

Quantafuel AS

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Third Quarter 2023

Consolidated financial statements

Quantafuel AS



Third quarter report 2023

- The Skive plant continues testing of key design solutions in parallel with commercial production
- ReSource, Denmark's largest plastic sorting facility, is on track to start commissioning in Q4
- Quantafuel's loan agreement with Viridor secures financial stability
- Amendments to the loan agreement gives the company flexibility to repay the loan, either in part or full, by issuing new shares

During this quarter, the integration and collaboration with our majority shareholder, Viridor, has continued. Together we are aligning our strengths and visions and laying the groundwork for a combination of expertise that makes progress in chemical and mechanical recycling of plastics.

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.

During Q3, we recorded two incidents that caused lost time (LTI). Both workers returned to work shortly after. There were no accidental releases to the environment.

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 collaboration in a proactive HSE-culture to ensure a safe and healthy working environment.

Quantafuel's second-generation plants (MK II)

Quantafuel's second-generation process technology (MKII) is founded on the well-established principles and insights gained from our Skive facility and further refined through our Dubai FEED study. The outcome is a plant design that prioritises key lessons from Skive, leading to enhancements in three fundamental aspects: simplification, redundancy, and operability. These refinements will lead to facilities with increased production capacity and reduced operational expenses. The MKII framework is both modular and scalable, making it adaptable to the unique requirements of various locations.

Project pipeline

We are continuing to build a pipeline of prospects through our initiatives in Dubai and in Europe.

We completing due diligence work for both feedstock and offtake arrangements, and the establishment of local companies is expected to lead to a Final Investment Decision (FID) for Dubai in the coming year.

Skive plant - Operational and technology update

The accumulation of experience and ongoing technology testing runs concurrently with regular operations in Skive to refine the plant's efficiency. Although Skive's throughput keeps improving, we have not yet reached positive cash flow from operations. Over the next few months, we will maintain our focus on technology testing and integrate modifications in Skive that are crucial for the continuous improvement of operations, alongside future design solutions.

Kristiansund plant

Kristiansund's target feedstock is hard plastics, complementary to the soft plastics that are the feedstock to Skive and other future PtL plants. Although the Kristiansund plant has unique processing capabilities, producing high quality sorted flakes and pellets with high tolerance to mixed and contaminated feedstock, availability of feedstock continues to restrict the full utilisation of the plant, and the process of building up a stable supply chain is still ongoing. In parallel Quantafuel is in dialogue with investors who can contribute to continuous operations through full or partial ownership.

ReSource Denmark

The construction of ReSource's plastic sorting plant in Esbjerg, a game-changer for the plastic waste market in Denmark and the country's largest plastic sorting facility, is progressing towards starting commissioning in Q4 and the plan to commence commercial operations from first quarter 2024 is currently maintained.

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

Market development

The macroeconomic trend remains supportive for Quantafuel's growth plans with strong environmental focus and demand for recycled material. The squeeze on recycled material through this year due to low prices for virgin plastics has driven a discussion how to stabilise demand for recyclates.

Corporate Social Responsibility – Contributing towards a sustainable future

By 2025, the EU and EEA aim to recycle half of plastic packaging waste, driving up collection and recycling. Quantafuel's PtL process excels in "difficult to recycle" plastic waste feedstocks from public and private actors. Independent certifications validate sustainability. Collaborating with our digital partner Cognite, we gauge real-time energy, CO₂, and water metrics, shared with customers via a "Bill of Sustainability." Ongoing plant optimisation is leading to utilisation of side streams, increasing our product yield.

Environment

Quantafuel provides a sustainable and environmentally friendly alternative to incineration, lowering

CO2 emissions by up to two tonnes per tonne plastic recycled compared with incineration.

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. In Q3 2023, we continued our focus in improving process efficiency in Skive.

Organisation

The total number of employees at the end of the third quarter was 107.

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 21 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 respected. 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

The Skive plant delivered negative cashflow as production needs to improve stability and reduce unplanned downtime and the plant is also being used for further maturing MK II-testing.

Kristiansund continues to experience challenges in feedstock supply suitable for our mechanical recycling line. We do not expect the plant to produce positive cashflow until the feedstock issues are solved. Due to the current status, Quantafuel is in dialogue with investors who can contribute to continuous operations through full or partial ownership.

Total negative operational cashflow for Q3 is NOK 56.1 million (Q3 22 NOK 68.8 million)

Per 30th September 2023, Quantafuel AS Group had a cash position of NOK 123.1 million.

Unaudited EBITDA in Q3 2023 was NOK -76.8 million, compared with NOK -63.9 million in Q3 last year.

The group agreed a term loan of NOK 250 million with Viridor on 28th March 2023. On 7th July 2023 the loan facility was increased to NOK 1,000 million to ensure liquidity is available for the ongoing commitments in ReSource Denmark, Skive and ongoing development activity. Per 30th September NOK 418 mill is drawn on the term loan.

On 18th October, Quantafuel and the lender entered into an amendment letter to the loan facility pursuant to which inter alia the conversion right may be exercised in full or in part at any time on or prior to the Termination Date.

The CapEx for construction of ReSource Denmark ApS remains unchanged from the previous quarter.

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. Quantafuel is leading the way in chemical recycling and together with Viridor, we are well positioned for future growth and to take on the next chapter of our journey.

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.

Financial review

Income statement

Quantafuel Financial Highlights	Q3 2023	Q3 2022	First nine months 2023	Unaudited First nine months 2022	Audited Full year 2022
	Group	Group	Group	Group	Group
Unaudited figures in NOK if not stated otherwise					
Operating revenue	18,418	14,795	59,091	31,473	53,444
Total Income	14,674	11,958	47,696	30,212	-47,948
EBITDA	-76,836	-63,891	-209,695	-187,926	-342,809
Profit (loss)	-112,046	-75,049	-249,878	-215,579	-384,438
Total assets	1,580,171	1,636,462	1,580,171	1,636,462	1,481,610
Cash & Cash equivalents	123,069	246,604	123,069	246,604	121,667

Operating revenue of NOK 18.4 million in Q3 2023 includes revenue from our plants in Skive (NOK 11.8 million) and Kristiansund (NOK 2.3 million), in addition to NOK 2.2 million in Quantafuel AS which relates to the project development in Resource Denmark. Quantafuel AS has also been granted public funds from the Norwegian council of Research, amounting to NOK 2.1 million.

Included in the total income is the Group's share of the net result in Resource Denmark ApS.

EBITDA in Q3 2023 was NOK -76.8 million compared to NOK -63.9 million same period in 2022. Salary costs in Q3 2023 was NOK 45.9 million compared to NOK 33.1 million in Q3 2022.

Other operating expenses in Q3 2023 was NOK 21.2 million compared to NOK 20.5 million in Q3 2022.

Loss for the period in Q3 2023 was NOK 112 million (NOK 75 million last year).¹

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

Statement of Financial position

Balance Sheet			
Quantafuel Balance sheet	30-Sep-23	30-Sep-22	Audited 31-Dec-22
Unaudited figures in NOK if not stated otherwise	Group	Group	Group
Total non-current assets	1,419,514	1,317,617	1,309,375
Total current assets	160,657	318,845	172,235
Total assets	1,580,171	1,636,462	1,481,610
 Total equity	 816,781	 1,244,939	 1,078,467
Total non-current liabilities	251,697	299,843	298,828
Total current liabilities	511,693	91,680	104,315
Total equity and liabilities	1,580,171	1,636,462	1,481,610

As per 30 September 2023 the Group's equity was NOK 817 million (NOK 1,245 million). Cash and cash equivalents amounted to NOK 123 million, of which 2 million was restricted related to employee tax advance, at the end of September 2023. The cash balance as per end of September 2022 was NOK 246.6 million, of which NOK 2.1 million was restricted cash.

Total non-current assets at the end of the quarter amounted to NOK 1,420 million (NOK 1,318 million as per end of September 2022). The change from end of September 2022 to end of September 2023 is mainly explained by two factors; the reduction in the equity-accounted investment by NOK 186 million (divestment of Geminor AS in Q2 2023), and the increase in other non-current assets of NOK 299 million, of which NOK 204 million is attributable to the increase in the shareholder's loan to Resource Denmark ApS.

During the third quarter of 2023, the Group has provided an additional shareholder loan to Resource Denmark ApS of NOK 34 million. Total outstanding shareholder's loan as per end of September 2023 is NOK 375 million.

QUANTAFUEL AS
CONSOLIDATED INCOME STATEMENT

1 JANUARY - 30 SEPTEMBER

(Amounts in NOK thousands)

	Q3 2023 Group	Q3 2022 Group	First nine months 2023 Group	First nine months 2022 Group	Full year 2022 Group
	Unaudited	Unaudited			Audited
Operating revenue	18,418	14,795	59,091	31,473	53,444
Share of net income in equity-accounted investees	-3,744	-2,837	-11,395	-1,261	-101,392
Cost of goods sold	24,450	22,223	70,259	73,537	92,504
Salaries and personnel costs	2 45,895	33,089	121,829	79,487	114,612
Depreciation and amortisation	3 13,563	20,855	40,880	43,765	54,152
Other operating expenses	21,163	20,537	65,304	65,115	87,744
Operating loss	-90,399	-84,746	-250,575	-231,691	-396,961
Finance income	15,557	13,149	15,868	29,300	33,737
Finance expense	38,769	3,440	12,786	11,318	-14,506
Finance items convertible loan	-	-	-	-	-
Net financial items	-23,212	9,710	3,082	17,982	19,231
Loss before tax	-113,610	-75,036	-247,493	-213,709	-377,730
Income tax expense	1,564	-13	-2,385	-1,870	-6,708
Loss for the period	-112,046	-75,049	-249,878	-215,579	-384,438
Attributable to:					
Equity holders of the parent	-112,046	-75,049	-249,878	-215,579	-384,438
Non-controlling interest	-	-	-	-	-
Earnings per share, ordinary	-0.7	-0.4	-1.5	-0.9	-2.5
Earnings per share, diluted	-0.7	-0.4	-1.5	-0.9	-2.4

QUANTAFUEL AS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 JANUARY - 30 SEPTEMBER

(Amounts in NOK thousands)

	Q3 2023 Group	Q3 2022 Group	First nine months 2023 Group	First nine months 2022 Group	Full year 2022 Group
Loss for the period	-112,046	-75,049	-249,878	-215,579	-384,438
Translation differences, net	3,650	-1,714	-41	-2,740	2,133
Total comprehensive loss	-108,396	-76,763	-249,919	-218,319	-382,305
Attributable to:					
Equity holders of the parent	-108,396	-76,763	-249,919	-218,319	-382,305

QUANTAFUEL AS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2023
(Amounts in NOK thousands)

	Note	30 September 2023 Group	30 September 2022 Group	31 December 2022 Group Audited
ASSETS				
Deferred tax asset		20,261	22,569	18,982
Goodwill		54,085	54,085	54,085
Other intangible assets		194,366	195,354	195,160
Property plant and equipment	3	562,805	563,141	564,728
Right-of-use asset		88,689	96,263	92,933
Equity-accounted investment	4	80,195	266,110	161,148
Other non-current assets	5	419,113	120,095	222,339
Total non-current assets		1,419,514	1,317,617	1,309,375
Inventory		10,822	14,176	14,873
Accounts receivable	5	7,737	15,427	30,233
Other receivables	5	19,029	30,920	5,463
Assets held for sale		-	11,718	-
Cash and cash equivalents		123,069	246,604	121,667
Total current assets		160,657	318,845	172,235
Total assets		1,580,171	1,636,462	1,481,610
EQUITY AND LIABILITIES				
Share capital	6	1,658	1,658	1,658
Share premium		2,271,890	2,301,095	2,290,890
Other paid-in capital	7	34,450	-	27,217
Retained earnings		-1,491,217	-1,057,814	-1,241,298
Equity attributable to the owners of the parent		816,781	1,244,939	1,078,467
Non-controlling interests		-	-	-
Total equity		816,781	1,244,939	1,078,467
Deferred tax liabilities		130,530	126,610	128,145
Non-current interest bearing liabilities	5	-	77,334	72,588
Long-term leasing liability	5	89,016	95,900	93,157
Other non-current liabilities	5	32,151	-	4,937
Total non-current liabilities		251,697	299,843	298,828
Current interest bearing liabilities	5	434,284	18,456	18,385
Tax payable		-	448	-
Short-term leasing liability	5	11,638	9,635	9,710
Accounts payable	5	27,873	29,239	29,050
Other current liabilities	5	37,898	33,900	47,170
Total current liabilities		511,693	91,680	104,315
Total equity and liabilities		1,580,171	1,636,462	1,481,610

QUANTAFUEL AS
CONSOLIDATED STATEMENT OF CASH FLOWS
1 JANUARY - 30 SEPTEMBER
(Amounts in NOK thousands)

	Audited				
	Q3 2023	Q3 2022	First nine months 2023	First nine months 2022	Full year 2022
	Group	Group	Group	Group	Group
Loss for the period	-112,046	-75,036	-249,878	-213,709	-377,730
Depreciation and amortisation	13,563	20,855	40,880	43,765	54,152
Income taxes paid	-	-	-	-	-448
Net income from equity accounted investees	3,744	-	11,395	-	101,392
Share-based payment expense	0	2,495	7,233	7,737	8,764
Net financial items	23,212	6,872	-3,082	16,721	-19,231
Payment of financial obligations	-	-	-	-	-5,000
Increase/(decrease) in inventory	3,418	-9,365	4,051	-8,393	-9,090
Increase/(decrease) in accounts receivable	1,993	-6,268	22,496	2,694	-12,113
Increase/(decrease) in accounts payable	11,511	-18,664	-1,178	-15,203	-15,392
Increase/(decrease) in net other receivables and other payables	-1,454	10,305	-2,959	-23,078	-80,375
Cash flows from operating activities	-56,059	-68,806	-171,042	-189,466	-355,072
Purchase of property, plant and equipment	-5,313	-	-11,356	-38,056	-79,925
Sales of property, plant and equipment	-	-	150	-	73,069
Purchase of intangible asset	-	-	-	-	115
Purchase of shares	-1,750	-	-1,750	-	-
Proceeds from sale of shares	-	31,680	50,000	26,680	-
Increase/(decrease) in other non-current assets	-	-92,186	-	-111,948	-
Interest income received	24	-	319	-	3,789
Cash flows from investment activities	-7,039	-60,506	37,363	-123,324	-2,952
Proceeds from issue of shares	-	-	-	387,048	404,544
Issue of Loans	167,996	-	418,020	-	-171,303
Payment of borrowings	-28,032	-87,689	-268,335	-95,532	-17,962
Payment of lease liabilities	-5,705	-4,201	-13,947	-12,408	-16,561
Interest expenses paid	-0	-510	-656	-4,618	-3,932
Cash flows from financing activities	134,259	-92,400	135,082	274,490	194,786
Net change in cash and cash equivalents	71,161	-221,712	1,402	-38,300	-163,236
Cash and cash equivalents at beginning of period	51,908	468,316	121,667	284,903	284,903
Cash at cash equivalents at end of period Group	123,069	246,604	123,069	246,604	121,667

QUANTAFUEL AS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
1 JANUARY - 30 SEPTEMBER
(Amounts in NOK thousands)

	Share capital	Share premium	Other Paid-in capital	Retained earnings	Foreign cur. translation reserve	Total	Non-controlling interests	Total equity
Equity as at 1 January 2022	1,490	1,888,031	18,453	-843,424	3,930	1,068,479	-	1,068,479
Loss	-	-	-	-384,439	-	-384,439	-	-384,439
Total comprehensive income	-	-	-	-384,439	-	-384,439	-	-384,439
Translation differences, net	-	-	-	-	2,133	2,133	-	2,133
Total OCI	-	-	-	-384,439	2,133	-382,306	-	-382,306
Increase in share capital	168	416,011	-	-19,500	-	396,679	-	396,679
Transaction cost related to Share capital increases	-	-13,150	-	-	-	-13,150	-	-13,150
Share-based payments	-	-	8,764	-	-	8,764	-	8,764
Equity at 31 December 2022	1,658	2,290,890	27,217	-1,243,431	2,133	1,078,467	-	1,078,467
Loss	-	-	-	-249,878	-	-249,878	-	-249,878
Total comprehensive income	-	-	-	-249,878	-	-249,878	-	-249,878
Translation differences, net	-	-	-	-	-41	-41	-	-41
Total OCI	-	-	-	-249,878	-41	-249,919	-	-249,919
Success fee, Sale to Viridor	-	-19,000	-	-	-	-19,000	-	-19,000
Share-based payments	-	-	7,233	-	-	7,233	-	7,233
Equity at 30 June 2023	1,658	2,271,890	34,450	-1,493,309	2,092	816,781	-	816,781

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 AS and its subsidiaries ('the Group') for the period ended 30 September 2023 were authorised for issue by the Board of directors on 14 November 2023.

Quantafuel AS 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 2022.

The accounting policies used in preparation of the Statements are consistent with those used for preparation of the Group's annual financial statements for 2022.

Note 2 Salaries and Personnel expenses

As the end of 30 September 2023 there were 107 employees in the Group, compared to 111 employees at the end of 30 September 2022

Salary costs in Q3 2023 was NOK 45.9 million compared to NOK 33.1 million in Q3 2022. The higher payroll expenses (NOK 12.8 million) in Q3 2023 can be explained by far, by the following effects:

In May 2023 the option incentive program was cancelled and replaced by a bonus incentive system. However, the bonus scheme was not fully implemented until August 2023. As per September end, the calculated bonuses are accounted for and including the periods starting from May 2023 up until September. Total bonus and accrued salaries in Q3 amount to 14.9 million.

In June this year, the holiday pay for the FY2023 was periodized over the whole year, instead of booking the whole amount in July. The effect of this change of booking procedure amounts to a reduction in the salary expense for the Q3 2023 in isolation of NOK 4.4 million.

These two factors explain the increase in the total salaries of NOK 10.5.

Note 3 Property, Plant and Equipment

	Property and plant	Machinery and equipment	Assets under construction	Total
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	-	-8,318	-62,022	-70,340
Depreciation	-20,453	-16,516	-	-36,969
Impairment	-	-5,373	-	-5,373
Exchange differences	-10,026	-	-	-10,026
Net book value 31 December 2022	436,287	80,777	47,662	564,728
Period ended 31 December 2022	436,287	80,777	47,662	564,728
Additions	388	10,968	-	11,356
Disposals	-480	-360	-	-840
Depreciation	-22,439	-7,158	-	-29,597
Disposals of depreciation	156	5,529	-	5,685
Exchange differences	8,616	1,868	992	11,477
Net book value 30 September 2023	422,528	91,624	48,654	562,805
Useful life	15-20 years	3-10 years	No depreciation	
Depreciation	Straight line	Straight line		

Note 4 Equity-accounted investment

On 20 April 2023, Quantafuel AS sold its 40 % stake in Geminor AS at a value of NOK 80 million of which NOK 69 million was settled on the date of the transaction and NOK 11 million is deferred by 24 months.

On 31 August 2023, Quantafuel AS bought 50 % of all the shares in Polynat AS, shares initially owned by Geminor AS. After the transaction, Geminor AS and Quantafuel AS hold 50 % of the shares each, treating Polynat AS as an equity investee.

Note 5 Financial assets and financial liabilities

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

			Q3 2023	FY 2022
Financial assets other than cash:				
Debt instruments at amortised cost:				
Trade and other receivables			26,766	35,696
Non-current deposits			419,113	222,339
Sum financial assets			445,879	258,035
Total current			26,766	35,696
Total non-current			419,113	222,339
Financial liabilities: Interest-bearing liabilities:				
	Interest rate	Maturity	2023	2022
Current interest-bearing liabilities				
Loan from Sparebank 1 SMN	5.75%	2023	-	7,640
Loan from DGI	CIBOR 3 + 7,03%	2023	-	10,745
Innovasjon Norge	7.70 %	10.8.2024	2,400	-
Lease liabilities	8.48% / 6%	2024	11,638	9,710
Loan from Viridor	8.0 %	31.3.2024	431,884	-
Total current			445,922	28,095
Non-current interestbearing loans:				
Sparebank 1 SMN	5.75%	2026	-	21,647
Innovasjon Norge	3.95%	10.8.2024	-	2,400
Loan from DGI	CIBOR 3 + 7,03%	2028	-	48,541
Lease liabilities	8.48% / 6%	2034	89,016	93,157
Total non-current			89,016	165,745
Total interest-bearing liabilities			534,938	193,840
Other financial liabilities at amortised cost:				
			2023	2022
Trade and other payables			65,771	76,220
Total current			511,693	104,315
Other non-current payables			32,151	4,937
Total non-current			121,167	109,252

Note 6 Share capital increase

On 12 May 2023 Viridor acquired 81.48% of the shares in the Group. Following the acquisition, Viridor has increased its ownership to 83.27% through regular trades of the Quantafuel Shares on the Norwegian stock exchange Euronext.

In the EGM 12 May 2023, it was decided that Viridor will apply to delist Quantafuel. This is anticipated to take place after the share of ownership reaches 90%.

Apart from the acquisition, there has been no change in the share capital during the nine months of 2023.

The total share capital of Quantafuel as of 30 September 2023, was NOK 1,6580,285.13 divided by 165,828,513 shares, each with a par value of NOK 0.01.

All the shares have the same voting rights.

Note 7 Incentive plans

As the share-based incentive plan was terminated in Q2, The Group implemented a new bonus-scheme for all the employees within the Group, covering a running period of 12 months at the time.

The estimated bonus and accrued salaries owed to the employees for the year are accounted for and accrued for in the profit and loss statement as well as in the balance sheet. This amounts to NOK 14.9 million.

Note 8 Change in the composition of the entity

There have been no changes in the composition of the entity during the first, second and third quarter of 2023.

Note 9 Subsequent events

On 18 October 2023, Quantafuel and the lender entered into an amendment letter to the loan facility pursuant to which inter alia the conversion right may be exercised in full or in part at any time on or prior to the termination date 30 September 2024.

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.



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