

Photocat A/S

**Langebjerg 4
DK-4000 Roskilde**

CVR no. 32 35 79 03

**Annual report for the period
1 January to 31 December 2022**

Adopted at the annual general meeting on 24 May 2023

chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	2
Independent Auditor's Report	3
Management's review	
Company details	6
Management's review	7
Financial statements	
Accounting policies	10
Income statement 1 January - 31 December	17
Balance sheet 31 December	18
Statement of changes in equity	20
Cash flow statement 1 January - 31 December	21
Notes	22

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 2022.

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 2022 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2022.

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, 8 May 2023

Executive board

Michael Humle
Director

Supervisory board

Mette Therkildsen
chairman

Theis Holst Reenberg

Tom Weidner

Independent Auditor's Report

To the shareholder 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 2022, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 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 2022, which comprise income statement, balance sheet, statement of cash flows, 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, 8 May 2023

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 2022

Domicile: Roskilde

Supervisory board

Mette Therkildsen, chairman
Theis Holst Reenberg
Tom Weidner

Executive board

Michael Humle, director

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Milnersvej 43
3400 Hillerød

Management's review

Business review

Photocat has developed photocatalytic liquids that can be applied to surfaces etc. giving an air cleaning effects as it removes NOx from the air.

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 was concluded in the second half of 2022. The overall conclusion showed important impact on improved air quality which could not be justified by any other event justifying a reduction in NOx levels around the school. The project was delivered to Copenhagen Minucipalty. The city chose not to continue the observations beyond the year as the results were found to be conclusive. From a Photocat perspective it is positive to see that the results are on line with the results previously reported based on similar test on Roskildevej. It is Photocat perception that the physical phenonmenon photocatalysis offers has a real and relevant impact on air quality. Further Photocat offer a fast and attractive return on investment.

Management's review

2022 was also the year where it became evident that our Photocat Garden entered into new distributorship in Denmark with a campaign targeted on using SoMe very to specific target groups did not satisfy our expectations. We found a need to be sure to have the professional segment before being able to have success in the Do It Yourself category. Yet we signed a promising agreement with the Norwegian company HeyDi to market in Norway. We hope this will show to be positive in 2023. The product is unique in the market place as it offers the wellknown impregnation benefits yet strengthened with photocatalytic degradation properties. We believe there is a market for this unique value proposition.

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 the full effect of inflation measures taken in north America towards the end of 2022. This resulted in a decreased market demand in new housing and renovation projects.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of DKK 2.986.129, and the balance sheet at 31 December 2022 shows equity of DKK 14.165.390.

The Company's revenue reflects a sales development that grew and was slightly below growth expectations for the year. Our product sales of active fluids were higher compared to 2021. The customer base grow, and customer purchase volume grow on our key accounts. The tender base has not grown in 2022 over 2021 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.

In the middle of the year Photocat acquired the CMA Business for de-icing and dust suppression from Alumichem A/S in an asset deal. These product offerings fit into Photocat portfolio as they are addressing air quality. Further the de-icing product also should help increase sales in the winter months. Finally we strengthen our sales in Poland, Sweden and Germany.

The results of Photocat installed surfaces is a saving of health cost for authorities of 180 mDKK in 2022. The air quality improved with removal of pollution from more than 225.025 cars in 2022.

Management's review

As our technology is green we can show that we have reduced the carbon footprint with more than 2,25 million kg CO₂ in 2022.

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

In relation to the aquirement of the CMA Business Photocat received a penalty from NASDAQ as the acquisition price was not published in first instance.

Expectations for 2023

Photocat enters 2023 with an improved customer portfolio, due to its entrance in the middle east region and the addition of the CMA business. Photocat has provided documentation that its solutions contributes vastly to the green transition. Based on the impact on our lead portfolio as a consequence of Covid-19 we see that many leads has to be build as if no history was in place. This is a delay in expected revenues. However, we expect that by the end of 2023 we have re-gained momentum and expanded well into the middle east with the NO_x reduction technology.

We predict continued overall growth in 2023 but have a concern for impact on economy fluctuations for the building industry which affects our markets in bitumen and concrete segments.

Based on dialogue with customers and forecast made on our current assumptions, we expect to land at last years revenue plus 15-25% reaching a revenue 17- 18,5 mDKK.

EBITDA is expected in the range from 0 – 1 mDKK.

Research and development

In 2022 Photocat fully showed the effects of using after market treatment solutions in the city ambient air room. The results have been very positive and we are pleased to be able to confirm that our solutions is economically effective to reduce NO_x and deliver on UN SDG 11.

Further, we have worked on developing photocatalytic features for metal sheet flooring soluitons like eg. Decra. These solutions are expected to be ready for the market in 2023.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred.

Accounting policies

The annual report of Photocat A/S for 2022 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 2022 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.

Income statement

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Accounting policies

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 as well as payroll refunds.

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.

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 other rights is measured at cost less accumulated amortisation. Acquired other rights is amortised on a straight-line basis over its useful life, which is assessed to be 10 years. The amortisation period is based on the earnings capacity of the acquired rights.

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.

Accounting policies

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

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:

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Plant and machinery	3-10 years	0 %
Fixtures and fittings, tools and equipment	3-5 years	0 %

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.

Accounting policies

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

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.

Cash and cash equivalents

Cash and cash equivalents comprise deposits at banks.

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.

Accounting policies

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.

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.

Accounting policies

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.

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>2022</u> DKK	<u>2021</u> DKK
Revenue		14.839.555	13.442.913
Work performed by the enterprise and capitalised		1.991.237	2.243.332
Other operating income		297.433	480.456
Raw materials and consumables		-3.457.124	-3.115.103
Other external expenses	2	<u>-9.213.385</u>	<u>-7.639.292</u>
Gross profit		4.457.716	5.412.306
Staff costs	1	-5.368.532	-5.309.770
Depreciation, amortisation and impairment of intangible as- sets and property, plant and equipment		<u>-2.236.450</u>	<u>-2.494.953</u>
Profit/loss before net financials		-3.147.266	-2.392.417
Financial costs		<u>-276.935</u>	<u>-115.424</u>
Profit/loss before tax		-3.424.201	-2.507.841
Tax on profit/loss for the year	3	<u>438.072</u>	<u>347.481</u>
Profit/loss for the year		<u>-2.986.129</u>	<u>-2.160.360</u>
 Distribution of profit			
Recommended appropriation of profit/loss			
Retained earnings		<u>-2.986.129</u>	<u>-2.160.360</u>
		<u>-2.986.129</u>	<u>-2.160.360</u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Assets			
Completed development projects		4.955.680	4.691.898
Acquired patents		1.001.909	753.951
Acquired other rights		4.268.274	0
Development projects in progress		4.772.866	4.471.390
Intangible assets	4	<u>14.998.729</u>	<u>9.917.239</u>
Plant and machinery	5	257.261	614.939
Other fixtures and fittings, tools and equipment	5	164.196	221.865
Tangible assets		<u>421.457</u>	<u>836.804</u>
Other fixed asset investments	6	1	1
Deposits	6	300.885	300.885
Fixed asset investments		<u>300.886</u>	<u>300.886</u>
Total non-current assets		<u>15.721.072</u>	<u>11.054.929</u>
Finished goods and goods for resale		942.495	1.071.492
Inventories		<u>942.495</u>	<u>1.071.492</u>
Trade receivables		4.582.580	3.919.357
Other receivables		680.269	533.864
Corporation tax		438.066	347.475
Prepayments		158.249	128.229
Receivables		<u>5.859.164</u>	<u>4.928.925</u>
Cash at bank and in hand		<u>89.810</u>	<u>1.416.396</u>
Total current assets		<u>6.891.469</u>	<u>7.416.813</u>
Total assets		<u>22.612.541</u>	<u>18.471.742</u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Equity and liabilities			
Share capital		5.850.000	5.250.000
Reserve for development expenditure		7.197.109	6.167.370
Retained earnings		<u>1.118.281</u>	<u>-113.932</u>
Equity	7	<u>14.165.390</u>	<u>11.303.438</u>
Other credit institutions		1.985.083	2.245.671
Other payables		360.783	941.055
Shareholders and management		13.224	11.396
Deferred income		<u>779.994</u>	<u>779.935</u>
Total non-current liabilities	8	<u>3.139.084</u>	<u>3.978.057</u>
Other credit institutions	8	1.249.133	183.350
Trade payables		3.919.821	2.467.239
Other payables		139.113	350.259
Deferred income		<u>0</u>	<u>189.399</u>
Total current liabilities		<u>5.308.067</u>	<u>3.190.247</u>
Total liabilities		<u>8.447.151</u>	<u>7.168.304</u>
Total equity and liabilities		<u><u>22.612.541</u></u>	<u><u>18.471.742</u></u>
Rent and lease liabilities	9		
Contingent liabilities	10		
Special items	2		

Statement of changes in equity

	Share capital	Share premi- um account	Reserve for development expenditure	Retained ear- nings	Total
Equity at 1 January 2022	5.250.000	0	6.167.370	-113.932	11.303.438
Cash capital increase	600.000	5.248.081	0	0	5.848.081
Development costs for the year	0	0	1.553.165	-1.553.165	0
Depreciation, amortisation and impairment for the year	0	0	-523.426	523.426	0
Net profit/loss for the year	0	0	0	-2.986.129	-2.986.129
Transfer from share premium account	0	-5.248.081	0	5.248.081	0
Equity at 31 December 2022	5.850.000	0	7.197.109	1.118.281	14.165.390

Cash flow statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Net profit/loss for the year		-2.986.129	-2.160.360
Adjustments	11	1.885.973	1.808.480
Change in working capital	12	-49.487	-71.663
Cash flows from operating activities before financial income and expenses		-1.149.643	-423.543
Interest expenses and similar charges		-276.935	-115.421
Cash flows from ordinary activities		-1.426.578	-538.964
Corporation tax paid		347.481	383.956
Cash flows from operating activities		-1.079.097	-155.008
Purchase of intangible assets		-6.733.709	-2.580.224
Purchase of property, plant and equipment		-168.883	-331.344
Cash flows from investing activities		-6.902.592	-2.911.568
Repayment of loans from credit institutions		805.194	2.429.021
Raising of loans from shareholders and management		1.828	1.722
Cash capital increase		5.848.081	0
Cash flows from financing activities		6.655.103	2.430.743
Change in cash and cash equivalents		-1.326.586	-635.833
Cash and cash equivalents		1.416.396	2.052.229
Cash and cash equivalents		89.810	1.416.396
Analysis of cash and cash equivalents:			
Cash at bank and in hand		89.810	1.416.396
Cash and cash equivalents		89.810	1.416.396

Notes

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	4.970.591	5.033.774
Pensions	127.000	76.800
Other social security costs	54.312	59.636
Other staff costs	216.629	139.560
	<u>5.368.532</u>	<u>5.309.770</u>
Average number of employees	<u>9</u>	<u>8</u>
2 Special items		
Other external expenses		
Received listing penalty	421.218	0
	<u>421.218</u>	<u>0</u>
3 Tax on profit/loss for the year		
Current tax for the year	-438.072	-347.481
	<u>-438.072</u>	<u>-347.481</u>

Notes

4 Intangible assets

	Completed development projects	Acquired pa- tents	Acquired ot- her rights	Development projects in progress
Cost at 1 January 2022	20.013.566	2.829.507	0	4.471.390
Additions for the year	0	315.008	4.427.465	1.991.238
Transfers for the year	1.689.762	0	0	-1.689.762
Cost at 31 December 2022	<u>21.703.328</u>	<u>3.144.515</u>	<u>4.427.465</u>	<u>4.772.866</u>
Impairment losses and amor- tisation at 1 January 2022	15.321.668	2.075.556	0	0
Amortisation for the year	1.425.980	67.050	159.191	0
Impairment losses and amor- tisation at 31 December 2022	<u>16.747.648</u>	<u>2.142.606</u>	<u>159.191</u>	<u>0</u>
Carrying amount at 31 De- cember 2022	<u>4.955.680</u>	<u>1.001.909</u>	<u>4.268.274</u>	<u>4.772.866</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 2023.

Acquired other rights include customer rights, patents, copyrights, naming rights etc. related to the CMA business.

Notes

5 Tangible assets

	Plant and ma- chinery	Other fixtures and fittings, tools and equipment
Cost at 1 January 2022	5.308.954	359.624
Additions for the year	94.833	74.049
Cost at 31 December 2022	<u>5.403.787</u>	<u>433.673</u>
Impairment losses and depreciation at 1 January 2022	4.694.015	137.759
Depreciation for the year	452.511	131.718
Impairment losses and depreciation at 31 December 2022	<u>5.146.526</u>	<u>269.477</u>
Carrying amount at 31 December 2022	<u>257.261</u>	<u>164.196</u>

6 Fixed asset investments

	Other fixed asset invest- ments	Deposits
Cost at 1 January 2022	1	300.885
Cost at 31 December 2022	1	300.885
Carrying amount at 31 December 2022	<u>1</u>	<u>300.885</u>

Notes

7 Share based payments

The general meeting decided on the 26 May 2021 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.

In 2023 additional 180.000 warrants have been issued which entitles its holder to subscribe for one share in Photocat A/S of nominally DKK 1 at a price of SEK 9.

8 Long term debt

	<u>2022</u> DKK	<u>2021</u> DKK
Other credit institutions		
After 5 years	134.754	134.754
Between 1 and 5 years	<u>1.850.329</u>	<u>2.110.917</u>
Non-current portion	1.985.083	2.245.671
Other short-term debt to credit institutions	<u>1.249.133</u>	<u>183.350</u>
Current portion	<u>1.249.133</u>	<u>183.350</u>
	<u>3.234.216</u>	<u>2.429.021</u>
Shareholders and management		
Between 1 and 5 years	<u>13.224</u>	<u>11.396</u>
Non-current portion	13.224	11.396
Current portion	<u>0</u>	<u>0</u>
	<u>13.224</u>	<u>11.396</u>
Other payables		
Between 1 and 5 years	<u>360.783</u>	<u>941.055</u>
Non-current portion	<u>360.783</u>	<u>941.055</u>
Other short-term other debt	<u>139.113</u>	<u>350.259</u>
Current portion	<u>139.113</u>	<u>350.259</u>
	<u>499.896</u>	<u>1.291.314</u>

Notes

8 Long term debt (continued)

	2022	2021
	DKK	DKK
Deferred income		
After 5 years	487.512	487.512
Between 1 and 5 years	292.482	292.423
Non-current portion	779.994	779.935
Other short-term deferred income	0	189.399
Current portion	0	189.399
	779.994	969.334

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

9 Rent and lease liabilities

The Company has a total rental obligation of DKK 499.470 (2021: DKK 466.392).

10 Contingent liabilities

As Security for the Company's assets, a negative pledge of TDKK 4.400 has been given to the Company's credit institutions.

11 Cash flow statement - adjustments

Financial costs	276.935	115.424
Depreciation, amortisation and impairment losses	2.236.450	2.494.953
Tax on profit/loss for the year	-438.072	-347.481
Other adjustments	-189.340	-454.416
	1.885.973	1.808.480

Notes

	<u>2022</u>	<u>2021</u>
	DKK	DKK
12 Cash flow statement - change in working capital		
Change in inventories	128.997	-323.438
Change in receivables	-839.648	-1.591.264
Change in trade payables, etc.	<u>661.164</u>	<u>1.843.039</u>
	<u>-49.487</u>	<u>-71.663</u>

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registeret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Theis Holst Reenberg

Bestyrelsesmedlem

På vegne af: Photocat AS

Serienummer: 6883eac4-6a0a-4ed6-afcb-f9bad09da6c6

IP: 83.151.xxx.xxx

2023-05-08 08:21:13 UTC



Tom Weidner

Bestyrelsesmedlem

På vegne af: Photocat AS

Serienummer: PID:9208-2002-2-368887511582

IP: 95.166.xxx.xxx

2023-05-08 08:37:53 UTC



Mette Therkildsen

Bestyrelsesformand

På vegne af: Photocat AS

Serienummer: cd31c4a4-0076-4e6f-a059-73c17e2e313e

IP: 62.243.xxx.xxx

2023-05-08 10:03:30 UTC



Michael Humle

Direktør

På vegne af: Photocat AS

Serienummer: b7d365e7-0575-4cef-b3a5-555ff826711f

IP: 83.137.xxx.xxx

2023-05-08 14:52:46 UTC



Henrik Aslund Pedersen

Statsautoriseret revisor

På vegne af: PricewaterhouseCoopers Statsautoriseret...

Serienummer: CVR:33771231-RID:46763580

IP: 34.99.xxx.xxx

2023-05-08 14:53:56 UTC



Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstempelt med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser i indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validator>