



## QUESTOR ANNOUNCES DECEMBER 31, 2022 RESULTS

**Calgary, Alberta (April 13, 2023)** – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced its financial and operating results for the fourth quarter and year ended December 31, 2022.

Questor’s audited Consolidated Financial Statements and Management’s Discussion and Analysis for the year ended December 31, 2022 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, 2022.*

### FOURTH QUARTER AND 2022 CONSOLIDATED FINANCIAL RESULTS

For the	Three months ended December 31,		Twelve months ended December 31,	
	2022	2021	2022	2021
<i>(Stated in CDN \$)</i>				
Revenue	<b>1,664,962</b>	1,126,850	<b>8,380,827</b>	5,503,595
Gross profit (loss)	<b>486,695</b>	(946,255)	<b>2,033,774</b>	(999,209)
Loss for the period	<b>(890,370)</b>	(1,775,540)	<b>(1,726,212)</b>	(3,988,385)
Loss per share - basic and diluted	<b>(0.03)</b>	(0.06)	<b>(0.06)</b>	(0.15)

  

As at	December 31, 2022	December 31, 2021
<i>(Stated in CDN \$)</i>		
Working capital <sup>1</sup>	<b>15,005,682</b>	16,274,715
Total assets	<b>33,872,553</b>	35,047,855
Total equity	<b>29,194,788</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 twelve months ended December 31, 2022 has improved compared to 2021. Revenue for the three and twelve months ended December 31, 2022 was \$1.7 million and \$8.4 million versus \$1.1 million and \$5.5 million for the same periods in 2021. This is an increase of 55 percent and 53 percent compared to the three and twelve months ended December 31, 2021. The improvement results from increased sales activity, particularly in Canada where demand for tall stack units in the Montney region is high due to the ability of the Company’s equipment to eliminate toxic sour gas in addition to the elimination of methane emissions.

Gross profit (loss) increased \$1.4 million and \$3.0 million for the three and twelve months ended December 31, 2022 compared to the same periods in 2021. These increases in gross profit are due to improved equipment sales and rentals and associated margins as well as the Company’s continued focus on cost control. The improvement in gross margin was partially offset by \$0.6 million additional commissioning costs incurred for the waste heat to power project in Mexico during the year with no associated revenue.

Loss decreased \$0.9 million and \$2.3 million for the three and twelve months ended December 31, 2022 compared to the same periods in 2021. The reduction in loss for the year was partially offset by an allowance for doubtful accounts of \$1.0 million related to the Company’s long outstanding receivable on the Mexico project as the letters of credit securing the receivable have expired. The Company is working on a solution to the issue the customer has with lack of sufficient heat to run the power generation equipment and finish commissioning. The Company is also working with this customer to re-establish the letters of credit.

The Company maintained a strong financial position at December 31, 2022 including cash and cash equivalents of \$8.9 million, short-term investments of \$6.3 million and working capital of \$15.0 million.

### 2022 HIGHLIGHTS AND SUBSEQUENT EVENTS

Late in the fourth quarter of 2022, the Company issued press releases announcing it had received purchase orders totaling \$2.3 million for three tall-stack clean combustion units to be completed in 2023. Subsequent to the year end, a further \$0.3 million of committed purchase orders for equipment have been received.

During the year, the Company continued its research and development on its waste heat to power project and in the fourth quarter 2022 started receiving materials to assemble the prototype for its 1500kw unit.

In prior years, the Company filed a claim against three former employees and their company, Emission Rx. The three former employees resigned from the Company over a period of two months, in 2018. After the former employees resigned, the Company learned that the former employees had incorporated Emission Rx on November 14, 2017, several months prior to their departures, and had developed a low-pressure burner technology which they then marketed and sold through Emission Rx. The Company sought injunctive relief to prevent Emission Rx competing in the market against the Company and infringing the Company's intellectual property. The Company asserts ownership of Emission Rx's LP Burner Technology. The court declined to issue the injunction in 2019, however ordered the defendants to deliver all remaining confidential information belonging to the Company. The court's decision included the statement that the Company has demonstrated that it has a prima facie case with respect to its claim that the defendants breached their fiduciary duties and contractual duties of confidentiality. The Company applied to the court to order additional disclosure of evidence from the Defendants, which the court granted in September 2022. The Defendants have since provided further disclosure and have purported to correct evidence previously given in court. The Company is applying to the court for a finding of contempt against the Defendants.

## PRESIDENT'S MESSAGE

The regulatory environment in North America and globally continues to develop favorably for the Company's products as regulators, investors and the public put pressure on industry to reduce flaring and venting in order to reduce methane and other harmful emissions from their operations. The Company's existing rental fleet of clean combustion units and our strong reputation for providing reliable, high performing proprietary equipment for sale across the entire value chain, positions Questor to capitalize on the rapidly growing emissions reduction market.

The U.N. Intergovernmental Panel on Climate Change (IPCC) report stated that the world is likely to surpass the goal of limiting warming to 1.5 degrees Celsius above preindustrial temperatures by the early 2030s. According to the report the world is on the brink of catastrophic warming and methane emissions must fall for the world to hit this temperature target. There is global recognition that cutting methane emissions to the atmosphere is the fastest way to reduce near term warming and is necessary to keep a 1.5°C temperature limit within reach. Climate scientists have turned their focus on methane as "carbon dioxide on steroids," because it is short-lived but a highly intensive climate pollutant that possesses more than 80 times the warming power of carbon dioxide during its first two decades in the atmosphere. The World Meteorological Organization Provisional State of the Global Climate 2022 reported that methane levels in the atmosphere are continuing to climb to new highs, reaching 262 percent of pre-industrial levels. As a result, more than 130 countries have signed the Global Methane Pledge to reduce global methane emissions by 30 percent below 2020 levels by 2030.

A report in November of 2022 by the Global Energy Monitor shows that just 30 oil and gas companies are responsible for 43 percent of the energy sector's global methane emissions. Some of the identified companies are large international public companies who are facing increased pressure from their investors and regulators to have a plan to reduce their methane emissions and who have committed to cut fugitive emissions of methane, a potent greenhouse gas, to near zero by 2030. Various methane detection technologies are forcing companies to act as they highlight how large the problem is and where it is occurring. The Associated Press had reported that 533 oil and gas facilities were emitting excessive amount of methane in the Permian and the Environmental Protection Agency ("EPA") responded by flying a helicopter equipped with a special infrared camera that can detect emissions of hydrocarbon vapors that are invisible to the naked eye and is taking action where it determine there are Clean Air Act violations. This action includes both large fines and a requirement to eliminate the emission sources.

Many major countries including Canada and the United States ("U.S.") have unveiled significant funding and regulatory overhauls with an aim to reduce global methane emissions. Recent U.S. policy addresses methane emissions from the fossil fuel industry, including a significant new fee imposed on methane leaks, enacted as part of the Inflation Reduction Act. 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. The IRA includes supplemental appropriations of \$850 million to the Environmental Protection Agency and \$700 million for "marginal conventional wells" 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. 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. The IRA will also impose a fee of "\$900 per metric ton of methane starting in 2024, increasing to \$1,500 per metric ton after two years".

Other countries such as Ecuador and Nigeria are looking at eliminating the oil and gas industry's long permitted practice of gas flaring which is providing significant opportunity for Questor. Many of the flares in these countries are far away from infrastructure and require practical cost-effective solutions such as Questor's clean combustion technology which is an enclosed unit and can be paired with the Company's waste heat to power to efficiently utilize the heat from the unit. In fact, the oil and gas regulator in Nigeria has granted approval to conduct a pilot to use Questor's equipment to demonstrate the opportunity to eliminate flaring onshore.

Satellite, helicopter and airplane flyovers with methane detection equipment is illustrating how significant the methane emissions are in the oil and gas industry from routine and non-routine flaring. For example, in the US our rental fleet is being used to support pipeline companies during their maintenance and repair activity. Combusting this vented gas efficiently with Questor's clean combustion equipment has reduced greenhouse gas emissions by over 90% at a cost of less than \$1/tonne of CO<sub>2</sub>e. This gas is sometimes flared but research has shown that flares are not as efficient as they were thought to be. A recent investigation in the Permian by the Environmental Defense Fund has found that 11% of the flares they reviewed were malfunctioning with 5% of them unlit, venting all the methane sent to them.

The Company's ISO 14034 verified 99.99% efficient, clean, enclosed, combustion technology, is being considered widely as a way to reduce methane emissions from the oil and gas industry including both offshore and onshore petroleum and oil and natural gas production; oil and natural gas processing; 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.

Requests for proposals for our clean combustion solutions have increased significantly during 2022 and into 2023, from both international and domestic companies, who are exploring opportunities to use Questor's integrated solutions to reduce greenhouse gas emissions, which include the elimination of flaring and venting to meet the new regulations focused on methane. The continued pressure from the public, regulators and investors is expected to result in companies focusing their efforts to reduce emissions resulting in increased demand for solutions that the Company's cost-effective, high efficiency, clean combustion systems, waste heat to power and data offerings can immediately provide. To respond to the opportunities presented by this rapidly growing emissions reduction market, the Company is increasing its operations and sales capability to service opportunities both in North America and the international market.

## 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

Email: amascarenhas@questortech.com

### **Ann-Marie Osinski**

Chief Financial Officer

Phone: (403) 539-4371

Email: 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.