



PHOTOCAT

CLEANING THE AIR WE BREATHE

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

INTERIM REPORT H2 2022

PHOTOCAT A/S PCAT CORP, ID NO, 32357903

H2 2022: SUMMARY

Highlights during the second half year of 2022

- Revenue increased 25% i H2 2022 vs H2 2021
- Revenue increased 10% 2022 over 2021
- First orders and business break through in The Gulf Cooperation Council (GCC)
- Integration of product CMA from Alumichem according to plan
- Expansion of management team has allowed more focus on sales and building of pipeline

Amounts in DKK '000s	H2 2022 2022-07-01 2022-12-31	H2 2021 2021-07-01 2021-12-31	FY 2022 2022-01-01 2022-12-31	FY 2021 2021-01-01 2021-12-31
Revenue	8,577	6,871	14,869	13,443
Gross Profit	3,766	2,935	5,446	5,412
EBITDA	648	329	-79	103
P/L before Tax	-610	-816	-2,592	-2,508
Net Profit	-354	-625	-2,154	-2,160
Assets	23,445	18,472	23,445	18,472
Equity	14,998	11,303	14,998	11,303
Debt	8,447	7,168	8,447	7,168
Cash at Hand	90	1,416	90	1,416

CEO LETTER



Michael Humle
CEO

The mission of cleaning the Air We breathe" in order to save lives and Improve life Quality Remains a strong guideline in what we do as well as try to accomplish. The journey on this mission is in many ways rewarding and generous as having build a Company with desire to do Real Impact is a true emotional Lighthouse. Yet in order to be a company we also need to prove that we can make a Profit as this is number one Rule in sustainable business.

In Q4 we managed to raise the bar and made an increase in revenue and Profit compared to previous 4th quarters. We believe this is due to the fact, that with the addition of new senior capabilities have further strengthened the commercial organization and hence, expanded the geographical footprint

Sales performance ended with a 24,8% growth in the second half of 2022 to a turnover of 8,577 tDKK from 6,871 tDKK second half of 2021. The growth is due to us having delivered the Shine On trial to NextERA in California. The Project is 2 year project with the aim to study the value on a Photovoltaic Park measured as increased power output. Further we have experienced growth in Spain, entered the GCC market as well as seen the CMA product beginning to grow. We believe the market demand will grow for offerings like ours utilizing solar light as the energy source to deliver desired air purifying outcomes. In 2022 we reached a revenue of 14.869 tDKK compared to 13.443 tDKK in 2021. This is a growth of 10,6%. We are pleased with this, as respective corona-driven lock downs seriously damaged our project pipeline and caused cut backs in our activities. This lead to limited growth existing activities as well as challenges in terms of engaging new customer programmes.

Overall the year with NOxOFF showing negative growth of -6,1 % up to a revenue of 9,5 mDKK in 2022 over 10,1 mDKK in 2021. The trend is showing growth, though limited due to the effect on commercial activities from the restrictive Covid-19 policies. We experience growth in Spain and the GCC region, whereas the Norwegian market performance has been disappointing in 2022.

Photocat Garden experienced a challenging year with New Danish distributor. The turnover grew 25,3 % to 0,7 mDKK in 2022 from 0,6 mDKK in 2021. The marketing campaign with a high focus on targeting online marketing to geographic areas around outlets did not deliver according to our expectations. We did see products entering COOP, yet we did not achieve critical mass in sales from the marketing campaign.

Actifloor experienced declining growth particularly in Q4 as North American Retail was hit by inflation control measures. The good thing is that long term partner Välinge Flooring through its affiliate Bjelin company prepares a launch in France. This will happen under the brand name Pure Hygienius™ in 150 outlets in France no later than 1st June 2023.

CEO LETTER

The project with Copenhagen municipality ended with a very positive assessment. The conclusion was that the air quality improved considerable around the school, where NOxOFF was applied. Several Politicians in Copenhagen pushes for the municipality to expand the usage of Technology. Seen from the Global perspective the results again conclude that Photocat 3rd Generation Catalyst contribute effectively to a reduction of up to 30% in NOx concentrations.

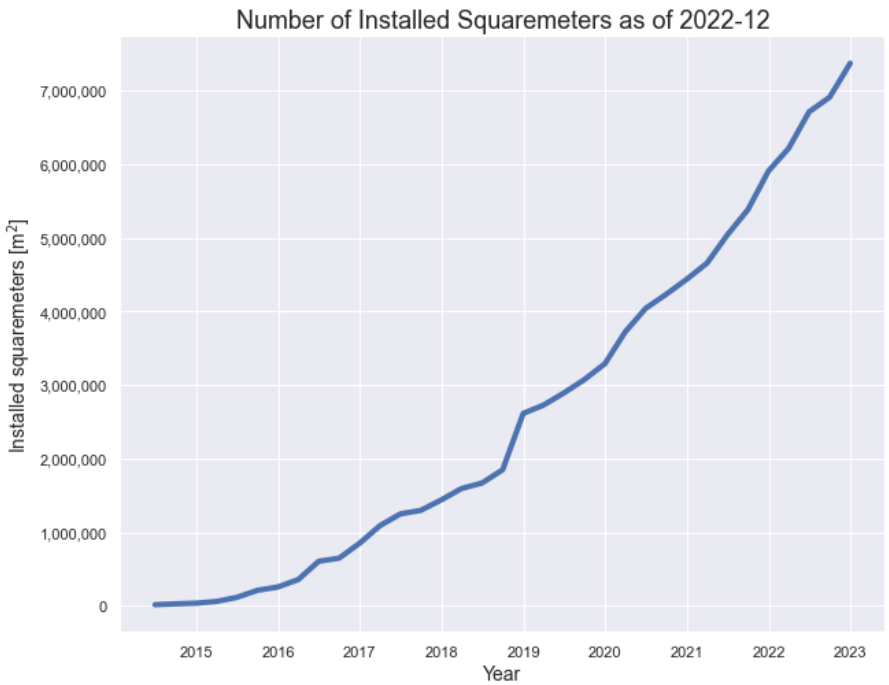
ShineOn had a positive year based on an agreement with one of the worlds strongest Green Utility Companies, NextERA. The purpose is to review how effectively ShineOn is to reduce the consequences of soiling on a PV plant in California. The project will run for 2 years, with a data read-out every 6 months, and the application of ShineOn on 8.000 SQM was completed in Q4 2022.

Further, the IPR strategy continued to be used actively in especially the Bitumen market. We expect to see more Bitumen membrane companies to select us in the coming years as we both deliver good quality as well as Patent Protected Solution.

Finally, we incorporated the CMA Ice & Dust away product portfolio into our Sales Operations and logistic handling. It was the first of our steps into diversification, in order to offer a stronger portfolio to improve air quality. Further, it strengthens the balance in our portfolio between Summer and Winter.

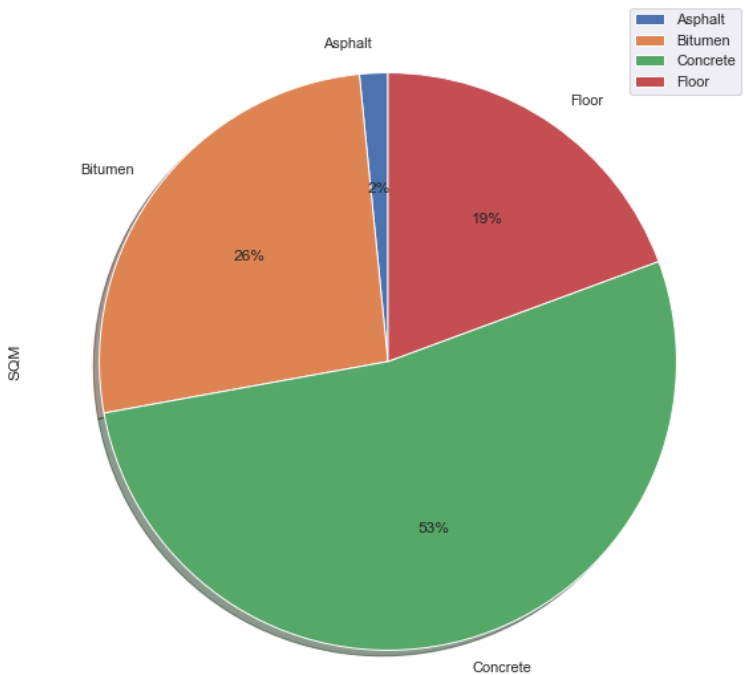
2023 will be a year with uncertainties in the Building and Construction related industries, however, the focus on Green Solutions and Sustainability remain with considerable interest across our selected strategic markets.

ENVIRONMENTAL IMPACT



The chart above shows Photocat now has installed more than 7.4 mill SQM surfaces with active Nox degrading surfaces

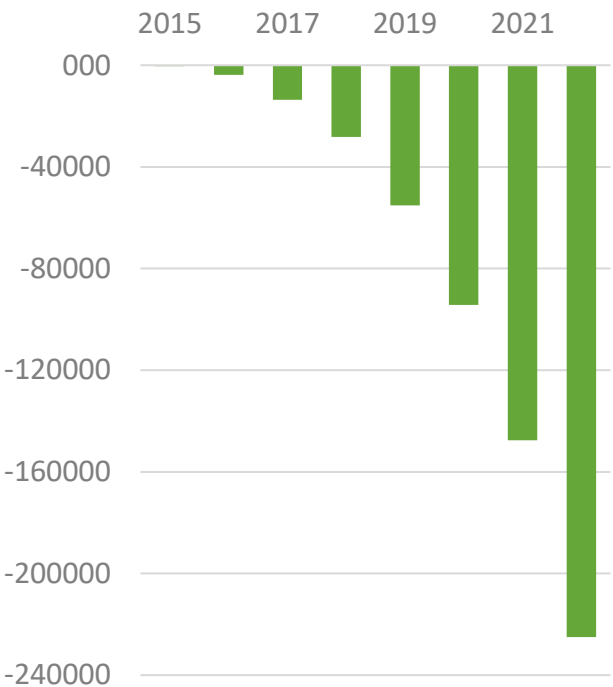
Allocated to type of Surface in %



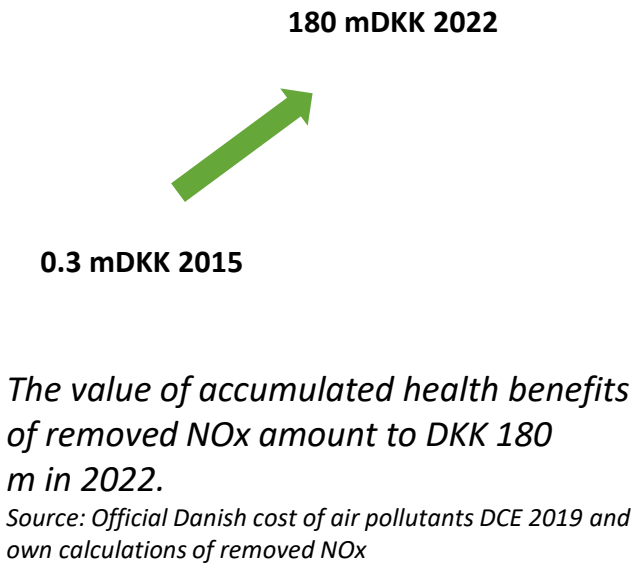
The pie chart shows the how many square meters of surfaces in each of the 4 main categories Concrete, Bitumen, Floors and Asphalt.

ENVIRONMENTAL IMPACT

Accumulated NOx removed in kg

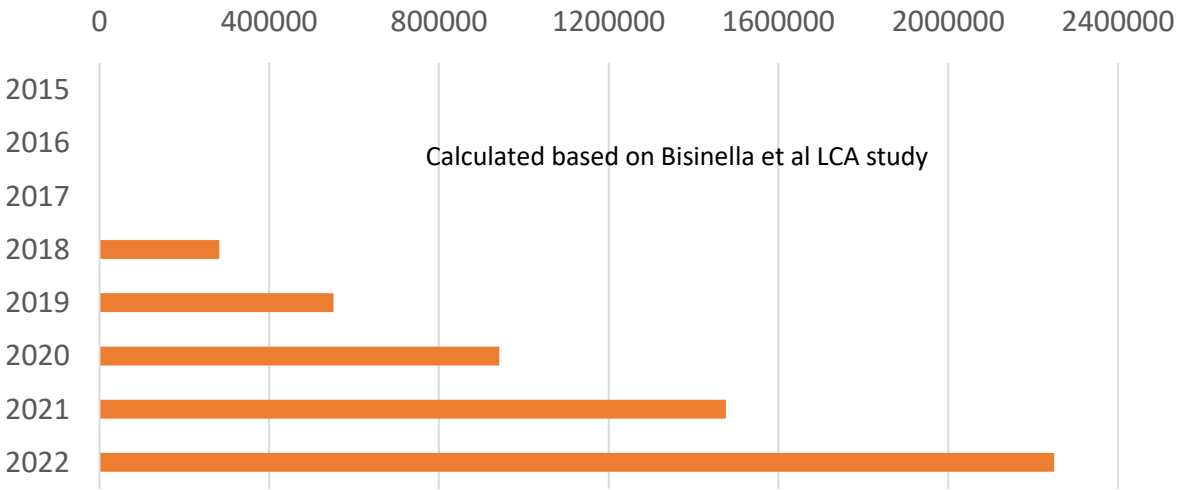


Saved Health Cost - Improved Life Quality



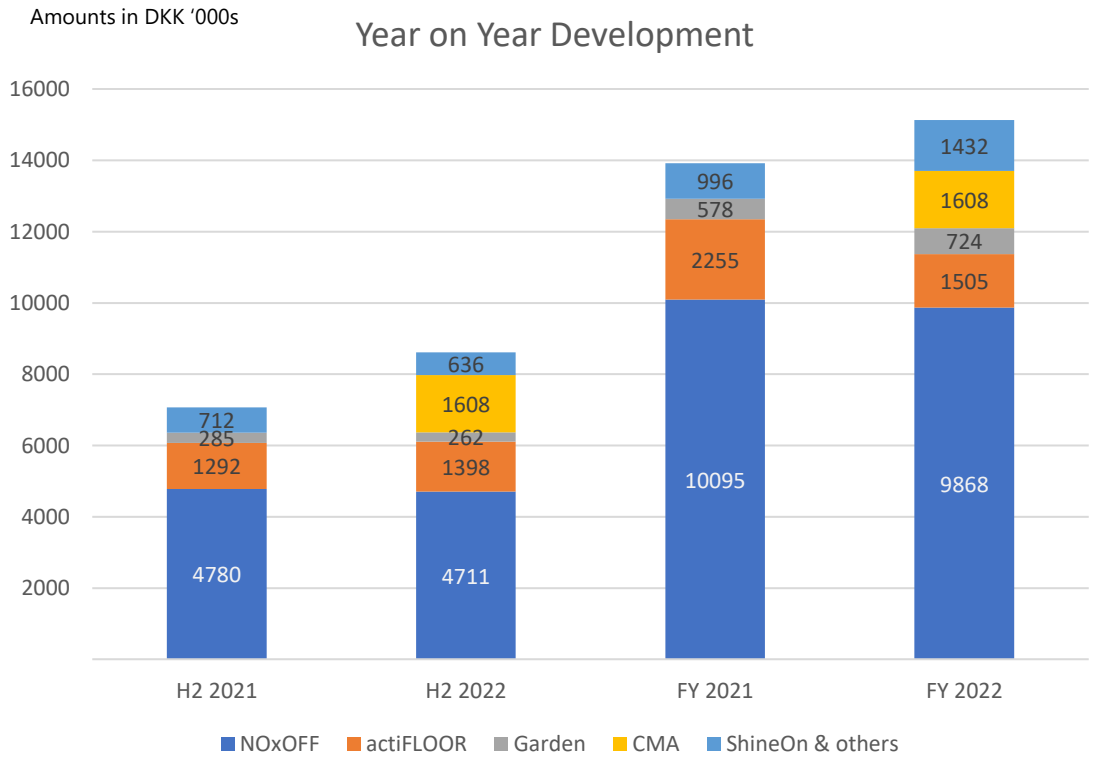
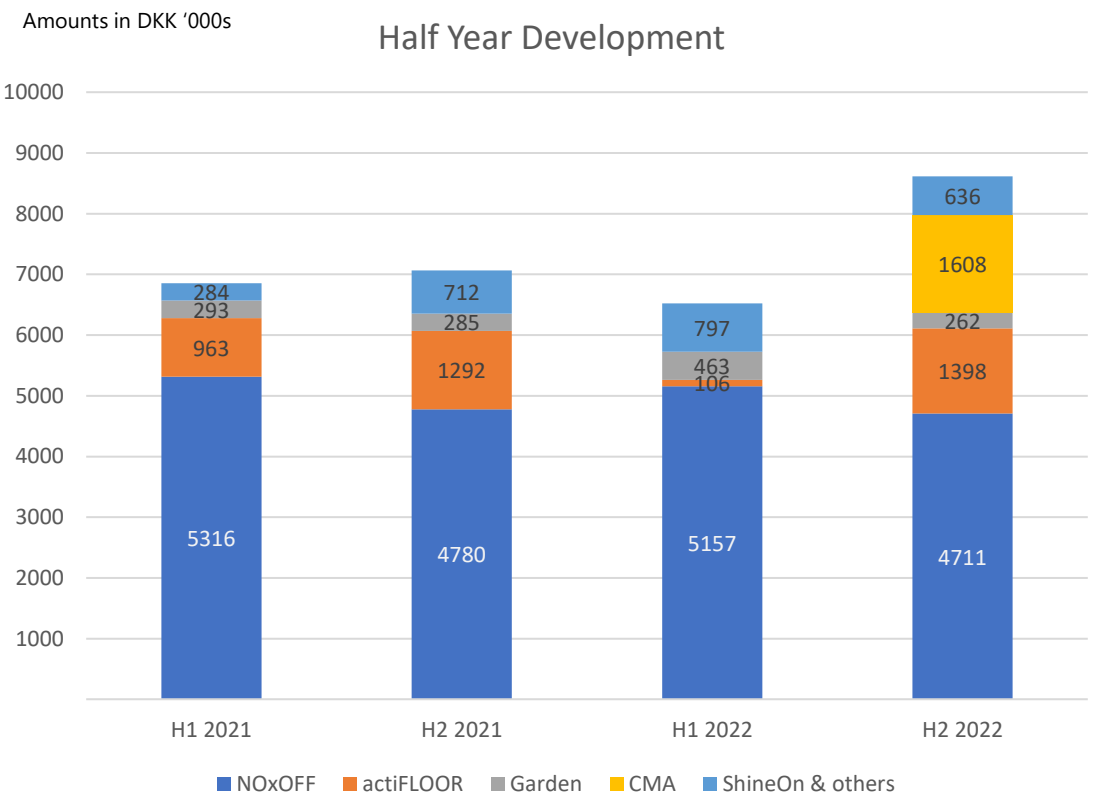
Accumulated NOx removed is equivalent to the pollution from accumulated 225,025 cars per year

Avoided CO₂ emission kg/year



The avoided CO₂ emissions amounted to 2.25 mill tons in 2022 as a result of the photocatalytic activity on installed surfaces

REVENUE DEVELOPMENT



INCOME STATEMENT

Amounts in DKK '000s	Notes	H2 2022	H2 2021	FY 2022	FY 2021
		2022-07-01 2022-12-31	2021-07-01 2021-12-31	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Revenue		8,577	6,871	14,869	13,443
Work on own account recognised in assets		1,163	1,531	1,991	2,243
Other Operating Income	1	38	196	268	480
Expenses for raw materials and consumables		-1,938	-1,812	-3,457	-3,115
Other external expenses	2	-4,077	-3,852	-8,231	-7,639
Gross profit		3,766	2,935	5,446	5,412
Staff expenses		-3,115	-2,503	-5,519	-5,310
EBIDTA		648	329	-79	103
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1,070	-1,258	-2,236	-2,495
Profit/loss before financial income and expenses		-422	-827	-2,315	-2,392
Financial expenses		-187	10	-277	-115
Profit/loss before tax		-610	-816	-2,592	-2,508
Taxes		256	191	438	347
Net profit/loss		-354	-625	-2,154	-2,160

BALANCE SHEET, assets

Amounts in DKK '000s	H2 2022 2022-12-31	H2 2021 2021-12-31
Goodwill	662	0
Completed development projects	4.926	4.692
Acquired patents	4.609	754
Development projects in progress	4.773	4.472
Intangible assets	14.999	9.917
Plant and equipment	421	837
Tangible assets	421	837
Deposits	301	301
Fixed assets investment	301	301
Fixed Assets	15.721	11.055
Inventories	1.050	1.071
Trade receivables	5.415	3.919
Other receivables	548	534
Corporation tax	438	347
Prepayment	183	128
Receivables	6.584	4.929
Cash at bank and in hand	90	1.416
Current assets	7.724	7.417
Total Assets	23.445	18.472

BALANCE SHEET, liabilities & equity

Amounts in DKK '000s	H2 2022	H2 2021
	2022-12-31	2022-12-31
Share capital	5,850	5,250
Retained earnings	9,148	6,053
Equity	14,998	11,303
Loan	1,751	2,246
Other payables	361	941
Payables to shareholders and managements	13	11
Deferred income	591	780
Long-term debt	2,716	3,978
Trade payables	3,625	2,467
Other payables	434	350
Other credit institutions	1,483	183
Deferred income	189	189
Short-term debt	5,731	3,190
Debt	8,447	7,168
Liabilities & Equity	23,445	18,472

Change of Equity

Amounts in DKK '000s

	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2022	5,250	6,167	-113	11,303
Cash capital increase	600		5,248	5,848
Development costs for the year		1,553	-1,553	
Depreciation, amortisation and impairment for the year		-523	523	
Net profit/loss for the year (H1 2022)			-2,153	-2,153
Equity at 31 December 2022	5,850	7,197	1,950	14,997
	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2021	5,250	4,845	3,368	13,463
Cash capital increase				
Development costs for the year		1,749	-1,749	
Depreciation, amortisation and impairment for the year		-427	427	
Net profit/loss for the year (H1 2022)			-2,160	-2,160
Equity at 31 December 2021	5,250	6,167	-113	11,303

CASH FLOW STATEMENT

Amounts in DKK '000s	H2 2022	H2 2021	FY 2022	FY 2021
	2022-07-01 2022-12-31	2021-07-01 2021-12-31	2022-01-01 2022-12-31	2022-01-01 2022-12-31
Net profit/loss	-354	-625	-2,154	-2,160
Adjustments	1,191	830	2,075	1,808
Change in working capital	-1,001	766	-1,071	-72
Cash flow from operating activities before financial income and expenses	-164	971	-1,150	-424
Financial expenses	-187	10	-277	-115
Cash flow from ordinary activities	-352	981	-1,427	-539
Cooperation tax paid	347	384	347	384
Cash flow from operating activities	-4	1,365	-1,079	-155
Purchase of intangible fixed asset	-1,406	-1,596	-6,734	-2,580
Purchase of property, plant and equipment	-110	-104	-169	-331
Cash flow from investing activities	-1,516	-1,699	-6,903	-2,912
Repayment of payables to group enterprises	0	0	0	0
Raising of loans from credit institutions	897	30	805	2,429
Raising of loans from group enterprises	1	1	2	2
Capital increase	0	0	5,848	0
Cash flow from financing activities	898	30	6,655	2,431
Change in cash and cash equivalents	-622	-304	-1,327	-636
Cash and cash equivalents as of the beginning of the period	712	1,720	1,416	2,052
Cash and cash equivalents at the end of period	90	1,416	90	1,416

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	H2 2022	H2 2021	FY 2022	FY 2021
	2022-07-01 2022-12-31	2021-07-01 2021-12-31	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Marketing costs	-2,169	-2,252	-4,211	-4,353
Premises	-508	-432	-1,056	-872
Other costs	-1,400	-1,168	-2,964	-2,414
Total other external expenses	-4,077	-3,852	-8,231	-7,639

Note 3 – Share Capital

The Company's share capital is DKK 5,850,000 divided into shares of DKK 1.

Note 4 – Number of employees

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

Note 5 – Earnings per share

Amounts in DKK '000s	1 Jul - 31 Dec 2022	1 Jul - 31 Dec 2021	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021
Earnings per share, DKK	-0,06	-0,12	-0,37	-0,41

Notes 6 – The number of outstanding shares

Amounts in DKK '000s	1 Jul - 31 Dec 2022	1 Jul - 31 Dec 2021	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021
The number of outstanding shares	5,850	5,250	5,850	5,250
The average number of outstanding shares	5,850	5,250	5,550	5,250
Before dilution	5,850	5,250	5,250	5,250
After dilution	5,850	5,250	5,850	5,250

FINANCIAL CALENDAR

Release date	Item
15 th of February 2023	H2.2022 Interim Report (01/07/2022 – 31/12/2022)
24 th of May 2023	General Assembly and Annual Report 2022
23 th of August 2023	H1.2023 Interim Report (01/01/2023 – 30/06/2023)
14 th of February 2024	H2.2023 Interim Report (01/07/2023 – 31/12/2023)

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.

This report has not been reviewed by the company's auditor.

The company's report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying for enterprises of reporting class B, and provisions applying for to reporting class C entities.