

**Quantafuel AS**

(NOTC: QFUEL)

*is a Norwegian technology based energy company  
converting under-utilised hydrocarbon resources  
into high-quality fuel products.*

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## Audited Financial Numbers 2018 and

## Revised First Quarter 2019

Financial statement and review

for Quantafuel AS



## Summary of changes

The Company has concluded the audit for the 2018 Annual report, please find the full report available on the Company`s web page .

The Company reported a preliminary net loss for 2018 of kNOK 139,844 (kUSD 16,389) and for Q1 2019 loss of kNOK 56,824 (kUSD 6,624), accumulated loss for the periods kNOK 196,668 (kUSD 23,013).

The audited number for 2018 is loss of kNOK 182,056 (kUSD 21,336) and revised for Q1 2019 loss of kNOK 12,395 (kUSD 2,261), and together kNOK 194,451 (kUSD 23,597) .

The main change for 2018 is the additional cost increase for the Skive project disclosed and reported of kNOK 44,429 (kUSD 5,179) in the Q1 2019 report, which is now included and reported as part of the 2018 account. As the cost increase represent an update of the cost estimate as originally given at the end of the year (Q4 report), this is included in accordance with IAS 10 Events after the reporting period. (Events that occur after the closing, but before the authorisation of issue of the account)

The Q1 report net result is consequently improved with same amount , and the reported total cost for the project remains as reported.

The net improvement in the result for the periods (2018 & Q1 2019), kNOK 2,217 is mainly net grant from "Skattefunn" related to 2018 but approved in 2019.

Not altering the net result for the Company for the periods, the allocation of the internal revenue for Company is also adjusted based on the correction of the progress in accordance with the "Stage of completion" principle. See also under Accounting principle in the 2018 Annual report for more information.

Please note that the balance allocation in the Audited Report vary from the attached Balance Sheet (made for the comparison with previous reported balance for 2018 and Q1 2019).

The audited numbers are denominated in NOK only. USD for comparison.

For the consolidated Group result , please see the 2018 Annual report.

## Financial statements

Quantafuel Statement of Operations	Full year 2018 (kNOK)	Full year 2018 (kNOK)	Q1 2019 (kNOK)	Q1 2019 (kNOK)
	Audited	Preliminary Q4 2018	Revised	Reported Q1 2019
Revenues	31,011	82,881	19 266	
Other income	121	221	473	473
<b>Total revenues and other income</b>	<b>31,132</b>	<b>83,102</b>	<b>19 739</b>	<b>473</b>
Cost of sales	-167,599	-175,140	-19 266	-44,429
Payroll expenses	-20,885	-21,506	-2,473	-2,473
Other operating expenses	-11,433	-13,484	-2,833	-2,833
Depreciation	-540	-86	-26	-26
<b>Total operating expenses</b>	<b>-200,457</b>	<b>-210,215</b>	<b>-24 598</b>	<b>-49,761</b>
<b>Operating profit (/loss)</b>	<b>-169,325</b>	<b>-127,113</b>	<b>-4,859</b>	<b>-49,288</b>
Net financial items	-12,731	-12,731	-7,536	-7,536
Income from subsidiaries and other group entities	0	0	0	0
<b>Net financial gain (/loss)</b>	<b>-12,731</b>	<b>-12,731</b>	<b>-7,536</b>	<b>-7,536</b>
<b>Profit (/loss) before taxes</b>	<b>-182,056</b>	<b>-139,844</b>	<b>-12,395</b>	<b>-56,824</b>
Tax on ordinary result	0	0	0	0
<b>Net profit (/loss)</b>	<b>-182,056</b>	<b>-139,844</b>	<b>-12,395</b>	<b>-56,824</b>
<b>Change net result</b>	<b>-42,212</b>		<b>44,429</b>	

<b>Quantafuel Balance sheet</b>	<b>31.12.2018</b> (kNOK)	<b>31.12.2018</b> (kNOK)	<b>31.03.2019</b> (kNOK)	<b>31.03.2019</b> (kNOK)
	Audited	Preliminary Q4 2018	Revised	Reported Q1 2019
<b>Assets</b>				
Property, plant and equipment	309	309	315	315
Investment in Associates	17,155	17,155	17,155	17,155
Intangible assets	9,019	9,473	12,178	12,632
Other non-current assets	0	0	0	0
<b>Total non-current assets</b>	<b>26,483</b>	<b>26,937</b>	<b>29,648</b>	<b>30,102</b>
Accounts receivables				
Other receivables	536	536	245	245
Other current assets	1,343	1,343	3,105	3,105
Cash and cash equivalents	70,601	70,601	156,525	156,525
<b>Total current assets</b>	<b>72,480</b>	<b>72,480</b>	<b>159,875</b>	<b>159,875</b>
<b>Total assets</b>	<b>98,963</b>	<b>99,417</b>	<b>189,523</b>	<b>189,977</b>
<b>Equity and Liabilities</b>				
Shareholders' equity	235,441	235,441	384,883	384,883
Retained earnings	-250,820	-208,609	-263,215	-265,433
Non-controlling interests				
<b>Total equity</b>	<b>-15,379</b>	<b>26,832</b>	<b>121,668</b>	<b>119,450</b>
Accounts payable	15,044	15,044	28,075	28,075
Trace, other payables and provisions	-498	-498	-1,834	-1,834
Finance debt	26,065	26,065	25,791	25,791
Other current liabilities	73,731	31,974	15,823	18,495
<b>Total current liabilities</b>	<b>114,342</b>	<b>72,585</b>	<b>67,855</b>	<b>70,527</b>
<b>Total equity and liabilities</b>	<b>98,963</b>	<b>99,417</b>	<b>189,523</b>	<b>189,977</b>

## Forward looking statement

This report contains certain forward-looking statements that involve risks and uncertainties. In some cases, we use words such as "ambition", "continue", "could", "estimate", "expect", "believe", "focus", "likely", "may", "outlook", "plan", "strategy", "will", "guidance" and similar expressions to identify forward-looking statements. All statements other than statements of historical fact, including, among others, statements regarding plans and expectations with respect to Quantafuel's development and returns, balance sheet and long-term underlying earnings growth; market outlook and future economic projections and assumptions; capital expenditure guidance; production guidance; development and construction activities; projected unit of production cost; accounting decisions and policy judgments, ability to put new plants into profitable production, and the impact thereof; expected dividend payments; estimated provisions and liabilities; implementation of IFRS, and the impact thereof; planned acquisitions and investments; and the projected impact or timing of administrative or governmental rules, standards, decisions or laws, including with respect to and future impact of legal proceedings are forward-looking statements.

You should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including levels of industry product supply, demand and pricing; price and availability of alternative fuels; currency exchange rate and interest rate fluctuations; the political and economic policies of operating countries; general economic conditions; political and social stability and economic growth in relevant areas of the world; global political events and actions; economic sanctions, security breaches; changes or uncertainty in or non-compliance with laws and governmental regulations; the timing of bringing new plants on stream; an inability to exploit growth or investment opportunities; material differences from reserves estimates; an inability to find and develop new plants; ineffectiveness of crisis management systems; adverse changes in tax regimes; the development and use of new technology; geological or technical difficulties; operational problems; operator error; inadequate insurance coverage; the lack of necessary transportation infrastructure when a field is in a remote location and other transportation problems; the actions of competitors; the actions of partners; the actions of governments; counterparty defaults; natural disasters and adverse weather conditions, climate change, and other changes to business conditions; an inability to attract and retain personnel; relevant governmental approvals; industrial actions by workers and other factors discussed elsewhere in this report.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, we undertake no obligation to update any of these statements after the date of this report, whether to make them either conform to actual results or changes in our expectations or otherwise.



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