

INTERNAL DISCONTINUATION ANNOUNCEMENT (IDA)

Dear Colleagues,

ADB SAFEGATE has always been on the cutting edge of lighting technology. In fact, since ADB SAFEGATE pioneered the first LEDs onto the airfield in the early 2000s, we have continued to expand our LED portfolio and enhance the visibility and safety of airfield operations utilizing this technology.

Most lighting industries and countries have now moved away from fluorescent and incandescent light sources by either abandoning the use of such technologies or banning their use completely. By September 2023, fluorescent lights will no longer be sold in the EU because of 12 regulations the European Commission enacted under the RoHS (The Restriction of Hazardous Substances) Directive in 2021. The decision to phase out these mercury-containing lights will save roughly €18.2 billion between 2023 and 2035, as well as 190 TWh of power and 1.8 metric tonnes of hazardous mercury. The EU RoHS mandate is in line with global efforts to embrace energy-efficient, clean LED lighting.

The US Department of Energy has set a similar deadline to phase out the production and sale of incandescent light bulbs in the country to speed up the long-standing industry practice of using compact fluorescent and LED bulbs that last 25 to 50 times longer than incandescent bulbs, that will cut carbon emissions by 222 million metric tons over the next 30 years and save consumers \$3 million per year on utility bills.

We believe it to be in the best interest of the airfield industry to also move in this direction.

We would like to inform you of our decision to cease production of incandescent airfield ground lighting in February 2024. It is not a decision we have taken lightly, and we have allowed 1 year from the date of this communication for last time buys from customers still using our halogen portfolio of products. We will continue to sell spare parts and stand by any specific commitments that we have involving these products beyond the phase-out date.

Pricing strategy

As part of the phase out strategy, to reflect the increasing total cost of maintaining this segment of the portfolio in the Last Time Buy period, we are increasing the prices of some of the fixtures. The first 20% increase has already taken place in January 2023 for the RoW whereas the one for the US is planned in February 2023. The second price increase will be implemented in June 2023 worldwide to a total of 30% compared to the price levels from December 2022. From this price increase we are excluding in the RoW: approach systems and PAPIs, in the US: approach systems, PAPIs and runway applications, where the Infrared-based night-flying visual aids are used mainly in the military operations. Please take it into consideration when approaching the customers in the Last Time Buy stage.

Human factors study

Lastly, we have commissioned a study on the human factors involved when migrating and mixing LED and halogen light sources on the airfield. This study involves over 150 flights into 10 airports worldwide and will provide the industry with an evidenced-based study that operations can remain safe during such transitional periods. We will be happy to share the outcome of this study with you still in Q1 of 2023.

Customers' feedback

We look forward to receiving customers' feedback from you. Should you have any concerns, need any specific support because of this announcement, please do not hesitate to reach out to the Product Management Team.

Best regards,

Regardt WILLER
Chief Strategy & Marketing Officer

Paul HART
Director
Product Management

Wojciech GRZEGORCZYK
Portfolio Rationalization
Project Manager

ATTACHMENTS:

1. [Halogen lights phase out roadmap](#)
2. [List of product families included in the phase out](#)