

The Photocat logo consists of the word "PHOTOCAT" in white, uppercase, sans-serif font, centered within a dark grey rectangular box. A thin red horizontal line is positioned above the top edge of the box. The background of the entire slide is a vibrant blue sky with scattered white, fluffy clouds and a bright sunburst effect on the right side.

PHOTOCAT

# CLEANING THE AIR WE BREATHE

BY DEGRADING NO<sub>x</sub> AND VOC's  
IN THE CITIES WE LIVE

## INTERIM REPORT Q1 2018

The information in this interim report requires Photocat A/S to publish the information in accordance with the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication on 30 April 2018 at 17:30 CET.

# Q1 2018: SUMMARY

## Main highlights during the first quarter of 2018

- Delivered first order for Photocat Garden in 2018.
- Lauzon Flooring grants Stonetreatment A/S distributions rights in Europe.
- Stonetreatment expands distribution in Denmark through the retail chain Johannes FOG.
- Lauzon reports strongest quarter ever. Up 56 % from Q4 2016 and 19 % higher than its previous strongest quarter.
- Photocat launched monthly newsletter initiative. Registration is available on website, [click here](#).
- Photocat secured project in Mexico. The project size is apx. 14,000 m<sup>2</sup>.
- Photocat established partnership with Renotech for the distribution and application rights of ShineOn.
- Photocat expands customer base within bitumen roofing.

## Main highlights after the first quarter of 2018

- Secured loan of 2 MDKK from senior management and key investors.
- First order of actiFLOOR technology in 2018 substantially above expectations.
- Renotech launches online platform for ShineOn projects and chosen applicators.
- Photocat held the event "Clean Air with Photocatalysis", The event hosted Professor Akira Fujishima (the inventor of photocatalysis).

Amounts in DKK '000s	1 Jan - 31 Mar 2018	1 Jan - 31 Mar 2017	Year-to-date 2018	Year-to-date 2017	Full Year 2017**
Revenue from photocatalytic fluid	887.4	3,249.9	887.4	3,249.9	4,303.4
Revenue from Consultancy, Equipment & Other	119.3	121.6	119.3	121.6	1,767.4
Gross Profit	-324.5	1,112.8	-324.5	1,112.8	-327.8
EBITDA	-998.4	-167.4	-998.4	-167.4	-4,537
P/L before Tax	-1,558.5	-946.7	-1,558.5	-946.7	-7,150.2
Net Profit	-1,473.2	-946.7	-1,473.2	-946.7	-6,827.6
Total Assets	15,087.4	23,197.5	15,087.4	23,197.5	15,981.3
Equity	9,847.6	17,579.7	9,847.6	17,579.7	11,320.7
Debt	5,239.8	5,617.8	5,239.8	5,617.8	4,610.5
Cash at Hand	1	6,081.2	1	6,081.2	811.1

\*\* Audited

# CEO LETTER

The first quarter of 2018 shows a growth of 8 % compared to the fourth quarter in 2017 and represents the second quarter with consecutive growth. This is for us an important marker as we had to refocus on core values in the latter part of 2017. Growth is mainly derived from the existing customer base.

In the first quarter we increased the customer base in the bitumen segment and in addition our flooring segment reported strong year-on-year growth and expects further growth in 2018. Furthermore we expect Renotech to commercialize the ShineOn technology.



Michael Humle  
CEO

During the first quarter of 2018 the Photocat Garden retail market in Denmark expanded to more outlets. In addition to being available in Bauhaus the product is also available at the Danish retail chain Johannes FOG. The professional part of the market did not pick up any business in the first quarter due to a very long winter with snow all to the end of March.

In March we captured our first concrete project in Mexico. The project is a 14,000 m<sup>2</sup> hotel resort and will be situated in Cancún. Our focus in Mexico is the NO<sub>x</sub>OFF technology for concrete surfaces.

In Spain we were able to attract several new clients in 2017, these clients are learning to compete with the photocatalytic technology in a market slightly more mature than other European markets. The first quarter of 2018 showed no revenue in Spain but Photocat is in a good position to capture market share in this growing market. Photocat clients all have and are in the process of securing photocatalytic projects in their pipeline.

Photocat signed an exciting agreement with the Belgian company Renotech regarding our ShineOn technology. Renotech is already a significant provider of aftermarket surface maintenance for high performing products across the globe. One of the previous hurdles with the ShineOn technology is that the product requires highly skilled applicators which has been very hard to find, Renotech has this experience. The partnership was commercially launched in April and we expect projects to come in during the second quarter.

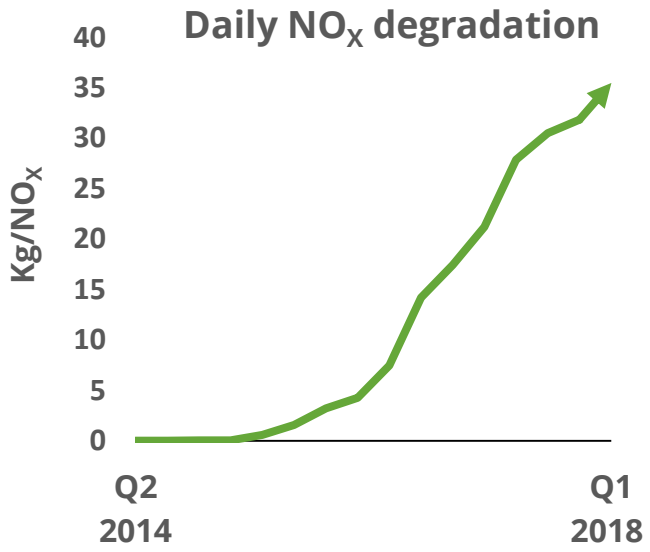
In the Bitumen market we are pleased to see one of the important players incorporate our NO<sub>x</sub>OFF technology. We are pleased to see that our version of the photocatalytic technology is attracting awareness and that the customer base is increasing.

In the first quarter of 2018 Photocat launched its monthly newsletter campaign. The newsletters are proving to be a good way to communicate with current and potential customers. During the first quarter we have had a substantial increase in meeting activity with customers, leads, policymakers and politicians.

After the quarter Photocat held a major event "Clean Air with Photocatalysis". Sensei Akira Fujishima, who discovered photocatalysis in 1967 and was nominated for the nobel price in chemistry in 2012, talked about photocatalysis and its future applications together with leading experts from Europe. The event brought together politicians, architects, and building material manufacturers. The event has led to interesting and qualified talks which we are assessing. The event was recorded, and we expect to make the talks public during the second quarter on our home page.

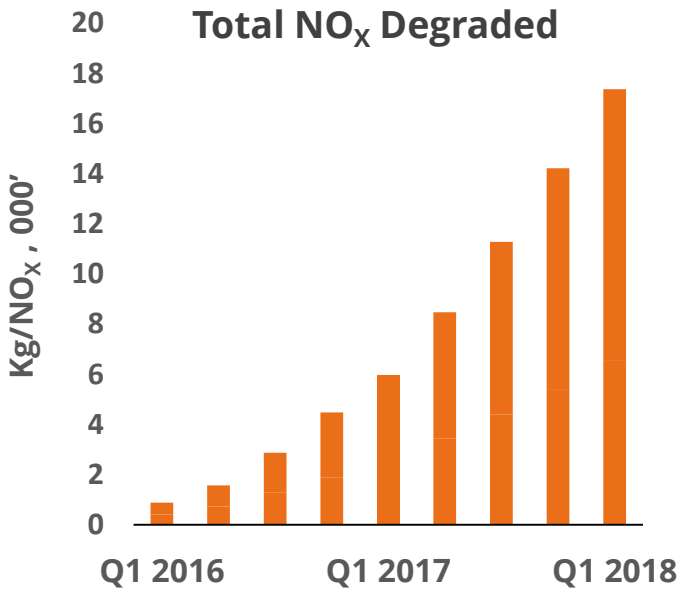
# ENVIRONMENTAL IMPACT

Currently degrading 35.5 Kg/NO<sub>x</sub> per day, equivalent to 216 million driven km by a euro 6 car per year

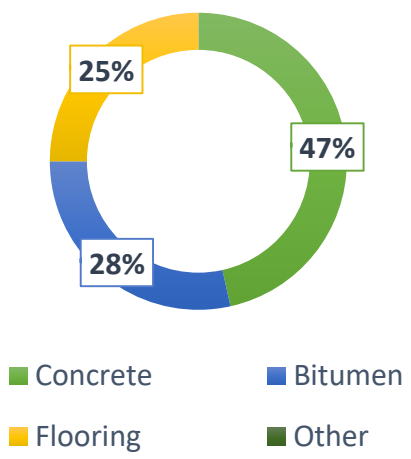


MORE THAN 1 MILLION m<sup>2</sup> WITH PHOTOCATALYTIC SURFACES

Total NO<sub>x</sub> removed is 17,364 KG/NO<sub>x</sub> since inception



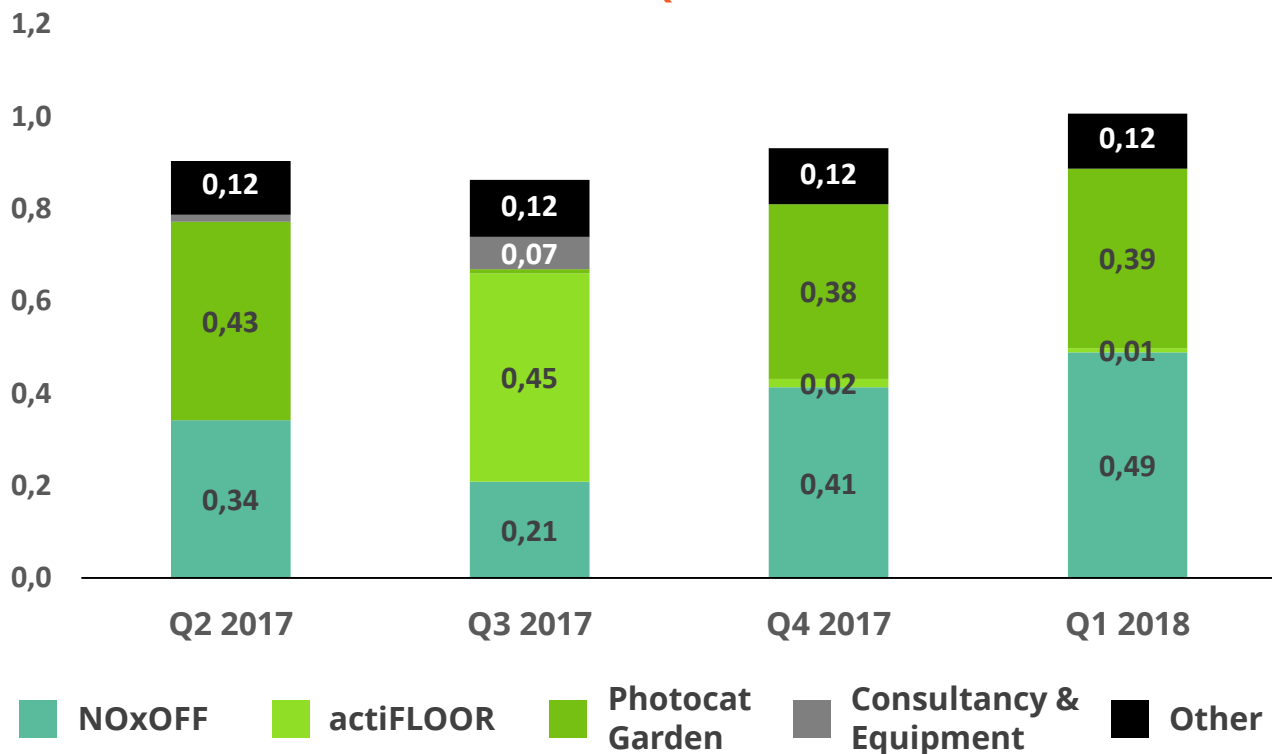
Distribution of Photocatalytic m<sup>2</sup>



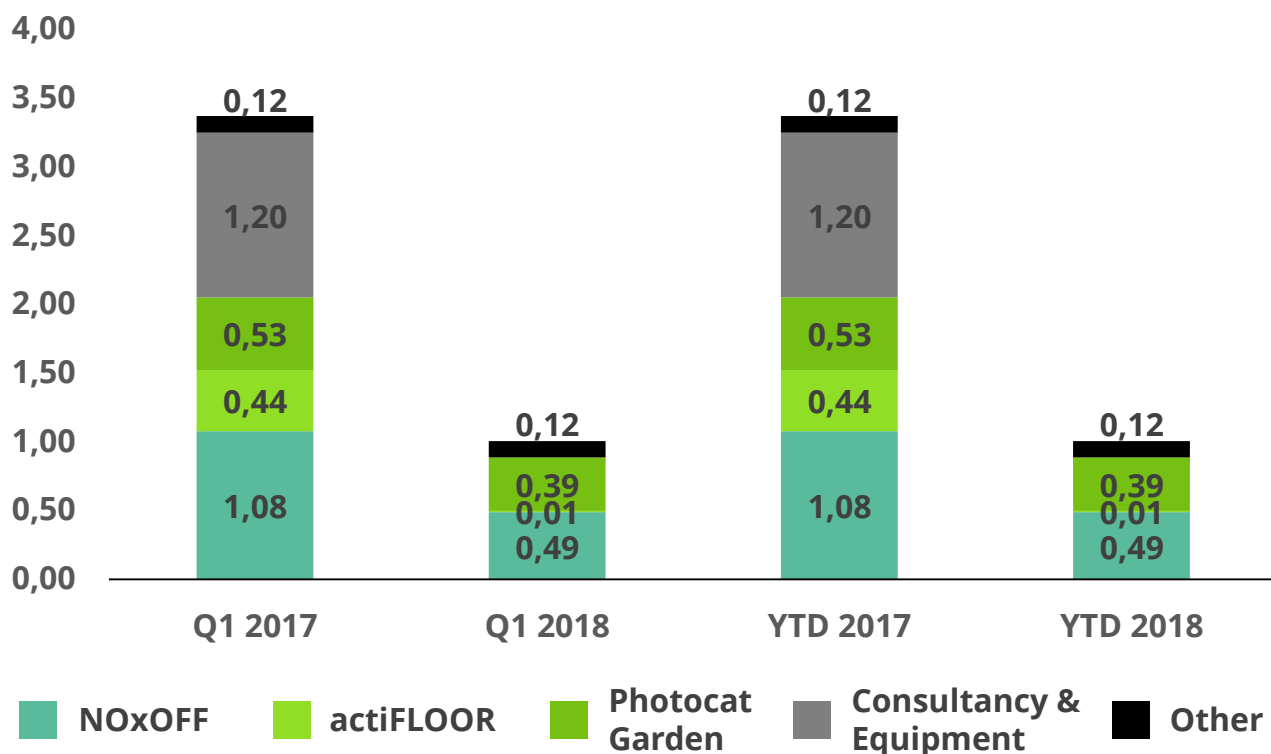
\* Estimated

# REVENUE DEVELOPMENT

## LAST FOUR QUARTERS



## YEAR ON YEAR DEVELOPMENT



# INCOME STATEMENT

Amounts in DKK '000s	NOTES	Q1 2018	Q1 2017	YTD 2018	YTD 2017	FY 2017	FY 2016
<b>Revenue</b>		<b>893.1</b>	<b>3,257.9</b>	<b>893.1</b>	<b>3,257.9</b>	<b>5,616.4</b>	<b>5,180.5</b>
<b>Other operating income</b>	1	<b>113.6</b>	<b>113.6</b>	<b>113.6</b>	<b>113.6</b>	<b>454.4</b>	<b>454.4</b>
Expenses for raw materials and consumables		-298.1	-681.0	-298.1	-681.0	-1,829.6	-2,114.4
Other external expenses	2	-1,033.1	-1,577.7	-1,033.1	-1,577.7	-4,569.0	-6,114.4
<b>Gross profit</b>		<b>-324.5</b>	<b>1,112.8</b>	<b>-324.5</b>	<b>1,112.8</b>	<b>-327.8</b>	<b>-2,593.9</b>
Staff expenses		-673.9	-1,280.2	-673.9	-1,280.2	-4,209.2	-4,747.6
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-512.9	-657.0	-512.9	-657.0	-2,356.9	-2,426.4
<b>Profit/loss before financial income and expenses</b>		<b>-1,511.3</b>	<b>-824.4</b>	<b>-1,511.3</b>	<b>-824.4</b>	<b>-6,893.9</b>	<b>-9,767.9</b>
Financial expenses		-47.1	-122.3	-47.1	-122.3	-256.3	-187.0
<b>Profit/loss before tax</b>		<b>-1,558.5</b>	<b>-946.7</b>	<b>-1,558.5</b>	<b>-946.7</b>	<b>-7,150.2</b>	<b>-9,954.9</b>
Tax		85.3		85.3		322.6	172.4
<b>Net profit/loss</b>		<b>-1,473.2</b>	<b>-946.7</b>	<b>-1,473.2</b>	<b>-946.7</b>	<b>-6,827.6</b>	<b>-9,782.5</b>
Earnings per share		DKK -0.49	DKK -0.32	DKK -0.49	DKK -0.32	DKK -2.28	DKK -4.15

**BALANCE SHEET, assets**

Amounts in DKK '000s	NOTES	Q1 2018	Q1 2017	FY 2017	FY 2016
Completed development projects		5,597.2	6,728.1	7,795.3	8,356.4
Acquired patents		333.2	196.9	358.9	259.1
Development projects in progress	3	3,664.1	2,650.2	1,466.1	1,160.6
<b>Intangible Assets</b>		<b>9,594.5</b>	<b>9,575.2</b>	<b>9,620.3</b>	<b>9,776.1</b>
Plant and machinery		1,802.0	2,185.2	1,901.4	2,301.5
<b>Property, plant and equipment</b>		<b>1,802.0</b>	<b>2,185.2</b>	<b>1,901.4</b>	<b>2,301.5</b>
Other investments					
Deposits		290.3	290.3	290.3	290.3
<b>Fixed asset investments</b>		<b>290.3</b>	<b>290.3</b>	<b>290.3</b>	<b>290.3</b>
<b>Fixed assets</b>		<b>11,686.8</b>	<b>12,050.8</b>	<b>11,812.0</b>	<b>12,367.9</b>
<b>Inventories</b>		<b>799.4</b>	<b>734.5</b>	<b>1,091.0</b>	<b>957.8</b>
Trade receivables		1,913.3	3,536.0	1,533.8	1,741.1
Receivables from group enterprises		0	60.4	0	60.4
Other receivables		132.3	256.0	236.9	236.4
Deferred tax assets		0	0	0	0
Corporation tax		407.8	255.3	322.6	255.3
Prepayments		146.7	223.2	173.9	238.7
<b>Receivables</b>		<b>2,600.2</b>	<b>4,330.9</b>	<b>2,267.2</b>	<b>2,531.9</b>
<b>Cash at bank and in hand</b>		<b>1.0</b>	<b>6,081.2</b>	<b>811.1</b>	<b>172.3</b>
<b>Current assets</b>		<b>3,400.6</b>	<b>11,146.7</b>	<b>4,169.3</b>	<b>3,662.0</b>
<b>Assets</b>		<b>15,087.4</b>	<b>23,197.5</b>	<b>15,981.3</b>	<b>16,029.9</b>

# BALANCE SHEET, liabilities & equity

Amounts in DKK '000s	NOTES	Q1 2018	Q1 2017	FY 2017	FY 2016
Share capital	5	3,000,0	3,000.0	3,000.0	2,356.3
Retained earnings		6,847,6	14,579.7	8,320.7	6,852.7
<b>Equity</b>		<b>9,847,6</b>	<b>17,579.7</b>	<b>11,320.7</b>	<b>9,209.0</b>
Other provisions				50.0	
<b>Provisions</b>				<b>50.0</b>	
Subordinate loan capital					
Credit institutions		972,1	1,561.4	375.0	955.0
Trade payables					
Payables to shareholders and managements		11,3	19.6	10.9	20.9
Deferred income		1,439,0	1,893.4	1,552.6	2,007.0
<b>Long-term debt</b>		<b>2,422,4</b>	<b>3,474.4</b>	<b>1,938.5</b>	<b>2,982.9</b>
Credit institutions		1,017,4		782.4	446.7
Trade payables		617,7	1,114.8	719.9	2,171.2
Other payables		727,9	574.2	715.4	765.7
Deferred income	1	454,4	454.4	454.4	454.4
<b>Short-term debt</b>		<b>2,817,4</b>	<b>2,143.4</b>	<b>2,672,1</b>	<b>3,838.0</b>
<b>Debt</b>		<b>5,239,8</b>	<b>5,617.8</b>	<b>4,610.5</b>	<b>6,820.9</b>
<b>Liabilities &amp; Equity</b>		<b>15,087,4</b>	<b>23,197.5</b>	<b>15,981,3</b>	<b>16,029.9</b>



# CASH FLOW STATEMENT

Amounts in DKK '000s	N O T E S	Q1 2018	Q1 2017	YTD 2018	YTD 2017	FY 2017
Net profit/loss		-1,473.2	-946.7	-1,473.2	-946.7	-6,827.6
Adjustments		361.2	665.7	361.2	665.7	1,836.2
Change in working capital		-95.5	-2,825.0	-95.5	-2,825.0	-1,313.2
<b>Cash flow from operating activities before financial income and expenses</b>		<b>-1,207.5</b>	<b>-3,106.0</b>	<b>-1,207.5</b>	<b>-3,106.0</b>	<b>-6,304.6</b>
Financial expenses		-47.2	-122.3	-47.2	-122.3	-256.3
<b>Cash flow from ordinary activities</b>		<b>-1,254.7</b>	<b>-3,228.3</b>	<b>-1,254.7</b>	<b>-3,228.3</b>	<b>-6,560.9</b>
Corporation tax paid						255.3
<b>Cash flow from operating activities</b>		<b>-1,254.7</b>	<b>-3,228.3</b>	<b>-1,254.7</b>	<b>-3,228.3</b>	<b>-6,305.6</b>
Purchase of property, plant and equipment		-387.6	-339.9	-387.6	-339.9	-1,751.3
Purchase of tangible fixed assets						-49.7
Other adjustments						
<b>Cash flow from investing activities</b>		<b>-387.6</b>	<b>-339.9</b>	<b>-387.6</b>	<b>-339.9</b>	<b>-1,801.0</b>
Increase in loans from credit institutions		832.2	159.6	832.2	159.6	-244.3
Repayment of payables to group enterprises						50.3
Change in payables, stock and suppliers						
Capital increase			9,317.4		9,317.4	8,939.3
<b>Cash flow from financing activities</b>		<b>832.2</b>	<b>9,477.0</b>	<b>832.2</b>	<b>9,477.0</b>	<b>8,745.3</b>
Change in cash and cash equivalents		-810.1	5,908.8	-810.1	5,908.8	638.7
Cash and cash equivalents as of 1st of January		811.1	172.4	811.1	172.4	172.4
<b>Cash and cash equivalents as of 31<sup>th</sup> of March</b>		<b>1.0</b>	<b>6,081.2</b>	<b>1.0</b>	<b>6,081.2</b>	<b>811.1</b>

Cash and cash equivalents are specified as follows:

Cash at bank and in hand

# FINANCIAL NOTES

## Note 1 – Other operating income

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

## Note 2 – Other external expenses

Amounts in DKK '000s	Q1 2018	Q1 2017	FY 2018	FY 2017
Marketing costs	-261.6	-458.7	-261.1	-1,280.1
Premises	-311.1	-281.1	-311.1	-1,134.1
Other costs	-460.4	-837.9	-460.4	-2,154.7
<b>Total other external expenses</b>	<b>-1,033.1</b>	<b>-1,577.7</b>	<b>-1,033.1</b>	<b>-4,568.9</b>

## Note 3 – Development projects in progress

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

## Note 4 – Number of employees

Total number of employees excluding commercial agents is eleven. Photocat has contracts with three commercial agents operating in Mexico and Europe.

## Note 5 – Share Capital

The Company's share capital is 3,000,000 DKK divided into shares of 1 DKK.

# FINANCIAL CALENDAR

The financial calendar will be updated August 2018 in connection with the release of the interim report for the second quarter 2018.

**Release date**

28<sup>th</sup> of August 2018

**Item**

Q2.2018 Interim Report (01/04/2018 – 30/06/2018)

# *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.