



PHOTOCAT

# CLEANING THE AIR WE BREATHE

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

INTERIM REPORT H2 2020

PHOTOCAT A/S PCAT CORP, ID NO, 32357903

# H2 2020: SUMMARY

## Highlights during the second half year of 2020

- Revenue in the second half year of 2020 was 5,463.9 tDKK which compared to second half 2019 was an increase of 92,9%
- For the full year revenue grew 80,6 % in the year 2020 compared to the year 2019.
- Photocat was granted 2 patent families in the areas dry concrete as well as bitumen. These are important because they protect Photocat and might offer the possibility of creating a new business to offer license to companies that lack freedom to operate without our rights.
- Delivered NOxOFF concrete granulates to Colas for projects in the municipality of Frederiksberg and the technology was appreciated with news releases from Colas. Further we delivered NOxOFF granulates to NCC Road to be used on the new harbour tier in Skagen. Both projects were delivered without complications and this asphalt product makes good possibilities to extent Photocat's offerings to include asphalt roads
- First scientific article with results from Photocat real-life projects was published in a peer reviewed magazine. The results showed clear benefits of Photocat solutions.
- Covid-19 did have impact on all Photocat export initiatives as borders and travel recommendations were making planning impossible. This had a negative effect on the results.

## Highlights after the second half year of 2020

- Granted Covid-19 finance facilities from Vækstfonden in Denmark

Amounts in DKK '000s	1 Jul – 31 Dec 2020	1 Jul – 31 Dec 2019	Year-to-date 2020	Year-to-date 2019	Full Year 2019**
Revenue from photocatalytic fluid	5,438.9	2,768.0	12,141.7	6,176.2	6,176.2
Revenue from Consultancy, Equipment & Other	274.6	296.7	509.2	1,019.0	1,019.0
Gross Profit	1,400.7	-603.6	3,722.0	498.7	498.7
EBITDA	-160.7	-2,332.9	589.2	-2,358.5	-2,358.5
P/L before Tax	-1,405.4	-3,388.2	-1,686.4	-4,435.1	-4,435.1
Net Profit	-1,021.4	-3,069.6	-1,302.4	-4,116.5	-4,116.5
Total Assets	17,338.2	16,376.6	17,338.2	16,717.1	16,717.1
Equity	13,989.3	13,073.7	13,989.3	12,930.2	12,930.2
Debt	3,348.9	3,302.8	3,348.9	3,786.9	3,786.9
Cash at Hand	2,052.2	3,336.5	2,052.2	3,336.5	3,336.5

\*\* Audited

# CEO LETTER

The second half-year of 2020 showed a continued growth compared to the same period last year. The revenue increased by 92,9% compared to the second half of 2019.

This was due to growth in the NOxOFF product range for reducing NOx in urban space. We saw an increase in Denmark, Canada, and Spain due to increased concrete applications. Photocat's product offering focus on easy and cost-effective NOx removal in the city areas has gained more attention from a wider group of companies through the evidence for its efficacy.



Michael Humle  
CEO

We, for the first time, introduced our technology for asphalt roads in Denmark. The Municipality of Frederiksberg decided to use NOxOFF to improve the air quality at two highly trafficked roads. Together with Colas A/S, the 2 roads were installed with the innovative asphalt technology in July 2020. In September, the Port of Skagen received its air cleaning asphalt installation at the harbor's new extension. NCC Road made the installation.

For the indoor business, we had difficulties in Canada due to lockdown restrictions. However, in the fourth quarter, we reached the second-highest ever in-market sales for Pure Genius. The overall year, therefore, ended with a lower than expected growth at 4,4%.

We have intensified the visualization of Photocat, and we continuously try to increase interaction with our stakeholders. We make awareness with both informative and research-based knowledge-sharing, and we have, e.g., been more active on LinkedIn, where we have doubled the number of followers in H2.

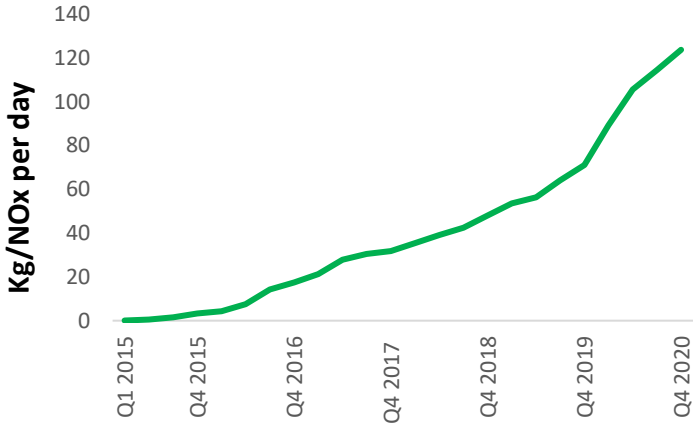
I H2-2020, we got our publication covering our real-life showcases in Copenhagen Airport, City of Roskilde, and the City of Stuttgart published in the scientific peer-reviewed journal *Journal of Photocatalysis*. The accepted publication is a significant validation of our NOxOFF technology and a blue stamp of NOxOFF having the potential of reducing NOx in urban space with an attractive cost/benefit ratio. At the end of 2020, we received information that two of our patent families within concrete and bitumen were granted. This strengthens Photocats' position on the photocatalytic market, and we will now be able to offer this technology to a broader range of companies on a license agreement.

Covid-19 also had a strong influence on some of our major customers as direct sales efforts have been blocked due to general health considerations. This means that our customer's sales representatives within our important concrete and bitumen market have not been able to go to roofers or pavers with their product offerings. Yet the roofers and pavers have had one of the busiest years ever, resulting in growth in standard product sales. We estimate that this has affected our business at least two mDKK in turnover.

At the end of 2020 we are in a good position to create growth in 2021.

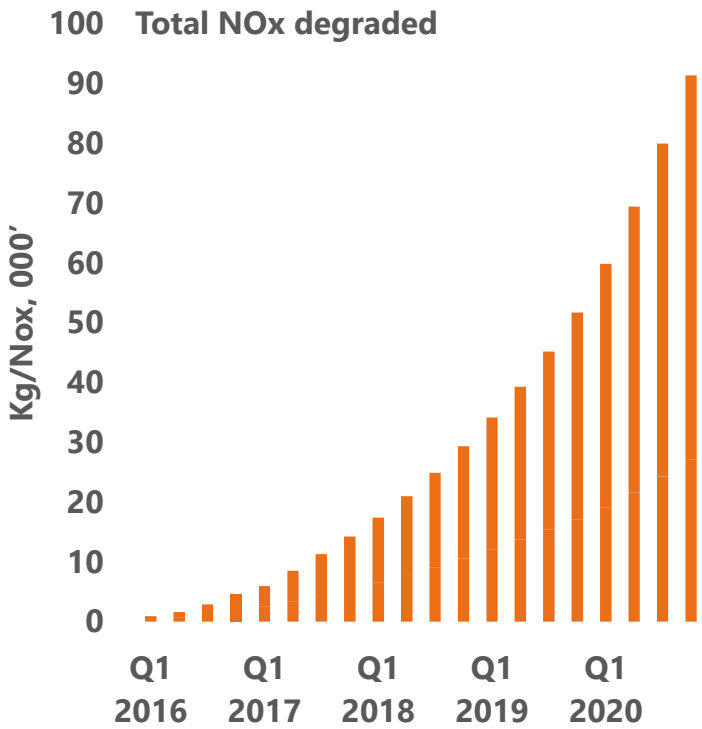
# ENVIRONMENTAL IMPACT

Currently degrading 123,7 Kg/NO<sub>x</sub> per day, equivalent to 752,5 million driven km by a euro 6 car per year

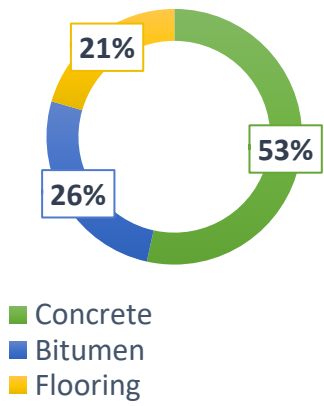


**MORE THAN 4,4 MILLION m<sup>2</sup> WITH PHOTOCATALYTIC SURFACES DELIVERED**

Total NO<sub>x</sub> removed is **91.306 KG/NO<sub>x</sub>** since inception



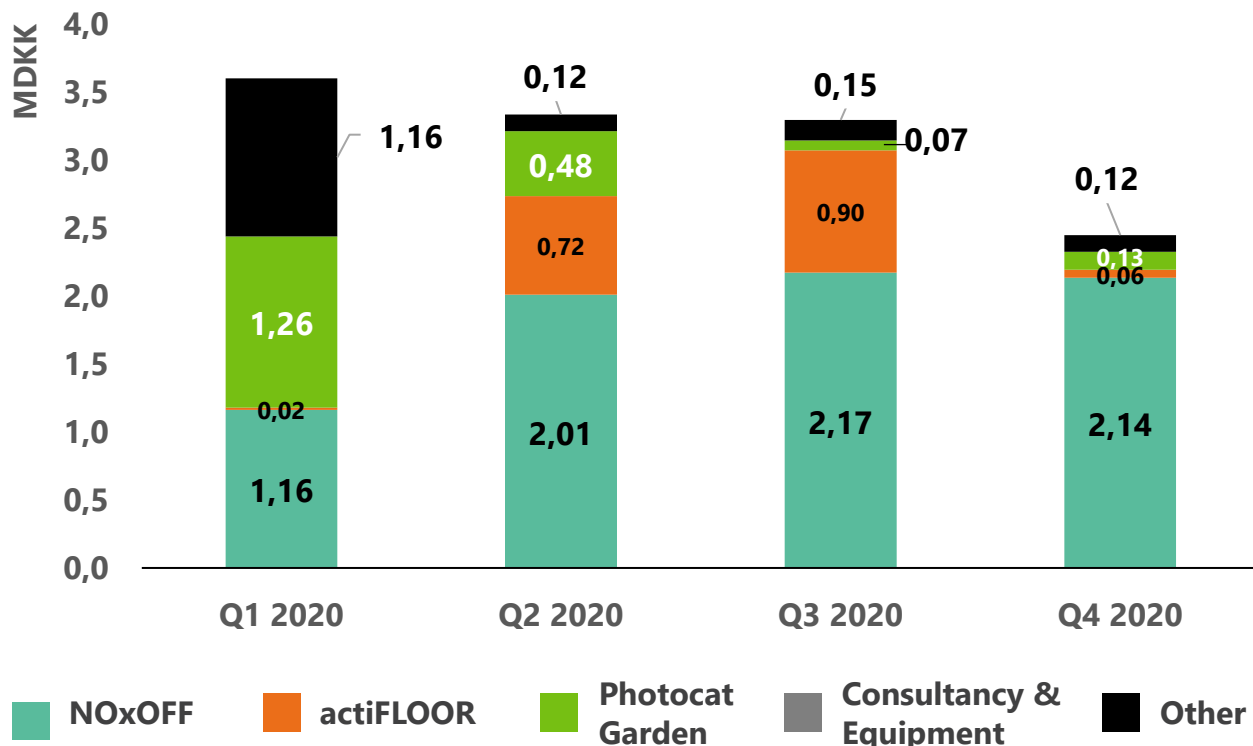
**Distribution of Photocatalytic m<sup>2</sup> to date**



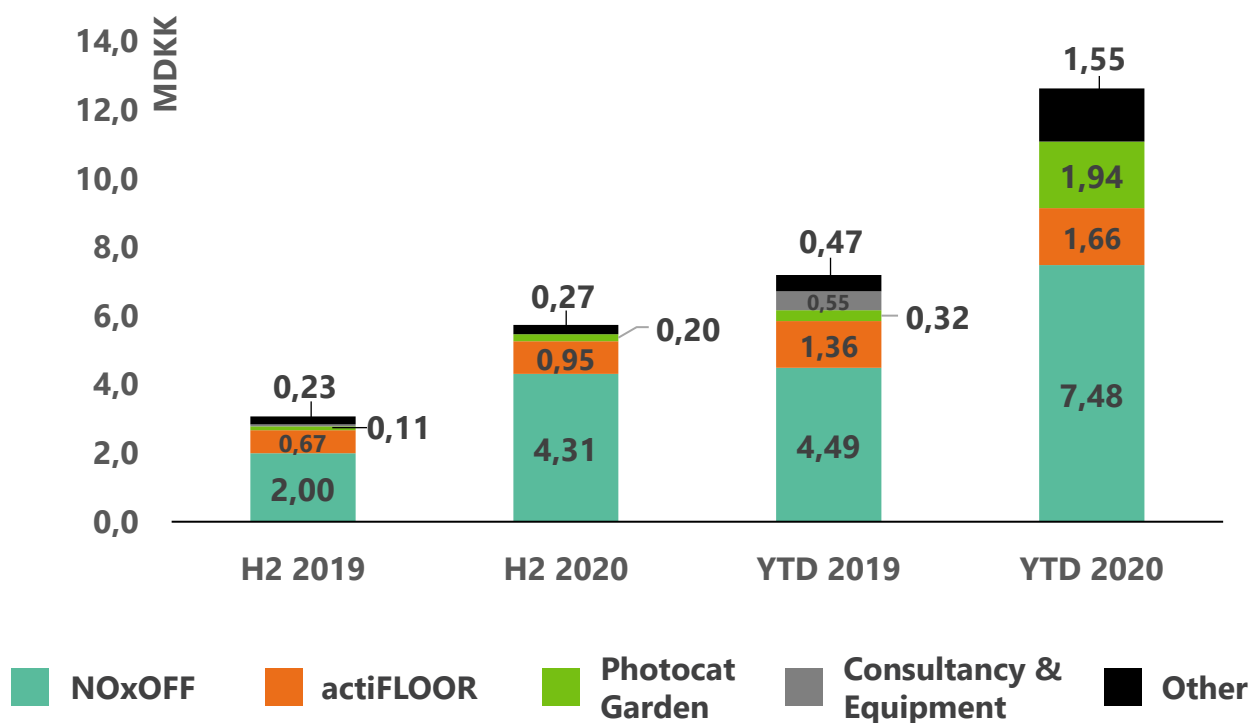
\* Estimated

# REVENUE DEVELOPMENT

## LAST FOUR QUARTERS



## YEAR ON YEAR DEVELOPMENT



# INCOME STATEMENT

Amounts in DKK '000s	N O T E S	H2 2020	H2 2019	YTD 2020	YTD 2019	FY 2019	FY 2018
<b>Revenue</b>		<b>5,463.9</b>	<b>2,831.8</b>	<b>12,166.7</b>	<b>6,735.1</b>	<b>6,735.1</b>	<b>4,587.1</b>
<b>Other operating income</b>	1	<b>249.6</b>	<b>232.8</b>	<b>484.2</b>	<b>460.0</b>	<b>460.0</b>	<b>590.1</b>
Expenses for raw materials and consumables		-1,733.9	-1,559.0	-2,879.6	-1,959.6	-1,959.6	-1,315.9
Other external expenses	2	-2,578.8	-2,109.2	-6,049.4	-4,736.8	-4,736.8	-4,232.1
<b>Gross profit</b>		<b>1,400.7</b>	<b>-603.6</b>	<b>3,722.0</b>	<b>498.7</b>	<b>498.7</b>	<b>-370.8</b>
Staff expenses		-1,561.4	-1,729.3	-3,132.8	-2,857.2	-2,857.2	-2,770.3
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-1,162.0	-1,006.7	-2,190.6	-1,984.9	-1,984.9	-2,001.6
<b>Profit/loss before financial income and expenses</b>		<b>-1,322.7</b>	<b>-3,339.6</b>	<b>-1,601.4</b>	<b>-4,343.3</b>	<b>-4,343.3</b>	<b>-5,142.8</b>
Financial expenses		-82.7	-48.6	-85.0	-91.8	-91.8	-243.0
<b>Profit/loss before tax</b>		<b>-1,405.4</b>	<b>-3,388.2</b>	<b>-1,686.4</b>	<b>-4,435.1</b>	<b>-4,435.1</b>	<b>-5,385.8</b>
Tax		384.0	318.6	384.0	318.6	318.6	266.6
<b>Net profit/loss</b>		<b>-1,021.4</b>	<b>-3,069.6</b>	<b>-1,302.4</b>	<b>-4,116.5</b>	<b>-4,116.5</b>	<b>-5,119.2</b>
Earnings per share		DKK -0,04	DKK -0,61	DKK -0,25	DKK -0,83	DKK -0,83	DKK -1, 57

**BALANCE SHEET, assets**

Amounts in DKK '000s	NOTES	H2 2020	H2 2019	FY 2019	FY 2018
Completed development projects		5,804.6	5,996.3	5,996.3	6,749.3
Acquired patents		464.6	271.5	271.5	291.4
Development projects in progress	3	3,009.5	2,807.5	2,807.5	2,173.8
<b>Intangible Assets</b>		<b>9,278.8</b>	<b>9,075.4</b>	<b>9,075.4</b>	<b>9,214.5</b>
Plant and machinery		1,058.6	1,191.9	1,191.9	1,492.8
Other fixtures and fittings, tools & equipment			5.3	5.3	11.1
<b>Property, plant and equipment</b>		<b>1,058.6</b>	<b>1,197.2</b>	<b>1,197.2</b>	<b>1,503.9</b>
Other investments		0.0	0.0	0.0	0.0
Deposits		300.9	290.9	290.9	290.3
<b>Fixed asset investments</b>		<b>300.9</b>	<b>290.9</b>	<b>290.9</b>	<b>290.3</b>
<b>Fixed assets</b>		<b>10,638.3</b>	<b>10,563.5</b>	<b>10,563.5</b>	<b>11,008.7</b>
<b>Inventories</b>		<b>748.6</b>	<b>844.9</b>	<b>844.9</b>	<b>910.7</b>
Trade receivables	6	3,056.2	1,255.9	1,255.9	1,923.4
Receivables from group enterprises		0	0.0	0.0	0.0
Other receivables		158.4	292.0	292.0	251.2
Deferred tax assets		0	0	0	0
Corporation tax		384.0	321.0	321.0	266.6
Prepayments		300.6	103.2	103.2	140.9
<b>Receivables</b>		<b>684.6</b>	<b>1,972.2</b>	<b>1,972.2</b>	<b>2,582.2</b>
<b>Cash at bank and in hand</b>		<b>2,052.2</b>	<b>3,336.5</b>	<b>3,336.5</b>	<b>37.4</b>
<b>Current assets</b>		<b>6,699.9</b>	<b>6,153.6</b>	<b>6,153.6</b>	<b>3,530.2</b>
<b>Assets</b>		<b>17,338.2</b>	<b>16,717.1</b>	<b>16,717.1</b>	<b>14,538.9</b>

# BALANCE SHEET, liabilities & equity

Amounts in DKK '000s	NOTES	H2 2020	H2 2019	FY 2019	FY 2018
Share capital	4	5,250.0	5,000.0	5,000.0	3,248.9
Retained earnings		8,739.3	7,930.2	7,930.2	4,319.2
<b>Equity</b>		<b>13,989.3</b>	<b>12,930.2</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		9.7	14.6	14.6	2,173.6
Other payables			124.8	124.8	
Deferred income		969.3	1,423.8	1,423.8	1,540.3
<b>Long-term debt</b>		<b>979.0</b>	<b>1,563.2</b>	<b>1,563.2</b>	<b>3,713.9</b>
Credit institutions			0	0	1,145.3
Trade payables		973.5	1,468.4	1,468.4	1,242.8
Other payables		942.0	301.0	301.0	414.3
Deferred income	1	454.4	454.4	454.4	454.4
<b>Short-term debt</b>		<b>2,369.9</b>	<b>2,223.8</b>	<b>2,223.8</b>	<b>3,256.8</b>
<b>Debt</b>		<b>3,348.9</b>	<b>3,786.9</b>	<b>3,786.9</b>	<b>6,970.7</b>
<b>Liabilities &amp; Equity</b>		<b>17,338.2</b>	<b>16,717.3</b>	<b>16,717.3</b>	<b>14,538.9</b>



# CASH FLOW STATEMENT

Amounts in DKK '000s	N O T E S	H2 2020	H2 2019	YTD 2020	FY 2019	FY 2018
Net profit/loss		-1.021.4	-3,069.6	-1,302.4	-4,116.5	-5,119.2
Adjustments		630.4	509.4	1,434.2	1,303.6	1,523.6
Change in working capital		549.1	4,344.9	-1,743.3	1,308.2	423.3
<b>Cash flow from operating activities before financial income and expenses</b>		<b>158.2</b>	<b>1,784.8</b>	<b>-1,611.6</b>	<b>-1,504.7</b>	<b>-3,172.3</b>
Financial expenses		-82.7	-48.6	-85.0	-91.8	-243.0
<b>Cash flow from ordinary activities</b>		<b>75.4</b>	<b>1,736.2</b>	<b>-1,696.6</b>	<b>-1,596.5</b>	<b>-3,415.3</b>
Corporation tax paid		321.0	264.2	321.0	264.2	322.6
<b>Cash flow from operating activities</b>		<b>396.4</b>	<b>2,000.4</b>	<b>-1,375.6</b>	<b>-1,332.3</b>	<b>-3,092.8</b>
Purchase of intangible assets		-1,116.7	-550.5	-1,964.3	-1,459.1	-1,198.2
Purchase of property, plant and equipment		-226.2	-80.0	-291.0	-80.0	-
Purchase of tangible fixed asset			-0.6	-10.0		
Other adjustments					-0.6	-
<b>Cash flow from investing activities</b>		<b>-1,343.0</b>	<b>-631.0</b>	<b>-2,265.4</b>	<b>-1,539.7</b>	<b>-1,198.2</b>
Increase in loans from credit institutions			-300.0		-1,145.3	
Loans from owners and management						
Repayment of loans from credit institutions		-4.9	-2,160.9	-4.9	-2,160.9	-12.1
Raising of loans from owners and Management			1.9		1.9	2,162.7
Capital increase			3,282.5	2,361.5	9,475.5	1,366.6
<b>Cash flow from financing activities</b>		<b>-4.9</b>	<b>823.5</b>	<b>2,356.7</b>	<b>6,171.2</b>	<b>3,517.3</b>
Change in cash and cash equivalents		-951.4	2,192.8	-1,284.3	3,299.2	-773.8
Cash and cash equivalents as of beginning of period		3,003.6	1,143.7	3,336.5	37.4	811.1
<b>Cash and cash equivalents as of end of period</b>		<b>2,052.2</b>	<b>3,336.5</b>	<b>2,052.2</b>	<b>3,336.5</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	H2 2020	H2 2019	YTD 2020	YTD 2019	FY 2019	FY 2018
Marketing costs	-1,451.1	-789.0	-3,369.5	-1,872.0	-1,872.0	-1,234.5
Premises	-506.4	-412.9	-992.4	-834.6	-834.6	-1,114.9
Other costs	-621.3	-936.8	-1,687.4	-2,030.3	-2,030.3	-1,882.8
<b>Total other external expenses</b>	<b>-2,578.8</b>	<b>-2,138.7</b>	<b>-6,049.4</b>	<b>-4,736.8</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 concrete and bitumen areas.

## 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.

## Note 6 – Trade receivables

There are a few accounts overdue in Spain and Belgium for which we consider debt collection.

# FINANCIAL CALENDAR

<b>Release date</b>	<b>Item</b>
25 <sup>th</sup> of January 2021	H2.2020 Interim Report (01/07/2020 – 31/12/2020)
26 <sup>th</sup> of May 2021	General Assembly and annual report 2020
16 <sup>th</sup> of August 2021	H1.2021 Interrim Report (1/1/2021 – 30/6/2021)

# 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.