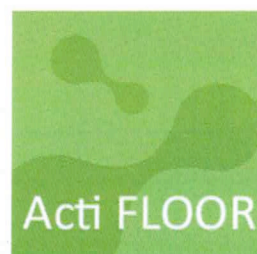


PHOTOCAT



INTERIM REPORT H1.2015

SUMMARY OF INTERIM REPORT 1.JAN. 2015 – 30.JUNE.2015
PHOTOCAT A/S. CVR: 32357903.

SUMMARY

SUMMARY FINANCIALS, IN 1,000 DKK

	H1 2015	H1 2014
<i>Revenue</i>	1 473	2 409
<i>Earnings before interest, taxes, Depreciation & Amortization</i>	-1.682	-383
<i>Net profit/loss</i>	-2.744	-1.142

SIGNIFICANT EVENTS

1ST OF JANUARY 2015 – 30TH OF JUNE 2015

- Lauzon sales have been increasing at a faster pace than previously expected. They are initiating a new marketing initiative with nationwide commercials on tv and product discounts, as a result they expect a continuous growth in sales and hence, an increasing demand for ACTiFLOOR™.
- First sales of Photocat Garden™ started in February and have been higher than initially expected. We have been selling the product in Denmark only, directly to smaller garden tile & roof cleaners. We are now looking for different ways to increase our position in Denmark as well as reviewing expansion into new markets and different entry strategies.
- We closed agreements with two Danish concrete tile producers, IBF and Gammelrand, they are now both producing tiles using our new concrete NOxOFF™ solution, and have already made their first bookings for 3rd quarter.
- Sales within the bitumen segment have proved slower to materialize than expected. This is largely due to the fact that manufacturers seem slow to commit, and that there is a perception of the market not being ready yet for such products.
- The company's transition from its R&D phase to a commercial phase has negatively influenced turnover even though volume is up by more than 150%. This is because sponsored R&D work as planned has ended, which previously stood for a large fraction of turnover.

AFTER 30TH OF JUNE

- We are in talks with numerous roof membrane producers, and hope to see sales to this segment this year. However, the segment has proven slow to move compared to other segments.
- Together with a board member, we are creating a push in our public affairs initiatives, targeting specific decision makers in the Nordics, to both create awareness about NOx but also Photocat and its technology.
- A private placement round was closed in July 2015

MESSAGE FROM THE CEO

Photocat is all about “cleaning the air you breathe”, we do that by offering our catalytic technologies to providers of city inventory, building material manufacturers, city administrations and landscapers. 2015 is the first year where we have directed our efforts towards commercial focus. This is based on the fact that all the major tests and verifications of our technology has been completed with satisfying results for the main commercial products being NOxOFF™, ACTiFLOOR™ and Photocat Garden™. The year has also started with directly approaching the major manufacturers of bitumen roofing materials in major markets like Germany, Benelux, Russia and Scandinavia. There is a perception that the demand from specifiers are not that high and the wholesalers have taken over direct contact to the end customers. This represent a marketing challenge for Photocat and we have therefore initiated a cost benefit analysis of the Photocat solution. It is expected that this solution will be tested with environmental authorities in 3rd And 4th quarter of 2015.

The beginning of 2015 also saw the launch of Photocat Garden™ which is a product aimed at helping private house owners to maintain their outdoor concrete garden stones. This product has already in the first half year captured significant market share in the first test market Denmark. The product is marketed towards professionals offering cleaning and restoration of garden stones. We have high hopes for this new market and are currently reviewing entry strategies for the rest of Scandinavia and Europe.

In the first halfyear we initiated a pre – IPO private placement, getting that capital was essential for us to start ramping up our sales organization. Today we are expecting an IPO to be completed early 3rd Quarter 2015. The aim is to raise sufficient funds to scale our business model and initiate a strong growth. We need to build a much stronger direct push sales organisation as well as focusing on bringing awareness to governments, city municipalities, architects and advisors that the Photocat technology is commercially available.

We were also pleased to see that our completely new concrete technology has the ability to compete with existing market solutions very effectively. This is certainly promising as concrete remains one of the most important materials in shaping modern cities.

Finally we expect to enter into an agreement with world acknowledged architects from Elegante Embellishments in Berlin in the 3rd Quarter. This would allow us to also offer architectural solutions to cities as the one demonstrated in Mexico City and broadcasted on CNN to many more places that need an improvement in air quality.



Michael Humle
CEO & Co-founder

INCOME STATEMENT

<i>IN DKK</i>	H1 2015	H1 2014
Nettoomsætning <i>Revenue</i>	1.473.057	2.409.937
Andre driftsindtægter <i>Other operating income</i>		
Omkostninger til råvarer og hjælpematerialer <i>Expenses for raw materials and consumables</i>	-359.328	-195.553
Andre eksterne omkostninger <i>Other external expenses</i>	-1.338.688	-840.469
Bruttoresultat <i>Gross profit</i>	-224.959	1.373.915
Personaleomkostninger <i>Staff expenses</i>	-1.457.241	-1.757.267
Af- og nedskrivninger af immaterielle og materielle anlægsaktiver <i>Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</i>	-927.276	-647.857
Resultat før finansielle poster <i>Profit/loss before financial income and expenses</i>	-2.609.476	-1.031.209
Finansielle omkostninger <i>Financial expenses</i>	-134.246	-111.208
Resultat før skat <i>Profit/loss before tax</i>	-2.743.722	-1.142.417
Skat <i>Taxes</i>		
Resultat <i>Net profit/loss</i>	-2.743.722	-1.142.417

Balance Sheet 30th of June

ASSETS

<i>IN DKK</i>	H1 2015	H1 2014
Færdiggjorte udviklingsprojekter <i>Completed development projects</i>	9.508.714	1.789.709
Erhvervede patenter <i>Acquired patents</i>	589.785	832.453
Udviklingsprojekter under udførelse <i>Development projects in progress</i>	342.134	7.167.307
Immaterielle anlægsaktiver <i>Intangible Assets</i>	10.440.633	9.789.469
Produktionsanlæg og maskiner <i>Plant and machinery</i>	2.723.814	3.492.514
Materielle anlægsaktiver <i>Property, plant and equipment</i>	2.723.814	3.492.514
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>	13.454.750	13.572.286
Råvarer og hjælpematerialer <i>Raw materials and consumables</i>	637.177	722.752
Færdigvarer og handelsvarer <i>Finished goods and goods for resale</i>	396.801	301.250
Varebeholdninger <i>Inventories</i>	1.033.978	1.024.002

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Tilgodehavender fra salg og tjenesteydelser <i>Trade receivables</i>	1.088.629	1.100.677
Tilgodehavender hos tilknyttede virksomheder <i>Receivables from group enterprises</i>	31.625	34.250
Andre tilgodehavender <i>Other receivables</i>	290.303	715.481
Udskudt skatteaktiv <i>Deferred tax asset</i>	1.474	332.744
Selskabsskat <i>Corporation tax</i>	509.081	-
Periodeafgrænsningsposter <i>Prepayments</i>	151.423	44.000
Tilgodehavender <i>Receivables</i>	2.072.535	2.227.152
Likvide beholdninger <i>Cash at bank and in hand</i>	9.435	9.666
Omsætningsaktiver <i>Current assets</i>	3.115.948	3.260.820
Aktiver <i>Assets</i>	16.570.698	16.833.106

Balance Sheet 30th of June

Liabilities & equity

<i>IN DKK</i>	H1 2015	H1 2014
Selskabskapital <i>Sharecapital</i>	1.167.537	1.167.537
Overført resultat <i>Retained earnings</i>	2.188.322	5.186.335
Egenkapital Equity	3.355.859	6.353.872
Ansvarlig lånekapital Subordinate loan capital	500.002	500.002
Kreditinstitutter <i>Credit institutions</i>	2.463.114	619.224
Leverandører af varer og tjenesteydelser <i>Trade payables</i>	231.496	231.496
Gæld til selskabsdeltagelse og ledelse <i>Payables to Shareholders and Management</i>	2.801.070	2.946.806
Periodeafgrænsningsposter <i>Deferred income</i>	2.915.819	2.851.026
Langfristede gældsforpligtelser Long-term debt	8.911.501	7.148.554
Kreditinstitutter <i>Credit institutions</i>	994.674	193.672
Leverandører af varer og tjenesteydelser <i>Trade payables</i>	2.499.509	2.458.546
Anden gæld <i>Other payables</i>	354.742	224.049

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Periodeafgrænsningsposter <i>Deferred income</i>	454.413	454.413
Kortfristede gældsforpligtelser <i>Short-term debt</i>	4.303.338	3.330.680
Gældsforpligtelser <i>Debt</i>	13.214.839	10.479.234
Passiver <i>Liabilities and equity</i>	16.570.698	16.833.106

Cash flow statement 1st January - 30th of June

IN DKK	H1 2015	H1 2014
Resultat før af- og nedskrivninger og finansielle poster <i>Earnings before interest, taxes, depreciation & amortization (EBITDA)</i>	-1.682.200	-383.352
Reguleringer <i>Adjustments</i>		
Ændring i driftskapital <i>Change in working capital</i>		
Pengestrømme fra drift før finansielle poster <i>Cash flow from operating activities before financial income and expenses</i>	-1.682.200	383.352
Renteudbetalinger og lignende <i>Financial expenses</i>	-134.246	-111.208
Pengestrømme fra ordinær drift <i>Cash flow from ordinary activities</i>	-1.816.446	494.560
Betalt selskabsskat <i>Corporation tax paid</i>		
Pengestrømme fra driftsaktivitet <i>Cash flow from operating activities</i>	-1.816.446	494.560
Køb af immaterielle anlægsaktiver <i>Purchase of property, plant and equipment</i>		
Andre reguleringer <i>Other adjustments</i>		
Pengestrømme fra investeringsaktivitet <i>Cash flow from investing activities</i>	-	-
Forøgelse af gæld til kreditinstitutter <i>Repayment of loans from credit institutions</i>	2.650.925	1.256.582
Tilbagebetaling af gæld til tilknyttede virksomheder af varer og tjenesteydelser <i>Repayment of payables to group enterprises</i>	-136.988	-250.559

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Ændring i tilgodehavender, varebeholdninger, leverandører mv <i>Change in payables, stock and suppliers</i>	-705.769	-511.061
Pengestrømme fra finansieringsaktivitet <i>Cash flow from financing activities</i>	1.808.168	494.962
Ændring i likvider <i>Change in cash and cash equivalents</i>	-8.278	403
Likvider 1. januar <i>Cash and cash equivalents at 1 January</i>	17.713	9.263
Likvider 30. juni <i>Cash and cash equivalents at 30th of June</i>	9.435	9.666
Likvider specificeres således: <i>Cash and cash equivalents are specified as follows:</i>	9.435	9.666
Likvide beholdninger <i>Cash at bank and in hand</i>	9.435	9.666
Likvider 30. juni <i>Cash and cash equivalents at 30th of June</i>	9.435	9.666

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.

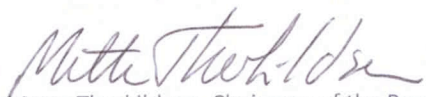
For a description of the Company's risks, please see the Annual Report for the fiscal year 2014. No significant changes in the Company's risk assessment have occurred since the Annual Report was issued.

STATEMENT

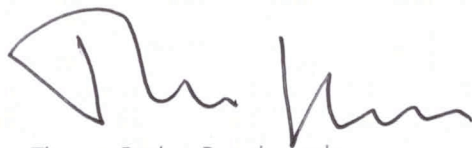
The Board of Directors and the CEO certify that the interim report gives a fair overview of the business, position and profit or loss of the Company and describes the principal risks and uncertainties that face the Company.

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

Roskilde, September the 4th 2015



Mette Therkildsen, Chairman of the Board



Thomas Becker, Board member



Henrik Jensen, Board member



Tom Weidner, Board member

FINANCIAL CALENDAR

3rd Quarter report	[01.07.2015 – 30.09.2015]	[25.11.2015]
4th Quarter report	[01.01.2015 – 31.12.2015]	[25.02.2016]
Annual report	[01.01.2015 – 31.12.2015]	[05.05.2016]
Annual General Meeting		[25.05.2016]

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