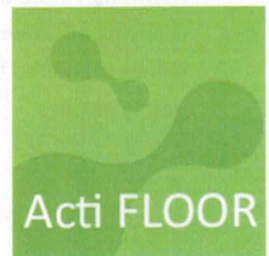


# PHOTOCAT



## INTERIM REPORT Q4.2015

SUMMARY OF INTERIM REPORT JANUARY 1<sup>ST</sup> 2015 –DECEMBER 31<sup>ST</sup> 2015  
PHOTOCAT A/S PCAT CORP.ID NO. 32357903

## SUMMARY

### SIGNIFICANT EVENTS

#### DURING THE PERIOD

- Photocat completed Initial Public Offering on NASDAQ First North Stockholm. The Company raised SEK 14.6 m. First day of trading in November 2015.
- Signed agreements with 2 important customers in Photocat Garden and Shine-On business. The agreements will secure important distribution of Photocat products.

#### AFTER THE PERIOD

- Entered agreement with Quandt Dachbahnen in Berlin aiming at supplying the Berlin area with Roofing membranes to reduce the consequences of Dieselgate.
- Entered agreement with Binné & Sohn GmbH in Hamburg aimed at offering a range of NOx reducing bitumen membranes. The products will be marketed through Binné & Sohn existing points of sales.

## MESSAGE FROM THE CEO

The Fourth Quarter was a busy quarter where many customer leads put Photocat on hold position as they expressed uncertainty on whether the Paris COP 21 turned out positive. Furthermore, they wanted to see Photocat results of the Initial Public Offering in the 4<sup>th</sup> quarter. In Q4 Photocat had tested its sales set up and verified through focused actions on specific customers the ability to sell technology solutions using Photocat air purifying technology. 2015 became the first year where Photocat converted from offering consultancy services to delivering photocatalysts. Photocat delivered more than 10 ton of catalyst in 2015 which is an all-time high and shows that we have got a base of solid recurring customers, who believes in the NOxOFF technology. The expected upturn in turnover is expected to be delayed with 6 to 9 months based on the developments in the second half and particular last quarter of 2015.

From the point of getting customers to sign-in with the NOxOFF concept we could see that the lead portfolio of Photocat proved to be genuine although it took longer than expected to land the 2 most recent NOxOFF Bitumen customers. It also became clear that the specific leads wanted to see the outcome of Photocat's IPO before starting the production of NOxOFF solutions. The turnover landed below 2015 expectations due to a later listing date than expected. Photocat has since the start of 2016 entered into agreements securing significant growth in sales of Photocatalyst in 2016 as the orders at present is higher than the total volumes delivered in 2015.

The IPO resulted in a success on the first day of trading as both volume in share sales were higher than average for First North listed companies. The outcome of the IPO gave Photocat sufficient funds to operate and implement first part of the strategy plan. Yet it may be that Photocat will try to exploit the mandate at hand to increase the share capital and raise additional capital in 2016. Photocat has credit lines available from its financial institution which will be reviewed in order to see whether these facilities should be enlarged or reduced.

In the aftermath of the COP21 it became clear that the matter of air pollution is a major world health problem and not only in China. Today the most air polluted cities are estimated to be in India and since the publication in Environmental Pollution from the Dutch research group from Radboud University it is clear that Dieselgate alone will cost enormous resources and mean 45.000 Disability Adjusted Life Years (DALY's). Photocat believe that these result will to a greater extent than earlier force political decision makers to react and appreciate documentation based solutions to reduce NOx in the air similar to what Photocat offers.



**Michael Humle**  
Co-founder & CEO  
23. February 2016

## INTERIM REPORT Q4 2015

### Financial Summary of the year 2015

- Photocats first year of transformation from R&D Company ended with a strong growth in volume sales of our photocatalyst in both Photocat Garden™, NOxOFF™, Shine-On™ and ACTIFLOOR™. In all 4 product categories volume is up to all time high levels. What is promising for 2016 is that we have orders for higher volumes than we delivered in 2015 for all product categories.
- To meet the demands and to be able to deliver on time to the customers, Photocat has increased production of photocatalytic materials and increased inventory.
- 2015 was also the first year we recorded sales in all four product families.

### PHOTOCAT A/S

Photocat A/S manufactures patented photocatalytic 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  | Note | Q4<br>2015           | Full-year<br>2015    | Q4<br>2014         | Full-year<br>2014    |
|---|------|----------------------|----------------------|--------------------|----------------------|
| <b>Nettoomsætning</b><br><i>Revenue</i>   |      | 193.042,00           | 2.390.207,00         | 147.330,15         | 3.817.045,21         |
| Andre driftsindtægter<br><i>Other operating income</i>  |      | 454.413,00           | 454.413,00           | 265.074,00         | 265.074,00           |
| Omkostninger til råvarer og hjælpematerialer<br><i>Expenses for raw materials and consumables</i>   |      | 796.703,00           | 140.014,00           | -143.246,19        | -495.680,35          |
| Andre eksterne omkostninger<br><i>Other external expenses</i>   |      | -1.604.449,36        | -3.558.452,00        | -149.109,40        | -1.764.438,19        |
| <b>Bruttoresultat</b><br><i>Gross profit</i>  |      | <b>-160.291,36</b>   | <b>-573.818,00</b>   | <b>120.048,56</b>  | <b>1.822.000,67</b>  |
| Personaleomkostninger<br><i>Staff expenses</i>  |      | 205.328,00           | -2.540.820,00        | 124.037,81         | -1.566.418,04        |
| Af- og nedskrivninger af immaterielle og materielle<br>anlægsaktiver<br><i>Depreciation, amortisation and impairment of<br/>intangible assets and property, plant and equipment</i> |      | -982.110,92          | -2.373.373,25        | -723.831,47        | -1.891.258,69        |
| <b>Resultat før finansielle poster</b><br><i>Profit/loss before financial income and expenses</i>   |      | <b>-937.074,28</b>   | <b>-5.488.011,25</b> | <b>-479.745,10</b> | <b>-1.635.676,06</b> |
| Finansielle omkostninger<br><i>Financial expenses</i>   |      | -105.273,00          | -397.254,00          | -85.214,71         | -253.701,97          |
| <b>Resultat før skat</b><br><i>Profit/loss before tax</i>   |      | <b>-1.042.347,28</b> | <b>-5.885.265,25</b> | <b>-564.959,81</b> | <b>-1.889.378,03</b> |
| Skat<br><i>Taxes</i>  |      | 239.026,00           | 239.026,00           | 473.779,61         | 473.779,61           |
| <b>Resultat</b><br><i>Net profit/loss</i>   |      | <b>-803.321,28</b>   | <b>-5.646.239,25</b> | <b>-91.180,20</b>  | <b>-1.415.598,42</b> |

Balance Sheet 31<sup>ST</sup> of December

## ASSETS

| IN DKK  | Note | Q4<br>2015           | Year-end<br>2015     | Q4<br>2014           | Year-end<br>2014     |
|---|------|----------------------|----------------------|----------------------|----------------------|
| Færdiggjorte udviklingsprojekter<br><i>Completed development projects</i>                 |      | 8.259.666,00         | 8.259.666,00         | 9.792.769,81         | 9.792.769,81         |
| Erhvervede patenter<br><i>Acquired patents</i>  |      | 507.632,09           | 507.632,09           | 710.771,14           | 710.771,14           |
| Udviklingsprojekter under udførelse<br><i>Development projects in progress</i>            |      | 1.787.561,00         | 1.787.561,00         | 342.134,00           | 342.134,00           |
| <b>Immaterielle anlægsaktiver</b><br><i>Intangible Assets</i>                             |      | <b>10.554.859,09</b> | <b>10.554.859,09</b> | <b>10.845.674,95</b> | <b>10.845.674,95</b> |
| Produktionsanlæg og maskiner<br><i>Plant and machinery</i>                                |      | 2.788.526,52         | 2.788.526,52         | 3.246.048,51         | 3.246.048,51         |
| <b>Materielle anlægsaktiver</b><br><i>Property, plant and equipment</i>                   |      | <b>2.788.526,52</b>  | <b>2.788.526,52</b>  | <b>3.246.048,51</b>  | <b>3.246.048,51</b>  |
| Andre værdipapirer og kapitalandele<br><i>Other investments</i>                           |      | 1,00                 | 1,00                 | 1,00                 | 1,00                 |
| Deposita<br><i>Deposits</i>   |      | 290.302,25           | 290.302,25           | 290.302,25           | 290.302,25           |
| <b>Finansielle anlægsaktiver</b><br><i>Fixed asset investments</i>                        |      | <b>290.303,25</b>    | <b>290.303,25</b>    | <b>290.303,25</b>    | <b>290.303,25</b>    |
| <b>Anlægsaktiver</b><br><i>Fixed assets</i>   |      | <b>13.633.688,86</b> | <b>13.633.688,86</b> | <b>14.382.026,71</b> | <b>14.382.026,71</b> |
| <b>Varebeholdninger</b><br><i>Inventories</i>   |      | <b>1.703.608,00</b>  | <b>1.703.608,00</b>  | <b>1.107.478,00</b>  | <b>1.107.478,00</b>  |
| Tilgodehavender fra salg og tjenesteydelser<br><i>Trade receivables</i>                   |      | 928.376,00           | 928.376,00           | 288.565,25           | 288.565,25           |
| Tilgodehavender hos tilknyttede virksomheder<br><i>Receivables from group enterprises</i> |      | 31.625,00            | 31.625,00            | 31.625,00            | 31.625,00            |
| Andre tilgodehavender<br><i>Other receivables</i>   |      | 354.393,39           | 354.393,39           | 37.835,00            | 37.835,00            |

## INTERIM REPORT Q4 2015

|  |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
| Udskudt skatteaktiv<br><i>Deferred tax asset</i>               | 240.500,01           | 240.500,01           | 510.555,00           | 510.555,00           |
| Selskabsskat<br><i>Corporation tax</i>                         |                      |                      |                      |                      |
| Periodeafgrænsningsposter<br><i>Prepayments</i>                | 94.000,00            | 94.000,00            | 152.691,88           | 152.691,88           |
| <b>Tilgodehavender</b><br><i>Receivables</i>                   | <b>1.648.894,4</b>   | <b>1.648.894,4</b>   | <b>1.021.272,13</b>  | <b>1.021.272,13</b>  |
| <b>Likvide beholdninger</b><br><i>Cash at bank and in hand</i> | <b>3.134.676,31</b>  | <b>3.134.676,31</b>  | <b>17.713,00</b>     | <b>17.713,00</b>     |
| <b>Omsætningsaktiver</b><br><i>Current assets</i>              | <b>6.487.178,71</b>  | <b>6.487.178,71</b>  | <b>2.146.463,13</b>  | <b>2.146.463,13</b>  |
| <b>Aktiver</b><br><i>Assets</i>                                | <b>20.120.867,57</b> | <b>20.120.867,57</b> | <b>16.528.489,84</b> | <b>16.528.489,84</b> |

## Balance Sheet 31<sup>st</sup> of December

### Liabilities & equity

| IN DKK   | Note | Q4<br>2015            | Year-end<br>2015      | Q4<br>2014           | Year-end<br>2014     |
|--|------|-----------------------|-----------------------|----------------------|----------------------|
| Selskabskapital<br><i>Sharecapital</i>   |      | -1.980.508,00         | -1.980.508,00         | -1.167.537,00        | -1.167.537,00        |
| Overført resultat<br><i>Retained earnings</i>  |      | -11.130.498,00        | -11.130.498,00        | -4.932.044,00        | -4.932.044,00        |
| <b>Egenkapital<br/><i>Equity</i></b>   |      | <b>-13.111.006,00</b> | <b>-13.111.006,00</b> | <b>-6.099.581,00</b> | <b>-6.099.581,00</b> |
| Ansvarlig lånekapital<br><i>Subordinate loan capital</i>                                 |      |                       |                       | -500.001,64          | -500.001,64          |
| Kreditinstitutter<br><i>Credit institutions</i>  |      | -1.937.101,61         | -1.937.101,61         | -644.996,00          | -644.996,00          |
| Leverandører af varer og tjenesteydelser<br><i>Trade payables</i>                        |      |                       |                       | -231.496,00          | -231.496,00          |
| Gæld til selskabsdeltagelse og ledelse<br><i>Payables to Shareholders and Management</i> |      | -25.710,78            | -25.710,78            | -2.938.058,20        | -2.938.058,20        |
| Periodeafgrænsningsposter<br><i>Deferred income</i>                                      |      | -2.461.406,00         | -2.461.406,00         | -2.915.819           | -2.915.819           |
| <b>Langfristede gældsforpligtelser<br/><i>Long-term debt</i></b>                         |      | <b>-4.424.218,39</b>  | <b>-4.424.218,39</b>  | <b>-7.230.370,84</b> | <b>-7.230.370,84</b> |
| Kreditinstitutter<br><i>Credit institutions</i>  |      |                       |                       | -161.867,00          | -161.867,00          |
| Leverandører af varer og tjenesteydelser<br><i>Trade payables</i>                        |      | -1.542.189            | -1.542.189            | -2.077.813,00        | -2.077.813,00        |
| Anden gæld<br><i>Other payables</i>  |      | -589.042              | -589.042              | -504.445,00          | -504.445,00          |



**INTERIM REPORT Q4 2015**

|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| Periodeafgrænsningsposter<br><i>Deferred income</i>              | -454.413,00    | -454.413,00    | -454.413,00    | -454.413,00    |
| <b>Kortfristede gældsforpligtelser</b><br><i>Short-term debt</i> | -2.585.644,00  | -2.585.644,00  | -3.198.538,00  | -3.198.538,00  |
| <b>Gældsforpligtelser</b><br><i>Debt</i>                         | -7.009.862,39  | -7.009.862,39  | -10.428.908,84 | -10.428.908,84 |
| <b>Passiver</b><br><i>Liabilities and equity</i>                 | -20.120.868,39 | -20.120.868,39 | -16.528.489,84 | -16.528.489,84 |

## Cash flow statement 1<sup>st</sup> January – 31<sup>st</sup> of December

| IN DKK  | Note | Q4<br>2015           | Year-end<br>2015     |
|---|------|----------------------|----------------------|
| Resultat<br><i>Net profit/loss</i>  |      | -803.321,28          | -5.646.239,25        |
| Reguleringer<br><i>Adjustments</i>  |      | 393.944,92           | 2.077.188,25         |
| Ændring i driftskapital<br><i>Change in working capital</i>   |      | -971.448,00          | -2.176.330,00        |
| <b>Pengestrømme fra drift før finansielle poster</b><br><i>Cash flow from operating activities before financial income and expenses</i> |      | <b>-1.380.824,36</b> | <b>-5.745.381,00</b> |
| Renteudbetalinger og lignende<br><i>Financial expenses</i>  |      | -105.273,00          | -397.254,00          |
| <b>Pengestrømme fra ordinær drift</b><br><i>Cash flow from ordinary activities</i>  |      | <b>-1.486.097,36</b> | <b>-6.142.635,00</b> |
| Betalt selskabsskat<br><i>Corporation tax paid</i>  |      | 509.081,00           | 509.081,00           |
| <b>Pengestrømme fra driftsaktivitet</b><br><i>Cash flow from operating activities</i>   |      | <b>-977.016,36</b>   | <b>-5.633.554,00</b> |
| Køb af immaterielle anlægsaktiver<br><i>Purchase of property, plant and equipment</i>   |      | -1.590.035,00        | -1.590.035,00        |
| Køb af materielle anlægsaktiver<br><i>Purchase of tangible fixed asset</i>  |      | -35.000,00           | -35.000,00           |
| Andre reguleringer<br><i>Other adjustments</i>  |      |                      |                      |
| <b>Pengestrømme fra investeringsaktivitet</b><br><i>Cash flow from investing activities</i>   |      | <b>-1.625.035,00</b> | <b>-1.625.035,00</b> |
| Forøgelse af gæld til kreditinstitutter<br><i>Increase in loans from credit institutions</i>  |      | 467.898,00           | 1.130.239,00         |

## INTERIM REPORT Q4 2015

|   |              |               |
|---|--------------|---------------|
| Tilbagebetaling af gæld til tilknyttede virksomheder af varer og tjenesteydelser<br><i>Repayment of payables to group enterprises</i> | 21.339,00    | 21.339,00     |
| Increase in Equity  |              |               |
| Kapitalforhøjelse<br><i>Capital increase</i>  | 4.615.163,00 | 9.223.977,00  |
|   |              |               |
|   | 5.104.400,00 | 10.375.555,00 |
| <b>Pengestrømme fra finansieringsaktivitet</b><br><i>Cash flow from financing activities</i>  |              |               |
| <b>Ændring i likvider</b><br><i>Change in cash and cash equivalents</i>   | 2.502.348,64 | 3.116.966,00  |
| Likvider 1. januar<br><i>Cash and cash equivalents at 1 January</i>   | 632.328,00   | 17.713,00     |
| <b>Likvider 31<sup>st</sup> December</b><br><i>Cash and cash equivalents at 31<sup>st</sup> December</i>                              | 3.134.676,64 | 3.134.679,00  |
| Likvider specificeres således:<br><i>Cash and cash equivalents are specified as follows:</i>  |              |               |
| Likvide beholdninger<br><i>Cash at bank and in hand</i>   | 632.328,00   | 3.134.676,31  |
| <b>Likvider 31<sup>st</sup> December</b><br><i>Cash and cash equivalents at 31<sup>st</sup> December</i>                              | 3.134.676,31 | 3.134.676,31  |

## 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, [02, 25, 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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