



PHOTOCAT

CLEANING THE AIR WE BREATHE

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

INTERIM REPORT H1 2021

PHOTOCAT A/S PCAT CORP, ID NO, 32357903

H1 2021: SUMMARY

Highlights during the first half year of 2021

- Revenue in the first half-year of 2021 was mDKK 6.9 which, compared to the first half of 2020, was unchanged. It shows that we maintained business despite strong COVID-19 measures influencing our DIY business.
- Our continued efforts towards business opportunities within concrete manufacturers deliver a continued number of new customers. We increased our sales in our NOxOFF range by 106% compared to H1 2020.
- Our Canadian flooring partners are back after COVID-19. Our sales to the segment have grown 48.5% in H1 2021 over H1 2020.
- Our DIY segment has fallen by -82.9% in H1 2021 over H1 2020 due to COVID-19 measures and restrictions.
- Project sales are a part of our business opportunities. In H1, we signed a project with the City of Copenhagen. We expect that this will be the beginning of an ongoing relationship.
- EBITDA was lower in the first half of 2021 than in 2020 as we have invested in human resources in the organization to strengthen the sales and marketing effort.

After first half year:

- Signed license and co-operation agreement with French, English and Benelux market leader IKO covering NOxOFF technology for Bitumen roofs.

Amounts in DKK '000s	1 Jan - 30 Jun 2021	1 Jan - 30 Jun 2020	Year-to-date 2021	Year-to-date 2020	Full Year 2020**
Revenue from photocatalytic fluid	6,571.5	6,702.8	6,571.4	6,702.8	12,111.9
Revenue from Consultancy, Equipment & Other	284.1	234.7	284.1	234.7	509.2
Gross Profit	1,765.1	2,321.3	1,765.1	2,321.3	3,196.5
EBITDA	-329.3	749.9	-329.3	749.9	63.7
P/L before Tax	-1,691.6	-281.0	-1,691.6	-281.0	-2,211.9
Net Profit	-1,534.9	-281.0	-1,534.9	-281.0	-1,827.9
Total Assets	17,992.6	18,919.8	17,992.6	18,919.8	16,812.7
Equity	11,928.9	15,010.7	11,928.9	15,010.7	13,463.8
Debt	6,063.7	3,909.1	6,063.7	3,909.1	3,348.9
Cash at Hand	1,720.2	3,003.6	1,720.2	3,003.6	2,052.2

** Audited

CEO LETTER



Michael Humle
CEO

The first half-year of 2021 showed strong momentum and growth in key businesses over the same period last year. The revenue started with a strong COVID-19 impact in the first four months of the year. However, strong sales in May and June increased revenue and reached the same level as in the first half of 2020.

EBITDA was lower in the first half of 2021 than in 2020. We have invested in expanding human resources in our HQ, Norway, and Germany. The resources are utilized to strengthen the sales and marketing efforts as well as our digital presence.

The highlight in the NOxOFF business was driven by excellent results from our latest project in the City of Frederiksberg. These results are endorsed by Frederiksberg and have proven significant climate and environmental impact of our road and pedestrian pavement solutions. Further, we realized a project with the City of Copenhagen for the first time and delivered a solution to a school centrally in Copenhagen. Further, we delivered projects in France (Nimes and Paris) and have seen Madrid specify solutions like Photocat's for its public spaces in future tenders.

In the EU, we experience an increased focus from the Commission on having members states deliver the directive of clean air to their citizens. This has resulted in more cities need to engage with additional measures to reduce NOx in their city air room.

We signed the first major licensee after the closure of the first half-year on the Bitumen roofing membrane area. We expect this agreement to be a good and valuable licensee over the coming years.

The Danish market leader within concrete pavement IBF's strong commitment to the sustainability agenda has resulted in NOxOFF tiles now distributed to 75% or more of the Danish Municipalities.

Our Canadian flooring customers' volume has started to pick up again, and we project a growth in volume that exceeds 15%. We start seeing interest in technology from other wood floor manufacturers. This is in line with our flooring business now have passed 1 million square meters floors sold. Therefore, we can claim that our value proposition in floors generates real branding value while delivering on the sustainability agenda. We are proud to be part of saving lives by improving air quality where we can.

Based on a very successful 2020 for our DIY solution, Photocat Garden, we had high expectations for 2021. Yet here we saw our market locked down by COVID-19 initiatives laying our sales in and campaign activities below expectations and proved to deliver non-satisfactory sales results. Post COVID-19 we are planning to expand the distribution of our Photocat Garden impregnation. We will also include additional products sharing the delivery on sustainability to strengthen our possibilities to enter into the DIY trade.

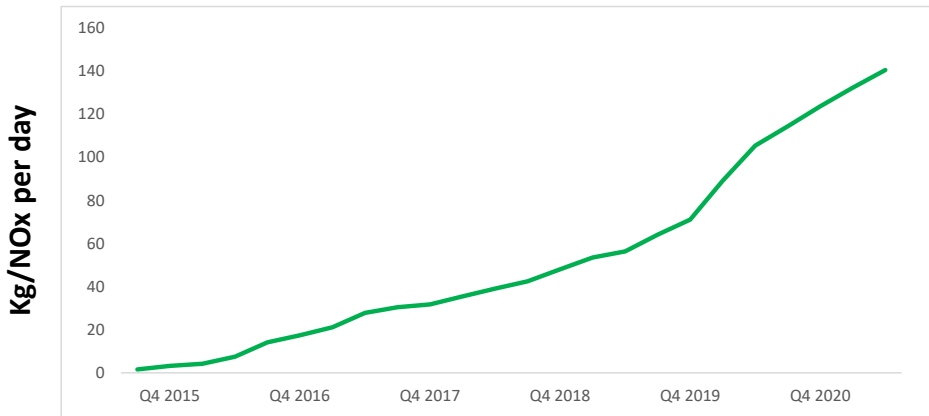
After the first half year, we have prepared a scientific article endorsed by the City of Frederiksberg to show the excellent results in improving air quality and save lives on Frederiksberg due to our sustainable solution for asphalt roads.

We have entered into a partnership with HC Andersen Capital to increase our relationship with private investors in our company. We have chosen a digital solution because we believe that private investors prefer being served digitally.

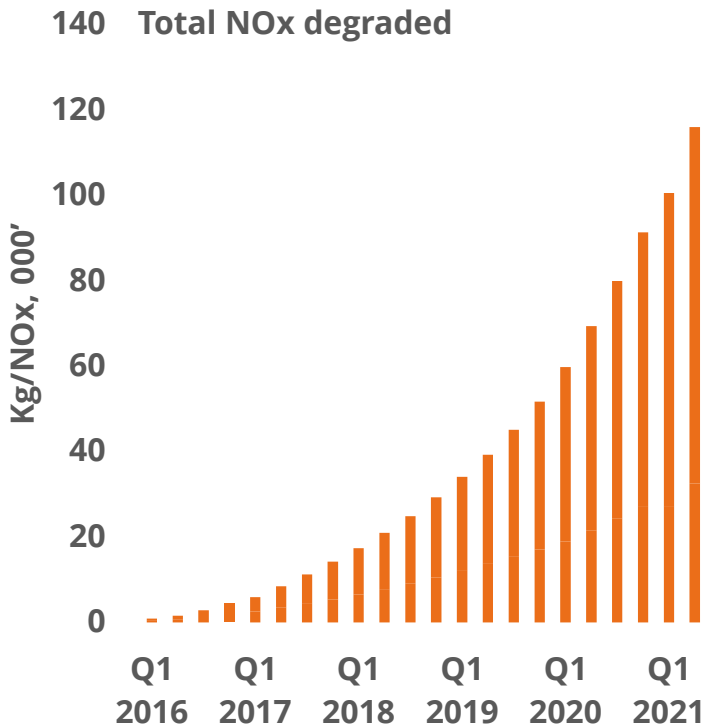
COVID-19 will also impact our sales and marketing activities in the second half of 2021. Our sustainable solutions require a visible presence to be chosen over conventional solutions in the building, infrastructure, and construction markets we serve.

ENVIRONMENTAL IMPACT

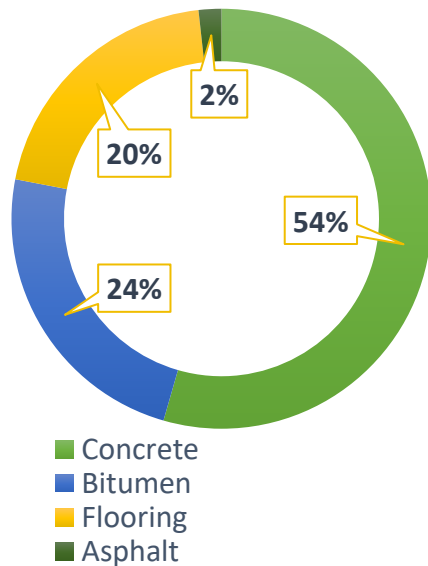
Currently degrading 140,6Kg/NO_x per day* in 14 countries



MORE THAN 5 MILLION m² WITH PHOTOCATALYTIC SURFACES DELIVERED
116 TONS/NO_x REMOVED SINCE INCEPTION



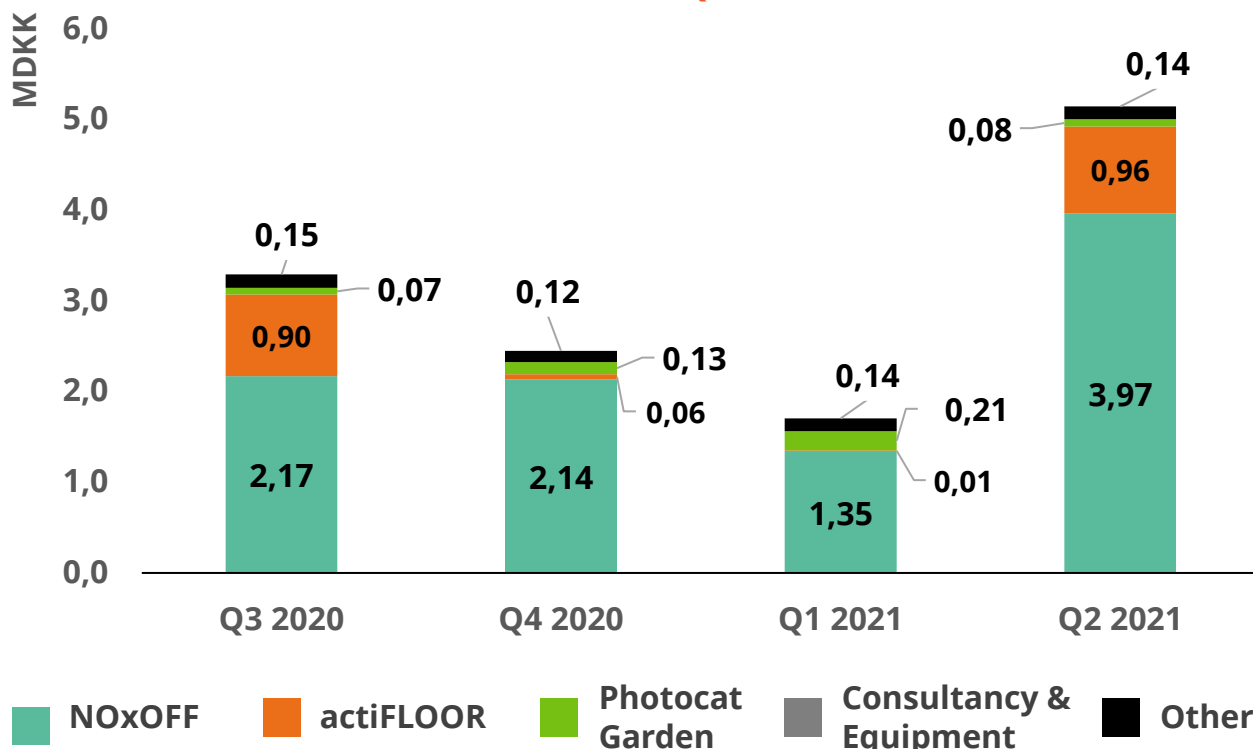
Distribution of Photocatalytic m² to date



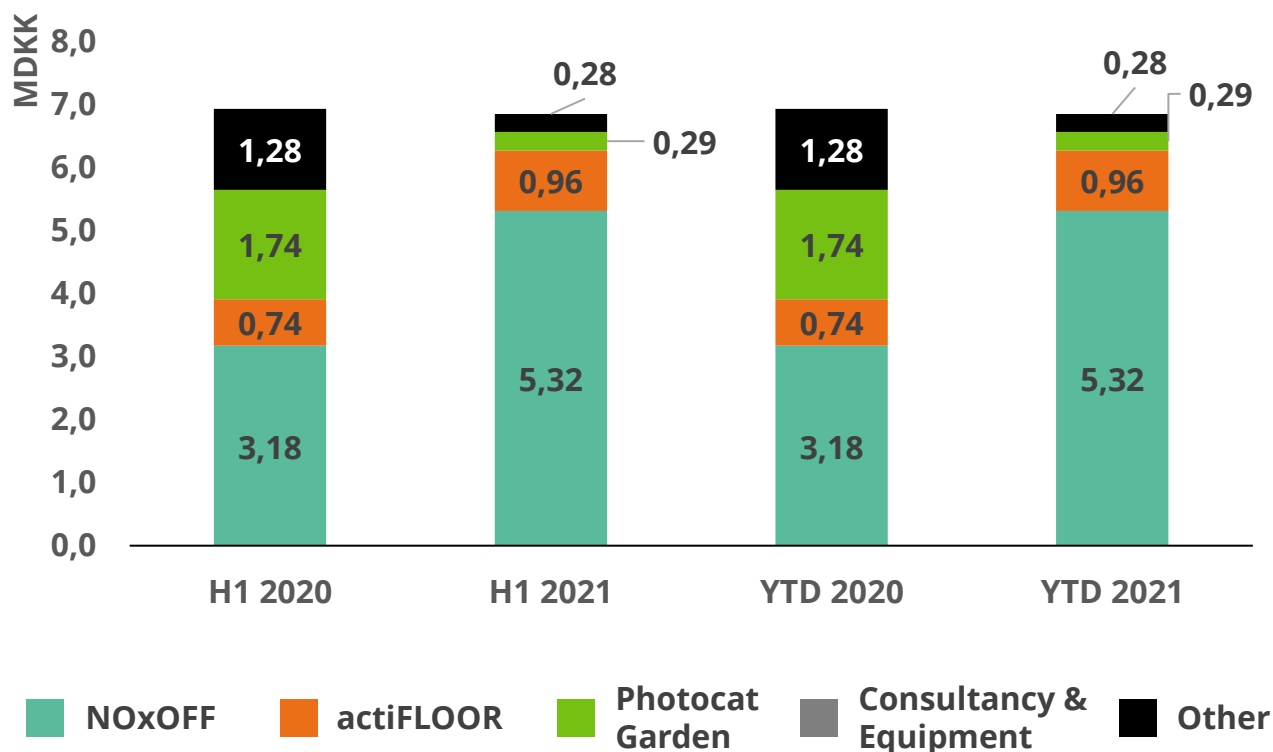
* Estimated

REVENUE DEVELOPMENT

LAST FOUR QUARTERS



YEAR ON YEAR DEVELOPMENT



INCOME STATEMENT

Amounts in DKK '000s	NOTES	H1 2021	H1 2020	YTD 2021	YTD 2020	FY 2020	FY 2019
Revenue		6,571.5	6,702.8	6,571.5	6,702.8	12,166.7	6,735.1
Other operating income	1	284.1	234.7	284.1	234.7	454.4	460.0
Expenses for raw materials and consumables		-1,302.7	-1,145.6	-1,302.7	-1,145.6	-3,007.6	-1,959.6
Other external expenses	2	-3,787.7	-3,470.6	-3,787.7	-3,470.6	-6,417.1	-4,736.8
Gross profit		1,765.1	2,321.3	1,765.1	2,321.3	3,196.5	498.7
Staff expenses		-2,094.5	-1,571.3	-2,094.5	-1,571.3	-3,132.8	-2,857.2
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-1,236.6	-1,028.6	-1,236.6	-1,028.6	-2,190.6	-1,984.9
Profit/loss before financial income and expenses		-1,565.9	-278.7	-1,565.9	-278.7	-2,126.9	-4,343.3
Financial expenses		-125.8	-2.3	-125.8	-2.3	-85.0	-91.8
Profit/loss before tax		-1,691.6	-281.0	-1,691.6	-281.0	-2,211.9	-4,435.1
Tax		156.8		156.8		384.0	318.6
Net profit/loss		-1,534.9	-281.0	-1,534.9	-281.0	-1,827.9	-4,116.5
Earnings per share		DKK -0,29	DKK -0,05	DKK -0,29	DKK -0,05	DKK -0,35	DKK -0,83

BALANCE SHEET, assets

Amounts in DKK '000s	NOTES	H1 2021	H1 2020	FY 2020	FY 2019
Completed development projects		5,085.2	5,976.6	5,804.6	5,996.3
Acquired patents		715.8	261.6	464.6	271.5
Development projects in progress		3,503.0	2,864.1	3,009.5	2,807.5
Intangible Assets		9,304.1	9,102.4	9,278.8	9,075.4
Plant and machinery		1,009.0	1,053.9	1,058.6	1,191.9
Other fixtures and fittings, tools & equipment		0			5.3
Property, plant and equipment		1,009.1	1,053.9	1,058.6	1,197.2
Other investments			0.0	0.0	0.0
Deposits		300.9	300.9	300.9	290.9
Fixed asset investments		300.9	300.9	300.9	290.9
Fixed assets		10,613.9	10,457.3	10,638.3	10,563.5
Inventories		983.2	788.0	748.6	844.9
Trade receivables		3,790.3	3,647.7	2,531.2	1,255.9
Receivables from group enterprises		0.0	0.0	0.0	0.0
Other receivables		65.9	241.3	158.4	292.0
Deferred tax assets		0	0	0	0
Corporation tax		540.7	321.0	384.0	321.0
Prepayments		278.4	460.8	300.6	103.2
Receivables		4,675.2	4,670.9	3,374.1	1,972.2
Cash at bank and in hand		1,720.2	3,003.6	2,052.2	3,336.5
Current assets		7,378.7	8,462.5	6,174.4	6,153.6
Assets		17,992.6	18,919.8	16,812.7	16,717.1

BALANCE SHEET, liabilities & equity

Amounts in DKK '000s	NOTES	H1 2021	H1 2020	FY 2020	FY 2019
Share capital	3	5,250.0	5,250.0	5,250.0	5,000.0
Retained earnings		6,678.9	9,760.7	8,213.8	7,930.2
Equity		11,928.9	15,010.7	13,463.8	12,930.2
Other provisions		-	-	-	-
Provisions		-	-	-	-
Subordinate loan capital		-	-	-	-
Credit institutions		-	-	-	-
Trade payables		-	-	-	-
Payables to shareholders and managements		10.1	9.0	9.7	14.6
Other payables		349.4	-	349.4	124.8
Deferred income		742.1	1,196.5	969.3	1,423.8
Long-term debt		3,501.5	1,205.5	1,328.4	1,563.2
Credit institutions		0		0	0
Trade payables		1,655.9	1,246.2	973.5	1,468.4
Other payables		451.8	1,002.9	592.5	301.0
Deferred income		454.4	454.1	454.4	454.4
Short-term debt		2,562.1	2,703.5	2,020.5	2,223.8
Debt		6,063.7	3,909.1	3,348.9	3,786.9
Liabilities & Equity		17,992.6	18,919.8	16,812.7	16,717.1

CASH FLOW STATEMENT

Amounts in DKK '000s	NOTES	H1 2021	H1 2020	YTD 2021	FY 2020	FY 2019
Net profit/loss		-1,534.9	-281.0	-1,534.9	-1,302.4	-4,116.5
Adjustments		978.4	803.8	978.4	1,434.2	1,303.6
Change in working capital		-837.9	-2,292.4	-837.9	-1,743.3	1,308.2
Cash flow from operating activities before financial income and expenses		-1,394.4	1,769.7	-1,394.4	-1,611.6	-1,504.7
Financial expenses		-125.8	-2.3	-125.8	-85.0	-91.8
Cash flow from ordinary activities		-1,520.2	1,772.1	-1,520.2	-1,696.6	-1,596.5
Corporation tax paid		0		0	321.0	264.2
Cash flow from operating activities		-1,520.2	-1,772.1	-1,520.2	-1,375.6	-1,332.3
Purchase of intangible assets		-984.4	-847.6	-984.4	-1,964.3	-1,459.1
Purchase of property, plant and equipment		-227.8	-64.8	-227.8	-291.0	-80.0
Purchase of tangible fixed asset		0	-10.0	0	-10.0	
Other adjustments		0		0		-0.6
Cash flow from investing activities		-1,212.2	-922.4	-1,212.2	-2,265.4	-1,539.7
Increase in loans from credit institutions		2,399.4		2,399.4		-1,145.3
Repayment of payable to group enterprises		0.8		0.8	-4.9	
Repayment of loans from credit institutions						-2,160.9
Raising of loans from owners and Management						1.9
Capital increase			2,361.6		2,361.5	9,475.5
Cash flow from financing activities		2,400.3	2,361.6	2,400.3	2,356.7	6,171.2
Change in cash and cash equivalents		-332.1	-332.9	-332.1	-1,284.3	3,299.2
Cash and cash equivalents as of beginning of period		2,052.2	3,336.5	2,052.2	3,336.5	37.4
Cash and cash equivalents as of end of period		1,720.2	3,003.6	1,720.2	2,052.2	3,336.5

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 2021	H1 2020	YTD 2021	YTD 2020	FY 2020	FY 2019
Marketing costs	-2,120.6	-1,918.4	-2,120.6	-3,765.7	-3,765.7	-1,872.0
Premises	-440.2	-486.0	-440.2	-962.6	-962.6	-834.6
Other costs	-1,226.9	-1,066.1	-1,226.9	-1,688.7	-1,688.7	-2,030.3
Total other external expenses	-3,787.7	-3,470.6	-3,787.7	-6,417.1	-6,417.1	-4,736.8

Note 3 – Share Capital

The Company's share capital is DKK 5,250,000 divided into shares of DKK 1.

Note 4 – Number of employees

Total number of employees is eleven, including commercial agents operating in Europe.

FINANCIAL CALENDAR

Release date	Item
16 th of August 2021	H1.2021 Interim Report (1/1/2021 – 30/6/2021)
26 th of January 2022	H2.2021 Interim Report (01/07/2021 – 31/12/2021)
24 th of May 2022	General Assembly and annual report 2021
17 th of August 2022	H1.2022 Interim Report (1/1/2022 – 30/6/2022)

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 and VOC's.

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

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