

Quantafuel ASA

www.quantafuel.com

Second Quarter 2021

Consolidated financial statements

Quantafuel ASA



Second quarter and half year report for 2021

Quantafuel's strategy is to build large-scale Plastics-to-Liquid (PtL) process plants throughout Europe and beyond. With the strong support from our three strategic partners, we are in a pole position to continue our journey creating high value products from low value plastic waste.

Quantafuel's Skive plant continues to make progress by running each of the operational lines at high load for three to five days at a time. These developments prove Quantafuel's technical capability to recycle consumer plastic waste into chemical products, thereby reducing the consumption of oil and closing the circular economy loop.

In Q4 2021, the Skive plant will undergo upgrades allowing for stable, long-term commercial production. This includes removing the last known obstacle preventing long-term stable production. We have concluded on the right equipment to solve the issue, and the installation of this equipment will also take place during the turnaround.

We continue to have full focus on achieving stable production at design capacity in Skive. Quantafuel's employees are 100% dedicated to creating value for our shareholders as well as to contributing towards solving the global waste problem.

Health, Safety & Environment – Zero recordable incidents

Quantafuel's vision is zero harm to people, assets, and the environment throughout our business landscape. We are pleased to report that Quantafuel continues its zero recordable HSE incidents statistics during this quarter.

Corporate Social Responsibility – Contributing towards a sustainable future

The United Nations Intergovernmental Panel on Climate Change's (IPCC) newly released report on climate change paints an alarming picture of the extent of the global crisis and stresses the urgent need to act. Never has there been a greater need for companies that help tackle the biggest threats to the environment. Non-circular plastic waste is one of these threats and with our unique technology, we will contribute towards a sustainable future by converting plastic waste into valuable, circular products.

Quantafuel will always strive to follow the highest standards of traceability and environmental integrity. We are therefore happy to report that in April 2021, Quantafuel received both REDcert2 and ISCC PLUS environmental certificates from German TÜV NORD. These certificates testify that Quantafuel acquires feedstock from sustainable sources and guarantee that Quantafuel's production process lives up to very strict standards of traceability and environmental integrity. Following the receipt of the REDcert2 certificate, Quantafuel sent the first batch of commercial product from Skive to BASF.

For Quantafuel, these certificates, and the processes leading up to them, are essential to establishing ourselves as a trusted actor in the recycling industry. The transparency and traceability that the certificates offer, are key in a time when EU recycling targets are rapidly increasing and public scrutiny on what actually happens to plastic waste is on the rise. It shows that we know exactly where the waste is coming from, that we process it in a responsible way, and that the yield from our process is transparent.

The certificates also give a competitive advantage in establishing Quantafuel as a leading, global player within chemical and mechanical recycling. They increase our attractiveness in the waste management sector since owners of plastic waste can fully trust that the waste will be converted to recycled feedstock in a transparent way.

At Quantafuel we are also committed to educating the future generation and creating awareness. This summer, Quantafuel was a proud sponsor of Camp Esviken, a two-week camp near Oslo for around 300 children, with fun and educational activities closely linked to many of the UN's Sustainable Development Goals. We would like to praise our partner Plastpiratene, The Plastic Pirates, one of the main driving forces behind the camp. Each day, Plastpiratene took children out by boat to collect plastic waste. The organisation does an admirable job teaching the kids how they can contribute towards a healthier planet with less plastic waste and, not least, the importance of environmental protection.

Several of Quantafuel's employees also had the chance to join Plastpiratene picking plastic waste this summer, both along our local beaches and in the sea— a rewarding and meaningful team building exercise.

Skive update – Ramp up continuing, turnaround planned for Q4

Quantafuel's key focus is to achieve stable production at design capacity and Proof-of-Concept in Skive. We are continuing to make progress and have been running each of the operational lines at high load for three to five days at a time, feeding various plastic qualities, while producing the expected output. Supplying this product as chemical feedstock that substitutes virgin oil in the process of making new chemicals, Quantafuel is thus realising true material recycling.

However, based on acquired experiences, the plant still needs some modifications to achieve the required operational stability to

perform at high load for extended periods. We are working on removing the last known obstacle preventing this long-term stable production and have concluded on the right equipment to solve that issue. Installation will take place during the Q4 turnaround.

Currently, we are moving forward with the important testing of different feedstock qualities. In July and August, we successfully started processing mixed post-consumer plastics provided by among others, Grønt Punkt Norge (Green Dot Norway) and RenoNord in Denmark.

We are very grateful for the strong support from our three strategic partners. The dedicated support team working closely with our teams in Oslo and at Skive, sharing best practice within plant design, operation and maintenance, is invaluable.

At the end of the second quarter, Quantafuel strengthened its position in Denmark by acquiring the remaining shares of Quantafuel Skive ApS, increasing ownership from 76.3% to 100%, with a full settlement in Quantafuel ASA shares. This gives Quantafuel ASA full commercial and operational control in Skive going forward.

The Skive plant CAPEX forecast is adjusted from NOK 581 million to NOK 610 million due to the extended project execution period as well as the purchase of equipment.

Kristiansund update – Mechanical recycling investment on track

The expansion of mechanical recycling capacity and capability is on track for installation and commissioning towards the end of the third quarter. With this investment, Quantafuel will be able to locally sort and recycle 20,000 tons of plastic waste annually, optimising the balance between deliveries of flakes and pellets for mechanical recycling and the more difficult fraction for chemical recycling.

The testing of new pyrolysis technology is continuing in Kristiansund. The reactor has processed plastic waste and produced chemicals with promising quality, however, further adjustment and upgrading of key components is being implemented to reach and stabilise at expected production. The planned test program continues with high focus in Q3 2021.

New prospects

The hundreds of tons of plastic waste processed in Skive has taught us that to successfully grow our large-scale international business, in-depth understanding and presence in the upstream waste industry is essential. Therefore, Quantafuel has over the past months taken decisive steps to secure that presence, and we are continuing our journey towards an integrated plastic waste handling company, providing trusted, transparent processes turning mixed plastic waste into high value recycled materials.

Quantafuel's project in Amsterdam with VTTI / Vitol is moving forward with submittal of permit applications as the next important milestone.

Significant steps in Esbjerg, Denmark

Our Esbjerg plant is proceeding according to plan and will be one of the biggest plastic sorting plants in Europe, as well as the first of its kind in Denmark. In May, Esbjerg City Council unanimously approved Quantafuel's Environmental Impact application for the Esbjerg plant. In July we were pleased to announce the purchase of a 58,000 m² site, with an option to extend with additional 48,000 m².

As we are entering the world of large-scale plastic waste sorting, Quantafuel is evaluating future partnerships for the waste sorting plant that could provide both significant financing capacity and industry-specific experience.

Taking lead position in Denmark by investing in Aalborg

Quantafuel has over the past years conducted extensive market research into the plastic waste streams in Scandinavia and north-west Europe; intensified through the partnerships and acquisitions of 40% of Geminor and 100% of Replast (now: Quantafuel Kristiansund). Both acquisitions have been instrumental for Quantafuel to develop the upstream feedstock and market entrance strategies.

After months of testing unsorted mixed household waste from Grønt Punkt Norge at the Geminor facility in Landskrona, Sweden, Quantafuel announced in June its investment in a pre-treatment line in Aalborg. The sorting line will be located adjacent to Geminor's existing logistics hub.

The investment is highly welcomed by the Danish waste market and is in line with the EU's ambitious recycling goals. This investment will also help Denmark reach its ambitious strategy to become a pioneer within recycling in Europe, as well as enabling their goal of 60% actual recycling in new public waste tenders. This is great news for all municipalities wondering how to reach these targets, and for Quantafuel being a part of the solution.

The establishment of the pre-treatment hub will not only enable Quantafuel to take control of feedstock for the Skive plant, but also to play a key role in the upstream value chain. Quantafuel is now positioned to bid for local and international waste tenders, catering to both chemical and mechanical recycling, with a strong competitive advantage through increased overall recycling rate and securing transparency with stringent ISCC and REDcert2 certifications.

In the coming year, Quantafuel will work to secure a significant market share in the local Danish market and surrounding countries, continuing the vital work of developing the waste market value chains to minimise CO₂ emission by long range transport and potential spillage of valuable plastic waste

resources. At the same time, the Aalborg operation allows us to gather experience for our Esbjerg plant, secure long-term contracts, and build strong relationships with feedstock suppliers and mechanical recyclers to achieve best possible recycling rates.

R&D and technology ownership

Quantafuel strongly believes in exploring ideas through innovative projects, driving solutions for a more sustainable waste and energy market. Our R&D team is driving strategic initiatives to improve the chemical recycling technology portfolio, including maximum use of by-products.

In close cooperation with leading Norwegian and Swedish technical universities and technology labs, we are exploring related technologies that potentially could lead to building additional business and value creation in Quantafuel. Among these projects are novel biomass and PtL-projects, hydrogen production, and research into CO₂ utilisation. The hydrogen technology development is conducted in partnership with NTNU and SINTEF and is closely linked to Quantafuel's proprietary technology within Plastic-to-Liquid.

Organisation

We are pleased to report that Quantafuel is steadily growing. During the second quarter, 20 talented and dedicated employees have joined Quantafuel. The total number of employees at the end of second quarter was 85, and the Quantafuel family keeps on expanding.

In July, Kjetil Bøhn informed the board that he would step down from his position as CEO. As the company is entering a new phase, the board and Kjetil Bøhn have over time had an ongoing process planning the company's future management structure.

Bøhn has been instrumental in providing shareholder value through Quantafuel's strong development, from a bold idea to the plant in Skive, and from pure PtL-focus to

upstream integration. He has taken on the role of strategic advisor to the company in relation to future value creation and new ventures.

Quantafuel has initiated a process to recruit a new CEO and in the interim period, the Chair of the Board, Ann-Christin Andersen, serves as Executive Chair, while Terje Eiken, the Chief Operating Officer, serves as interim CEO.

Growth strategy and outlook

Quantafuel's full focus on Skive continues.

With Skive getting closer to stable production at design capacity, Quantafuel is discussing the roll-out of large-scale capacity plants with both existing and potential partners. We have agreements in place with Corepla and Saipem for the Italian market and with BASF and Remondis targeting the German and central European market. Further prospects are under development and will be announced when the necessary maturity is reached.

The IPCC report states that it is "code red for humanity".

We share the conclusion with need for action now and our dedicated employees are 100% committed to contributing towards solving the global waste problem.

Responsibility statement Board of Directors

The Board of Directors confirm that the (unaudited) interim financial statements for the period 1 January to 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting in our best belief, that the information in the interim report gives a true and fair view of the Quantafuel group's assets, liabilities, financial position and result as a whole and that the half-yearly report provides a true and fair view of the information mentioned in the Securities Trading Act §5-6 fourth paragraph and includes a fair review of any of the significant events that arose during the six-month period and their effect on the half-yearly financial report, and any significant related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the year.

Quantafuel ASA
Oslo, 30. August 2021

Ann-Christin G. Andersen –Chairperson

Oscar Spieler – Deputy Chairperson

Majken Margrethe Smith – Board Member

Dr. Thorleif Enger – Board Member

Berit Koppervik– Board Member

Wenche Teigland – Board Member

Kasper Trebbien – Board Member

Dr. Maximilian Walter – Board Member

Financial review

First half year 2021

- Purchase of 40% of Geminor Invest AS
- Continued progress at Quantafuel's plants in Skive and Kristiansund
- Total Skive capex estimate increased to NOK 610 million
- First shipment of liquid products to BASF from Skive plant
- Increased ownership from 76.3% to 100.0% in Quantafuel Skive ApS

Income statement

Quantafuel Financial Highlights	Q2 2021	Q2 2020	First half 2021	First half 2020	Full year 2020
Unaudited figures in NOK '000' if not stated otherwise	Group	Group	Group	Group	Group
Operating revenue	479	5	2 250	5	8 387
Total Income	3 395	5	6 834	5	8 387
EBITDA	-28 729	-29 815	-59 215	-50 422	-136 605
Profit (loss)	-9 228	-100 830	103 869	-127 028	-502 313
Total assets	1 550 284	577 467	1 550 284	577 467	1 497 046
Cash & Cash equivalents	494 967	26 680	494 967	26 680	692 223

Operating revenue of NOK 0.5 million in Q2 2021 includes revenue from our two plants in Skive and Kristiansund.

For the first half 2021 operating revenue of NOK 2.3 million consists of NOK 1.2 million from our plants in Skive and Kristiansund, and NOK 1.1 million relating to the Grønt Punkt Norge project.

Included in total income is the Group's share of net result in Geminor Invest AS, NOK 2.9 million for Q2 2021 and NOK 4.6 million for the first half 2021, which is included in the Group accounts as an equity-accounted investee.

EBITDA in Q2 2021 was NOK -28.7 million and for the first half 2021 NOK -59.2 million, which is in line with the same periods for 2020. Salary costs in Q2 2021 was NOK 11.9 million compared to NOK 18.8 million in Q2 2020. The decrease in salary costs is due to a change in costs related to social security tax for employee options. For Q2 2021 the number of employees is higher than in Q2 2020. Other operating expenses in Q2 2021 was NOK 11.1 million compared to NOK 7.7 million in Q2 2020. This is mainly due to increased operation and Quantafuel Kristiansund being incorporated in 2021. For the first half 2021 the operating expenses was NOK 30.8 million compared to NOK 17.2 million for the same period last year.

Net financial items reflect the general currency fluctuations in addition to the interest expenses relating to loans as well as other borrowings, leasing of offices/building and BASF convertible loan. Financial items relating to the BASF convertible loan for Q2 2021 was a financial income of NOK 26.2 million due to a decrease in Quantafuel's share price. This is including an interest cost of NOK 3.5 million for the quarter. Please refer to note 3 for further information.¹

¹ Exchange rate NOK/EUR is not included in these numbers

For the first half 2021 the financial items relating to the BASF convertible loan was a financial income of NOK 178.5 million, compared to NOK 42.4 million same period last year.

Loss for the period Q2 2021 was NOK 9.2 million.²

Profit for the first half year 2021 was NOK 103.9 million.

Balance sheet

Unaudited figures in NOK '000 if not stated otherwise	At 30 June 2021 Group	At 30 June 2020 Group	31 Dec 2020 Group
Total non-current assets	1 023 556	267 320	788 129
Total current assets	526 728	121 273	708 917
Total assets	1 550 284	388 593	1 497 046
Total equity	933 071	143 906	653 987
Total non-current liabilities	519 275	113 455	705 712
Total current liabilities	97 938	131 232	137 347
Total equity and liabilities	1 550 284	388 593	1 497 046

As per 30 June 2021 the Group's equity was NOK 933 million. Cash and cash equivalents were NOK 495 million, of which NOK 2.5 million was restricted cash (employee tax advance account).

Total non-current assets at the end of the quarter were NOK 1,023.5 million due to an increase of Assets under construction related to the Skive plant and costs for FEED and concept.

² The Profit (loss) consists of EBITDA, depreciation, net financial items, and taxes.

QUANTAFUEL ASA
CONSOLIDATED INCOME STATEMENT

1 JANUARY - 30 JUNE

(Amounts in NOK thousands)

		Q2 2021 Group	Q2 2020 Group	First half 2021 Group	First half 2020 Group	Full year 2020 Group Audited
Operating revenue		479	5	2 250	5	8 387
Share of net income in equity-accounted investees		2 916	-	4 584	-	-
Cost of materials		9 171	727	14 106	2 119	14 805
Salaries and personnel costs	4	11 868	18 783	21 186	26 228	84 052
Depreciation and amortisation	2	3 267	1 305	6 581	2 420	8 891
Other operating expenses		11 085	7 700	30 757	17 240	28 354
Operating profit (loss)		-31 995	-28 510	-65 795	-48 002	-127 714
Finance income		-313	64	843	64	624
Finance expense		2 949	11 196	5 851	17 237	-8 718
Finance items convertible loan		26 190	54 687	178 548	42 420	-334 803
Net financial items	3	22 928	-65 819	173 540	-59 593	-342 897
Profit (loss) before tax		-9 067	-94 329	107 745	-107 595	-470 611
Income tax expense		161	6 501	3 876	19 433	31 702
Profit (loss) for the period		-9 228	-100 830	103 869	-127 028	-502 313
Attributable to:						
Equity holders of the parent		-9 035	-98 535	104 171	-112 005	-496 699
Non-controlling interest	6	-193	-2 295	-302	-15 023	-5 614
Earnings per share, ordinary (NOK)		-0.07	-0.88	0.76	-1.00	-4.15
Earnings per share, diluted (NOK)		-0.04	-0.85	0.81	-0.94	-4.03

QUANTAFUEL ASA
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
1 JANUARY - 30 JUNE
(Amounts in NOK thousands)

	Q2 2021	Q2 2020	First half	First half	2020
	Group	Group	2021	2020	Group
			Group	Group	Group
Profit for the period	-9 228	-100 830	103 869	-127 028	Audited -502 313
Items that may be reclassified to profit (loss)		-	-	-	-
Translation differences, net	-621	-873	-65	2 611	1 342
Total comprehensive profit (loss)	-9 849	-101 703	-103 804	-124 417	-500 972
Attributable to:					
Equity holders of the parent	-9 656	-99 408	104 106	-109 934	-495 357
Non-controlling interest	-193	-2 295	-302	-15 023	-5 614

QUANTAFUEL ASA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2021

(Amounts in NOK thousands)

	Note	At 30 June 2021 Group	At 30 June 2020 Group	At 31 December 2020 Group Audited
ASSETS				
Deferred tax asset		12 895	3 568	13 160
Goodwill		54 085	-	54 085
Other intangible assets		32 534	20 230	30 583
Property plant and equipment	2	673 502	456 219	610 919
Right-of-use asset		66 368	57 234	71 527
Equity-accounted investment	6	176 436	-	-
Other non-current assets		7 736	5 616	7 855
Total non-current assets		1 023 556	542 867	788 129
Inventory		4 103	-	3 217
Accounts receivable		403	-	3 359
Other receivables		27 254	7 920	10 118
Cash and cash equivalents		494 967	26 680	692 223
Total current assets		526 728	34 600	708 917
Total assets		1 550 284	577 467	1 497 046
EQUITY AND LIABILITIES				
Share capital		1 387	112	1 358
Non-registered share capital		116 928	-	-
Other paid-in capital		1 548 747	499 901	1 373 496
Retained earnings		-733 619	-423 245	-802 593
Equity attributable to the owners of the parent		933 444	76 768	572 261
Non-controlling interests		-373	78 932	81 726
Total equity		933 071	155 700	653 987
Deferred tax liabilities		109 891	84 110	106 015
Non-current interest bearing liabilities	3	333 544	204 364	519 652
Long-term leasing liability	3	66 796	51 942	71 000
Other non-current liabilities		9 044	-	9 044
Total non-current liabilities		519 275	340 416	705 712
Current interest bearing liabilities	3	6 019	1 656	6 191
Short-term leasing liability	3	5 859	7 399	5 723
Accounts payable		36 545	37 905	53 938
Other current liabilities		49 515	34 393	71 494
Total current liabilities		97 938	81 353	137 347
Total equity and liabilities		1 550 284	577 467	1 497 046

QUANTAFUEL ASA
CONSOLIDATED STATEMENT OF CASH FLOWS
1 JANUARY - 30 JUNE 2021
(Amounts in NOK thousands)

	Q2 2021	Q2 2020	First half 2021	First half 2020	Full year 2020
	Group	Group	Group	Group	Group
					Audited
Profit (loss) for the period, before tax	-9 067	-94 329	107 745	-107 595	-470 611
Depreciation and amortisation	3 267	1 305	6 581	2 420	8 891
Income taxes paid	-	-	-	-	-
Share-based payment expense	2 990	879	5 387	1 567	5 059
Net financial items	-25 844	65 819	-178 125	59 593	342 897
Increase/(decrease) in inventory	-661	-	-886	-	-3 217
Increase/(decrease) in net accounts receivable and payable	19 712	-32 162	-14 436	-21 576	-8 902
Increase/(decrease) in net other receivables and other payables	-30 408	-3 706	-37 642	12 208	43 167
Cash flows from operating activities	-40 012	-62 194	-111 376	-53 383	-82 716
Purchase of property, plant and equipment	-34 679	-25 409	-67 323	-97 193	-201 138
Purchase of intangible asset	-1 986	316	-1 986	190	-5 303
Purchase of shares	-409	-	-5 928	-	-10 000
Increase/(decrease) in other non-current assets	-14	-1 654	-14	-2 735	-4 623
Interest income received	-	-	-	-	621
Cash flows from investment activities	-37 088	-26 747	-75 251	-99 738	-220 443
Proceeds from issue of shares	71	-	1 893	460	826 438
Proceeds from borrowings	-1 456	30 958	-4 258	30 958	28 200
Payment of lease liabilities	-2 750	-86	-5 540	-1 778	-7 671
Interest expenses paid	-1 395	-455	-2 724	-505	-2 250
Cash flows from financing activities	-5 530	30 417	-10 629	29 135	844 717
Net change in cash and cash equivalents	-82 630	-58 524	-197 256	-123 986	541 558
Cash and cash equivalents at beginning of period	577 597	85 204	692 223	150 666	150 666
Cash at cash equivalents at end of period Group	494 967	26 680	494 967	26 680	692 223

QUANTAFUEL ASA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1 JANUARY - 30 JUNE

(Amounts in NOK thousands)

	Share capital	Share premium	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 31 December 2019	112	497 874	-286 676	211 310	66 780	278 090
Profit (loss)	-	-	-496 699	-496 699	-5 614	-502 313
Change in NCI share of plant excess value	-	-	-20 560	-20 560	20 560	-
Total comprehensive income	-	-	-517 259	-517 259	14 946	-502 313
Translation differences, net	-	-	1 342	1 342	-	1 342
Total OCI	-	-	-515 917	-515 917	14 946	-500 971
Increase in share capital	1 246	870 563	-	871 809	-	871 809
Share-based payments	-	5 059	-	5 059	-	5 059
Equity at 31 December 2020	1 358	1 373 496	-802 593	572 261	81 726	653 987
Profit (loss)	-	-	104 171	104 171	-302	103 869
Change in NCI share of plant excess value	-	-	-	-	-	-
Total comprehensive income	-	-	104 171	104 171	-302	103 869
Translation differences, net	-	-	-65	-65	-	-65
Total OCI	-	-	104 106	104 106	-302	103 804
Increase in share capital	29	169 864	-	169 894	-	169 894
Equity effect of aquisition Skive minority shareholders	-	116 928	-35 131	81 797	-81 797	-
Share-based payments	-	5 387	-	5 387	-	5 387
Equity at 30 June 2021	1 387	1 665 675	-733 619	933 444	-373	933 071

Notes to the interim condensed consolidated financial statements

Note 1 Corporate information and basis for preparation

Corporate information

The interim condensed consolidated financial statements ('the Statements') of Quantafuel ASA and its subsidiaries ('the Group') for the period ended 30 June 2021 were authorised for issue by the Board of directors on 30 August 2021.

Quantafuel ASA was formed in 2014 and is a Norwegian public limited company listed on Euronext Growth Oslo. The Group's head office is in Lilleakerveien 2C, 0283 Oslo, Norway.

Quantafuel is a technology-based energy company converting waste plastics back into low-carbon synthetic oil products replacing virgin oil products. Quantafuel is establishing, operating and owning dedicated plastic-to-liquid (PtL) plants and plans to establish several plants throughout Europe and beyond.

The strategy is to expand the production footprint internationally to have a meaningful contribution to solve one of the most pressing environmental challenges of our time.

Basis of preparation

The Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The statements do not include all the information and disclosures required in the annual financial statements and should be read together with the Group's annual consolidated financial statements as of 31 December 2020.

The accounting policies used in preparation of the Statements are consistent with those used for preparation of the Group's annual financial statements for 2020.

Quantafuel is currently in the final stage of commissioning and modification of its first commercial Plastic-to-Liquid plant in Skive, Denmark, and the cost of the plant is presented in Property plant and equipment (PPE). At full operation, the plant will have a yearly capacity to transform 20,000 ton of plastic waste into 16,000 ton of high value products.

Note 2 Property, Plant and Equipment

	Property and plant	Machinery and equipment	Assets under construction	Total
Period ended 31 December 2019				
Cost		815	95 736	96 551
Additions		4 489	259 466	263 955
Accumulated depreciation		1 759		1 759
Net book value at 31 December 2019		3 545	355 202	358 748
Period ended 31 December 2020				
Additions		61 375	196 102	257 476
Depreciation		5 305		5 305
Exchange differences				-
Net book value 31 December 2020	-	59 615	551 304	610 919
Period ended 30 June 2021				
Additions		2 034	65 289	67 323
Depreciation		2 572	-	2 572
Exchange differences		-	-2 167	-2 167
Net book value 30 June 2021	-	59 077	614 426	673 502
Useful life	15-20 years	3-10 years	No depreciation	
Depreciation	Straight line	Straight line		

Note 3 Financial assets and financial liabilities

Below is an overview of financial assets and liabilities, other than cash, held by the group:

Financial assets other than cash:	30.06.2021	31.12.2020
Debt instruments at amortised cost:		
Trade and other receivables	27 657	13 477
Non-current deposits	7 736	7 855
Sum financial assets	35 393	21 332
Total current	27 657	13 477
Total non-current	7 736	7 855

Financial liabilities: Interest-bearing liabilities:

	Interest rate	Maturity	30.06.2021	31.12.2020
Current interest-bearing liabilities				
Loan from DGI	CIBOR+8.14%	2021-2028	6 019	6 191
Lease liabilities	8.5 %	2019-2034	5 859	5 723
Total current			11 878	11 914
Non-current interest-bearing loans:				
Sparebank 1 SMN	6.0 %	2024	36 926	39 286
Innovasjon Norge	3.95%	2024	2 400	2 400
Loan from DGI	CIBOR+8.14%	2021-2028	35 182	38 189
BASF liability	18.86%	2022	83 702	79 019
BASF conversion right liability	n.a.		175 334	360 758
Lease liabilities	8.48% / 6%		66 796	71 000
Total non-current			400 340	590 652
Total interest-bearing liabilities			412 218	602 567

Other financial liabilities at amortised cost:

	30.06.2021	31.12.2020
Trade and other payables	86 060	125 432
Total current	86 060	125 432
Total non-current	-	-

The loan from BASF Group is for a total of EUR 10 million and was disbursed on 24 October 2019. Subsequent to recognition the conversion right is measured at fair value through profit and loss with changes in valuation classified as other financial income or expense. The liability component of the loan is recognised at fair value calculated as the face value of the loan less the value of the conversion right. Subsequent to recognition the loan is measured at amortised cost with the calculated effective interest classified as interest expenses.

Due to share price decrease of NOK 6.62 from 31.03.2021 (NOK 45.00) and 30.06.2021 (NOK 38.38) the conversion right liability has decreased from NOK 175.33 million to NOK 205.0 million during Q2 2021.

Please also refer to note 7 Subsequent events.

Note 4 Share-based payments

Share options of the parent company have been granted to Directors of the Board, executive management and other employees. As of 30.6.2021, the Company had 6,493,669 options outstanding. Each option gives the right to subscribe for one share. The options outstanding at the reporting date has an exercise price between NOK 4.60 – 77.00 per share, and with an exercise period that ends between 19 October 2021 and 1 June 2025.

The calculated value is recognised as a liability in the statement of financial position. The liability recognised at the reporting date is NOK 15.3 million and NOK 17.5 million for social security taxes. The change in the liability in the period is recognised as salaries and personnel costs in the income statement. Quantafuel may at any time resolve to terminate all issued options against a cash consideration equal to the market value of the option shares as the time of the termination, less the exercise price for such options.

Note 5 Share capital increase

On 14 January 2021, new shares were registered in the Norwegian Register of Business Enterprise, following the purchase of 40% of Geminor Invest AS. Quantafuel issued 2,720,044 shares at NOK 0.01 per share. For 916,363 of the shares, the subscription price was set at NOK 55 per share, and for 1,803,681 of the shares, the subscription price was set at 65.2 per share, giving a share premium of NOK 167,972,799.6.

On 9 March 2021 new shares were registered in the Norwegian Register of Business Enterprise. Quantafuel issued 183,332 shares at NOK 0.01 per share. This capital increase was related to stock options being exercised. The shares were exercised at a subscription prices between NOK 4.60 and NOK 19.00 per share.

On 11 June 2021 new shares were registered in the Norwegian Register of Business Enterprise. Quantafuel issued 11,333 shares at NOK 0.01 per share. This capital increase was related to stock options being exercised. The shares were exercised at a subscription prices between NOK 4.60 and NOK 12.90 per share.

The total share capital of Quantafuel as at 30 June 2021 was NOK 1,387,409.26 divided by 138,740,926 shares, each with a par value of NOK 0.01.

Please refer to note 7.

Note 6 Change in the composition of the entity

On 12 January 2021 Quantafuel ASA acquired 40% of Geminor Invest AS, the 100% owner of Geminor AS ("Geminor"). As part of the transaction, Quantafuel obtained an option to acquire the remaining shares in Geminor Invest AS.

For the first quarter 2021 Geminor Invest AS is recognised in the accounts as an equity accounted investee according to IAS 28.3, contributing with a net result of NOK 1.7 million.

On 18 February 2021 Quantafuel Cheshire Ltd. was registered in the Companies House in England and Wales. On 27 February 2021 Quantafuel Sunderland Ltd. was registered in the Companies House in England and Wales. Quantafuel ASA holds 50% of the shares in both companies.

On 28 June 2021 Quantafuel ASA purchased the remaining 23.7% of Quantafuel Skive ApS and now holds 100% of the shares in Quantafuel Skive Aps.

Note 7 Subsequent events

On 1 July 2021 Quantafuel Aalborg Aps, Quantafuel Esbjerg Aps and Quantafuel Denmark Aps were registered with Erhvervsstyrelsen, Denmark. Quantafuel ASA holds 100% of the shares in all three companies.

On 5 July 2021 the CEO of Quantafuel ASA, Kjetil Bøhn, informed the board that he would step down from his position as CEO. Quantafuel has initiated a process to recruit a new CEO.

On 5 July 2021 new shares were registered in the Norwegian Register of Business Enterprise. Quantafuel issued 141,620,926 shares at NOK 0.01 per share. This capital increase was related to the purchase of 23.7% of the shares in Quantafuel Skive Aps.

On 8 July 2021 Quantafuel Esbjerg Aps purchased a 14.5-acre site, with an option to purchase an additional 12 acres in Esbjerg, Denmark.

On 14 July 2021 BASF converted their convertible loan into shares. The financial items related to the convertible loan as at the conversion date was NOK 26.8 million for Q3 2021. The total profit and loss effect of the convertible loan has been NOK 131.6 million. This is excluding the exchange rate effect. Total equity effect of the convertible loan has been NOK 233.6 million, this excluding the effect on the retained earnings through profit and loss.

On 22 July 2021 new shares were registered in the Norwegian Register of Business Enterprise. Quantafuel issued 7,300,921 shares at NOK 0.01 per share. This capital increase was related to conversion of the BASF convertible loan into shares.

The total share capital of Quantafuel as of 30 June 2021 was NOK 1,489,218.47 divided by 148,921,847 shares, each with a par value of NOK 0.01

Forward looking statement

This report contains certain forward-looking statements that involve risks and uncertainties. In some cases, we use words such as "ambition", "continue", "could", "estimate", "expect", "believe", "focus", "likely", "may", "outlook", "plan", "strategy", "will", "guidance" and similar expressions to identify forward-looking statements. All statements other than statements of historical fact, including, among others, statements regarding plans and expectations with respect to Quantafuel's development and returns, balance sheet and long-term underlying earnings growth; market outlook and future economic projections and assumptions; capital expenditure guidance; production guidance; development and construction activities; projected unit of production cost; accounting decisions and policy judgments, ability to put new plants into profitable production, and the impact thereof; expected dividend payments; estimated provisions and liabilities; implementation of IFRS, and the impact thereof; planned acquisitions and divestments; and the projected impact or timing of administrative or governmental rules, standards, decisions or laws, including with respect to and future impact of legal proceedings are forward-looking statements.

You should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including levels of industry product supply, demand and pricing; price and availability of alternative fuels; currency exchange rate and interest rate fluctuations; the political and economic policies of operating countries; general economic conditions; political and social stability and economic growth in relevant areas of the world; global political events and actions; economic sanctions, security breaches; changes or uncertainty in or non-compliance with laws and governmental regulations; the timing of bringing new plants on stream; an inability to exploit growth or investment opportunities; material differences from reserves estimates; an inability to find and develop new plants; ineffectiveness of crisis management systems; adverse changes in tax regimes; the development and use of new technology; geological or technical difficulties; operational problems; operator error; inadequate insurance coverage; the lack of necessary transportation infrastructure when a field is in a remote location and other transportation problems; the actions of competitors; the actions of partners; the actions of governments; counterparty defaults; natural disasters and adverse weather conditions, climate change, and other changes to business conditions; an inability to attract and retain personnel; relevant governmental approvals; industrial actions by workers and other factors discussed elsewhere in this report.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, we undertake no obligation to update any of these statements after the date of this report, whether to make them either conform to actual results or changes in our expectations or otherwise.



Quantafuel ASA

(Euronext Growth: QFUEL)

Org.no: 915 119 484

*Address:
Lilleakerveien 2c
0283 Oslo
Norway*

www.quantafuel.com