



PHOTOCAT

# CLEANING THE AIR WE BREATHE

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

INTERIM REPORT H1 2020

PHOTOCAT A/S PCAT CORP, ID NO, 32357903

# H1 2020: SUMMARY

## Main highlights during the first half year of 2020

- Revenue grew to 6.9 mDKK for first half of year which was almost the same as full year 2019 revenue result.
- Launch at Dach & Holz with Europe's leading manufacturer of Bitumen membranes with more than 400 product feature demonstrations.
- Stuttgart data from demonstration of asphalt product collected and written into scientific publication showing significant contribution to better Air Quality from our technology.
- Launch of new products from F. C. Nüdling in Fulda with our technology embedded.
- Issue of 250.000 new shares in a direct issue securing 3.5 mSEK in new equity.

## Main highlights after the first half year of 2020

- First deliveries of new asphalt product to Frederiksberg Kommune on the busy streets Nordre Fasanvej and Roskildevej. The product was offered as a joint offering between COLAS and MOE engineering.
- Entered co-operation with DTU to evaluate the ShineOn technology value to optimize output from Photovoltaic panels (PV). Further it will demonstrated how much value in terms of added kilowatt output a PV panel produce when soiling issues are reduced with ShineOn technology. The first 44 PV panels got ShineOn applied in July at the PV park DTU Roskilde.
- Production capacity has been extended to meet increased market demands.

Amounts in DKK '000s	1 Jan – 30 Jun 2020	1 Jan – 30 Jun 2019	Year-to-date 2020	Year-to-date 2019	Full Year 2019**
Revenue from photocatalytic fluid	6,702.8	3,408.2	6,702.8	3,408.2	6,176.2
Revenue from Consultancy, Equipment & Other	234.7	722.3	234.7	722.3	1,019.0
Gross Profit	2,321.3	1,238.4	2,321.3	1,238.4	498.7
EBITDA	749.9	110.5	749.9	110.5	-2,358.5
P/L before Tax	-281.0	-903.4	-281.0	-903.4	-4,435.1
Net Profit	-281.0	-903.4	-281.0	-903.4	-4,116.5
Total Assets	18,919.8	16,932.7	18,919.8	16,932.7	16,717.1
Equity	15,010.7	12,858.5	15,010.7	12,858.5	12,930.2
Debt	3,909.1	4,074.2	3,909.1	4,074.2	3,786.9
Cash at Hand	3,003.6	1,143.7	3,003.6	1,143.7	3,336.5

\*\* Audited

# CEO LETTER

The first half year of 2020 shows a revenue of 6.9 mDKK which is a growth in revenue and other operating income of 68,3% compared to the first half of 2019 and like last year same time with a positive EBITDA. The EBITDA has grown from 110,5 tDKK first half of 2019 to 749,9 tDKK in first half of 2020.

Revenue and other operating income are in positive development. We are confident about our customer base, and see our customers growing their sales with our technology embedded.

Photocat Garden experienced strong growth, as we for the first time supported our brand with active TV campaigns in Denmark. The campaign was a success with satisfied retailers. Based on this experience, we have reached the conclusion that the Photocat Garden could be distributed through DIY stores in a wider range of developed countries.

The Indoor business kept its momentum despite serious challenges with Covid-19 in US and Canadian markets where the products are retailed under the Pure Genius label.

NOxOFF continued to grow with significant launches in Germany, both in the bitumen and concrete market segment. Furthermore, we saw the first very encouraging results from Stuttgart following one year of application of the asphalt solution on one of the most polluted roads in Germany. With 20% reduction of NOx pollution, our product shows higher efficiency than with traditional measures like restricting vehicle entrance, and similar actions.

The export business to Germany and Spain started the year with very positive signals. We are still positive although we see some delays due COVID-19 effects.

Photocat core branding with a clear focus on delivering highest quality in the market has started to pay off. We get a lot more leads and enquiries that could materialize into business.

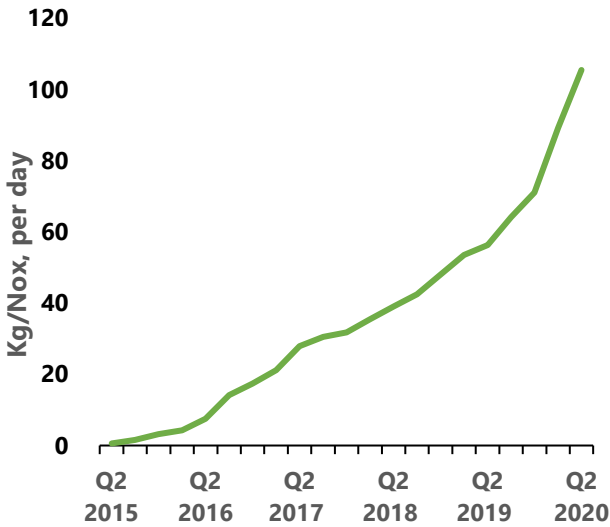
To support growth Photocat raised SEK 3,5mio in March 2020 via a private placement to existing shareholders.



Michael Humle  
CEO

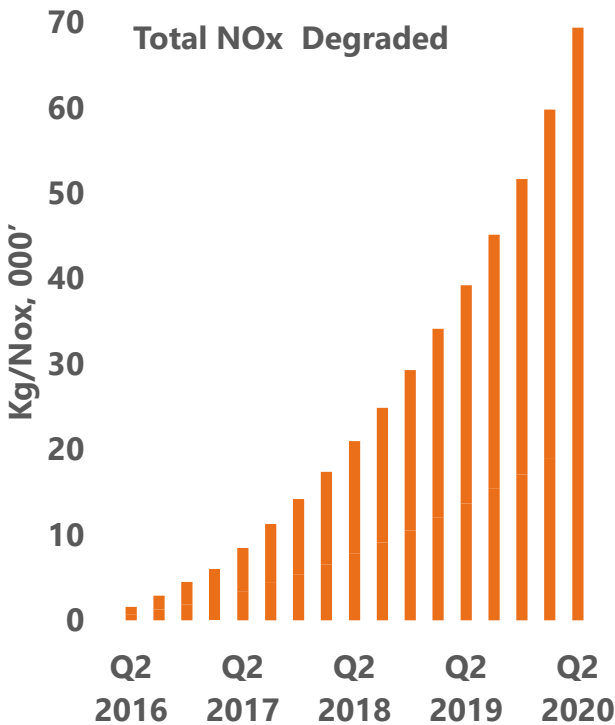
# ENVIRONMENTAL IMPACT

Currently degrading 105.5 Kg/NO<sub>x</sub> per day, equivalent to 641.9 million driven km by a euro 6 car per year

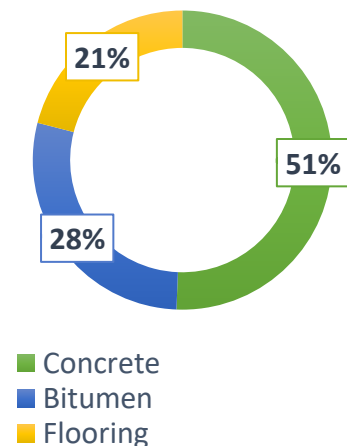


**MORE THAN  
4 MILLION m<sup>2</sup> WITH  
PHOTOCATALYTIC  
SURFACES DELIVERED**

Total NO<sub>x</sub> removed is 69,392 KG/NO<sub>x</sub> since inception



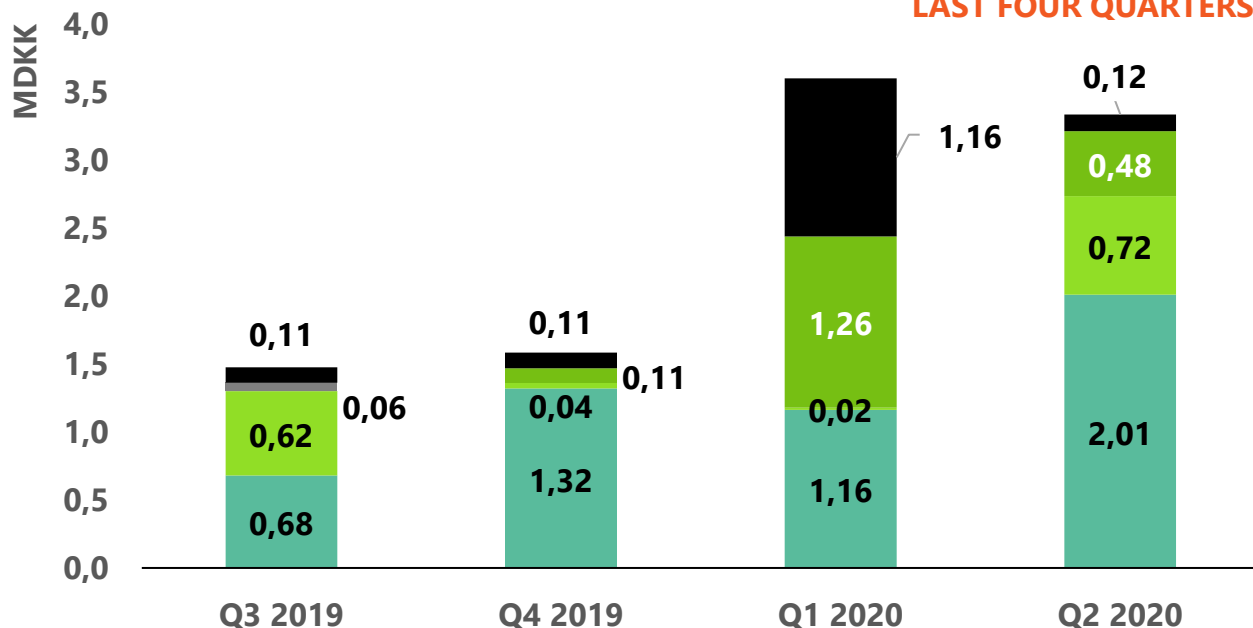
Distribution of Photocatalytic m<sup>2</sup>



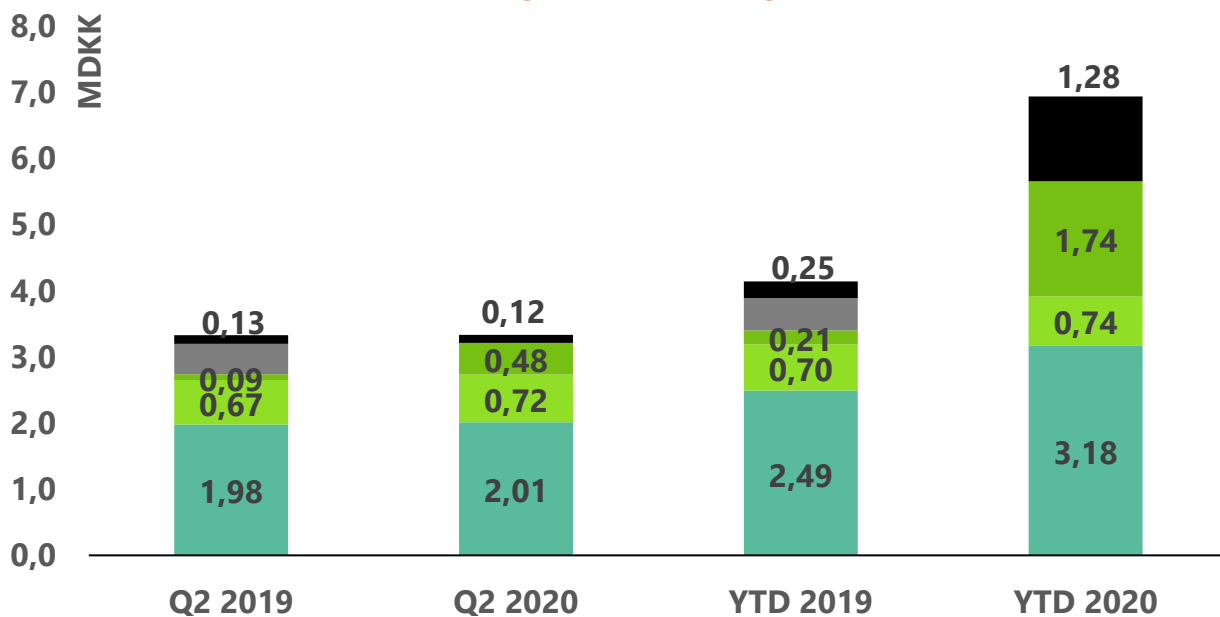
\* Estimated

# REVENUE DEVELOPMENT

## LAST FOUR QUARTERS



## YEAR ON YEAR DEVELOPMENT



# INCOME STATEMENT

Amounts in DKK '000s	NOTES	H1 2020	H1 2019	YTD 2020	YTD 2019	FY 2019	FY 2018
<b>Revenue</b>		<b>6,702.8</b>	<b>3,903.3</b>	<b>6,702.8</b>	<b>3,903.3</b>	<b>6,735.1</b>	<b>4,587.1</b>
<b>Other operating income</b>	1	<b>234.7</b>	<b>227.2</b>	<b>234.7</b>	<b>227.2</b>	<b>460.0</b>	<b>590.1</b>
Expenses for raw materials and consumables		-1,145.6	-561.4	-1,145.6	-561.4	-1,959.6	-1,315.9
Other external expenses	2	-3,470.6	-2,330.7	-3,470.6	-2,330.7	-4,736.8	-4,232.1
<b>Gross profit</b>		<b>2,321.3</b>	<b>1,238.4</b>	<b>2,321.3</b>	<b>1,238.4</b>	<b>498.7</b>	<b>-370.8</b>
Staff expenses		-1,571.3	-1,127.9	-1,571.3	-1,127.9	-2,857.2	-2,770.3
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-1,028.6	-978.2	-1,028.6	-978.2	-1,984.9	-2,001.6
<b>Profit/loss before financial income and expenses</b>		<b>-278.7</b>	<b>-867.7</b>	<b>-278.7</b>	<b>-867.7</b>	<b>-4,343.3</b>	<b>-5,142.8</b>
Financial expenses		-2.3	-35.7	-2.3	-35.7	-91.8	-243.0
<b>Profit/loss before tax</b>		<b>-281.0</b>	<b>-903.4</b>	<b>-281.0</b>	<b>-903.4</b>	<b>-4,435.1</b>	<b>-5,385.8</b>
Tax			-		-	318.6	266.6
<b>Net profit/loss</b>		<b>-281.0</b>	<b>-903.4</b>	<b>-281.0</b>	<b>-903.4</b>	<b>-4,116.5</b>	<b>-5,119.2</b>
Earnings per share		DKK -0,05	DKK -0,20	DKK -0,05	DKK -0,20	DKK -0,83	DKK -1, 57

**BALANCE SHEET, assets**

Amounts in DKK '000s	NOTES	H1 2020	H1 2019	FY 2019	FY 2018
Completed development projects		5,976.6	5,973.0	5,996.3	6,749.3
Acquired patents		261.6	281.5	271.5	291.4
Development projects in progress	3	2,864.1	3,082.4	2,807.5	2,173.8
<b>Intangible Assets</b>		<b>9,102.4</b>	<b>9,336.9</b>	<b>9,075.4</b>	<b>9,214.5</b>
Plant and machinery		1,053.9	1,311.9	1,191.9	1,492.8
Other fixtures and fittings, tools & equipment				5.3	11.1
<b>Property, plant and equipment</b>		<b>1,053.9</b>	<b>1,311.9</b>	<b>1,197.2</b>	<b>1,503.9</b>
Other investments		0.0	0.0	0.0	0.0
Deposits		300.9	290.3	290.9	290.3
<b>Fixed asset investments</b>		<b>300.9</b>	<b>290.3</b>	<b>290.9</b>	<b>290.3</b>
<b>Fixed assets</b>		<b>10,457.3</b>	<b>10,939.1</b>	<b>10,563.5</b>	<b>11,008.7</b>
<b>Inventories</b>		<b>788.0</b>	<b>789.0</b>	<b>844.9</b>	<b>910.7</b>
Trade receivables		3,647.7	3,425.2	1,255.9	1,923.4
Receivables from group enterprises		0	-	0.0	0.0
Other receivables		241.3	227.6	292.0	251.2
Deferred tax assets		0	-	0	0
Corporation tax		321.0	266.6	321.0	266.6
Prepayments		460.8	141.3	103.2	140.9
<b>Receivables</b>		<b>4,670.9</b>	<b>4,060.9</b>	<b>1,972.2</b>	<b>2,582.2</b>
<b>Cash at bank and in hand</b>		<b>3,003.6</b>	<b>1,143.7</b>	<b>3,336.5</b>	<b>37.4</b>
<b>Current assets</b>		<b>8,462.5</b>	<b>5,993.6</b>	<b>6,153.6</b>	<b>3,530.2</b>
<b>Assets</b>		<b>18,919.8</b>	<b>16,932.7</b>	<b>16,717.1</b>	<b>14,538.9</b>

# BALANCE SHEET, liabilities & equity

Amounts in DKK '000s	NOTES	H1 2020	H1 2019	FY 2019	FY 2018
Share capital	4	5,250.0	4,500.0	5,000.0	3,248.9
Retained earnings		9,760.7	8,358.5	7,930.2	4,319.2
<b>Equity</b>		<b>15,010.7</b>	<b>12,858.5</b>	<b>12,930.2</b>	<b>7,568.2</b>
Other provisions		-	-	-	-
<b>Provisions</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Subordinate loan capital		-	-	-	-
Credit institutions		-	-	-	-
Trade payables		-	-	-	-
Payables to shareholders and managements		9.0	13.6	14.6	2,173.6
Other payables				124.8	
Deferred income		1,196.5	1,313.1	1,423.8	1,540.3
<b>Long-term debt</b>		<b>1,205.5</b>	<b>1,326.7</b>	<b>1,563.2</b>	<b>3,713.9</b>
Credit institutions			300.0	0	1,145.3
Trade payables		1,246.2	1,524.2	1,468.4	1,242.8
Other payables		1,002.9	468.8	301.0	414.3
Deferred income	1	454.1	454.4	454.4	454.4
<b>Short-term debt</b>		<b>2,703.5</b>	<b>2,747.5</b>	<b>2,223.8</b>	<b>3,256.8</b>
<b>Debt</b>		<b>3,909.1</b>	<b>4,074.2</b>	<b>3,786.9</b>	<b>6,970.7</b>
<b>Liabilities &amp; Equity</b>		<b>18,919.8</b>	<b>16,932.7</b>	<b>16,717.3</b>	<b>14,538.9</b>



# CASH FLOW STATEMENT

Amounts in DKK '000s	N O T E S	H1 2020	H1 2019	YTD 2020	YTD 2019	FY 2018
Net profit/loss		-281.0	-903.4	-281.0	-903.4	-5,119.2
Adjustments		803.8	786.7	803.8	786.7	1,523.6
Change in working capital		-2,292.4	-3,180.3	-2,292.4	-3,180.3	2,532.2
<b>Cash flow from operating activities before financial income and expenses</b>		<b>-1,769.7</b>	<b>-3,297.0</b>	<b>-1,769.7</b>	<b>-3,297.0</b>	<b>-1,063.4</b>
Financial expenses		-2.3	-35.7	-2.3	-35.7	-243.0
<b>Cash flow from ordinary activities</b>		<b>-1,772.1</b>	<b>-3,332.7</b>	<b>-1,772.1</b>	<b>-3,332.7</b>	<b>-1,306.4</b>
Corporation tax paid			-		-	322.6
<b>Cash flow from operating activities</b>		<b>-1,772.1</b>	<b>-3,332.7</b>	<b>-1,772.1</b>	<b>-3,332.7</b>	<b>-983.9</b>
Purchase of intangible assets		-847.6	-	-847.6		-1,198.2
Purchase of property, plant and equipment		-64.8	-908.6	-64.8	-908.6	-
Purchase of tangible fixed asset		-10.0		-10.0		
Other adjustments			-		-	-
<b>Cash flow from investing activities</b>		<b>-922.4</b>	<b>-908.6</b>	<b>-922.4</b>	<b>-908.6</b>	<b>-1,198.2</b>
Increase in loans from credit institutions			-845.3		-845.3	
Loans from owners and management						
Repayment of loans from credit institutions						-2,121.0
Raising of loans from owners and Management						2,162.7
Capital increase		2,361.6	6,193.0	2,361.6	6,193.0	1,366.6
<b>Cash flow from financing activities</b>		<b>2,361.6</b>	<b>5,347.7</b>	<b>2,361.6</b>	<b>5,347.7</b>	<b>1,408.4</b>
Change in cash and cash equivalents		-332.9	1,106.4	-332.9	1,106.4	-773.8
Cash and cash equivalents as of beginning of period		3,336.5	37.4	3,336.5	37.4	811.1
<b>Cash and cash equivalents as of end of period</b>		<b>3,003.6</b>	<b>1,143.7</b>	<b>3,003.6</b>	<b>1,143.7</b>	<b>37.4</b>

# 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 2020	H1 2019	YTD 2020	YTD 2019	FY 2019	FY 2018
Marketing costs	-1,918.4	-798.8	-1,918.4	-798.8	-1,872.0	-1,234.5
Premises	-486.0	-421.7	-486.0	-421.7	-834.6	-1,114.9
Other costs	-1,066.1	-1,110.3	-1,066.1	-1,110.3	-2,030.3	-1,882.8
<b>Total other external expenses</b>	<b>-3,470.6</b>	<b>-2,330.7</b>	<b>-3,470.6</b>	<b>-2,330.7</b>	<b>-4,736.8</b>	<b>-4,232.1</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 – Share Capital

The Company's share capital is DKK 5,250,000 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**

12<sup>th</sup> of August 2020

H1.2020 Interim Report (01/01/2020 – 30/06/2020)

**Event**

# *PHOTOCAT A/S*

Photocat A/S manufactures patented coating materials for both outdoor and indoor applications with the effect to degrade NO<sub>x</sub> and VOC's when exposed to light, Both NO<sub>x</sub> 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 NO<sub>x</sub>,

Photocat's shares was listed in Nasdaq First North in Stockholm November 20, 2015, with the ticker symbol PCAT,