



## QUESTOR ANNOUNCES DECEMBER 31, 2021 RESULTS

**Calgary, Alberta (April 13, 2022)** – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced today its financial and operating results for the fourth quarter and year ended December 31, 2021.

Questor’s Consolidated Audited Financial Statements and Management’s Discussion and Analysis for the year ended December 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).

*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 months ended December 31, 2021.*

### 2021 FINANCIAL RESULTS

For the	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020	2021	2020
Revenue	<b>1,126,850</b>	2,623,673	<b>5,503,595</b>	9,210,718
Gross profit (loss)	<b>(946,255)</b>	297,542	<b>(999,209)</b>	1,805,410
Loss	<b>(1,775,540)</b>	(885,949)	<b>(3,988,385)</b>	(1,829,876)
Loss per share – basic and diluted	<b>\$(0.06)</b>	\$(0.03)	<b>\$(0.15)</b>	\$(0.07)

  

As at	December 31,	December 31,
	2021	2020
Working capital <sup>1</sup>	<b>16,274,715</b>	19,300,453
Total assets	<b>35,047,855</b>	38,014,911
Total equity	<b>30,482,081</b>	33,989,100

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

- The Company maintained a strong financial position at December 31, 2021 including cash and cash equivalents of \$14.7 million, working capital of \$16.3 million, an undrawn \$1.0 million revolving demand loan facility and \$5.0 million capital loan facility.
- The Company’s financial performance in 2021 continued to be impacted by the effects of COVID-19 on the global economy which included limited capital spending by its customers during 2021, even though oil and gas prices increased in the period. The Company notes cautious increases in capital spending activity for 2022 by its customers, resulting in more requests for proposals in the last quarter of 2021 and the closing of two tall stack incinerator sales to be delivered in the first half of 2022 for \$3.9 million.
- Revenue for the year ended December 31, 2021, decreased \$3.7 million compared to 2020. Revenue was \$4.5 million in the first quarter of 2020 compared to \$1.5 million in 2021, because it had not yet been impacted by the slow down in spending caused by COVID-19, whereas the entire year of 2021 was impacted.
- Loss for the year ended December 31, 2021, was \$4.0 million compared to a loss of \$1.8 million in 2020. The increase in the loss of \$2.2 million is a result of \$3.7 million lower revenue, \$1.2 million of costs related specifically to progressing the commissioning of three waste heat to power facilities in Mexico, higher research and development expenses of \$0.3 million, and \$0.3 million of bad debt provision taken against potentially uncollectible trade receivables. These costs were offset partially by the Company’s efforts to streamline operations and reduce costs during the year and an increase in deferred tax assets which can be used to offset future taxes payable.

## 2021 HIGHLIGHTS

- The Company made progress towards completing the commissioning of the waste heat to power facilities in Mexico during 2021. Subsequent to year end, the remaining equipment and resources required to complete the project have been secured and the Company is in the process of transporting them to the site. The letters of credit supporting the outstanding trade receivables of \$0.9 million on this project have been extended until May 31, 2022.
- The Company has continued to progress its 2021 strategic initiatives by adding strength to the engineering team, restructuring its sales and operational teams and furthering its research and development activities. These efforts will allow the Company to diversify its products and services and provide clean, cost-effective solutions to support its customers to reduce greenhouse gas emissions ("GHG") to achieve their net zero emissions targets in both existing and new markets. The following outlines the significant progress the Company has made in respect of its research and development projects in 2021:
  - The Company signed an agreement with Sustainable Development Technology Canada ("SDTC") to receive up to \$4.5 million of funding to expedite the development of the Company's CPS 50-1500 kW modular, reliable, high efficiency Waste Heat to Power generation systems ("ORCs"). Funding will be received throughout the project as specific conditions and milestones set out in the agreement are met by the Company. During 2021, the technical design of the 1500kW turboexpander was completed and the Company initiated purchase orders to procure all of the long lead materials required to build the 1500kW prototype. The Company expects to have the prototype completed and installed at the test site before the end of 2022. Subsequent to the year end, the Company received its first pre-milestone payment from SDTC in the amount of \$0.75 million.
  - Subsequent to December 31, 2021, 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"). The project resulted in tracking of transparent, immutable and verifiable real-time methane emissions data and the generation and sale of carbon credits. The project costs were largely funded by Alberta Innovates and Western Economic Development.
  - 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's contribution to the project is funded by NYSEARCH. This project is focused on the development of a prototype methane oxidation catalyst system designed to eliminate methane slip from waste gas streams. The device would be the first of its kind and has the potential to be applied across many industries.
  - The Company has been selected to receive funding through the US Department of Energy's Advanced Research Projects Agency Energy "Reducing Emissions of Methane Every Day of the Year" program ("ARPA-E's REMEDY"), in collaboration with University of Michigan and Southwestern Research Institute to develop advanced combustion systems that complements the Company's efforts to reduce methane emissions. The Company's financial contribution to the project is expected to be USD\$ 0.1 million over a three year period.

## MARKET OUTLOOK

The global focus on methane emissions reductions continues to increase as noted in the 2021 discussions at the COP26 climate summit in Glasgow, Scotland. More than 100 countries, including Canada, signed up to the Global Methane Pledge which aims to slash global methane emissions by nearly 30 percent below 2020 levels by 2030. On March 29<sup>th</sup>, 2022, the Canadian government announced the 2030 Emissions Reduction Plan that includes \$9.1 billion in new investments to cut pollution and grow the economy. The plan will cap oil and gas sector emissions to achieve net-zero emissions by 2050 and reduce oil and gas methane emissions by at least 75 percent by 2030. The US Environmental Protection Agency (EPA) has recently issued new rules specific to methane reduction and countries around the world are doing the same. Many are contemplating a ban on flaring and venting which is creating an opportunity for Questor. These types of government pledges are gaining traction around the globe and are translating into customers reaching out to Questor to understand how its products can assist them to meet the regulatory requirements and the requirements from investors to reduce emissions.

Significant volumes of methane are vented globally from maintenance operations, equipment failures and lack of gas pipelines. The World Bank estimates that over 14.5 billion standard cubic feet (scf) of associated gas is flared and vented every day around the world. The Company is able to effectively support clients in their maintenance operations with its

rental fleet of enclosed clean combustors. Venting 5MM scf per day of methane releases 2,600 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) per day. By cleanly combusting this gas with a Questor unit instead, emissions are reduced by 90 percent to 260 tCO<sub>2</sub>e per day at a cost of less than \$0.50 per tCO<sub>2</sub>e. This demonstrates the cost effective manner in which Questor's clean combustion technology eliminates methane before its emitted into the atmosphere. Conceptually, an investment of \$3.6 billion targeted at reducing the methane emitted from flaring and venting, would reduce global greenhouse gas emissions 2.6 MMt per day or 1 GT per year.

The Company is globally recognized as a market leader in clean combustion with its ISO 14034 certified proprietary equipment and is well positioned to meet any increases in global demand with its proven cost-effective technology solutions. However, the effects from COVID-19 continue to impact the global economy and Questor in that customers are still cautious with their 2022 capital spending budgets. In addition, supply chain issues are causing longer lead times for the Company to manufacture and deliver on its projects. The war between Russia and the Ukraine may also have a further impact on global economic recovery in 2022. It is difficult to predict how long these market conditions will continue to negatively impact the financial performance of the Company.

However, the Company notes some signs of market recovery for its customers during the second half of 2021 including the re-commencement of work previously put on hold and the sale of two tall stack incinerators for \$3.9 million to be delivered in 2022. The Company is optimistic that as methane emission intensive industries continue to recover from the pandemic and economic activity increases, combined with both government and investor pressure to reduce methane, these companies will refocus their efforts on the achievement of their emissions reduction commitments which is expected to result in increased demand for the Company's cost-effective high efficiency clean combustion systems, waste heat to power and data 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'**

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