



## QUESTOR ANNOUNCES FIRST QUARTER 2021 RESULTS

Calgary, Alberta (May 17, 2021) – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced today its financial and operating results for the first quarter 2021.

### FIRST QUARTER 2021 FINANCIAL RESULTS

*(Stated in Canadian dollars except per share and unit data)*

For the three months ended March 31,	2021	2020	Change
	(\$)	(\$)	(%)
Revenue	<b>1,548,391</b>	4,489,470	(66)
Gross profit	<b>35,825</b>	1,986,946	(98)
Profit for the period	<b>(885,887)</b>	1,265,452	>(100)
Gross profit as a percent of revenue	<b>2%</b>	44%	(95)
Net cash generated (used) by operating activities	<b>(723,697)</b>	1,360,790	>(100)
Earnings per share			
Basic	<b>\$(0.03)</b>	\$0.05	>(100)
Diluted	<b>\$(0.03)</b>	\$0.05	>(100)
As at	March 31, 2021	December 31, 2020	Change
	(\$)	(\$)	(%)
Working capital	<b>18,920,785</b>	19,300,453	(2)
Total assets	<b>36,441,988</b>	38,014,911	(4)
Total equity	<b>33,237,142</b>	33,989,100	(2)
Weighted average number of shares outstanding	<b>27,435,120</b>	27,410,120	

Questor’s Consolidated Financial Statements and Management’s Discussion and Analysis for the three months ended March 31, 2021 are available on the Company’s website at [www.questortech.com](http://www.questortech.com) and through SEDAR at [www.sedar.com](http://www.sedar.com).

## PRESIDENT'S MESSAGE

Questor's 2021 first quarter financial results continue to be impacted by the slowdown in global economic activity as countries wrestle with the third wave of the COVID-19 virus. Our revenue for the quarter decreased to \$1.5 million from \$4.5 million in 2020. Notwithstanding our financial performance, Questor continues to maintain a strong financial position with \$15.7MM in cash accomplished through managing costs and maintaining capital discipline.

Leveraging our strong financial position, we have expanded our sales and engineering teams to solidify our foundation, better connect with our customers and ensure that we are ready to serve a rapidly growing global market focused on eliminating methane emissions and improving energy efficiency. The global focus on reducing climate change emissions and the recent recovery in oil and natural gas prices are expected to lead to improved cash flows for our customers and we are confident this will result in improved financial performance in the second half of 2021.

A landmark United Nations report published on the 6<sup>th</sup> 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.

Questor's ISO 14034 verified 99.99% clean combustion units are a proven readily available cost-effective technology solution to tackle methane emissions and guarantee that zero methane is emitted into the atmosphere. We have demonstrated our ability to cost effectively eliminate methane emissions along the entire value chain in the oil and gas industry with a 25-year track record. Questor's technology has also been deployed in other industrial sectors to eliminate methane emissions such as landfills, biomass and waste management.

Questor was recently attributed the "Solar Impulse Efficient Solution" Label as one of the #1000 positive impact, clean and profitable Solutions to Change the World by Bertrand Piccard and the Solar Pulse Foundation. To receive the "Solar Impulse Efficient Solution" Label, Questor was thoroughly assessed by a pool of independent experts according to 5 criteria covering the three main topics of Feasibility, Environmental and Profitability. All labelled solutions are part of the #1000solutions portfolio that is being presented to decision-makers in business and government by Bertrand Piccard, Chairman of the Solar Impulse Foundation. The aim of this initiative is to encourage the adoption of more ambitious environmental targets and fast-track the implementation of these solutions on a large scale. The Label is the only evaluation available today that certifies the economic profitability of products and processes that protect the environment in the fields of water, energy, mobility, infrastructure, industry and agriculture. The Solar Pulse Label holistic approach aims at bridging environment, social and economic dimensions of sustainability. This process is based on charters drafted in accordance with the United Nations Global Compact and its principals and is audited by an external party (EY) in accordance with ISAE 3000.

The opportunity for Questor in 2021 is the strong global focus on environmental, social and governance ("ESG") mandates. ESG and climate change are dominant themes and governments across the globe have responded by introducing more climate focused regulations particularly in regard to methane. The Biden administration, in the United States, has a strong mandate to secure environmental justice and equitable economic opportunity for all, and many companies have made commitments to net zero by the end of the decade. 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.

On February 1, 2021, Questor announced strategic initiatives that will better position the company to capitalize on the rapidly changing ESG landscape and the global focus on the impact of methane emissions.

We continue to build our digital capability by developing an emissions platform that will eventually enable us to credibly quantify emission reductions for our clients. Our 2021 and 2022 strategic priorities continue to be growing our clean combustion business to eliminate methane emissions, data as a service, customer diversification, industry expansion and the growth of our waste heat to power product offering.

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

## FIRST QUARTER 2021 OVERVIEW

- The worldwide pandemic and resulting negative economic impact continued to affect the Company's financial results this quarter.
  
- The Company maintained a strong financial position at March 31, 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 \$15.7 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;
  - 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 decreased \$2.9 million for the three months ended March 31, 2021 versus the same period in 2020:
  - Equipment sales decreased from \$2.0 million in 2020 to \$0.9 million in 2021;
  - Revenue from equipment rentals decreased from \$2.2 million in 2020 to \$0.5 million in 2021;
  - Equipment service revenue decreased from \$0.3 million in 2020 to \$0.2 million in 2021.
  
- Gross profit decreased \$2.0 million for the three months ended March 31, 2021 versus the same period in 2020:
  - The Company continued its mitigation strategy, revolving around:
    - Managing operations infrastructure ensuring indirect operational resources are consistent with activity; and,
    - Commitment to supply chain management focused on procuring quality materials at competitive prices.
  
- Administrative expenses during the three months ended March 31, 2021 decreased \$0.1 million compared to the same period in 2020. The decrease is attributable to lower headcount, reduction in travel and funding from the Canadian Emergency Wage Subsidy ("CEWS").

## OUTLOOK

During the first quarter of 2021, many governmental health restrictions on economies around the world have started to lessen. This has been especially true in the United States. However, in recent weeks certain areas have seen a renewed level of economic restrictions as the pandemic's third wave takes hold in markets such as Canada and India. The ongoing economic uncertainty both nationally and globally has had, and will likely continue to have, a material adverse effect on our business, operations and financial results.

Higher commodity prices which began in the fourth quarter of 2020 have continued into 2021 with prices reaching a level not seen since 2018. Currently WTI prices are over US \$60/bbl. suggesting that North American energy producers have significantly improved economics. The recovery in commodity prices, combined with significant overall industry cost reductions has led to improved cash flows for some of our customers. Based upon this information, the Company expects revenues to increase during the second half of 2021.

Environmental and social governance (ESG) is a set of standards for how companies operate in relation to the planet and its people. ESG is becoming a critical criterion for socially conscious investors to screen potential investments. Environmental principles examine how a company performs as a steward of the planet. The Company's products are focused to provide solutions to existing and potential clients that address environmental stewardship by reducing emissions. The ESG movement is putting pressure on companies and is also driving availability of capital and funding. ESG is an integral part of the Company's business strategies.

The Company believes that this focus on ESG matters combined with an improved economic outlook and a stronger oil and natural gas commodity price environment will result in improved performance in the second half of 2021 and beyond.

## ABOUT QUESTOR TECHNOLOGY INC.

Headquartered in Calgary, Alberta, with operations across North America, the Company provides three specialized clean technology solutions to its customers. The first product line is Q-Series, which consists of incineration optimized based upon waste gas composition and flow rate to achieve a combustion efficiency of greater than 99.99 percent. The second product line is Q-Power, which is the Company's power generation solution designed to efficiently transform otherwise wasted high and low temperature heat into valuable electricity power. The third solution is Q-Insights, which is the first highly affordable, cloud-based product to provide continuous and real-time emissions data monitoring and analysis. All of these solutions enable our clients to meet emission regulations, address community concerns and improve safety at industrial sites.

There are several methods for handling waste gases at industrial facilities, the most common being combustion. Flaring and incineration are two methods of combustion accepted by many government regulators. Historically, the most common type of combustion has been flaring which is the igniting of natural gas at the end of a long metal tube or flare stack. This action causes the characteristic flame associated with flaring.

Q-Series collects waste gas through its patented natural flow design. This design has no fans, blowers, or moving parts and is capable of accepting multiple gas streams to ensure lower maintenance and higher efficiency. Incineration is the mixing and combusting of waste gas streams, air, and fuel in an enclosed chamber which are mixed at a controlled rate and ignited so that no flame is visible when operating properly. A correctly designed and operated incinerator can yield higher combustion efficiencies through proper mixing, gas composition, retention time, and combustion temperature. Combustion efficiency, generally expressed as a percentage, is represented by the amount of methane converted to carbon dioxide, or hydrogen sulfide converted to sulfur dioxide. The more converted, the better the efficiency. The incinerators vary in size, ranging from 20 mcf/d to 5,000 mcf/d, to accommodate small to large amounts of gas handling. The incinerators also vary in automation and instrumentation depending on the client's requirements.

The Company has three primary incinerator related revenue streams: sales, rentals and services. Incinerator services include hauling, commissioning, repairs, maintenance and decommissioning. The Company's current key incineration markets are Colorado, North Dakota, Mexico, Pennsylvania, Texas, Alberta and North East BC. Over 90 percent of the Company's incinerator rental fleet is in Colorado or North Dakota where regulation supports demand for its proprietary high efficiency waste gas incineration systems.

Q-Power is based on Organic Rankine Cycle ("ORC") technology utilizing an axial turbine expander coupled to a synchronous generator via a gearbox and have an evaporator, condenser, economizer-heat exchanger, centrifugal refrigerant pump, and Programmable Logic Controller ("PLC"). The Q-Power organization is supported from our Brooksville, Florida field location. The Company is focusing on gaining market share, educating our customers around our solutions for combating emissions, diversifying our business to lessen our dependence on oil and gas customers and expanding our Q-Power systems offerings. The Company's Q-Power products have been installed at petroleum and manufacturing client sites; however, the solutions can be used in many other industries to process all types of waste gas including agriculture, rail car loading, mining, water treatment, landfill biogas, syngas, waste engine exhaust, geothermal and solar, cement plant waste heat and more.

Q-Insights via our product line called Gas Emissions Methane Monitoring and Analysis ("GEMMA"), provides monitoring and emissions tracking continuously and in real-time for distributed waste gas systems of various types. This helps small and mid-sized waste gas producers more effectively monetize pollution reduction activities through carbon offsets and trading, as well as reducing equipment issues and maintenance costs. The Company is focused on completing the development of GEMMA during 2021.

The Company services its customers from field locations in Brighton and Fort Lupton, Colorado; Watford City, North Dakota, Grande Prairie, Alberta, and Brooksville, Florida. The infrastructure at the field locations consists of field and maintenance technicians and technical sales staff. The facilities generally include, office space, maintenance shop and storage yard. Personnel based out of Company's head office in Calgary, Alberta include Officers of the Corporation, management, engineering, technical sales, accounting and administration.

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

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