



WE CLEAN THE AIR WE BREATHE

PHOTOCAT

INTERIM REPORT H1 2024

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

H1 2024: SUMMARY

Highlights during the first half year of 2024

- Photocat continues to generate positive EBITDA during H1 2024
- Revenue down with 21.3 % compared to H1 2023
- IPR case settled in Bitumen market with positive impact with C. Hasse & Sohn
- Photocat Garden not promoted due to changes in distribution channel
- The company maintains its guidance for 2024 with a turnover of 17.5-19.0 mDKK, and a positive EBITDA of 0-1 mDKK.

Highlights after 30 June 2024

- Together with our partner Laborat and the Generalitat de Catalunya, we have just finished the second data set of the world's largest photocatalytic in-situ project (105,000 SQM) – showing very promising effect
- Initiation of the entry pilot project of the M30 highway around Madrid (full-scale potential of 1.5 mill SQM)

Amounts in DKK '000s	H1 2024	H1 2023	FY 2023
	2024-01-01	2023-01-01	2023-01-01
	2024-06-30	2023-06-30	2023-12-31
Revenue	6,826	8,668	15,041
Gross profit	3,438	3,728	6,327
EBITDA	694	808	348
P/L before tax	-572	-548	-2,326
Net profit	-388	-349	-1,920
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Assets	22,242	25,101	23,108
Equity	12,717	13,817	12,245
Debt	9,525	11,284	10,863
Cash at Hand	222	443	230

CEO Letter – MANAGEMENT UPDATE

Dear Shareholders,

The first half of 2024 has brought both challenges and opportunities that have reinforced our commitment to driving positive environmental impact. As the year commenced with unusually cold weather, we experienced a positive response to our marketing efforts. In general, we captured more customers and wider penetration in the market with a significant growth in the business accounts. Revenue was below 2023 due to a single large transaction in spring 2023. Further we find positive traction in the need for green de-ice solutions in the Nordic markets. Additionally, the incorporation of the WHO's revised air quality goals into EU legislation this spring presents a significant milestone for Photocat. This legislation, aimed at achieving stringent threshold values by 2030, which aligns perfectly with our mission and opens up substantial business opportunities for the years to come.

Photocat offers economically attractive solutions which are efficient but also indispensable for modern cities striving to meet these new air quality standards. As the EU and national adoption processes advance, we are proud to lead in both Particle Matters and NOx reduction, delivering tangible benefits to citizens across Europe. A testament to our success is the groundbreaking trial on a main motorway in Badalona, a suburb of Barcelona, where over 100,000 SQM demonstrated the profound impact of our technology in improving ambient air quality significantly.

We are excited about the road ahead and remain committed to leveraging these developments for sustainable growth and continued excellence.

Market Strategy and Growth

- **Photocatalysis Market Expansion:** Our strategy focuses on market access and growth in South Europe, with Spain as our key strategic market, and the GCC, with the UAE as our primary market for NOx reduction technologies. We have expanded distribution through more manufacturers utilizing our proprietary NOxOFF technology, particularly in the Spanish market. In the Nordic market, a strategic shift by IBF, a leading Danish manufacturer, has changed its offering from mandatory paving stones with NOxOFF to an optional add-on solution based on municipal preferences. This competitive shift against low-cost manufacturers has pushed local authorities to decide on compliance with EU environmental legislation. However, we have observed a negative impact on our revenue as larger local authorities prioritize other issues over EU air quality compliance for the time being, despite the modest additional budget required.
- **Bitumen NOxOFF Potential:** We are rigorously enforcing our IPR for Bitumen NOxOFF, with the first two companies announced in the first half of the year: Katepal from Tampere (Finland) and Hasse from Uelzen (Germany). We anticipate more companies contracting with Photocat. Although in the early stages of European bitumen roofing market penetration, some North American major players are embracing the environmental benefits, as evidenced by Malarkey's full product integration. The market potential is substantial, up to 5-6 billion square meters, positioning us on an attractive growth path. This sparks some potential value into our IPR portfolio, which potentially could be undervalued.



CEO Letter – MANAGEMENT UPDATE

- **De-Ice and Dust Control Products:** We have secured new distribution agreements for our De-Ice and Dust control products and are focused on increasing our market share. Integration into major German contractors' solutions in the Hamburg area has been particularly noticeable.
- **ShineOn Test Trials:** The ShineOn test trial data is currently under analytical review. Extreme weather conditions at the test site have complicated data comparison, but we are progressing with our data partner to reach conclusive insights.

Operational Efficiency and Sales Performance

Operational efficiency remains a key focus, aiming to enhance sales efficiency in the marketplace and foster a push-pull dynamic to build market presence. With new ESG reporting demands, Photocat technology is poised to become increasingly attractive, offering cumulative benefits over time. We continue to invest in improving our solutions and innovating our product platform for ease of use and visibility of the advantages provided.

Despite a 21.3% downturn in sales performance in H1 2024 compared to H1 2023, primarily due to a single large transaction in Spring 2023 as well as inventory management in Actifloor and reduced implementation of air quality control procurement by municipalities in Denmark and Norway, our category has outperformed the overall market. This resilience has strategically positioned us with healthy inventory levels and secured, albeit delayed, sales opportunities. Revenue for H1 2024 was 6,826 tDKK, lower than the previous year, with EBITDA at 694 tDKK, reflecting a 14.1% reduction from H1 2023's 808 tDKK. NOxOFF sales have increased in the Bitumen market, driven by the value of Photocat IPR. Actifloor's in-market sales totaled 64,500 SQM in H1 2024, a 5.9% decrease compared to H1 2023's 68,500 SQM, influenced by inventory management at customer facilities.

Summary

H1 presented challenges in market uptake in focus markets and manufacturers' push towards end customers in the Nordic market. Nevertheless, the value of Photocat's offerings is increasingly evident with new EU legislation on ESG reporting and improved air quality threshold values.

Thank you for your continued support. With more than 50 recurrent specialized customers buying into our respective technologies, we remain positive and confident about the future growth potential.

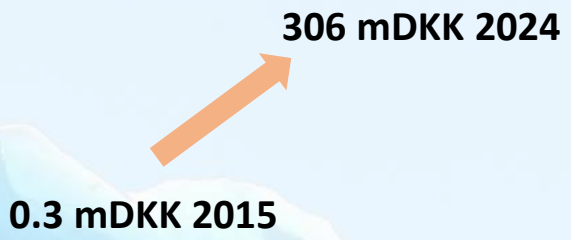
Sincerely,
Michael Humle
CEO, Photocat



PHOTOCAT ENVIRONMENTAL IMPACT



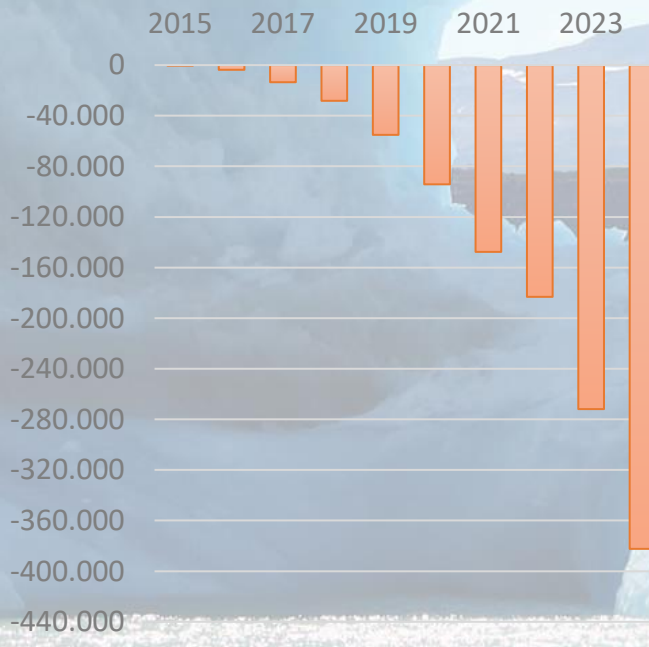
Saved Health Cost - Improved Life Quality



The value of accumulated health benefits of removed NOx amount to DKK 306m in 2024 end of H1

Source: Numbers based on the official data from the Danish Centre for Environment and Energy (DCE). https://dce.au.dk/fileadmin/dce.au.dk/Udgivelser/Notater_2019/Miljoeoekonomiske_beregningspriser_for_emissioner.pdf

Accumulated NOx removed in kg



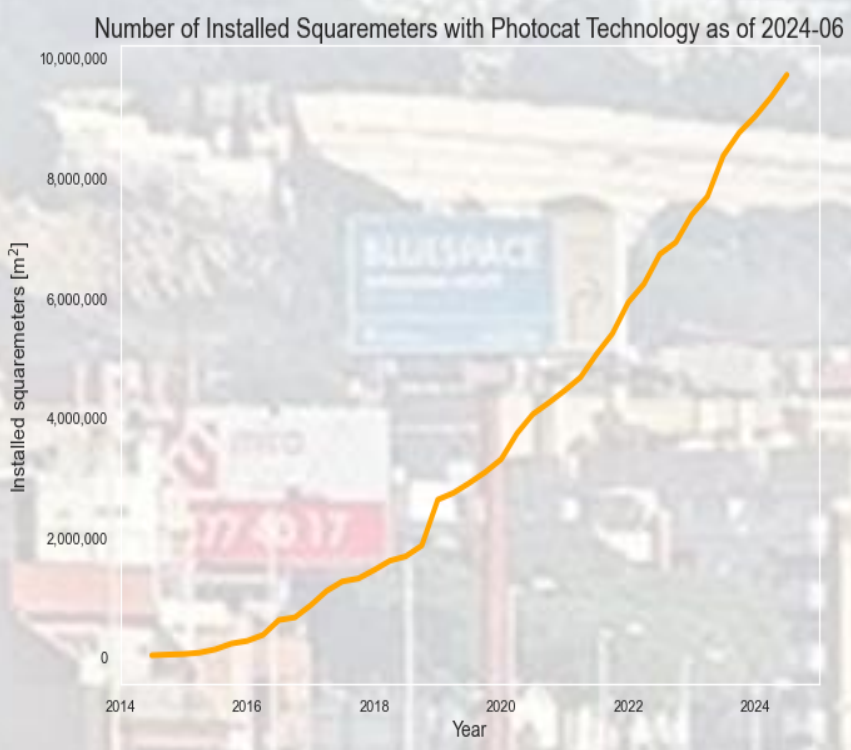
REMOVED NOx



Accumulated NOx removed is equivalent to the pollution from 382,354 cars

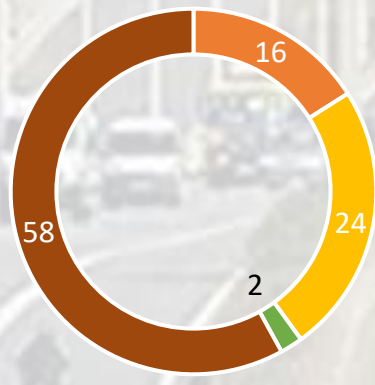
Source: <https://www.eurekaselect.com/article/109045>

PHOTOCAT ENVIRONMENTAL IMPACT



The chart above shows Photocat now has installed more than 9,7 m SQM surfaces with active **NOx** degrading surfaces

Allocated to type of surface in %



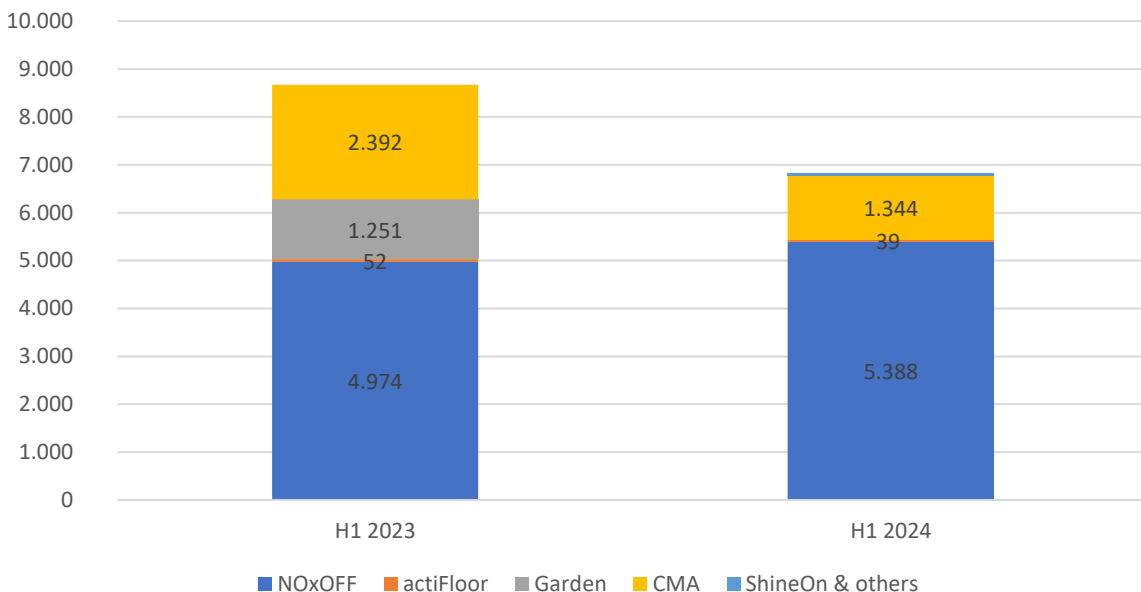
■ Floor ■ Bitumen ■ Asphalt ■ Concrete

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

REVENUE DEVELOPMENT

Amounts in DKK '000s

Half year revenue development



“
Market trend: The total market for photocatalyst products is forecasted to grow at a CAGR of approximately 12.5% during the next five years.
”
Source: Green Millennium

INCOME STATEMENT

Amounts in DKK '000s

Notes H1 2024 H1 2023 FY 2023 FY 2022

Revenue		6,826	8,668	15,041	14,948
Work on own account recognised in assets		835	904	1,849	1,991
Other Operating Income	1	0	0	0	189
Expenses for raw materials and consumables		-1,752	-2,366	-4,113	-3,457
Other external expenses	2	-2,470	-3,481	-6,450	-9,213
Gross profit		3,438	3,725	6,327	4,458
Staff expenses		-2,745	-2,917	-5,979	-5,369
EBITDA		694	808	348	-911
Depreciation, amortisation and impairment		-945	-1,205	-2,113	-2,236
Profit/loss before financial income and expenses		-251	-397	-1,765	-3,147
Financial expenses		-321	-150	-561	-277
Profit/loss before tax		-572	-547	-2,326	-3,424
Taxes		184	199	407	438
Net profit/loss		-388	-349	-1,920	-2,986

BALANCE SHEET, assets

Amounts in DKK '000s	2024-06-30	2023-06-30	2023-12-31	2022-12-31
Completed development projects	6,109	5,163	5,937	4,956
Acquired patents	889	963	926	1,002
Other Acquired patents	5,166	4,109	5,325	4,268
Development projects in progress	4,280	4,773	4,280	4,773
Intangible assets	16,444	15,008	16,468	14,999
Plant and equipment	227	43	292	257
Other fixtures and fittings, tools and equipment	43	92	46	164
Tangible assets	269	135	338	421
Other investments	0	0	0	0
Deposits	316	316	316	301
Fixed assets investment	316	316	316	301
Fixed assets	17,029	15,459	17,122	15,721
Inventories	940	871	753	942
Trade receivables	3,067	5,743	4,072	4,583
Other receivables	255	1,755	407	680
Corporation tax	591	637	407	438
Prepayments	138	193	117	158
Receivables	4,051	8,328	5,003	5,859
Cash at bank and in hand	222	443	230	90
Current assets	5,213	9,642	5,986	6,891
Total assets	22,242	25,101	23,108	22,612

BALANCE SHEET, liabilities & equity

Amounts in DKK '000s	2024-06-30	2023-06-30	2023-12-31	2022-12-31
Share capital	5,995	5,850	5,850	5,850
Reserve for development cost	7,795	7,197	7,795	7,197
Retained earnings	-1,073	770	-1,400	1,118
Equity	12,717	13,817	12,245	14,165
Other payables	3,916	3,876	3,916	2,346
Shareholders and management	674	674	706	13
Deferred income	780	780	780	780
Total non-current liabilities	5,371	5,329	5,402	3,139
Other credit institutions and bank loans	1,723	1,786	2,016	1,249
Trade payables	2,399	4,116	3,127	3,920
Other payables	32	54	318	139
Total current liabilities	4,154	5,955	5,461	5,308
Total liabilities	9,525	11,284	10,863	8,447
Total equity and liabilities	22,242	25,101	23,108	22,612

STATEMENT OF CHANGE IN EQUITY

	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2023	5,850	7,197	1,118	14,165
Development costs for the year	0	705	-705	0
Depreciation, amortisation and impairment for the year	0	-827	827	0
Net profit/loss for the year	0	0	-349	-349
Equity at 30 June 2023	5,850	7,075	891	13,816
Equity at 1 January 2024	5,850	7,795	-1,400	12,245
Cash capital increase	145	0	715	860
Development costs for the year	0	0	0	0
Depreciation, amortisation and impairment for the year	0	0	0	0
Net profit/loss for the year	0	0	-388	-388
Equity at 30 June 2024	5,995	7,795	-1,073	12,717

CASH FLOW STATEMENT

	H1 2024	H1 2023	FY 2023	FY 2022
Amounts in DKK '000s				
Net profit/loss	-388	-349	-1,920	-2,986
Adjustments	1,081	1,156	2,268	1,886
Change in working capital	-64	-2,286	412	-49
Cash flow from operating activities before financial income and expenses	629	-1,479	760	-1,149
Financial expenses	-321	-150	-465	-276
Cash flow from ordinary activities	309	-1,629	295	-1,425
Corporate tax paid	0	199	438	347
Cash flow from operating activities	309	-1,430	733	-1,078
Purchase of intangible fixed assets	-835	-904	-3,349	-6,734
Purchase of tangible assets	-17	-24	-150	-169
Purchase of fixed asset investments	0	-15	-15	0
Cash flow from investing activities	-852	-943	-3,514	-6,903
Changes in long-term payables	0	1,298	1,460	805
Cash capital increase	860	0	0	5,848
Changes in short-term bank loans	-293	768	768	0
Raising of loans from shareholders and management	-32	660	693	2
Cash flow from financing activities	535	2,726	2,921	6,655
Change in cash and cash equivalents	-8	353	140	-1,326
Cash and cash equivalents start	230	90	90	1,416
Cash and cash equivalents end	222	443	230	90
Analysis of cash and cash equivalents				
Cash at bank and in hand	222	443	230	90
Cash and cash equivalents	222	443	230	90

FINANCIAL NOTES

Note 1 - Other operating income

Other operating income comprises of grants received in respect of capitalized development projects and is recognized over the expected useful life of the asset.

Note 2 - Other external expenses

Amounts in DKK '000s	H1 2024	H1 2023	FY 2023	FY 2022
Marketing costs	-924	-1,844	-3,342	-4,899
Premises	-452	-544	-1,083	-1,056
Other costs	-1,094	-1,093	-2,025	-3,258
Total other external expenses	-2,470	-3,481	-6,450	-9,213

Note 3 - Share Capital

The Company's share capital is DKK 5,995,000 divided into shares of DKK 1.

Note 4 - Number of employees

Total number of employees is 11, including commercial agents operating in Mexico and Europe.

Note 5 - Earnings per share

DKK	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Earnings per share	-0,06	-0,06	-0,33	-0,51
Before dilution	-0,06	-0,06	-0,33	-0,51
After dilution	-0,06	-0,05	-0,47	-0,47

Note 6 - The number of outstanding shares

Amounts in DKK '000s	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
The number of outstanding shares	5995	5850	5850	5850
The average number of outstanding share	5874	5850	5850	5600
Before dilution	5995	5850	5850	5850
After dilution	6390	6390	6390	6390

FINANCIAL CALENDAR

Release date

Item

22nd of August 2024

H1.2024 Interim Report (01/01/2024 – 30/06/2024)

12th of February 2025

H2.2024 Interim Report (01/07/2024 – 31/12/2024)

WHO IS PHOTOCAT A/S

Photocat A/S manufactures patented coating materials for both outdoor and indoor applications with the effect to degrade NOx and VOC's when exposed to light. Both NOx and VOC's are severely damaging to human health. Photocat's patented technology is a very efficient and economically viable alternative to many of the traditional technologies targeting NOx and VOC's.

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

Photocat's shares was listed in Nasdaq First North in Stockholm November 20, 2015, with the ticker symbol PCAT.

This report has not been reviewed by the company's auditor.

The company's report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying for enterprises of reporting class B, and provisions applying for to reporting class C entities.