

PHOTOCAT



INTERIM REPORT Q1.2016

SUMMARY OF INTERIM REPORT JANUARY 1ST 2016 – MARCH 31TH 2016
PHOTOCAT A/S PCAT CORP.ID NO. 32357903

SUMMARY

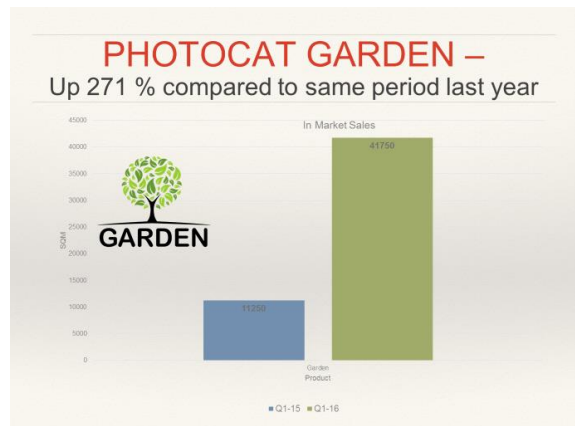
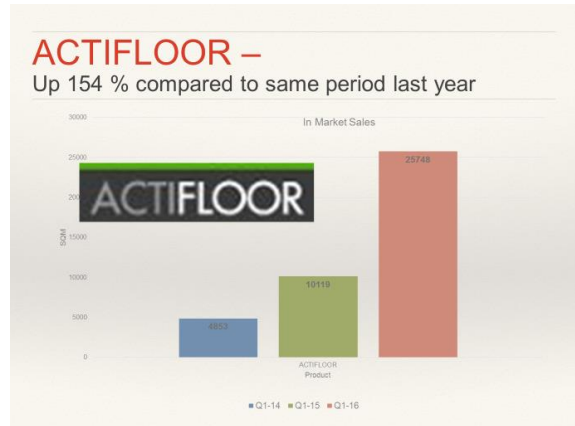
SIGNIFICANT EVENTS

DURING THE PERIOD

- Significant growth compared to same period last year within NOxOFF™, Photocat Garden™ and Actifloor™.
- Photocat had its first Photocat introduction symposium towards the Pavement cleaners in Denmark. The symposium brought the leading companies together to learn about the latest environmental advantages. The company has now 18 customers in this segment in DK.
- Delivered two Photocat NOxOFF application systems to major German bitumen roofing companies which both were tested with success.
- Made its first advertising film showing what Photocat offers and why this is important.
- Photocat passed for the first time 10 tons delivered in one quarter.

AFTER THE PERIOD

- Entered agreement with Asak Miljostein in Norway regarding offering NOxOFF for the Norwegian market. Asak Miljostein will install 2 NOxOFF application lines in Norway.
- Initiated using mandate to increase share capital.



MESSAGE FROM THE CEO

The First Quarter was so far the busiest quarter ever for the company delivering more than 10 tons of catalyst to Germany, Denmark and Canada. Further to the delivery of photocatalyst it was also the quarter where Photocat opened doors to the first Photocat Garden event introducing NOx reducing pavement and garden stone impregnation. The growth in this segment has shown strong double digit growth rates. We believe that we have a growth potential with Photocat Garden outside of Denmark which we are evaluating how to approach.

In the NOxOFF segment we have also seen strong interest from manufacturers of both Bitumen membranes in Southern Europe as well as from the very important German market. In Germany we successfully implemented our technology at two of the major bitumen roofing manufacturers. Both companies are working hard towards launching their products featuring the NOxOFF feature to its key customers. In Berlin the first important success with a housing/apartment company was reached when this company decided that for 600.000 of its apartments in the Berlin area they would demand NOxOFF roofing.

In the ACTIFLOOR segment also strong growth compared to the same period last year. This product that in the version launched by Lauzon Flooring in Canada has won several awards. The product is perceived as highly innovative and it is a highly wanted product amongst house owners in Canada. It is too early to evaluate the market development in the large US market, but expectations are significant.

For the Shine-On product we have made an agreement with the French Company Guard Industrie about distributing the selfcleaning glass product through their distribution channels. Guard has made the first marketing material and is getting ready to launch the product.

It was also important for Photocat to see the results reported from the Light2cat project managed by DTI and which has been supported by EU. The conclusions from this project is that the efficiency of the photocatalytic technology is indisputable.

In the Danish Parliament's subcommittee for Climate and Environmental issues it was decided to ask the Minister for Environment and Food to review whether it would be appropriate to change the paradigm, "Remove pollution at the Source" to also engage economic efficient technologies like Photocatalysis in the strive for better Air Quality in the larger cities. This initiative may be very important for bursting growth in the NOxOFF product category.

Photocat has also initiated a process to utilize the existing mandate to increase the share capital. The aim is to keep momentum on the growth plan initiated in 2015 and which we now can see the first results in form of significant growth.



Michael Humle, CEO and Partner

Financial Summary of the 1st quarter 2016

- In the first full quarter after the listing Photocat has the ability to review the effects of the growth measures engaged in 2015. As reported in the 4th Quarter 2015 it is important to see the development in each product category. Photocat has decided to share the volume growth expressed in squaremeters sold. This notion is used as it over time will express how much impact Photocat efforts in "Cleaning the Air You Breathe" have done. In the product categories, NOxOFF™, Photocat Garden™, and ACTIFLOOR™ the growth in 1st quarter compared to same period last year has been significant.
- NOxOFF™ production facilities were installed at 2 production lines in Germany enabling these Bitumen factories to deliver NOx degrading products to the market. These 2 installations represent major growth opportunities for Photocat.
- To meet the demand and be able to deliver in time our photocatalytic dispersions Photocat has produced materials and increased inventory.
- 2016 has started strongly with focus on sales and the organization is now geared towards growth.

PHOTOCAT A/S

Photocat A/S manufactures patented coating materials for both outdoor and indoor applications with the effect to degrade NOx and VOC's when exposed to light. Both NOx and VOC's are severely damaging to human health. Photocat's patented technology is a very efficient and economically viable alternative to many of the traditional technologies targeting NOx.

Photocat's shares was listed in Nasdaq First North in Stockholm November 20, 2015, with the ticker symbol PCAT.

The company's Certified Advisor is Redeye AB.

FINANCIAL CALENDAR

First Quarter Report	(01.01.2016 – 31.03.2016)	(28.04.2016)
Annual Report	(01.01.2015 – 31.12.2015)	(05.05.2016)
Annual General Meeting		(25.05.2016)
Second Quarter	(01.04.2016 – 30.06.2016)	(17.08.2016)
Third Quarter Report	(01.07.2016 – 30.09.2016)	(04.11.2016)

INCOME STATEMENT

IN DKK	Notes	Q1 2016	Q1 2015
Nettoomsætning <i>Revenue</i>		1.409.914	991.684
Andre driftsindtægter <i>Other operating income</i>	1	113.604	0
Omkostninger til råvarer og hjælpematerialer <i>Expenses for raw materials and consumables</i>		-401.161	-159.747
Andre eksterne omkostninger <i>Other external expenses</i>	2	-1.298.966	-446.317
Bruttoresultat <i>Gross profit</i>		-176.609	385.620
Personaleomkostninger <i>Staff expenses</i>		-925.374	-709.134
Af- og nedskrivninger af immaterielle og materielle anlægsaktiver <i>Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</i>		-609.279	-463.290
Resultat før finansielle poster <i>Profit/loss before financial income and expenses</i>		-1.711.262	-786.804
Finansielle omkostninger <i>Financial expenses</i>		-44.569	-75.773
Resultat før skat <i>Profit/loss before tax</i>		-1.755.831	-862.577
Skat <i>Taxes</i>		65.703	0
Resultat <i>Net profit/loss</i>		-1.690.128	-862.577

Balance Sheet 31ST of March

ASSETS

IN DKK	Notes	Q1 2016	Q1 2015
Færdiggjorte udviklingsprojekter <i>Completed development projects</i>		8.607.397	9.650.742
Erhvervede patenter <i>Acquired patents</i>		445.494	650.626
Udviklingsprojekter under udførelse <i>Development projects in progress</i>	3	1.315.785	342.134
Immaterielle anlægsaktiver <i>Intangible Assets</i>		10.368.676	10.643.502
Produktionsanlæg og maskiner <i>Plant and machinery</i>		2.664.084	2.984.931
Materielle anlægsaktiver <i>Property, plant and equipment</i>		2.664.084	2.984.931
Andre værdipapirer og kapitalandele <i>Other investments</i>		1	1
Deposita <i>Deposits</i>		290.302	290.302
Finansielle anlægsaktiver <i>Fixed asset investments</i>		290.303	290.303
Anlægsaktiver <i>Fixed assets</i>		13.323.063	13.918.736
Varebeholdninger <i>Inventories</i>		1.100.158	1.033.978
Tilgodehavender fra salg og tjenesteydelser <i>Trade receivables</i>		1.758.715	1.207.512
Tilgodehavender hos tilknyttede virksomheder <i>Receivables from group enterprises</i>		39.750	31.625
Andre tilgodehavender <i>Other receivables</i>		178.658	65.338

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Udskudt skatteaktiv <i>Deferred tax asset</i>	82.877	1.474
Selskabsskat <i>Corporation tax</i>	429.604	509.081
Periodeafgrænsningsposter <i>Prepayments</i>	219.096	157.692
Tilgodehavender <i>Receivables</i>	2.708.700	1.972.722
Likvide beholdninger <i>Cash at bank and in hand</i>	981.930	0
Omsætningsaktiver <i>Current assets</i>	4.790.788	3.006.700
Aktiver <i>Assets</i>	18.113.851	16.925.436

Balance Sheet 31st of March

Liabilities & equity

IN DKK	Notes	Q1 2016	Q1 2015
Selskabskapital <i>Sharecapital</i>		1.980.508	1.167.537
Overført resultat <i>Retained earnings</i>		8.787.244	4.069.467
Egenkapital <i>Equity</i>		10.767.752	5.237.004
Ansvarlig lånekapital <i>Subordinate loan capital</i>		0	500.002
Kreditinstitutter <i>Credit institutions</i>		1.527.994	2.347.614
Leverandører af varer og tjenesteydelser <i>Trade payables</i>		0	1.620.472
Gæld til selskabsdeltagelse og ledelse <i>Payables to Shareholders and Management</i>		17.973	2.874.857
Periodeafgrænsningsposter <i>Deferred income</i>		2.347.802	2.915.819
Langfristede gældsforpligtelser <i>Long-term debt</i>		3.893.769	10.258.764
Kreditinstitutter <i>Credit institutions</i>		402.101	161.651
Leverandører af varer og tjenesteydelser <i>Trade payables</i>		2.156.618	387.415
Anden gæld <i>Other payables</i>		439.198	426.189
Periodeafgrænsningsposter <i>Deferred income</i>		454.413	454.413
Kortfristede gældsforpligtelser <i>Short-term debt</i>		3.452.330	1.429.668

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Gældsforpligtelser <i>Debt</i>	7.346.099	11.688.432
Passiver <i>Liabilities and equity</i>	18.113.851	16.925.436

Cash flow statement 1st January – 31st of March

IN DKK	Notes	Q1 2016	Q1 2015
Resultat <i>Net profit/loss</i>		-1.690.128	-862.577
Reguleringer <i>Adjustments</i>		588.145	282.659
Ændring i driftskapital <i>Change in working capital</i>		-700.924	-1.001.223
Pengestrømme fra drift før finansielle poster <i>Cash flow from operating activities before financial income and expenses</i>		-1.802.907	-1.581.141
Renteudbetalinger og lignende <i>Financial expenses</i>		-44.569	-75.773
Pengestrømme fra ordinær drift <i>Cash flow from ordinary activities</i>		-1.847.476	-1.656.914
Betalt selskabsskat <i>Corporation tax paid</i>		0	0
Pengestrømme fra driftsaktivitet <i>Cash flow from operating activities</i>		-1.847.476	-1.656.914
Køb af immaterielle anlægsaktiver <i>Purchase of property, plant and equipment</i>		-298.651	0
Andre reguleringer <i>Other adjustments</i>		0	0
Pengestrømme fra investeringsaktivitet <i>Cash flow from investing activities</i>		-298.651	0
Forøgelse af gæld til kreditinstitutter <i>Increase in loans from credit institutions</i>		-7.007	1.702.402
Tilbagebetaling af gæld til tilknyttede virksomheder af varer og tjenesteydelser		387	-63.201

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Pengestrømme fra finansieringsaktivitet <i>Cash flow from financing activities</i>	-6.620	1.639.201
Ændring i likvider <i>Change in cash and cash equivalents</i>	-2.152.747	-17.713
Likvider 1. januar <i>Cash and cash equivalents at 1 January</i>	3.134.677	17.713
Likvider 31st March <i>Cash and cash equivalents at 31st March</i>	981.930	0
Likvider specificeres således: <i>Cash and cash equivalents are specified as follows:</i>		..
Likvide beholdninger <i>Cash at bank and in hand</i>	981.930	0
Likvider 31st March <i>Cash and cash equivalents at 31st March</i>	981.930	0

Notes to the interim financial statements Q1 2016

Note 1 – Andre driftsindtægter / *Other operating income*

Andre driftsindtægter udgøres af modtagne tilskud til aktiverede udviklingsprojekter, som indtægtsføres løbende i takt med den forventede brugstid af aktivet.

Other operating income comprises grants received in respect of capitalised development projects and is recognised over the expected useful life of the asset.

Note 2 – Andre eksterne omkostninger / *Other external expenses*

<i>IN DKK</i>	Q1 2016	Q1 2015
Markedsføringsomkostninger <i>Marketing costs</i>	297.199	38.575
Lokaleomkostninger <i>Premises</i>	318.592	220.872
Andre omkostninger <i>Other costs</i>	683.175	168.870
Andre eksterne omkostninger i alt <i>Total other external expense</i>	1.298.966	446.317

Andre omkostninger i Q1 2016 indeholder bl.a. omkostninger vedrørende noteringen på NASDAQ First North Stockholm.
Other costs Q1 2016 include, among others, costs related to the listing on NASDAQ First North Stockholm.

Note 3 – Udviklingsprojekter under udførelse / *Development projects in progress*

Udviklingsprojekter under udførelse indeholder aktiverede udviklingsomkostninger vedrørende udvikling af teknologien indenfor områderne beton og bitumen.

Development projects in progress comprise capitalised development costs regarding development of the technology in the areas of concrete and bitumen.

RISKS

Photocat's operations are associated with risks related to inter alia product development, commercialization, financing, intellectual property, collaborations with partners, authority decisions, agreements and key personnel.

For a description of the Company's risks, please see the Annual Report for the fiscal year 2014. No significant changes in the Company's risk assessment have occurred since the Annual Report was issued.

STATEMENT

The Board of Directors and the CEO certify that the interim report gives a fair overview of the business, position and profit or loss of the Company and describes the principal risks and uncertainties that face the Company.

This report has not been reviewed by the Company's auditors.

Roskilde, [04.28.2016]

Mette Therkildsen, Chairman of the Board

Thomas Becker, Board member

Henrik Jensen, Board member

Tom Weidner, Board member

For more information, please contact:

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