24 May 2018

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

Windar Photonics plc

("Windar", the "Company" or the "Group")

Final Results and Notice of Annual General Meeting

Windar Photonics plc (AIM:WPHO), the technology group that has developed a cost efficient and innovative LiDAR wind sensor for use on electricity generating wind turbines, is pleased to announce its final results for the year ended 31 December 2017.

FY2017 highlights

- Revenue increased 85% to €2.2 million (2016: €1.2 million)
- Gross Profit increased to €0.9 million (2016: €0.6 million)
- Order intake increased four-fold to €5.9 million (2016: €1.4 million)
- Order backlog at the end of 2017 for deliveries in 2018 increased to €3.9 million (2016: €0.2 million)
- Reduced net loss for the year to €2.2 million (2016: €3.2 million) which included depreciation, amortisation and warrant costs of €0.8 million (2016: €0.7 million), as a result of higher gross profit and a continued reduction of operational costs
- Cash at the end of 2017 of €1.1 million (2016: €0.8 million) excluding restricted cash holdings of €0.2 million (2016: €0.03 million)
- Successfully completed further cost optimisations of our product lines and in parallel continued to add new innovative features like turbulence and wake detection
- Ongoing OEM integration projects are at a record level going into 2018 and management expect Windar's LiDAR technology will to be awarded one or more design-in contracts in the near future
- Successful equity fundraising during the year of £1.25 million

Post period highlights

- Current trading is significantly ahead of the comparative period last year and in line with management expectations

Jørgen Korsgaard Jensen, CEO of Windar, said:

"Even though not fully reflected in our annual results for 2017, 2017 saw a record order intake level which, if delivered within one year, would have exceeded our financial breakeven point, and I am very pleased with the significant order backlog carried into 2018. Having reached this point without including any major OEM design-in wins/orders is very encouraging, and we expect to be awarded further by design-in wins in the near future.

With this market traction combined within our successful optimisation of our core product cost base and our operational cost levels, we have laid the foundation for further progress in 2018."

Notice of Annual General Meeting

Windar also today gives notice that its Annual General Meeting ("AGM") will be held at the offices of Cantor Fitzgerald Europe, One Churchill Place, Canary Wharf, London E14 5RB at 1.00 p.m. on 25 June 2018.

The Annual Report and Accounts and Notice of AGM will be posted to shareholders today and will be available shortly from the Company's website, www.windarphotonics.com.

For further information:

Windar Photonics plc	Jørgen Korsgaard Jensen, CEO	+4524344930
Cantor Fitzgerald Europe *Nominated Adviser and Broker*	David Foreman Richard Salmond	+44 20 7894 7000

CHAIRMAN'S STATEMENT

Dear Shareholders,

For the year ended 31 December 2017, the Group achieved revenue of €2.2 million (2016: €1.2 million) an increase of 85% on 2016. The total order intake in 2017 amounted to €5.9 million (2016: €1.4 million) leaving the Group with a record order backlog of €3.9 million (2016: €1.4 million) at the end of the year.

We also achieved a reduction in our net loss for the year to €2.2 million (2016: €3.2 million) which included depreciation, amortisation and warrant costs of €0.8 million (2016: €0.7 million). The reduction in the net loss was achieved through a combination of increased revenue and a further reduction of the operational expenses due to the new sales and marketing approach toward the Independent Power Producers and wind farm owners ("IPPs") markets as discussed below.

The Group had cash at the end of the year of €1.1 million (2016: €0.8 million) excluding restricted cash balances of €0.2 million (2016: €0.03 million).

During the year the Group raised £1.25 million before expenses through the issue of new share capital. Besides using the factoring facility established in 2016 for financing of working capital, the Group is also pleased to have financed sales in 2017 of €1.3 million (2016: €0.3 million) with Denmark's export credit agency, Eksport Kredit Fonden ("EKF"). This enabled the Group to reduce trade receivables at the end of the year to €0.4 million (2016: €0.6 million) despite the revenue growth of 85%.

In 2017, the Group continued to refocus research and development resources towards developing new innovative features, like turbulence and wake detection, and not least cost optimisation programmes. The new and ongoing development of our wake detection functionality combined with our general features has created increasing interest within the Original Equipment Manufacturer for turbines ("OEMs") market with several new and important OEM projects started in 2017. With the cost reduction programmes successfully completed in 2017, we were once again able to reduce our product cost base in 2017 enabling the Group to win some of the higher volume orders at the end of 2017 at satisfactory margin levels.

Going into 2018, the Group has a strong product platform with the WindEye™ and WindVision™ product lines, and our refocused research and development focus will continue unchanged in 2018 on additional new features, turbine optimisation solutions and additional cost saving programmes.

The Group has capitalised its continued cost of investment in technology during the year. This amounts to approximately €333,000 (2016: €474,000) before grants of €152,000 (2016: €48,000).

Given our strong LiDAR product platforms, we believe we are well placed to further progress in both the OEM market and also within the IPP markets. Despite the often very long design-in cycle times within the OEM market, the Board expects to obtain one or more design-in wins of Windar's LiDAR technology in the near future. As discussions move to a stage of regular supply, the Board expect this will significantly increase the Group's revenue and profits.

In 2017, the Group successfully refocused its sales and marketing approach towards the IPP markets whereby these markets will primarily be served by an external distribution network. Consequently, the Group has closed down our sales and representation offices in Denmark, Spain and Canada during 2017, and at the end of 2017 the Group now only has two facilities – our headquarters in Copenhagen, Denmark and our sales and service office in Shanghai, China. Besides reducing the Group's total operation expenses, the change has driven positive revenue and order intake realised in 2017. The Board expects to see the further positive results of this strategic change with increased IPP market penetration in 2018.

2018 has started well with total revenue level during the first four months of the year showing an accelerated growth over 2017.

Overall, the Group remains confident for 2018 and the future, and I would like to take the opportunity to thank the management, staff and my predecessor John Weston for their efforts in 2017.

Johan Blach Petersen
Chairman

Date May 24, 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	**Year ended 31 December 2017 €**	Year ended 31 December 2016 €
Revenue	4,5	**2,213,664**	1,196,037
Cost of goods sold		**(1,301,047)**	(627,255)
Gross profit		**912,617**	568,782
Administrative expenses		**(2,996,457)**	(3,804,798)
Other operating income		**78,067**	69,074
Loss from operations		**(2,005,773)**	(3,166,942)
Finance expenses	6	(286,348)	(106,882)
Loss before taxation		**(2,292,121)**	(3,273,824)
Taxation	7	**66,246**	128,109
Loss for the year attributable to the ordinary equity holders of Windar Photonics plc		**(2,225,875)**	(3,145,715)
Other comprehensive income			
Items that will or may be reclassified to profit or loss:			
Exchange gains/(losses) arising on translation of foreign operations		**13,038**	(22,087)
Total comprehensive loss for the year attributable to the ordinary equity holders of Windar Photonics plc		**(2,212,837)**	(3,167,802)
Loss per share attributable to the ordinary equity holders of Windar Photonics plc			
Basic and diluted, cents per share	8	**(5.4)**	(8.1)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	**31 December 2017 €**	31 December 2016 €
Assets			
Non-current assets			
Intangible assets	10	**868,594**	1,183,675
Property, plant & equipment	11	**107,084**	119,421
Deposits		**38,505**	54,072
Total non-current assets		**1,014,183**	1,357,168
Current assets			
Inventory	12	**739,610**	993,657
Trade receivables	13	**381,295**	557,721
Other receivables	13	**216,710**	258,900
Prepayments		**78,379**	81,237
Restricted cash and cash equivalents		**234,692**	30,609
Cash and cash equivalents	14	**1,116,503**	783,166
Total current assets		**2,767,189**	2,705,290
Total assets		**3,781,372**	4,062,458
Equity			
Share capital	18	**530,543**	513,327
Share premium	18	**10,281,073**	8,964,224
Merger reserve	18	**2,910,866**	2,910,866
Foreign currency reserve	18	**(19,590)**	(32,628)
Retained earnings	18	**(12,521,228)**	(10,530,769)
Total equity		**1,181,664**	1,825,020
Non-current liabilities			
Warranty provisions	20	**72,205**	39,643
Loans	17	**1,023,809**	921,751
Total non-current liabilities		**1,096,014**	961,394
Current liabilities			
Trade payables	16	**1,045,516**	603,950
Other payables and provisions	16	**325,674**	201,038
Deferred revenue	16	**6,716**	226,942
Invoice discounting	16	**121,209**	239,528
Loans	16	**4,579**	4,586
Total current liabilities		**1,503,694**	1,276,044
Total liabilities		**2,599,708**	2,237,438
Total equity and liabilities		**3,781,372**	4,062,458

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	**Year ended 31 December 2017 €**	Year ended 31 December 2016 €
Loss for the period before taxation		**(2,292,121)**	(3,273,824)
Adjustments for:			
Finance expenses	6	**286,349**	106,882
Amortisation	10	**494,709**	366,784
Depreciation	11	**56,409**	61,034
Received tax credit		**149,603**	120,305
Tax paid		**-**	(22,008)
Foreign exchange differences		**13,037**	(25,898)
Share option and warrant costs		**235,416**	317,069
		(1,056,598)	(2,349,656)
Movements in working capital			
Changes in inventory	12	**254,047**	(224,033)
Changes in receivables	13	**152,687**	444,905
Changes in trade payables	16	**441,566**	416,295
Changes in deferred revenue	16	**(220,226)**	226,942
Changes in warranty provisions	20	**32,562**	15,230
Changes in other payables and provisions	16	**124,628**	(70,388)
Cash flow from operations		**(271,334)**	(1,540,708)
Investing activities			
Payments for intangible assets	10	**(333,480)**	(474,435)
Payments for tangible assets	11	**(44,312)**	(35,635)
Grants received	10	**152,447**	48,420
Cash flow from investing activities		**(225,345)**	(461,650)
Financing activities			
Proceeds from issue of share capital	18	**1,443,605**	2,252,920
Costs associated with the issue of share capital	18	**(109,540)**	(257,703)
Proceeds/(reduction) from invoice discounting	16	**(118,319)**	239,528
Increase restricted cash balances	14	**(204,083)**	(30,609)
Repayment of loans	16	**(4,580)**	(4,303)
Foreign exchange rate losses	6	**(142,331)**	(3,737)
Interest paid	6	**(36,080)**	(6,502)
Cash flow from financing activities		**828,672**	2,189,594
Net increase in cash and cash equivalents		**331,993**	187,239
Exchange differences		**1,344**	2,020
Cash and cash equivalents at the beginning of the year		**783,166**	593,907
Cash and cash equivalents at the end of the year	14	**1,116,503**	783,166

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share Capital	Share Premium	Merger reserve	Foreign currency reserve	Accumulated Losses	Total
	€	€	€	€	€	€
Group						
At 1 January 2016	**487,688**	**6,994,646**	**2,910,866**	**(10,541)**	**(7,702,123)**	**2,680,536**
New shares issued	24,558	2,228,362	-	-	-	2,252,920
Costs associated with capital raise	-	(376,629)	-	-	-	(376,629)
New shares issued in respect of services rendered	1,081	117,845	-	-	-	118,926
Share option and warrant costs	-	-	-	-	317,069	317,069
Transaction with owners	**25,639**	**1,969,578**	**-**	**-**	**317,069**	**2,312,286**
Comprehensive loss for the year	-	-	-	-	(3,145,715)	(3,145,715)
Other comprehensive losses	-	-	-	(22,087)	-	(22,087)
Total comprehensive loss	**-**	**-**	**-**	**(22,087)**	**(3,145,715)**	**3,167,802**
At 31 December 2016	**513,327**	**8,964,224**	**2,910,866**	**(32,628)**	**(10,530,769)**	**1,825,020**
New shares issued	17,216	1,426,389	-	-	-	1,443,605
Costs associated with capital raise	-	(109,540)	-	-	-	(109,540)
Share option and warrant costs	-	-	-	-	235,416	235,416
Transaction with owners	**17,216**	**1,316,849**	**-**	**-**	**235,416**	**1,569,481**
Comprehensive loss for the year	-	-	-	-	(2,225,875)	(2,225,875)
Other comprehensive gains	-	-	-	13,038	-	13,038
Total comprehensive income	**-**	**-**	**-**	**13,038**	**(2,225,875)**	**(2,212,837)**
At 31 December 2017	**530,543**	**10,281,073**	**2,910,866**	**(19,590)**	**(12,521,228)**	**1,181,664**
Company						
At 1 January 2016	**487,688**	**6,994,646**	**658,279**	**(7,746)**	**(787,034)**	**7,345,833**
New shares issued	24,558	2,228,362	-	-	-	2,252,920
Costs associated with capital raise	-	(376,629)	-	-	-	(376,629)
New shares issued in respect of services rendered	1,081	117,845	-	-	-	118,926
Share option and warrant costs	-	-	-	-	317,069	317,069
Transaction with owners	**25,639**	**1,969,578**	**-**	**-**	**317,069**	**2,312,286**
Comprehensive loss for the year	-	-	-	-	(984,082)	(984,082)
Total comprehensive loss	**-**	**-**	**-**	**-**	**(984,082)**	**(984,082)**
At 31 December 2016	**513,327**	**8,964,224**	**658,279**	**(7,746)**	**(1,454,047)**	**8,674,037**
New shares issued	17,216	1,426,389	-	-	-	1,443,605
Costs associated with capital raise	-	(109,540)	-	-	-	(109,540)
Share option and warrant costs	-	-	-	-	235,416	235,416
Transaction with owners	**17,216**	**1,316,849**	**-**	**-**	**235,416**	**1,569,481**
Comprehensive loss for the year	-	-	-	-	(414,017)	(414,017)
Total comprehensive income	**-**	**-**	**-**	**-**	**(414,017)**	**(414,017)**
At 31 December 2017	**530,543**	**10,281,073**	**658,279**	**(7,746)**	**(1,632,648)**	**9,829,501**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

The Company is a public limited company domiciled in the United Kingdom and incorporated under registered number 09024532 in England and Wales. The Company's registered office is 3 More London Riverside, London, SE1 2AQ.

The Group was formed when the Company acquired on 29 August 2014 the entire share capital of Windar Photonics A/S, a company registered in Denmark though the issue of Ordinary Shares.

The financial information set out below does not constitute the company's statutory accounts for 2017 or 2016. Statutory accounts for the years ended 31 December 2017 and 31 December 2016 have been reported on by the Independent Auditors. The Independent Auditors' Reports on the Annual Report and Financial Statements for the years ended 31 December 2017 and 31 December 2016 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

Statutory accounts for the year ended 31 December 2016 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 December 2017 will be delivered to the Registrar in due course.

2. Going Concern

The consolidated financial statements have been prepared assuming the Group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. Based on the Group's latest trading expectations and associated cash flow forecasts, the directors have considered the cash requirements of the Group. The directors are confident that based on the Group's forecasts and projections, taking account of possible changes in trading performance, no further funding will be required and are satisfied that the Group has adequate resources to continue in operation for the review period, namely 12 months from the date of approval of these financial statements. It is on that basis they continue to adopt the going concern basis of accounting in preparing these financial statements.

3. Basis of preparation

The consolidated financial statements comprises the consolidated financial information of the Group as at 31 December 2017 and are prepared under the historic cost convention, except for the following:

- share based payments and share option and warrant costs

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 statements have 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 acquisition of the subsidiary in 2014 was deemed to be a business combination under common control as the ultimate control before and after the acquisition was the same. As a result, the transaction is outside the scope of IFRS 3 and has been included under the principles of merger accounting by reference to UK GAAP.

4. Revenue

Revenue arises from:

	Year ended 31 December 2017	Year ended 31 December 2016
	€	€
Sale of product	**2,171,647**	1,136,840
Sale of services	**42,017**	59,197
	2,213,664	1,196,037

5. Segment information

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

The Group has one reportable segment being the sale of LiDAR Wind Measurement and therefore segmental results and assets are disclosed in the consolidated income statement and consolidated statement of financial position.

In 2017, three customers accounted for more than 10 per cent of the revenue (2016: two customers). The total amount of revenue from these customers amounted to €1,552,221, 70.5 per cent of total revenue (2016: €459,740 or 31 per cent of total revenue)

Revenue by geographical location of customer:

	Year ended 31 December 2017	**Year ended 31 December 2016**
	€	**€**
Europe	**129,751**	133,968
Americas	**147,065**	376,161
China	**1,784,614**	566,725
Asia (excluding China)	**152,234**	119,183
Revenue	**2,213,664**	1,196,037

Geographical information

The parent company is based in the United Kingdom. The information for the geographical area of non-current assets is presented for the most significant area where the group has operations being Denmark.

	As at 31 December 2017	**As at 31 December 2016**
	€	€
Denmark	**972,148**	1,303,096
	972,148	1,303,096

Non-current assets for this purpose consist of property, plant and equipment and intangible assets.

6. Finance income and expense

Finance expense

	Year ended 31 December 2017 €	Year ended 31 December 2016 €
Foreign exchange gain/(losses)	**(142,331)**	3,737
Interest expense on financial liabilities measured at amortised cost	**(144,007)**	(103,145)
Finance expense	**(286,338)**	(106,882)

7. Income tax

	Year ended 31 December 2017 €	Year ended 31 December 2016 €
(a) The tax credit for the year:		
Corporation tax	**(66,246)**	(128,109)
(b) Tax reconciliation		
Loss on ordinary activities before tax	**(2,292,121)**	(3,273,824)
Loss on ordinary activities at the UK standard rate of corporation tax 19.25% (2016: 20%)	**(441,943)**	(654,765)
Effects of:		
Expenses non-deductible for tax purposes	**51,467**	168,233
Depreciation for the year in excess of capital allowances	**71,158**	(9,920)
Unrecognised tax losses	**390,352**	434,825
Different tax rates applied in overseas jurisdictions	**(71,034)**	83,822
Tax credit on research and development	**(66,246)**	(150,304)
Tax credit for the year	**(66,246)**	(128,109)

The tax credit is recognised as 22 per cent. (2016: 22 per cent) of the company's deficit that relates to research and development costs. Companies in Denmark, who conduct research and development and accordingly experience deficits can apply to the Danish tax authorities for a payment equal to 22 per cent. (2016: 22 per cent) of deficits relating to research and development costs up to DKK 25 million.

(c) Deferred tax – Group

In view of the tax losses carried forward there is a deferred tax on losses of approximately €2,106,853 (2016: €1,867,938) which has not been recognised in these Financial Statements. This contingent asset will be realised when the Group makes sufficient taxable profits in the relevant Company.

(d) Deferred tax – Company

In view of the tax losses carried forward there is a deferred tax on losses of approximately €190,485 (2016: €164,790) which has not been recognised in these Financial Statements. This contingent asset will be realised when the company can demonstrate future profit against which the losses will be able to be used.

8. 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 2017 €	Year ended 31 December 2016 €
Loss for the year	**(2,225,875)**	(3,145,347)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**41,050,362**	38,950,108
Basic loss and diluted, cents per share	**(5.4)**	(8.1)

There is no dilutive effect of the warrants as the dilution would reduce the loss per share.

9. Dividends

No dividends were proposed by the Group during the period under review (2016: €Nil).

10. Intangible assets

Group	**Development projects €**
Cost	
At 1 January 2016	**2,079,857**
Additions – internally developed	474,435
Grants received	(48,420)
Exchange differences	7,862
At 31 December 2016	**2,513,734**
Additions – internally developed	333,480
Grants received	(152,447)
Exchange differences	(3,698)
At 31 December 2017	**2,691,069**
Accumulated amortisation	
At 1 January 2016	**959,648**
Charge for the year	366,784
Exchange differences	3,627
At 31 December 2016	**1,330,059**
Charge for the year	494,709
Exchange differences	(2,293)
At 31 December 2017	**1,822,475**
Net carrying value	
At 1 January 2016	1,120,209
At 31 December 2016	1,183,675
At 31 December 2017	**868,594**

The Group received Research and Development Grants from Energiteknologisk Udvikling og Demonstration Projekt of €152,447 (2016: €48,420) in respect of the capitalised research and development. The Group has the ability to claim a further €174,342 (2016: €388,393) of grants in future years in respect of on-going Research and Development.

11. Property, plant & equipment

Group	Plant and equipment €
Cost	
At 1 January 2016	**226,428**
Additions	35,635
Exchange differences	870
At 31 December 2016	**262,933**
Additions	44,312
Disposed	(12,703)
Exchange differences	(494)
At 31 December 2017	**294,048**
Accumulated depreciation	
At 1 January 2016	**82,153**
Charge for the year	61,034
Exchange differences	325
At 31 December 2016	**143,512**
Charge for the year	56,409
Disposed	(12,703)
Exchange differences	(254)
At 31 December 2017	**186,964**
Net carrying value	
At 1 January 2016	144,275
At 31 December 2016	119,421
At 31 December 2017	**107,084**

12. Inventory

	Group	
	As at 31 December 2017	**As at 31 December 2016**
	€	**€**
Raw material	**335,653**	496,442
Work in progress	**340,535**	110,654
Finished goods	**63,421**	386,561
Inventory	**739,609**	993,657

The cost of inventory sold and recognised as an expense during the year was €1,301,047, (2016: €627,255).

13. Trade and other receivables

	Group		Company	
	As at 31 December 2017 €	As at 31 December 2016 €	**As at 31 December 2017 €**	As at 31 December 2016 €
Trade receivables	**428,979**	585,257	**-**	-
Impairment allowance beginning of period	**(27,536)**	-	**-**	-
Provision utilised during the year	**-**	-	**-**	-
Provision charge during the year	**(20,148)**	(27,536)	**-**	-
Impairment allowance end of period	**(47,684)**	(27,536)	**-**	-
Trade receivables – net	**381,295**	557,721	**-**	-
Intragroup receivables	**-**	-	**276,299**	813,237
Total financial assets other than cash and cash equivalents classified as loans and receivables	**381,295**	557,721	**276,299**	813,237
Tax receivables	**66,169**	150,336	**-**	-
Other receivables	**150,541**	108,564	**12,180**	20,922
Total other receivables	**216,710**	258,900	**12,180**	20,922
Total trade and other receivables	**598,005**	816,621	**288,479**	834,159
Classified as follows:				
Current Portion	**598,005**	816,621	**288,479**	834,159

The ageing of the trade receivables as at 31 December 2017 is detailed below:

	Group	
	2017 €	**2016 €**
Neither past due nor impaired:	**216,591**	407,616
Past due but not impaired:		
0 to 30 days	**-**	21,261
30 to 60 days	**1,306**	8,601
60 to 90 days	**13,453**	-
Over 90 days	**149,943**	120,243
	381,295	557,721

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.

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

Of the net trade receivables €152,407 (2016: €521,226) was pledged as security for the invoice discounting facility.

Maturity analysis of the financial assets, including trade debtors, restricted cash and other receivables, classified as financial assets measured at amortised cost, is as follows (the amounts shown are undiscounted and represent the contractual cash-flows):

	Group		Company	
	As at 31 December 2017 €	As at 31 December 2016 €	**As at 31 December 2017 €**	As at 31 December 2016 €
Up to 3 months	**381,295**	557,721	**12,180**	-
Within 12 months	**216,710**	258,900	**276,299**	834,159
	598,005	816,621	**288,479**	834,159

14. 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:

	Group		Company	
	As at 31 December 2017 €	As at 31 December 2016 €	**As at 31 December 2017 €**	As at 31 December 2016 €
Cash at bank	**1,116,503**	783,166	**180,727**	251,310

The Group has restricted cash balances of €234,692 (2016: €30,609) which are not part of cash balances for the cash flow statement. The restricted cash balances relate to transactions entered into between the Group and external financial parties. When EKF has credit approved a customer EKF issues a non-recourse payment guaranties to an external financial party typically of 80% to 90% of the face value of the transaction. Upon shipment of the products the Group then sells the invoice to the external financial party at face value subject to depositing and pledging a cash amount equal to the difference between the face value of the invoice and the EKF guaranties. When the customer typically one year later pays the full invoice amount to the financial party, the deposit is paid in full to the Group.

15. Notes supporting statement of cash flows

	Non-current loans and borrowings €	Current loans and borrowings €	**Total €**
As at Beginning of period	921,751	4,586	**926,337**
Repayment of loans	-	(4,580)	**(4,580)**
Accrued interests on non-current loans	107,937	-	**107,937**
Loans and borrowings classified as non-current in previous period becoming current in this period	(4,579)	4,579	**-**
Foreign exchange rate differences	(1,300)	(6)	**(1,306)**
As at End of period	**1,023,809**	**4,579**	**1,028,388**

16. Trade and other payables

	Group		Company	
	As at 31 December 2017 €	As at 31 December 2016 €	**As at 31 December 2017 €**	As at 31 December 2016 €
Invoice discounting	**121,209**	239,528	**-**	-
Trade payables	**1,045,516**	603,950	**38,720**	98,210
Other payables and provisions	**325,675**	201,038	**20,000**	-
Current portion of Nordea loan	**4,579**	4,586	**-**	-
Total financial liabilities, excluding non-current loans and borrowings classified as financial liabilities measured at amortised cost	**1,496,979**	1,049,102	**58,720**	98,210
Deferred revenue	**6,716**	226,942	**-**	-
Total trade and other payables	**1,503,695**	1,276,044	**58,720**	98,210
Classified as follows:				
Current Portion	**1,503,695**	1,276,044	**58,720**	98,210

16.Trade and other payables *(continued)*

The invoice discounting arrangement is secured upon the trade debtors to which the arrangement relates.

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):

	Group		**Company**	
	As at 31 December 2017 €	As at 31 December 2016 €	**As at 31 December 2017 €**	As at 31 December 2016 €
Up to 3 months	**1,174,653**	1,143,039	**38,720**	98,210
Within 12 months	**329,042**	172,648	**20,000**	-
	1,503,695	1,315,687	**58,720**	98,210

17. Borrowings

The carrying value and fair value of the Group's borrowings are as follows:

	Group Book and fair value	
	As at 31 December 2017 €	As at 31 December 2016 €
Loans		
Growth Fund	**1,007,410**	900,743
Nordea Ejendomme	**20,978**	25,594
Current portion of Nordea Loan	**(4,579)**	(4,586)
Total non-current financial liabilities measured at amortised costs	**1,023,809**	921,751

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

The loan from Nordea Ejendomme is in respect of amounts included in the fitting out of the offices in Denmark. The loan is repayable over the 6 years and matures in November 2021 and carries a fixed interest rate of 6 per cent.

Both Loans are denominated in Danish Kroner.

The Company had no borrowings.

18. Share capital

On 12 July 2017, the Company issued 1,524,390 ordinary shares of 1 pence each for cash consideration at £0.82 per share. On 26 September 2016, the Company issued 710,018 ordinary shares of 1 pence for cash consideration at 67.5 pence per share. On 19 December 2016, the Company issued 522,082 ordinary shares of 1 pence for cash consideration at 94 pence per share.

18. Share capital

	Authorised 2017	€ 2017	Authorised 2016	€ 2016
Shares at beginning of reporting period	**40,283,979**	**513,327**	**38,166,377**	**487,688**
Issue of share capital on 2 July 2018	1,524,979	17,216	2,032,102	24,558
Shares at end of reporting period	**41,808,369**	**530,543**	**40,283,979**	**513,327**

	Number of shares issued and fully paid 2017	€ 2017	Number of shares issued and fully paid 2016	€ 2016
Shares at 1 January 2017	**40,283,979**	**513,327**	**38,166,377**	**487,688**
Issue of shares for cash	1,524,390	17,216	2,032,102	24,558
Issue of shares for cash for the satisfaction of fees	-	-	85,500	1,081
Shares at 31 December 2017	**41,808,369**	**530,543**	**40,283,979**	**513,327**

At 31 December 2017, the share capital comprises 41,808,369 shares of 1 pence each.

Warrants and share options
Warrants are granted to Directors and employees.

A total of 75,000 warrants issued in 2014 lapsed on 31 December 2017. A further 1,520,956 warrants issued in 2014 were extended until 31 December 2019 on unchanged terms except for the strike price being increased by 5% if exercised in 2018 and by 10% if exercised in 2019.

On 16 November 2017, 420,000 options were issued to certain employees at a strike price of £1.

The 2014 warrants are valued using the Black-Scholes pricing model and no performance conditions are included in the fair value calculations. The risk free rate was 1.15%. The expected volatility is based on historical volatility of the AIM market over the last two years and is estimated to be 40%.

The 2017 options are valued using the Black-Scholes pricing model and no performance conditions are included in the fair value calculations. The options were issued at a strike price of £1 a third vesting on each anniversary for the first three years. The option have a 10 year life. The price of the share at the time of issue was £0.87. The risk free rate was 1.15%. The expected volatility is based on historical volatility of the AIM market over the last two years and is estimated to be 40%.

The average share price during the year was 89.8 pence (2016:100 pence). At the year end the Company had the following warrants and options outstanding:

	Number of warrants and options					
	At 31 December 2016	Granted	Lapsed	At 31 December 2017	Exercise price (£ pence)	Exercise date
Warrants	1,520,956	-	-	1,520,956	39.07	29/08/14 to 31/12/19
Warrants	75,000	-	(75,000)	-	100.00	Expired
Options	-	420,000	-	420,000	100.00	16/11/18 to 16/11/27
	1,595,956	420,000	(75,000)	1,940,956		

19. Operating Leases

The total future value of the minimum lease payment is due as follows:

	2017 €	2016 €
Not later than one year	**102,744**	11,743
Later than one year and not later than five years	**50,721**	245,494
Later than five years	**-**	-
	153,465	257,237

All leasing commitments are in respect of property and cars leased by the Group. The terms of property leases vary from country to country, although they all tend to be tenant repairing with rent reviews every 2 to 5 years and many have break clauses.

20. Warranty provision

	2017 €	2016 €
Provision at the beginning of reporting period	**39,643**	24,413
Provision charged to the profit and loss account	**49,068**	30,421
Utilised in year	**(16,181)**	(15,425)
Foreign exchange rate movements	**(325)**	234
	72,205	39,643

The Group typically provides a two-year warranty period to customers on products sold. Actual booked warranty expenses charged to the Statement of Profit or Loss and Other Comprehensive Income amounted to €16,181 (2016: €15,425) corresponding to a warranty cost percentage of 0.6% (2016: 0.8%) relative to the prior two years revenue. However, due to the early business stage of the Group and the uncertainty following this the Group has adopted a policy to accrue a 2% warranty provision based on the prior two years revenue.

21. Related Party Transactions

Jørgen Korsgaard Jensen and Johan Blach Petersen are directors and shareholders of O-Net Wavetouch Denmark A/S (Wavetouch). Wavetouch has during the year rented office space from Windar Photonics A/S, the amount payable during the year to Windar was €36,512 (2016: €22,565). There were no amounts outstanding at the year end from Wavetouch (2016:€ Nil).