

FINANCIAL STATEMENTS 2015



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Detection Technology in brief

Detection Technology is a global provider of X-ray imaging subsystems and components for medical, security and industrial applications. Detection Technology's net sales totaled EUR 43 million in 2015. The company has around 160 active customers in 40 countries. Detection Technology employs 340 people in Finland, China and the US. The company's shares are listed on the NASDAQ First North Finland.

42.8 M€ net sales

29.2 % net sales growth %

4.5 M€ operating profit (EBIT) excluding non-recurring items (NRI)

10.6 % operating profit margin (EBIT-%) excluding NRI

341 employees worldwide in five locations

Listed on **NASDAQ First North Finland** -market place on March 16, 2015

2015



CEO'S review

2015 - Strong base for growth and good results

Detection Technology's (DT) first year as a listed company was a success, both strategically and financially. In 2015 DT made fundamental development in core areas of the business, and these steps give strong enablers for the company to execute its strategy.

The financial strength of DT improved in March after the listing to NASDAQ First North Finland market place. The company gained many new customers having 164 active customers in forty different countries at the end of the financial year. The new projects won from important security customers in the US and Europe and within current customer base in the medical business play an important role for the future growth.

The year ended with a successful start of production in the new Beijing factory. The factory was able to meet the strong market demand in the fourth quarter. Net sales growth of over 50 % yielded to a full-year sales growth of 29 % and net sales of 42.8 million euros. The company achieved its annual financial result and growth targets.

The market grew according to our expectations in 2015. The medical X-ray imaging market grew five percent. The growth was driven by the increasing healthcare needs of the developing world and the aging population in the developed world. The market grew fastest in Asia. DT's medical business unit outgrew the market with 26 % net sales growth. DT is well positioned in the emerging markets, especially in Asia.

According to industry analysts the security X-ray equipment market has steadily been growing for some years at a rate of five to seven percent per year. The growth was driven by the increased security concerns, which turned into strong demand growth in our business during the second half of the year. The ongoing political unrest in the middle east, the recent terrorist activity in the middle east and Europe as well as the economic change in China have driven the use of preventative security technologies such as X-ray scanning to a wider scale. The key security markets are United States, Europe and China.

The main drivers for the use of industrial x-ray equipment are more stringent quality control and pressure to cost-effectiveness. Asia-Pacific is the fastest growing market followed by the United States and Europe. The digital industrial X-ray imaging market is relatively young. X-ray imaging equipment has developed and end-use application areas have widened, which has improved the potential of x-ray imaging in the industrial market. Same technologies are used in the industrial imaging as in medical and security imaging. Sorting is the fastest growing application segment in the industrial X-ray imaging.

DT's security and industrial business unit outgrew the market with annual net sales growth of 31 %. DT is well positioned through its strong customer relationships to support the increasing market need also in future.

DT's competitive edge is based on its technology and technical know-how. During 2015 the company spent 5.7 million euros in R&D and product development projects, corresponding to 13.3 % of net

sales. The increased R&D spending of 38 % from the year before is an outcome of success in winning several new, large-scale R&D projects in the area of linear X-ray and security CT from the US and Europe. We see potential for our security CT offering due to the regulatory changes in the aviation security in Europe and the market interest in Asia. During the past year we also broadened our technology base and explored new application opportunities to support our growth in the long term.

The new factory in Beijing was ramped one month earlier than expected. The building of the factory infrastructure and clean rooms, installation of the equipment and manufacturing lines and verifying them were done in a record time. In parallel the new operators and technical employees were trained, and they started flexible team work with the employees who moved from the old factory. The productivity started to improve instantly after the ramp up, and exceeded the targets set at the end of the year. The new factory together with our supplier ecosystem was ready just in time to meet the record high sales in the fourth quarter.

Together with our top-professionals we are committed to boost our customers' business like stated in our mission: **"We create foresight capabilities quicker to discover and prevent threats."**

I warmly thank our customers and partners for their support and excellent cooperation during our year of growth. Thanks belong also to our shareholders for the trust and confidence expressed before and after the public listing – as well as to the DT team for the dedication and work done in achieving the common goals. **Thank you.**

Hannu Martola

President and CEO
Detection Technology Plc

Board of Directors' report

Financial year 2015 in brief

Detection Technology's net sales and result growth continued in the fiscal year 2015. Net sales grew 29.2 % to EUR 42.8 million (33.1). Net sales of Security and Industrial Business Unit (SBU) increased by 31.0 % and Medical Business Unit's (MBU) 26.4 %. The operating profit was EUR 3.4 million (3.1), 8.0 % of net sales (9.3). Operating profit (EBIT) excluding non-recurring items (NRI), related to the factory investment, was EUR 4.5 million (4.1), 10.6 % of net sales (12.5).

The Beijing factory investment, the key strategic objective for 2015, was completed during the second half of the year. The new factory was ramped up faster than expected, and the factory played a key role in supporting DT's growth, efficiency, quality and cost targets in the fourth quarter.

Other cornerstones of DT's strategy proceeded as planned. The company has strengthened its position in the US and broadened its technology and customer bases. At the end of year 2015 the company had 164 active customers.

The company was listed on the NASDAQ First North Finland market place on March 16th 2015. With the proceeds from the IPO and the strong financial position the company has more financial flexibility to execute its strategy.

Net sales and financial result development

Net sales grew 29.2 % to EUR 42.8 million (33.1). Growth at comparable exchange rates was 25.5 %. Net sales of Security and Industrial Business Unit (SBU) increased by 31.0 % and totaled EUR 26.7 million (20.3). Medical Business Unit's (MBU) net sales totaled EUR 16.1 million (12.8), an increase of 26.4 %. Of the total net sales, SBU accounted for 62.3 % and MBU for 37.7 %.

Geographically Asia was the biggest market with 62.3 % of net sales in 2015. Net sales totaled from Europe 21.0 % and from Americas 16.8 %.

The operating profit for the review period January–December 2015 amounted to EUR 3.4 million (3.1), 8.0 % of net sales (9.3). Operating profit (EBIT) excluding non-recurring items (NRI) was EUR 4.5 million (4.1). NRI relating to the new factory amounted to EUR -1.1 million. As of 2015 DT has made a change to the treatment of potential future warranty costs and makes a provision of 1.5 % of net sales. The warranty provision affected the January-December 2015 operating profit by EUR 0.6 million.

Financial items amounted to EUR -2.4 million (-0.3) including EUR -1.4 million non-recurring financial expenses related to the IPO of the company. Net income taxes in January–December were EUR -0.1 million (0.0).

The result for the review period was EUR 0.9 million (2.8). Earnings per share were 0.07 euros (0.21 euros diluted).

Key figures of financial performance

(EUR 1 000)	Group 2015	Group 2014	Group 2013	Parent company 2015	Parent company 2014	Parent company 2013
Net sales	42 782	33 112	30 323	16 311	12 925	12 986
Operating profit	3 437	3 079	3 835	1 800	1 670	2 957
Operating profit margin %	8 %	9 %	13 %	11 %	13 %	23 %
Return on equity	8 %	*	*	1 %	13 %	29 %
Earnings per share, EUR	0,07	1,25		-	-	-
Earnings per share diluted, EUR**	0,07	0,21		-	-	-
Equity ratio with subordinated loans	62 %	11%	*	92 %	47 %	43 %
Equity per share	1,63	0,72	-1,00	2,37	6,59	5,76
Equity per share diluted, EUR**	1,63	0,11	-0,15	2,37	0,97	0,85

* Group's equity was negative on the review period.

** The earnings per share for 2014/2013 figures was computed as if the shares issued in conjunction with the IPO had been outstanding for the entire comparison period.

Research and development

During the review period January-December 2015, DT expensed EUR 5.7 million (4.1) in product development projects, corresponding to 13.3 % (12.4) of net sales. All R&D costs are booked as expenses on the reporting period.

Personnel

At the end of 2015, DT employed 341 people (294), out of which 293 in China, 44 in Finland and 4 in the US. Personnel expenses amounted to EUR -10.2 million (-7.3). The growth in personnel expenses is mainly due to the exchange rate fluctuations, the addition of headcount and provision for bonuses.

Headcount, salaries and rewards

	Group 2015	Group 2014	Group 2013	Parent company 2015	Parent company 2014	Parent company 2013
Average headcount	305	282	251	40	37	34
Salaries and rewards (EUR 1 000)	8 092	6 256	5 331	2 652	2 264	2 060

Board of Directors and management

Juliana Borsos, Hannu Martola, Petri Niemi, Ari Saarenmaa and Andreas Tallberg were elected by the Annual General Meeting (AGM) to the Board of Directors in the meeting held on February 12, 2015. The Board of Directors elected Andreas Tallberg to chair the Board.

The AGM also resolved on the new composition of the Board of Directors, conditional to the listing of company's shares on NASDAQ First North Finland market place. Trading on company's shares started on the market place on March 16, 2015, hence the term of office of the new Board of Directors started. As of March 16th 2015 the Board has had five members: Heikki Allonen, Petri Niemi, Henrik Roos, Ari Saarenmaa and Chairman of the Board Andreas Tallberg. Heikki Allonen and Henrik Roos were new members of the Board.

Hannu Martola has served as President and CEO. The company's auditor has been Ernst & Young Ltd with KHT Juha Hilmola as the auditor in charge.

Annual General Meeting

Detection Technology Plc's Annual General Meeting was held on February 12, 2015. The AGM covered and resolved in addition to the items in the articles of association the following things:

- 1) Changing of the company's business entity into a public limited company (Plc) and the related articles of association.
- 2) Issuing new shares to the shareholders without payment in proportion to their holdings so that four shares are given for each share. The number of the shares increased by 7,600,780 totaling 9,500,975 shares after the share issue.
- 3) Bonus issue; EUR 11,235.28 increase of share capital into the level required by Companies Act. The share capital was EUR 80,000.00 after the bonus issue.
- 4) Board of Directors was authorized to resolve on an issue of new shares of the company. The maximum number of new shares that may be issued under the authorization may not exceed 4,500,000 shares. At the end of the fiscal year, the Board has an authorization to issue 1,050,000 new shares.

Shares and shareholders

The trading in Detection Technology Plc's shares started on the 16th of March 2015 on the NASDAQ First North Finland market under the trading code DETEC. Detection Technology issued a total of 3,450,000 new shares in its initial public offering and as a result, the number of shares in the company increased to 12,950,975 shares in total. The final subscription price was EUR 5.20 per share in both the institutional offering and the public offering and EUR 4.68 in the personnel offering. DT received EUR 17.9 million in proceeds before taking into account offering related charges, fees and estimated costs to be paid by DT.

Following the offering, Oy G.W.Sohlberg Ab's ownership has decreased from approximately 70 % to 40 %, still remaining DT's largest shareholder. The total number of shareholders was 763 as of the end of December, 2015. Approximately 72 % of the shares are held by the 10 biggest shareholders. DT was not informed of any significant changes among its largest shareholders during the year.

The average share price during the fourth quarter was EUR 4.99 and EUR 5.15 in 2015. The highest price during the fourth quarter was EUR 5.28 and the lowest EUR 4.80. The highest price during the year was EUR 5.83 and the lowest EUR 4.80. At the end of December, the closing price was EUR 4.90 per share and DT had a market capitalization of EUR 66.65 million. The number of shares traded between March 16th and December 30th was 9.26 million, which is 72 % of the total number of shares. When excluding the block sale related to the IPO, 14 % of the total number of shares was traded during the year.

DT has one share series and all shares have equal voting rights. Each share is entitled to one vote at the Annual General Meeting.

The largest, registered shareholders on December 31, 2015	Shares	%
OY G.W.SOHLBERG AB	5 205 167	40,19 %
SIJOITUSRAHASTO AKTIA CAPITAL	627 000	4,84 %
KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ ILMARINEN	554 000	4,28 %
SIJOITUSRAHASTO EVLI SUOMI PIENYHTIÖT	543 000	4,19 %
OP-DELTA -SIJOITUSRAHASTO	520 000	4,02 %
KESKINÄINEN TYÖELÄKEVAKUUTUSYHTIÖ VARMA	515 000	3,98 %
FONDITA NORDIC MICRO CAP PLACERINGSF	480 000	3,71 %
NORDEA PANKKI SUOMI OYJ	412 443	3,18 %
SIJOITUSRAHASTO DANSKE INVEST SUOMEN PIENYHTIÖT	314 979	2,43 %
SVENSKA HANDELSBANKEN AB (PUBL) FILIAL VERKSAMHETEN I FINLAND	200 000	1,54 %
SÄÄSTÖPANKKI KOTIMAA -SIJOITUSRAHASTO	200 000	1,54 %
SEB FINLAND SMALL CAP	175 000	1,35 %
SIJOITUSRAHASTO SÄÄSTÖPANKKI PIENYHTIÖT	174 670	1,35 %
FONDITA EQUITY SPICE PLACERINGSFOND	150 000	1,16 %
MARTOLA HANNU VEIKKO	129 250	1,00 %
FIM FENNO SEK	124 000	0,96 %
OP-SUOMI PIENYHTIÖT	120 000	0,93 %
DRUMBO OY	100 000	0,77 %
OY CACAVA AB	100 000	0,77 %
STO-RAHOITUS OY	100 000	0,77 %
The 20 largest shareholders in total	10 744 509	82,96 %
Other shareholders	2 206 466	17,04 %
Shares in total	12 950 975	100,00 %

Breakdown of share ownership (number of shares)	Owners	%	Shares	%
1 - 100	145	19,00 %	10 970	0,08 %
101 - 500	290	38,01 %	83 938	0,65 %
501 - 1 000	130	17,04 %	112 207	0,87 %
1 001 - 5 000	114	14,94 %	272 807	2,11 %
5 001 - 10 000	28	3,67 %	228 800	1,77 %
10 001 - 50 000	29	3,80 %	933 151	7,21 %
50 001 - 100 000	10	1,31 %	864 593	6,68 %
100 001 -	17	2,23 %	10 444 509	80,65 %
	763	100,00 %	12 950 975	100,00 %

Shareholding of management on December 31, 2015	Shares	%
CEO	129 250	1,00 %
Members of the Board	30 348	0,23 %
Other members of the management team	33 935	0,26 %

Share-based incentive programs

The company has established share-based incentive programs for CEO in 2008 and key employees in 2010. In these programs shares for subscription can be offered to beneficiaries in three steps, of which the first starts in December 2016, the second in December 2016 and the third in December 2018, if the beneficiary is in the employment relationship with the company and fulfills other terms of the program. The Board of Directors accepts the share issue annually by December 12 with an authorization given by the Annual General Meeting. The offered and allocated shares through these programs will be given without payment, and the maximum amount of shares will be 1,424,455 shares.

Subordinated loans

Interest and principal for subordinated loans are payable with lowest priority in the event of liquidation or bankruptcy. Principal can be repaid only when full coverage remains for the restricted equity and for distributable funds in the consolidated accounts. Interest is payable in case the same amount could be used for profit distribution based on approved consolidated accounts.

Company has not provided a collateral or a guarantee for the repayment of subordinated loans. In case interest payment cannot be made it will be transferred to a later time provided that above conditions for payment can be followed. Current interest levels for the loans are Euribor 6m + 6% (Nordea) and 3% to 4% p.a. (State Treasury).

The company had subordinated loans total of EUR 851,997, and the company prepares to repay EUR 244,732 as capital, and interests booked as expenses, according to the terms of the loan agreement, based on the Annual Accounts to be adopted by the AGM.

Risks and uncertainties

Detection Technology's main short term risks are associated with uncertainties in the global economies and operating in emerging markets. The company's business can be exposed to such economic, social and political development at different parts of the world, which could have a negative impact on the company results.

Economic risks are related to for example exchange rate fluctuations, price competition, a significant share of net sales accounted by top five customers and APAC as the biggest market.

The group has not hedged foreign exchange risks. The group loans are not covered with interest rate hedging instruments, and consequently possible interest rate changes can impact the company results. The group has taken measures for material and immaterial damages by insuring its operations sufficiently.

Other significant business related risks are for example the customers' liquidity and general cost development, especially in China. In addition, new technologies or changes in market regulation can harm the company's operations on main markets.

Products that Group companies manufacture are sensitive x-ray detectors and related quality standards are rigorous. It is possible that, from time to time and despite on-going quality and assurance mechanisms, the quality of the products do not meet the customer requirements thereby causing additional quality costs. There are several assurance and testing methodologies that are used in production. These methodologies are regarded as adequate by corporate management to make sure that under normal conditions products meet the requirements. Group companies in China and Finland have obtained ISO9001 Certification for its key processes.

The company management aims to mitigate these risks with normal control measures.

Environment

The group aims to predict and reduce the impact of its operations to the environment in advance. The company's key processes are ISO14001 certified.

During the financial year the company reduced its carbon footprint and has not recorded any significant environmental hazards. The impact of its operations to the environment per a product produced was reduced after opening the new factory due to for example the significant downscaling of electricity

consumption in the production.

Events after financial year ended

During the fiscal year 2016 the business has continued without abnormal events.

Outlook for 2016

Medical imaging equipment market

The emerging economies are currently investing in healthcare and medical infrastructure. Aging population is also a growing concern which drives healthcare investments on medical imaging equipment.

DT is well positioned for gaining higher market share in Asian markets. On short term the biggest potential for MBU growth is driven by customer projects already under development.

Security and industrial X-ray equipment markets

The main drivers for the industrial x-ray equipment market are the need for different kind of sorting applications and an increased need for quality control. Asia-Pacific is the fastest growing market followed by the United States and Europe. DT estimates that the market grew 5 % in 2015.

The focus of governments and organizations to increase spending on security will open new opportunities to boost SBU sales. During 2015 SBU won a number of new long-term customer projects within security CT of which regulations are tightening globally such as the EU aviation regulation by 2021.

Business outlook

Detection Technology's target is to increase sales by at least 15 % per annum in the medium term. DT aims to achieve an operating margin at or above 15 % in the medium term. R&D costs as a percentage of net sales in 2016 are expected to be lower than in 2015. The outlook is based on the company's current plans and position in the market.

Dividend distribution policy

The Company's objective is to regularly pay dividend or return capital to shareholders. The level of the paid dividends or capital returns and the date of payment are affected, inter alia, by the Company's and Group's result, financial position, need for capital and other possible factors. The aim is to distribute approx. 30% to 60% of the Group's annual result (earnings per share) to shareholders either in the form of dividend or returned capital.

Board of Directors' profit distribution proposal

The distributable funds of Detection Technology Plc. are EUR 25,504,198.58, of which EUR 270,947.45 represents the net profit for the financial year. The Board of Directors proposes to the Annual General Meeting to be held on 10 March 2016 that the profit for the financial year 2015 be placed in retained earnings and that no dividend be paid.

The Board of Directors proposes to the Annual General Meeting that, based on the balance sheet adopted for 2015, an equity repayment of EUR 0.07 per share be paid. The equity repayment will be made from the reserve for invested unrestricted equity. The equity repayment shall be paid to a

shareholder who is registered in the company's register of shareholders, maintained by Euroclear Finland Ltd, on the record date for payment, 14 March 2016. The Board of Directors proposes to the Annual General Meeting that the return of capital be paid on 21 March 2016.

On the day that the proposal for the distribution of assets was made, the number of shares entitling to an equity repayment was 12,950,975 which means that the total amount of the equity repayment would be EUR 906,568.

DT GROUP INCOME STATEMENT
1.1.2015 - 31.12.2015

	2015	2014
NET SALES	42 781 653,98	33 111 533,20
Change in inventories of finished goods and work in progress	-513 183,29	449 795,32
Other operating income	83 327,08	4 618,00
Materials and services		
Materials, supplies and goods		
Purchases during financial year	-21 675 342,44	-16 980 305,39
Change in inventories	1 231 770,59	-183 675,72
External services	-2 518 547,91	-1 659 342,11
Total	-22 962 119,76	-18 823 323,22
Personnel expenses		
Salaries and wages	-6 916 487,91	-6 254 533,71
Indirect personnel expenses		
Pension expenses	-978 780,39	-874 302,80
Other indirect personnel expenses	-1 131 772,02	-169 655,28
Total	-9 027 040,32	-7 298 491,79
Depreciation and amortisations		
Depreciation according to plan	-993 196,69	-721 978,59
Amortisations	-218 223,27	0,00
Total	-1 211 419,96	-721 978,59
Other operating expenses	-5 714 304,91	-3 643 304,05
OPERATING PROFIT (-LOSS)	3 436 912,82	3 078 848,87
Financial income and expenses		
Other interest and financial income		
Financial income	1 287 868,77	656 157,05
Interest income	2 833,33	643,57
Other interest and financial expenses		
Financial expenses	-3 289 999,59	-39 005,57
Interest expenses	-383 858,41	-939 200,52
Total	-2 383 155,90	-321 405,47
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	1 053 756,92	2 757 443,40
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	1 053 756,92	2 757 443,40
Income tax	-123 542,00	0,00
PROFIT (LOSS) FOR THE FINANCIAL YEAR	930 214,92	2 757 443,40

DT GROUP BALANCE SHEET
31.12.2015

ASSETS	2015	2014
NON-CURRENT ASSETS		
Intangible assets		
Capitalized development expenses	0,00	152 514,93
Immaterial rights	147 011,47	76 556,64
Other capitalized expenses	649 974,25	486 883,86
Total	796 985,73	715 955,43
Tangible assets		
Machinery and equipment	3 337 165,26	2 959 352,50
Other tangible assets	0,00	470,93
Prepayments and construction in progress	3 110 366,13	9 848,91
Total	6 447 531,39	2 969 672,34
Investments		
Other shares	10 500,00	10 500,00
Total	10 500,00	10 500,00
TOTAL NON-CURRENT ASSETS	7 255 017,12	3 696 127,77
CURRENT ASSETS		
Inventories		
Materials and supplies	4 969 037,21	3 664 164,55
Work in progress	940 296,99	513 859,42
Finished goods	859 065,67	1 427 390,25
Total	6 768 399,88	5 605 414,22
Receivables		
Current receivables		
Trade receivables	12 857 732,66	6 622 270,70
Other receivables	139 320,22	319 192,47
Prepaid expenses and accrued income	918 903,91	412 562,85
Total	13 915 956,79	7 354 026,02
Cash and cash equivalents	7 441 779,93	3 449 093,04
TOTAL CURRENT ASSETS	28 126 136,60	16 408 533,28
TOTAL ASSETS	35 381 153,72	20 104 661,05

DT GROUP BALANCE SHEET
31.12.2015

EQUITY AND LIABILITIES	2015	2014
EQUITY		
Share capital	80 000,00	68 764,72
Share premium account	5 130 024,55	5 130 024,55
Other funds		
Invested non-restricted equity fund	26 715 887,22	8 817 975,66
Retained earnings (loss)	-11 757 073,27	-15 406 954,39
Profit for financial year (loss)	930 214,92	2 757 443,40
TOTAL EQUITY	21 099 053,41	1 367 253,94
LIABILITIES		
Non-current liabilities		
Suordinated loans	0,00	851 996,58
Loans from financial institutions	0,00	8 516 542,00
Other loans	784 570,44	1 353 562,00
Total	784 570,44	10 722 100,58
Current liabilities		
Loans from financial institutions	1 212 859,08	1 403 625,00
Advances received	613 364,32	622 933,81
Trade payables	8 554 336,65	5 002 549,18
Other liabilities	928 499,02	77 410,49
Accrued liabilities	2 188 470,79	908 788,05
Total	13 497 529,86	8 015 306,53
TOTAL LIABILITIES	14 282 100,30	18 737 407,11
TOTAL EQUITY AND LIABILITIES	35 381 153,72	20 104 661,05

DT GROUP
CASH FLOW STATEMENT

	2015	2014
CASH FLOW FROM OPERATIONS		
Operating profit / loss	3 436 912,82	3 078 848,87
Depreciation	1 211 419,96	721 978,59
Change in working capital	-1 698 163,85	-233 919,63
Change in received advances	-9 569,49	251 797,91
Interests paid and other financial expenses	-161 730,93	-734 200,55
Paid income tax	-156 335,88	0,00
CASH FLOW FROM OPERATIONS	2 622 532,63	3 084 505,19
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assest	-4 770 309,46	-1 279 717,72
CASH FLOW FROM INVESTMENTS	-4 770 309,46	-1 279 717,72
CASH FLOW FROM FINANCING		
Withdrawal of non-current loans	0,00	311 594,00
Repayment of non-current loans	-8 724 671,16	-3 100 523,00
Repayment of current loans	-1 403 625,00	0,00
Initial public offering	17 909 146,84	0,00
IPO expenses	-1 640 386,95	0,00
CASH FLOW FROM FINANCING	6 140 463,73	-2 788 929,00
CHANGE IN CASH AND CASH EQUIVALENTS	3 992 686,89	-984 141,53
Cash and cash equivalents at beginning of the year	3 449 093,04	4 433 234,57
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7 441 779,93	3 449 093,04
CHANGE IN WORKING CAPITAL		
Change in current receivables*	-6 206 772,49	-224 164,34
Change in inventories	-1 162 985,75	-829 698,66
Change in current liabilities	5 671 594,39	829 943,36
CHANGE IN WORKING CAPITAL	-1 698 163,85	-223 919,64

* Deferred conversion differences included within change in working capital, as an increase of current receivables.

DETECTION TECHNOLOGY PLC
INCOME STATEMENT
1.1.2015 - 31.12.2015

	2015	2014
NET SALES	16 311 039,75	12 925 169,05
Change in inventories of finished goods and work in progress	44 705,67	18 159,33
Other operating income	464 500,87	687 494,69
Materials and services		
Materials, supplies and goods		
Purchases during financial year	-8 011 072,99	-6 140 751,18
Change in inventories	267 416,45	7 456,04
External services	-133 755,05	-21 319,99
Total	-7 877 411,59	-6 154 615,13
Personnel expenses		
Salaries and wages	-2 651 830,58	-2 264 261,08
Indirect personnel expenses		
Pension expenses	-569 681,40	-462 355,65
Other indirect personnel expenses	-118 008,54	-85 655,06
Total	-3 339 520,52	-2 812 271,79
Depreciation and amortisations		
Depreciation according to plan	-257 095,38	-105 455,02
Amortisations	-8 417,08	0,00
Total	-265 512,46	-105 455,02
Other operating expenses	-3 537 429,98	-2 888 911,01
OPERATING PROFIT (-LOSS)	1 800 371,74	1 669 570,12
Financial income and expenses		
Other interest and financial income		
From group companies	341 886,10	239 766,00
From others	150 431,03	202 919,01
Other interest and financial expenses		
To group companies	0,00	228 609,76
To others	-1 819 599,54	-758 401,43
Total	-1 327 282,41	-87 106,66
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	473 089,33	1 582 463,46
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	473 089,33	1 582 463,46
Income tax	-202 141,88	0,00
PROFIT (LOSS) FOR THE FINANCIAL YEAR	270 947,45	1 582 463,46

DETECTION TECHNOLOGY PLC
BALANCE SHEET
31.12.2015

ASSETS	2015	2014
NON-CURRENT ASSETS		
Intangible assets		
Capitalized development expenses	0,00	152 514,93
Immaterial rights	86 624,71	65 491,46
Other capitalized expenses	522 474,70	190 386,50
Prepayments from non-current assets	7 615,00	0,00
Total	616 714,41	408 392,89
Tangible assets		
Machinery and equipment	548 528,02	329 521,20
Other tangible assets	0,00	470,93
Prepayments and construction in progress	0,00	76 168,69
Total	548 528,02	406 160,82
Investments		
Shares in group companies	172 452,24	172 452,24
Receivables from group companies	983 321,65	983 321,65
Other shares	10 500,00	10 500,00
Total	1 166 273,89	1 166 273,89
TOTAL NON-CURRENT ASSETS	2 331 516,32	1 980 827,60
CURRENT ASSETS		
Inventories		
Materials and supplies	285 431,47	33 687,04
Finished goods	152 983,05	108 277,38
Total	438 414,52	141 964,42
Receivables		
Non-current receivables		
Receivables from group companies	12 837 184,41	15 729 800,78
Total	12 837 184,41	15 729 800,78
Current receivables		
Trade receivables	2 892 866,55	1 978 574,00
Receivables from group companies	10 380 374,68	5 765 280,39
Other receivables	139 320,22	151 450,96
Prepaid expenses and accrued income	250 134,74	192 556,09
Total	13 662 696,19	8 087 861,44
Cash and cash equivalents	5 278 722,54	2 392 982,00
TOTAL CURRENT ASSETS	32 217 017,66	26 352 608,64
TOTAL ASSETS	34 548 533,98	28 333 436,24

DETECTION TECHNOLOGY PLC
BALANCE SHEET
31.12.2015

EQUITY AND LIABILITIES	2015	2014
EQUITY		
Share capital	80 000,00	68 764,72
Share premium account	5 130 024,55	5 130 024,55
Other funds		
Invested non-restricted equity fund	26 715 887,22	8 817 975,66
Retained earnings (loss)	-1 482 636,09	-3 065 099,55
Profit for financial year (loss)	270 947,45	1 582 463,46
TOTAL EQUITY	30 714 223,13	12 534 128,84
LIABILITIES		
Non-current liabilities		
Subordinated loans	0,00	851 996,58
Loans from financial institutions	0,00	8 516 541,89
Loans from group companies	7 663,82	7 663,82
Other loans	784 570,25	1 345 897,75
Total	792 234,07	10 722 100,04
Current liabilities		
Loans from financial institutions	1 212 859,08	1 403 625,00
Advances received	449 066,58	544 463,33
Trade payables	372 978,09	364 402,59
Loans from group companies	84 193,27	2 091 915,09
Other liabilities	86 665,60	69 027,07
Accrued liabilities	836 314,16	603 774,28
Total	3 042 076,78	5 077 207,36
TOTAL LIABILITIES	3 834 310,85	15 799 307,40
TOTAL EQUITY AND LIABILITIES	34 548 533,98	28 333 436,24

DETECTION TECHNOLOGY PLC
CASH FLOW STATEMENT

	2015	2014
CASH FLOW FROM OPERATIONS		
Operating profit / loss	2 731 517,04	1 669 570,12
Depreciation	265 512,46	105 455,02
Change in working capital	-4 858 633,45	707 138,00
Change in received advances	-95 396,75	199 596,00
Interests paid and other financial expenses	-103 916,93	-553 385,96
Paid income tax	-156 335,88	0,00
CASH FLOW FROM OPERATIONS	-2 217 253,51	2 128 373,18
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assest	-616 201,18	-756 013,00
CASH FLOW FROM INVESTMENTS	-616 201,18	-756 013,00
CASH FLOW FROM FINANCING		
Withdrawal of non-current loans	0,00	311 594,00
Repayment of non-current loans	-8 724 671,16	-2 256 078,00
Non-current loans to group companies	-421 268,50	-378 000,00
Repayment of non-current loans from group companies	0,00	260 000,00
Repayment of current loans	-1 403 625,00	0,00
Initial public offering	17 909 146,84	0,00
IPO expenses	-1 640 386,95	0,00
CASH FLOW FROM FINANCING	5 719 195,23	-2 062 484,00
CHANGE IN CASH AND CASH EQUIVALENTS	2 885 740,54	-690 123,82
Cash and cash equivalents at the beginning of the year	2 392 982,00	3 083 105,82
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5 278 722,54	2 392 982,00
CHANGE IN WORKING CAPITAL		
Change in current receivables	-2 695 505,94	-329 502,50
Change in inventories	-296 450,10	-25 615,00
Change in current liabilities	-1 866 677,41	1 062 255,50
CHANGE IN WORKING CAPITAL	-4 858 633,45	707 138,00

ACCOUNTING PRINCIPLES FOR CONSOLIDATED FINANCIAL STATEMENTS

Copies of DT Group Financial Statements can be obtained from DT offices in Oulu and Espoo.

Consolidated financial statements of Detection Technology group has been compiled by using past equity method. Intercompany transactions, account receivables and account payables as well as group internal shareholdings have been eliminated from consolidated financial statements. The income statements of subsidiaries have been converted to euros by using the average exchange rate for the financial period and balance sheets have been converted by using the closing rate at the end of the financial period. Differences arising from the currency conversion as well as the translation of foreign subsidiaries share capital are presented in consolidated shareholder's equity as Currency conversion items. In addition to DT Invest Oy, companies listed on Shares of subsidiaries have been consolidated to DT group's financial statements.

Cash flow statements for DT Group and Detection Technology Plc. have been modified to comply with the cash flow reporting model recommended by Finnish Accounting Board (KILA).

COMPANY SHARES

Share 's basic information

Trading code	DETEC
ISIN -code	FI4000115464
Votes/share	1 PCS
Share capital, EUR	80,000.00 EUR
	12,950,975
Share amount	PCS

SHARES OF SUBSIDIARIES

	Ownership	Country
DTF (H.K.) Ltd.	100 %	Hong Kong
Detection Technology, Inc.	100 %	United States
Beijing DT Electronic Technology Co., Ltd.	100 %	China
Detection Technology Electronic Manufacturing (Beijing) Co., Ltd. *	100 %	China
*registration in process		

ASSOCIATED COMPANIES

Company does not have any associated companies

GOODWILL

Company does not have any Goodwill in its balance sheet as all subsidiaries have been established by the company.

DEFERRED TAXES

Company does not accrue deferred income taxes to its consolidated financial statements.

VALUATION METHODS AND PRINCIPLES

Inventories have been valued at variable acquisition cost on the basis of Chapter 5, Section 6 of the Finnish Accounting Act (1336/1995, as amended) that defines the rules for valuation.

DT Group's fixed assets have been valued at variable acquisition cost.

Planned depreciation periods for different asset types are as follows

Machinery and equipment	straight-line depr. 4 - 5 years
Immaterial rights	straight-line depr. 4 years
Other capitalized expenses	straight-line depr. 4 - 5 years

NET SALES RECOGNITION PRINCIPLES

Net sales for the products and services are recorded based on the transfer of ownership.

CONVERSION OF FOREIGN CURRENCY ITEMS

Receivables and payables recorded in foreign currencies are converted to euros based on the closing rates of the end date of the financial period.

NOTES TO DT GROUP FINANCIAL STATEMENTS**NOTES TO INCOME STATEMENT****NET SALES**

	2015	2014
Finland	1 954 269,00	21 470,00
Other countries	40 827 384,98	33 090 063,20
Total	<u>42 781 653,98</u>	<u>33 111 533,20</u>

Top five customers accounted for 60% of net sales in the review period.

PERSONNEL

	2015	2014
Members of Board of Directors		
Chairman rewards	39 911,00	20 000,00
Board members rewards	76 545,00	32 000,00
Total	<u>116 456,00</u>	<u>52 000,00</u>
CEO rewards		
Fixed salaries and rewards	222 290,00	237 499,69
Benefits	10 140,00	10 740,00
Total	<u>232 430,00</u>	<u>248 239,69</u>

In addition CEO has been granted a voluntary pension scheme.

Management share based incentive scheme

DT Group management has a share based incentive scheme that has not been recorded in the financial statements.

	2015	2014
Average number of personnel during the financial year		
Officers	132	123
Workers	173	159
Total	305	282

DEPRECIATION	2015	2014
Capitalized development expenses	0,00	2 585,00
Immaterial rights	43 246,03	67 952,98
Other capitalized expenses	122 513,97	68 892,37
Machinery and equipment	817 504,12	582 548,24
Total	983 264,12	721 978,59

MANDATORY PROVISIONS	2015	2014
Warranty provision	583 858,00	0,00

DT Group mandatory provision include a warranty provision estimated by the group management. The provision equals to approximately 1,5 % of group net sales.

SPECIFICATION FOR FINANCIAL ITEMS	2015	2014
Interest expenses	-383 858,41	-647 587,08
Other financial expenses	-1 453 521,15	-291 613,44
Financial income	2 833,33	643,57
Currency conversion items	-548 609,67	617 151,48
Total	-2 383 155,90	-321 405,47

NOTES TO BALANCE SHEET - ASSETS

INTANGIBLE ASSETS	2015	2014
Development expenses at 1.1.	152 514,93	0,00
Increases	0,00	155 099,93
Reclassification	-152 514,93	0,00
Decreases	0,00	0,00
Depreciation	0,00	-2 585,00
Development expenses at 31.12.	0,00	152 514,93
Connection fee	0,00	84,09
Intangible rights at 1.1.	76 472,55	52 216,01
Increases	113 784,96	92 209,52
Reclassification	0,00	0,00
Decreases	0,00	0,00
Depreciation	-43 246,03	-67 952,98
Intangible rights at 31.12.	147 011,47	76 472,55

Other capitalized expenses at 1.1.	486 883,86	326 591,15
Increases	262 894,90	229 185,08
Reclassification	132 084,05	0,00
Decreases	-109 374,58	0,00
Depreciation	-122 513,97	-68 892,37
Other capitalized expenses at 31.12.	649 974,26	486 883,86
INTANGIBLE ASSETS TOTAL	796 985,73	715 955,43

TANGIBLE ASSETS

	2015	2014
Machinery and equipment at 1.1.	2 959 352,50	2 568 882,68
Increases	1 283 263,31	973 018,06
Reclassification	20 430,88	0,00
Decreases	-108 377,33	0,00
Depreciation	-817 504,12	-582 548,24
Machinery and equipment at 31.12.	3 337 165,24	2 959 352,50
Other tangible assets at 1.1.	470,93	470,93
Increases	0,00	0,00
Decreases	-470,93	0,00
Other tangible assets at 31.12.	0,00	470,93
Prepayments and work in progress at 1.1.	9 848,91	9 848,91
Increases	3 110 366,13	0,00
Decreases	-9 848,91	0,00
Prepayments and work in progress at 31.12.	3 110 366,13	9 848,91
TANGIBLE ASSETS TOTAL	6 447 531,38	2 969 672,34

INVESTMENTS

	2015	2014
Other shares at 1.1.	10 500,00	10 500,00
Increases	0,00	0,00
Decreases	0,00	0,00
Other shares at 31.12.	10 500,00	10 500,00

PREPAID EXPENSES AND ACCRUED INCOME

	2015	2014
VAT receivable	139 320,22	149 784,52
Other accruals	918 904,00	581 970,80
Total	1 058 224,22	731 755,32

NOTES TO BALANCE SHEET - EQUITY AND LIABILITIES**EQUITY**

	2015	2014
Share capital 1.1.	68 764,72	68 764,72
Additions	11 235,28	0,00
Share capital 31.12.	80 000,00	68 764,72

Share premium account 1.1.	5 130 024,55	5 130 024,55
Changes	0,00	0,00
Share premium account 31.12.	5 130 024,55	5 130 024,55
Invested non-restricted equity fund 1.1.	8 817 975,66	8 817 975,66
Additions	17 897 911,56	0,00
Invested non-restricted equity fund 31.12.	26 715 887,22	8 817 975,66
Retained earnings 1.1.	-12 649	-15 914
Currency conversion items	510,99	703,97
Items belonging to previous financial years	892 437,72	507 749,58
Profit for financial year	0,00	0,00
Retained earnings 31.12.	930 214,92	2 757 443,40
	-10 826	-12 649
	858,35	510,99
EQUITY TOTAL	21 099 053,41	1 367 253,94

SUBORDINATED LOANS

Subordinated loans EUR 851 996,58 presented in the previous financial statements have been transferred to current loans and related loan interest have been recognized as expenses in income statement. Subordinated loans with interests will be repaid within a month from adoption of financial statements.

ACCRUED LIABILITIES

	2015	2014
Interest payables	248 758,20	9 474,74
Accrued salary liabilities	396 156,00	365 698,00
Other payables	1 543 556,80	533 615,31
Total	2 188 471,00	908 788,05

LOANS FROM FINANCIAL INSTITUTIONS, COLLATERAL AND CONTINGENT LIABILITIES

	2015	2014
Loans from financial institutions	2 000 429,33	11 273 728,46
Pledges and collateral	10 734 912,84	12 734 912,84
Other undertakings	45 583,02	45 583,02
Amounts payable under leasing agreements		
Payable in the following financial year	1 003 736,23	648 016,96
Payable in later years	1 561 531,58	644 078,58
Total	2 565 267,81	1 292 095,54

NOTES TO DETECTION TECHNOLOGY PLC. FINANCIAL STATEMENTS**NOTES TO INCOME STATEMENT****NET SALES**

	2015	2014
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Finland	1 954 269,00	21 470,00
Other countries	14 356 770,75	12 903 699,05
Total	16 311 039,75	12 925 169,05

PERSONNEL

	2015	2014
Members of Board of Directors		
Chairman rewards	39 911,00	20 000,00
Board members rewards	76 545,00	32 000,00
Total	116 456,00	52 000,00
CEO rewards		
Fixed salaries and rewards	222 290,00	237 499,69
Benefits	10 140,00	10 740,00
Total	232 430,00	248 239,69

In addition CEO has been granted a voluntary pension scheme.

Management share based incentive scheme

DT Group management has a share based incentive scheme that has not been recorded in the financial statements.

Average number of personnel during the financial year

	2015	2014
Officers	38	34
Workers	2	3
Total	40	37

DEPRECIATION

	2015	2014
Capitalized development expenses	0,00	2 585,00
Immaterial rights	29 201,87	20 702,96
Other capitalized expenses	83 377,72	15 221,80
Machinery and equipment	144 515,78	66 945,26
Total	257 095,37	105 455,02

AUDITING SERVICES

	2015	2014
Annual audits	72 373,00	17 978,00
Tax consultancy	0,00	0,00
Other services	0,00	0,00
Total	72 373,00	17 978,00

SPECIFICATION FOR FINANCIAL ITEMS

	2015	2014
Interest expenses	-383 858,41	-466 787,99
Other financial expenses	-1 435 386,95	-291 613,44
Financial income from others	1 215,13	632,11

Financial income from group companies	341 886,10	239 766,00
Currency conversion items	148 861,72	430 896,66
Total	-1 327 282,41	-87 106,66

Financial expenses increased by expenses related to the IPO of the company which amounted to EUR - 1,435,386.95.

NOTES TO BALANCE SHEET - ASSETS

INTANGIBLE ASSETS

	2015	2014
Development expenses at 1.1.	152 514,93	0,00
Increases	0,00	155 099,93
Reclassification	-152 514,93	0,00
Decreases	0,00	0,00
Depreciation	0,00	-2 585,00
Development expenses at 31.12.	0,00	152 514,93
Connection fee	0,00	84,09
Intangible rights at 1.1.	65 351,28	34 952,92
Increases	50 475,30	51 101,32
Reclassification	0,00	0,00
Decreases	0,00	0,00
Depreciation	-29 201,87	-20 702,96
Intangible rights at 31.12.	86 624,71	65 351,28
Other capitalized expenses at 1.1.	190 442,59	1 907,16
Increases	262 894,90	203 757,23
Reclassification	152 514,93	0,00
Decreases	0,00	0,00
Depreciation	-83 377,72	-15 221,80
Other capitalized expenses at 31.12.	522 474,70	190 442,59
INTANGIBLE ASSETS TOTAL	609 099,41	408 392,89

TANGIBLE ASSETS

	2015	2014
Machinery and equipment at 1.1.	329 521,20	88 069,67
Increases	371 468,32	308 396,79
Reclassification	0,00	0,00
Decreases	-7 945,72	0,00
Depreciation	-144 515,78	-66 945,26
Machinery and equipment at 31.12.	548 528,02	329 521,20
Other tangible assets at 1.1.	470,93	470,93
Increases	0,00	0,00
Decreases	-470,93	0,00
Othertangible assets at 31.12.	0,00	470,93
Prepayments and work in progress at 1.1.	76 168,69	100 983,61
Increases	7 615,00	336 904,44

Decreases	-76 168,69	-361 719,36
Prepayments and work in progress at 31.12.	7 615,00	76 168,69
TANGIBLE ASSETS TOTAL	556 143,02	406 160,82
INVESTMENTS	2015	2014
Shares in Group Companies at 1.1.	172 452,24	172 452,24
Increases	0,00	0,00
Decreases	0,00	0,00
Shares in Group Companies at 31.12.	172 452,24	172 452,24
Other shares at 1.1.	10 500,00	10 500,00
Increases	0,00	0,00
Decreases	0,00	0,00
Other shares at 31.12.	10 500,00	10 500,00
Shares in subsidiaries and other companies		
Detection Technology, Inc.	861,59	861,59
DT Invest Oy	8 128,00	8 128,00
Virpiniemen Golf Oy	10 500,00	10 500,00
DTF (H.K.) Ltd.	163 462,65	163 462,65
Total	182 952,24	182 952,24
RECEIVABLES FROM GROUP COMPANIES	2015	2014
Investments		
Beijing DT Electronic Technology Co., Ltd.	983 321,65	261 167,88
DTF (H.K.) Ltd.	0,00	722 153,77
Total	983 321,65	983 321,65
Non-current receivables		
Beijing DT Electronic Technology Co., Ltd.	2 156 369,91	3 898 222,72
DTF (H.K.) Ltd.	8 575 963,62	10 155 359,95
Detection Technology, Inc.	2 104 850,88	1 676 218,11
Total	12 837 184,41	15 729 800,78
Trade receivables		
Beijing DT Electronic Technology Co., Ltd.	3 862 932,97	2 098 856,60
DTF (H.K.) Ltd.	4 592 129,00	1 175 828,19
Detection Technology, Inc.	716 614,00	544 803,69
Translation difference	0,00	350 984,27
Total	9 171 675,97	4 170 472,75
Other receivables		
Beijing DT Electronic Technology Co., Ltd.	933 643,39	1 191 782,25
DTF (H.K.) Ltd.	243 124,00	402 725,39
Detection Technology, Inc.	31 631,41	0,00
DT Invest Oy	300,00	300,00
Total	1 208 698,80	1 594 807,64
Total	24 200 880,83	22 478 402,82

PREPAID EXPENSES AND ACCRUED INCOME

	2015	2014
VAT receivable	139 320,22	149 784,52
Other accruals	250 135,00	194 222,53
Total	389 455,22	344 007,05

NOTES TO BALANCE SHEET - EQUITY AND LIABILITIES**EQUITY**

	2015	2014
Share capital 1.1.	68 764,72	68 764,72
Additions	11 235,28	0,00
Share capital 31.12.	80 000,00	68 764,72
Share premium account 1.1.	5 130 024,55	5 130 024,55
Changes	0,00	0,00
Share premium account 31.12.	5 130 024,55	5 130 024,55
Invested non-restricted equity fund 1.1.	8 817 975,66	8 817 975,66
Additions	17 897 911,56	0,00
Invested non-restricted equity fund 31.12.	26 715 887,22	8 817 975,66
Retained earnings 1.1.	-1 482 636,09	-3 065 099,55
Currency conversion items	0,00	0,00
Items belonging to previous financial years	0,00	0,00
Profit for financial year	270 947,45	1 582 463,46
Retained earnings 31.12.	-1 211 688,64	-1 482 636,09
EQUITY TOTAL	30 714 223,13	12 534 128,84
DISTRIBUTABLE EQUITY AT THE END OF PERIOD	25 504 198,58	7 335 339,57

SUBORDINATED LOANS

Subordinated loans EUR 851 996,58 presented in the previous financial statements have been transferred to current loans and related loan interest have been recognized as expenses in income statement. Subordinated loans with interests will be repaid within a month from adoption of financial statements.

ACCRUED LIABILITIES

	2015	2014
Interest payables	248 758,20	9 474,74
Accrued salary liabilities	396 156,00	365 698,00
Other payables	191 399,96	228 601,54
Total	836 314,16	603 774,28

PAYABLES TO GROUP COMPANIES

	2015	2014
Non-current loans to group companies		
DT Invest Oy	7 663,82	7 663,82
Total	<u>7 663,82</u>	<u>7 663,82</u>
Current trade payables to group companies		
Beijing DT Electronic Technology Co., Ltd.	75 191,71	1 551 074,73
DTF (H.K.) Ltd.	9 001,56	549 589,89
Oy G.W. Sohlberg Ab	0,00	1 488,00
Currency conversion items	0,00	-10 237,53
Total	<u>84 193,27</u>	<u>2 091 915,09</u>
Total	<u>91 857,09</u>	<u>2 099 578,91</u>

LOANS FROM FINANCIAL INSTITUTIONS, COLLATERAL AND CONTINGENT LIABILITIES

	2015	2014
Loans from financial institutions	2 000 429,33	11 273 728,46
Pledges and collateral	10 734 912,84	12 734 912,84
Other undertakings	45 583,02	45 583,02
Amounts payable under leasing agreements		
Payable in the following financial year	290 481,78	295 224,77
Payable in later years	487 019,77	639 724,17
Total	<u>777 501,55</u>	<u>934 948,94</u>

Signatures for the financial statements and Board of Directors' report

Espoo February 17, 2016

Andreas Tallberg
Chairman of the Board

Heikki Allonen
The Board Member

Petri Niemi
The Board Member

Henrik Roos
The Board Member

Ari Saarenmaa
The Board Member

Hannu Martola
President and CEO

The Auditor's note to the financial statements

Auditor's report has been given on the date of signature

Espoo February 17, 2016

Juha Hilmola, Authorised Public Accountant
Ernst & Young Oy, Authorised Public Accountants

LIST OF ACCOUNTING BOOKS

ACCOUNTING BOOKS

Balance sheet book	Bound on paper
Spesification of balance sheet	On paper
General ledger	On CD disc
Income statement	On CD disc
Balance sheet	On CD disc

ACCOUNTING RECORDS

Purchase and travel invoices	CIF	Archiving as electronical and paper copy
Sales invoices		Archiving as paper copy
Vouchers	MU	Archiving as paper copy
Payroll vouchers		Archiving as paper copy
Bank journals	NOR	Archiving as paper copy

DETECTION TECHNOLOGY PLC

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Domicile Espoo
Business reg. no. 0878389-8

Auditor's report

(Translation)

To the Annual General Meeting of Detection Technology Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Detection Technology Oyj for the year ended 31 December, 2015. The financial statements comprise the consolidated balance sheet, income statement and cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 17 February 2016

Ernst & Young Oy
Authorized Public Accountant Firm

Juha Hilmola
Authorized Public Accountant