



## Questor Announces Second Quarter Results

**Calgary, Alberta (August 29, 2022)** – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced today its financial and operating results for the second quarter 2022.

Questor’s Unaudited Condensed Consolidated Financial Statements and Management’s Discussion and Analysis for the quarter ended June 30, 2022 are available on the Company’s website at [www.questortech.com/investors](http://www.questortech.com/investors) and through SEDAR at [www.sedar.com](http://www.sedar.com).

*Unless otherwise noted, all financial figures are presented in Canadian dollars, prepared in accordance with International Financial Reporting Standards and are unaudited for the three and six months ended June 30, 2022 and 2021.*

## SECOND QUARTER 2022 FINANCIAL RESULTS

For the	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
<i>(Stated in CDN \$)</i>				
Revenue	<b>2,454,229</b>	1,184,040	<b>5,041,936</b>	2,732,431
Gross profit (loss)	<b>431,796</b>	(127,077)	<b>1,062,705</b>	(91,252)
Loss for the period	<b>(457,911)</b>	(873,214)	<b>(823,530)</b>	(1,759,101)
Loss per share - basic and diluted	<b>\$(0.02)</b>	\$(0.03)	<b>\$(0.03)</b>	\$(0.06)
As at	<b>June 30, 2022</b>		December 31, 2021	
<i>(Stated in CDN \$)</i>				
Working capital <sup>1</sup>	<b>16,202,007</b>		16,274,715	
Total assets	<b>33,334,485</b>		35,047,855	
Total equity	<b>29,906,084</b>		30,482,081	

<sup>1</sup> Working capital is defined as total current assets less total current liabilities.

The Company’s financial performance in the three and six months ended June 30, 2022 has improved significantly compared to 2021. Revenue is \$2.5 million for the three months ended June 30, 2022 and \$5.0 million for the six months ended June 30, 2022, an increase of 107 percent and 85 percent compared to the three and six months ended June 30, 2021 due to an increase in equipment sales and rentals. During the second quarter of 2022, requests for proposals from customers remained strong and the Company closed a further \$0.6 million of equipment sales.

Gross profit increased \$0.6 million for the three months ended June 30, 2022 and increased \$1.2 million for the six months ended June 30, 2022, compared to the same periods in 2021. This increase in gross profit is due to improved sales and margins. This improvement was partially offset by \$0.5 million additional costs being incurred for the waste heat to power project in Mexico during the quarter.

The overall loss for the three and six months ended June 30, 2022 was \$0.5 and \$0.8 million, an improvement of 48 and 53 percent compared to the same period of 2021. The overall loss has reduced significantly period over period even though an additional \$0.5 million was incurred during the quarter on the waste heat to power project in Mexico, as result of strong margins on equipment sales and rentals, and a continued focus on controlling operating and administration expenses.

The Company continues to have a strong financial position at June 30, 2022 including cash and cash equivalents of \$14.6 million and working capital of \$16.2 million. As a result of this strong financial position, the Company cancelled its undrawn \$1.0 million revolving demand loan facility and its \$5.0 million capital loan facilities.

## SECOND QUARTER 2022 HIGHLIGHTS

During the second quarter, the Company has made significant progress towards completing the commissioning of three waste heat to power facilities in Mexico which included running two of the sites at the maximum output the available gas supply would allow. There were some equipment issues encountered by Questor’s partners at the third site. Questor is working with its partners to get the replacement parts ordered and has a detailed plan to redeploy and complete the start up at the three sites, as soon as the additional equipment has been received on site. In order to complete the project, the Company has taken on additional scope to move the project forward and prove the technology. As a result Questor has expensed a further \$0.5 million of costs during the three months ended June 30, 2022 and continues to work with its customer to discuss potential future compensation to recover some of these additional costs.

During the first half of 2022, the Company has continued to progress its strategic research and development activities as follows:

- The Company has completed the procurement of long lead time materials required to build the 1500kw prototype for its waste heat to power project and received the first pre-milestone payment of \$0.8 million from Sustainable Development Technology Canada ("SDTC").
- The Company completed the first phase of its integrated emissions data measurement and reporting platform project being worked on in partnership with the Southern Alberta Institute of Technology ("SAIT") which was largely funded by Alberta Innovates and Western Economic Development. The Company and SAIT are scoping and planning for the next phase of the project which will be partially funded by Western Economic Development. Subsequent to the period end, the Company received \$100,000 of funding from this partnership which will offset certain research and development costs already incurred.
- The Company continues its collaboration with North-East Gas Association ("NYSEARCH") and Stanford University to develop alternative approaches to cleanly combust waste gas.
- The Company has decided not to proceed with the project with the University of Michigan and Southwestern Research Institute at this time.

## PRESIDENT'S MESSAGE

Jurisdictions around the world are enacting regulations and incentives to target methane emissions and as a result Questor has seen increased interest in our ISO 14034 certified clean combustion technology solutions that guarantee 99.99% elimination of methane. Requests for proposals have increased significantly from both international and domestic companies, who are exploring opportunities to use Questor's integrated solutions to reduce greenhouse gas emissions, eliminate flaring and venting and to meet the new regulations focused on methane.

Cutting the amount of methane released into the atmosphere is one of the easiest and most effective ways to fight climate change, according to a U.N. report released last year. Canada recently introduced methane regulations for the upstream oil and gas sector and is contemplating an emissions cap for the industry. The Inflation Reduction Act (IRA; H.R. 5376) recently passed is the most significant investment the U.S. government has made in fighting climate change, putting more than \$369 billion toward projects that will reduce planet-warming emissions. IRA would include supplemental appropriations of \$850 million to the Environmental Protection Agency to provide grants to facilities subject to the methane charge for a range of objectives, including "improving and deploying industrial equipment and processes" that reduce methane emissions. The act also includes supplemental appropriations of \$700 million for "marginal conventional wells" for the same purposes. These funds could support technology adoption at smaller oil and natural gas facilities or sites where the volumes are insufficient to justify infrastructure capital but significant enough to require technology like Questor's to ensure that methane and other hazardous pollutants are destroyed at a guaranteed high efficiency. To address domestic methane emissions, the IRA will impose a fee of "\$900 per metric ton of methane starting in 2024, increasing to \$1,500 per metric ton after two years".

The Environmental Protection Agency (EPA) is set to release new regulations early next year that will define the threshold at which an oil or gas facility is subject to the emissions fee on methane. The facilities that would be subject to the charge include the following industry operations: offshore petroleum and natural gas production; onshore petroleum and natural gas production; onshore natural gas processing; onshore natural gas transmission compression; underground natural gas storage; liquefied natural gas storage; liquefied natural gas import and export equipment; onshore petroleum and natural gas gathering and boosting; and onshore natural gas transmission pipelines. These are all facilities that we have a 25-year track record supporting with our technology.

The pressure from the public, government and investors is expected to result in companies focusing their efforts to reduce emissions and achieve their emissions reduction commitments resulting in increased demand for the Company's cost-effective high efficiency clean combustion systems, waste heat to power and data solutions. Questor's rental fleet can decrease non-routine vented gas emissions at a cost of less than ten cents per tonne. Similarly, the Company's clean combustion combined with its waste heat to power solutions, can reduce emissions at a cost of less than \$10 per tonne. The Company is well positioned to assist its clients to meet their emissions reductions targets today using its proven cost-effective technology solutions.

## FORWARD LOOKING STATEMENTS

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.

## **ABOUT QUESTOR TECHNOLOGY INC.**

Questor Technology Inc., incorporated in Canada under the Business Companies Act (Alberta) is an environmental emissions reduction technology company founded in 1994, with global operations. 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 clean combustion systems that destroy harmful pollutants, including Methane, Hydrogen Sulfide gas, Volatile Organic Hydrocarbons, Hazardous Air Pollutants and BTEX (Benzene, Toluene, Ethylbenzene and Xylene) gases within waste gas streams at 99.99 percent efficiency. This enables 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 is 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. The Company is also doing research and development on data solutions to deliver an integrated system that amalgamates all of the emission detection data available and demonstrates how Questor's clean combustion and power generation technologies can be used to help clients achieve zero emission targets.

The Company's common shares are traded on the TSX Venture Exchange under the symbol "QST". The address of the Company's corporate and registered office is 2240, 140 –4 Avenue S.W. Calgary, Alberta, Canada, T2P 3N3.

## **QUESTOR TRADES ON THE TSX VENTURE EXCHANGE UNDER THE SYMBOL 'QST'**

### **Audrey Mascarenhas**

Chief Executive Officer

Phone: (403) 539-4369

Facsimile: (403) 571-1539

Email: [amascarenhas@questortech.com](mailto:amascarenhas@questortech.com)

### **Ann-Marie Osinski**

Chief Financial Officer

Phone: (403) 539-4371

Facsimile:(403) 571-1539

Email: [aosinski@questortech.com](mailto:aosinski@questortech.com)

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.