

Quantafuel AS

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# Second Quarter 2023

Consolidated financial statements

Quantafuel AS



## **Second quarter report for 2023:**

- **Viridor becomes controlling shareholder of Quantafuel**
- **Viridor increased the loan facility to Quantafuel from NOK 250,000,000 to NOK 1,000,000,000**
- **ReSource, Denmark's largest plastic sorting facility, is on track**
- **The Skive plant prioritises testing of key design solutions**

During this quarter, the integration and collaboration with our majority shareholder, Viridor, has been given high focus. Quantafuel and Viridor are aligning strengths and visions, laying the groundwork for a combination of expertise that makes progress in chemical recycling.

An Extraordinary General Meeting was convened in May, 2023 where Viridor's influence was underscored, as it took the reins and a new Board of Directors was elected. The Board of Directors now includes Kevin Michael Bradshaw, CEO of Viridor, as the Chairman of the Board, and Omar Shafi Khan, CFO of Viridor, as a second board member. Quantafuel's Anette Knoph Lerø and Rene Ortiz Garcia are the board's employee representatives. At the subsequent Board of Director meeting Terje U. Eiken was appointed as CEO.

### **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 Q2, we recorded one minor incident that required medical treatment (MTI). 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.

### **Skive plant - Operational and technology update**

Learnings, testing and development continues in parallel with normal operations in Skive to optimise design. Although Skive's throughput keeps improving, we have not yet reached positive cash flow from operations. In the coming months we will continue prioritising testing and implement changes in Skive that are important to future design solutions.

### **Kristiansund plant**

The limitation in available feedstock continues to restrict the full utilisation of the plant, and actions are being implemented 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. Although the Kristiansund plant has unique processing capabilities with high tolerance to mixed and contaminated feedstock, the process of building up a stable supply chain is still ongoing.

### **ReSource Denmark**

The construction of ReSource Denmark's plastic sorting plant in Esbjerg is well under way. The facility's sorting equipment is currently being installed and the plan to commence commercial operations from first quarter 2024 is maintained.

When operational, the facility will employ around 50 full-time employees.

### **Market development and pipeline**

The macroeconomic trend remains supportive for Quantafuel's growth plans. However, pricing for waste plastics and recycled materials remain volatile. We are continuing to evaluate various new projects in different geographies.

### **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 in the Nordics. Collaborating with 3<sup>rd</sup> party digital twin solution supplier, we gauge real-time energy, CO<sub>2</sub>, and water metrics, shared with customers via a "Bill of Sustainability."

Following evaluation by an independent third-party, Skive municipality reclassified our PtL process' solid residue as non-hazardous, effectively cutting the disposal costs. To further improve plant economy, we are actively exploring recycling options for these by-products. Surplus gas from the pyrolysis process is recovered on site, reducing energy need from other sources.

### **Environment**

Quantafuel provides a sustainable and environmentally friendly alternative to incineration lowering CO<sub>2</sub> 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. In Q2 2023, we continued to successfully transfer research results into our production process.

### **Organisation**

The total number of employees at the end of the second 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 20 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, seen and 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**

The Skive plant is still not close to positive cashflow as production needs to improve stability and reduce unplanned downtime. At the same time, we are still facing high feedstock costs that is further impacting profitability.

Kristiansund is still experiencing 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 challenging circumstances for the Kristiansund plant have we decided to write-down the valuation of the investment in the plant by NOK 78 million to NOK 30 million. This impact is only relevant at company level and is eliminated at Corporate level.

The shares in Geminor invest were sold on 20<sup>th</sup> April, 2023 at a value of NOK 80 million. This led to a write-down of NOK 52 million in the annual accounts of 2022. The structure of the agreement is that Quantafuel received NOK 69 million at the closing of the agreement and will receive a further NOK 11 million after 24 months.

For ReSource Denmark the estimated cost at completion, due to increased safety level of the plant and general market terms, has increased and is now approximately 20% above initial budgets. In addition, the NOK has continued to weaken against the EUR and DKK, which weighs further on the costs for Quantafuel ASA.

Per 30<sup>th</sup> June 2023, Quantafuel AS Group had a cash position of NOK 51.9 million.

Unaudited EBITDA in Q2 2023 was NOK -77.2 million, compared with NOK -71.7 million in Q2 last year.

The group agreed a term loan of NOK 250 million with Viridor on 28<sup>th</sup> March 2023. On 7<sup>th</sup> 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.

Viridor has taken ownership of more than 80% of the shares in the group and assumed control of the board in the extraordinary general assembly on 12<sup>th</sup> May 2023. Viridor put forward to the EGM a proposal to delist the company and turn it from a Public limited liability company (ASA) into a private limited liability company (AS), a proposal that received support from more than 99% of the voting shares. Viridor has continued to buy shares in the market during the second quarter.

## **Growth strategy and outlook**

Quantafuel continues to build a circular economy for plastics in Europe and beyond. The 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. 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 AS**  
Oslo, 31<sup>st</sup> August 2023

# Financial review

## Income statement

Quantafuel Financial Highlights	Q2 2023	Q2 2022	First half year 2023	Unaudited First half year 2022	Audited Full year 2022
	Group	Group	Group	Group	Group
Unaudited figures in NOK if not stated otherwise					
Operating revenue	18,067	6,429	40,674	16,678	53,444
Total Income	11,055	5,439	33,023	18,253	-47,948
EBITDA	-77,179	-71,706	-132,859	-124,037	-342,809
Profit (loss)	-99,222	-69,809	-137,831	-140,531	-384,438
Total assets	1,489,799	1,720,273	1,489,799	1,720,273	1,481,610
Cash & Cash equivalents	51,908	468,316	51,908	468,316	121,667

Operating revenue of NOK 18 million in Q2 2023 includes revenue from our plants in Skive (NOK 9.9 million) and Kristiansund (NOK 3.5 million), in addition to NOK 4.6 million in Quantafuel AS which relates to the project development in Dubai.

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

EBITDA in Q2 2023 was NOK -77.2 million compared to NOK -71.7 million same period in 2022. Salary costs in Q2 2023 was NOK 43.6 million compared to NOK 23.1 million in Q2 2022. One of the main reasons explaining this is a combined NOK 18.0 million effect from cancelling of the Group's option program this year and a credit against salary in Q2 prior year from the option programme. Please refer to note number 2 below, for more details.

Other operating expenses in Q2 2023 was NOK 22.4 million compared to NOK 26.7 million in Q2 2022.

Loss for the period in Q2 2023 was NOK 99.2 million (NOK 69.8 million last year).<sup>1</sup>

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

## Statement of Financial position

<b>Balance Sheet</b>			
<b>Quantafuel Balance sheet</b>	<b>30-Jun-23</b>	<b>30-Jun-22</b>	Audited
<b>Unaudited figures in NOK if not stated otherwise</b>	<b>Group</b>	<b>Group</b>	<b>31-Dec-22</b>
			<b>Group</b>
Total non-current assets	1,393,157	1,209,816	1,309,375
Total current assets	96,642	510,457	172,235
Total assets	1,489,799	1,720,273	1,481,610
 Total equity	 925,178	 1,319,206	 1,078,467
Total non-current liabilities	232,227	304,686	298,828
Total current liabilities	332,394	96,381	104,315
Total equity and liabilities	1,489,799	1,720,273	1,481,610

As per 30 June 2023 the Group's equity was NOK 925 million (NOK 1,319 million last year). Cash and cash equivalents amounted to NOK 51.9 million, of which NOK 5.7 million was restricted related to employee tax advance, at the end of June 2023. The cash balance as per end of June last year was NOK 468.3 million, of which NOK 2.1 million was restricted cash.

Total non-current assets at the end of the quarter amounted to NOK 1,393 million (NOK 1,210 million as per end of June 2022). The increase relates to the Skive plant, Kristiansund plant, and costs for FEED and concept development when broadly looking at the last twelve months. During the second quarter for 2023, the Group has provided an additional shareholder loan to Resource Denmark ApS of NOK 99 million. Total outstanding shareholder's loan as per end of 30 June 2023 is NOK 374.7 million.

**QUANTAFUEL AS**  
**CONSOLIDATED INCOME STATEMENT**  
**1 JANUARY - 30 June**  
(Amounts in NOK thousands)

	Q2 2023 Group	Q2 2022 Group	First half year 2023 Group	First half year 2022 Group	Full year 2022 Group
	Unaudited	Unaudited			Audited
Operating revenue	18,067	6,429	40,674	16,678	53,444
Share of net income in equity-accounted investees	-7,012	-989	-7,651	1,576	-101,392
Cost of goods sold	22,488	27,298	45,808	51,314	92,504
Salaries and personnel costs	2 43,359	23,106	75,934	46,398	114,612
Depreciation and amortisation	3 14,568	9,147	27,317	22,910	54,152
Other operating expenses	22,387	26,741	44,140	44,578	87,744
<b>Operating loss</b>	<b>-91,747</b>	<b>-80,852</b>	<b>-160,176</b>	<b>-146,946</b>	<b>-396,961</b>
Finance income	298	16,137	311	16,151	33,737
Finance expense	6,723	4,446	-25,982	7,878	-14,506
Finance items convertible loan	-	-	-	-334,803	-
<b>Net financial items</b>	<b>-6,426</b>	<b>11,690</b>	<b>26,294</b>	<b>8,272</b>	<b>19,231</b>
<b>Loss before tax</b>	<b>-98,173</b>	<b>-69,162</b>	<b>-133,882</b>	<b>-138,674</b>	<b>-377,730</b>
Income tax expense	-1,049	-647	-3,949	-1,857	-6,708
<b>Loss for the period</b>	<b>-99,222</b>	<b>-69,809</b>	<b>-137,831</b>	<b>-140,531</b>	<b>-384,438</b>
<b>Attributable to:</b>					
Equity holders of the parent	-99,222	-69,809	-137,831	-140,531	-384,438
Non-controlling interest	-	-	-	-	-
Earnings per share, ordinary	-0.6	-0.4	-0.8	-0.9	-2.5
Earnings per share, diluted	-0.6	-0.4	-0.8	-0.9	-2.4

**QUANTAFUEL AS**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**1 JANUARY - 30 June**  
(Amounts in NOK thousands)

	Q2 2023 Group	Q2 2022 Group	First half year 2023 Group	First half year 2022 Group	Full year 2022 Group
<b>Loss for the period</b>	-99,222	-69,809	-137,831	-140,531	-384,438
Translation differences, net	-822	76	-3,691	-1,026	2,133
<b>Total comprehensive loss</b>	<b>-100,044</b>	<b>-69,733</b>	<b>-141,522</b>	<b>-141,557</b>	<b>-382,305</b>
<b>Attributable to:</b>					
Equity holders of the parent	-100,044	-69,733	-141,522	-141,557	-382,305

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

	Note	At 30 June 2023 Group	At 30 June 2022 Group	December 2022 Group
				Audited
<b>ASSETS</b>				
Deferred tax asset		21,100	22,060	18,982
Goodwill		54,085	54,085	54,085
Other intangible assets		194,632	195,622	195,160
Property plant and equipment	3	570,322	638,692	564,728
Right-of-use asset		92,804	98,402	92,933
Equity-accounted investment	4	85,472	173,381	161,148
Other non-current assets		374,742	27,573	222,339
<b>Total non-current assets</b>		<b>1,393,157</b>	<b>1,209,816</b>	<b>1,309,375</b>
Inventory		14,240	4,811	14,873
Accounts receivable	5	9,730	9,158	30,233
Other receivables	5	20,764	9,854	5,463
Assets held for sale		-	18,318	-
Cash and cash equivalents		51,908	468,316	121,667
<b>Total current assets</b>		<b>96,642</b>	<b>510,457</b>	<b>172,235</b>
<b>Total assets</b>		<b>1,489,799</b>	<b>1,720,273</b>	<b>1,481,610</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	6	1,658	1,658	1,658
Share premium		2,271,890	2,298,599	2,290,890
Other paid-in capital	7	34,450	-	27,217
Retained earnings		-1,382,820	-981,052	-1,241,298
<b>Equity attributable to the owners of the parent</b>		<b>925,178</b>	<b>1,319,206</b>	<b>1,078,467</b>
Non-controlling interests		-	-	-
<b>Total equity</b>		<b>925,178</b>	<b>1,319,206</b>	<b>1,078,467</b>
Deferred tax liabilities		132,095	126,597	128,145
Non-current interest bearing liabilities	5	2,400	80,728	72,588
Long-term leasing liability	5	93,618	97,361	93,157
Other non-current liabilities	5	4,115	-	4,937
<b>Total non-current liabilities</b>		<b>232,227</b>	<b>304,686</b>	<b>298,828</b>
Current interest bearing liabilities	5	252,905	18,212	18,385
Tax payable		-	445	-
Short-term leasing liability	5	10,912	9,429	9,710
Accounts payable	5	16,361	47,903	29,050
Other current liabilities	5	52,215	20,391	47,170
<b>Total current liabilities</b>		<b>332,394</b>	<b>96,381</b>	<b>104,315</b>
<b>Total equity and liabilities</b>		<b>1,489,799</b>	<b>1,720,273</b>	<b>1,481,610</b>



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

	Q2 2023	Q2 2022	First half year 2023	First half year 2022	Audited Full year 2022
	Group	Group	Group	Group	Group
<b>Loss for the period, before tax</b>	<b>-102,122</b>	<b>-69,162</b>	<b>-137,831</b>	<b>-138,674</b>	<b>-377,730</b>
Depreciation and amortisation	14,568	9,147	27,317	22,910	54,152
Income taxes paid	-	-	-	-	-448
Net income from equity accounted investees	7,012	-	7,651	-	101,392
Share-based payment expense	5,436	2,599	7,233	5,242	8,764
Net financial items	6,426	8,619	-26,294	9,472	-19,231
Payment of financial obligations	-	-	-	-	-5,000
Increase/(decrease) in inventory	-796	-151	633	972	-9,090
Increase/(decrease) in accounts receivable	2,286	-	20,503	-	-12,113
Increase/(decrease) in accounts payable	-53,195	29,649	-12,689	12,423	-15,392
payables	13,452	-22,052	-1,505	-23,417	-80,375
<b>Cash flows from operating activities</b>	<b>-106,932</b>	<b>-41,352</b>	<b>-114,983</b>	<b>-111,073</b>	<b>-355,072</b>
Purchase of property, plant and equipment	-3,282	-35,908	-6,043	-47,643	-79,925
Sales of property, plant and equipment	-	-	150	-	73,069
Purchase of intangible asset	-	454	-	-	115
Proceeds from sale of shares	50,000	-	50,000	-5,000	-
Increase/(decrease) in other non-current assets	-	-19,726	-	-19,762	-
Interest income received	283	-	295	-	3,789
<b>Cash flows from investment activities</b>	<b>47,002</b>	<b>-55,180</b>	<b>44,402</b>	<b>-72,405</b>	<b>-2,952</b>
Proceeds from issue of shares	-	-	-	387,048	404,544
Issue of Loans	181,505	-	250,024	-	-171,303
Payment of borrowings	-167,160	-4,465	-240,303	-7,843	-17,962
Payment of lease liabilities	-4,173	-5,392	-8,242	-8,207	-16,561
Interest expenses paid	0	-2,773	-656	-4,108	-3,932
<b>Cash flows from financing activities</b>	<b>10,173</b>	<b>-12,629</b>	<b>823</b>	<b>366,891</b>	<b>194,786</b>
<b>Net change in cash and cash equivalents</b>	<b>-49,758</b>	<b>-109,161</b>	<b>-69,758</b>	<b>183,413</b>	<b>-163,236</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>101,667</b>	<b>577,477</b>	<b>121,667</b>	<b>284,903</b>	<b>284,903</b>
<b>Cash at cash equivalents at end of period Group</b>	<b>51,908</b>	<b>468,316</b>	<b>51,908</b>	<b>468,316</b>	<b>121,667</b>

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

	Share capital	Share premium	Other Paid-in capital	Retained earnings	Foreign cur. translation reserve	Total	Non-controlling interests	Total equity
<b>Equity as at 1 January 2022</b>	<b>1,490</b>	<b>1,888,031</b>	<b>18,453</b>	<b>-843,424</b>	<b>3,930</b>	<b>1,068,479</b>	<b>-</b>	<b>1,068,479</b>
Loss	-	-	-	-384,439	-	-384,439	-	-384,439
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-384,439</b>	<b>-</b>	<b>-384,439</b>	<b>-</b>	<b>-384,439</b>
Translation differences, net	-	-	-	-	2,133	2,133	-	2,133
<b>Total OCI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-384,439</b>	<b>2,133</b>	<b>-382,306</b>	<b>-</b>	<b>-382,306</b>
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
<b>Equity at 31 December 2022</b>	<b>1,658</b>	<b>2,290,890</b>	<b>27,217</b>	<b>-1,243,431</b>	<b>2,133</b>	<b>1,078,467</b>	<b>-</b>	<b>1,078,467</b>
Loss	-	-	-	-137,831	-	-137,831	-	-137,831
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-137,831</b>	<b>-</b>	<b>-137,831</b>	<b>-</b>	<b>-137,831</b>
Translation differences, net	-	-	-	-	-3,691	-3,691	-	-3,691
<b>Total OCI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-137,831</b>	<b>-3,691</b>	<b>-141,522</b>	<b>-</b>	<b>-141,522</b>
Success fee, Sale to Viridor	-	-19,000	-	-	-	-19,000	-	-19,000
Share-based payments	-	-	7,233	-	-	7,233	-	7,233
<b>Equity at 30 June 2023</b>	<b>1,658</b>	<b>2,271,890</b>	<b>34,450</b>	<b>-1,381,262</b>	<b>-1,558</b>	<b>925,178</b>	<b>-</b>	<b>925,178</b>

## **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 June 2023 were authorised for issue by the Board of directors on 31 August 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 June 2023 there were 107 employees in the Group, compared to 103 employees at 30 June 2022.

Three factors explaining the increase in the total salaries, when comparing the first half of 2023 with the same period last year:

- There was a credit of NOK 10.4 million related to social security cost on accrued option cost during the first half of FY2022.
- Due to the discontinuation of the option program, the profit and loss was hit by an additional NOK 7.6 million in June 2023.
- As the vacation pay was not periodized in 2022, but in 2023, this has a negative impact on the first half figures of FY2023 compared to the same period last year of NOK 5.8 million.

## Note 3 Property, Plant and Equipment

	Property and plant	Machinery and equipment	Assets under construction	Total
<b>Period ended 31 December 2021</b>	<b>-</b>	<b>80,254</b>	<b>690,879</b>	<b>771,134</b>
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
<b>Net book value 31 December 2022</b>	<b>436,287</b>	<b>80,777</b>	<b>47,662</b>	<b>564,728</b>
<b>Period ended 31 December 2022</b>	<b>436,287</b>	<b>80,777</b>	<b>47,662</b>	<b>564,728</b>
Additions	401	5,642	-	6,043
Disposals	-398	-360	-	-758
Depreciation	-2,833	-8,754	-	-11,586
Disposals of depreciation	116	210	-	326
Exchange differences	8,980	1,605	987	11,572
<b>Net book value 30 June 2023</b>	<b>442,553</b>	<b>79,121</b>	<b>48,649</b>	<b>570,323</b>
Useful life	15-20 years	3-10 years	No depreciation	
Depreciation	Straight line	Straight line		

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 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.

#### Note 5 Financial assets and financial liabilities

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

##### FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(Amounts in NOK thousands)

			Q2 2023	FY 2022
Financial assets other than cash:				
<b>Debt instruments at amortised cost:</b>				
Trade and other receivables			30,493	35,696
Non-current deposits			374,742	222,339
<b>Sum financial assets</b>			<b>405,235</b>	<b>258,035</b>
<b>Total current</b>			<b>30,493</b>	<b>35,696</b>
<b>Total non-current</b>			<b>374,742</b>	<b>222,339</b>
Financial liabilities: Interest-bearing liabilities:				
	Interest rate	Maturity	2023	2022
<b>Current interest-bearing liabilities</b>				
Loan from Sparebank 1 SMN	5.75%	2023	-	7,640
Loan from DGI	CIBOR 3 + 7,03%	2023	-	10,745
Lease liabilities	8.48% / 6%	2024	10,912	9,710
Loan from Viridor	8.0 %	31.3.2024	252,905	-
<b>Total current</b>			<b>263,817</b>	<b>28,095</b>
<b>Non-current interestbearing loans:</b>				
Sparebank 1 SMN	5.75%	2026	-	21,647
Innovasjon Norge	3.95%	2024	2,400	2,400
Loan from DGI	CIBOR 3 + 7,03%	2028	-	48,541
Lease liabilities	8.48% / 6%	2034	93,618	93,157
<b>Total non-current</b>			<b>96,018</b>	<b>165,745</b>
<b>Total interest-bearing liabilities</b>			<b>359,834</b>	<b>193,840</b>
Other financial liabilities at amortised cost:				
			2023	2022
Trade and other payables			68,577	76,220
<b>Total current</b>			<b>332,394</b>	<b>104,315</b>
Other non-current payables			4,115	4,937
<b>Total non-current</b>			<b>100,132</b>	<b>109,252</b>

## **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 that was held on 12 May 2023, it was decided that Viridor will apply to delist Quantafuel. This is anticipated to take place as soon as the share of ownership is close to 90 %. Shortly after the EGM, Viridor turned Quantafuel from a public limited liability company (AS) into a private limited liability company (AS).

Apart from the acquisition there has been no change in the share capital, neither during the first nor the second quarter in 2023.

The total share capital of Quantafuel as of 30 June 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 Share-based payments**

The option incentive program, that is linked to the share-based payments, was terminated on 11 May 2023, leaving the profit and loss with an extra cost of NOK 7.6 million in Q2 2023.

Hence, as of 30 June 2023, the Company had no more options outstanding.

## **Note 8 Change in the composition of the entity**

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

## **Note 9 Subsequent events**

No significant events

## **Responsibility statement Board of Directors**

The Board of Directors confirm that the (unaudited) interim financial statements for the period 1 January to 30 June 2023 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 AS**

Oslo, 30 August 2023

Kevin Michael Bradshaw – Chairperson

Mohammed Omar Shafi Khan – Board Member

Anette Knoph Lerø – Board Member

Rene Ortiz Garcia – Board Member

Terje Ulla Eiken – CEO

## 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 AS**

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