



PHOTOCAT

CLEANING THE AIR WE BREATHE

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

INTERIM REPORT Q4 2018

PHOTOCAT A/S PCAT CORP, ID NO, 32357903

Q4 2018: SUMMARY

Main highlights during the fourth quarter of 2018

- Successfully participated at the Danish Conference, Building Green, with a first ever real-life demonstration of photocatalytic acoustic panels for indoor application.
- The first NOxOFF project secured in the Municipality of Frederiksberg (Langelands plads).
- The Municipality of Frederiksberg launches 2019 plan for the implementation of NOxOFF.
- Lauzon reports continued growth. The fourth quarter showed a 19 % growth compared to the fourth quarter in 2017. For the full year their growth is close to 50 % compared to 2017
- Photocat saw its phase 2, and final application, for a photocatalytic exhibition project (MUDP "Fyrtårn") approved by the Danish Environmental Protection Agency (Danish EPA). The project will run over a period of three years and the Danish EPA has granted the project a commitment of 3.5 MDKK.
- Photocat initiates dialogue and is selected to be part of the Skagen Havn Dual Port Surface project.

Main highlights after the fourth quarter of 2018

- Photocatalytic wood wool acoustics launched by Fibrolith in Germany with Photocat technology under the brand Pure Genius™.
- Photocat A/S held an extraordinary general meeting giving the board of directors a mandate to increase the share capital in order to finance growth activities.
- Skagen Havn is granted additional funds for a photocatalytic pilot program as part of the EU programme Dual Port.
- Photocat A/S is granted rights to apply the PureGenius™ brand name to future indoor applications.

Amounts in DKK '000s	1 Oct - 31 Dec 2018	1 Oct - 31 Dec 2017	Year-to-date 2018	Full Year 2017**
Revenue from photocatalytic fluid	447.4	810.2	4,458.8	4,303,4
Revenue from Consultancy, Equipment & Other	179.7	121.5	822.5	1,767,4
Gross Profit	-538.8	362.9	-271.7	-327,8
EBITDA	-979.9	-191.0	-3,042.1	-4,537.0
P/L before Tax	-1,483.8	-747.4	-5,286,7	-7,150,2
Net Profit	-1,302.5	-669.5	-5,020.1	-6,827,6
Total Assets	14,638.0	15,981,3	14,638.0	15,981,3
Equity	7,667.3	11,320,7	7,667.3	11,320,7
Debt	6,970.7	4,610,5	6,970.7	4,610,5
Cash at Hand	37.4	811,1	37.4	811,1

** Audited

CEO LETTER

The fourth quarter of 2018 shows a decline in revenue and other operating income of 32.7 % compared to the fourth quarter in 2017. Revenue and other operating income is down 13 % in 2018 compared to 2017. This is due to high sales of equipment in 2017. The next wave of equipment sales is part of our project/customer pipeline. We expect substantial equipment sales in 2019. Looking more specifically at revenue from the sales of photocatalytic dispersions the Company has in 2018 shown a growth of 3.3 % compared to 2017.



Michael Humle
CEO

During the fourth quarter the first public area with NOxOFF was installed in the municipality of Frederiksberg. The first NOxOFF area in Frederiksberg is "Langelands Plads". A preliminary plan from the municipality to implement the technology in 5 more projects during

2019 was also laid forth by the technical and environmental committee in Frederiksberg. These projects are all part of the approved budget for 2019. We continue to work towards Danish municipalities implementing the NOxOFF technology with a special focus to scale the efforts by Frederiksberg and Copenhagen.

The NOxOFF technology will also be part of a private project managed by the Skagen Harbour. We presented the technology and concept for the management of Skagen Harbour and in December we were notified that the technology will be implemented. This is incredibly interesting for us as Harbours are major sources of NOx pollution and often are situated in close proximity to cities and people.

During the fourth quarter Photocat saw its phase 2, and final application, for a photocatalytic exhibition project (MUDP "Fyrtårn") approved by the Danish Environmental Protection Agency (Danish EPA). The project will run over a period of three years and the Danish EPA has granted the project a commitment of 3.5 MDKK. The project will begin in 2019.

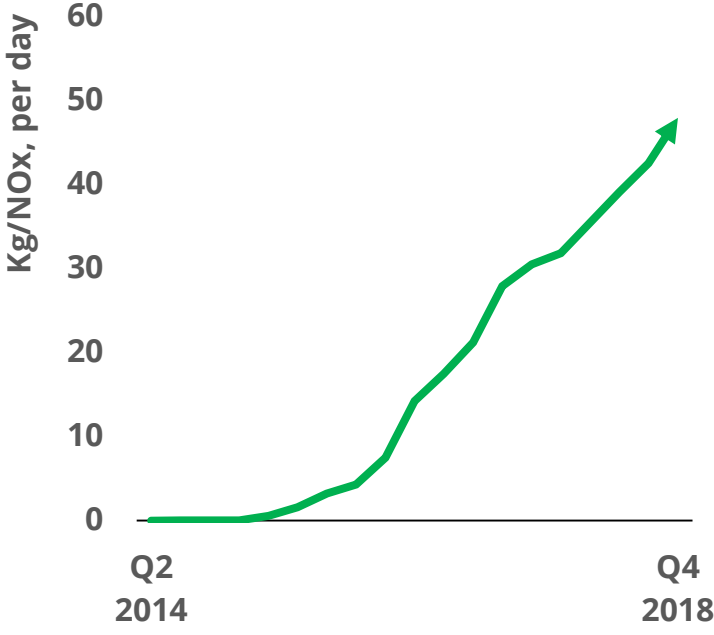
In October 2018 we participated at the annual Building Green convention in Copenhagen. This time we demonstrated a live showcase and test setup to show architects and engineers what the technology can do. For the showcase we focused on the new acoustic panels that will be launched in Q1 2019. The conference is important for the introduction of new "green" technologies and the organisation is currently working on multiple leads and interest gathered through the event.

Lauzon, a Canadian client that manufactures photocatalytic flooring under the brand Pure Genius™, reported continued growth. The fourth quarter showed a 19 % growth compared to the fourth quarter in 2017. For the full year their growth is close to 50 % compared to 2017.

Despite a weak fourth quarter we enter 2019 with a strong pipeline. During 2018 Photocat has focused on cost improvements and streamlining, both amongst our existing customer base and new clients. Despite reduced revenue we have improved the bottom-line by 1.8 MDKK and with a strong pipeline we expect substantial growth from both private and public projects. We anticipate 2019 revenue to land at 8 MDKK.

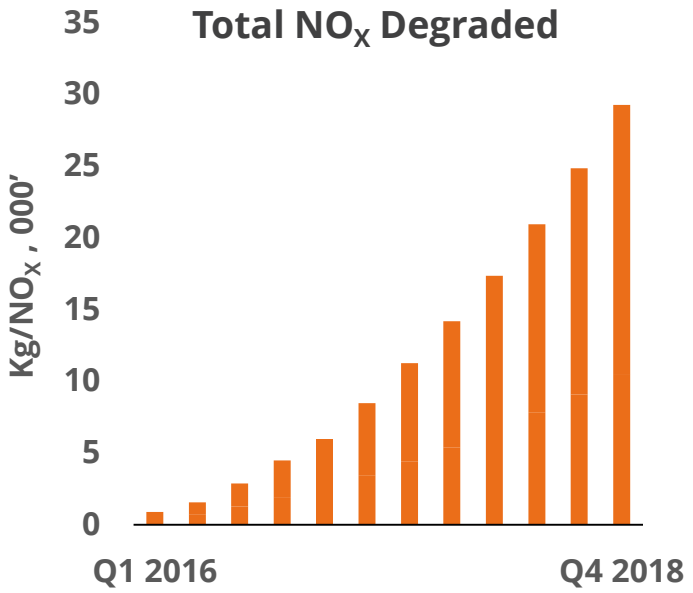
ENVIRONMENTAL IMPACT

Currently degrading 47.9 Kg/NO_x per day, equivalent to 292 million driven km by a euro 6 car per year

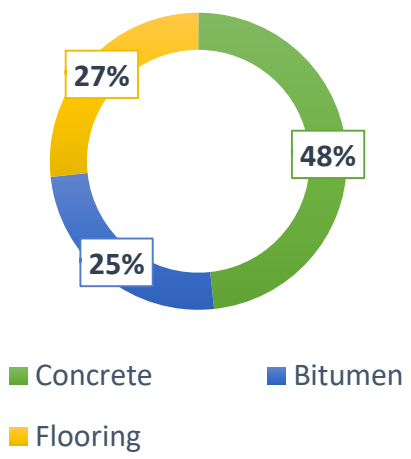


MORE THAN 2 MILLION m² WITH PHOTOCATALYTIC SURFACES DELIVERED

Total NO_x removed is 29,279 KG/NO_x since inception

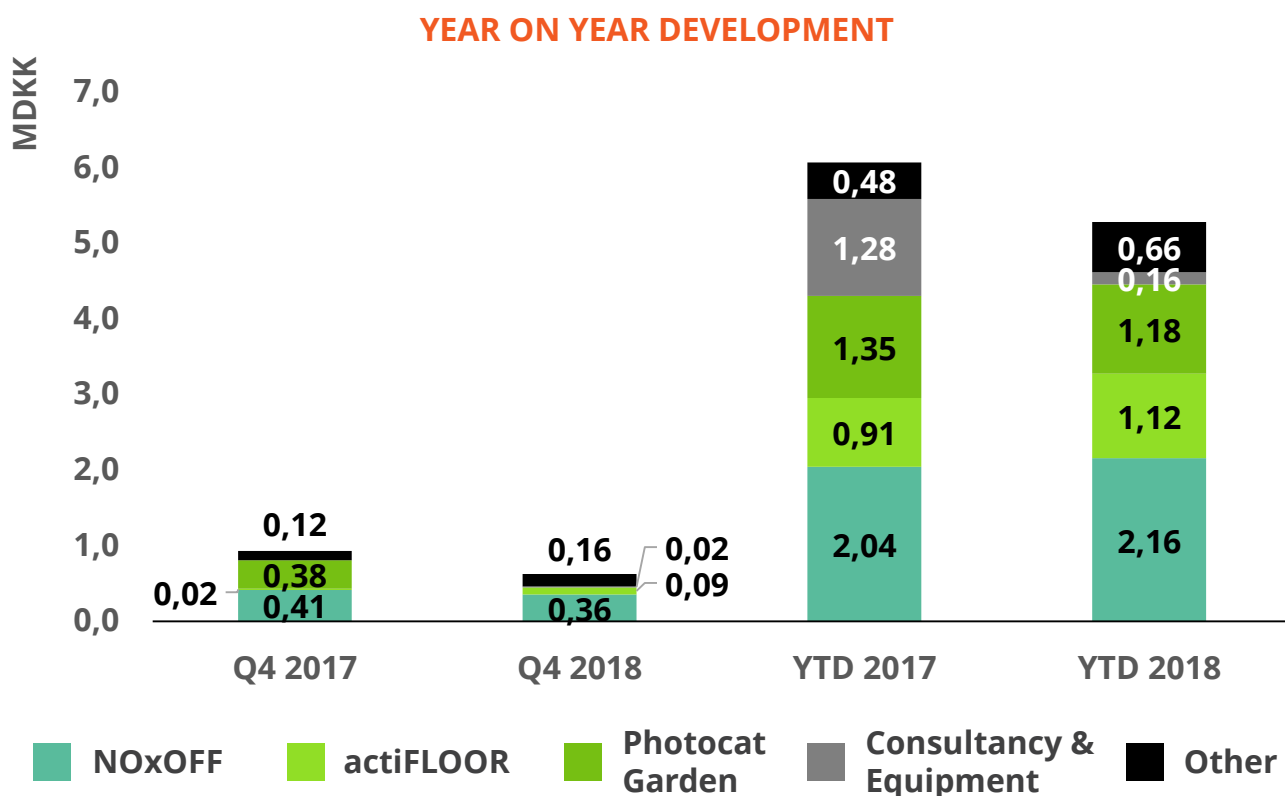
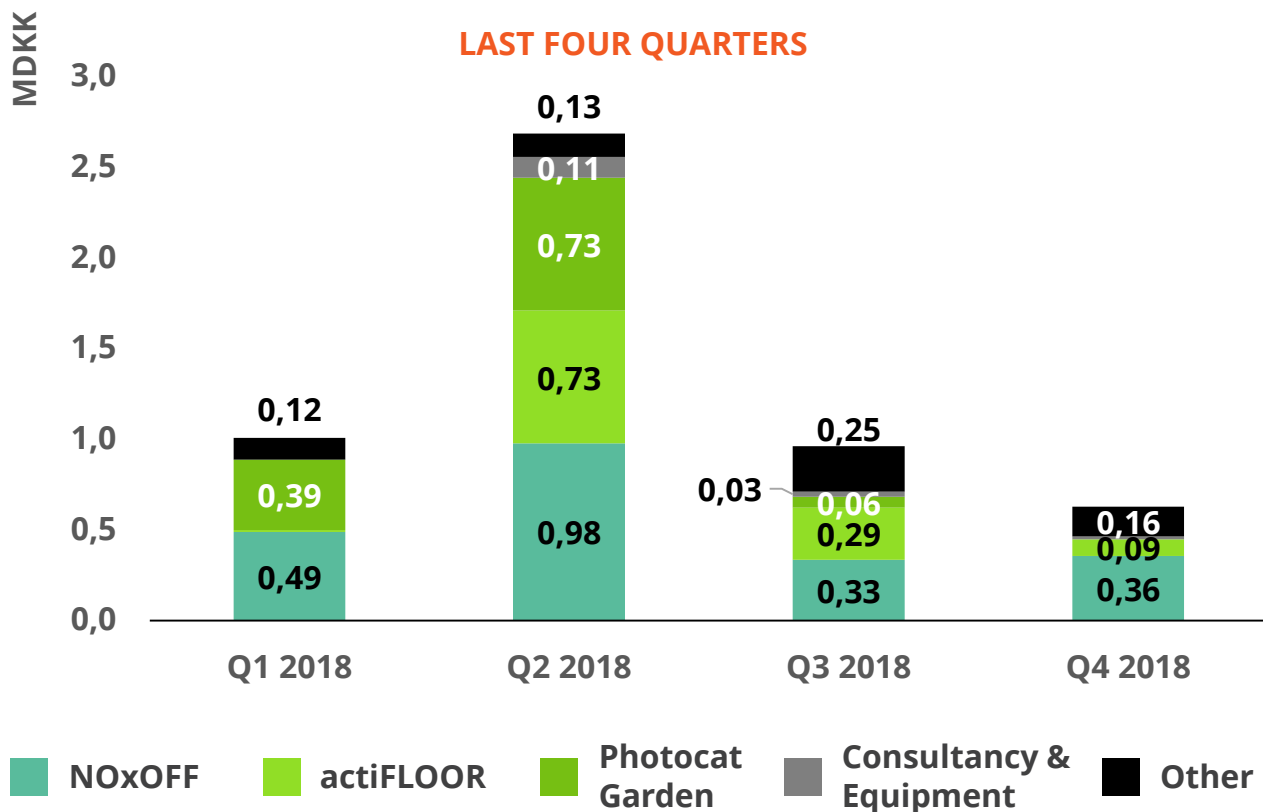


Distribution of Photocatalytic m²



* Estimated

REVENUE DEVELOPMENT



INCOME STATEMENT

Amounts in DKK '000s	NOTES	Q4 2018	Q4 2017	YTD 2018	FY 2017	FY 2016
Revenue		513.5	818.1	4,691.2	5,616,4	5,180,5
Other operating income	1	113.6	113.6	590,1	454,4	454,4
Expenses for raw materials and consumables		-441.1	-131.2	-1,320.9	-1,829,6	- 2,114,4
Other external expenses	2	-724.8	-437.6	-4,232,1	-4,569,0	- 6,114,4
Gross profit		-538.8	362.9	-271.7	-327,8	- 2,593,9
Staff expenses		-441.1	-553.9	-2,770.3	-4,209,2	- 4,747,6
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-508.8	-519.0	-2,001.6	-2,356,9	- 2,426,4
Profit/loss before financial income and expenses		-1,488.7	-710.0	-5,043.7	-6,893,9	- 9,767,9
Financial expenses		4.9	-37.4	-243,0	-256,3	- 187,0
Profit/loss before tax		-1,483.8	-747.4	-5,286,7	-7,150,2	- 9,954,9
Tax		181.3	77.9	266,6	322,6	172,4
Net profit/loss		-1,302.5	-669.5	-5,020,1	-6,827,6	- 9,782,5
Earnings per share		DKK -0.40	DKK -0.22	DKK -1.55	DKK -2.28	DKK -3.26

BALANCE SHEET, assets

Amounts in DKK '000s	NOTES	Q4 2018	FY 2017	FY 2016
Completed development projects		6,749.3	7,795,3	8,356,4
Acquired patents		291.4	358,9	259,1
Development projects in progress	3	2,173.8	1,466,1	1,160,6
Intangible Assets		9,214.5	9,620,3	9,776,1
Plant and machinery		1,503.9	1,901,4	2,301,5
Property, plant and equipment		1,503.9	1,901,4	2,301,5
Other investments		0.0	0.0	0.0
Deposits		290.3	290,3	290,3
Fixed asset investments		290.3	290,3	290,3
Fixed assets		11,008.7	11,812,0	12,367,9
Inventories		905.7	1,091,0	957,8
Trade receivables		2,027.6	1,533,8	1,741,1
Receivables from group enterprises		-	0.0	60,4
Other receivables		251.2	236,9	236,4
Deferred tax assets		-	0	0
Corporation tax		266.6	322,6	255,3
Prepayments		140.9	173,9	238,7
Receivables		2,686.3	2,267,2	2,531,9
Cash at bank and in hand		37.4	811,1	172,3
Current assets		3,629.3	4,169,3	3,662,0
Assets		14,638.0	15,981,3	16,029,9

BALANCE SHEET, liabilities & equity

Amounts in DKK '000s	NOTES	Q4 2018	FY 2017	FY 2016
Share capital	4	3,248.9	3,000,0	2,356,3
Retained earnings		4,418.4	8,320,7	6,852,7
Equity		7,667.3	11,320,7	9,209,0
Other provisions		-	50,0	-
Provisions		-	50,0	-
Subordinate loan capital		-	-	-
Credit institutions			375,0	955,0
Trade payables		-	-	-
Payables to shareholders and managements		2,173.6	10,9	20,9
Deferred income		1,540.3	1,552,6	2,007,0
Long-term debt		3,713.9	1,938,5	2,982,9
Credit institutions		1,145,3	782,4	446,7
Trade payables		1,242.8	719,9	2,171,2
Other payables		414.3	715,4	765,7
Deferred income	1	454.4	454,4	454,4
Short-term debt		3,256.8	2,672,1	3,838,0
Debt		6,970.7	4,610,5	6,820,9
Liabilities & Equity		14,638.0	15,981,3	16,029,9

CASH FLOW STATEMENT

Amounts in DKK '000s	NOTES	Q4 2018	Q4 2017	YTD 2018	FY 2017	FY 2016
Net profit/loss		-1,302.5	-669.5	-5,020.1	-6,827.6	-9,782.5
Adjustments		208.9	365.0	1,523.6	1,836.2	1,984.5
Change in working capital		288.0	-310.3	324.2	-1,313.2	-159.8
Cash flow from operating activities before financial income and expenses		-805.6	-614.9	-3,172.3	-6,304.6	-7,957.8
Financial expenses		4.9	-37.4	- 243.0	-256.3	-187.0
Cash flow from ordinary activities		-800.7	-652.3	-3,415.3	-6,560.9	-8,144.8
Corporation tax paid		322.6	255.3	322.6	255.3	363.9
Cash flow from operating activities		-478.1	-397.0	-3,092.7	-6,305.6	-7,780.9
Purchase of property, plant and equipment		-230.3	-639.1	-1,198.2	-1,751.3	-1,160.6
Purchase of tangible fixed assets		-	-17.4	-	-49.7	
Other adjustments		-	-	-	-	
Cash flow from investing activities		-230.3	-656.6	-1,198.2	-1,801.0	-1,160.6
Increase in loans from credit institutions		-300.9	1,157.2	2,162.7	-244.3	-535.4
Repayment of payables to group enterprises		0.0	-	-12.1	50.4	20.6
Change in payables, stock and suppliers		162.7	-		-	
Capital increase			-378.0	1,366.6	8,939.3	6,493.9
Cash flow from financing activities		-138.2	779.2	3,517.2	8,745.4	5,979.1
Change in cash and cash equivalents		-846.5	-274.3	-733.7	638.8	-2,962.3
Cash and cash equivalents as of beginning of period		883.8	1,085.5	811.1	172.4	3,134.7
Cash and cash equivalents as of end of period		37.4	811.1	37.4	811.1	172.4

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	Q4 2018	Q4 2017	YTD 2018	FY 2017	FY 2016
Marketing costs	-118.3	-69.4	-1,233.3	-1,280.1	-1,676.0
Premises	-294.8	-230.4	-1,114.9	-1,134.1	-1,190.9
Other costs	-311.8	-137.8	-1,883.9	-2,154.7	-3,247.5
Total other external expenses	-724.8	-437.6	-4,232.1	-4,569.0	-6,114.4

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 3,248,928 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

Photocat A/S will shift from quarterly reporting to semi annual reporting in 2019.

Release date

Item

25th of April 2019

Annual Report (01/01/2018 – 31/12/2018)

19th of August 2019

H1.2019 Interim Report (01/01/2019 – 30/06/2019)

Event

Next Annual General Meeting to be held on the 25th of April 2019.

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,