



PHOTOCAT

CLEANING THE AIR WE BREATHE

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

INTERIM REPORT H1 2022

PHOTOCAT A/S PCAT CORP, ID NO, 32357903

H1 2022: SUMMARY

Highlights during the first half year of 2022

- Revenue amounted to DKK 6,291k in H1 2022 which was a decline of 4% vs. H1 2021, explained by delayed COVID-19 impact
- Gross profit amounted to DKK 1680k in H1 2022, equivalent to a decline of 4% vs. H1 2021, due to the decline in revenue
- Cash flow from investments was impacted by the acquisition of Alumichem A/S. The purchase price was DKK 5m of which DKK 4m was paid in cash and DKK 1m in shares.
- In connection with the acquisition, capital was raised on 30 June 2022 through a private placement of SEK 8.4m.
- In June, Photocat announced a new partnership agreement in Norway and Sweden to increase sales of environmentally friendly products in these two markets.

Highlights after 30 June 2022

- As of 1 August, the management team has been expanded with Henrik Reichel Bartholdy (COO) and Jesper Elsgaard (CBO)

Amounts in DKK '000s	1 Jan – 30 Jun 2022	1 Jan – 30 Jun 2021	Full Year 2021**
Total Revenue	6,291.4	6,571.5	13,422.9
Gross Profit	1,679.8	1,765.1	5,412.3
EBITDA	-724.1	-329.4	102.5
P/L before Tax	-1,982.4	-1,691.6	-2,507.8
Net Profit	-1,800.1	-1,534.9	-2,160.4
Total Assets	23,810.6	17,992.6	18,471.7
Equity	15,351.4	11,928.9	11,303.4
Debt	8,459.2	6,063.7	7,168.3
Cash at Hand	712.0	1,720.2	1,416.4

** Audited

CEO LETTER



Michael Humle
CEO

The first half year of 2022 showed a revenue of tDKK 6.291, compared to H1 2021 a reduction of 4,3%. This was primarily due to postponement of orders from flooring customers and fewer Outlets reached in the Garden segment. Further the partnership with Nanostone has taken a little longer than expected to integrate into partners operations affecting the revenue in H1 2022.

Just before the end of the first half year Photocat acquired from Alumichem A/S their CMA business. e. The acquisition is part of the strategy, where CMA will strengthen Photocats product portfolio .

CMA as a product is having a green profile. Further the product can be used to lower particles in ambient air and therefore complement Photocat clean air product and commercial offering portfolio. This is very important as CMA product also is a de-icing agent and comes with the Nordic Swan stamp. Such a product like CMA De-Icing is relevant in the winter months where Photocat other offerings have less attention amongst customers.

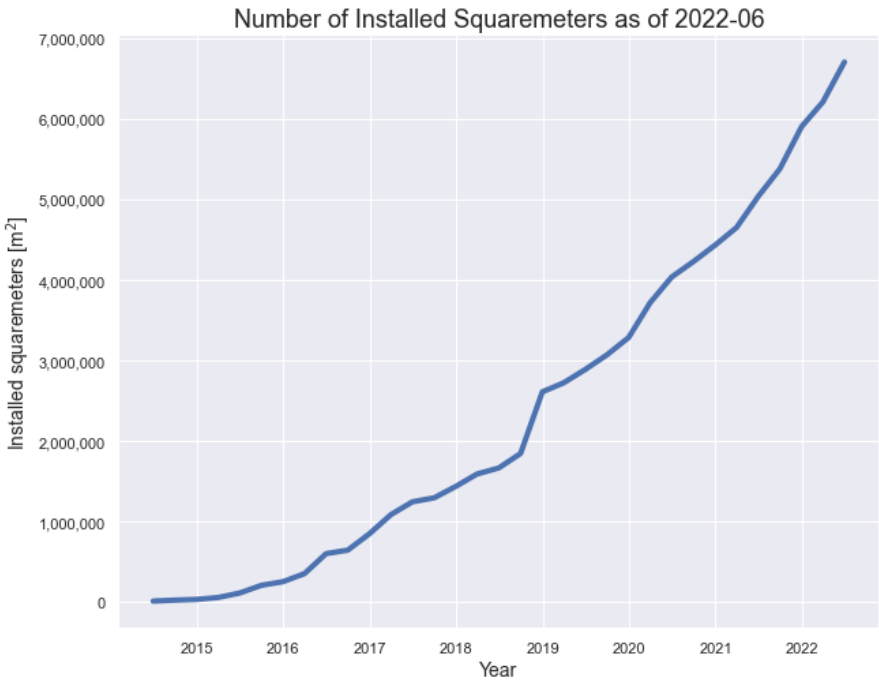
NOxOFF business in the bitumen market is in a positive development with the grant of our 2nd patent covering a larger part of the business and makes us more relevant for the bitumen manufacturers. We are present in Denmark, Germany and Benelux. NOxOFF concrete is present with our customers in Denmark, Norway, Germany and Spain as main markets. Yet we are in process of implementing our technology on concrete with an important market leader in Switherland. The SMAG group in Switzerland is leading and is about to launch our technology in their climate stone range. Further we are about to enter the market of UAE and have received our product license from authorities in Dubai.

In the public market we completed the Nørrebro Park School project. An air quality demonstration case made for municipality of Copenhagen with the aim to show real impact. For Photocat a massive success as NOxOFF showed approx. 30% reduction in NOx around the school. The project was reported in quarterly performance to project owner Municipality of Copenhagen and data showed similar performance with expected variance. A strong documentation case which shows that it makes environmental and life quality positive effects to use photocatalysis in NOxOFF performance bracket around schools.

In the Garden segment we are behind budget as we did not get all the chains of outlets into our distribution Network in 1H 2022 due to change of distributor. For actifloor we are behind budget as we did see some unexpected inventory regulations at main customer. We therefore missed an expected order but the customer has indicated that this was a one time adjustment in inventory level. The floor market in US and Canada is still experiencing a solid growth.

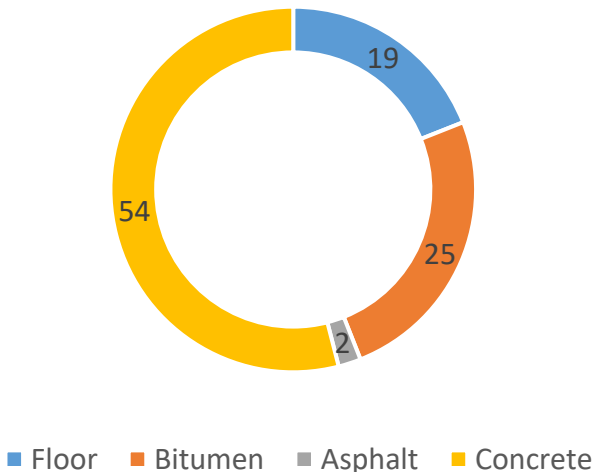
After the half year end we have added new management resources to the Photocat team. We are determined to start a growth journey with this new management team.

ENVIRONMENTAL IMPACT



The chart above shows Photocat now has installed more than 6.7 mill SQM surfaces with active Nox degrading surfaces

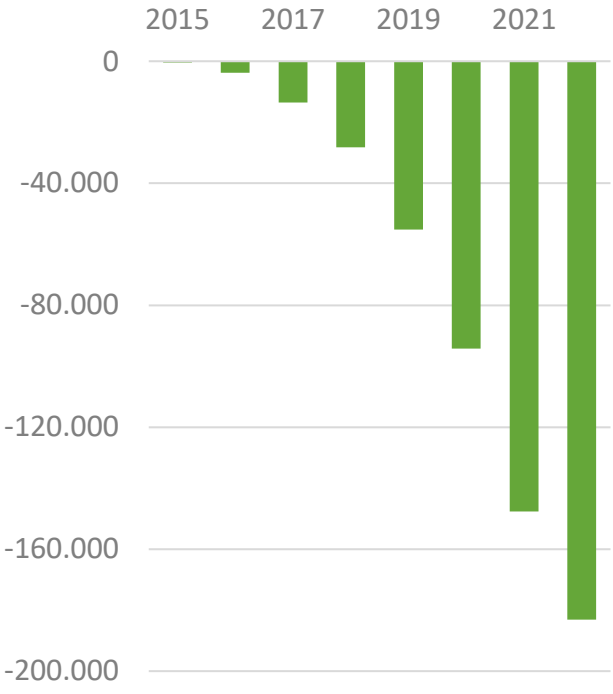
Allocated to type of surface in %



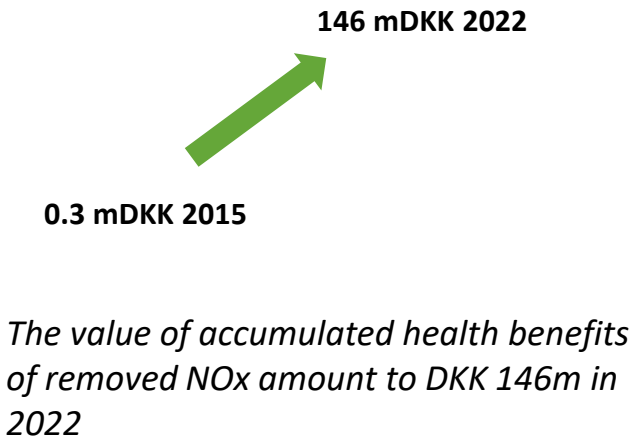
The pie chart shows the how many square meters of surfaces in each of the 4 main categories Concrete, Bitumen, Floors and newest Asphalt.

ENVIRONMENTAL IMPACT

Accumulated NOx removed in kg

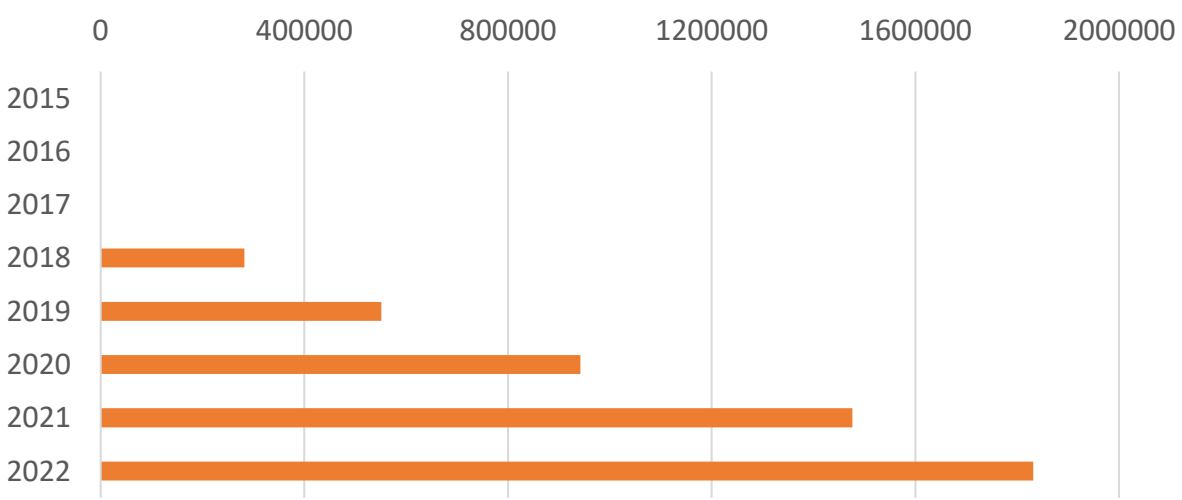


Saved Health Cost - Improved Life Quality



Accumulated NOx removed is equivalent to the pollution from 183,158 cars

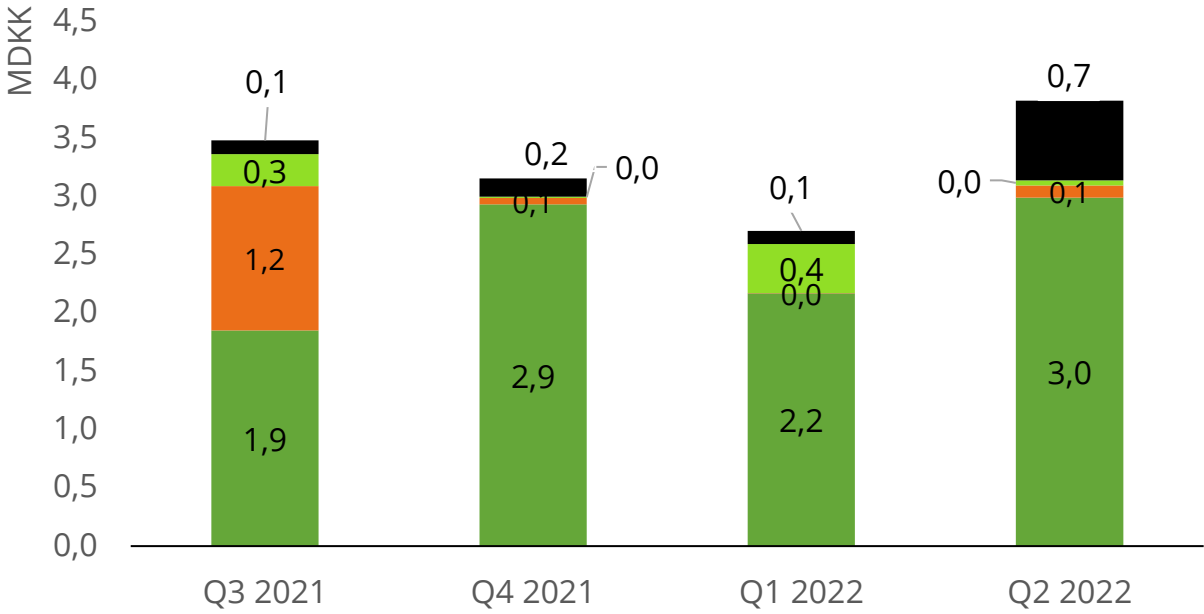
Avoided CO₂ emission kg/year



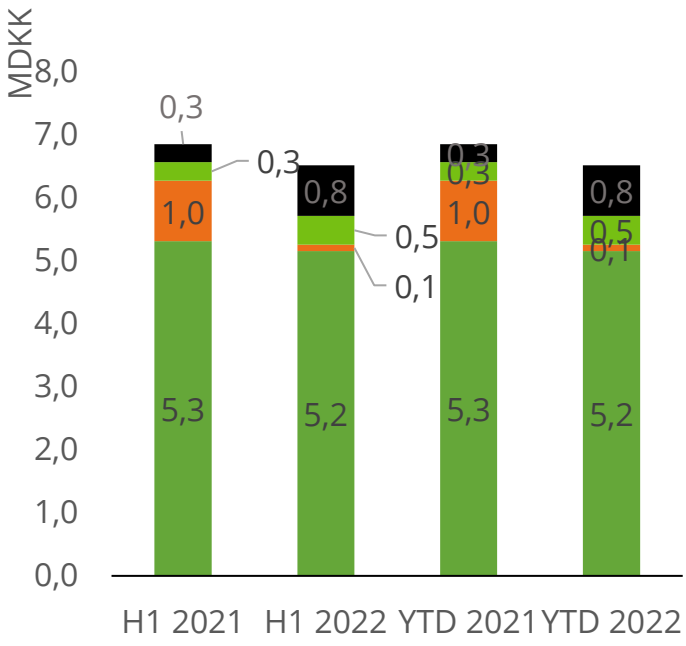
The avoided CO2 emissions amounted to 1.83 mill tons in 2022 as a result of the photocatalytic activity on installed surfaces

REVENUE DEVELOPMENT

LAST FOUR QUARTERS



YEAR ON YEAR DEVELOPMENT



Revenue declined in H1 22. The decline is primarily related to actiFLOOR products inventory adjustments in North American inventories resulting in postponement of order



INCOME STATEMENT

Amounts in DKK '000s	NOTES	H1 2022	H1 2021	FY 2021	FY 2020
Revenue		6,291.4	6,571.5	13,442.9	12,166.7
Work on own account recognised in assets		828.7	712.5	2,243.3	1,745.3
Other operating income	1	230.7	284.1	480.5	484.2
Expenses for raw materials and consumables		-1,519.4	-1,302.7	-3,115.1	-3,007.6
Other external expenses	2	-4,154.0	-3,787.7	-7,639.3	-6,446.9
Gross profit		1,679.8	1,765.1	5,412.3	4,941.8
Staff expenses		-2,403.9	-2,094.5	-5,309.8	-4,878.0
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-1,166.4	-1,236.6	-2,495.0	-2,190.6
Profit/loss before financial income and expenses		-1,892.8	-1,565.9	-2,392.4	-2,126.9
Financial expenses		-89.6	-125.8	-115,4	-85,0
Profit/loss before tax		-1,982.4	-1,691.6	-2,507.8	-2,211.9
Tax		182.3	156.8	347.5	384.0
Net profit/loss		-1,800.1	-1,534.9	-2,160.4	-1,827.9
Earnings per share		DKK -0,31	DKK -0,29	DKK -0,41	DKK -0,35

BALANCE SHEET, assets

Amounts in DKK '000s	NOTES	H1 2022	H1 2021	FY 2021	FY 2020
Completed development projects		4,666.7	5,085.2	4,691.9	5,804.6
Acquired patents		4,527.2	715.8	754.0	464.6
Development projects in progress		4,471.4	3,503.0	4,471.4	3,009.5
Goodwill		696.5			
Intangible Assets		14,361.8	9,304.1	9,917.2	9,278.8
Plant and machinery		442.3	1,009.0	614.9	888.8
Other fixtures and fittings, tools & equipment		170.0	0	221.9	169.9
Property, plant and equipment		612.4	1,009.1	836.8	1,058.6
Deposits		300.9	300.9	300.9	300.9
Fixed asset investments		300.9	300.9	300.9	300.9
Fixed assets		15,275.0	10,613.9	11,054.9	10,638.3
Inventories		1,577.3	983.2	1,071.5	748.1
Trade receivables		5,344.8	3,790.3	3,919.4	2,531.2
Other receivables		449.4	65.9	553.9	158.4
Corporation tax		529.8	540.7	347.5	384.0
Prepayments		160.6	278.4	128.2	300.6
Receivables		6,484.6	4,675.2	4,928.9	3,374.1
Cash at bank and in hand		712.0	1,720.2	1,416.4	2,052.2
Current assets		8,773.9	7,378.7	7,416.8	6,174.4
Assets		24,048.9	17,992.6	18,471.7	16,812.7

BALANCE SHEET, liabilities & equity

Amounts in DKK '000s	NOTES	H1 2022	H1 2021	FY 2021	FY 2020
Share capital	3	5,850.0	5,250.0	5,250.0	5,250.0
Retained earnings		9,501.4	6,678.9	6,053.4	8,213.8
Equity		15,351.4	11,928.9	11,303.4	13,463.8
Provisions		-	-	-	-
Credit institutions		2,245.7	-	2,245.7	-
Payables to shareholders and managements		12.3	10.1	11.4	9.7
Other payables		784.3	349.4	941.1	349.4
Deferred income		590.6	742.1	779.9	969.3
Long-term debt		3,632.8	3,501.5	3,978.1	1,328.4
Credit institutions		0	0	183.4	0
Trade payables		4,514.8	1,655.9	2,467.2	973.5
Other payables		269.2	451.8	350.3	592.5
Deferred income		189.4	454.4	189.4	454.4
Short-term debt		5,064.7	2,562.1	3,190.2	2,020.5
Debt		8,697.5	6,063.7	7,168.3	3,348.9
Liabilities & Equity		24,048.9	17,992.6	18,471.7	16,812.7

CASH FLOW STATEMENT

Amounts in DKK '000s	NOTES	H1 2022	H1 2021	FY 2021	FY 2020
Net profit/loss		-1,800.1	-1,534.9	-2,160.4	-1,827.9
Adjustments		884.4	978.4	1,808.5	1,437.2
Change in working capital		-69.5	-837.9	-71.7	-1,220.9
Cash flow from operating activities before financial income and expenses		-985.3	-1,394.4	-423.5	-1,611.6
Financial expenses		-89.6	-125.8	-115.4	-85.0
Cash flow from ordinary activities		-1,074.9	-1,520.2	-539.0	-1,696.6
Corporation tax paid		0	0	384.0	321.0
Cash flow from operating activities		-1,074.9	-1,520.2	-155.0	-1,375.6
Purchase of intangible assets		-5,327.6	-984.4	-2,580.2	-1,964.3
Purchase of property, plant and equipment		-58.8	-227.8	-331.3	-291.0
Purchase of tangible fixed asset		0	0	0	-10.0
Cash flow from investing activities		-5,386.5	-1,212.2	-2,911.6	-2,265.4
Increase in loans from credit institutions		-92.0	2,399.4	2,429.0	
Repayment of payable to group enterprises			0.8		-4.9
Raising of loans from owners and Management		0.9		1.7	
Capital increase		5,848.1			2,361.5
Cash flow from financing activities		5,757.0	2,400.3	2,430.7	2,356.7
Change in cash and cash equivalents		-704.4	-332.1	-635.8	-1,284.3
Cash and cash equivalents as of beginning of period		1,416.4	2,052.2	2,052.2	3,336.5
Cash and cash equivalents as of end of period		712.0	1,720.2	1,416.4	2,052.2

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 2022	H1 2021	YTD 2022	YTD 2021	FY 2021	FY 2020
Marketing costs	-2,041.9	-2,120.6	-2,041.9	-2,120.6	-4,353.0	-3,765.7
Premises	-547.9	-440.2	-547.9	-440.2	-872.1	-992.4
Other costs	-1,564.2	-1,226.9	-1,564.2	-1,226.9	-2,414.2	-1,688.7
Total other external expenses	-4,153.9	-3,787.7	-4,153.9	-3,787.7	-7,639.3	-6,446.9

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.

FINANCIAL CALENDAR

Release date

Item

17th of August 2022

H1.2022 Interim Report (01/01/2022 – 30/06/2022)

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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