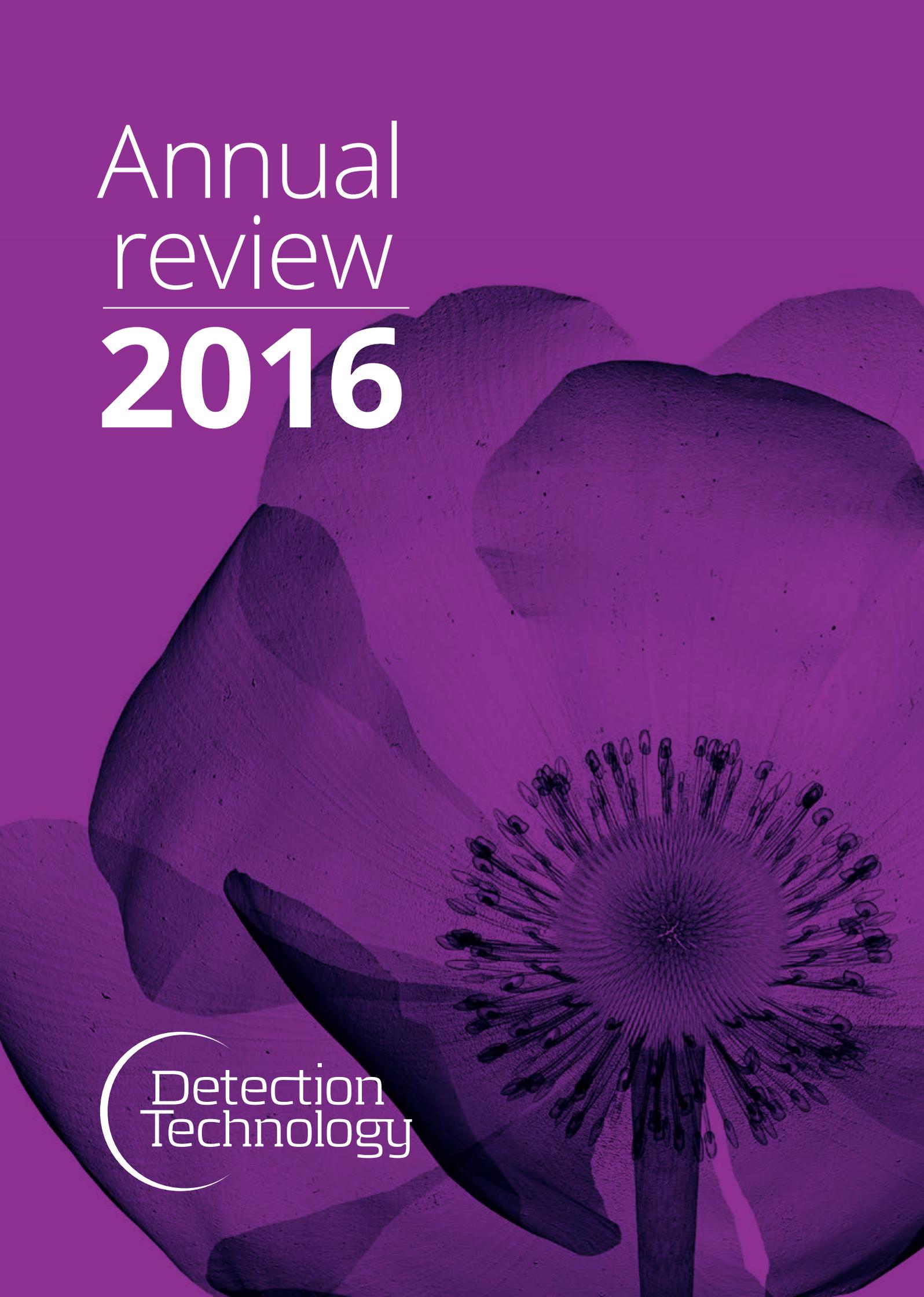


Annual review

2016



Detection
Technology

Content

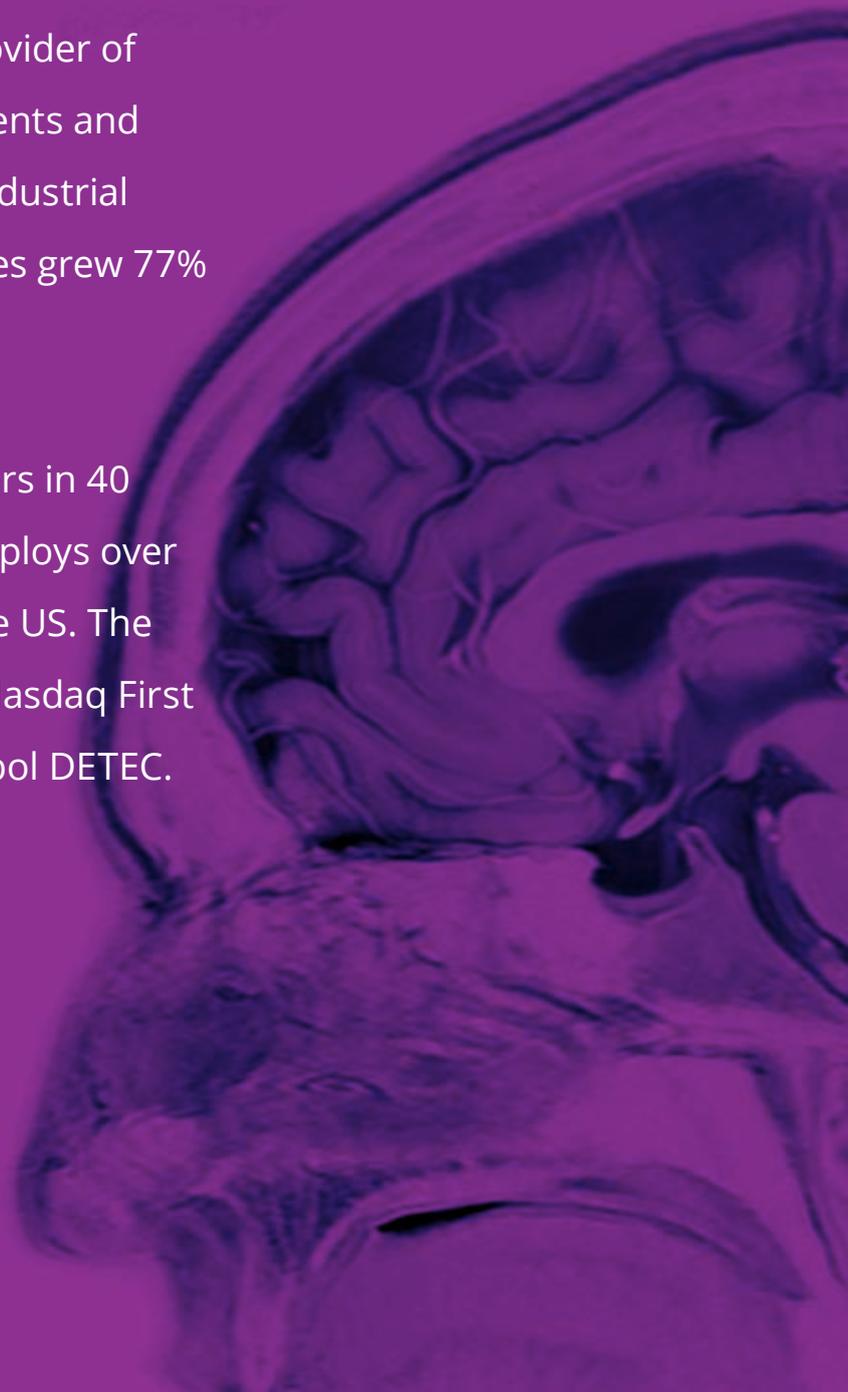
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Detection Technology in brief

Detection Technology is a global provider of X-ray imaging subsystems, components and services for medical, security and industrial applications. The company's net sales grew 77% to EUR 76 million in 2016.

The company has over 200 customers in 40 countries. Detection Technology employs over 400 people in Finland, China and the US. The company's shares are listed at the Nasdaq First North Finland under the ticker symbol DETEC.



Facts and figures

75.5

Net sales, M€

76.5

Net sales growth-%

14.8

EBIT, M€

19.6

EBIT-% of net sales

210

Active customers
in 40 countries

416

Employees in Finland,
China and the US

188

Market capitalization, M€
Dec 30, 2016

1,563

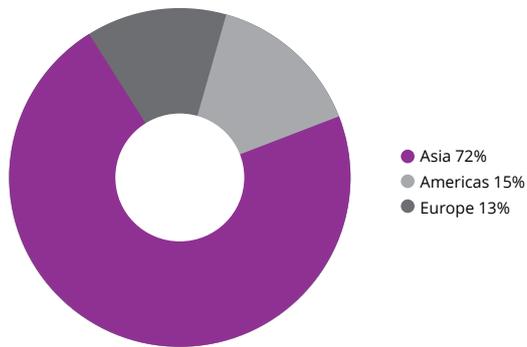
Number of shareholders
Dec 30, 2016

0.25

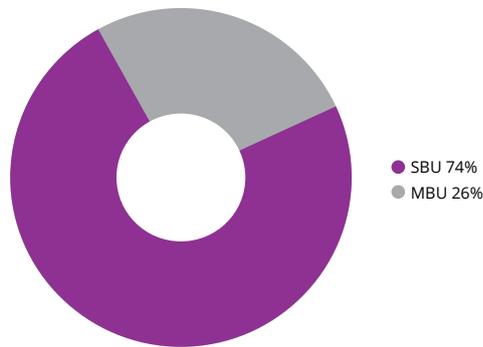
Capital repayment
proposal, €/share



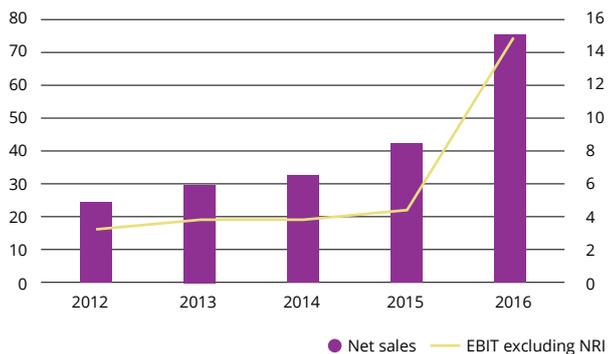
Net sales by region 2016



Net sales by business units 2016



Net sales and EBIT excluding NRI (M€)



Earnings per share and capital repayment (€)



Financial development 2012-2016

	2016	2015	2014	2013	2012
Net sales, MEUR	75.5	42.8	33.1	30.3	24.8
EBIT excluding non-recurring items, MEUR	14.8	4.5	4.1	4.2	3.3
EBIT excluding non-recurring items, %	19.6	10.6	12.5	14.0	13.4
EBIT, MEUR	14.8	3.4	3.1	3.8	3.3
EBIT, %	19.6	8.0	9.3	12.6	13.3
ROI, %	38.7	14.9	31.1	40.1	45.1
Gearing, %	-27.0	-25.8	634.8	-552.7	-173.9
Capital expenditure, MEUR	1.6	4.8	1.3	1.2	0.4
R&D costs, MEUR	-6.1	-5.7	-4.1	-3.9	-2.5

CEO's review

2016 – A strong year with outstanding growth and record profitability

2016 was extraordinary for us in terms of growth and profit improvement. For the full year, net sales grew by 77% over the previous year, and the operating margin reached 20%. Both of our business units, the Medical Business Unit (MBU) and Security and Industrial Business Unit (SBU), performed well and exceeded market growth. SBU had a fantastic year,



“ MBU's sales increased considerably during the second half.”

and MBU's sales increased considerably during the second half. In total, we had a good year in meeting the increased customer need with our products and services.

The markets that Detection Technology is serving are growing steadily. The global market growth for medical equipment has been stable at 5% for some time. The security market growth intensified and increased to 8%, and the markets using X-ray for other industrial applications grew by 5%.

The biggest growth has come from Asia. The medical market growth is being driven by an aging population as well as the need for the developing world to improve its healthcare services. The ongoing political unrest and the recent terrorist activity have driven the use of preventative security technologies such as X-ray scanning to a wider scale. In addition to airports and different kind of traffic hubs, more and more other critical organizations such as corporate

headquarters and government offices are using X-ray inspection.

In 2016, Detection Technology's customer base continued to consolidate, and we are seeing a record number of mergers and acquisitions in both the medical and security markets.

During the year, Detection Technology won many new customer projects from existing and new customers. The active customer base grew from 164 to 210 in 40 different countries. The company's market share increased, and we estimate our market share to be around 15% for both of our business units in our target markets.

2016 was strong from a technology and product portfolio development point of view. Detection Technology implemented its new digital detector platform to number of its X-Scan and X-Card product families for delivering greater intelligence for next generation security and industrial X-ray imaging solutions.





Another example of a new growth potential is our growing business with several ongoing projects targeted at the stationary and rotating security CT equipment market.

The year was slightly exceptional in terms of our spending on research, development and engineering, since many projects ended and moved to production as planned. R&D spending grew slightly by

7% to EUR 6.1 million, representing 8% of our revenue. Activities for broadening the technology base and exploring new application opportunities continued, aimed at securing the company's future growth potential. In 2017, we expect relative R&D expenses to increase somewhat.



**The markets that
Detection Technology
is serving are
growing steadily."**

The new Beijing factory production increased, and improved in terms of quality and productivity. We are planning to increase our capacity further to meet customer demand. The company has reserved more floor space for its Beijing factory from the beginning of 2017.

“The number of active customers increased from 164 to 210.”

Detection Technology's work force grew by 70 people, the majority of those in the production. We had 416 employees at our sites in Finland, China and USA at the end of the year.

Detection Technology has an excellent year behind it. We have a solid financial position and a strong will to grow our business and to deliver greater value to our customers. Together with our top-professionals, we are committed to boosting our customers' business in creating foresight capabilities quicker to discover and

prevent threats. We foresee and forewarn to foresave.

I warmly thank our customers and partners for their continuous support and a record year of cooperation. I also want to thank our shareholders for their trust and confidence expressed during the year. My deepest thanks go to the DT team for an outstanding result and commitment in serving our customers, helping and coaching their colleagues and developing our business and deliveries. Thank you all!

Hannu Martola
President and CEO
Detection Technology Plc

Events and releases 2016

JUNE 7

DT discussed technology trends as an invited speaker at IMAPS Nordic 2016.

JULY 25

DT presented a paper on enhanced tire quality control at Digital Imaging 2016.

2016

MARCH 23

DT speeded up vehicle and cargo screening by introducing the X-Scan D series built on an extremely low-noise and compact digital platform.



JUNE 27

DT took tire inspection intelligence to the next level by launching X-Scan U series based on the novel digital platform.



OCTOBER 5

DT delivered high penetration and image quality by introducing digital X-Card 2.5.



DECEMBER 9

Start of DT's 25th anniversary year.



NOVEMBER 17

DT named silver winner of the European Small and Mid-Cap Awards in the Star of Innovation category.

OCTOBER 19

DT brought BSI (back-illuminated) photodiode technology, known from stringent medical CT applications, to standard X-ray imaging products.

NOVEMBER 27

DT showcased leading-edge solutions for medical imaging and the latest development of new technologies at RSNA 2016.

DECEMBER 14

DT made quick and accurate inspection of large-scale objects easy by debuting the X-Scan M series.



MISSION

Create foresight capabilities quicker to discover and prevent threats

VISION

Being the most trusted partner imaging the unknown



Strategy

Our goal is to be the leader in computed tomography and line-scan X-ray detectors and solutions, and a significant player in other technologies where we see good business opportunities.

The cornerstones of our strategy are a focus on X-ray technology, customer and equipment specific tailoring, investments in research and product development and geographical reach.

Our business model enables growth as we focus on our core competences: technology development, design, critical processes, final assembly and testing. This business model is asset-light and allows flexibility in the production and delivery of the products.



Financial targets

MEDIUM-TERM TARGET
Annual sales growth

>15%

MEDIUM-TERM TARGET
Operating margin

≥15%

ANNUAL
Dividend or returned capital

30–60%



25
YEARS

Foreknow. Foresave.

To foresave has been Detection Technology's business for the quarter century, since the year 2016 marked the company's 25th anniversary. Detection Technology was founded in Espoo, Finland on 11 December 1991 by Iiro Hietanen, Tuure Tuuva and Tapio Wiik, scientists with a CERN background.

CERN, the European Organization for Nuclear Research, in Switzerland is well-known for developing sensor technology for high-energy physics and space research. The company was founded to industrialize the ultra-sensitive sensor technology originating from the CERN research. Detection Technology

started as a spin-off company from the Research Institute for High Energy Physics in Finland (SEFT), and the Technical Research Centre of Finland (VTT). CERN also played a key role in testing Detection Technology's solutions in the years that followed.

Since the company's founding, we at Detection Technology have had a strong belief in our hearts in doing things differently. By combining market knowledge and customer intimacy with technology and engineering capabilities in an innovative way, we have delivered greater value.

2,000,000,000 +
Inspections done daily with our technology.

1,000,000+
Cumulative number of solutions shipped.

400,000+
Cumulative number of solutions shipped to CT systems.

15+

Estimated global market share in percentages (%).

500+

World-class brands protected by utilizing DT competences.

33+

CAGR of net sales from 2011 until today. Growing much faster than the market.

Financial reporting schedule in 2017

Annual General Meeting 2017: **March 23, 2017 at 15:00 (EET)**

Business review January-March 2017: **April 26, 2017**

Half-yearly report January-June 2017: **July 26, 2017**

Business review January-September 2017: **October 25, 2017**

Detection Technology

Financial
statements
and Board of Directors' report

2016

Board of Directors' report

Financial year 2016 in brief

The 2016 financial period was one of exceptionally strong growth and improvement in profits. The net sales of Detection Technology grew by 76.5% to EUR 75.5 million. The net sales of the Security and Industrial Business Unit grew by 109.2% and those of the Medical Business Unit by 22.5%. The Group's operating profit was EUR 14.8 million, which represents 19.6% of net sales.

The strong growth in net sales was a result of particularly strong demand in Asia for security X-ray equipment, in addition to which the company also increased its net sales in all other markets in the second half of the year. The company was able to meet demand and to react quickly by increasing production. The company also succeeded in new customer projects and in transferring new products to production.

During the financial period, Detection Technology continued its business development in accordance with its strategy. In 2016, the company launched new ranges of products on a new digital platform and expanded its technological base. It also strengthened its position in the United States and increased its customer portfolio. The company had more than 200 active customers at the end of 2016.

In December 2016, the company celebrated 25 years since its establishment. During this quarter of a century, it has grown into a significant player in the sector, and has delivered more than 1 million X-ray imaging solutions.

Net sales and financial result development

Net sales for 2016 grew by 76.5% to EUR 75.5 million (42.8). The net sales of the Security and Industrial Business Unit (SBU) grew by 109.2% to EUR 55.8 million (26.7). The net sales

of the Medical Business Unit (MBU) was EUR 19.8 million, which is 22.5% more than in the corresponding period the previous year (16.1). SBU's share of total net sales was 73.8% and MBU's 26.2%.

Geographically, Asia was the biggest market with a 71.8% (62.3%) share of net sales in 2016. Europe's share of net sales was 13.5% (21.0%) and America's 14.8% (16.8%).

The top five customers accounted for 69.0% (60.0%) of net sales in 2016.

January-December 2016 operating profit (EBIT) was EUR 14.8 million (3.4), 19.6% of net sales (8.0%). During the review period, the company had no NRI to be reported. In the corresponding period, January-December 2015, non-recurring costs amounted to EUR 1.1 million and the operating result excluding NRI was 10.6%.

Financial items totaled EUR -0.7 million (-2.4). In 2015, financial items included EUR 1.4 million of non-recurring expenses related to the company's IPO. January-December 2016 income taxes were EUR -3.2 million (-0.1).

Other operating expenses in January-December 2016 amounted to EUR 8.2 million (6.2). The increase in other operating expenses was due to the increased volume of operations.

Profit for 2016 was EUR 10.9 million (0.9). Earnings per share were EUR 0.81 (0.07) (EUR 0.84 diluted).

Key figures of financial performance

EUR 1,000	Group 2016	Group 2015	Group 2014	Parent company 2016	Parent company 2015	Parent company 2014
Net sales	75,509	42,782	33,112	19,499	16,311	12,925
Operating profit	14,808	3,437	3,079	4,166	1,800	1,670
Operating profit margin, %	19.6%	8.0%	9.3%	21.4%	11.0%	12.9%
Return on equity	41.9%	8.3%	*	12.2%	1.3%	13.5%
Earnings per share, EUR	0.81	0.07	1.25	-	-	-
Earnings per share diluted, EUR **	0.84	0.07	0.21	-	-	-
Equity ratio with subordinated loans	57.0%	62.0%	11.0%	86.7%	91.4%	47.2%
Equity per share	2.30	1.63	0.72	2.51	2.37	6.59
Equity per share diluted, EUR ***	2.39	1.63	0.11	2.61	2.37	0.97

* The Group's equity was negative in the review period.

** In the calculation of the diluted earnings per share for 2016, a share number of 12,950,975 has been used, which was the number of shares before the 474,500 shares subscribed to in the share incentive scheme.

*** The diluted equity per share for 2014 has been calculated according to the number of shares after the IPO.

Research and development

During the review period January-December 2016, R&D expenses were EUR 6.1 million (5.7), corresponding to 8.0% of net sales (13.3%). In relative terms, R&D costs were lower than previously due to the transfer of a significant number of new products into production. All R&D costs are written off as expenses, and not capitalized.

Personnel

At the end of December 2016, the company employed 416 people (341), 358 of whom were in China, 51 in Finland and 7 in the US. Personnel expenses totaled EUR 12.0 million (10.2). The growth in personnel expenses is mainly due to the increase in headcount.

Headcount, salaries and rewards

	Group 2016	Group 2015	Group 2014	Parent company 2016	Parent company 2015	Parent company 2014
Average headcount	389	305	282	48	40	37
Salaries and rewards (€ 1,000)	7,890	6,916	6,256	3,848	2,652	2,264

Board of Directors and management

Heikki Allonen, Petri Niemi, Henrik Roos, Ari Saarenmaa ja Andreas Tallberg were elected by the Annual General Meeting (AGM) 2016 to the Board of Directors in the meeting held on 10 March 2016. The Board elected Andreas Tallberg to chair the Board.

The Board of Directors has appointed remuneration and auditing committees from amongst its number. Andreas Tallberg, Henrik Roos and Petri Niemi comprise the Remuneration Committee. The Remuneration Committee appointed Andreas Tallberg to chair the committee.

The Audit Committee comprises Heikki Allonen and Ari Saarenmaa. Heikki Allonen was elected to chair the Audit Committee.

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.

Report on the Corporate Governance

A report on the company's Corporate Governance (CG) has been given for the financial year 2016. The report can be found on the company's website.

Annual General Meeting

Detection Technology Plc's Annual General Meeting 2016 was held on 10 March 2016. In addition to the items in the articles of association, the AGM covered and resolved the following matters:

1) The Board of Directors was authorized to decide on the repurchase of a maximum of 650,000 company shares. This authorization is valid until the closing of the next Annual General Meeting, but no longer than 30 June 2017. At the end of the review period, the authorization to repurchase the company's own shares was completely unused.

2) The Board of Directors was authorized to decide on the issue of 1,300,000 new shares in the company. This authorization is valid until the closing of the next Annual General Meeting, but no later than 30 June 2017. During the financial period, the authorization was used to issue shares in the share-based incentive scheme for company management. Within the framework of the scheme, a total of 474,800 shares were issued. At the end of the review period, 825,200 shares had not yet been issued under the authorization.

Shares and shareholders

On 9 December 2016, the Board of Directors of Detection Technology Plc decided to issue 474,800 new shares in a directed share issue for individuals entitled to the share incentives based on the authorization granted by the Annual General Meeting held on 10 March 2016. The number of shares outstanding following the share issue and at the end of the review period was 13,425,775.

The average share price was EUR 9.68 in 2016. The highest price was EUR 14.65 and the lowest EUR 4.25.

At the end of December, the closing price was EUR 13.98 and DT had a market capitalization of EUR 188 million. The number of shares traded between 4 January and 30 December was 1.82 million, which is 13.6% of the total number of shares at the end of the year.

The total number of shareholders was 1,563 on 30 December 2016. Approximately 70% of the shares were held by the ten biggest shareholders. Oy G.W. Sohlberg Ab was the company's biggest shareholder with a share of about 39%. The nominee-registered foreign holding of shares in the company was about 8%.

During the review period, the company did not receive flagging notifications pursuant to the Securities Markets Act, Chapter 9, Section 10 on changes in share ownership. Detection Technology has one share series and all shares have equal voting rights. The company's shares are listed at the Nasdaq First North Finland market place under the ticker symbol DETEC.

The largest, registered shareholders on December 31, 2016

	Shares	%
OY G.W.SOHLBERG AB	5,205,167	38.77 %
NORDEA PANKKI SUOMI OYJ *	923,832	6.88 %
OP-DELTA -SIIJOITUSRAHASTO	651,119	4.85 %
SIIJOITUSRAHASTO AKTIA CAPITAL	627,000	4.67 %
KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ ILMARINEN	554,000	4.13 %
SIIJOITUSRAHASTO EVLI SUOMI PIENYHTIÖT	548,000	4.08 %
KESKINÄINEN TYÖELÄKEVAKUUTUSYHTIÖ VARMA	515,000	3.84 %
FONDITA NORDIC MICRO CAP PLACERINGSF	480,000	3.58 %
SR DANSKE INVEST SUOMEN PIENYHTIÖT	327,479	2.44 %
MARTOLA HANNU VEIKKO	226,060	1.68 %
SÄÄSTÖPANKKI KOTIMAA -SIIJOITUSRAHASTO	200,000	1.49 %
SIIJOITUSRAHASTO SÄÄSTÖPANKKI PIENYHTIÖT	167,170	1.25 %
SEB FINLAND SMALL CAP	166,611	1.24 %
FONDITA EQUITY SPICE PLACERINGSFOND	142,400	1.06 %
OP-SUOMI PIENYHTIÖT	110,531	0.82 %
SÄÄSTÖPANKKI ITÄMERI -SIIJOITUSRAHASTO	85,187	0.63 %
DRUMBO OY	70,000	0.52 %
OY CACAVA AB	70,000	0.52 %
STO-RAHOITUS OY	70,000	0.52 %
RAUSANNE OY	64,399	0.48 %
The 20 largest shareholders in total	11,203,955	83.45 %
Other shareholders	2,221,820	16.55 %
Shares in total	13,425,775	100.00 %

* Nominee register

Breakdown of share ownership

Number of shares	Owners	%	Shares	%
1 - 100	592	37.88%	33,034	0.25%
101 - 500	544	34.80%	145,161	1.08%
501 - 1 000	172	11.00%	137,652	1.03%
1 001 - 5 000	169	10.81%	381,406	2.84%
5 001 - 10 000	20	1.28%	145,467	1.08%
10 001 - 50 000	42	2.69%	1,158,577	8.63%
50 001 - 100 000	9	0.58%	579,809	4.32%
100 001 -	15	0.96%	10,844,369	80.77%
	1,563	100.00 %	13,425,475	100.00%

Shareholding of the management on December 31, 2016

	Shares	%
Members of the Board	30,348	0.23%
CEO	226,060	1.68%
Other members of the management team	150,837	1.12%

In addition to the above-mentioned shareholdings, at the end of the review period Oy Nissala Ab, a corporation controlled by the company's Chair of the Board Andreas Tallberg, owned 17,362 of the company's shares, and Expedir Oy, a corporation controlled by President and CEO Hannu Martola, owned 35,000 shares.

Share-based incentive programs

The company has established share-based incentive programs for the CEO in 2008 and key employees in 2010. In these programs, shares for subscription can be offered to beneficiaries in three steps. The first step started in December 2016, the second will start in December 2017 and the third in December 2018, if the beneficiary is in an employment relationship with the company and fulfills other terms of the program. The Board of Directors accepts the share issue annually by 12 December 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 is 949,655 at the end of the financial year.

During the financial year, within the share-based incentive programs a total of 474,800 new shares were issued. The shares began being traded on 12 December 2016.

Subordinated loans

At the end of the financial year, the company had no outstanding subordinated loans or interests related. During the financial year, the company paid a total of EUR 851,997 of subordinated loans and their rates a total of EUR 244,732, written off as expenses in 2015. Interest levels for the loans were Euribor 6m + 6% (Nordea) and 3% to 4% p.a. (State Treasury).

Risks and uncertainties

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

Other risks are related to price competition, a significant share of net sales generated from the top five customers, APAC countries' large share of sales, SOP (startup of production) of new products, customer liquidity, exchange rate fluctuations, an overall rise in costs especially in China, the adequacy and competence of personnel and organizational efficiency. In addition, new technologies or changes in market regulation can harm the company's operations on main markets.

The Group has not hedged foreign exchange risks. Group loans are not covered by interest rate hedging instruments, and consequently possible interest rate changes can impact the company results. The Group has taken measures to protect against material and immaterial damage by insuring its operations sufficiently.

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 does not meet customer requirements thereby causing additional quality costs. There are several assurance and testing methodologies 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 ISO 9001 Certification for their key processes.

Company management aims to mitigate these risks with normal control and precautionary measures. The management has not identified significant changes to Detection Technology's risks and uncertainties during the financial year.

Environment

At Detection Technology, environmental responsibility means offering customers environmentally friendly solutions and reducing the harmful environmental impact of the company's

own operations. The company aims to anticipate and reduce the amount of environmental impact caused by its operations.

In the review period, the Group reduced its carbon footprint by, among other things, paying particular attention to optimizing the size of its product packaging, minimizing the use of packaging material and recycling. In product development, planning rules (DfE) were further developed taking into account environmental perspectives and objectives. Furthermore, in 2017 Chinese operations will be certified in accordance with the ISO 14001 standard.

The key processes of Finnish operations are certified in accordance with the ISO 14001 standard. No significant environmental damage came to the company's notice.

Events after financial year ended

During the fiscal year 2017, business has continued without abnormal events.

Business outlook

Medical imaging equipment market

According to industry estimates, the global medical X-ray imaging market growth is around 5% per annum. In the fourth quarter, Detection Technology estimates that the CT market grew by 3-5%. The company estimates that the market will grow more in 2017 by at least 5%. Demand is expected to strengthen especially in China due to expansion of medical infrastructure and services. Demand in North America is also picking up.

Security and industrial X-ray equipment markets

The latest market studies estimate that the security X-ray equipment market grew by 8% in 2016 and will do so by about 7% in 2017-2018. The growth is due to increased security risks globally and especially increasing aviation volumes in developing markets.

Detection Technology estimates that market growth was 8% in the fourth quarter. Supply is in balance with demand and the competitive environment is tight. The company expects that the demand for the security X-ray equipment market will remain strong in China in 2017, but there is uncertainty in the execution of investments. In industrial applications, the average growth rate has been about 5%.

Outlook for 2017

Detection Technology continues to develop and commercialize new products in line with its strategy. In 2017, the company expects its R&D expenses to increase somewhat. The company expects more moderate growth in the beginning of 2017, but there is uncertainty in the markets. After a strong period of growth, the company expects tightening competition and slowing net sales growth in 2017.

Detection Technology's medium-term outlook remains unchanged. Detection Technology aims to increase sales by at least 15 per cent per annum and to achieve an operating margin at or above 15 per cent in the medium-term.

Dividend distribution policy

The company aims regularly to distribute funds to shareholders every year, by paying dividends or refunding capital. The amount of funds for distribution and the time of payment are affected by, among other things, the company and Group result, its financial position, the need for capital and other possible factors. The aim is to distribute to shareholders 30-60% of the Group's annual profit (earnings per share) before extraordinary items.

Board of Directors' profit distribution proposal

The distributable funds of the parent company Detection Technology Plc are EUR 28,527,787.59, of which EUR 3,930,921.44 represents the net profit for the financial year. The company's distributable funds are EUR 2,718,468.62. Since the end of the financial year, there have not been significant changes in the company's financial situation, nor does the solvency test referred to in Chapter 12, Section 2 of the Companies Act affect the amount of distributable funds.

The Board of Directors proposes to the Annual General Meeting to be held on 23 March 2017 that, based on the balance sheet adopted for 2016, a capital repayment of EUR 0.25 per share be paid. The number of shares giving entitlement to an equity repayment is 13,425,775, which means that the total amount of equity repayment would be EUR 3,356,443.75.

Group income statement

1.1.2016–31.12.2016

	2016	2015
NET SALES	75,508,871.74	42,781,653.98
Change in inventories of finished goods and work in progress	2,223,135.11	-513,183.29
Other operating income	74,815.20	83,327.08
Materials and services		
Materials, supplies and goods		
Purchases during financial year	-41,252,828.62	-21,675,342.44
Change in inventories	1,604,323.31	1,231,770.59
External services	-2,750,026.68	-2,518,547.91
Total	-42,398,532.00	-22,962,119.76
Personnel expenses		
Salaries and wages	-7,890,344.11	-6,916,487.91
Indirect personnel expenses		
Pension expenses	-1,114,148.81	-978,780.39
Other indirect staff expenses	-905,978.87	-664,317.77
Total	-9,910,471.79	-8,559,586.07
Depreciations and amortisations		
Depreciations according to plan	-2,521,604.79	-993,196.69
Amortisations	0.00	-218,223.27
Total	-2,521,604.79	-1,211,419.96
Other operating expenses	-8,167,851.26	-6,181,759.16
OPERATING PROFIT (-LOSS)	14,808,362.21	3,436,912.82
Financial income and expenses		
Interest and financial income	731,005.17	1,290,702.10
Interest and financial expenses	-1,416,533.05	-3,673,858.00
Total	-685,527.88	-2,383,155.90
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	14,122,834.33	1,053,756.92
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	14,122,834.33	1,053,756.92
Income taxes	-3,232,028.40	-123,542.00
PROFIT (LOSS) FOR THE FINANCIAL YEAR	10,890,805.93	930,214.92

Group balance sheet

31.12.2016

ASSETS	2016	2015
NON-CURRENT ASSETS		
Intangible assets		
Capitalised development expenses	375,771.28	147,011.47
Other capitalized expenses	1,250,128.35	649,974.26
Total	1,625,899.63	796,985.73
Tangible assets		
Machinery and equipment	4,663,810.79	3,337,165.26
Prepayments and construction in progress	45,296.45	3,110,366.13
Total	4,709,107.24	6,447,531.39
Investments		
Other shares	10,500.00	10,500.00
Total	10,500.00	10,500.00
TOTAL NON-CURRENT ASSETS	6,345,506.87	7,255,017.12
CURRENT ASSETS		
Inventories		
Materials and supplies	6,573,360.52	4,969,037.21
Work in process	850,182.57	940,296.99
Finished goods	3,172,315.20	859,065.67
Total	10,595,858.29	6,768,399.88
Receivables		
Current receivables		
Trade receivables	20,351,164.14	12,857,732.66
Other receivables	731,115.12	139,320.22
Prepaid expenses and accrued income	533,980.71	918,903.91
Total	21,616,259.97	13,915,956.79
Cash and cash equivalents	15,662,360.45	7,441,779.93
TOTAL CURRENT ASSETS	47,874,478.71	28,126,136.60
TOTAL ASSETS	54,219,985.58	35,381,153.72

Group balance sheet

31.12.2016

EQUITY AND LIABILITIES	2016	2015
EQUITY		
Share capital	80,000.00	80,000.00
Share premium account	5,130,024.55	5,130,024.55
Other funds		
Invested non-restricted equity fund	25,809,318.97	26,715,887.22
Retained earnings (loss)	-10,999,824.39	-11,757,073.27
Profit for financial year (loss)	10,890,805.93	930,214.92
TOTAL EQUITY	30,910,325.06	21,099,053.41
LIABILITIES		
Non-current liabilities		
Other loans	683,445.25	784,570.44
Total	683,445.25	784,570.44
Current liabilities		
Loans from financial institutions	6,640,052.42	1,212,859.08
Advances received	697,358.47	613,364.32
Trade payables	10,251,934.02	8,554,336.65
Other liabilities	1,887,671.30	928,499.02
Accrued liabilities	3,149,199.06	2,188,470.79
Total	22,626,215.27	13,497,529.86
TOTAL LIABILITIES	23,309,660.52	14,282,100.30
TOTAL EQUITY AND LIABILITIES	54,219,985.58	35,381,153.72

Group cash flow statement

	2016	2015
CASH FLOW FROM OPERATIONS		
Operating profit / loss	14,808,362.21	3,436,912.82
Depreciations	2,521,604.80	1,211,419.96
Change in working capital	-10,775,577.63	-1,698,163.85
Change in advances received	83,994.14	-9,569.49
Financial income and expenses	-2,059.11	-161,730.93
Paid income taxes	-1,223,149.96	-156,335.88
CASH FLOW FROM OPERATIONS	5,413,174.46	2,622,532.63
CASH FLOW FROM INVESTMENTS		
Investments in intangible and tangible assets	-1,612,094.55	-4,770,309.46
CASH FLOW FROM INVESTMENTS	-1,612,094.55	-4,770,309.46
CASH FLOW FROM FINANCING		
Repayment of non-current loans	-101,125.00	-8,724,671.16
Withdrawal of current loans	6,378,528.42	0.00
Repayment of current loans	-951,335.08	-1,403,625.00
Initial public offering	0.00	17,909,146.84
Capital repayment	-906,568.25	0.00
IPO expenses	0.00	-1,640,386.95
CASH FLOW FROM FINANCING	4,419,500.09	6,140,463.73
CHANGE IN CASH AND CASH EQUIVALENTS	8,220,580.00	3,992,686.89
Cash and cash equivalents at the beginning of the year	7,441,779.93	3,449,093.04
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	15,662,359.93	7,441,779.93
CHANGE IN WORKING CAPITAL		
Change in current receivables*	-8,497,854.99	-6,206,772.49
Change in inventories	-3,827,458.42	-1,162,985.75
Change in current liabilities	1,549,735.78	5,671,594.39
CHANGE IN WORKING CAPITAL	-10,775,577.63	-1,698,163.85

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

Detection Technology Plc income statement

1.1.2016–31.12.2016

	2016	2015
NET SALES	19,498,839.96	16,311,039.75
Change in inventories of finished goods and work in progress	103,312.20	44,705.67
Other operating income	4,050,792.25	464,500.87
Materials and services		
Materials, supplies and goods		
Purchases during financial year	-10,199,903.75	-8,011,072.99
Change in inventories	386,006.67	267,416.45
External services	-295,038.35	-133,755.05
Total	-10,108,935.43	-7,877,411.59
Personnel expenses		
Salaries and wages	-3,848,186.34	-2,651,830.58
Indirect personnel expenses		
Pension expenses	-656,851.30	-569,681.40
Other indirect staff expenses	-149,123.49	-118,008.54
Total	-4,654,161.13	-3,339,520.52
Depreciations and amortisations		
Depreciations according to plan	-338,578.30	-257,095.38
Amortisations	0.00	-8,417.08
Total	-338,578.30	-265,512.46
Other operating expenses	-4,384,957.56	-3,537,429.98
OPERATING PROFIT (-LOSS)	4,166,311.99	1,800,371.74
Financial income and expenses		
Interest and financial income	963,107.45	682,688.97
Interest and financial expenses	-410,217.32	-2,009,971.38
Total	552,890.13	-1,327,282.41
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	4,719,202.12	473,089.33
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	4,719,202.12	473,089.33
Income taxes	-788,280.68	-202,141.88
PROFIT (LOSS) FOR THE FINANCIAL YEAR	3,930,921.44	270,947.45

Detection Technology Plc balance sheet

31.12.2016

ASSETS	2016	2015
NON-CURRENT ASSETS		
Intangible assets		
Intellectual property rights	266,536.91	86,624.71
Other capitalized expenses	512,438.13	522,474.70
Prepayments from non-current assets	0.00	7,615.00
Total	778,975.04	616,714.41
Tangible assets		
Machinery and equipment	507,626.51	548,528.02
Prepayments and construction in progress	45,296.45	0.00
Total	552,922.96	548,528.02
Investments		
Shares in group companies	2,979,045.23	172,452.24
Receivables from group companies	0.00	983,321.65
Other shares	10,500.00	10,500.00
Total	2,989,545.23	1,166,273.89
TOTAL NON-CURRENT ASSETS	4,321,443.23	2,331,516.32
CURRENT ASSETS		
Inventories		
Materials and supplies	671,438.14	285,431.47
Work in progress	153,437.38	0.00
Finished goods	102,857.87	152,983.05
Total	927,733.39	438,414.52
Receivables		
Non-current receivables		
Receivables from group companies	13,309,022.61	12,837,184.41
Total	13,309,022.61	12,837,184.41
Current receivables		
Trade receivables	2,346,128.97	2,892,866.55
Receivables from group companies	7,428,938.46	10,380,374.68
Other receivables	251,289.79	139,320.22
Prepaid expenses and accrued expenses	138,935.19	250,134.74
Total	10,165,292.41	13,662,696.19
Cash and cash equivalents	10,191,248.99	5,278,722.54
TOTAL CURRENT ASSETS	34,593,297.40	32,217,017.66
TOTAL ASSETS	38,914,740.63	34,548,533.98

Detection Technology Plc balance sheet

31.12.2016

EQUITY AND LIABILITIES	2016	2015
EQUITY		
Share capital	80,000.00	80,000.00
Share premium account	5,130,024.55	5,130,024.55
Other funds		
Invested non-restricted equity fund	25,809,318.97	26,715,887.22
Retained earnings (loss)	-1,212,452.82	-1,482,636.09
Profit for financial year (loss)	3,930,921.44	270,947.45
TOTAL EQUITY	33,737,812.14	30,714,223.13
LIABILITIES		
Non-current liabilities		
Loans from group companies	0.00	7,663.82
Other loans	683,445.25	784,570.25
Total	683,445.25	792,234.07
Current liabilities		
Other loans	261,524.00	1,212,859.08
Advances received	617,637.83	449,066.58
Trade payables	864,308.76	372,978.09
Trade payables from group companies	943,686.43	84,193.27
Other liabilities	94,372.26	86,665.60
Accrued liabilities	1,711,953.96	836,314.16
Total	4,493,483.24	3,042,076.78
TOTAL LIABILITIES	5,176,928.49	3,834,310.85
TOTAL EQUITY AND LIABILITIES	38,914,740.63	34,548,533.98

Detection Technology Plc cash flow statement

	2016	2015
CASH FLOW FROM OPERATIONS		
Operating profit / loss	5,696,230.28	2,731,517.04
Depreciations	338,578.30	265,512.46
Change in working capital	3,747,749.60	-4,858,633.45
Change in advances received	168,571.25	-95,396.75
Financial income and expenses	285,654.19	-103,916.93
Paid income taxes	-330,524.49	-156,335.88
CASH FLOW FROM OPERATIONS	9,906,259.13	-2,217,253.51
CASH FLOW FROM INVESTMENTS		
Investments in intangible and tangible assets	-433,698.47	-616,201.18
Investments in shares in subsidiaries	-2,814,720.99	0.00
CASH FLOW FROM INVESTMENTS	-3,248,419.46	-616,201.18
CASH FLOW FROM FINANCING		
Repayment of non-current loans	-101,125.00	-8,724,671.16
Non-current loans to group companies	213,715.11	-421,268.50
Repayment of current loans	-951,335.08	-1,403,625.00
Initial public offering	0.00	17,909,146.84
Capital repayment	-906,568.25	0.00
IPO expenses	0.00	-1,640,386.95
CASH FLOW FROM FINANCING	-1,745,313.22	5,719,195.23
CHANGE IN CASH AND CASH EQUIVALENTS	4,912,526.45	2,885,740.54
Cash and cash equivalents at the beginning of the year	5,278,722.54	2,392,982.00
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10,191,248.99	5,278,722.54
CHANGE IN WORKING CAPITAL		
Change in current receivables	2,940,088.32	-2,695,505.94
Change in inventories	-486,339.32	-296,450.10
Change in current liabilities	1,294,000.60	-1,866,677.41
CHANGE IN WORKING CAPITAL	3,747,749.60	-4,858,633.45

Accounting principles for consolidated financial statements

Copies of Detection Technology Plc consolidated financial statement can be obtained from the company's offices in Oulu and Espoo.

PRINCIPLES FOR CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements of Detection Technology Group have been drawn up 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 euro by using the average exchange rate for the financial period, and balance sheets have been converted by using the official rates at the end of the financial period. Differences arising from the currency conversion as well as the translation of foreign subsidiaries share capital are included in retained earnings.

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 €
Share amount	13,425,775

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
DT Electronic Manufacturing (Beijing) Co., Ltd.	100 %	China

DT Invest Ltd. was merged to parent company 17 November 2016. Assets and liabilities of DT Invest Ltd. are now included in the parent company's balance sheet but it doesn't have a substantive effect on previous year comparison.

ASSOCIATED COMPANIES

Company does not have any associated companies.

GOODWILL

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

DEFERRED TAXES

The company does not accrue receivables from deferred income taxes in 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 that defines the rules for valuation.

The company's fixed assets have been valued at variable acquisition cost.

Planned depreciation periods for different asset types are as follows

Immaterial rights	straight-line depreciation 4 years
Other capitalized expenses	straight-line depreciation 4 - 5 years
Machines and equipment	straight-line depreciation 4 - 5 years

NET SALES RECOGNITION PRINCIPLES

Net sales for the products and services produced by the company is recorded based on delivery.

CONVERSION OF FOREIGN CURRENCY ITEMS

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

Notes to group's financial statement

NOTES TO INCOME STATEMENT

NET SALES	2016	2015
Finland	2,044,075.06	1,954,269.00
Other geographical areas	73,464,796.68	40,827,384.98
Total	75,508,871.74	42,781,653.98
Medical Business Unit	19,754,992.77	16,130,231.66
Security Business Unit	55,753,878.97	26,651,422.33
Total	75,508,871.74	42,781,653.98

Top five customers accounted for 69 % of net sales in the review period.

PERSONNEL	2016	2015
Members of the Board of Directors' rewards		
Chairman's rewards	42,000.00	39,911.00
Board members' rewards	84,000.00	76,545.00
Total	126,000.00	116,456.00
CEO's rewards		
Fixed salaries and rewards	325,662.41	222,290.00
Benefits	11,220.00	10,140.00
Total	336,882.41	232,430.00

Board members and CEO have a voluntary pension scheme provided by the company.

Management's share-based incentive scheme

The company's management has a share-based incentive scheme that has not been booked to company or consolidate accounts.

Average number of personnel during the financial year

Officers	146	132
Workers	243	173
Total	389	305

DEPRECIATIONS	2016	2015
Immaterial rights	75,377.82	43,246.03
Other capitalized expenses	849,337.10	122,513.97
Machinery and equipment	1,596,889.82	817,504.12
Total	2,521,604.74	983,264.12

SPECIFICATION FOR FINANCIAL ITEMS	2016	2015
Financial income from others	5,881.65	2,833.33
Interest expenses	-271,528.16	-383,858.41
Other financial expenses	-44,166.49	-1,453,521.15
Conversion items	-375,714.88	-548,609.67
Total	-685,527.88	-2,383,155.90

In 2015 financial expenses increased by expenses related to the IPO of the company which amounted to EUR -1,435,386.95.

NOTES TO BALANCE SHEET

INTANGIBLE ASSETS	2016	2015
Development expenses		
Carrying amount at 1.1.	0.00	152,514.93
Increases	0.00	0.00
Reclassification	0.00	-152,514.93
Decreases	0.00	0.00
Depreciations	0.00	0.00
Carrying amount at 31.12.	0.00	0.00
Intangible rights		
Carrying amount at 1.1.	147,011.47	76,472.55
Increases	312,573.74	113,784.96
Reclassification	0.00	0.00
Decreases	0.00	0.00
Conversion items	-1,936.91	0.00
Depreciations	-81,877.02	-43,246.03
Carrying amount at 31.12.	375,771.28	147,011.47
Other capitalized expenses		
Carrying amount at 1.1.	649,974.26	486,883.86
Increases	1,504,250.65	262,894.90
Reclassification	0.00	132,084.05
Decreases	-8,822.73	-109,374.58
Conversion items	-5,346.29	0.00
Depreciations	-889,927.54	-122,513.97
Carrying amount at 31.12.	1,250,128.35	649,974.26
INTANGIBLE ASSETS TOTAL	1,625,899.63	796,985.73

TANGIBLE ASSETS	2016	2015
Machinery and equipment		
Carrying amount at 1.1.	3,337,165.24	2,959,352.50
Increases	2,972,771.70	1,283,263.31
Reclassification	0.00	20,430.88
Decreases	0.00	-108,377.33
Conversion items	-96,325.92	0.00
Depreciations	-1,549,800.23	-817,504.12
Carrying amount at 31.12.	4,663,810.79	3,337,165.24
Other tangible assets		
Carrying amount at 1.1.	0.00	470.93
Increases	0.00	0.00
Decreases	0.00	-470.93
Carrying amount at 31.12.	0.00	0.00
Prepayments and work in progress		
Carrying amount at 1.1.	3,110,366.13	9,848.91
Increases	45,296.45	3,110,366.13
Decreases	-3,110,366.13	-9,848.91
Carrying amount at 31.12.	45,296.45	3,110,366.13
TANGIBLE ASSETS TOTAL	4,709,107.24	6,447,531.38
INVESTMENTS	2016	2015
Other shares		
Carrying amount at 1.1.	10,500.00	10,500.00
Increases	0.00	0.00
Decreases	0.00	0.00
Carrying amount at 31.12.	10,500.00	10,500.00
RECEIVABLES	2016	2015
Current receivables		
Trade receivables	20,351,164.14	12,857,732.66
VAT receivable	731,115.12	139,320.22
Accrued income	533,980.71	918,903.91
Total	21,616,259.97	13,915,956.79

NOTES TO EQUITY AND LIABILITIES

EQUITY	2016	2015
Share capital 1.1.	80,000.00	68,764.72
Additions	0.00	11,235.28
Share capital 31.12.	80,000.00	80,000.00
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.	26,715,887.22	8,817,975.66
Additions	0.00	17,897,911.56
Returns	-906,568.25	0.00
Invested non-restricted equity fund 31.12.	25,809,318.97	26,715,887.22
Retained earnings 1.1.	-10,826,858.35	-12,649,510.99
Conversion items	-172,201.86	892,437.72
Items belonging to previous financial years	-764.18	0.00
Profit for financial year	10,890,805.93	930,214.92
Retained earnings 31.12.	-109,018.46	-10,826,858.35
EQUITY TOTAL	30,910,325.06	21,099,053.41

CAPITAL LOANS

At the end of the financial year, the company has no outstanding capital loans or interest related.

LIABILITIES	2016	2015
Non-current liabilities		
Other loans	683,445.25	784,570.44
Total	683,445.25	784,570.44
Current liabilities		
Loans from financial institutions	6,640,052.42	1,212,859.08
Advances received	697,358.47	613,364.32
Trade payables	10,251,934.02	8,554,336.65
Other liabilities	1,887,671.30	928,499.02
Accrued interest payables	19,417.01	248,758.20
Accrued income tax payables	465,438.63	0.00
Warranty provision	1,136,677.46	583,858.00
Other accrued liabilities	1,527,665.96	1,355,854.59
Total	22,626,215.27	13,497,529.86

Accrued liabilities include warranty provisions estimated by the management. The provision equals to approximately 1.5 % of group turnover.

PLEDGES AND COMMITMENTS	2016	2015
Pledged and collateral	10,734,912.84	10,734,912.84
Unused credit overdraft facility	3,000,000.00	3,000,000.00
Other undertakings	47,629.50	45,583.02
Total	13,782,542.34	13,780,495.86
Amounts payable under leasing agreements vat 0 %		
Payable in the following financial year	1,213,671.69	1,003,736.23
Payable in later years	854,485.67	1,561,531.58
Total	2,068,157.37	2,565,267.81

Notes to parent company's financial statement

NOTES TO INCOME STATEMENT

NET SALES	2016	2015
Finland	2,044,075.06	1,954,269.00
Other geographical areas	17,454,764.90	14,356,770.75
Total	19,498,839.96	16,311,039.75

PERSONNEL	2016	2015
Members of the Board of Directors' rewards		
Chairman's rewards	42,000.00	39,911.00
Board members' rewards	84,000.00	76,545.00
Total	126,000.00	116,456.00
CEO's rewards		
Fixed salaries and rewards	325,662.41	222,290.00
Benefits	11,220.00	10,140.00
Total	336,882.41	232,430.00

Board members and CEO have a voluntary pension scheme provided by the company.

Management's share-based incentive scheme

The company's management has a share-based incentive scheme that has not been booked to company or consolidate accounts.

Average number of personnel during the financial year

Officers	45	38
Workers	3	2
Total	48	40

DEPRECIATIONS	2016	2015
Immaterial rights	45,860.36	29,201.87
Other capitalized expenses	119,004.62	83,377.72
Machinery and equipment	173,713.32	144,515.78
Total	338,578.30	257,095.37

AUDITING SERVICES	2016	2015
Annual audits	37,297.80	72,373.00
Other services	3,000.00	0.00
Total	40,297.80	72,373.00

SPECIFICATION FOR FINANCIAL ITEMS	2016	2015
Financial income from group companies	499,740.49	341,886.10
Financial income from others	177.07	1,215.13
Interest expenses	-152,406.08	-383,858.41
Other financial expenses	-6,714.80	-1,435,386.95
Conversion items	212,093.45	148,861.72
Total	552,890.13	-1,327,282.41

In 2015 financial expenses increased by expenses related to the IPO of the company which amounted to EUR -1,435,386.95.

NOTES TO BALANCE SHEET

INTANGIBLE ASSETS	2016	2015
Development expenses		
Carrying amount at 1.1.	0.00	152,514.93
Increases	0.00	0.00
Reclassification	0.00	-152,514.93
Decreases	0.00	0.00
Depreciations	0.00	0.00
Carrying amount at 31.12.	0.00	0.00
Intangible rights		
Carrying amount at 1.1.	86,624.71	65,351.28
Increases	225,772.56	50,475.30
Reclassification	0.00	0.00
Decreases	0.00	0.00
Depreciations	-45,860.36	-29,201.87
Carrying amount at 31.12.	266,536.91	86,624.71
Other capitalized expenses		
Carrying amount at 1.1.	522,474.70	190,442.59
Increases	117,790.78	262,894.90
Reclassification	0.00	152,514.93
Decreases	-8,822.73	0.00
Depreciations	-119,004.62	-83,377.72
Carrying amount at 31.12.	512,438.13	522,474.70

Prepayments and work in progress		
Carrying amount at 1.1.	0.00	76,168.69
Increases	0.00	7,615.00
Decreases	0.00	-76,168.69
Carrying amount at 31.12.	0.00	7,615.00

INTANGIBLE ASSETS TOTAL	778,975.04	616,714.41
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TANGIBLE ASSETS	2016	2015
Machinery and equipment		
Carrying amount at 1.1.	548,528.02	329,521.20
Increases	132,811.81	371,468.32
Reclassification	0.00	0.00
Decreases	0.00	-7,945.72
Depreciations	-173,713.32	-144,515.78
Carrying amount at 31.12.	507,626.51	548,528.02
Other tangible assets		
Carrying amount at 1.1.	0.00	470.93
Increases	0.00	0.00
Decreases	0.00	-470.93
Carrying amount at 31.12.	0.00	0.00
Prepayments and work in progress		
Carrying amount at 1.1.	0.00	0.00
Increases	45,296.45	0.00
Decreases	0.00	0.00
Carrying amount at 31.12.	45,296.45	0.00
TANGIBLE ASSETS TOTAL	552,922.96	548,528.02

INVESTMENTS	2016	2015
Shares in Group companies		
Carrying amount at 1.1.	172,452.24	172,452.24
Increases	2,814,720.99	0.00
Decreases	-8,128.00	0.00
Carrying amount at 31.12.	2,979,045.23	172,452.24
Receivables from Group companies		
Beijing DT Electronic Technology Co., Ltd.	0.00	983,321.65
Total	0.00	983,321.65
Other shares		
Carrying amount at 1.1.	10,500.00	10,500.00
Increases	0.00	0.00
Decreases	0.00	0.00
Carrying amount 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	0.00	8,128.00
Virpiniemen Golf Oy	10,500.00	10,500.00
DTF (H.K.) Ltd.	163,462.65	163,462.65
DT Electronic Manufacturing (Beijing) Co., Ltd.	2,814,720.99	0.00
Total	2,989,545.23	182,952.24

RECEIVABLES FROM GROUP COMPANIES

	2016	2015
Non-current receivables		
Beijing DT Electronic Technology Co., Ltd.	2,156,369.91	2,156,369.91
DTF (H.K.) Ltd.	8,575,963.62	8,575,963.62
Detection Technology, Inc.	2,576,689.08	2,104,850.88
Total	13,309,022.61	12,837,184.41
Current receivables		
Trade receivables		
Beijing DT Electronic Technology Co., Ltd.	2,466,225.89	3,862,932.97
DTF (H.K.) Ltd.	1,562,050.57	4,592,129.00
Detection Technology, Inc.	332,037.38	716,614.00
DT Electronic Manufacturing (Beijing) Co., Ltd.	60,015.32	0.00
Total	4,420,329.16	9,171,675.97
Other receivables		
Beijing DT Electronic Technology Co., Ltd.	2,127,288.13	933,643.39
DTF (H.K.) Ltd.	575,511.77	243,124.00
Detection Technology, Inc.	305,809.40	31,631.41
DT Invest Oy	0.00	300.00
Total	3,008,609.30	1,208,698.80
Total	20,737,961.07	23,217,559.18

RECEIVABLES FROM OTHERS

	2016	2015
Current receivables		
Trade receivables	2,346,128.97	2,892,866.55
VAT receivables	251,289.79	139,320.22
Accrued income	138,935.19	250,134.74
Total	2,736,353.95	3,282,321.51

NOTES TO EQUITY AND LIABILITIES**EQUITY**

	2016	2015
Share capital 1.1.	80,000.00	68,764.72
Additions	0.00	11,235.28
Share capital 31.12.	80,000.00	80,000.00

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.	26,715,887.22	8,817,975.66
Additions	0.00	17,897,911.56
Returns	-906,568.25	0.00
Invested non-restricted equity fund 31.12.	25,809,318.97	26,715,887.22
Retained earnings 1.1.	-1,211,688.64	-1,482,636.09
Items belonging to previous financial years	-764.18	0.00
Profit for financial year	3,930,921.44	270,947.45
Retained earnings 31.12.	2,718,468.62	-1,211,688.64
EQUITY TOTAL	33,737,812.14	30,714,223.13
DISTRIBUTABLE EQUITY AT THE END OF PERIOD	28,527,787.59	25,504,198.58

CAPITAL LOANS

At the end of the financial year, the company has no outstanding capital loans or interest related.

LIABILITIES TO GROUP COMPANIES	2016	2015
Non-current liabilities		
DT Invest Oy	0.00	7,663.82
Total	0.00	7,663.82
Current liabilities		
Trade payables		
Beijing DT Electronic Technology Co., Ltd.	405,585.60	75,191.71
DTF (H.K.) Ltd.	0.00	9,001.56
DT Electronic Manufacturing (Beijing) Co., Ltd.	538,100.83	0.00
Total	943,686.43	84,193.27
Total	943,686.43	91,857.09

LIABILITIES TO OTHERS	2016	2015
Non-current liabilities		
Other loans	683,445.25	784,570.25
Total	683,445.25	784,570.25
Current liabilities		
Other loans	261,524.00	1,212,859.08
Advances received	617,637.83	449,066.58
Trade payables	864,308.76	372,978.09
Other liabilities	94,372.26	86,665.60
Accrued interest payables	19,417.01	248,758.20
Accrued salary payables	979,994.26	396,156.00
Accrued income tax payables	503,562.19	45,806.00
Other accrued liabilities	208,980.50	145,593.96
Total	3,549,796.81	2,957,883.51

The parent company's warranty provision is included to accrued liabilities and to other operating costs according to the group policy.

PLEDGES AND COMMITMENTS	2016	2015
Pledged and collateral	10,734,912.84	10,734,912.84
Unused credit overdraft facility	3,000,000.00	3,000,000.00
Commitments for behalf of subsidiaries	6,830,414.47	0.00
Other undertakings	47,629.50	45,583.02
Total	20,612,956.81	13,780,495.86
Amounts payable under leasing agreements vat 0 %		
Payable in the following financial year	348,771.20	290,481.78
Payable in later years	302,509.10	487,019.77
Total	651,280.30	777,501.55

Signatures for the financial statements and Board of Directors' report

Espoo 28 February 2017

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 28 February 2017

Juha Hilmola, Authorised Public Accountant

Ernst & Young Oy, Authorized Public Accountant Firm

List of accounting books

ACCOUNTING BOOKS

	Archiving method
Balance sheet book	Bound on paper
Specification of balance sheet	On paper
Journal	On CD disc
General ledger	On CD disc
Income statement	On CD disc
Balance sheet	On CD disc

ACCOUNTING RECORDS

Item	NR	Archiving method
Purchase and travel invoices	CIF160001	Electronic filing and paper copy
Sales invoices	20160001	Paper copy
Vouchers	MU160101	Paper copy
Payroll vouchers		Electronic filing
Bank journals	NOR16001	Paper copy
Notes		Paper copy

DETECTION TECHNOLOGY PLC

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www.deetee.com

Domicile Espoo

Business registration number 0878389-8

Auditor's report

(Translation of the Finnish original)

To the Annual General Meeting of Detection Technology Plc.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Detection Technology Plc. (business identity code 0878389-8) for the year ended 31 December, 2016. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine 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, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern

basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on 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 good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group'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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 that we identify during our audit.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises information included in the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the information included in the report of the Board of Directors and, in doing so, consider whether the information included in the report of the Board of Directors is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations requirements.

If, based on the work we have performed, we conclude that there is a material misstatement in the information included in the report of the Board of Directors, we are required to report this fact. We have nothing to report in this regard.

Helsinki 28.2.2017

Ernst & Young Oy
Authorized Public Accountant Firm

Juha Hilmola
Authorized Public Accountant



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