

Dialight A/S


Ejby Industrivej 91B

2600 Glostrup

CVR No. 13891443

Annual Report 2017

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 1 May 2018



Bent Kemplar
Chairman

Dialight A/S

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Dialight A/S

Management's Statement

Today, Management has considered and adopted the Annual Report of Dialight A/S for the financial year 1 January 2017 - 31 December 2017.

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

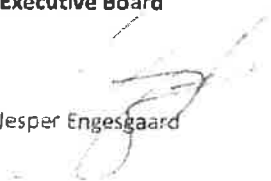
In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

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

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


Copenhagen, 1 May 2018

Executive Board



Jesper Engesgaard

Supervisory Board



Jesper Engesgaard



Fariyal Khanbabi



Martin Lee Rapp

Dialight A/S

Independent Auditor's Report

To the shareholders of Dialight A/S

Opinion

We have audited the financial statements of Dialight A/S for the financial year 1 January 2017 - 31 December 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of its operations for the financial year 1 January 2017 - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- * identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- * obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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Independent Auditor's Report

- * evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- * conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- * evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control which we identify during our audit.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 1 May 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR-no. 25578198



Kenn Wolff Hansen

State Authorised Public Accountant

mne30154

Dialight A/S

Company details

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Telephone	(+45) 8877 4400
Telefax	(+45) 3582 0099
email	info-dk@dialight.com
Website	www.dialightbtl.com
CVR No.	13891443
Date of formation	1 January 1990
Registered office	Glostrup
Financial year	1 January 2017 - 31 December 2017
Supervisory Board	Jesper Engesgaard Fariyal Khanbabi Martin Lee Rapp
Executive Board	Jesper Engesgaard
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø CVR-no.: 25578198

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Management's Review

Principal activities of the Company

The principal activities of the Company consist of development, production and trading activity mainly within aircraft warning signal lighting and maritime navigation equipment for windmills and any related business in connection with this according to the Board of Director's assessment.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2017 - 31 December 2017 shows a result of tDKK 295 and the Balance Sheet at 31 December 2017 shows a total of tDKK 23.754 and an equity of tDKK 13.885.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Dialight A/S**Income Statement**

	Note	2017 DKK '000	2016 DKK '000
Gross profit		26.266	26.623
Staff costs	1	-26.045	-20.360
Depreciation of property, plant and equipment		-265	-230
Profit from ordinary operating activities		-44	6.033
Financial income		760	167
Financial expenses		-239	-1
Profit before tax		477	6.199
Tax expense	2	-182	-1.249
Profit		295	4.950
Proposed distribution of results			
Proposed dividend recognised in equity		0	8.927
Retained earnings		295	-3.977
Distribution of profit		295	4.950

Dialight A/S

Balance Sheet as of 31 December

	Note	2017 DKK '000	2016 DKK '000
Assets			
Fixtures, fittings, tool and equipment	3	588	520
Leasehold improvements	4	344	392
Property, plant and equipment		<u>932</u>	<u>912</u>
Fixed assets		<u>932</u>	<u>912</u>
Manufactured goods and goods for resale		6.778	6.062
Inventories		<u>6.778</u>	<u>6.062</u>
Trade receivables		10.251	13.364
Receivables from group enterprises		3.167	8.763
Tax receivables		979	0
Other receivables		759	676
Prepayments		599	560
Deferred tax		39	0
Receivables		<u>15.794</u>	<u>23.363</u>
Cash and cash equivalents		<u>250</u>	<u>69</u>
Current assets		<u>22.822</u>	<u>29.494</u>
Assets		<u>23.754</u>	<u>30.406</u>

Dialight A/S

Balance Sheet as of 31 December

	Note	2017 DKK '000	2016 DKK '000
Liabilities and equity			
Contributed capital		500	500
Retained earnings		13.385	13.090
Proposed dividend		0	8.927
Equity		13.885	22.517
Provisions for deferred tax		0	7
Warranty provisions		549	423
Provisions		549	430
Trade payables		4.423	4.708
Payables to group enterprises		2.529	786
Tax payables		0	208
Other payables		2.368	1.757
Short-term liabilities other than provisions		9.320	7.459
Liabilities other than provisions		9.320	7.459
Liabilities and equity		23.754	30.406
Contingent liabilities	5		
Ownership	6		

Diallight A/S

Statement of changes in Equity

	Contributed Capital	Retained earnings	Proposed dividend
Equity 1 January 2017	500	13.090	8.927
Dividend	0	0	-8.927
Profit (loss)	0	295	0
Equity 31 December 2017	500	13.385	0

The share capital consist of 500 shares of a nominal value of DKK 1.000 each. All shares rank equally.

The share capital has remained unchanged for the last 5 years.

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Notes

	2017	2016
1. Staff costs		
Wages and salaries	21.699	15.957
Pensions	2.586	1.905
Social security contributions	227	209
Other employee expenses	1.533	2.289
	<u>26.045</u>	<u>20.360</u>
Average number of employees	<u>36</u>	<u>27</u>
2. Tax expense		
Current tax for the year	107	1.398
Deferred tax for the year	-46	-24
Adjustment of tax concerning previous years	121	-125
	<u>182</u>	<u>1.249</u>
3. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	1.679	1.566
Addition during the year	285	113
Cost at the end of the year	<u>1.964</u>	<u>1.679</u>
Depreciation at the beginning of the year	-1.159	-972
Depreciation for the year	-217	-187
Depreciation at the end of the year	<u>-1.376</u>	<u>-1.159</u>
Carrying amount at the end of the year	<u>588</u>	<u>520</u>

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Notes

	2017 DKK '000	2016 DKK '000
4. Leasehold improvements		
Cost at the beginning of the year	882	882
Cost at the end of the year	<u>882</u>	<u>882</u>
Depreciation at the beginning of the year	-490	-447
Depreciation for the year	-48	-43
Depreciation at the end of the year	<u>-538</u>	<u>-490</u>
Carrying amount at the end of the year	<u>344</u>	<u>392</u>

5. Contingent liabilities

Rental and lease obligations (operating leases) falling due within five years total DKK 1,608 thousand (2016: DKK 2,782 thousand).

6. Ownership

The following shareholders are registered in the Company's register of shareholders as holding at a minimum 5% of the voting rights or a minimum of 5% of the share capital:

Dialight Plc.
Leaf C, Level 36,
Tower 42, 25 Old Broad Street,
London EC2N 1QH

The consolidated financial statements of Dialight Plc. are available at the Company's address or on the website www.dialightplc.com.

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Accounting Policies

7. Accounting policies

Reporting Class

The Annual Report of Dialight A/S for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B. Further the company has selected certain disclosures from reporting class c.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the dates of transaction. Foreign exchange differences arising between the exchange rates at the transaction date and the dates of payment are recognised in the Income statement as financial income or expenses.

Income Statement

Gross profit

The Company uses the provisions in section 32 of the Danish Financial Statements Act, and accordingly, the Company's revenue is not disclosed.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the Income statement, provided that the transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other Indirect taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Cost of goods sold

Costs for raw materials and consumables comprise purchase of goods and services for resale.

Other operating cost

Other operating costs comprise items secondary to the Company's activities, including gain and losses on the sale of property, plant and equipment.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Amortisation and impairment of tangible

Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life
Fixtures, fittings, tools and equipment	2-5 years
Leashold improvements	3-5 years

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Accounting Policies

Financial income and expenses

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

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of selfconstructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages and salaries.

Depreciation is recognised as a separate item in the income statement.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

If there are indications of impairment, an impairment test is carried out for each asset or group of assets. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the group of assets after the end of the useful life.

Inventories

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

Finished goods and goods for resale are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and cost necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-downs are made for bad debts losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that a receivable has been impaired, write-down is made.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of expected cash flows.

Prepayments

Prepayments comprise prepaid expenses relating to subsequent financial years.

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Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Dividend

Proposed dividend is shown as a separate item under equity. Dividend is recognised as a liability at the date of adoption at the annual general meeting.

Corporation tax and deferred tax

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

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

Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Liabilities other than provisions

Liabilities other than provisions are measured at amortised cost, corresponding to nominal value.