible bonds from existing shareholders. Windar Photonics A/S obtained a bullet loan from Vækstfonden during the period ended 31 December 2012 in the amount of DKK 4 million at an interest rate of 12 per cent. p.a.

Windar Photonics A/S issued convertible bonds to existing shareholders in the amount of DKK 6 million in June 2013 and again in March 2014 in the amount of DKK 5.5 million. All bonds issued at a rate of 8 per cent. p.a.

In August 2014 all convertible bonds were converted into ordinary shares. See note 18.

Foreign exchange risk

Foreign exchange risk also arises when Windar Photonics A/S enter into transactions denominated in a currency other than their functional currency (DKK). Given the volume and magnitude of such transactions it is not considered sufficient to warrant hedging the risk exposure.

The foreign exchange risk in relation to trade and payables is considered insignificant even though all sales are generated in Euro. This is because the DKK is officially linked to the Euro.

Windar Photonics A/S's policy is, where possible, to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency.

Liquidity risk

Liquidity risk arises from Windar Photonics A/S's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that Windar Photonics A/S will encounter difficulty in meeting its financial obligations as they fall due.

Windar Photonics A/S's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, Windar Photonics A/S finances its operations through a mix of equity and borrowings. Windar Photonics A/S's objective is to provide funding for future growth and achieve a balance between continuity and flexibility through its bank facilities and future intergroup loans.

The Board receives cash flow projections on a regular basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that Windar Photonics A/S expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Up to 3 months DKK	Between 3 and 12 months DKK	Between 1 and 2 years DKK	Between 2 and 5 years DKK	Over 5 years DKK
<i>At 31 December 2011</i>					
Trade payables	230,357	—	—	—	—
Other payables	—	—	—	—	—
Total financial liabilities	230,357	—	—	—	—
<i>At 31 December 2012</i>					
Trade payables	1,696,896	—	—	—	—
Other liabilities – current	446,167	—	—	—	—
Other liabilities – non current	—	510,689	571,971	2,161,666	7,036,986
Total financial liabilities	2,143,063	510,689	571,971	2,161,666	7,036,986
<i>At 31 December 2013</i>					
Trade payables	1,232,387	—	—	—	—
Other liabilities – current	1,152,270	—	—	—	—
Other liabilities – non current	—	571,971	640,608	2,421,066	6,136,978
Convertible bonds	—	480,000	480,000	6,960,000	—
Total financial liabilities	2,384,657	1,051,971	1,120,608	9,381,066	6,136,978
<i>At 30 September 2014 (unaudited)</i>					
Trade payables	3,362,000	—	—	—	—
Intercompany loan	3,305,187	—	—	—	—
Other liabilities – current	420,000	—	—	—	—
Other liabilities – non current	—	640,608	717,481	2,711,594	5,128,970
Total financial liabilities	7,087,187	640,608	717,481	2,711,594	5,128,970

More details in regard to the line items are included in note 17.

Capital disclosures

Windar Photonics A/S monitors capital, which comprises all components of equity (i.e. share capital, share premium, and retained earnings).

Windar Photonics A/S's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Windar Photonics A/S sets the amount of capital it requires in proportion to risk. Windar Photonics A/S manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, Windar Photonics A/S may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

4. Revenue

Revenue arises from:

	Year ended 31 December 2011 DKK	Year ended 31 December 2012 DKK	Year ended 31 December 2013 DKK	Unaudited 9 months ended 30 September 2014 DKK
Sale of goods	—	—	552,684	5,879,000
Revenue	—	—	552,684	5,879,000

5. Staff and key management

	Year ended 31 December 2011 DKK	Year ended 31 December 2012 DKK	Year ended 31 December 2013 DKK	Unaudited 9 months ended 30 September 2014 DKK
Wages and salaries	200,000	1,450,639	4,608,555	4,593,547
Social securities cost	—	22,231	37,775	74,863
Staff recruitment and training	—	—	25,138	84,590
Total	200,000	1,472,870	4,671,468	4,753,000

The average number of employees for the year ended 31 December 2013 was 7 (31 December 2012: 4; 31 December 2011: 1)

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Windar Photonics A/S, and are considered to be directors of the company.

	Year ended 31 December 2011 DKK	Year ended 31 December 2012 DKK	Year ended 31 December 2013 DKK	Unaudited 9 months ended 30 September 2014 DKK
Aggregate emoluments	—	675,000	1,720,000	1,170,000

6. Segment information

Operation segments are reported as reported to the chief operation decision maker.

Windar Photonics A/S has one reportable segment: LIDAR Wind Measurement.

In first nine months of 2014, 2 customers each account for more than 10 per cent. of the revenue. Total amount of revenue from these customers amount to 95 per cent. of the revenue. (31 December 2013; 4 customers; 100 per cent. of the revenue; 31 December 2012; No revenue; 31 December 2011; No revenue).

Revenue by geographical location

	Year ended 31 December 2011 DKK	Year ended 31 December 2012 DKK	Year ended 31 December 2013 DKK	Unaudited 9 months ended 30 September 2014 DKK
Europe	—	—	470,734	687,860
Americas	—	—	81,950	295,000
Asia	—	—	—	4,896,140
Revenue	—	—	552,684	5,879,000

7. Research and development costs

	Year ended 31 December 2011 DKK	Year ended 31 December 2012 DKK	Year ended 31 December 2013 DKK	Unaudited 9 months ended 30 September 2014 DKK
Expensed research and development costs	2,825,858	1,164,970	3,894,000	2,319,860
Development costs recognised as intangible asset	2,825,858	2,103,308	408,391	464,140
Proceeds from subsidy	—	(448,371)	(774,384)	(400,000)
Research and development costs	5,651,716	2,819,907	3,528,007	2,384,000

Windar Photonics A/S has received subsidy from the EUDP-programme.

There are no unfulfilled conditions or other contingencies attaching to the subsidies that has been recognised.

8. Finance income and expense

Finance income

	Year ended 31 December 2011 DKK	Year ended 31 December 2012 DKK	Year ended 31 December 2013 DKK	Unaudited 9 months ended 30 September 2014 DKK
Interest income on financial assets measured at amortised cost	—	—	—	—
Fair value adjustments of derivative	—	—	512,151	633,546
Financial income	—	—	512,151	633,546

Finance expense

	Year ended 31 December 2011 DKK	Year ended 31 December 2012 DKK	Year ended 31 December 2013 DKK	Unaudited 9 months ended 30 September 2014 DKK
Interest expense on financial liabilities measured at amortised cost	—	(295,746)	(1,210,890)	(1,651,575)
Fair value adjustments of derivative	—	—	—	—
Financial expenses	—	(295,746)	(1,210,890)	(1,651,575)

9. Income tax

	Year ended 31 December 2011 DKK	Year ended 31 December 2012 DKK	Year ended 31 December 2013 DKK	Unaudited 9 months ended 30 September 2014 DKK
Loss for the period	(279,332)	(2,778,869)	(9,940,847)	(9,100,029)
Income tax credit	—	704,977	881,939	596,000
Loss before tax	(279,332)	(3,483,846)	(10,822,786)	(9,696,029)
Tax calculated using the standard rate of 24,5% (2011-2013: 25%).	(69,833)	(870,962)	(2,705,697)	(2,375,527)
Expenses not deductible for tax purposes	(866,083)	23,433	1,198,712	835,862
Unutilised tax losses	935,916	847,529	1,506,985	1,539,665
Tax-credit, R&D allowances	—	(704,977)	(881,939)	(596,000)
Total income tax expense/(credit)	—	(704,977)	(881,939)	(596,000)

As Windar Photonics A/S has initiated production and started to generate revenue in late 2013, there is uncertainty over the timing of future taxable income and a deferred tax asset has not been recognised as a result.

The tax credit is recognised as 25 per cent. of the company's deficit that relates to R&D. Companies in Denmark, who conduct research and development and accordingly experience deficits can apply to the Danish tax authorities for a payment equal to 25 per cent. of deficits relating to R&D up to DKK 25 million.

10. Loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	Year ended 31 December 2011 DKK	Year ended 31 December 2012 DKK	Year ended 31 December 2013 DKK	Unaudited 9 months ended 30 September 2014 DKK
Loss for the year/period	(279,332)	(2,778,869)	(9,940,847)	(9,100,029)
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,640,144	8,239,428	8,863,732	8,924,293
Basic loss, øre per share	(4.95)	(33.73)	(112.15)	(101.97)
Diluted loss for the year/period	(279,332)	(2,778,869)	(12,514,408)	(9,100,029)
Weighted average number of ordinary shares for the purpose of diluted earnings per share	5,640,144	8,239,428	9,124,185	(9,380,392)
Diluted loss, øre per share	(4.95)	(33.73)	(137.16)	(97.01)

11. Dividends

No dividends were proposed by Windar Photonics A/S during the period under review.

12. Intangible assets

	Development project DKK
Cost	
At 1 January 2011	6,329,903
Additions	2,825,858
At 31 December 2011	9,155,761
Additions	2,103,308
At 31 December 2012	11,259,069
Additions	408,391
At 31 December 2013	11,667,460
Additions (Unaudited)	464,140
At 30 September 2014 (Unaudited)	12,131,600
Accumulated amortization	
At 1 January 2011	—
Charge for the year	—
At 31 December 2011	—
Charge for the period	—
At 31 December 2012	—
Charge for the year	2,292,600
At 31 December 2013	2,292,600
Charge for the period (Unaudited)	1,748,000
At 30 September 2014 (Unaudited)	4,040,600
Net carrying value	
At 31 December 2011	9,155,761
At 31 December 2012	11,259,069
At 31 December 2013	9,374,860
At 30 September 2014 (Unaudited)	8,091,000

13. Property, plant & equipment

	Plant and equipment DKK
Cost	
At 1 January 2011	—
Additions	—
At 31 December 2011	—
Additions	152,569
At 31 December 2012	152,569
Additions	63,669
At 31 December 2013	216,238
Additions (Unaudited)	46,000
At 30 September 2014 (Unaudited)	262,238
Accumulated depreciation	
At 1 January 2011	—
Charge for the year	—
At 31 December 2011	—
Charge for the period	43,113
At 31 December 2012	43,113
Charge for the year	43,112
At 31 December 2013	86,225
Charge for the period (Unaudited)	46,013
At 30 September 2014 (Unaudited)	132,238
Net carrying value	
At 31 December 2011	—
At 31 December 2012	109,456
At 31 December 2013	130,013
At 30 September 2014 (Unaudited)	130,000

14. Inventory

	As at 31 December 2011 DKK	As at 31 December 2012 DKK	As at 31 December 2013 DKK	Unaudited As at 30 September 2014 DKK
Raw material	—	—	—	—
Goods in progress	—	259,600	1,004,491	1,410,000
Finished goods	—	129,635	90,000	—
Inventory	—	389,235	1,094,491	1,410,000

15. Trade and other receivables

	As at 31 December 2011 DKK	As at 31 December 2012 DKK	As at 31 December 2013 DKK	Unaudited As at 30 September 2014 DKK
Trade receivables	—	—	340,395	3,772,000
Less: provision for impairment of trade receivables	—	—	—	—
Trade receivables – net	—	—	340,395	3,772,000
Tax receivables	—	704,977	882,002	1,478,000
Other receivables	92,718	1,177,712	559,704	864,995
Total other receivables	92,718	1,882,689	1,441,706	2,342,995
Total trade and other receivables	92,718	1,882,689	1,782,101	6,114,995

Classified as follows:

Current Portion	92,718	1,882,689	1,782,101	6,114,995
-----------------	--------	-----------	-----------	-----------

There is no material difference between the net book value and the fair values of trade and other receivables due to their short term nature.

As at 30 September 2014, no trade receivables were past due but not impaired, nor were any past due and impaired.

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

16. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with original maturity less than 90 days:

	As at 31 December 2011 DKK	As at 31 December 2012 DKK	As at 31 December 2013 DKK	Unaudited As at 30 September 2014 DKK
Cash at bank	970,324	3,791,034	1,860,498	—
Cash and cash equivalents	970,324	3,791,034	1,860,498	—

17. Trade and other payables

	As at 31 December 2011 DKK	As at 31 December 2012 DKK	As at 31 December 2013 DKK	Unaudited As at 30 September 2014 DKK
Trade payables	230,357	1,696,896	1,232,387	3,362,000
Intercompany loan	—	—	—	3,305,187
Other payables	—	446,167	1,152,270	420,000
Total financial liabilities classified as financial liabilities measured at amortised cost	230,357	2,143,063	2,384,657	7,087,187
Classified as follows:				
Current Portion	230,357	2,143,063	2,384,657	7,087,187

There is no material difference between the net book value and the fair values of current trade and other payables due to their short term nature.

Maturity analysis of the financial liabilities, classified as financial liabilities measured at amortised cost, is as follows (the amounts shown are undiscounted and represent the contractual cash-flows):

	As at 31 December 2011 DKK	As at 31 December 2012 DKK	As at 31 December 2013 DKK	Unaudited As at 30 September 2014 DKK
Up to 3 months	230,357	2,143,063	2,384,657	7,087,187

18. Non-current liabilities

The carrying value and fair value of non-current liabilities are as follows:

	As at 31 December 2011 DKK	As at 31 December 2012 DKK	As at 31 December 2013 DKK	Unaudited As at 30 September 2014 DKK
Growth fund	—	4,255,738	4,761,451	5,206,000
Convertible bonds – debt	—	—	3,733,701	—
Total liabilities measured at amortised cost	—	4,255,738	8,495,152	5,206,000
Convertible bonds – embedded derivative	—	—	2,213,377	—
Total non-current liabilities	—	4,255,738	10,708,529	5,206,000

The Growth Fund borrowing from the Danish public institution, Vækstfonden, bears interest at a rate of 12 per cent. The borrowing is a bullet loan with maturity in June 2020. Windar Photonics A/S may at any point in time either repay the loan in part or in full or initiate a capital repayment scheme over four years. If an annuity repayment scheme is initiated, the interest rate will be reduced to 8 per cent. in the repayment period.

The convertible bonds were issued in June 2013 (nominal DKK 6 million) and in March 2014 (nominal DKK 5.5 million). The debt is repayable by Windar Photonics A/S on 30 June 2016 and bears interest at a rate of 8 per cent. p.a., which is payable each year in June.

The bonds included an option for the bond holders to convert the bonds into shares at a discounted price by 30 per cent., if converted by 30 June 2014 or by 50 per cent. if converted by 30 June 2015 if, and only if, the company issued shares to non-existing shareholders. This happened in 2014, and all bonds were converted into shares at a discount of 30 per cent.

The financial liability consists of two components – a component of debt and a component of an embedded derivative. At recognition the embedded derivative is recognised at fair value and the debt instrument is valued as a residual between the nominal value and the value of the embedded derivative. After recognition, the embedded derivative is measured at fair value and the debt is amortized according to initial value.

The fair value of the embedded derivative is determined by the discount rate and a probability factor set by management (level 3).

At recognition on 31 July 2013, the measurement of the embedded derivative part 1 is as follows:

	Liability DKK	Probability %	Weighted DKK	Risk-free rate %	Fair value DKK
Embedded derivative					
30% discount intrinsic value	2,573,561	60%	1,544,136	0.50%	1,536,454
50% discount intrinsic value	6,004,975	20%	1,200,995	0.50%	1,189,075
No capital intrinsic value	—	20%	—	0.50%	—
Embedded derivative value					2,725,529
Debt instrument value					3,279,446
Compound instrument/whole convertible bond					6,004,975

Accordingly, the debt instrument part 1 is amortised at a rate of 42 per cent. p.a.

On 31 December 2013, the measurement of the embedded derivative part 1 is as follows:

	Liability DKK	Probability %	Weighted DKK	Risk-free rate %	Fair value DKK
Embedded derivative					
30% discount intrinsic value	2,573,561	40%	1,029,424	0.50%	1,024,302
50% discount intrinsic value	6,004,975	20%	1,200,995	0.50%	1,189,075
No capital intrinsic value	—	40%	—	0.50%	—
Embedded derivative value					2,213,377
Debt instrument value					3,733,701
Compound instrument/whole convertible bond					5,947,078
Financial expense, fair value adjustments					(512,151)

At recognition on 31 March 2014, the measurement of the embedded derivative part 2 is as follows:

	Liability DKK	Probability %	Weighted DKK	Risk-free rate %	Unaudited Fair value DKK
Embedded derivative					
30% discount intrinsic value	2,357,142	50%	1,178,571	0.50%	1,172,708
50% discount intrinsic value	5,500,000	40%	2,200,000	0.50%	2,178,164
No capital intrinsic value	—	10%	—	0.50%	—
Embedded derivative value					3,350,872
Debt instrument value					2,149,128
Compound instrument/whole convertible bond					5,500,000

Accordingly, the debt instrument part 2 is amortised at a rate of 90 per cent. p.a.

On 30 June 2014, the bonds are converted and the measurement of the embedded derivatives are as follows:

	Liability DKK	Probability %	Unaudited Fair value DKK
Embedded derivative			
Part 1: 30% discount intrinsic value	2,573,561	100%	2,573,561
Part 2: 30% discount intrinsic value	2,357,142	100%	2,357,142
Embedded derivative value			4,930,703
Financial expense, fair value adjustments			(633,546)

19. Share capital

	31 December 2011		31 December 2012		31 December 2013		Unaudited 30 September 2014	
	Number of shares	DKK	Number of shares	DKK	Number of shares	DKK	Number of shares	DKK
At beginning of the period	5,014,700	5,014,700	7,231,079	7,231,079	8,863,732	8,863,732	8,863,732	8,863,732
Issue of shares in period	2,216,379	2,216,379	1,632,653	1,632,653	—	—	516,660	516,660
Shares at end of period	7,231,079	7,231,079	8,863,732	8,863,732	8,863,732	8,863,732	9,380,392	9,380,392

At 30 September 2014 the share capital comprises:

A Shares DKK 5,737,800 of 1 DKK each

B Shares DKK 3,642,592 of 1 DKK each

All shares are fully issued and paid up.

B shareholders have the right to convert their B shares into A shares, at any time on a one-for-one basis. The B shares shall automatically be converted into A shares in the event of (i) a listing of the shares of the Company on an internationally recognised stock exchange or (ii) if all holders of B shares consent in writing. If an automatic conversion occurs due to an IPO, holders of A shares shall transfer a number of their shares to holders of B shares in order to satisfy the liquidation preference rights prior to the IPO.

When dividends are paid out the B shareholders are entitled to a dividend corresponding to at least their total capital investment in the Company plus 2 per cent. of their total capital investment. The A shareholders are then entitled to receive dividends in proportion to their shareholdings up to an amount equalling such A shareholders aggregate contributions by cash to the Company with the addition of 2 per cent.

The liquidation preference rights are that the B shareholders shall be entitled to receive an amount per B share equal to the initial subscription price per B share plus 2 per cent. of the initial subscription price per year from the time of the investment in addition to authorised, but unpaid dividends, less dividends already paid out. The A shareholders shall then be entitled to receive an amount per A share equal to the initial subscription price per A share plus 2 per cent. of the initial subscription price per year from the time of the investment in addition to authorised, but unpaid dividends, less dividends already paid out. The remainder shall be distributed among all shareholders of the Company according to the ratio of their shareholdings in the Company as if converted one for one basis.

20. Reserves

The following describes the nature and purpose of each reserve within equity

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

21. Related party transactions

Trading transactions

During the period Windar Photonics A/S has only entered into one transaction with related parties, which is an intergroup loan from the parent company made in September 2014:

	As at 31 December 2011 DKK	As at 31 December 2012 DKK	As at 31 December 2013 DKK	Unaudited As at 30 September 2014 DKK
Outstanding balances at period end				
Loan from parent company	—	—	—	(3,305,187)

The loan from the parent company is repayable on demand and bears an interest rate of 2.5 per cent. per annum above the base rate from time to time published by Bank of England due to transfer pricing policies.

22. Ultimate parent company and ultimate controlling party

The immediate parent company and ultimate controlling party is Windar Photonics plc, incorporated in the United Kingdom. Windar Photonics plc is a newly established company, so there are no available financial statements. Windar Photonics plc operates from its branch office with address, 16 Tizzard Grove, London, SE3 9DH, UK.

23. Contingencies and Commitments

Windar Photonics A/S has no contingencies and commitments.

24. Events after the reporting date

Since 30 September 2014, there has not been any matter or circumstance that has significantly or may significantly affect the operations of Windar Photonics A/S.

PART IV

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

The following unaudited pro forma statement of net assets of the Group (the “pro forma financial information”) has been prepared to illustrate the effect on the consolidated net assets of the Group as if the pre-IPO fundraising had taken place on 30 September 2014.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Group’s actual financial position or results.

The pro forma financial information is based on the unaudited net assets of Windar Photonics A/S as at 30 September 2014, set out in the financial information on Windar Photonics A/S for the period ended 30 September 2014 set out in Section B of Part III of this document and has been prepared in a manner consistent with the accounting policies that will be adopted by the Company in preparing its financial statements for the year ended 31 December 2014 and on the basis set out in the notes set out below.

	Windar Photonics A/S as at 30 September 2014 (note 1) DKK	Net pre-IPO fundraising proceeds (note 2) DKK	Pro forma net assets of the Group DKK
Assets			
Non-current assets			
Intangible assets	8,091,000	—	8,091,000
Property, plant and equipment	130,000	—	130,000
Deposits	81,111	—	81,111
	8,302,111	—	8,302,111
Current assets			
Inventory	1,410,000	—	1,410,000
Trade receivables	3,772,000	—	3,772,000
Other receivables	2,342,995	—	2,342,995
Accruals	274,889	—	274,889
Cash and cash equivalents	—	46,094,813	46,094,813
	7,799,884	46,094,813	53,894,697
Total assets	16,101,995	46,094,813	62,196,808
Liabilities			
Non-current liabilities			
Other liabilities	(5,206,000)	—	(5,206,000)
	(5,206,000)	—	(5,206,000)
Current liabilities			
Trade and other payables	(3,362,000)	—	(3,362,000)
Inter-company loan	(3,305,187)	3,305,187	—
Other liabilities	(420,000)	—	(420,000)
	(7,087,187)	3,305,187	(3,782,000)
Total liabilities	(12,293,187)	3,305,187	(8,988,000)
Net assets	3,808,808	49,400,000	53,208,808
Net assets (Euros)*	511,744	6,637,287	7,149,031

* The Danish Krone amounts have been converted to Euros at the rate of DKK7.4428 = EUR 1, being the rate prevailing at 30 September 2014.

Notes:

1. The net assets of Windar Photonics A/S at 30 September 2014 have been extracted without material adjustment from the financial information on Windar Photonics A/S for the period ended 30 September 2014 set out in Section B of Part III of this document.

Windar Photonics plc acquired Windar Photonics A/S via a share for share exchange. This will be accounted for as a group reorganisation rather than as an acquisition and, accordingly, no account is taken of fair values. Windar Photonics plc has not traded or carried out any transactions other than the issue of shares and the provision of an intercompany loan as shown in note 2 and therefore no net assets are presented for the Company.

Adjustment:

2. The pre-IPO fundraising raised net proceeds of DKK 49.4 million (DKK 56.1 million gross proceeds less estimated expenses of DKK 6.7 million), of which DKK 3.3 million had been lent to Windar Photonics A/S as at 30 September 2014. Therefore the cash balance shown in adjustment 2 reflects the total cash raised less the amount advanced to Windar Photonics A/S as at 30 September 2014. This intercompany loan balance has been eliminated as it does not represent an external liability of the Group.

No account has been taken of the financial performance of the Group since 30 September 2014 nor of any other event save as disclosed above.

PART V

TAX

1 Taxation

1.1 UK Taxation

The following paragraphs are intended as a general guide only for shareholders who are resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and HMRC practice. It is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares, and does not address the tax position of certain classes of Shareholder (such as those who acquired their Ordinary Shares as employees, those who hold their Ordinary Shares through Venture Capital Trusts and those who claim relief from taxation under the Enterprise Investment Scheme). Any person who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the UK, should consult his own professional adviser immediately.

Taxation of dividends

Under current UK legislation, no tax is withheld from dividend payments by the Company.

A UK resident individual Shareholder will be entitled to a tax credit in respect of any dividend received from the Company and will be subject to income tax on the aggregate of the dividend and the tax credit (the "Gross Dividend"). The value of the tax credit is one ninth of the dividend received (or ten percent of the Gross Dividend). The Gross Dividend will be treated as the top slice of the individual's income.

In the case of a UK resident individual who is liable to income tax at the basic rate only, there will be no further income tax to pay on the dividend received. A UK resident individual who is liable to income tax at the higher rate will be subject to income tax on the Gross Dividend at 32.5 per cent., but should be able to set the tax credit off against part of this liability. As a result, such a Shareholder should suffer income tax at an effective rate of 25 per cent. of the dividend received. A UK resident individual who is liable to income tax at the additional rate will be subject to income tax on the Gross Dividend at 37.5 per cent., but should be able to set the tax credit off against part of this liability. As a result, such a Shareholder should suffer income tax at an effective rate of 30.6 per cent. of the dividend received. A UK resident Shareholder who is not liable to income tax on the dividend (or part of it) is not able to claim payment of the tax credit in cash from HM Revenue & Customs.

UK resident corporate Shareholders (including authorised unit trusts and open-ended investment companies) and pension funds are not normally liable to UK taxation on any dividend received from companies such as the Company and are not entitled to payment in cash of the related tax credit.

Whether Shareholders who are resident for tax purposes in countries other than the UK are entitled to the whole or a proportion of the tax credit in respect of dividends on their Ordinary Shares depends in general upon the provisions of any double taxation convention or agreement which exists between such countries and the United Kingdom.

Capital Gains

Shareholders who are resident for tax purposes in the United Kingdom may be liable to UK taxation on chargeable gains on a disposal of Ordinary Shares, depending upon their individual circumstances and subject to any available exemption or relief. In this regard, please see below for detailed of the UK Enterprise Investment Scheme.

A Shareholder who is not resident for tax purposes in the United Kingdom will not be liable to UK taxation on chargeable gains unless the Shareholder carries on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a company, a permanent establishment) and the Ordinary Shares disposed of are, or have been, used, held or acquired for the purposes of such trade, profession

or vocation or for the purposes of such permanent establishment, branch or agency. Such Shareholders may also be subject to tax under any law to which they are subject outside the United Kingdom.

In addition, any holders of Ordinary Shares who are individuals and who dispose of Ordinary Shares while they are temporarily non-resident may be treated as disposing of them in the tax year in which they again become resident in the UK and, accordingly, might be subject to UK taxation in respect of any capital gain arising on such a disposal.

Subject to the availability of any such exemptions, reliefs and/or allowable losses, a disposal of Ordinary Shares by UK resident (or ordinarily resident) individuals, trustees and personal representatives will generally be subject to CGT at the rate of 28 per cent. Individuals whose taxable income for the year in question is less than the upper limit of the basic rate income tax band are subject to CGT at the rate of 18 per cent., except to the extent that the aggregate of their total taxable income and gains (less allowable deductions) in that year exceeds the upper limit of the basic rate income tax band. Any such excess over the upper limit is subject to CGT at the rate of 28 per cent.

Subject to the availability of any exemptions, reliefs and/or allowable losses, a disposal of Ordinary Shares by companies subject to UK corporation tax will generally be subject to UK corporation tax at the prevailing rate of up to 21 per cent. (20 per cent. from 1 April 2015). Indexation allowance may be available to reduce any chargeable gain arising on such disposal but cannot act to create or increase a chargeable loss.

Inheritance Tax

The Ordinary Shares are assets situated in the United Kingdom for the purposes of UK inheritance tax. A gift of Ordinary Shares by, or the death of, an individual Shareholder may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the Shareholder is neither domiciled nor deemed to be domiciled in the United Kingdom.

Shares in AIM listed trading companies will normally qualify for Business Property Relief for UK inheritance tax purposes.

Stamp Duty and Stamp Duty Reserve Tax

The Finance Act 2014 introduced provisions that exempt shares admitted to trading on certain “recognised growth markets”, such as AIM, from stamp duty and SDRT applying with effect from 28 April 2014. As a result of the new provisions, transfers of securities admitted to trading on such recognised growth markets (presently including AIM) are exempt from stamp duty and SDRT, provided that the securities are not “listed” on a recognised stock exchange. As such, following Admission subsequent transfers of Ordinary Shares for value should not give rise to other stamp duty or SDRT for so long as AIM remains a recognised growth market and the Ordinary Shares are not listed on any other market.

Venture Capital Trust Company Investors

Venture Capital Trust (“VCT”) company investors may be taxed differently on their interests in shares in the Company than other corporate Shareholders. VCTs should take their own advice on the tax consequences of receiving income or capital gains from their shareholding in the Company.

Enterprise Investment Scheme

HMRC has given clearance that the Company should be a qualifying company for the purposes of the Enterprise Investment Scheme (“EIS”) and in the past certain Shareholders have invested in the Company on that basis. The Directors intend to manage the Company such that it maintains its EIS qualifying status for the three calendar years following Admission. However, investors should note that the Company does not make any representations as to whether any investment in the Company will be one in respect of which tax relief under the EIS rules will be available or that any such tax relief will not subsequently be withdrawn by virtue of the Company’s future actions.

PART VI

ADDITIONAL INFORMATION

1. Persons responsible

The Company and the Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation, domicile and registered office

- 2.1 The Company was incorporated and registered in England and Wales on 6 May 2014 under the Companies Act as a private company limited by shares with the name “Windar Photonics Limited” with registered number 09024532. The liability of the Shareholders is limited.
- 2.2 On 12 December 2014 the Company was re-registered as a public company limited by shares named Windar Photonics plc.
- 2.3 The Company is domiciled in the UK. Its registered office is at 3 More London Riverside London SE1 2AQ. The principal establishment used by the Group is Helgeshøj Allé 16-18, Høje Taastrup, 2630 Taastrup, Denmark. The Company’s telephone number is +45 20555599.
- 2.4 The principal laws and legislation under which the Company operates and under which the Ordinary Shares have been created are the Companies Act and regulations made under the Companies Act.

3. Group

The Company currently has one direct subsidiary, Windar Photonics A/S and one indirect subsidiary, Windar Photonics Inc. The Company owns 100 per cent. of the issued share capital of Windar Photonics A/S (comprising A Shares of DKK 5,737,800 of 1 DKK each and B Shares of DKK 3,642,592 of 1 DKK each) with CVR number 32157688. Windar Photonics A/S was incorporated on 28 December 2008 in Denmark and acquired by the Company in August 2014 (pursuant to the Share Swap Agreement) and its principal activity is to develop and commercialise wind turbine technology. Windar Photonics A/S owns 100 per cent. of the issued common stock of Windar Photonics Inc. (comprising one hundred shares of common stock). Windar Photonics Inc. was incorporated on 18 August 2014 in the State of Delaware.

4. Share capital

- 4.1 The capital history of the Company from the date of the Company’s incorporation to the date of this document is as follows:
 - (a) At the date of incorporation, the issued share capital of the Company was £2.00 divided into 2 ordinary shares of £1.00 each in the capital of the Company, both of which were fully paid or credited as fully paid to their subscribers.
 - (b) On 29 July 2014, the 2 ordinary shares of £1.00 each (being all the issued capital in the Company) were subdivided into 200 ordinary shares of 1 pence each.
 - (c) Between 29 August 2014 and 12 December 2014 (inclusive), the Company issued 38,166,177 Ordinary Shares as follows:
 - (i) 32,184,002 Ordinary Shares in consideration for the transfer to the Company of the entire issued share capital in the Windar Photonics A/S pursuant to the terms of the Share Swap Agreement;

- (ii) 5,910,000 Ordinary Shares in consideration for cash received by the Company; and
 - (iii) 72,175 Ordinary Shares in consideration for the satisfaction of fees payable pursuant to the terms of the West Hill Engagement.
- 4.2 Save as set out in this document (in particular in paragraph 14 of this Part VI), no share capital of the Company is under option or agreed conditionally or unconditionally to be put under option. There are no shares not representing share capital and there are no Ordinary Shares held by or on behalf of a member of the Group. There is no class of shares in issue other than Ordinary Shares. No Ordinary Shares are issued other than as fully paid.
- 4.3 The Company's issued share capital as at the date of this document is 38,166,377 Ordinary Shares (with an aggregate nominal value of £381,663.77).
- 4.4 By virtue of written resolutions passed by the requisite number of Shareholders on 10 December 2014, conditional on Admission becoming effective:
 - (a) the Directors were generally and unconditionally authorised for the purpose of section 551 of the Companies Act to exercise all the powers of the Company to allot Ordinary Shares and grant rights to subscribe or convert any security into such Ordinary Shares (such Ordinary Shares and rights to subscribe for or to convert any security into Ordinary Shares being **relevant securities**) up to an aggregate nominal amount of £134,511, with such authorisation to expire upon the earlier of the conclusion of the next annual general meeting and 31 January 2016 after the date of these resolutions (save that the Company may before such expiry make an offer or agreement which would or might require relevant securities allotted, or rights to be granted, after such expiry and the directors may allot relevant securities, in pursuance of such offer or agreement as if the authorisation conferred hereby had not expired); and
 - (b) the Directors were generally empowered to allot equity securities (as defined in section 560 of the Companies Act) pursuant to the authority referred to in paragraph 4.4(a), as if section 561(1) of the Companies Act did not apply to any such allotment, provided that the power was:
 - (i) limited to the allotment of equity securities in connection with an offer of equity securities:
 - (A) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (B) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary;
 - (ii) limited to the allotment of equity securities up to an aggregate nominal amount of £20,176; and
 - (iii) to expire on the earlier of the conclusion of the next annual general meeting and 31 January 2016 (unless renewed, varied or revoked by the Company prior to or on that date).

As at 23 March 2015 (being the latest practicable date prior to the publication of this document), the Directors did not have any present intention of exercising the authorities referred to in paragraphs 4.4(a) and (b).

5. Dividends

The Company has not declared a dividend from the date of the Company's incorporation to the date of this document.

6. Articles

6.1 The Articles, which were adopted by a special resolution of the Company passed on 10 December 2014, conditional on Admission, contain (amongst others) provisions to the following effect:

(a) *Objects and purposes*

- (i) The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.
- (ii) The Articles do not provide for any purposes for which the Company was established.

(b) *Limited liability*

The liability of the Company's members is limited to the amount, if any, unpaid on their shares.

(c) *Share rights*

Subject to the provisions of the Companies Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with, or have attached to them, such preferred, deferred, or other rights or restrictions, whether in regards to dividends, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution, determine or, if no such resolution has been passed, or so far as the resolution does not make specific provision, as the Board may determine.

(d) *Voting rights*

- (i) Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time to time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at a general meeting of the Company:
 - (A) every member who is present in person shall, on a show of hands, have one vote;
 - (B) every proxy who has been appointed by one or more members entitled to vote on the resolution shall, on a show of hands, have one vote except that a proxy shall have one vote for and one vote against a resolution if the proxy has been appointed by more than one member and the proxy has been instructed by one or more members to vote for and by one or more other members to vote against the resolution, or one or more members have instructed the proxy to vote for the resolution and one or more members gave the proxy discretion as to how to vote and the proxy exercises that discretion by voting against the resolution, or one or more members have instructed the proxy to vote against the resolution and one or more members gave the proxy discretion as to how to vote and the proxy exercises that discretion by voting for the resolution; and
 - (C) every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder.
- (ii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the holders stand in the register of members in respect of such share.
- (iii) Unless the Board otherwise determines, no member is entitled to vote at a general meeting or at a separate meeting of the shareholders of any class of shares, either in

person or by proxy (save as proxy for another member), or to exercise any other right or privilege as a member in respect of any share held by him, unless all calls presently payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by such member to the Company or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.

(e) *Dividends*

- (i) Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- (ii) Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- (iii) Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends should be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly.
- (iv) All dividends, interest or other sums payable and unclaimed after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall (if the Board so resolves) be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- (v) The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks fit.
- (vi) The Board may also, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to holders of ordinary shares (excluding any member holding ordinary shares as treasury shares) the right to elect to receive ordinary shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

- (vii) Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.
 - (viii) If cheques, warrants or orders for dividends in respect of a share sent by the Company to the person entitled there are returned to the Company or left uncashed on two consecutive occasions or, following one occasion, reasonable enquiries have failed to establish any new address to be used for the purpose, the Company is not obliged to send any dividends in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.
- (f) *Transfer of shares*
- (i) Subject to any applicable restrictions in the Articles, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the transferee's name is entered in the register of members.
 - (ii) The Board may, in its absolute discretion, refuse to register any transfer of a share or renunciation of a renounceable letter of allotment unless:
 - (A) it is in respect of a share which is fully paid up;
 - (B) it is in respect of only one class of shares;
 - (C) it is in favour of a single transferee or not more than four joint transferees;
 - (D) it is duly stamped (if so required); and
 - (E) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time to time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the regulations and the relevant systems.
 - (iii) Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to

the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised stock exchange or is in consequence of a *bona fide* sale to an unconnected party.

- (iv) If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- (v) No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any share.

(g) *Alteration of share capital*

The Company may exercise the powers conferred by the Companies Act to:

- (i) increase its share capital by allotting new shares of such nominal value as the Board may determine and unless otherwise prescribed in the appropriate resolution of the Company, all such shares should be subject to the provisions of the Companies Act and these Articles with reference to allotment, payment of calls, forfeiture, lien, transfer, transmission and otherwise;
- (ii) reduce its share capital;
- (iii) sub-divide or consolidate and divide all or any of its share capital;
- (iv) reconvert stock in share; and
- (v) redenominate all or any of its shares and reduce its share cap in connection with such a redenomination.

(h) *Variation of rights*

- (i) Subject to the provisions of the Companies Act, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares may be varied or abrogated in such manner (if any) as may be provided in these Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class.
- (ii) The quorum at any such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.
- (iii) Subject to the terms of issue of or rights attached to any shares, the rights for the time being attached to any shares shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the reduction of the capital paid up on such shares or by

the purchase or redemption by the Company of its own shares or the sale of any shares held as treasury shares in accordance with the provisions of the Companies Act and the Articles.

(i) *General meetings*

- (i) The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- (ii) A general meeting shall be convened by such notice as may be required by law from time to time.
- (iii) The notice shall specify whether the meeting is convened as an annual general meeting or any other general meeting, the day, time and place of the meeting and the general nature of the business to be transacted at the meeting. In the case of a meeting convened to pass a special resolution, the notice shall include the text of the resolution and specify the intention to propose the resolution as a special resolution. The notice shall specify that a member entitled to attend and vote is entitled to appoint one or more proxies (provided each proxy is appointed to exercise the rights attached to a different share held by the member) to attend and to speak and vote instead of the member and that a proxy need not also be a member. The notice must be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive the same, shall not invalidate the proceedings at the meeting.
- (iv) The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Act or the Articles to be made available at the meeting.
- (v) A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- (vi) No business shall be transacted at any general meeting unless a quorum is present. Subject to the Articles, two persons (either members, duly authorised representatives or proxies) entitled to vote upon the business to be transacted at the meeting shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- (vii) A resolution put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by the Chairman, at least five members having the right to vote on the resolution, a member or members representing not less than 10 per cent. of the total voting rights of all the members having the right to vote on the resolution or a member or members holding shares conferring the right to vote on the resolution,

being shares on which an aggregate sum has been paid up equal to not less than ten per cent of the total sum paid up on all the shares conferring that right.

(viii) The Board may, for the purpose of controlling the level of attendance and ensuring the safety of those attending at any place specified for the holding of a general meeting, from time to time make such arrangements as the Board shall in its absolute discretion consider to be appropriate and may from time to time vary any such arrangements or make new arrangements in place thereof. The entitlement of any member or proxy to attend a general meeting at such place shall be subject to any such arrangements as may be for the time being approved by the Board. In the case of any meeting to which such arrangements apply the Board may, when specifying the place of the meeting:

(A) direct that the meeting shall be held at a place specified in the notice at which the chairman of the meeting shall preside (being the principal place); and

(B) make arrangements for simultaneous attendance and participation at satellite meeting places or by way of any other electronic means by members otherwise entitled to attend the general meeting or who wish to attend at satellite meeting places or other places at which persons are participating by electronic means, provided that persons attending at the principal place and at satellite meeting places or other places at which persons are participating by electronic means shall be able to see, hear and be seen and heard by, persons attending at the principal place and at such other places, by any means.

(ix) Such arrangements for simultaneous attendance at such other places may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any excluded members are able to attend at one of the satellite meeting places or other places at which persons are participating by electronic means. Any such meeting shall be treated as taking place at and being held at the principal place.

(x) The Board may direct that any person wishing to attend any meeting should provide evidence of identity and submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to any meeting to any person who fails to provide such evidence of identity or to submit to such searches or to otherwise comply with such security arrangements or restrictions.

(j) *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the provisions of the Companies Act, to create and issue debentures and other loan stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(k) *Issue of shares*

(i) Subject to the provisions of the Companies Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.

- (ii) Subject to the provisions of the Companies Act and to any relevant authority of the Company required by the Companies Acts, any new shares shall be at the disposal of the Board.

(l) *Directors' fees*

- (i) The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board (or any committee authorised by the Board) may from time to time determine (not exceeding in aggregate £350,000 per annum or such other sum as the Company in general meeting shall from time to time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day to day.
- (ii) The salary or remuneration of any Director appointed to hold any employment or executive office may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the Board or any committee authorised by the Board and may be in addition to or in lieu of any fee payable to him for his services as Director.
- (iii) The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

(m) *Pensions and gratuities for Directors*

The Board, or any committee authorised by the Board, may exercise all the powers of the Company to provide pensions, other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities for persons who are or were directors or employees of the Company and their relatives and dependants.

(n) *Directors' interests*

- (i) The Board may authorise any matter proposed to it in accordance with these Articles which would otherwise involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interests of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting in which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.
- (ii) Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person and will not be in breach of the general duties he owes to the Company under the Companies Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a

conflict of interest, or possible conflict of interest is discussed, and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.

- (iii) Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Director, notwithstanding his office:
 - (A) may be a party to or otherwise be interested in any transaction arrangement or proposal with the Company or in which the Company is otherwise interested;
 - (B) may hold any other office or place of profit at the Company (except that of auditor of the Company or any of its subsidiaries) and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;
 - (C) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has powers of appointment; and
 - (D) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction, arrangement or proposal or from any interest in any body corporate. No such transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third parties.
- (iv) A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or a committee of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.
- (v) The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.
- (o) *Restrictions on Directors' voting*
 - (i) A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any arrangement, transaction or arrangement which is to his knowledge a material interest and, if he purports to do so, his vote will not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:
 - (A) any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
 - (B) the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;

- (C) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (D) the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
 - (E) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (F) any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 Companies Act) in one per cent or more of the issued equity share capital of any class of such body corporate nor to his knowledge hold one per cent or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure and Transparency Rules) in such body corporate;
 - (G) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
 - (H) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
 - (I) any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or
 - (J) any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.
- (ii) A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.
- (p) *Number of Directors*
 Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors shall not be less than two but there shall be no maximum.
- (q) *Directors' appointment and retirement*
- (i) Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director holds office only until the next annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation.
 - (ii) At each annual general meeting of the Company, any Directors appointed by the Board since the last annual general meeting shall retire. In addition one-third of the remaining Directors or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office by rotation. If there are fewer than three such Directors, one Director shall retire from office.

- (iii) At each annual general meeting, any Director who was last elected or last re-elected at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation. If the number of Directors so retiring is less than the minimum number of Directors who are required to retire by rotation, additional Directors up to that number shall retire (namely, those Directors who are subject to rotation but who wish to retire and not offer themselves for re-election and those Directors who have been Directors longest since their appointment or last re-appointment (and, as between those who have been in office an equal length of time, those to retire shall, unless they otherwise agree, be determined by lot).
- (iv) Any Director (other than the Chairman and any Director holding executive office) who would not otherwise be required to retire shall also retire if he has been with the Company for a continuous period of nine years or more at the date of the meeting and shall not be taken into account when deciding which and how many Directors should retire by rotation at the annual general meeting.
- (v) The Company may by ordinary resolution remove any Director before the expiration of his period of office.
- (vi) The office of a Director shall be vacated if:
 - (A) he resigns by notice in writing delivered to, or, if in electronic form, received by the Company Secretary at the registered office or tendered at a meeting of the Board;
 - (B) he ceases to be a Director by virtue of any provision of the Companies Act, is removed from office pursuant to the Articles or the Companies Act, or becomes prohibited by law from being a Director;
 - (C) he becomes bankrupt, has an interim receiving order made against him, makes any arrangements or compounds with his creditors generally or applies to the court for an interim order in connection with a voluntary arrangement or enters into any analogous or similar procedure in any jurisdiction;
 - (D) he is being treated by a registered medical practitioner who gives a written opinion to the Company stating that the Director has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
 - (E) he is absent (whether or not an alternate Director appointed by him attends), without the permission of the Board, from Board meetings for six consecutive months and the Board resolves that his office be vacated; or
 - (F) his resignation is requested by notice in writing by all the other Directors.
- (r) *Proceedings of the Board*
 Subject to the provisions of the Articles, the Board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit. One Director, or the Company Secretary at the request of a Director, can summon a Board meeting at any time on reasonable notice. Notice of a Board meeting shall be deemed to have been given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address. A Director may waive the requirement that notice be given to him of any Board meetings. The quorum necessary for the transaction of business may be determined by the Board and until otherwise determined, shall be two persons, each being a Director or an alternate Director.

(s) *Untraced shareholders*

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

(t) *Non-United Kingdom shareholders*

There are no limitations in the Articles on the rights of non-United Kingdom shareholders to hold, or to exercise voting rights attached to, the ordinary shares. However, non-United Kingdom shareholders are not entitled to receive notices of general meetings unless they have given an address in the United Kingdom to which such notices may be sent or, subject to and in accordance with the Companies Act, an address to which notices may be sent in electronic form.

(u) *CREST*

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles are consistent with CREST membership and, amongst other things, allow for the holding and transfer of shares in uncertificated form. The Articles contain other provisions in respect of transactions with the shares in the Company in uncertificated form and generally provide for the modifications of certain provisions of the Articles so that they can be applied to transactions with shares in the Company in uncertificated form.

(v) *Indemnity of officers and insurance*

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he might otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the Auditors or the auditors of an associated company) may at the discretion of the Board be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

(w) *Lien and forfeiture*

- (i) The Company shall have a first and paramount lien on every share which is not fully paid for all amounts payable to the Company (whether presently or not) in respect of that share to the extent and in the circumstances permitted by the Companies Act. The Board may sell any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.
- (ii) The Board may from time to time make calls on members in respect of any money unpaid on their shares, subject to the terms of allotment of the shares. Each member shall (subject to receiving at least 14 clear days' notice) pay to the Company the amount called on his shares. If a call or any instalment of a call remains unpaid in

whole or in part after it has become due and payable, the Board may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

6.2 *Conversion provisions*

The Articles do not contain any provisions relating to conversion of the Ordinary Shares.

7. **Directors**

7.1 The Directors, their principal function and date of appointment are as follows:

Name	Principal function	Date of appointment
John Weston	Chairman	3 December 2014
Martin Rambusch	Chief Executive Officer	29 August 2014
Jørgen Korsgaard Jensen	COO and Founder	6 May 2014
Johan Blach Petersen	Non-Executive Director	29 August 2014
Niels Vejrup Carlsen	Non-Executive Director	29 August 2014
Simon Barrell	Non-Executive Director	8 December 2014

7.2 The business address of each of the Directors is the Company's registered office at 3 More London Riverside London SE1 2AQ.

7.3 Other than the directorships of the Company, the current directorships and partnerships of the Directors and the directorships and partnerships held by them over the previous five years are as follows:

	Current	Past
John Weston	Starlings (Holtwood Road) Residents' Association Limited Brittpac Ltd Accesso Technology Group Plc Torotrak Plc H.I.G. Europe – Fibercore Bidco 2 Limited H.I.G. Europe – Fibercore Bidco Limited	Learndirect Limited UFI Charitable Trust Ditchley Foundation (The) MB Aerospace Holdings Limited AWS Group Holdings Ltd
Martin Rambusch	Windar Photonics A/S, Denmark BJ Gear A/S, Denmark Palfinger A/S, Denmark	Svendborg Brakes A/S, Denmark Dansk Synergi A/S, Denmark Standesign A/S, Denmark Danish Export Association A/S, Denmark HPI Electronics A/S, Denmark Dansk Eksportforening A/S, Denmark
Jørgen Korsgaard Jensen	OPDI Technologies A/S, Denmark O-Net WaveTouch Limited, Hong Kong O-Net WaveTouch Denmark A/S Windar Photonics A/S, Denmark	

	Current	Past
Johan Blach Petersen	J. Blach Petersen Business Development A/S, Denmark	Enviso Group A/S, Denmark
	Trimit A/S	Landbrugets Uddannelsesportal A/S, Denmark
	Trim.It Development A/S, Denmark	Carbon Cat Line ApS, Denmark
	Cornator A/S, Denmark	PMJ Byfornyelse Aarhus ApS, Denmark
	Trifork A/S, Denmark	The TC Group A/S, Denmark
	Trifork AG, Switzerland	Proces Development Partnering A/S, Denmark
	D-Invest A/S, Denmark	Engsø Gruppen A/S, Denmark
	B-Invest 2007 A/S, Denmark	Jönsson A/S, Denmark
	Bila A/S	Jönsson Furniture ApS, Denmark
	Bila Svendborg A/S, Denmark	Jørgen Petersen & Co A/S, Denmark
	KN Machines A/S, Denmark	W. O. Råsted A/S, Denmark
	Blue Invest Partners A/S, Denmark	Byggefirmaet Svend Mortensen A/S, Denmark
	Teknikgruppen A/S, Denmark	Engsø Vest A/S, Denmark
	A/S Knud Knudsen, Ikast Denmark	Aktieselskabet af 18. April 2011, Denmark
	Torsted El og Automatik, Horsens A/S, Denmark	Sirella Nordsjælland A/S, Denmark
	Alfred Jensen & Søn A/S, Denmark	Hill Horse A/S, Denmark
	Ølholm El A/S Denmark	Hill Horse Holding A/S, Denmark
	A/S C. Erichsen & Søn, Denmark	Vils Tegloverligger A/S, Denmark
	Johs. Møllers Maskiner A/S, Denmark	Århus Bugt Linien ApS, Denmark
	Johs. Møllers Maskinfabrik A/S, Denmark	Hostit A/S, Denmark
	Opdi Technologies A/S, Denmark	Dasolas A/S, Denmark
	Stemas Maskinsalg A/S, Denmark	Danstoker A/S, Denmark
	MI af 16.3. 1998 A/S, Denmark	Ejendomsanpartsselskabet Industrivej Nord, Denmark
	HS af 16.03 1998 A/S	C-Invest A/S, Denmark
	M2Film A/S, Denmark	Dansk Genkhus ApS, Denmark
	M2 Group ApS, Denmark	NKR Demolition Denmark A/S, Denmark
	M2 Entertainment Ltd. UK	EDK Administration A/S, Denmark
	Picture This Studio Ltd, Thailand	Holdingselskabet af 25. Oktober 2011 A/S, Denmark
	SME Equity Partners A/S, Denmark	Aktieselskabet af 6. september 2010, Denmark
	Østergaard Møbelindustri A/S, Danmark	Aktieselskabet af 18. november 2013
	Kinnan A/S, Denmark	IBF Beton Nordvestjylland A/S, Denmark
	Normas Crane Holding A/S, Denmark	Byggeselskabet af 2/11-2012 A/S
	New Owners Management ApS, Denmark	Afslutningsselskabet af 23. December 2014 A/S, Denmark
	GCL Management Invest A/S, Denmark	
	Global Car Leasing A/S, Denmark	
	Global Car Splitleasing A/S, Denmark	
	Tuco Marine Group A/S, Denmark	
	Seachart A/S, Denmark	
	Boiler-Remains Holding A/S, Denmark	
	Boiler-Remains Invest A/S, Denmark	
	Ingeniørfirmaet Poul Tarp A/S, Denmark	
	Telekæden A/S, Denmark	
	The Idea & Concept Company ApS, Denmark	
	CC Public Relation A/S, Denmark	
	Solar Project Development ApS, Denmark	
	Lindcon Optical Group A/S, Denmark	
	Trekanten-Hestbæk A/S, Denmark	
	Loevschall A/S, Denmark	
	Junget A/S, Denmark	
	Windar Photonics A/S, Denmark	

	Current	Past
Niels Vejrup Carlsen	Watagame Invest ApS, Denmark Vivino A/S, Denmark Watagame ApS, Denmark GoMore ApS, Denmark Blackwood Seven A/S, Denmark DealCircle ApS, Denmark TRD Surfaces ApS, Denmark Windar Photonics A/S, Denmark Brain+ ApS, Denmark SEED Capital Denmark II K/S, Denmark	Deskwolf A/S, Denmark Libratone A/S, Denmark Sproom ApS, Denmark Storyplanet ApS, Denmark Roozz.com ApS, Denmark Admazely ApS, Denmark Trustpilot A/S, Denmark Shopbox ApS, Denmark AhandyHand.com ApS, Denmark Syncrowd ApS, Denmark Junefield ApS Denmark LeasingBørsen.dk ApS, Denmark Actimizer A/S, Denmark Endomondo ApS, Denmark Avaleo ApS, Denmark YourGlobalEye ApS, Denmark Office123 ApS, Denmark Safewhere ApS, Denmark Tamigo ApS, Denmark Axon7 ApS, Denmark Upcon Technology A/S, Denmark Carlsen Dörner Invest ApS, Denmark
Simon Barrell	Brick Shield Limited CGI Creative Graphics International Limited CGI Creative Graphics International (Pty)Limited Feedback plc Feedback Black Box Company Limited	Advanced Sweetners Limited Bextra Foods Limited Bextra Limited Ciao Australia Pty Ltd Garret Ingredients Limited Gaywood Sugar Limited Healthcare Holding plc IBP Limited James Budgett Sugars Limited JF Renshaw Limited MadWaves (UK) Ltd Matisse Holdings plc Napier Brown & Co Limited Napier Brown Foods plc Octagonal PLC (formerly SureTrack Monitoring plc) Phoenix Opportunities Ltd Renshaw Scott Limited Toluna plc Toluna Germany GmbH (formerly Ciao Surveys GmbH) ToLuna India Private Limited (formerly Greenfield online GmbH) Zenith Hygiene Group plc

7.4 Save as otherwise disclosed in this paragraph 7, none of the Directors have:

- (a) any unspent convictions in relation to indictable offences;
- (b) at any time been adjudged bankrupt or been the subject of any form of individual voluntary arrangement;
- (c) been a director of a company at the time of, or at any time during the period of 12 months preceding the date of, its receivership, compulsory liquidation, creditors' voluntary

liquidation, administration, company voluntary arrangement or composition or arrangement with its creditors generally or with any class of them;

- (d) been a partner in a partnership at the time of, or within the 12 months preceding any compulsory liquidations, administrations or partnership voluntary arrangement;
- (e) owned receiverships of any assets or been a partner of any partnership at the time at which, or within the 12 months preceding any such event;
- (f) been the subject of any public criticism by any statutory or regulatory authority (including any recognised professional body); or
- (g) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

7.5 The Directors have been appointed director of the following companies at the time of, or within 12 months preceding, any receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangements with its creditors generally or any class creditors. No public criticism was made of any of the directors of the companies in connection with any such event:

	Company name	Details
John Weston	AWS Group Holdings Ltd	Administration in 2012
Martin Rambusch	HPI Electronics A/S	Administration in 2011
Jørgen Korsgaard Jensen	Kanitech International A/S JKJ Invest af 1996 ApS	Declared bankrupt in 2003 Liquidated by court order in 2005
Johan Blach Petersen	P.I.L.31.05.1999 ApS Kjellbergs Successors A/S Teletransit A/S Tirush A/S HF Technology Invest A/S W24 A/S Dasolas A/S A10 A/S Kanitech International A/S K. I. Holding A/S E-Education A/S Newco Holding of 15 febr. 2006 A/S Afviklingsselskab Vejle af 14.1.2005 A/S Sellekt A/S N.O. 1 ApS Aktieselskabet af 6. September 2010 NKR Demolition Denmark A/S Aktieselskabet af 18. April 2011 Byggeselskabet af 2/11 – 2012 A/S Engsø Group A/S Engsø Vest A/S Jønsson A/S Hill Horse A/S Hill Horse Holding A/S Afslutningsselskabet af 23. December 2014 A/S	Voluntary solvent liquidation in 2000 Liquidation in 2007 Declared bankrupt in 2000 Declared bankrupt in 2003 Voluntary solvent liquidation in 2007 Liquidation in 2004 Declared bankrupt in 2008 Voluntary solvent liquidation in 2009 Declared bankrupt in 2003 Declared bankrupt in 2003 Declared bankrupt in 2003 Declared bankrupt in 2006 Declared bankrupt in 2005 Declared bankrupt in 2005 Liquidation in 2007 Declared bankrupt in 2010 Declared bankrupt in 2011 Declared bankrupt in 2011 Declared bankrupt in 2012 Declared bankrupt in 2013 Declared bankrupt in 2013 Declared bankrupt in 2013 Declared bankrupt in 2014 Declared bankrupt in 2014 Declared bankrupt in 2014

	Company name	Details
Niels Vejrup Carlsen⁽¹⁾	Safewhere ApS (renamed NOEVOM ApS)	Declared bankrupt in 2010
	Leasingbørsen ApS	
	(renamed L2011-11-23-1200 ApS)	Receivership in 2011
	Roozz.com ApS	Receivership in 2013
	Admazely ApS	Receivership in 2014
	Storyplanet ApS	Liquidation in 2014
	Junefield ApS	Receivership in 2013 (declared bankrupt in 2014)
	Sproom ApS	Receivership in 2013
	Carlsen Dørner Invest ApS	Liquidation in 2004
	Axon7 ApS	Receivership in 2009 (liquidated)

(1) Niels Vejrup Carlsen is employed as Investment Director by DTU Symbion Innovation A/S and, as part of his employment, has been appointed as non-executive director to a number of start up companies, not all of which have been successful. Each of the directorships described above (other than Carlsen Dørner Invest ApS) have been held by Mr Carlsen on this basis.

7.6 Save as set out above and save in their capacities as persons legally and/or beneficially interested in Ordinary Shares, none of the Directors has any potential conflicts of interest between his duties to the Company and his private interests or other duties.

8. Directors' remuneration, service contracts and letters of appointment

8.1 Directors' Service Agreements

(a) Martin Rambusch Service Agreement

Martin Rambusch is employed as Chief Executive Officer of Windar Photonics A/S and is engaged as an executive director (in the role of Chief Executive Officer) of the Company pursuant to the terms of a service agreement between him, the Company and Windar Photonics A/S (as employer) dated 23 March 2015. Pursuant to the terms of the service agreement, Mr. Rambusch is entitled to receive a gross salary of DKK1,080,000 (EUR 144,936) per annum (which is subject to annual review). Mr Rambusch is also:

- (i) entitled to participate in any executive bonus scheme of the Company established for its executive directors from time to time, the terms of which will be agreed on an annual basis by the Remuneration Committee and are yet to be agreed for 2015. Pursuant to the bonus arrangements for the calendar year 2014, Mr Rambusch received a bonus payment of DKK 400,000 (EUR 53,680); and
- (ii) entitled to use of a car during the employment (in a price range of DKK 400,000 to DKK 600,000 (EUR 53,680 to EUR 80,520)); and
- (iii) entitled to various other benefits under the terms of his contract (which equated to DKK 20,000 (EUR 2,684) for the calendar year 2014); and
- (iv) eligible to receive sick pay of basic salary plus all contractual benefits during any period of absence on medical grounds; and
- (v) entitled to six weeks paid holiday in each calendar year (plus all bank and public holidays normally observed in Denmark).

The terms of the service agreement will commence on Admission. Mr Rambusch's employment is terminable by either Windar Photonics A/S or Mr Rambusch on 9 months' written notice. Windar Photonics A/S also has the ability (subject to the requirements of Danish law) to terminate Mr Rambusch's employment on one month's written notice if he has been absent from work due to illness for an aggregate period of time of 120 days during any consecutive 12 month period. In addition, Windar Photonics A/S has the ability to terminate Mr Rambusch's employment with immediate effect by making a payment in lieu of notice to him which shall ordinarily consist of basic salary only. Also, Windar Photonics A/S is entitled to put Mr Rambusch on garden leave during any period of notice. During any period of garden leave, he will be entitled to receive his basic salary and contractual

and statutory benefits in accordance with the remuneration policy in place from time to time and bonus scheme rules.

Mr Rambusch's service agreement is governed by Danish law and subject to the jurisdiction of the Danish court of arbitration and contains provisions which are typical in Denmark, which may not reflect typical practice in the United Kingdom and further which may not be compliant with the QCA Remuneration Committee Guide for Smaller Quoted Companies. In particular, additional sums to those set out in the service agreement may be payable upon termination in accordance with Danish law.

Mr Rambusch is also entitled to subscribe for shares in the Company in accordance with a warrant instrument dated 29 August 2014, as summarised in paragraph 14.7 below.

(b) *Jørgen Korsgaard Jensen Service Agreement*

Jørgen Korsgaard Jensen is employed as part time Chief Operating Officer of Windar Photonics A/S and engaged as an executive director (in the role of Chief Operating Officer) of the Company pursuant to the terms of a service agreement between him, the Company and Windar Photonics A/S (as employer) dated 23 March 2015. Pursuant to the terms of the service agreement, Mr. Jensen is entitled to receive a gross salary of DKK 480,000 (EUR 64,416) per annum (which is subject to annual review). Pursuant to the terms of the service agreement, Mr Jensen will work for Windar Photonics A/S for such hours as are necessary to discharge his duties under the service agreement and is permitted to undertake his role as Chief Executive Officer of both O-Net Wave Touch group and OPDI Technologies A/S when he is not performing his duties under the service agreement.

Mr. Jensen does not hold any warrants to subscribe for any shares in the Company.

The other principal terms of Mr Jensen's service agreement are the same as the service agreement entered into with Mr Rambusch as summarised in (a) above and the comments above (in particular, those relating to Danish law) also apply, save that Mr Jensen is not entitled to all of the benefits to which Mr Rambusch is entitled. His holiday entitlement will be six weeks in each calendar year (plus all bank and public holidays normally observed in Denmark), adjusted downwards pro rata to reflect his working time as against that of a full time employee.

Pursuant to the bonus arrangements for the calendar year 2014, Mr Jensen will receive a bonus payment of DKK 600,000 (EUR 80,520), DKK 300,000 of which has been paid as at the date of this document.

8.2 **Non-Executive Directors' Letters of Appointment**

(a) *John Weston*

Pursuant to the terms of a letter of appointment dated 8 December 2014, John Weston has agreed to serve as Non-Executive Chairman of the Company (and chairman of the Nomination Committee and Remuneration Committee and a member of the Audit Committee of the Company) for an annual gross fee of £50,000. This appointment is for an initial term of three years commencing on 3 December 2014, terminable at any time by either party giving to the other not less than three months' notice in writing.

Mr. Weston is also entitled to subscribe for shares in the Company in accordance with a warrant instrument dated 8 December 2014, as summarised in paragraph 14.8 below.

(b) *Simon Gregory Barrell*

Pursuant to the terms of a letter of appointment dated 8 December 2014 and a side letter dated 8 January 2015, Simon Gregory Barrell has agreed to serve as a Non-Executive Director and Senior Independent Director of the Company (and chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Company) for an annual gross fee of £25,000. This appointment is for an initial term

of three years commencing on 8 December 2014 terminable at any time by either party giving to the other not less than three months' notice in writing.

Mr. Barrell is also entitled to subscribe for shares in the Company in accordance with a warrant instrument dated 8 December 2014, as summarised in paragraph 14.19 below.

(c) *Johan Blach Petersen*

Pursuant to the terms of a letter of appointment dated 8 January 2015, Johan Blach Petersen has agreed to serve as a Non-Executive Director of the Company (and a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company). No fees are payable in respect of his duties as a Non-Executive Director of the Company, including service from time to time on any Board committee. This appointment is for an initial term of 3 years commencing on 29 August 2014, terminable at any time by either party giving to the other not less than three months' notice in writing.

Mr. Petersen does not hold any warrants to subscribe for any shares in the Company.

(d) *Niels Vejrup Carlsen*

Pursuant to the terms of a letter of appointment dated 8 January 2015, Niels Vejrup Carlsen has agreed to serve as a Non-Executive Director of the Company. No fees are payable in respect of his duties as a Non-Executive Director of the Company, including service from time to time on any Board committee. This appointment is for an initial term of 3 years commencing on 29 August 2014, terminable at any time by either party giving to the other not less than three months' notice in writing.

Mr. Carlsen does not hold any warrants to subscribe for any shares in the Company.

All of the non-executive directors' letters of appointment set out in paragraphs 8.2 (a) to (d) are governed by English law and subject to the jurisdiction of the English courts.

9. Directors' interests

9.1 Save as set out below, none of the Directors has any interest in the share capital of the Company or any of its subsidiary undertakings. In addition, none of the Directors (nor any member of their respective immediate families) has any interest in any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of Ordinary Shares.

9.2 The interests of the Directors, of their respective immediate families and (so far as is known or could with reasonable diligence be ascertained by the relevant Director) of any person connected with a Director in the share capital of the Company as at (being the latest practicable date prior to the publication of this document) and as they will be on Admission are as follows:

Director	As at the date of this document and on Admission	
	Number of Ordinary Shares	Percentage of Existing Ordinary Shares
John Weston	50,000	0.13
Martin Rambusch	—	—
Jørgen Korsgaard Jensen	6,923,938 ⁽¹⁾	18.14
Johan Blach Petersen	1,947,286 ⁽²⁾	5.10
Niels Vejrup Carlsen ⁽³⁾	—	—
Simon Barrell	25,000	0.07

Notes:

(1) These shares are held in the name of Sinika Limited

(2) These shares are held in the name of J Blach Petersen BD A/S

(3) Niels Vejrup Carlsen is employed as Investment Director by DTU Symbion Innovation A/S and as part of that employment manages the interests of SEED Capital Denmark II K/S and DTU Symbion Innovation A/S

- 9.3 As at 23 March 2015 (being the latest practicable date prior to the publication of this document), no Director holds any options to subscribe for or awards over Ordinary Shares, other than in respect of Martin Rambusch, John Weston and Simon Barrell, details of which are set out at paragraphs 14.7, 14.8 and 14.9 below.

10. Employees

- 10.1 Details of the number of the Group's employees for the period covered by the financial information set out in Part III are as follows:

Period	Average number of employees
Financial year ended 2012	4
Financial year ended 2013	7

- 10.2 As at 31 December 2014, the employees of the Group were employed as follows:

Management	3
Other	20

11. Mandatory takeover offers and squeeze-out/sell-out rules

- 11.1 Save as provided by the Companies Act and the City Code, there are no rules or provisions which:

- (a) require a mandatory takeover offer to be made in respect of the Company;
- (b) entitle a party making a takeover offer in respect of the Company to squeeze-out Shareholders who do not accept the offer; or
- (c) entitle a Shareholder to sell-out to a party who has made a takeover offer in respect of the Company.

- 11.2 No takeover offers have been made in respect of the Company from the date of the Company's incorporation to the date of this document.

11.3 *Mandatory bid*

The City Code applies to the Company. Under Rule 9 of the City Code, if:

- (a) a person acquires an interest in shares in the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquirer or its concert parties during the previous 12 months.

11.4 *Compulsory acquisition*

- (a) Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer.

- (b) In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

12. Major Shareholders

- 12.1 Insofar as is known to the Company, as at 23 March 2015 (the latest practicable date prior to the date of this document), the name of each person who, whether directly or indirectly, held a notifiable interest in three per cent or more of the issued Ordinary Share capital of the Company, and the amount of each person's interest, was as follows:

Shareholder	As at the date of this document and on Admission	
	Number of Ordinary Shares	Percentage of Existing Ordinary Shares
SEED Capital Denmark II K/S	7,063,674	18.51
Sinika Limited	6,923,938	18.14
DTU Symbion Innovation A/S	4,175,333	10.94
M.M. 26 Holding A/S	4,033,973	10.57
Danmarks Tekniske Universitet	2,352,990	6.17
Milton Holding Horsens A/S	2,119,400	5.55
Artemis Investment Management LLP	2,000,000	5.24
J Blach Petersen BD A/S	1,947,286	5.10
Investeringsselskabet af 11 august 2005	1,659,101	4.35

- 12.2 None of the persons noted in the table above has different voting rights from other Shareholders in respect of the Ordinary Shares held by them.
- 12.3 Insofar as is known to the Company, as at 23 March 2015 (being the latest practicable date prior to the publication of this document), the Company was not, directly or indirectly, owned or controlled by any persons and there were no arrangements, the operation of which might at a subsequent date result in a change in control of the Company.

13. Related party transactions

- 13.1 Save as set out in paragraphs 13.2 and 13.3 below and the financial information section of this document (set out in Part III (Financial information) of this document), no related party transactions have been entered into by either the Company or Subsidiary between 1 January 2011 (being the first day covered by the historical financial information set out in Part III of this document) and 23 March 2015 (being the latest practicable date prior to the publication of this document).
- 13.2 J. Blach Petersen Business Development A/S, a services company wholly owned by Johan Petersen, has been engaged by Windar to provide business development support to Windar Photonics A/S on an *ad hoc* basis since September 2007. There is no formal agreement in place relating to this arrangement, which will not continue following Admission. J. Blach Petersen Business Development A/S has received a total of DKK 300,000 (EUR 40,260) for the services it has provided to the Group.
- 13.3 *Intra-Group Loan*

Pursuant to the terms of an intra-group loan dated 15 September 2014 between the Company and Windar Photonics A/S, the Company agreed to lend Windar Photonics A/S such amount as agreed from time to time, repayable upon demand by the Company. Interest is payable on such loan at a rate of 2.5 per cent. per annum above the base rate published by the Bank of England, accruing from day to day on the aggregate outstanding balance on the basis of a 365 day year. The intra-

group loan is governed by English law and subject to the jurisdiction of the English courts. As at 31 December 2014 (being the latest practicable date prior to publication of this document), the aggregate amount outstanding under the terms of this agreement is £1,150,000.

- 13.4 On 23 March 2015, the Company and its subsidiary undertakings entered into a management services agreement in terms of which the Company has agreed to supply such ongoing management support services and professional training services as are requested by a subsidiary. Each subsidiary will provide the Company with sufficient funds for the Company to pay the costs attributable to the services provided to it and, in addition, will pay the Company a fee of five per cent. of the aggregate amount of such costs. The agreement is governed by English law.

14. Material contracts

- 14.1 The following is a summary of all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Group: (i) within the two years immediately preceding the publication of this document which are, or may be, material to any member of the Group; or (ii) which contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to any member of the Group as at the date of this document.

14.2 Introduction Agreement

On 24 March 2015, the Company (1), the Directors (2) and (3) Sanlam Securities entered into the Introduction Agreement. Conditional upon Admission, the Company will pay to SSUK a corporate finance fee of £125,000 (less any payment made in respect of such fee in accordance with the terms of its engagement with SSUK). The Introduction Agreement provides for the payment by the Company of all reasonable expenses of SSUK, all fees and expenses properly payable in connection with, inter alia, Admission and the Introduction (including the fees of the registrar). The Introduction Agreement contains certain customary warranties, undertakings and indemnities given by the Company and certain customary warranties and undertakings given by the Directors, in each case in favour of SSUK. The liability of the Directors is limited in certain respects. SSUK may terminate the Introduction Agreement in specified circumstances prior to Admission, including in the event of a breach of the warranties contained in the Introduction Agreement.

14.3 NOMAD and Broker Agreement

On 24 March 2015, the Company, the Directors and Sanlam Securities entered into a nominated adviser and broker agreement pursuant to which the Company appointed Sanlam Securities to act as nominated adviser and broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Sanlam Securities an annual retainer. The agreement contains certain customary undertakings and indemnities given by the Company, and certain customary undertakings given by the Directors, in each case in favour of Sanlam Securities. The agreement is for a fixed term of two years from the date of Admission, after which the agreement is terminable by Sanlam Securities or the Company on the giving of not less than three months' notice. The agreement may be terminated immediately in certain circumstances, including in the event of a material breach of the agreement.

14.4 Lock-in Agreements

On 23 March 2015, each of the Directors holding shares or warrants (together with Johan Blach Petersen BD A/S, a company controlled by Johan Blach Petersen, and Sinika Limited, a company controlled by Jørgen Korsgaard Jensen), SEED Capital Denmark II K/S, DTU Symbion Innovation A/S, M.M. 26 Holding A/S, Danmarks Tekniske Universitet, Milton Holding Horsens A/S, Investeringselskabet af 11. august 2005, Nordic Venture Capital A/S, Meka ApS and Henrik Læsø, who in aggregate hold 31,917,762 Ordinary Shares entered into lock-in and orderly market agreements with the Company and Sanlam Securities pursuant to which, subject to certain

customary exceptions, each holder agreed not to sell any such Ordinary Shares held by that holder for a period of 12 months following Admission without the prior written consent of Sanlam Securities and the Board. In addition, each such relevant holder agreed, for a further period of six months other than with the prior written consent of Sanlam Securities (provided that Sanlam Securities continues to act as nominated adviser and broker to the Company) to effect any such disposal through Sanlam Securities.

14.5 *West Hill Engagement*

Pursuant to the terms of the West Hill Engagement, the Company and Windar Photonics A/S engaged (1) West Hill Corporate Finance Limited as financial adviser in connection with the formation of the Company together with *inter alia* the private offers for subscription of shares in the Company between August to December 2014, Admission and the Introduction, and (2) West Hill Capital LLP as arranger of the private offer pursuant to the offer document issued on 14 July 2014. West Hill Corporate Finance Limited was entitled to a fee of £25,000 (invoiced to Windar Photonics A/S) and commission of 12 per cent. of the funds raised as part of the private offer, less certain fixed launch costs incurred by the Group exclusive of VAT and less the commission paid to West Hill Capital LLP (such commission satisfied as to 80 per cent. in cash and 20 per cent. in Ordinary Shares). The commission payable to West Hill Capital LLP equated to 5 per cent. of all monies raised under the private offer, satisfied as to 4 per cent. in cash and 1 per cent. in Ordinary Shares. The West Hill Engagement is governed by English law and subject to the jurisdiction of the English courts.

14.6 *Share Swap Agreement*

Pursuant to the terms of the Share Swap Agreement and subject to the satisfaction of certain conditions, the shareholders of Windar Photonics A/S including as at completion of the Share Swap Agreement the former holders of convertible debt notes in Windar Photonics A/S (“Windar Debt Holders”) agreed to transfer their respective holding of shares in Windar Photonics A/S to the Company in consideration for the allotment by the Company of Ordinary Shares to them. The share exchange agreement completed and the acquisition of Windar Photonics A/S by the Company became effective on 29 August 2014.

14.7 *Martin Rambusch Warrant*

- (a) Pursuant to a warrant allocation statement dated 30 June 2014, Martin Rambusch, a Director, agreed to waive his rights to be granted warrants to acquire shares in Windar Photonics A/S in consideration for the right to be granted warrants to subscribe for 1,520,956 Ordinary Shares (“MR Warrants”). The MR Warrants are exercisable at a price of 35.44 pence per share until 31 December 2017.
- (b) The MR Warrants are terminable in certain circumstances, including in the event MR’s employment is terminated by the Company for cause (in which case the Warrants will lapse and shall not be capable of exercise) or in the event MR’s employment is terminated by the Company other than for cause (in which case MR will have a 12 month period from the date notice of termination is given to MR in which to exercise the Warrants).
- (c) MR is not permitted to assign, transfer, mortgage, charge, declare a trust over, or deal in any other manner with the MR Warrants or any of its rights under the Warrants.

14.8 *John Weston Warrant*

- (a) On 8 December 2014, in accordance with the terms of the letter of appointment of John Weston, the Company granted John Weston warrants to subscribe for 50,000 Ordinary Shares (“JW Warrants”). The JW Warrants are exercisable at a price of £1.00 per share exercisable and will, subject to extension if the Company is in a close period (as defined in the AIM Rules), lapse three years from grant (in December 2017).

- (b) The terms of the JW Warrants are otherwise the same as to the MR Warrants in all material respects.

14.9 *Simon Barrell Warrant*

- (a) On 8 December 2014, in accordance with the terms of the letter of appointment of Simon Barrell the Company granted Simon Barrell warrants to subscribe for 25,000 Ordinary Shares (“SB Warrants”). The SB Warrants are exercisable at a price of £1.00 per share until exercisable and will, subject to extension if the Company is in a close period (as defined in the AIM Rules), lapse three years from grant (in December 2017).
- (b) The terms of the SB Warrants are otherwise the same as the JW Warrants.

14.10 *Registrars Agreement*

On 23 March 2015, the Company and Share Registrars Limited entered into a registrars agreement pursuant to which the Company appointed Share Registrars Limited to act as registrar to the Company in consideration for fees payable in accordance with the terms of the agreement. The agreement is for a fixed term of one year from 5 January 2015, after which the agreement is terminable by Share Registrars Limited or the Company on the giving of not less than six months’ notice.

14.11 *Distribution agreement between Windar Photonics A/S and FT Technology (Europe) Limited*

On 22 January 2013, Windar Photonics A/S entered into a distribution agreement with FT Technology (Europe) Limited (“FT”) (as amended on 13 October 2013) appointing FT as worldwide distributor of Windar Photonic A/S’s LIDAR based product in terms of which Windar Photonics A/S agreed not to sell its products to manufacturers of OEM wind sensors and wind turbine manufacturers. This agreement was terminated on 9 January 2015 by written agreement between FT and Windar Photonics A/S.

14.12 *Distribution agreement between Windar Photonics A/S and LSAP Holding AG*

Windar Photonics A/S has entered into a distribution agreement in terms of which Windar Photonics A/S has appointed LSAP Holding AG (“LSAP”) as its exclusive distributor in China, India, New Zealand and Australia. The agreement concerns the Group’s product remote wind sensor and Switchbox (a system for integration of WindEye™ Sensor into the yaw drive system). LSAP buys products from Windar Photonics A/S at fixed prices and resells them at its own account and risk and so no sales commission is payable. LSAP is offered most favoured customer pricing, as compared to Windar Photonics A/S pricing to OEMs in the above territory.

The agreement terminates on 31 December 2020 unless terminated earlier by a party in accordance with the terms of the agreement.

14.13 *Patent transfer agreement between Windar Photonics A/S and DTU*

On 19 September 2011, Windar Photonics A/S entered into a patent transfer agreement with DTU. Windar Photonics A/S purchased patent PCT/DK2008/000350 and the invention DTU application number 92618-11, but no associated rights, for example know-how. DTU has another wind measurement patent that has not been transferred (US patent no. 6-320-272) under this agreement, however the agreement does grant Windar Photonics A/S a royalty-free freedom to operate license in North America within the area of “sensors for remote wind measurement”. Under the terms of the agreement, Windar Photonics A/S has granted DTU a royalty free license to any temperature measurement devices developed on the basis of the transferred intellectual property rights.

14.14 *Cooperation agreement between Windar Photonics A/S and DTU*

On 2 September 2010, Windar Photonics A/S entered into a cooperation agreement with DTU, which applies to the sharing of expertise and the procurement of financing regarding development projects, including with regard to students of DTU developing projects in cooperation with Windar Photonics A/S.

The agreement functions as a framework agreement between DTU and Windar Photonics A/S.

The agreement can be terminated by either party with 12 months' notice.

14.15 *Loan agreement between Windas Photonics A/S and Vækstfonden*

Windar Photonics A/S borrowed DKK 4,000,000 (EUR 536,800) from the Danish public funding agency Vækstfonden pursuant to the terms of a loan agreement dated 22 August 2011. The loan accrues interests at a maximum of 12 per cent. per annum and is repayable after 8 years (on 22 August 2019). Vækstfonden may transfer its rights under this agreement and has granted SEED Capital Denmark II K/S, a shareholder of the Company, rights to acquire the loan). As at 31 December 2014 approximately DKK 5,635,000 (EUR 756,217) remained outstanding.

15. **Litigation**

No member of the Group is or has been engaged in nor, so far as the Company is aware, has pending or threatened against it any governmental, legal or arbitration proceedings which may have, or have had in the recent past (cover the 12 months immediately preceding the date of this document), a significant effect on the financial position or profitability of any member of the Group.

16. **Working capital**

The Directors are of the opinion (having made due and careful enquiry) that, after taking into account existing credit facilities and the net proceeds of the Admission (if any), the working capital available to the Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

17. **No significant change**

Save in respect of the acquisition of Windar Photonics A/S by the Company and the funds raised by the Company in 2014 (as further described under the paragraph entitled "Introduction" in Part I of this document), there has been no significant change in the financial or trading position of the Company since 6 May 2014, the date of its incorporation. There has been no significant change in the financial or trading position of Windar Photonics A/S since 30 September 2014 (being the date to which the financial information set out in Part III of this document was prepared).

18. **Consents**

18.1 BDO LLP is a member firm of the Institute of Chartered Accountants in England and Wales and has given and not withdrawn its consent to the inclusion of its report set out in Section A of Part III in the form and context in which it appears in this document.

18.2 The Nominated Adviser has given and has not withdrawn its consent to the issue of this document with the inclusion of its name in the form and content in which it is included.

19. **Expenses and fees**

19.1 The total fees, costs, charges and expenses payable by the Company in connection with the Admission are estimated to be £600,000 (including VAT).

19.2 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in the document and trade suppliers) has received, directly or indirectly, from any

member of the Group within the twelve months preceding the date of application for Admission or entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from it on or after Admission:

- (a) fees totalling £10,000 or more;
- (b) securities in the Company with a value of £10,000 or more; or
- (c) any benefit with a value of £10,000 or more at the date of Admission.

19.3 West Hill Capital LLP received commission equal to £195,500 (satisfied partly in cash and partly in shares) in respect of the private offers by the Company described in paragraph 14.5 of this Part VI.

19.4 Under an arrangement agreed between Stig Gert Ersgard and Windar Photonics A/S, Windar Photonics A/S paid Stig Gert Ersgard, a former director of each of the Company and Windar Photonics A/S, DKK400,000 (EUR 53,680) in respect of the private offers by the Company referred to in the first paragraph under the heading “Background to the Company and the Introduction” in the Introduction section of Part I of this document.

20. General

20.1 BDO LLP were the auditors of the Company for the period from the date of incorporation of the Company and for the purposes of its re-registration as a public company.

20.2 The Ordinary Shares are in registered form and are eligible for settlement in CREST. The ISIN for the Ordinary Shares is GB00BTFR4F17.

20.3 To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors and the Company are aware and able to ascertain from information published by that third party, no facts have been omitted which may render the reproduced information in accurate or misleading.

21. Availability of documents

Copies of this document will be available to the public during normal business hours on any weekday (Saturday and public holidays excepted) free of charge from the registered office of the Company, on the Company’s website (www.investor.windarphotonics.com) from Admission and the offices of the Nominated Adviser for a period of at least one month after Admission.

Dated: 24 March 2015

