



WE CLEAN THE AIR WE BREATHE

PHOTOCAT

INTERIM REPORT H2 2023

PHOTOCAT A/S PCAT CORP, ID NO 32 35 79 03

H2 2023: SUMMARY

Highlights during the second half year of 2023

- 1.5 mDKK EBITDA improvement from 2022 to 2023 – due to better efficiency
- Revenue steady despite challenging situation in Danish and Norwegian markets
- Bitumen IPR rights generate better market position for Photocat
- Integration of product CMA into product portfolio completed
- Reduction of cost led to better administrative balance
- The company issues its guidance for 2024 with a turnover of 17,5-19,0 mDKK, and a positive EBITDA of 0,5-1,5 mDKK

Amounts in DKK '000s	H2 2023	H2 2022	FY 2023	FY 2022
	2023-07-01	2022-07-01	2023-01-01	2022-01-01
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Revenue	6,373	8,577	15,041	14,839
Gross profit	2,998	3,766	6,726	4,458
EBITDA	-157	648	651	-911
P/L before tax	-1,476	-610	-2,024	-3,424
Net profit	-1,269	-354	-1,617	-2,986
Assets	23,648	23,445	23,648	22,613
Equity	12,548	14,998	12,548	14,165
Debt	11,100	8,447	11,100	8,447
Cash at Hand	230	90	230	90

CEO Letter – MANAGEMENT UPDATE

Dear Shareholders,

As we reach the core of the winter time of 2024, I am pleased to present to you our half-year report, reflecting Photocat's unwavering commitment to advancing the ESG agenda and delivering impactful solutions for air quality and resource efficiency.

Despite the complex political landscape that has influenced consumption patterns, particularly in the Danish market, our commitment to deliver air quality solutions remains firm. We continue to collaborate with leading concrete companies to enhance urban spaces, investing in solutions that bridge the gap between rhetoric and action. While the latter part of 2023 represented challenges in aligning political speech with implementation, resulting in underutilization of our innovative solutions, we are encouraged by the growing number of regions transitioning from words to deeds—a positive sign for the future.

Our Photocat technology remains a beacon in the industry, and our winter products, 'Ice & Dust Away,' are gaining traction with environmentally conscious municipalities, providing superior winter protection compared to traditional methods.

We've observed a mixed geographical performance, with promising developments in Spain, sustained business in Denmark and growth in Sweden, while experiencing a downturn in Norway. The potential expansion into Finland in 2024 opens new avenues for growth.

Operational efficiency has been a key focus, as evidenced by our streamlined organization and leaner management structure, which has effectively reduced administrative costs.

The sales performance did reflect a 25.7% downturn in the second half of 2023 vs H2 2022, amidst broader market challenges. However, it's noteworthy that our category outperformed the overall market, displaying resilience in the face of industry headwinds. This has strategically positioned us with healthy inventory levels and delayed, yet secured, sales opportunities.



CEO Letter – MANAGEMENT UPDATE

Revenue for 2023 stood at a steady 15.041 tDKK, mirroring the previous year, but with a remarkable 171% surge in EBITDA, a testament to our diligent cost-saving measures.

Although NOxOFF experienced a modest contraction, the overwhelming success of Photocat Garden, with a 114.3% increase in turnover, signals a strong consumer appetite for sustainable alternatives.

Actifloor's stabilization, despite a subdued new housing market, and the positive reception of our French launch, underscore our resilience and adaptability.

In summary, our steadfast focus on innovation and sustainability, combined with strategic cost management, positions us for a rebound and growth in the latter half of the year. We remain optimistic and driven to achieve our goals, and I am confident in Photocat's potential to lead and inspire the industry towards a greener future.

Thank you for your continued support.

Sincerely,

Michael Humle, CEO, Photocat



PHOTOCAT ENVIRONMENTAL IMPACT

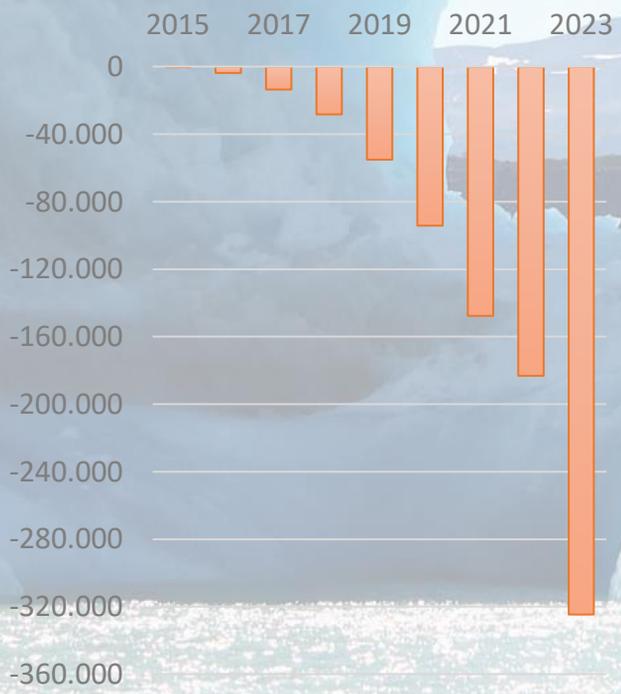


Saved Health Cost - Improved Life Quality



The value of accumulated health benefits of removed NOx amount to DKK 259m in 2023
Source: Numbers based on the official data from the Danish Centre for Environment and Energy (DCE).
https://dce.au.dk/fileadmin/dce.au.dk/Udgivelser/Notater_2019/Miljoeoekonomiske_beregningsspriser_for_emissioner.pdf

Accumulated NOx removed in kg



Accumulated NOx removed is equivalent to the pollution from 324,589 cars
Source: <https://www.eurekaselect.com/article/109045>

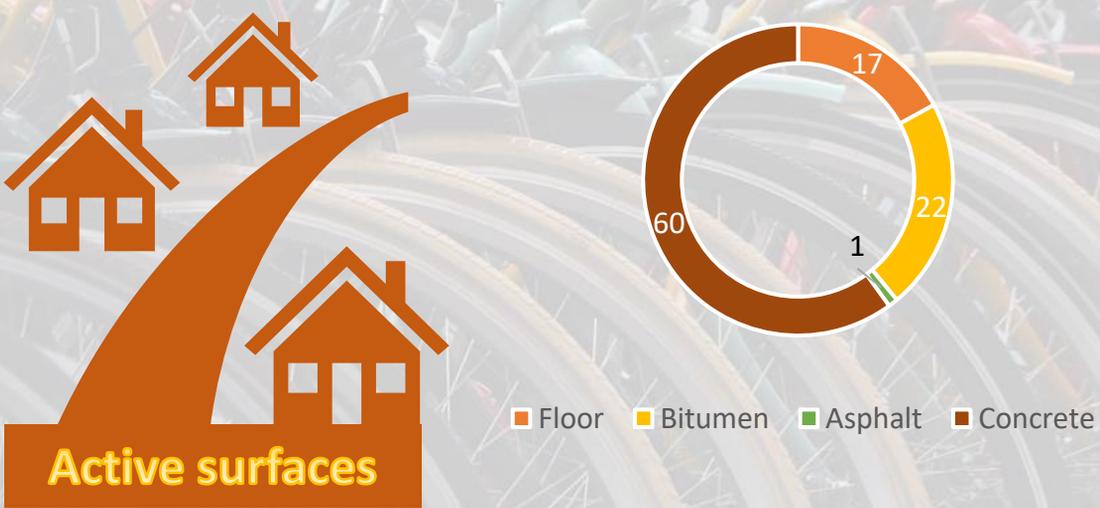
PHOTOCAT ENVIRONMENTAL IMPACT

Number of Installed Squaremeters with Photocat Technology as of 2023-12



The chart above shows that Photocat now has installed more than 9,0 m SQM surfaces with active **NOx** degrading surfaces

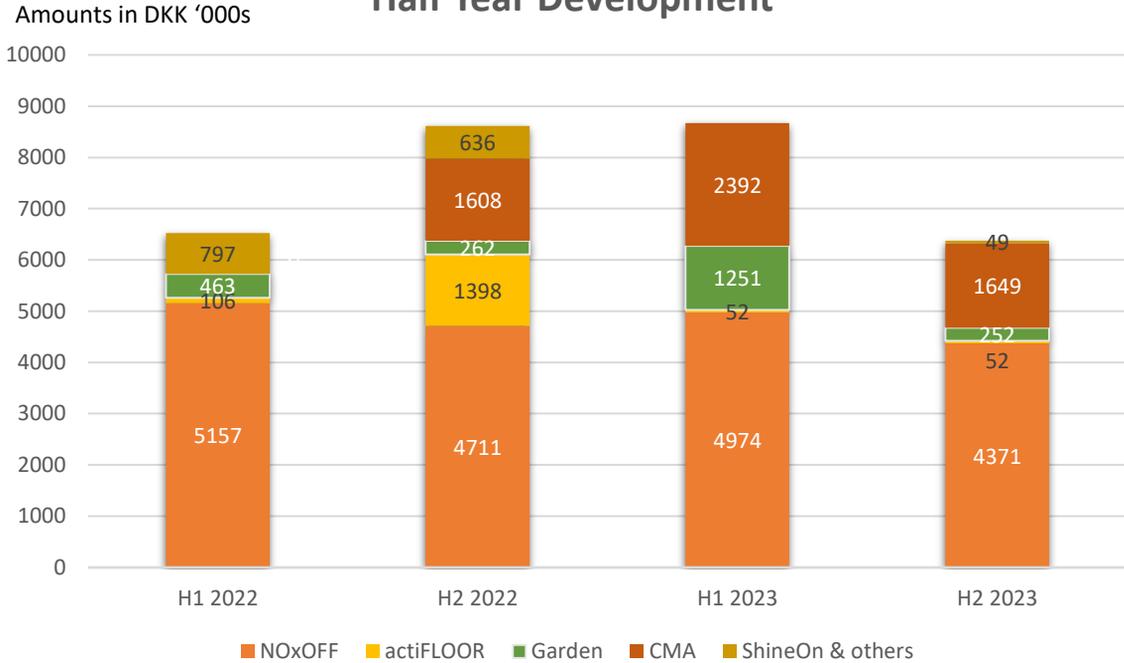
SQM Allocated to type of surface in %



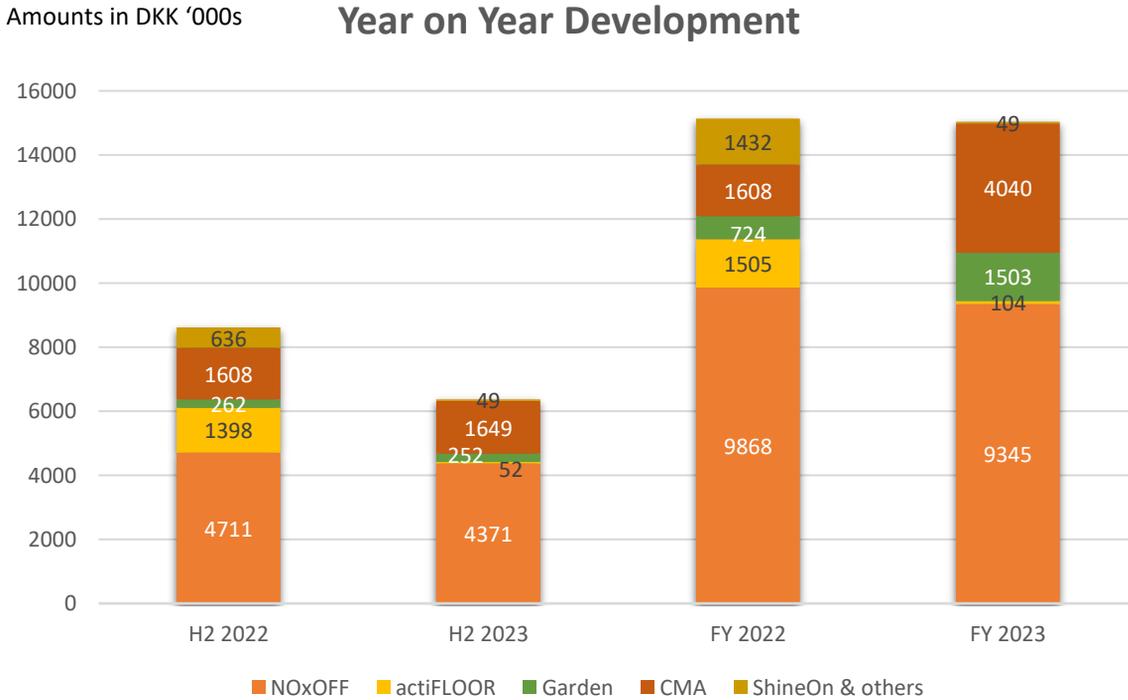
The pie chart shows how many square meters of surfaces in each of the 4 main categories Concrete, Bitumen, Floors and newest Asphalt

REVENUE DEVELOPMENT

Half Year Development



Year on Year Development



INCOME STATEMENT

Amounts in DKK '000s	Notes	H2 2023	H2 2022	FY 2023	FY 2022
Revenue		6.373	8.577	15.041	14.839
Work on own account recognised in assets		945	1,163	1,849	1,991
Other Operating Income	1	0	38	0	297
Expenses for raw materials and consumables		-1,747	-1,938	-4,114	-3,457
Other external expenses	2	-2,573	-4,077	-6,051	-9,213
Gross profit		2,998	3,763	6,726	4,458
Staff expenses		-3,155	-3,115	-6,075	-5,369
Depreciation, amortisation and impairment of intan		-908	-1,070	-2,113	-2,236
Profit/loss before financial income and expenses		-1,065	-422	-1,463	-3,147
Financial expenses		-411	-187	-561	-277
Profit/loss before tax		-1,476	-609	-2,024	-3,424
Taxes		208	256	407	438
Net profit/loss		-1,269	-353	-1,617	-2,986

BALANCE SHEET, assets

Amounts in DKK '000s	2023-12-31	2022-12-31
Completed development projects	5,937	4,956
Acquired patents	925	1,002
Other Acquired patents	5,325	4,268
Development projects in progress	4,280	4,773
Intangible assets	16,468	14,999
Plant and equipment	292	257
Other fixtures and fittings, tools and equipment	46	164
Tangible assets	338	421
Other investments	0	0
Deposits	316	301
Fixed assets investment	316	301
Fixed assets	17,122	15,721
Inventories	754	942
Trade receivables	4,597	4,583
Other receivables	388	680
Corporation tax	407	438
Prepayments	151	158
Receivables	5,542	5,859
Cash at bank and in hand	230	90
Current assets	6,526	6,891
Total assets	23,648	22,612

BALANCE SHEET, liabilities & equity

Amounts in DKK '000s	2023-12-31	2022-12-31
Share capital	5,850	5,850
Reserve for development cost	7,578	7,197
Retained earnings	-880	1,118
Equity	12,548	14,165
Other credit institutions	3,811	1,985
Other payables	373	361
Shareholders and management	721	13
Deferred income	780	780
Total non-current liabilities	5,685	3,139
Other credit institutions	1,748	1,249
Trade payables	3,349	3,920
Other payables	318	139
Total current liabilities	5,415	5,308
Total liabilities	11,100	8,447
Total equity and liabilities	23,648	22,612

STATEMENT OF CHANGE IN EQUITY

Amounts in DKK '000s	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2022	5,250	6,167	-114	11,303
Cash capital increase	600		5,248	5,848
Development costs for the year		1,553	-1,553	0
Depreciation, amortisation and impairment for the year		-523	523	0
Net profit/loss for the year			-2,986	-2,986
Equity at 31 December 2022	5,850	7,197	1,118	14,165
Equity at 1 January 2023	5,850	7,197	1,118	14,165
Cash capital increase	0	0	0	0
Development costs for the year		1,442	-1,442	0
Depreciation, amortisation and impairment for the year				0
		-1,061	1,061	
Net profit/loss for the year			-1,617	-1,617
Equity at 31 December 2023	5,850	7,578	-880	12,548

CASH FLOW STATEMENT

Amounts in DKK '000s

H2 2023 H2 2022 FY 2023 FY 2022

Net profit/loss	-1,269	-354	-1,617	-2,986
Adjustments	1,111	1,191	2,268	1,886
Change in working capital	2,183	-1,001	79	-49
Cash flow from operating activities before financial income and expenses	2,026	-164	729	-1,149
Financial expenses	-411	-187	-561	-276
Cash flow from ordinary activities	1,615	-351	168	-1,425
Corporate tax paid	438	347	438	347
Cash flow from operating activities	2,053	-4	606	-1,078
Purchase of intangible fixed assets	-2,445	-1,406	-3,348	-6,734
Purchase of tangible assets	-125	-110	-150	-169
Cash flow from investing activities	-2,570	-1,516	-3,498	-6,903
Repayment of loans from credit institutions	257	897	2,324	805
Raising of loans from shareholders and management	47	1	708	2
Cash capital increase			0	5,848
Cash flow from financing activities	304	898	3,032	6,655
Change in cash and cash equivalents	-213	-622	140	-1,326
Cash and cash equivalents start	443	712	90	1,416
Cash and cash equivalents end	230	90	230	90
Analysis of cash and cash equivalents				
Cash at bank and in hand	230	90	230	90
Cash and cash equivalents	230	90	230	90

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 2023	H2 2022	FY 2023	FY 2022
Marketing cost	-1,200	-2,169	-3,045	-4,899
Premises	-539	-508	-1,083	-1,056
Other cost	-833	-1,400	-1,923	-3,258
Total other external expenses	-2,573	-4,077	-6,051	-9,213

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 12, including commercial agents operating in Mexico and Europe.

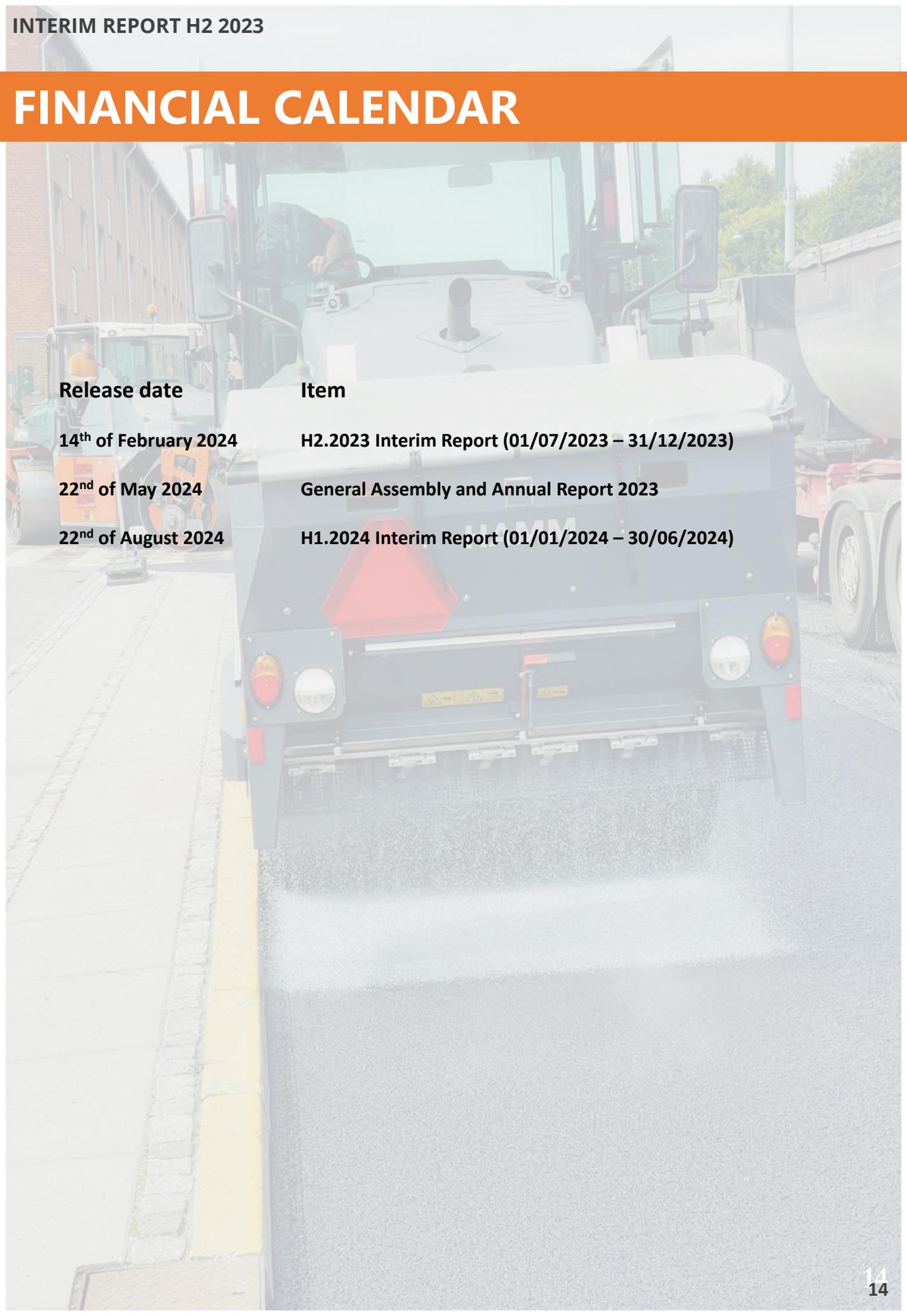
Note 5 - Earnings per share

DKK	1 Jul – 31 Dec 2023	1 Jul - 31 Dec 2022	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Earnings per share	-0,22	-0,06	-0,28	-0,51
Before dilution	-0,22	-0,06	-0,28	-0,51
After dilution including warrents	-0,20	-0,06	-0,25	-0,51

Note 6 - The number of outstanding shares

Amounts in DKK '000s	1 Jul - 31 Dec 2023	1 Jul - 31 Dec 2022	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
The number of outstanding shares	5,850	5,850	5,850	5,850
The average number of outstanding shares	5,850	5,850	5,850	5,550
Before dilution	5,850	5,850	5,850	5,250
After dilution including warrents	6,390	5,850	6,390	5,850

FINANCIAL CALENDAR



Release date	Item
14th of February 2024	H2.2023 Interim Report (01/07/2023 – 31/12/2023)
22nd of May 2024	General Assembly and Annual Report 2023
22nd of August 2024	H1.2024 Interim Report (01/01/2024 – 30/06/2024)

WHO IS 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.

We also sell and distribute products that reduce air born particles and dust as PM1.0 PM2.5 and PM10. It also acts as a de-icing agent, and an alternative to salt.

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.