

Photocat A/S

**Langebjerg 4
DK-4000 Roskilde**

CVR no. 32 35 79 03

**Annual report for the period
1 January to 31 December 2021**

Adopted at the annual general meeting
on

chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Photocat A/S for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Roskilde, 28 April 2022

Executive board

Michael Humle
Director

Supervisory board

Mette Therkildsen
chairman

Theis Holst Reenberg

Tom Weidner

Jens Rom

Independent Auditor's Report

To the Shareholders of Photocat A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Photocat A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hillerød, 28 April 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Henrik Aslund Pedersen
State Authorised Public Accountant
MNE no. mne17120

Company details

The company

Photocat A/S
Langebjerg 4
DK-4000 Roskilde

CVR no.: 32 35 79 03

Reporting period: 1 January - 31 December 2021

Domicile: Roskilde

Supervisory board

Mette Therkildsen, chairman
Theis Holst Reenberg
Tom Weidner
Jens Rom

Executive board

Michael Humle, director

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Milnersvej 43
3400 Hillerød

Management's review

Key activities

Photocat was born as a green transition company focusing on delivering environmental and climate solutions to the goals set up by the UN and known as the 17 world sustainability goals. Photocat delivers life and health saving solutions at health economic beneficial profile for the public sector. Photocat keeps track of its delivery on these important transition goals and focuses on NOx control for better air quality in the cities. Also, indoor air quality has been on the agenda, and the company has delivered several solutions for the reduction of VOC's. In the foreseeable future, the company will add CO2 reduction to its palette of unique property proposals.

Photocat's solutions are developed with economic and scientific aims enabling customers to offer even greater value when delivering their own products like roofing membranes, pavements, roads, and floors.

The Product portfolio is marketed using direct sales methods to potential customers in selected markets. Photocat uses the brands NOxOFF, Actifloor, ShineOn and Photocat Garden as recognizable tradenames. All the products are in their early lifecycle phase.

Key events

The Company's strategy to focus on customers with a proven track record in launching innovative products remains the core business approach. This is supported by finding and delivering high-profile demonstration projects. Further, this has resulted in us working closely with the scientific community and verify our unique value propositions. This resulted in a major demonstration project in the City of Copenhagen around a school. It is known that children suffers the most from air pollution. The project will be concluded in the end of 2022. The first of 3 partial reports showed important impact on air quality and also a clean and appealing entrance around the school. One scientific publication was submitted. The results showed that Photocat technology is best in class with respect to NOx removal as well as favourable sustainable profile. It is managements perception that Photocat offer Best available technology to reduce air pollution in cities. Further Photocat offer a fast and attractive return on investment.

The first asphalt project with our granulate product has been evaluated and results gathered in a publication made together with the Modena University. The results were above expectation and showed that our granulates offers climate improvement in asphalt roads. The conclusion was that the cost was insignificant for customers if the granulates were specified in the tender. The improvement in air quality was a stunning 36% reduction in NOx levels.

Management's review

2021 was also the year where it became evident that our Photocat Garden product which constantly was evaluated as premium product needed structural changes in its go to market approach. These changes were made and new co-operation partners identified. 2022 will hopefully show that the product has a significant potential.

The discussions on green transition was becoming louder in 2021, however, with structural differences between our main markets. In our Danish, Norwegian homecourt the challenge is that the green transition is driven by the private sector and city infrastructure is mainly a public activity. In the more southern markets like Spain the challenge is that public sector is the driver and political movement is in route, however, still needs the implementation parts of it. We see positive developments in both market structures.

The indoor segment was recovering from the Covid-19 lock downs in north America. We saw growth and ended with a higher in market sales in 2021 than the previous year.

Financial review

The company's income statement for the year ended 31 December 2021 shows a loss of DKK 2.160.360, and the balance sheet at 31 December 2021 shows equity of DKK 11.303.438.

The Company's revenue reflects a sales development that grew and reached growth expectations for the year. Our product sales of active fluids were higher compared to 2020. The customer base grow, and customer purchase volume grow on our key accounts. The tender base has not grown in 2021 over 2020 and was higher in 2019. This is due to tenders primarily are used by Public authorities and the activities in this sector was very low due to governmental Covid-19 related activities.

The results of Photocat installed surfaces is a saving of health cost for authorities of 118,1 mDKK in 2021. The air quality improved with removal of pollution from more than 147.000 cars in 2021.

As our technology is green we can show that we have reduced the carbon footprint with more than 1,4 million kg CO₂ in 2021.

We continued our active support of key customer's marketing programs which contributed strongly to the overall growth in the company revenue.

Management's review

Expectations for 2022

Photocat enters 2022 with an improved customer portfolio. Photocat has provided documentation that its solutions contributes vastly to the green transition. Based on the documented results it should be expected to grow strongly in the coming future. Yet, the influence of lockdowns has affected the marketing activities and implementation of our technology at new customers in our export markets, causing a delay in sales. Here we expect that by the end of 2022 we have pick-up the lost leads as well as caught up sales activities with new customers starting to use Photocat's technology.

We predict continued overall growth in 2022 but have a flag raised for the effects of challenges in supply chains especially for our bitumen and concrete market segments.

Research and development

In 2021 Photocat fully implemented its face mix solution into special southern European pavement products which are produced with methods not used in Northern Europe.

At the end of the year, we also received notification from patent authorities that our applications regarding concrete and bitumen solutions were granted. This strengthens our position in the market and will open up possibilities for having a photocatalytic license revenue business.

Further, we contributed to Professor Akira Fujishima latest publication on Photocatalysis. This publication will support the former Prime Minister of Japan Mr. Abe point that Photocatalysis is one of the important technologies in green transition.

Subsequent events

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Photocat A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK

Basis of recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Accounting policies

Income statement

Revenue

Revenue which consists of consultancy fee, licences and goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Other external expenses also comprise research and development costs that do not qualify for capitalisation.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Accounting policies

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Acquired patents and licences relating to activity take over are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 20 years.

Development projects are measured at the lower of cost less accumulated amortisation and recoverable amount. Development projects are amortised over the expected useful life which corresponds to 6-8 years.

Costs of development in progress are recognised at cost. Costs of development in progress are not amortised.

Grants received in connection with development projects are accrued in deferred income and are recognised currently as the asset is amortised over its expected useful life.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Accounting policies

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

	Useful life
Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Fixed asset investments

Other securities and investments, fixed assets

Fixed asset investments, which consist of unlisted investments.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the stocks in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Accounting policies

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Equity

Reserve for development costs

An amount corresponding to capitalised development costs is recognised in the reserve. The reserve is reduced as development costs are amortised.

Income tax and deferred tax

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions- where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Accounting policies

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Cash flow statement

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

Accounting policies

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the company's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes. Dividend income from investments is recognised under 'Interest income and dividend received'.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the company's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Revenue		13.442.913	12.166.724
Work performed by the enterprise and capitalised		2.243.332	1.745.256
Other operating income		480.456	484.216
Raw materials and consumables		-3.115.103	-3.007.572
Other external expenses		<u>-7.639.292</u>	<u>-6.446.874</u>
Gross profit		5.412.306	4.941.750
Staff costs	1	-5.309.770	-4.878.034
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-2.494.953</u>	<u>-2.190.566</u>
Profit/loss before net financials		-2.392.417	-2.126.850
Financial costs		<u>-115.424</u>	<u>-85.049</u>
Profit/loss before tax		-2.507.841	-2.211.899
Tax on profit/loss for the year	2	<u>347.481</u>	<u>383.953</u>
Profit/loss for the year		<u>-2.160.360</u>	<u>-1.827.946</u>
 Distribution of profit			
Recommended appropriation of profit/loss			
Retained earnings		<u>-2.160.360</u>	<u>-1.827.946</u>
		<u>-2.160.360</u>	<u>-1.827.946</u>

Balance sheet 31 December

	Note	2021 DKK	2020 DKK
Assets			
Completed development projects		4.691.898	5.804.638
Acquired patents		753.951	464.624
Development projects in progress		4.471.390	3.009.528
Intangible assets	3	9.917.239	9.278.790
Plant and machinery		614.939	888.776
Other fixtures and fittings, tools and equipment		221.865	169.865
Tangible assets	4	836.804	1.058.641
Other fixed asset investments	5	1	1
Deposits	5	300.885	300.885
Fixed asset investments		300.886	300.886
Total non-current assets		11.054.929	10.638.317
Finished goods and goods for resale		1.071.492	748.054
Inventories		1.071.492	748.054
Trade receivables		3.919.357	2.531.213
Other receivables		533.864	158.353
Corporation tax		347.475	383.950
Prepayments		128.229	300.620
Receivables		4.928.925	3.374.136
Cash at bank and in hand		1.416.396	2.052.229
Total current assets		7.416.813	6.174.419
Total assets		18.471.742	16.812.736

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Equity and liabilities			
Share capital		5.250.000	5.250.000
Reserve for development expenditure		6.167.370	4.845.084
Retained earnings		-113.932	3.368.714
Equity	6	<u>11.303.438</u>	<u>13.463.798</u>
Other credit institutions		2.245.671	0
Other payables		941.055	349.434
Shareholders and management		11.396	9.674
Deferred income		779.935	969.337
Total non-current liabilities	7	<u>3.978.057</u>	<u>1.328.445</u>
Other credit institutions	7	183.350	0
Trade payables		2.467.239	973.535
Other payables		350.259	592.545
Deferred income		189.399	454.413
Total current liabilities		<u>3.190.247</u>	<u>2.020.493</u>
Total liabilities		<u>7.168.304</u>	<u>3.348.938</u>
Total equity and liabilities		<u>18.471.742</u>	<u>16.812.736</u>
Rent and lease liabilities	8		
Contingent liabilities	9		

Statement of changes in equity

	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2021	5.250.000	4.845.084	3.368.714	13.463.798
Development costs for the year	0	1.749.799	-1.749.799	0
Depreciation, amortisation and impairment for the year	0	-427.513	427.513	0
Net profit/loss for the year	0	0	-2.160.360	-2.160.360
Equity at 31 December 2021	5.250.000	6.167.370	-113.932	11.303.438

Cash flow statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Net profit/loss for the year		-2.160.360	-1.827.946
Adjustments	10	1.808.480	1.437.246
Change in working capital	11	-71.663	-1.220.864
Cash flows from operating activities before financial income and expenses		-423.543	-1.611.564
Interest expenses and similar charges		-115.421	-85.049
Cash flows from ordinary activities		-538.964	-1.696.613
Corporation tax paid		383.956	321.003
Cash flows from operating activities		-155.008	-1.375.610
Purchase of intangible assets		-2.580.224	-1.964.274
Purchase of property, plant and equipment		-331.344	-291.078
Fixed asset investments made etc		0	-10.000
Cash flows from investing activities		-2.911.568	-2.265.352
Repayment of payables to group enterprises		0	-4.884
Raising of loans from credit institutions		2.429.021	0
Raising of loans from group enterprises		1.722	0
Cash capital increase		0	2.361.549
Cash flows from financing activities		2.430.743	2.356.665
Change in cash and cash equivalents		-635.833	-1.284.297
Cash and cash equivalents		2.052.229	3.336.526
Cash and cash equivalents		1.416.396	2.052.229
Analysis of cash and cash equivalents:			
Cash at bank and in hand		1.416.396	2.052.229
Cash and cash equivalents		1.416.396	2.052.229

Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	5.033.774	4.677.830
Pensions	76.800	0
Other social security costs	59.636	44.590
Other staff costs	<u>139.560</u>	<u>155.614</u>
	<u>5.309.770</u>	<u>4.878.034</u>
Average number of employees	<u>8</u>	<u>7</u>
2 Tax on profit/loss for the year		
Current tax for the year	<u>-347.481</u>	<u>-383.953</u>
	<u>-347.481</u>	<u>-383.953</u>

Notes

3 Intangible assets

	Completed development projects	Acquired patents	Development projects in progress
Cost at 1 January 2021	19.232.098	2.492.615	3.009.528
Additions for the year	0	336.892	2.243.330
Transfers for the year	781.468	0	-781.468
Cost at 31 December 2021	<u>20.013.566</u>	<u>2.829.507</u>	<u>4.471.390</u>
Impairment losses and amortisation at 1 January 2021	13.427.460	2.027.991	0
Amortisation for the year	<u>1.894.208</u>	<u>47.565</u>	<u>0</u>
Impairment losses and amortisation at 31 December 2021	<u>15.321.668</u>	<u>2.075.556</u>	<u>0</u>
Carrying amount at 31 December 2021	<u>4.691.898</u>	<u>753.951</u>	<u>4.471.390</u>

The Company's development costs include costs for the development of photocatalytic liquid that can be applied to surfaces giving an air cleaning effect as it removes NOx from the air. Development costs capitalised for the year relate to the further development of the Company's solutions for incorporation into products during production. The expected market for the developed products is the existing customer segments which will incorporate the products into their own product lines. Development projects in progress are projects that are expected to be completed in 2022.

Notes

4 Tangible assets

	Plant and machinery	Other fixtures and fittings, tools and equipment
Cost at 1 January 2021	5.140.741	213.919
Additions for the year	168.213	163.131
Disposals for the year	0	-17.426
Cost at 31 December 2021	<u>5.308.954</u>	<u>359.624</u>
Impairment losses and depreciation at 1 January 2021	4.251.965	44.054
Depreciation for the year	442.050	111.131
Reversal of impairment and depreciation of sold assets	0	-17.426
Impairment losses and depreciation at 31 December 2021	<u>4.694.015</u>	<u>137.759</u>
Carrying amount at 31 December 2021	<u>614.939</u>	<u>221.865</u>

5 Fixed asset investments

	Other fixed asset investments	Deposits
Cost at 1 January 2021	1	300.885
Cost at 31 December 2021	1	300.885
Carrying amount at 31 December 2021	<u>1</u>	<u>300.885</u>

Notes

6 Equity

The general meeting decided on the 20 December 2016 to authorize the board of directors to issue warrants of up to 500,000 shares without existing shareholders having pre-emption rights. At total, 335.000 warrants have been issued to the chairman of the board of directors, the CEO and other key employees which the management find exceptionally important for the successful execution of the Company's strategy. 215.000 warrant entitles its holder to subscribe for one share in Photocat A/S of nominally DKK 1 at a price of SEK 19.4 and 120.000 warrant entitles its holder to subscribe for one share in Photocat A/S of nominally DKK 1 at a price of SEK 14.

7 Long term debt

	<u>2021</u> DKK	<u>2020</u> DKK
Other credit institutions		
After 5 years	134.754	0
Between 1 and 5 years	<u>2.110.917</u>	<u>0</u>
Non-current portion	2.245.671	0
Other short-term debt to credit institutions	<u>183.350</u>	<u>0</u>
Current portion	<u>183.350</u>	<u>0</u>
	<u>2.429.021</u>	<u>0</u>
Shareholders and management		
Between 1 and 5 years	<u>11.396</u>	<u>9.674</u>
Non-current portion	11.396	9.674
Current portion	<u>0</u>	<u>0</u>
	<u>11.396</u>	<u>9.674</u>
Other payables		
Between 1 and 5 years	<u>941.055</u>	<u>349.434</u>
Non-current portion	941.055	349.434
Other short-term other debt	<u>350.259</u>	<u>592.545</u>
Current portion	<u>350.259</u>	<u>592.545</u>
	<u>1.291.314</u>	<u>941.979</u>

Notes

7 Long term debt (continued)

	2021	2020
	DKK	DKK
Deferred income		
After 5 years	487.512	0
Between 1 and 5 years	292.423	969.337
Non-current portion	779.935	969.337
Other short-term deferred income	189.399	454.413
Current portion	189.399	454.413
	969.334	1.423.750

Deferred income comprises grants received in respect of intangible assets and is recognised over the expected useful life of the assets.

8 Rent and lease liabilities

The Company has a total rental obligation of DKK 466k (2020: DKK 460k).

9 Contingent liabilities

The company has no other contingent liabilities.

10 Cash flow statement - adjustments

Financial costs	115.424	85.049
Depreciation, amortisation and impairment losses	2.494.953	2.190.566
Tax on profit/loss for the year	-347.481	-383.953
Other adjustments	-454.416	-454.416
	1.808.480	1.437.246

Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
11 Cash flow statement - change in working capital		
Change in inventories	-323.438	96.809
Change in receivables	-1.591.264	-1.338.976
Change in trade payables, etc.	<u>1.843.039</u>	<u>21.303</u>
	<u>-71.663</u>	<u>-1.220.864</u>

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