



Questor Announces Second Quarter 2021 Results

CALGARY, Alberta, Aug. 16, 2021 (GLOBE NEWSWIRE) -- Questor Technology Inc. ("Questor" or the "Company") (TSX-V: QST) announced today its financial and operating results for the second quarter 2021.

SECOND QUARTER 2021 FINANCIAL RESULTS

(Unaudited, stated in Canadian dollars except per share and unit data)

For the	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	(\$)	(\$)	(\$)	(\$)
Revenue	1,184,040	1,030,724	2,732,431	5,520,194
Gross profit (loss)	(127,077)	(36,817)	(91,252)	1,950,129
Profit (loss) for the period	(873,214)	(1,247,510)	(1,759,101)	17,942
Gross profit (loss) as a percent of revenue	(11)%	(4)%	(3)%	35%
Net cash generated (used) by operating activities	(56,208)	374,415	(779,903)	1,735,205
Earnings (Loss) per share				
Basic	\$(0.03)	\$(0.05)	\$(0.06)	\$0.00
Diluted	\$(0.03)	\$(0.05)	\$(0.06)	\$0.00
As at	June 30, 2021		December 31, 2020	
	(\$)		(\$)	
Working capital	18,178,042		19,300,453	
Total assets	35,990,565		38,014,911	
Total equity	32,455,863		33,989,100	
Number of shares issued and outstanding	27,460,120		27,410,120	

Questor's Unaudited Condensed Consolidated Financial Statements and Management's Discussion and Analysis for the three and six months ended June 30, 2021 are available on the Company's website at www.questortech.com and through SEDAR at www.sedar.com.

PRESIDENT'S MESSAGE

Questor's 2021 financial results for the six months ended June 30, 2021 continued to be impacted by the slowdown in global economic activity. Our revenue for the second quarter increased 15% or \$0.2 million compared to the same period in 2020. However, year to date our revenue is down \$2.8 million in 2021 because the results in the first quarter of 2020 were not significantly impacted by COVID-19.

Commodity prices are starting to recover and activity levels are improving as economies reopen. This has resulted in increased interest in our technology solutions, and certain jobs that were put on hold during the pandemic, are starting up again. We are pleased to see these early indications that activity levels are increasing, but note that there is still significant uncertainty in the global market and we remain cautious in our outlook for the remainder of 2021.

Questor continues to maintain a strong financial position with \$15.4 million in cash and \$18.2 million working capital at June 30, 2021, accomplished through managing costs and maintaining capital discipline while continuing to provide best in class equipment and services to our customers. This strong financial position has set the foundation for a series of strategic initiatives underway.

Consistent with our strategic initiatives:

Building bench strength

- We continued to expand our sales and engineering teams to ensure that we are ready to serve a rapidly growing global market focused on eliminating methane emissions and improving energy efficiency. Our sales and marketing strategy implemented earlier this year is yielding results. A significant number of new multi channel contacts have been made

during the period and a number of new outbound and inbound opportunities are being created consistently on weekly basis for both clean combustion and waste heat to power products. This has increased the level of our pipeline and is positioning the Company well for the future. We expect this trend to continue in the next year as the global economy starts to reopen and recover from the impacts of COVID-19.

Digital transition

- A proof-of-concept data project is underway in partnership with SAIT and others to demonstrate with drones, that it is possible to credibly quantify the emissions reduced at a site using Questor's clean combustion technology. This proof-of-concept project will place these emission reductions in a secure ledger using blockchain in order to monetize them in the voluntary carbon trading market. Support for this project has been received from Alberta Innovates.

Market diversification

- We started up a Questor clean combustion unit this quarter in Kelowna, BC. at a biomass facility generating renewable natural gas. We continue to focus on diversifying our business to lessen the dependence on oil and gas customers and expand our markets with our waste heat to power offering.

Waste heat to power

- Subsequent to the June 30, 2021, we entered into an agreement with Sustainable Development Technology Canada (SDTC) to receive up to \$4.5 million of funding to support and expedite the development of the Company's CPS 50-1500 kW modular, reliable, high efficiency waste Heat to Power generation systems. This project furthers the Company's overall global strategy to provide clean, practical, cost-effective solutions to reduce greenhouse gas emissions (GHG) supporting our clients ESG goals and their quest to net zero.

Methane, with a global warming potential 86 times higher than CO₂ over a 20-year period, is causing increasing worldwide concern. Coupling Questor's waste heat to power technology with its 99.99% efficient clean combustion technology as the heat source, significantly reduces greenhouse gas emissions with an estimated return on capital invested (ROI) of up to 30%. The power generated from flared and vented gas can be used on site to displace diesel power generation or power from the grid, reducing operating costs. Alternatively, it can be directed to the grid generating a revenue stream while reducing the site carbon equivalent emissions.

A landmark United Nations report published on the 6th of May has declared that drastically cutting emissions of methane is the world's best hope to slow and limit the worst of global warming. The report represents a significant shift away from the focus that had previously been on longer term carbon dioxide reduction. "Cutting methane is the strongest lever we have to slow climate change over the next 25 years and complements necessary efforts to reduce carbon dioxide. The benefits to society, economies, and the environment are numerous and far outweigh the cost. We need international cooperation to urgently reduce methane emissions as much as possible this decade", [said](#) Inger Andersen, Executive Director of UNEP. Methane, a powerful greenhouse gas that is short lived but 86 times more potent than carbon dioxide, also contributes to toxic air pollution, harm to human health, plants and ecosystems.

This week the Intergovernmental Panel on Climate Change reported that the Earth is already feeling irreversible impacts of climate change and warming much faster than predicted. Methane is seen as the low hanging fruit. For \$3.6 billion Questor could install over 5000 - 15000 units to replace associated gas flares and vents currently identified by the World Bank, eliminating not only methane but other harmful pollutants, and reducing GHG emissions 1 Gt CO₂e/year at a cost of less than \$1/t CO₂e. The heat generated from cleanly combusting the methane would be able to produce enough power to meet the energy demand of a third of Europe.

We strongly believe that future opportunities for our company will materialize because of the global focus on environmental and social governance ("ESG") mandates. ESG and climate change are dominant themes and both governments and industry have responded by introducing climate-focused regulations and ESG commitments. Investors have signaled their intent to invest in companies focused on reducing emissions and actively participating in the energy system transition. Questor's clean combustion and waste heat to power technology solutions fall squarely into that category.

While it has been a slow financial start to 2021, our team is ready to seize the opportunities we are starting to see in the marketplace. We have developed strong internal infrastructure that will better allow us to meet the needs of our customers. Global attitudes are changing and we are ready to take advantage of ESG mandates from our customers and governments. We believe our technology, people, assets and operational excellence make Questor the company of choice in this market.

SECOND QUARTER 2021 OVERVIEW

- The Company maintained a strong financial position at June 30, 2021.
 - The Company continues to have an undrawn \$1.0 million revolving demand loan facility and \$5.0 million capital loan facility;
 - Cash reserves of \$15.4 million continue to provide the working capital to thrive during tough market cycles;
 - A strong balance sheet will serve as a foundation to launch into new products and markets as the economy rebounds;
 - Rental equipment capital expansion plans are deferred until there is a sustained economic recovery. This strategy preserves our liquidity while improving capital efficiency; and,

- Continued focus on operating efficiencies to manage cash flow by working with our service providers to further reduce costs.
- Revenue increased \$0.2 million or 15% for the three months ended June 30, 2021 versus the same period in 2020 due to an increase in equipment sales offset by a decline in equipment rental.
- Gross loss was \$0.1 million for the three months ended June 30, 2021 compared to nil for the same period in 2020 largely a result of one-time expenses related to re-locating to a more operationally efficient yard location in Colorado. The Company continues to focus on cost reduction activities that ensure indirect operational resource use is consistent with activity and quality materials are procured at competitive prices.
- Loss of \$0.9 million for the three months ended June 30, 2021 is an improvement of \$0.3 million compared to \$1.2 million loss for the same period in 2020 due to a decrease in administrative expenses resulting from lower headcount, reduced legal costs, and a subsidy received under the Canadian Emergency Rent Subsidy program that was not available in the comparative period of 2020.

OUTLOOK

During the first half of 2021, governmental health restrictions around the world have started lifting; however, the effects from COVID-19 continue to impact the global economy and the Company's operations and financial performance. It is difficult to predict how long these market conditions will continue to negatively impact the business.

The Company notes that oil and gas prices have started to trend upwards in 2021 and the Company is optimistic this will lead to some increase in activity levels in the energy sector over the next year, which is where the Company's revenue has historically been derived. The Company also continues to diversify its business into new markets, expand its waste heat to power offering and build digital capability focused on an emissions platform that will enable credible quantification of emission reductions for its clients, with the end goal of monetizing the emission reduction offsets.

In addition, as the importance of Environmental and Social Governance (ESG) increasingly takes hold across many industries, the Company believes that clean technology demand will continue to increase. The Company is well positioned given its focus on top-tier service, quality and technology to meet its client's emission commitments in the future. As the world continues to move out of these challenging economic times, resilient companies will continue to focus on addressing the commitments they have made to their investors and the public to reduce greenhouse gas emissions. The Company's proven, cost-effective technology solutions will play an instrumental role in enabling these companies to meet their goals and targets.

Canada

The Company continues to see demand for its products in this market both during and subsequent to the quarter, and as more and more companies see the value of ESG, the Company anticipates growth in this market.

The Canadian federal government has established a \$750 million Emission Reduction Fund, with a focus on methane reduction, to create and maintain jobs through pollution reduction efforts. This goes a long way toward indicating the federal government does understand the importance of this industry and the struggles it currently faces. The Company continues to work with potential clients to offer products and services that allow them access to this funding.

United States

The US market has proven difficult over the past year due to the Companies previous customer concentration in the oil and gas market. However, as the energy industry and the economy start to recover, the Company expects to see an increase in future demand and has been positioning both operations and sales and marketing to be ready to capitalize on this growth. Recent opportunities have presented themselves for expansion into new industry segments and to provide more integrated product solutions to help customers achieve their goals with respect to net zero emissions targets and Questor is continuing its focus its future sales activities to incorporate further diversification.

Mexico

The Company anticipates the final commissioning of three facilities in Mexico will be completed in the second half of 2021. The Company continues to be optimistic for further business in this area given the country's aggressive objectives to address energy emissions.

ABOUT QUESTOR TECHNOLOGY INC.

Questor Technology Inc., incorporated in Canada under the Business Companies Act (Alberta), is an environmental clean technology company founded in 1994, with operations across North America. The Company is focused on clean air technologies that safely and cost effectively improve air quality, support energy efficiency and greenhouse gas emission reductions. The Company designs, manufactures and services high efficiency waste gas clean combustion systems that destroy harmful pollutants in any waste gas stream at 99.99 percent efficiency enabling its clients to meet emission regulations, reduce greenhouse gas emissions, address community concerns and improve safety at industrial sites. The Company also has proprietary heat to power generation technology and data solutions to deliver an integrated system that amalgamates all of the emission detection data available and demonstrates how Questor's combustion and power generation technologies can be used to help clients achieve zero emission targets at their sites.

The Company's proprietary combustion technology is utilized in the effective management of Methane, Hydrogen Sulfide gas,

Volatile Organic Hydrocarbons, Hazardous Air Pollutants and BTEX (Benzene, Toluene, Ethylbenzene and Xylene) gases ensuring sustainable development, community acceptance and regulatory compliance. Questor and its subsidiary, ClearPower Systems Inc. have developed proprietary heat to power generation technology and are currently targeting new markets including landfill biogas, syngas, waste engine exhaust, geothermal and solar, cement plant waste heat in addition to a wide variety of oil and gas projects.

QUESTOR TRADES ON THE TSX VENTURE EXCHANGE UNDER THE SYMBOL 'QST'.

Audrey Mascarenhas
President and Chief Executive Officer
Phone: (403) 571-1530
Facsimile: (403) 571-1539
Email: amascarenhas@questortech.com

Ann-Marie Osinski
Chief Financial Officer
Phone: (403) 539-4371
Facsimile: (403) 571-1539
Email: aosinski@questortech.com

Certain information in this news release constitutes forward-looking statements. When used in this news release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company's current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, general economic conditions and other factors set out in the Company's public disclosure documents. Many factors could cause the Company's actual results, performance or achievements to vary from those described in this news release, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release and such forward-looking statements included in, or incorporated by reference in this news release, should not be unduly relied upon. Such statements speak only as of the date of this news release. The Company does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This document is not intended for dissemination or distribution in the United States.