



PHOTOCAT

CLEANING THE AIR WE BREATHE

BY DEGRADING NO_x AND VOC's
IN THE CITIES WE LIVE

INTERIM REPORT H1 2019

PHOTOCAT A/S PCAT CORP, ID NO, 32357903

H1 2019: SUMMARY

Main highlights during the first half year of 2019

- Revenue grew 12,2 % in the first half year 2019 compared to the first half year of 2018.
- Photocat realized a positive EBITDA in the first half year of 2019.
- The indoor business grew 26,3 % in the first half of 2019 over first half of 2018.
- Exclusive agreement was signed with the largest concrete manufacturer in Denmark regarding providing NOxOFF solutions to Danish cities.
- The first NOxOFF installation was officially opened at a larger celebration in the Municipality of Frederiksberg (Langelands plads).
- Photocat Garden was launched in Norway.
- Photocat issued 1.251.072 shares in a direct issue securing SEK 8.9 million SEK in new equity.

Main highlights after the first half year of 2019

Amounts in DKK '000s	1 Jan – 30 Jun 2019	1 Jan – 30 Jun 2018	Year-to-date 2019	Year-to-date 2018	Full Year 2018**
Revenue from photocatalytic fluid	3,408.2	3,338.8	3,408.2	3,338.8	4,386.4
Revenue from Consultancy, Equipment & Other	722.3	352.4	722.3	352.4	791,1
Gross Profit	1,238.4	600.6	1,238.4	600.6	-370.8
EBITDA	110.5	-782.9	110.5	-782.9	-3,141.2
P/L before Tax	-903,4	-2,016.7	-903,4	-2,016.7	-5,385.8
Net Profit	-903.4	-1,931.4	-903.4	-1,931.4	-5,119.2
Total Assets	16,932.7	16,679.4	16,932.7	16,679.4	14,538.9
Equity	12,858.5	9,389.3	12,858.5	9,389.3	7,568.2
Debt	4,074.2	7,290.1	4,074.2	7,290.1	6,970.7
Cash at Hand	1,143.7	269.7	1,143.7	269.7	37.4

** Audited

CEO LETTER

The first half year of 2019 shows a revenue of 4.1 mDKK which is a growth in revenue and other operating income of 12,2 % compared to the first half of 2018 – and for the first time with a positive EBITDA. The EBITDA has grown from -782,9 tDKK first half of 2018 to 110,5 tDKK in first half of 2019.

Revenue and other operating income is in a positive development. We are confident about our customer base is growing as well as turning into repeatable business. The development we have seen with the customers shows that their products using our technology are finding way to market and end customers.

The city of Frederiksberg, one of the cities with the highest population densities in Northern Europe, has decided to use NOxOFF pavements to reduce air pollution. In april the Major opened the first NOxOFF installation on Langelands Plads with a celebration. The Photocat team was proud of experiencing the opening. In addition, pavements along one of the main roads on Frederiksberg have been paved with NOxOFF pavement stones.

For the NOxOFF brand and technology, we have seen a positive development on the German market. The company F. C. Nudling is one of the original inventors of the aircleaning technology. The company is the owner and licensor of Airclean brand. In co-operation we have evaluated Photocats technology and found it highly competitive. The first order has been delivered. In Denmark, we have seen a major concrete player (IBF) securing the rights to market NOxOFF in Denmark and prepare a launch in the second half of 2019. Further, we are developing the possibilities of a wider launch of NOxOFF solutions in concrete pavements in Norway and Sweden. We are also pleased with the development of the NOxOFF brand in the bitumen market. New leads develop and existing customers experience growth.

Photocat Garden has also experienced growth as the product has been launched in in Norway in the first half of 2019. In the second half of the year ,we will make a feasibility study of the market potential for Photocat Garden in Spain in co-operation with our local partner.

Within the indoor technology, we continue to see growth in in-market sales of Pure Genius. The flooring business was up 26,3 % in sales in US and Canada from first half year of 2018 to first half year of 2019. The Fibrolith company who earlier launched acoustic ceiling products with Photocats technology in Germany has won the first projects.

Besides increasing sales we experience an increasing awareness about Photocatalytic technology.

UN declared 4 innovations crucial to tackle air pollution. Two of them are based on photocatalytic technology. This is another indicator of the increasing awareness of our technology even at the highest political levels.

In Denmark the official calculation of the cost burden of one kg of NOx has been updated in the first half of 2019. The official calculations are now using the systematic and structure of Photocats cost benefit calculations. Thus one kg of NOx corresponds to 600 DKK in public health cost. This number is considerable higher than the previous official number. For Photocat offerings this means that the payback time has been reduced increasing the competitiveness of Photocats technology in the market!

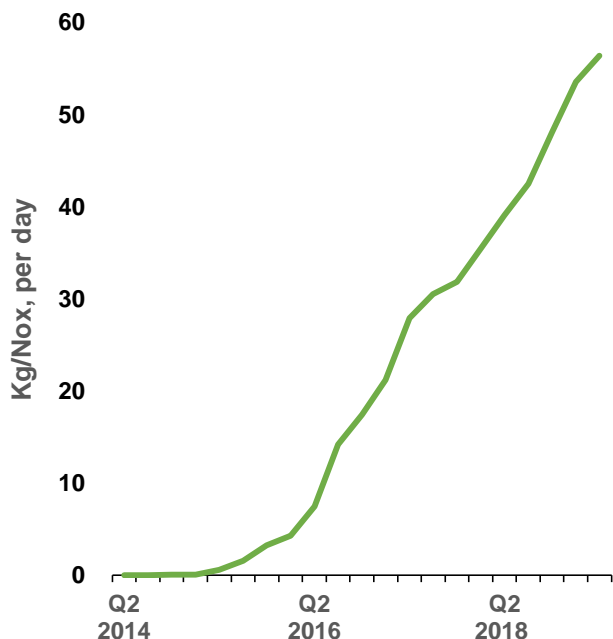
Finally, Photocat prepared to increase its share capital and completed a private placement round in April. The capital raised was 8.9 mill SEK.



Michael Humle
CEO

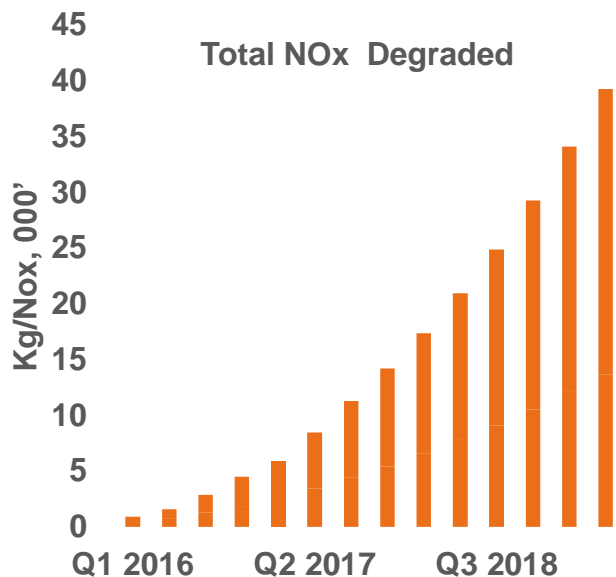
ENVIRONMENTAL IMPACT

Currently degrading 56.4 Kg/NO_x per day, equivalent to 343.1 million driven km by a euro 6 car per year

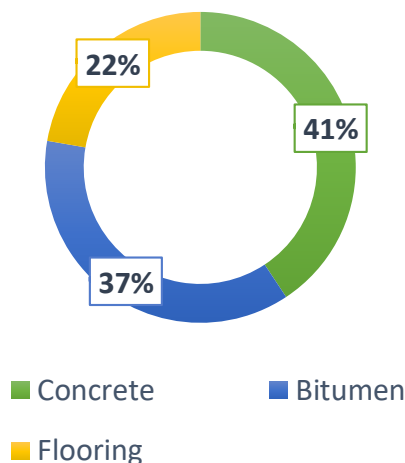


MORE THAN
3 MILLION m² WITH
PHOTOCATALYTIC
SURFACES
DELIVERED

Total NO_x removed is 39,240 KG/NO_x since inception

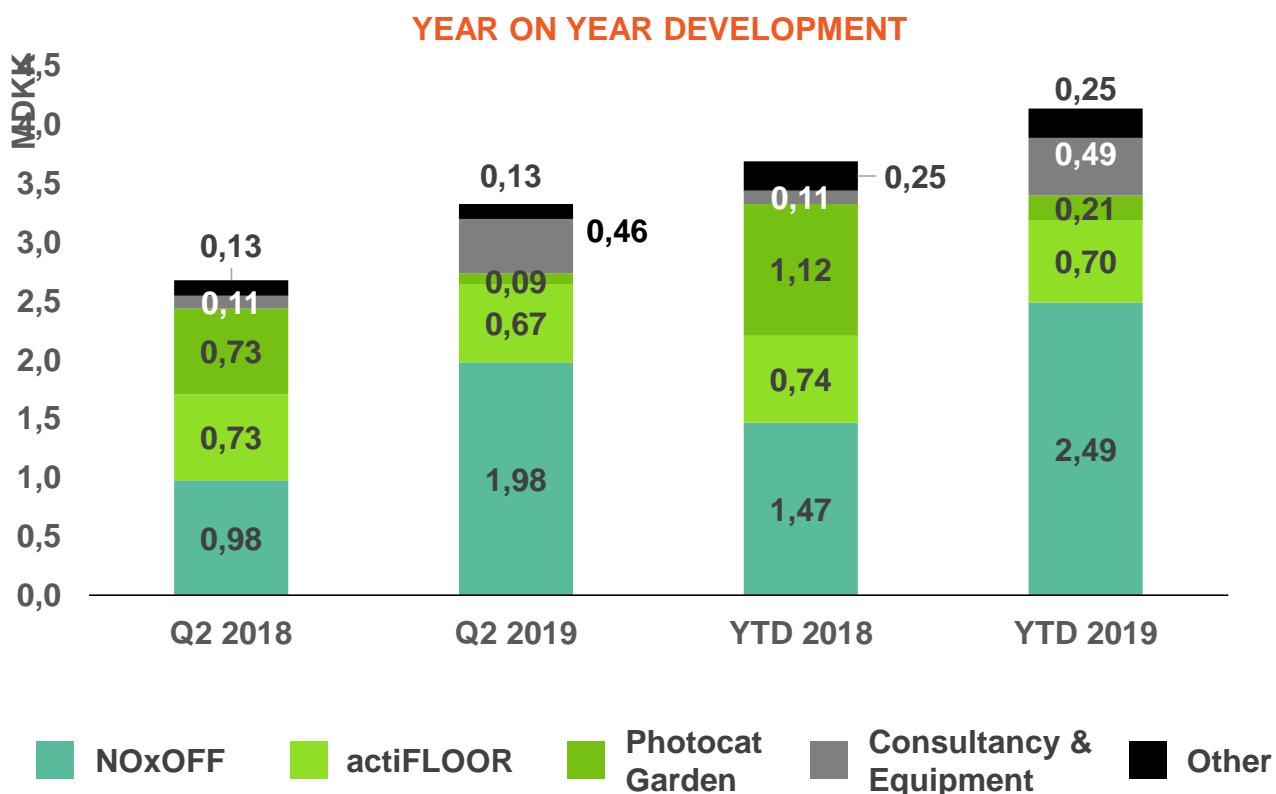
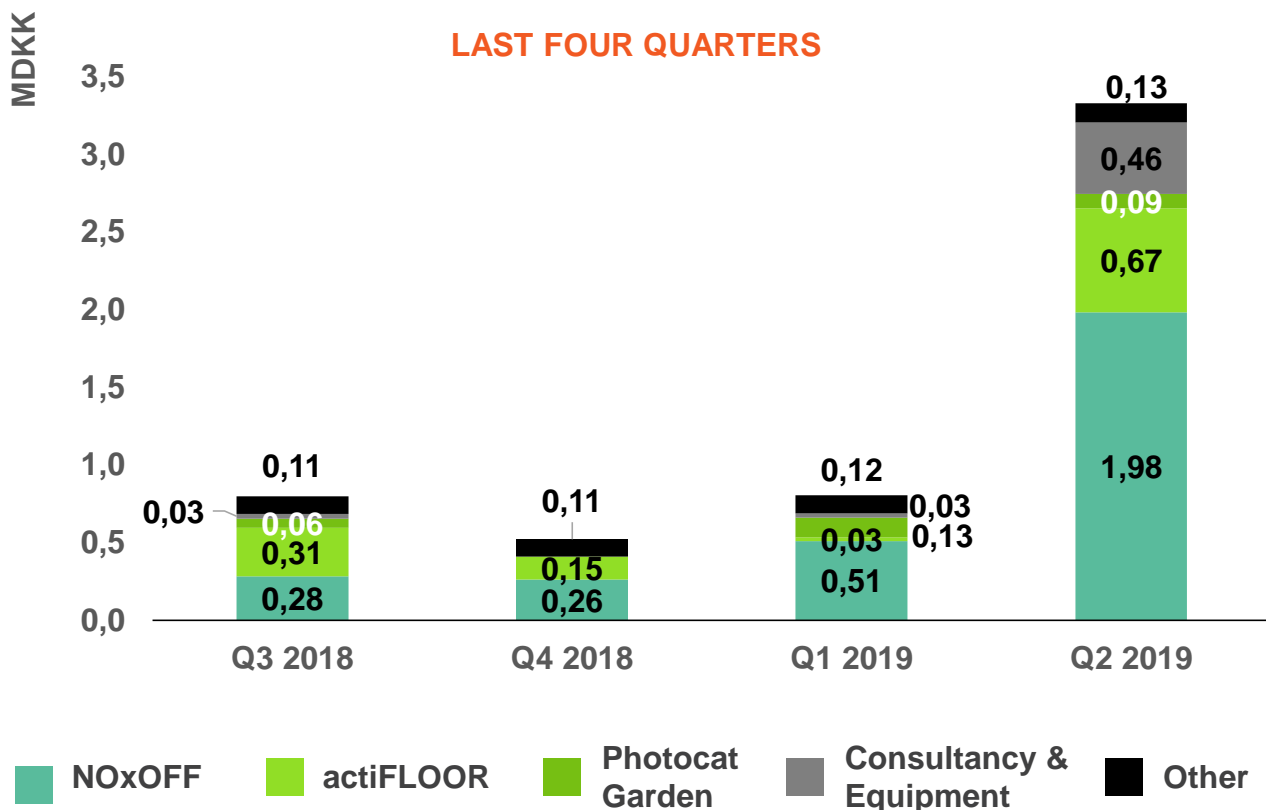


Distribution of Photocatalytic m²



* Estimated

REVENUE DEVELOPMENT



INCOME STATEMENT

Amounts in DKK '000s	N O T E S	H1 2019	H1 2018	YTD 2019	YTD 2018	FY 2018	FY 2017
Revenue		3,903.3	3,464,0	3,903.3	3,464,0	4,587.1	5,616,4
Other operating income	1	227.2	227,2	227.2	227,2	590.1	454,4
Expenses for raw materials and consumables		-561.4	-764,9	-561.4	-764,9	-1,315.9	-1,829,6
Other external expenses	2	-2,330.7	-2,325,7	-2,330.7	-2,325,7	-4,232.1	-4,569,0
Gross profit		1,238.4	600.6	1,238.4	600.6	-370.8	-327,8
Staff expenses		-1,127.9	-1,383.5	-1,127.9	-1,383.5	-2,770.3	-4,209,2
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-978.2	-1,025.8	-978.2	-1,025.8	-2,001.6	-2,356,9
Profit/loss before financial income and expenses		-867.7	-1,808.7	-867.7	-1,808.7	-5,142,8	-6,893,9
Financial expenses		-35.7	-208.0	-35.7	-208.0	-243.0	-256,3
Profit/loss before tax		-903.4	-2,016.7	-903.4	-2,016.7	-5,385.8	-7,150,2
Tax		-	85.3	-	85.3	266.6	322,6
Net profit/loss		-903.4	-1,931.4	-903.4	-1,931.4	-5,119.2	-6,827,6
Earnings per share		DKK -0,20	DKK -0,64	DKK -0,20	DKK -0,64	DKK -1, 57	DKK -2,28

BALANCE SHEET, assets

Amounts in DKK '000s	NOTES	H1 2019	H1 2018	FY 2018	FY 2017
Completed development projects		5,973.0	5,265.5	6,749.3	7,795.3
Acquired patents		281.5	307.6	291.4	358.9
Development projects in progress	3	3,082.4	3,968.6	2,173.8	1,466.1
Intangible Assets		9,336.9	9,541.7	9,214.5	9,620.3
Plant and machinery		1,311.9	1,702.7	1,503.9	1,901.4
Property, plant and equipment		1,311.9	1,702.7	1,503.9	1,901.4
Other investments		0.0	0.0	0.0	0.0
Deposits		290.3	290.3	290.3	290.3
Fixed asset investments		290.3	290.3	290.3	290.3
Fixed assets		10,939.1	11,534.6	11,008.7	11,812.0
Inventories		789.0	690.1	910.7	1,091.0
Trade receivables		3,425.2	3,432.9	1,923.4	1,533.8
Receivables from group enterprises		-	0.0	0.0	0.0
Other receivables		227.6	190.0	251.2	236.9
Deferred tax assets		-	-	0	0
Corporation tax		266.6	407.8	266.6	322.6
Prepayments		141.3	154.2	140.9	173.9
Receivables		4,060.9	4,185.0	2,582.2	2,267.2
Cash at bank and in hand		1,143.7	269.7	37.4	811.1
Current assets		5,993.6	5,144.8	3,530.2	4,169.3
Assets		16,932.7	16,679.4	14,538.9	15,981.3

BALANCE SHEET, liabilities & equity

Amounts in DKK '000s	NOTES	H1 2019	H1 2018	FY 2018	FY 2017
Share capital	4	4,500.0	3,000.0	3,248.9	3,000,0
Retained earnings		8,358.5	6,389.3	4,319.2	8,320,7
Equity		12,858.5	9,389.3	7,568.2	11,320,7
Other provisions		-	-	-	50,0
Provisions		-	-	-	50,0
Subordinate loan capital		-	-	-	-
Credit institutions		-	824.9	-	375,0
Trade payables		-	-	-	-
Payables to shareholders and managements		13.6	11.8	2,173.6	10,9
Deferred income		1,313.1	1,325.5	1,540.3	1,552,6
Long-term debt		1,326.7	2,162.0	3,713.9	1,938,5
Credit institutions		300.0	767.7	1,145.3	782,4
Trade payables		1,524.2	1,131.8	1,242.8	719,9
Other payables		468.8	2,774.2	414.3	715,4
Deferred income	1	454.4	454.4	454,4	454,4
Short-term debt		2,747.5	5,128.1	3,256.8	2,672,1
Debt		4,074.2	7,290.1	6,970.7	4,610,5
Liabilities & Equity		16,932.7	16,679.4	14,538.9	15,981,3

CASH FLOW STATEMENT

Amounts in DKK '000s	N O T E S	H1 2019	H1 2018	YTD 2019	YTD 2018	FY 2018
Net profit/loss		-903.4	-1,931.4	-903.4	-1,931.4	-5,119.2
Adjustments		786.7	921.3	786.7	921.3	1,523.6
Change in working capital		-3,180.3	-1,227.9	-3,180.3	-1,227.9	423.3
Cash flow from operating activities before financial income and expenses		-3,297.0	-2,238.0	-3,297.0	-2,238.0	-3,172.3
Financial expenses		-35.7	-99.1	-35.7	-99.1	-243.0
Cash flow from ordinary activities		-3,332.7	-2,337.2	-3,332.7	-2,337.2	-3,415.3
Corporation tax paid		-	-	-	-	322.6
Cash flow from operating activities		-3,332.7	-2,337.2	-3,332.7	-2,337.2	-3,092.8
Purchase of property, plant and equipment		-908.6	-748.4	-908.6	-748.4	-1,198.2
Purchase of tangible fixed assets		-	-	-	-	-
Other adjustments		-	-	-	-	-
Cash flow from investing activities		-908.6	-748.4	-908.6	-748.4	-1,198.2
Increase in loans from credit institutions		-845.3	435.2	-845.3	435.2	2,162.8
Repayment of payables to group enterprises		0.0	-	0.0	-	-12.1
Change in payables, stock and suppliers		0.0	2,108.9	0.0	2,108.9	-
Capital increase		6,193.0	-	6,193.0	-	1,366.6
Cash flow from financing activities		5,347.7	2,544.1	5,347.7	2,544.1	3,517.3
Change in cash and cash equivalents		1,106.4	-541.4	1,106.4	-541.4	-773.8
Cash and cash equivalents as of beginning of period		37.4	811.1	37.4	811.1	811.1
Cash and cash equivalents as of end of period		1,143.7	269.7	1,143.7	269.7	37.4

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	H1 2019	H1 2018	YTD 2019	YTD 2018	FY 2018	FY 2017
Marketing costs	-798.8	-697.9	-798.8	-697.9	-1,234.5	-1,359.4
Premises	-421.7	-533.0	-421.7	-533.0	-1,114.9	-1,134.1
Other costs	-1,110.3	-1,094.7	-1,110.3	-1,094.7	-1,882.8	-2,075.4
Total other external expenses	-2,330.7	-2,325.7	-2,330.7	-2,325.7	-4,232.1	-4,569.0

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 – Share Capital

The Company's share capital is DKK 4,500,000 divided into shares of DKK 1.

Note 5 – Number of employees

Total number of employees is ten including commercial agents operating in Mexico and Europe.

FINANCIAL CALENDAR

Release date	Item
20 th of February 2020	Second Half report 2019 (01/07/2019 – 31/12/2019)
28 th of May 2020	General Assembly and Annual report 2019
12 th of August 2020	First Half report 2020 (01/01/2020 – 30/06/2020)

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,