

Quantafuel ASA

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Fourth Quarter 2022

Consolidated financial statements

Quantafuel ASA



Fourth quarter report for 2022:

- **Delayed positive cash flow from operations resulting in need of a financing solution by mid-Q2 2023 for funding of current operations and future projects**
- **MK II FEED for 80 kta plant in Dubai close to completion. Current CapEx estimates shows a significant increase versus initial guidance, but FID expected in Q2 is maintained.**
- **Four operational lines in Skive heated with self-produced gas, volumes increasing continuously**
- **Planning permission granted for 100 kta plant in Sunderland**
- **Construction of ReSource Denmark plant is progressing on plan**
- **Quantafuel and Geminor established the JV Polynate to focus on the waste plastics market and supply of feedstock to Quantafuel's plants**

Per 31st December 2022, Quantafuel ASA had a cash position of NOK 121.7 million (excl cash deposited in the JV ReSource Denmark). Due to the constraints on the Group's liquidity position, from operating plants still not generating positive cash flow, and the near-term financing commitments to the Esbjerg sorting plant project, the Group is in urgent need of new financing and will require this to be in place by no later than mid Q2 2023. The equity needed to realise the remaining parts of the Esbjerg project, the Dubai project and the upcoming pipeline of projects is estimated at approximately USD 70 million.

The Dubai MK II FEED in cooperation with Dubal Holding and BASF is in its final phase, and our preferred EPC partner Saipem, together with Quantafuel's project team, are currently focusing on value engineering to optimize CapEx for both the Dubai plant as well as MK II in general. The current indications show a CapEx estimate at USD 200 - 250 million, but the ongoing work to optimize cost in combination with expected offtake price for the oil is believed to confirm an attractive financial return bringing the prospect through an FID. All partners are confident that the end result will be a plant defining a new standard within chemical plastic recycling.

This past year, Quantafuel has maintained its position as one of the frontrunners driving the implementation of chemical plastic recycling in the circular economy. The demand for chemically recycled products is strong, and we continuously experience high interest in our technology offerings, future plants, and recycled products.

It has been a challenging, as well as a rewarding, quarter. We have executed a strategic review in preparation of the roll-out of the next generation Plastic-to-Liquid (PtL) plants, referred to as MK II, and the feedback we have received from several involved parties has been positive and encouraging, supporting what we've been saying all along: We are a global leader within chemical recycling of plastic waste.

We have continued to reach new milestones at Skive. All four lines are now operational and all lines are primarily heated by self-produced gas (also referred to as NCG or non-condensable gas). The plant is currently targeting to have three lines in continuous operation, while the fourth is undergoing inspection and cleaning before entering into a stand-by state ready to take over when one of the other operating lines needs inspection. Produced volumes are increasing on a monthly basis, but a delayed positive cash flow is causing an increased cash constraint on the company.

In February 2023, we reached a major milestone in the UK when our planning application for a PtL plant in Sunderland was granted without any objections and with full support from Sunderland Council. In addition, we are moving ahead with additional sites in the UK and have entered into meaningful discussions with feedstock suppliers.

The strategic review process announced on 12th October 2022 to finance the roll-out of the next generation Plastic-to-Liquid Plants is coming to a close. The Management and the

Board of Directors have conducted a thorough review process looking into various options in order to secure short- and long-term liquidity and future development of the company. An announcement on the matter is expected soon.

Health, Safety & Environment

Quantafuel has an objective of zero harm to people, the environment, as well as assets. HSE is a non-negotiable priority in Quantafuel's operations.

Quantafuel recorded two Lost Time Injuries (LTI) in Q4; one related to chemical exposure (as reported in the Q3 report), and the other related to an ankle strain. The employees were back at work shortly after the incidents and report full recovery. Apart from these two LTI's, there were no other reportable safety incidents, neither any accidental releases to the environment during the quarter and up until completion of this report.

The company remains committed to ensuring a safe working environment and excellent HSE performance. There is a continuous proactive effort, commitment and focus on prevention of HSE incidents. Operators, employees, and subcontractors undergo mandatory HSE training, as well as other required certification to ensure a safe and healthy working environment.

Quantafuel's second-generation plants (MK II)

Quantafuel's move into the next phase of its strategy is made possible by our second-generation (MK II) process built on all of Skive's well-proven principles and learnings. The FEED study for Dubai is expected to result in the first MK II plant that will be built at a scale of 80,000 tons of waste plastics feed. Key learnings from Skive drive improvements in three core areas; namely simplification, redundancy and operability. These improvements will result in plants with higher throughput and lower operating cost per ton of product produced. The MK II concept is modular and scalable and can easily be adapted to the specifics of different sites.

Project pipeline

We are making good progress in the UK. In February 2023, our planning application for a PtL plant in Sunderland was granted. The plant will be able to process more than 100,000 tonnes of low value plastic waste in a sorting step preceding the PtL plant. Construction is expected to get underway later this year, with the plant starting operations in 2025.

We are also progressing with additional sites in the UK with a focus on continued discussions with feedstock suppliers driven by the removal of planning risk in Sunderland.

It is, however, the Dubai project that is currently taking pole position in our PtL portfolio. The front-end engineering design (FEED) study between Saipem and Quantafuel for the consortium in cooperation with DUBAL Holding and BASF will be completed during Q1 and the final investment decision is expected in Q2. As mentioned above, the focus is now on value engineering to optimize CapEx for both the Dubai plant as well as MK II in general. The latest indications of USD 200-250 million, based on executed FEED work incorporating latest development and market conditions, show a CapEx estimate significantly higher than the initially guided level. Given that we are in dialogue with several interested parties regarding offtake of the oil at required price levels there is confidence in reaching a CapEx level required for bringing the prospect through FID with an attractive plant economics. All partners are confident that the end result will be a plant defining a new standard within

plastic recycling. The drivers for the CapEx increase compared with the original generic 100 kta plant are a more robust design, including all the experience and learnings from Skive operations to safeguard uptime and capacity, inflation, and increased material cost globally. We expect that there will be cost benefits from the modularized approach for future plants.

After announcing the agreement that allows Saipem to globally market PtL plants under Quantafuel's technology license in August 2022, we have experienced significant interest from major petrochemical corporations and energy majors. The cooperation with a leading global EPC player has elevated Quantafuel to a different level in the eyes of these companies. Our core strategy remains building, owning and operating PtL plants through ownership in dedicated JV's. The agreement with Saipem will provide additional income streams over time from licensing.

Another new approach we took up in the second half of 2022 is the previously discussed project portfolio development in the UK with CBRE. This will add a "capital light"-approach to Quantafuel's business model as we can reduce our ownership share and equity contribution in a project, in return for a high external financing share. Quantafuel will gain a share of the ownership as part of the developer's fee and through sweat equity from the IP and competence we bring to the projects.

Skive plant - Operational and technology update

Skive's uptime and production stability keeps improving and continuous cost saving initiatives are making an impact.

The focus this quarter has been to continuously run three lines in parallel, with the fourth line on cold stand-by and ready for heating when one of the operating lines has shown signals indicating a need for inspection and cleaning. Going forward, when sub-systems have proven robustness, the expectation is that the interval between these inspection and cleaning stops is reduced to a level where four lines can continuously operate in parallel.

We continue to see good improvements in Skive; In January 2023, we increased our intake of plastic by 32 % over the month of December. A total of 1,436 production hours resulted in 548 tonnes of plastic processed in January.

We have optimised the energy use and cost of operation with the use of self-produced gas, also referred to as NCG or non-condensable gas, to heat all four lines in normal operation.

The improved volume output moves us in the direction of a positive cash flow for a full month. However, the continued unfavourable cost effect on our P&L, driven by high energy and feedstock prices, raises the bar on plant performance required for positive cash flow, but we are getting closer to this target month by month.

Learnings, testing and development are a priority at Skive to continue our optimisation work and maximise practical experience with regards to our MKII investment. This is a balancing act between targeting to operate Skive as an independent profitable plant while at the same time needing to test and develop new improvements related to the benefit of future plants.

Kristiansund plant

The limitation in available feedstock is still restricting the full utilisation of the plant, and actions are in place to improve the sourcing of feedstock.

Kristiansund's target feedstock is hard plastics, complementary to the soft plastics that are

the feedstock to Skive and other future PtL plants, and although the Kristiansund plant has unique processing capabilities with high tolerance to mixed and contaminated feedstock, the process of building up a stable, high-performing supply chain is still ongoing. We are confident that the establishment of Polynate will be important in resolving this limitation, together with enhanced co-operation with local stakeholders.

Despite uncertainties in the secondary plastics market due to softening demand for mechanically recycled plastics throughout Europe, Quantafuel Kristiansund has managed to maintain favourable offtake agreements.

ReSource Denmark

The construction of ReSource in Esbjerg, a game-changer for the plastic waste market in Denmark and the country's largest plastic sorting facility, is well under way. The CapEx estimate for the project has increased approximately 10% due to increased safety level of the plant and general market terms such as cost inflation and raw material prices.

The sorting facility that will be capable of sorting up to 160,000 tonnes of mixed plastic waste annually into recyclable fractions, is expected to be commissioned at the end of 2023. In strong cooperation with ReSource's project team, Rambøll manages the overall engineering and follow-up, whereas contractor Jorton is the project's main entrepreneur and Eggersmann is the supplier of waste sorting treatment equipment.

When operational, the facility will employ close to 50 full-time employees. The next phase of the Esbjerg project will include a large-scale PtL plant based on Quantafuel's MK II concept.

In December 2022, a feedstock agreement for the annual supply of at least 20,000 tonnes of household plastic waste from Finnish service company Lassila & Tikanoja (L&T) was secured for ReSource Denmark. The agreement has a duration of two years, with a possible extension. For ReSource, the financial terms of the multi-year contract are in accordance with the company's expectations.

Market development

The macroeconomic trend remains supportive for Quantafuel's growth plans. Industrial and retail demand for recycled products is strong. We were pleased to report in Q3 that the cost of our feedstock into Skive is receding and this development continues. In addition, we have agreed a revised long-term pricing mechanism with our offtaker BASF.

The L&T agreement with ReSource Denmark, as mentioned above, will aim to supply Skive with sorted household plastics as of next year with a significantly reduced cost compared to current market terms.

Polynate – Circular Plastic Solutions

In December 2022, Quantafuel and Geminor established the company Polynate – Circular Plastic Solutions, which aims to take a leading trading position in the value chain for plastic waste recycling in the Nordics and the UK. Ralf Schöpwinkel, with 25 years of industry experience in Geminor, was appointed CEO. While developing into a general focused market player in waste plastics, Polynate's main focus will be on supplying the feedstock needed to Quantafuel's facilities in Kristiansund, Skive and its planned PtL facilities in Denmark and the UK, as well as secure offtake of sorted plastic products. Polynate will also

supply plastic waste to ReSource, Quantafuel's joint venture with Eurazeo and Denmark's largest plastic sorting facility in Esbjerg, which will be ready to receive waste from late 2023/early 2024.

Corporate Social Responsibility – Contributing towards a sustainable future

By 2025, the EU and EEA target to recycle 50% of their plastic packaging waste. To reach this goal European countries will have to substantially increase collection and recycling of plastic packaging waste. For a large fraction of the plastic packaging, Quantafuel's PtL process is a very attractive route to recycling. During 2022, Quantafuel has recycled several different "difficult to recycle" plastic waste feedstocks from public and private actors in the Nordics. This demonstrates that Quantafuel's PtL process is a feasible option for recycling of mixed plastic feedstocks with high yields into products that can then be processed further into virgin quality products.

Quantafuel continues to improve transparency in the waste sector. Third party certification by ISCC+ and RedCert2 guarantees circular and sustainable production. Our production facilities are digitally integrated. In collaboration with Cognite, we have set up a sustainability dashboard giving us real-time measurement of key factors like energy use, CO2 emissions and water use. These factors are reported back to Quantafuel's customers in a "Bill of Sustainability", which provides them with a proof of recycling and feedback on the quality of the waste.

We have continued recycling surplus gas as the primary energy source in Skive, reducing CO2 emissions by displacing use of natural gas.

Environment

Quantafuel is a sustainable and environmentally friendly alternative to incineration, lowering CO2 emissions by up to two tonnes per tonne plastic recycled.

R&D and technology

Quantafuel 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. Over the past months, there have been positive developments regarding the early stage research done with NTNU in Trondheim. For one, the UK patent office has issued a positive opinion on the patentability of Quantafuel's application for our developmental technology that produces hydrogen and liquid fuels from plastics. On the other hand, the pilot plant for sustainable aviation fuel from biomass is close to completion and we expect to transfer it to Trondheim.

Organisation

The total number of employees at the end of the fourth quarter was 106.

The Company and Group employees represent a wide diversity in specialisation, previous working experience, gender, age and cultural background. For Quantafuel, diversity is viewed as a source of advantage. Differences in background, culture and perspectives are

important for the company, and today, a total of 19 nationalities are represented in Quantafuel Group among its employees.

Quantafuel facilitates equal opportunity for professional and personal development for all employees. Our ambition is to create and achieve a working environment where all employees can feel they are contributing and are heard. We continue to work towards our differences and similarities being a strength, with the ambition of creating and keeping an open, curious, and inclusive culture.

Financial update and status

Quantafuel guided in the Q3 reporting that we expected positive operational cash flow from the plant in Skive within year-end 2022. Due to unplanned downtime above expectations, this did not materialise for any full month even if the trend has continued in the right direction. We are confident that this will happen in 2023 as we see the periods with stable production becoming more and more regular.

As described above, Kristiansund is still experiencing challenges in feedstock supply suitable for our mechanical recycling line and actions are in place to improve sourcing. Kristiansund is forecasting to achieve positive cash flow from around mid 2023. The Group has decided to impair the value of the share investment in Quantafuel Kristiansund by 39 MNOK based on a review of discounted future cash flows from the company. The impairment of the shares in Kristiansund is eliminated in the consolidation and does not give an impact in the P&L at Group level.

Based on our initial feasibility study for a 100kta plant (on a 100% basis), we have previously provided guidance with an estimated annual EBITDA contribution of approximately USD 50 million and with Capital expenditure of approximately USD 140 million. Our recently completed FEED study together with Saipem for which the Capex estimates are not finally conclusive, estimates a revised CapEx in the range of USD 200 – 250 million for an 80 kta MK II plant (100% basis). For the same plant size, the annual EBITDA contribution is expected maintained in the same range, i.e. approx. USD 50 million, due to higher expected offtake prices, providing attractive financial returns.

Based on equal scope and market conditions, we estimate a CapEx reduction from the first to the second MK II plant in the range 10-15% due to the modularized approach, and from the first to the third, and subsequent plants, in the range of 15-20%.

We continue to pursue growth through joint ventures and plant ownership in selected markets, as well as global licensing of technology.

The PPE value of Skive is NOK 436,1 million as per 31st December 2022. Quantafuel has conducted an impairment test of the Skive plant confirming our long-term positive view on the development. Key input for the valuation is Management's base case for the gradual improvement of the Skive plant economics reaching annual free cash flow of approximately NOK 90 million from 2026, with a weighted average cost of capital (WACC) of 12%.

The group have decided to impair the value of the 40% shareholding in Geminor Invest from a book value of NOK 184 million by NOK 52 million to a new book value of NOK 132 million. The new valuation represents a fair value of expected discounted future cashflows from the investment.

Per 31st December 2022, Quantafuel ASA had a cash position of NOK 121.7 million and 191.8 million if including cash deposited with the joint venture ReSource Denmark. Due to the constraints on the Group's liquidity position, from operating plants still not generating positive cash flow, and the near-term financing commitments to the Esbjerg sorting plant project, the Group is in urgent need of new financing and will require this to be in place no

later than by mid Q2 2023. In addition to initiatives to raise equity, the Group is also assessing the potential in selling off assets not critical to the future strategy of the Group.

The equity need to realise the remaining parts of the Esbjerg project, the Dubai project and the upcoming pipeline of projects is estimated at approx. USD 70 million. The assumed ownership for the upcoming projects is as follows; Esbjerg phase 1 (50%), Dubai (25%) and UK portfolio (20% via developer's fee and sweat equity). Subsequent projects are assumed financed through bonds and/or loans.

The Group appointed ABG Sundal Collier as an adviser in the strategic review process announced on 12th October 2022, in preparation of the roll-out of the next generation Plastic-to-Liquid Plants. This process is about to conclude with Management and the Board of Directors having conducted a thorough review process looking into various options in order to secure short- and long-term liquidity and future development of the company. An announcement is expected soon.

The appointment of CBRE as the development funding agent to secure funds for all relevant costs associated with the construction of the Sunderland project and potentially a portfolio of UK projects, demonstrates the flexibility in raising funds at Group or project levels, as well as flexibility in ownership share, for the next stage of growth.

Growth strategy and outlook

Day by day we are proving that we are in a good position to build a circular economy for plastics in Europe and beyond. The signals we receive from major corporations assessing and looking for partners to develop in this growing market is that Quantafuel is leading the way.

EU's Green Deal requiring 50% recycling by 2025 is an important accelerator for plastic recycling. Together with anticipated increased taxes on CO2 emissions, this will incentivise industrial companies to recycle more plastic waste as well as increase the demand for chemically recycled pyrolysis oil. For Quantafuel this means more business opportunities and continued technology development, for which we are building our organisation. Quantafuel is 100% committed to contributing towards solving the global waste problem, and our employees are proud of being part of a company that is acting now.

Quantafuel ASA
Oslo, 28th February 2023

Financial review

Income statement

Quantafuel Financial Highlights	Audited			
	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Unaudited figures in NOK if not stated otherwise	Group	Group	Group	Group
Operating revenue	21 971	2 334	53 444	5 161
Total Income	-26 161	2 367	4 051	9 115
EBITDA	-102 882	-61 234	-290 809	-166 824
Profit (loss)	-88 701	-73 044	-304 280	-3 883
Total assets	1 562 924	1 500 171	1 562 924	1 500 171
Cash & Cash equivalents	121 667	284 903	121 667	284 903

Operating revenue of NOK 22 million in Q4 2022 includes revenue from our plants in Skive (NOK 9.2 million) and Kristiansund (NOK 5.6 million) and revenue in ASA (NOK 7.1 million).

For the full year 2022 operating revenue of NOK 53.4 million consists of NOK 17.8 million relating to operation of Skive Plant, and NOK 16.8 million relating to operation of Kristiansund Plant. NOK 18.8 million relates to various projects in Quantafuel ASA. Reference is also made to the Skive operational results as included with the financial review of the financial position.

Included in total income is the Group's share of net loss in Geminor Invest AS and Resource Aps which is included in the Group accounts as equity-accounted investees. Adjusted for IFRS elements, the Geminor share of profit is included with NOK 5 million for Q4 2022, and for the full year 2022, the Group's share of net profit was NOK 12.4 million. For Q4 2022 there has been a write down of the Group value of shares in Geminor Invest AS of NOK 52.1 million, which gives a book value of NOK 132 million as of 31.12.2022.

The share of loss for the period included for Resource is NOK 9.6 million.

EBITDA in Q4 2022 was NOK -102.9 million compared to NOK -61.2 million same period in 2021. This includes the write down of Geminor shares. For the full year 2022 EBITDA was NOK -290.8 million, compared to NOK -166.8 million same period last year. Salary costs in Q4 2022 was NOK 35.1 million and NOK 114.6 million for the full year 2022, compared to NOK 27.7 million in Q4 2021 and NOK 67.1 million for the full year 2021. For 2022 the number of employees is higher than 2021.

Other operating expenses in Q4 2022 was NOK 22.6 million compared to NOK 8.7 million in Q4 2021. For the full year 2022 other operating expenses was NOK 87.7 million compared to NOK 53.0 million for the full year 2021.

Loss for the period Q4 2022 was NOK 88.7 million.¹

Loss for the full year 2022 was NOK 304.3 million

¹ The Profit (loss) consists of EBITDA, depreciation, net financial items, and taxes.

Statement of Financial position

Unaudited figures in NOK if not stated otherwise	Audited	
	At 31 Dec 2022	At 31 Dec 2021
	Group	Group
Total non-current assets	1 390 688	1 151 653
Total current assets	172 235	348 518
Total assets	1 562 924	1 500 171
Total equity	1 159 781	1 068 479
Total non-current liabilities	300 473	303 711
Total current liabilities	102 669	127 981
Total equity and liabilities	1 562 924	1 500 171

As per 31 December 2022 the Group's equity was NOK 1,159.8 million. Cash and cash equivalents were NOK 121.7 million, of which NOK 2.1 million was restricted cash (employee tax advance account).

Total non-current assets at the end of the quarter were NOK 1,390.7 million due to an increase related to the Skive plant and Kristiansund plant and shareholder loan to Resource Denmark Aps. Included in non-current assets is the equity accounted investees, which from Q3 also includes Resource Denmark Aps (former Quantafuel Esbjerg Aps).

Skive Operation

(Amounts in NOK thousands)

	Q1 2022 YTD	Q2 2022 YTD	Q3 2022 YTD	Q4 2022 YTD
Revenue	2 427	4 622	8 614	17 753
Cost	25 104	52 862	81 549	107 862
EBITDA	-22 677	-48 240	-72 935	-90 109
Depreciation	1 655	3 138	9 206	12 416
EBIT	-24 332	-51 378	-82 141	-102 525

Group value Skive Plant

	31.12.2021	30.06.2022	30.09.2022	31.12.2022
Intangible Assets	0	163 624	163 624	163 624
PPE *	604 885	447 721	452 598	436 287

* Please refer to note 2

QUANTAFUEL ASA
CONSOLIDATED INCOME STATEMENT
1 JANUARY - 31 DEC
(Amounts in NOK thousands)

		Q4 2022 Group	Q4 2021 Group	Full year 2022 Group	Full year 2021 Group
					Audited
Operating revenue		21 971	2 334	53 444	5 161
Share of net income in equity-accounted investees		-48 131	33	-49 392	3 954
Cost of goods sold		18 967	27 189	92 504	55 854
Salaries and personnel costs	4	35 125	27 741	114 612	67 133
Depreciation and amortisation	2	10 387	9 826	54 152	20 061
Other operating expenses		22 629	8 670	87 744	52 951
Operating profit (loss)		-113 269	-71 060	-344 961	-186 885
Finance income		4 437	790	33 737	1 012
Finance expense		3 188	4 133	14 506	-12 911
Finance items convertible loan		-	-	-	205 302
Net financial items	3	1 249	-3 343	19 231	193 403
Profit (loss) before tax		-112 021	-74 402	-325 730	6 518
Income tax expense		-23 320	1 359	-21 450	-10 401
Profit (loss) for the period		-88 701	-73 044	-304 280	-3 883
Attributable to:					
Equity holders of the parent		-88 701	-73 044	-304 280	-3 883
Non-controlling interest	6	-	-	-	-
Earnings per share, ordinary		-0.6	-0.5	-1.9	-0.0
Earnings per share, diluted		-0.6	-0.5	-1.9	-0.0

QUANTAFUEL ASA
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
1 JANUARY - 31 DEC
(Amounts in NOK thousands)

	Q4 2022	Q4 2021	Full year 2022	Full year 2021
	Group	Group	Group	Group
Profit for the period	-88 701	-73 044	-304 280	-3 883
Items that may be reclassified to profit (loss)				
Translation differences, net	6 031	5 273	3 291	2 184
Total comprehensive profit (loss)	-82 670	-67 771	-300 989	-1 699
Attributable to:				
Equity holders of the parent	-82 670	-67 771	-300 989	-1 699
Non-controlling interest	-	-	-	-

QUANTAFUEL ASA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022
(Amounts in NOK thousands)

	Note	At 31 December 2022 Group	At 31 December 2021 Group
ASSETS			Audited
Deferred tax asset		48 295	21 300
Goodwill		54 085	54 085
Other intangible assets		195 160	32 537
Property plant and equipment	2	564 728	771 134
Right-of-use asset		92 933	93 139
Equity-accounted investment	6	213 148	171 806
Investment in associated company		-	-
Other non-current assets		222 339	7 652
Total non-current assets		1 390 688	1 151 653
Inventory		14 873	5 783
Accounts receivable		30 233	18 120
Other receivables		5 463	21 395
Assets held for sale		-	18 318
Cash and cash equivalents		121 667	284 903
Total current assets		172 235	348 518
Total assets		1 562 924	1 500 171
EQUITY AND LIABILITIES			
Share capital		1 658	1 490
Other paid-in capital		2 318 107	1 906 483
Retained earnings		-1 159 984	-839 493
Equity attributable to the owners of the parent		1 159 781	1 068 479
Non-controlling interests		-	-
Total equity		1 159 781	1 068 479
Deferred tax liabilities		128 145	124 740
Non-current interest bearing liabilities	3	72 588	86 757
Long-term leasing liability	3	93 157	92 214
Other non-current liabilities		-	-
Total non-current liabilities		300 473	303 711
Current interest bearing liabilities	3	18 385	17 848
Tax payable		-	450
Short-term leasing liability	3	9 710	7 555
Accounts payable	3	29 050	44 442
Other current liabilities	3	52 107	57 685
Total current liabilities		102 669	127 981
Total equity and liabilities		1 562 924	1 500 171

QUANTAFUEL ASA

CONSOLIDATED STATEMENT OF CASH FLOWS
1 JANUARY - 31 DECEMBER
(Amounts in NOK thousands)

	Q4 2022	Q4 2021	Full year 2022	Full year 2021
	Group	Group	Group	Group
Profit (loss) for the period, before tax	-112 021	-74 402	-325 730	6 518
Depreciation and amortisation	10 387	9 826	54 152	20 061
Income taxes paid	-	-	448	-
Share-based payment expense	1 027	2 949	8 764	11 404
Net financial items	-46 883	3 310	-30 162	-197 357
Increase/(decrease) in inventory	-697	-2 283	-9 090	-2 565
Increase/(decrease) in net accounts receivable and payable	-14 995	-2 838	-27 504	-24 256
Increase/(decrease) in net other receivables and other payables	36 214	-6 445	2 904	-24 351
Cash flows from operating activities	-127 417	-69 883	-327 115	-210 547
Purchase of property, plant and equipment	-31 843	-46 269	-69 899	-194 173
Purchase of intangible asset	-	-	-	-2 087
Purchase of shares	-	-	31 452	-4 260
Dividend	-	-	-	4 000
Increase/(decrease) in other non-current assets	-62 704	-	-174 652	-14
Interest income received	-	1 012	-	1 012
Cash flows from investment activities	-94 547	-45 258	-213 100	-195 523
Proceeds from issue of shares	-	1 040	387 048	3 157
Proceeds from borrowings	91 480	24 466	-4 052	12 830
Payment of lease liabilities	-4 153	-3 793	-16 561	-12 129
Interest expenses paid	686	-803	-3 932	-5 108
Exchange differences	9 012	-	14 474	-
Cash flows from financing activities	97 026	20 910	376 978	-1 250
Net change in cash and cash equivalents	-124 936	-94 231	-163 236	-407 320
Cash and cash equivalents at beginning of period	246 604	379 133	284 903	692 223
Cash at cash equivalents at end of period Group	121 667	284 903	121 667	284 903

QUANTAFUEL ASA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
1 JANUARY - 31 DECEMBER

(Amounts in NOK thousands)

	Share capital	Share premium	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 31 December 2020	1 358	1 373 496	-802 593	572 261	81 726	653 987
Profit (loss)	-	-	-3 883	-3 883	-	-3 883
Change in NCI share of plant excess value	-	-	-	-	-	-
Total comprehensive income	-	-	-3 883	-3 883	-	-3 883
Translation differences, net	-	-	2 184	2 184	-	2 184
Total OCI	-	-	-1 699	-1 699	-	-1 699
	-	-	-	-	-	-
Increase in share capital	132	521 582	-	521 714	-	521 714
Equity effect of aquisition minority shareholders	-	-	-35 202	-35 202	-81 726	-116 928
Share-based payments	-	11 404	-	11 404	-	11 404
Equity at 31 December 2021	1 490	1 906 483	-839 493	1 068 479	-	1 068 479
Profit (loss)	-	-	-304 280	-304 280	-	-304 280
Change in NCI share of plant excess value	-	-	-	-	-	-
Total comprehensive income	-	-	-304 280	-304 280	-	-304 280
Translation differences, net	-	-	3 291	3 291	-	3 291
Total OCI	-	-	-300 989	-300 989	-	-300 989
Increase in share capital	168	402 860	-19 500	383 528	-	383 528
Equity effect of aquisition minority shareholders	-	-	-	-	-	-
Other changes Equity	-	-	-	-	-	-
Share-based payments	-	8 764	-	8 764	-	8 764
Equity at 31 December 2022	1 658	2 318 107	-1 159 984	1 159 781	-	1 159 781

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 September 2022 were authorised for issue by the Board of directors on 14th November 2022.

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 2021.

The accounting policies used in preparation of the Statements are consistent with those used for preparation of the Group's annual financial statements for 2021.

Note 2 Property, Plant and Equipment

	Property and plant	Machinery and equipment	Assets under construction	Total
Period ended 31 December 2020		59 615	551 304	610 919
Additions		49 255	147 931	197 185
Reclassification held for sale		-18 318	-	-18 318
Disposals		-2 333		-2 333
Derecognition		-	-2 329	-2 329
Depreciation		-7 964	-3 015	-10 979
Exchange differences		-	-3 011	-3 011
Net book value 31 December 2021	-	80 254	690 879	771 134
Period ended 31 December 2021	-	80 254	690 879	771 134
Reclassification	604 885		-604 885	-
Additions	25 505	30 730	23 690	79 925
Reclassification to R&D	-163 624	-	-	-163 624
Disposals	-		-70 340	-70 340
Derecognition	-	-5 373	-	-5 373
Depreciation	-20 453	-16 516	-	-36 969
Exchange differences	-10 026	-		-10 026
Net book value 31 December 2022	436 287	89 095	39 344	564 728

Quantafuel has in accordance with IAS 38 recognised certain costs in regard to the Skive plant cost as development costs. From a total of NOK 620 million, NOK 163.6 million has been reclassified as development costs. The knowledge acquired throughout the multiple process modifications and rebuilds will be implemented in our second-generation plants (MK II) and therefore providing important value for future plants, as well as providing value through licensing.

As for previous quarterly financial reporting, Quantafuel has conducted a valuation of the Skive plant. There has been no need for impairment based on the current estimates.

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:			2022	2021
Debt instruments at amortised cost:				
Trade and other receivables			23 977	39 515
Non-current deposits			222 339	7 652
Sum financial assets			246 317	47 167
Total current			23 977	39 515
Total non-current			222 339	7 652
Financial liabilities: Interest-bearing liabilities:				
	Interest rate	Maturity	2022	2021
Current interest-bearing liabilities:				
Loan from Sparebank 1 SMN	8.75%	2023	7 640	7 640
Loan from DGI	CIBOR 3 + 7.03%	2023	10 745	10 208
Lease liabilities	8.48% / 6%	2023	9 710	7 555
Total current			28 095	25 404
Non-current interest-bearing liabilities:				
Sparebank 1 SMN	8.75%	2026	21 647	29 287
Innovasjon Norge	4.95%	2024	2 400	2 400
Loan from DGI	CIBOR 3 + 7.03%	2028	48 541	55 071
BASF liability	n.a.		-	-
BASF conversion right liability	n.a.		-	-
Lease liabilities	8.48% / 6%	2034	93 157	92 214
Total non-current			165 745	178 971
Total interest-bearing liabilities			193 840	204 375
Other financial liabilities at amortised cost:			2022	2021
Trade and other payables			74 574	102 127
Total current			74 574	102 127
Total non-current			-	-

At 31.12.2022 Quantafuel Kristiansund AS was in breach of a covenant related to the working capital requirement for the loan from Sparebank 1 SMN. The Covenant requirement is a positive working capital of NOK 2.5 million. The company has received a signed waiver from the bank and have replaced the working capital covenant with a Corporate guarantee of NOK 10 million related to the loan.

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 31.12.2022, the Company had 8,660,335 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 12 June 2023 and 1 November 2026.

The calculated value is recognised as part of equity in the statement of financial position. The options recognised at the reporting date is NOK 34.4 million and NOK 0.1 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 31 January 2022, new shares were registered in the Norwegian Register of Business Enterprise, following the Private Placement closed 28 January 2022. Quantafuel issued 16,000,000 shares at NOK 0.01 per share. The subscription price was set at NOK 25.0 per share, giving a share premium of NOK 399,840,000. KIRKBI Invest A/S, a company closely related to Board member Kasper Trebbien, was allocated 4,000,000 shares in the Private Placement.

On 24 March 2022 new shares were registered in the Norwegian Register of Business Enterprise. Quantafuel issued 13,333 shares at NOK 0.01 per share. This capital increase was related to stock options being exercised. The shares were exercised at subscription prices at NOK 14.90 per share.

On 6 April 2022 new shares were registered in the Norwegian Register of Business Enterprise. Quantafuel issued 800,000 shares at NOK 0.01 per share. This capital increase was related to the first tranche of payment related to the purchase of Quantafuel UK minority shares.

The total share capital of Quantafuel as of 31 December 2022 was NOK 1,658,285.13 divided by 165,828,513 shares, each with a par value of NOK 0.01.

Note 6 Change in the composition of the entity

On 12 July Quantafuel Group, through Quantafuel Denmark ApS, sold 50% of the shares in Quantafuel Esbjerg ApS (now: Resource Denmark ApS) to Eurazeo. Eurazeo has committed a total of EUR 40 million to the project. Resource Denmark ApS will therefore no longer be part of the consolidated Quantafuel Group, but recognised as an Equity-accounted investee along with Geminor Invest AS.

On 19th December 2022, Geminor established a new subsidiary to focus on waste management for plastics. The company is named Polynate. Quantafuel has a 40% shareholding in Geminor, and as part of the shareholders agreement when establishing the company, the parties also agreed on an option where Quantafuel will have the right to buy 50% of Polynate if Quantafuel is to divest its 40% shareholding in Geminor.

Note 7 Subsequent events

On 10 January 2023 Quantafuel Group established a new company in the UK, Quantafuel Rosyth Ltd. This will be a fully owned subsidiary of Quantafuel UK Ltd.

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