Admission Document

Quantafuel AS

(A private limited liability company incorporated under the laws of Norway)

Admission to trading of ordinary shares at Merkur Market

This admission document (the "**Admission Document**") has been prepared by Quantafuel AS (the "**Company**" or "**Quantafuel**", and together with its subsidiaries, the "**Group**") solely for use in connection with the admission to trading of the Company's 11,167,467 shares, each with a par value of NOK 0.01 (the "**Shares**") on Merkur Market (the "**Admission to Trading**").

The Company's Shares have been admitted for trading on the Merkur Market, and it is expected that the Shares will start trading on 20 February 2020 under the ticker symbol "QFUEL-ME".

The Merkur Market is a multilateral trading facility operated by Oslo Børs ASA. The Merkur Market is subject to the rules in the Securities Trading Act and the Securities Trading Regulations that apply to such marketplaces. These rules apply to companies admitted to trading on the Merkur Market, as do the marketplace's own rules, which are less comprehensive than the rules and regulations that apply to companies listed on the Oslo Stock Exchange and Oslo Axess. The Merkur Market is not a regulated market and is therefore not subject to the Stock Exchange Act or to the Stock Exchange Regulations. Investors should take this into account when making investment decisions.

THIS ADMISSION DOCUMENT SERVES AS AN ADMISSION DOCUMENT ONLY, AS REQUIRED BY THE MERKUR MARKET ADMISSION RULES. THIS ADMISSION DOCUMENT DOES NOT CONSTITUE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.

No shares or other securities are being offered or sold in any jurisdiction pursuant to this Admission Document. Investing in the Shares involves a high degree of risk. See section 1 "Risk factors".

Merkur Advisor

SpareBank 1 Market AS

17 February 2020

Important Notice

This Admission Document has been prepared solely by the Company, only to provide information about the Group and its business and in relation to the admission to trading on the Merkur Market. This Admission Document has been prepared solely in the English language.

For definitions of terms used throughout this Admission Document, see Section 13 "*Definitions and Glossary of Terms*".

The Company has furnished the information in this Admission Document. This Admission Document has been prepared to comply with the Merkur Market Admission Rules. The Oslo Stock Exchange has reviewed and approved this Admission Document in accordance with the Merkur Market Admission Rules. The Oslo Stock Exchange has not controlled or approved the accuracy or completeness of the information included in this Admission Document, but has from the Merkur Advisor received a confirmation of the Admission Document having been controlled by the Merkur Advisor. The approval by the Oslo Stock Exchange only relates to the information included in accordance with pre-defined disclosure requirements. The Oslo Stock Exchange has not made any form of control or approval relating to corporate matters described, or referred to, in this Admission Document.

All inquiries relating to this Admission Document should be directed to the Company or the Merkur Advisor. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Merkur Advisor in connection with the Admission to Trading, if given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Merkur Advisor.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company or its subsidiaries subsequent to the date of this Admission Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Admission Document and before the Admission to Trading will be published and announced promptly in accordance with the Merkur Market regulations. Neither the delivery of this Admission Document nor the completion of the Admission to Trading at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Group's affairs since the date hereof or that the information set forth in this Admission Document is correct as of any time since its date.

The contents of this Admission Document shall not be construed as legal, business or tax advice. Each reader of this Admission Document should consult its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Admission Document, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

The distribution of this Admission Document may in certain jurisdictions be restricted by law. Persons in possession of this Admission Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by The Company that would permit the possession or distribution of this Admission Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Admission Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (*Nw.: Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Admission Document.

Investing in the Company's Shares involves risks. See Section 1 "Risk Factors" of this Admission Document.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a private limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Group's senior management (the "**Management**") are not residents of the United States of America (the "**United States**"), and a substantial portion of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United Stated (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

Similar restrictions may apply in other jurisdictions.

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APPENDICES

APPENDIX A Articles of Association of Quantafuel as of 21 October 2019
APPENDIX B Consolidated financial statements for the year ended 31 December 2018 (with comparable figures for the year ended 31 December 2017) and audited unconsolidated financial statements for the year ended 31 December 2017
APPENDIX C Interim financial statements for the three months' period ended 30 September 2019

1 RISK FACTORS

1.1 Introduction

Investing in the Shares involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Admission Document, including the financial information and related notes. The risks and uncertainties described in this Section 1 are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of a negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.

If any of the risks were to materialize, individually or together with other circumstances, it could have a material and adverse effect on the Company and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described below are not the only risks the Company may face.

Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on its business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

The risk factors described in this Section 1 "*Risk factors*" are sorted into a limited number of categories, where the Company has sought to place each individual risk factor in the most appropriate category based on the nature of the risk it represents. The risks that are assumed to be of the greatest significance are described first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, and the fact that a risk factor is not mentioned first in its category does not in any way suggest that the risk factor is less important when taking an informed investment decision. The risks mentioned herein could materialise individually or cumulatively.

The information in this Section 1 is as of the date of this Admission Document.

1.2 Risks associated with the Group's business and the industry in which it operates

Risks associated with plant construction and commencement of production

There are numerous risks associated with plant construction, including risks of delay, risks of termination of the construction contracts by third parties, the risk of need for variation orders and amendments resulting in additional need for capital and the risk of failure by key suppliers to deliver necessary equipment. Should any of these circumstances occur it may affect a project's financial performance or the loss of contracts and hence the Group's potential revenue.

The Group is currently in the process of completing its first commercial plant in Skive, Denmark (the "**Skive Plant**"). For the Skive Plant specifically, the Group has experienced significant time and cost overruns. No assurance can be given that no additional delays or costs will be incurred prior to commencement of production. Given that the Skive Plant is the first of its kind, there is an inherent risk that the Skive Plant may require improvements or adjustments which may delay or limit operation of the plant. Further, given that it is the first of its kind, additional constructional considerations have been made to secure safe and reliable operations. There is always a risk that unforeseen events or circumstances unknown to the Group, its partners and counterparties could materialise in a manner that puts at stake important conditions for the development and commencement of production the Skive Plant. Should any such unforeseen events occur, this may affect the operations and profitability of the Skive Plant and could hence have an adverse effect on the Company's cash flows, financial condition and on the Group's business in general.

In order to be successful in future constructions, and to avoid similar cost and time overruns, it is important that the Group is able to gather experiences gained from the construction of the Skive Plant such as a proper document control system and lessons learned documentation. However, no assurance can be given that the Company has sufficient personnel resources to gather such information and to build up an internal knowledge system, nor that such measures will be sufficient to avoid cost- and time overruns on future projects.

Dependence on a limited number of suppliers for components in plant construction

The Company is dependent on a limited number of third-party suppliers for key production components for its plants. This includes the delivery of pyrolysis reactor systems. Any disruption or delay to supply or increase in cost could negatively impact its business through increased costs or project delays, and no assurance can be given that the Group would be able to source alternative supplies of key production components that are compatible with the Group's design, in a timely or cost-effective manner or at all.

Offtake from production plants

The Group has entered into various agreements with respect to offtake from its current and future plants. Detailed terms for any offtake from the Group's plants, including from the Skive Plant, is subject to final agreement between the relevant parties. This may include elements such as price, volume and quality of the products. It is emphasised that the price that the Group will receive from the sale of its products may vary from contract to contract and will be exposed to pricing of raw materials. No assurance can be given that the price will ensure adequate profitability for the Company.

Product quality standard

Under the terms of the offtake agreement entered into with BASF, the Company has undertaken to deliver products of a certain quality. Similar provisions are likely to be included in any future offtake agreements with respect to the products produced by the Group. As the Skive Plant is the first of its kind, certain adjustments to the process may be required in order to be able to produce products at the predefined quality, and such adjustments can be both time and cost consuming. Problems with product quality or product performance, including any defects in the Company's products, could result in material reputational challenges, significant decrease in revenues, significant unexpected expenses and loss of market share.

The Company has a limited operating history

The Company has a limited operating history and has of today only generated limited revenues. Since its inception, the Company has incurred significant losses, and to date, the Company has financed its operations through inter alia private placements of equity. The Company expects to continue to incur significant expenses and losses until the Skive Plant is fully operational. Substantial parts of the Company's business is in its commercialisation phase relying to some extent on products and services under development. The Company's commercial success is inter alia dependent on the successful implementation of these products and services, and to become and remain profitable, the Company must succeed in commercialising its business and technologies such that they generate revenues. This will require the Company to be successful in a range of challenging activities, and the Company may never succeed in these activities and, even if it does, may never generate revenues that are significant enough to achieve profitability.

The Group is dependent on receiving raw materials for production

Upon commencement of production on the Skive Plant, the Group's operations will be dependent on the supply of feedstock, i.e. plastic waste. Firstly, the successful production on the Skive Plant is dependent on the quality of plastic received from suppliers. If plastic waste is not delivered according to specifications, this could cause products to not meet pre-agreed quality and consequently the Group may be in breach of its contractual obligations.

A NIR (Near Infrared) scanner have been installed on the feedstock conveyor belt, enabling removal of significantly off-spec feedstock, however, no assurance can be given that this will ensure sufficient quality on the feedstock. Also, given that the Skive Plant is the first of its kind, the Group may use some time to gain sufficient knowledge and experience together with its suppliers to secure feedstock of adequate quality. The liability for suppliers of raw materials may be limited to direct loss, and such the Group may not be able to recover loss in the event of business interruption, loss of use or revenue, or loss or damage to property or equipment.

Secondly, the Group may from time to time be subject to unpredictable supplies of feedstock, and no assurance can be given that the Group would be able to source alternative or additional supplies of raw materials in the event of feedstock shortage or that there will be sufficient and adequate storage facilities available in the event of oversupply.

Lastly, no assurance can be given that the Group will receive sufficient quantity of feedstock at an acceptable price.

Any significant delay, price adjustment, lack of quality in supplies or loss of suppliers may have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and prospects.

The Company is a growth company with limited resources to optimise operations

The Company is a growth company, and as such has had limited resources to optimise its operations, rights and obligations. The contracts, rights and obligations of the Company are likely to carry a higher degree of uncertainty and risk than those of mature businesses.

The Group's production is subject to operational hazard and risks

The Group is heavily reliant on complex machinery for its operations and the PtL-process involves a significant degree of uncertainty and risk for the Group, both in terms of operational performance and costs. The Group's plants consist of large-scale machinery combining many components which are intended to run complex production processes. The plant components may suffer unexpected malfunctions from time to time and will be dependent on repairs and spare parts to resume operations, which may not be available in the short term. Unexpected malfunctions of the plant components may significantly affect the intended operational efficiency of the plant. Operational performance and costs can be difficult to predict and is often influenced by factors outside of the Group's control, such as scarcity of natural resources, environmental hazards and remediation, costs associated with decommissioning of machines, labour disputes and strikes, difficulty or delays in obtaining governmental permits, damages or defects in electronic systems, leaks from pipelines, industrial accidents, fire, and seismic activity and natural disasters. Should any of these risks or other operational risks materialise, it may result in the death of, or personal injury to, plant workers, the loss of production equipment, damage to production facilities, the closure of mills, monetary losses, delays and unanticipated fluctuations in production, environmental damage, administrative fines, increased insurance costs and potential legal liabilities, all which could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition or prospects.

The Group's intellectual property

The Group´s daily business and business strategy are tied to its technology and know-how. The Group relies on a combination of trade secrets, confidentiality procedures and contractual provisions to protect its intellectual property rights. The Group has also registered patents / patent applications and trademarks.

The Group cannot give assurances that its measures for preserving the secrecy of its trade secrets and confidentiality information are sufficient to prevent others from obtaining such information. The Group may not have adequate remedies to preserve the trade secrets or to compensate the Group fully for its loss if its employees' or other contractor's breach their confidentiality agreements with the Group. The Group cannot give assurances that its trade secrets will provide the Group with any competitive advantage, as it may become known to or be independently developed by the Group's competitors, regardless of the success of any measures the Group may take to try to preserve confidentiality.

As of the date of this admission document, the Group owns US patent no. 9199888 and US patent no. 9856426. The patents protect a combined process for utilizing synthesis gas with low CO^2 emission and high energy output. In addition, the Group has submitted patent applications in Denmark, Norway and the European Union to protect the main processing steps used at the facility in Skive. The applications concern a process for production of hydrocarbon fuels from waste plastic (the "Skive process"). Any failure to protect the intellectual property related to the Skive process may have an adverse effect on the Group´s competitive position.

The Group uses specially developed software systems at the facility in Skive. The software systems are delivered by a third party, and the Group is granted non-assignable right to use the software systems for an indefinite period of time. The use of third-party suppliers could involve the risk of proprietary information being shared. The development of the software systems is based on materials delivered by a third-party consultant, and the consultancy agreement is ambiguous on the Group´s ownership and rights to exploit the materials. However, based on an interpretation of the agreement, the Group considers the planned use to be covered.

Participations and partly owned companies

In accordance with the Group's strategy, co-operation through various forms of partnerships and investments by third parties in part of the equity of potential SPVs established to hold operating plants have been and is envisaged to be, an important element of the Group's business structure. As is currently the case for Skive, the activities of the Group are planned to be conducted through joint ventures, associated companies and/or companies where Quantafuel is not the sole shareholder. The Group's ability to receive dividends and other payments from such companies depends not only upon such companies' cash flows and profits, but also upon the terms of agreements with the shareholders of such companies. Conflict or disagreement with such shareholders may lead to deadlock and result in the Group's inability to pursue its desired strategy and/or force it to exit from such companies. Also, agreements with such shareholders, or the virtue of not being the sole shareholder, may restrict the Group's freedom to carry out its business. Each of the parties rights and obligations under agreements with other shareholders may also be vague and subject to different understandings. There can be no assurance that the Group's partners in such companies will continue their relationships with the Group in the future, that any agreements entered into have encountered for all situations or potential conflicts between shareholders or that the Group will be able to pursue its stated strategies with respect to its joint ventures and the markets in which they operate. Furthermore, the partners in such companies may (a) have economic or business interests or goals that are inconsistent with those of the Group; (b) undergo a change of control; (c) experience financial and other difficulties; or (d) be unable or unwilling to fulfil their obligations under the joint ventures, which may materially adversely affect the Group's revenues, profitability, cash flows and financial condition.

Collaborations

As further set out in Sections 6.5.4 and 6.5.3, the Company has entered into agreements with BASF SE ("**BASF**") and Vitol S.A. ("**Vitol**") inter alia for contemplated future collaboration with such parties. With regard to BASF, such intention is to be included in an agreement to be entered into between the parties within 6 March 2020. No assurance can be given that a final collaboration agreement will be entered into or that a collaboration agreement will be entered into on the terms currently envisaged. If a collaboration agreement has not been reached within 6 March 2020, the EUR 10 million BASF Convertible Loan (as defined below) must be repaid at 110% of the nominal value on 1 April 2021.

The Vitol Partnership Agreement includes, and future collaboration or partnership agreements may include change of control provisions being triggered in the event where any person or group of persons acting in concert gains direct or indirect control of the Company and which will give the other party a right to terminate the agreement.

The Company's business and technologies may not gain sufficient market acceptance

The Company's future performance will depend on the successful development, introduction and market acceptance of its business and technologies. The Company cannot give any assurance that its business or technological approach will be successful or achieve broad market acceptance on a timely basis (or at all) or that other technologies or solutions will not supplant the Company's approach. The introduction of new technologies, market acceptance of new or alternative technologies, or the emergence of new industry standards could render the Company's existing technologies obsolete or make it easier for other products to compete with the Company.

Technological changes

The industry in which the Group operates, sees frequent changes and developments in technology. Such changes and developments can be driven by competitors of the Company with substantial greater resources than those of the Company. The Group's technology such as its proprietary catalyst, and any further technology under development may not prove to be viable or efficient, and efforts to respond to technological innovations may require significant financial investments and resources.

Failure by the Group to respond to changes in technology and innovations may render the Group's operations non-competitive and may have a material, negative effect on the Company's results of operation, financial condition and future prospects.

1.3 Risks related to laws, regulations and litigations

The Group is subject to a wide variety of laws and regulations, and is dependent on governmental licences and approvals to commence and continue its operations

The Company is subject to environmental laws and regulations, and compliance with or breach of environmental laws can be costly, expose the Company to liability and could limit its operations. The Company is further required to obtain certain permits and approvals, from governmental authorities for each of its plants. The Company's dependency on such permits and approvals represents considerable inherent risks.

Furthermore, the Groups operations and products are exposed to changes in environmental laws and qualifications thereunder. No assurance can be given that the products produced at the Group's current or future plants will qualify as sustainable products under EU Regulations or local law going forward. Also, the classification of the Group's plants or the products produced at such plants may have an implication on third party relationships, such as the ability for the Group to obtain financial support and loans from financial institutions. For example, under the terms of the loan agreement entered into between QF Skive and Danmarks Grønne Investeringsfond, the lender may require an early redemption of the loan amount should the Skive Plant be reclassified as a waste incineration plant (*Nw.: avfallsforbrenningsanlegg*).

1.4 Financial risks

Financing risk

The Group is dependent on current financing arrangements, renewal of these and/or obtaining new financing agreements to fund its operations, working capital or capital expenditures. The Group cannot assure that it will be able to obtain any additional financing or retain or renew current financing upon expiry on terms that are acceptable, or at all. It is emphasised that the Convertible Loan provided by BASF will fall due for payment on 1 April 2021 (at 110% of par value) should BASF and the Company not have entered into a Collaboration Agreement (as defined below) within 6 March 2020, or fall due for payment on 1 August 2021 (at 110% of par value) should the parties not have entered into a Supplier Agreement (as defined below) within 1 August 2020.

To the extent the Group does not generate sufficient cash from operations, the Company and / or the Group may need to raise additional funds through debt or additional equity financings to execute the Group's growth strategy and to fund capital expenditures. Adequate sources of capital funding may not be available when needed or may not be available on favourable terms. The Company's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms. If the Group raises additional funds by issuing additional shares or other equity or equity-linked securities, it may result in a dilution of the holdings of existing Shareholders.

An increase in the Group's level of debt financing may increase financing costs and reduce the Group's potential profitability. If the Group becomes unable to service its debt when due, there will be a default under the terms of these agreements, which could result in an acceleration of repayment of funds that have been borrowed and have a material adverse effect on the Group's results of operation, cash flow, financial condition and/or prospects and in worst case lead to a insolvency. The Group's current financing arrangement include, and any future financing arrangements may also include, operational, financial and "green" covenants related to its loans and other financial commitments, demanding a certain performance of the Group and setting restrictions on the Group's freedom to operate and manage the Group's business, including change of control clauses that may be triggered outside the control of the Group.

Fluctuations in exchange rates could affect the Group's cash flow and financial condition

The Group presents its financial statements in NOK. The Group currently has costs and future liabilities in DKK, EUR and USD, while the Group's revenues from the Skive Plant are likely to be in EUR. Any fluctuations in exchange rates between NOK, DKK, EUR and USD could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects. The Group does currently not have any currency hedging arrangements in place to limit the exposure to exchange rate fluctuations.

Risk of repayment of governmental grants and contributions

The Company has received governmental grants from Skattefunn, see further Section 7.10. Recent news articles have questioned in general whether issued grants from Skattefunn to Norwegian companies might be in defiance with the governmental grant regulations in the EEA agreement. Although there are no indications that the grants which the Company has received from Skattefunn constitute illegal governmental grants, there is, in light of recent events, a risk that the Norwegian authorities will look into the grants issued by Skattefunn.

The Company has also received financial contributions from Enova SF ("**Enova**") to cover parts of the Group's costs on certain projects, see Section 7.10. The general terms for contributions from Enova and the contributions letter for a specific project set out certain obligations on the recipient such as the obligation to produce schedule and funding plans and accounting reporting obligations. Furthermore, Enova may withdraw any grants (in whole or in parts) should i.e. the recipient not comply with its reporting obligations or if the projects are not completed. Although the Company is determined to comply with its obligations under the relevant contribution letters and complete the relevant projects, no assurance can be given that repayment of financial contributions will not be demanded.

Further, no assurance can be given that the Company will continue to receive governmental grants in the future.

1.5 Risks related to the Shares

The Company will incur increased costs as a result of being listed on Merkur Market

As a company with its shares listed on Merkur Market, the Company will be required to comply with Oslo Børs' reporting and disclosure requirements for companies listed on Merkur Market. The Company will incur additional legal, accounting and other expenses in order to ensure compliance with these and other applicable rules and regulations. The Company anticipates that its incremental general and administrative expenses as a company with its shares listed on Merkur Market will include, among other things, costs associated with annual and interim reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. In addition, the Board of Directors and management may be required to devote significant time and effort to ensure compliance with applicable rules and regulations for companies with its shares listed on Merkur Market, which may entail that less time and effort can be devoted to other aspects of the business. Any such increased costs, individually or in the aggregate, could have an adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

An active trading market for the Company's shares on Merkur Market may not develop

Trades in the Shares have been quoted on the NOTC (a non-regulated electronic information system owned and operated by Oslo Børs for unlisted shares), but the Shares have not been traded on any stock exchange, other regulated marketplace or multilateral trading facilities. No assurances can be given that an active trading market for the Shares will develop on Merkur Market, nor sustain if an active trading market is developed. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following completion of the Listing.

Future issuances of shares in the Company or other securities, including by use of board authorisations, may dilute the holdings of shareholders and could materially affect the trading price of the Company's share

The Company may in the future decide to offer additional shares or other securities. As at the date of this Admission Document, the Board of Directors has been authorised to issue up to 3,414,961 new Shares inter alia under the Company's share option programme and for establishing new collaborations under which the shareholders pre-emptive rights may be deviated from. This represents approximately 30% of the current issued share capital and may have a material dilutive effect on the Company's shareholders.

Depending on the structure of any future fund raising, existing Shareholders may not be able to purchase or subscribe for additional equity securities. If the Company raises additional funds by issuing additional shares or other equity securities, the relative holdings and voting interests and the financial interests of existing Shareholders may be diluted.

The market price of the Shares may be volatile

The market price of the Shares could be subject to significant fluctuations in response to actual or anticipated variations in the Company's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Company operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Shares, as well as other factors.

2 STATEMENT OF RESPONSIBILITY

The Board of Directors of Quantafuel AS accepts responsibility for the information contained in this Admission Document. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Admission Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import of this Admission Document.

Lysaker, 17 February 2020

Svein Oscar Spieler
Chairperson of the Board

Thorleif Enger *Director*	Per-Anders Hjort *Director*
Ragnar Thor Grundtvig Søegaard *Director*	Ann-Christin Gjerdseth Andersen *Director*
Jim Dåtland *Director*	Maximilian Walter *Director*

3 GENERAL INFORMATION

3.1 Other important investor information

The Company has furnished the information in this Admission Document. No representation or warranty, express or implied, is made by the Merkur Advisor as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Admission Document is, or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. The Merkur Advisor assume no responsibility for the accuracy or completeness or the verification of this Admission Document and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Admission Document or any such statement.

Neither the Company nor the Merkur Advisor, or any of their respective affiliates, representatives, advisors or selling agents, is making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

3.2 Presentation of financial and other information

3.2.1 Financial information

The Company's consolidated financial statements for the year ended 31 December 2018 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), with converted (and comparable) numbers for 2017 (the "**Annual Financial Statements**"). The Company's unconsolidated financial statements for the year ended 31 December 2017 have been prepared in accordance with NGAAP, the Norwegian Accounting Act and NRS no. 8 (good accounting practice for small businesses), together with the Annual Financial Statements, the "**Financial Statements**"). The Financial Statements and are enclosed hereto as Appendix B. The Admission Document also contains financial statements for the three months' period ended 30 September 2019 (the "**Interim Financial Information**"), enclosed hereto as Appendix C.

The Financial Statements have been audited by RSM Norge AS, while the Interim Financial Statements are unaudited.

The Company presents the financial statements and interim financial statements in NOK (presentation currency).

Reference is made to Section 7 "*Selected financial information and other information*" for more information on the Company's financial statements.

3.2.2 Industry and market data

In this Admission Document, the Company has used industry and market data obtained from independent industry publications, market research and other publicly available information. Although the industry and market data is inherently imprecise, the Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Admission Document that was extracted from industry publications or reports and reproduced herein.

Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Admission Document (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 1 "*Risk factors*" and elsewhere in this Admission Document.

Unless otherwise indicated in the Admission Document, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

3.3 Cautionary note regarding forward-looking statements

This Admission Document includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Admission Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. For a non-exhaustive overview of important factors that could cause those differences, please refer to Section 1 "*Risk factors*".

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Admission Document.

4 REASONS FOR THE LISTING

As of the date of this Admission Document, the Company has approximately 750 registered shareholders. The main reasons for the Listing are:

- The Company has experienced an increasing interest for the Quantafuel share and see a general trend in the investor community towards more sustainable and environmentally friendly business models.
- The Shares will be traded on Oslo Børs' trading platform and will thus be more accessible to the investor community and more transparent.
- To facilitate for a more diversified shareholder base and enable additional investors to take part in the Quantafuel's future growth and value creation.
- Further improve the ability of Quantafuel to attract and retain key management and employees.
- Enhance Quantafuel's profile with investors, business partners, suppliers and customers

5 DIVIDENDS AND DIVIDEND POLICY

5.1 Dividends policy

The Company is currently in a pre-commercial phase and has not established any dividend policy to date. There can be no assurance that in any given year a dividend will be proposed or declared in the future.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in Section 5.2 "*Legal and contractual constraints on the distribution of dividends*" below, as well as capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility.

The Company has not paid any dividends on its Shares during the financial years 2017 and 2018.

5.2 Legal and contractual constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44 (as amended) (the "**Norwegian Private Companies Act**"), the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in force at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Private Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or in some instances in kind. The Norwegian Private Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Private Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealized gains and the reserve for valuation of differences).

- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Private Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the General Meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian private limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Private Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 10 "*Norwegian taxation*".

5.3 Manner of dividends payment

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder and will be paid to the shareholders through the VPS Registrar. Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

6 BUSINESS OVERVIEW

This Section provides an overview of the Company's business as of the date of this Admission Document. The following discussion contains forward-looking statements that reflect the Company's plans and estimates, see Section 3.3 "*Cautionary note regarding forward-looking statements*" above, and should be read in conjunction with other parts of this Admission Document, in particular Section 1 "*Risk factors*".

6.1 Introduction

Quantafuel AS was established in December 2014 and has developed a unique technology to chemically recycle mixed plastic waste into low carbon products. These products can be used to produce new plastic, other valuable chemical products or fuel.

The Group has tested and further improved the technology in a demonstration plant that was established in Sonora, Mexico in 2016, and is currently about to complete its first commercial plant in Skive, Denmark.

Quantafuel's headquarter is located at Lysaker in Norway and the Group has per February 2020 approximately 45 employees and full-time consultants.

6.2 History and important events

The table below shows the Group's key milestones from its incorporation and to the date of this Admission Document:

Date	Year	Main Events
24 January	2013	US patent 9,199,888 awarded 01.12.15 with International Application Date 24.01.13
14 December	2014	Quantafuel AS established
5 May	2016	Establishment of Quantafuel Mexico S.A. de C.V. "Quantafuel AS owning 50% of Quantafuel Mexico S.A. de C.V. (org. no. QME1604142T9), with KarlCo S.A. de C.V. owning the remaining 50%. Role of the company: Establish and operate the 10 MT/day PtL plant in Navojoa"
11 July	2016	Establishment of Quantafuel UK Ltd "Quantafuel AS owning 50% of Quantafuel UK Ltd (org.no. 10 271 437), with Midas Group (controlled by Quantafuel AS shareholder Frank Ystenes) owning the remaining 50% Role of the company: Establish plant in UK"
28 July	2016	Acquisition of Waste2Fuel Holding AB (now Quantafuel Sweden AB) "Acquisition of 100% of the shares in Waste2Fuel Holding AB (org.no. 556904-1162) (now Quantafuel Sweden AB) from BlueTrout AB. Waste2Fuel Holding AB owns 100% of the shares in Waste2Fuel AB (org. no. 556904-1170) (now Quantafuel AB) which was the registered owner of patent 9,199,888 until 23.01.2018 when the ownership of the patent was transferred to Quantafuel AS."
3 October	2016	Establishment of Quantafuel Oslo AS "Establishment of the 100% owned subsidiary Quantafuel Oslo AS (org. no. 817 816 142) Role of the company: Establish and operate a planned 20 MT/day PtL pilot plant in/around Oslo. Formally the recipient of the PtL pilot plant grant from Enova of NOK 10,498,000"
17 November	2016	Acquisition of Quantafuel CZ s.r.o. (Czech) Acquisition of 100% of the shares in Quantafuel CZ s.r.o. (org. no. 047 05 858) from BlueTrout AB as part of the settlement in the purchase of Waste2Fuel Holding AB. Purchase price for the shares set to zero, but took over responsibility for a company loan of EUR 90,000
2 December	2016	Establishment of Next Gen Energy S. de R.L. de C.V. "Quantafuel AS owning 50% of Next Gen Energy S. de R.L. de C.V. (org. no. 201608291128211107), with Tecnosilicatos de Mexico S.A. de C.V. owning the remaining 50% Role of the company: Establish and operate a planned 60 MT/day PtL plan in Mexico City at the site of the land-fill operated by the local partner"
17 February	2017	Establishment of Quantafuel Denmark ApS (now Quantafuel Skive ApS). Quantafuel Denmark ApS (org. no. 38 40 16 37) established by now part-owner Hanne Risgaard on behalf of Quantafuel AS.

Date	Year	Main Events
8 November	2017	"Completion of funding with current partners / owners and renaming of Quantafuel Denmark ApS to Quantafuel Skive ApS Final ownership stakes: Quantafuel AS with 76.1% and three local partners with ~8% each Role of the company: Establish and operate a 60 MT/day PtL plant in Skive, DK"
8 November	2017	Set of agreements between Quantafuel AS in setting up the plant in Skive, DK, between the owners of Quantafuel Skive ApS and with Quantafuel Skive ApS
11 November	2017	Innovation Norway grant awarded Quantafuel AS for assessing the situation, status and potential contribution towards plastic waste now ending up in nature
23 January	2018	Transfer of US patent 9,199,888 from wholly owned subsidiary Quantafuel AB to Quantafuel AS, valued at NOK 454,350
23 March	2018	Signed framework agreement between Vitol and Quantafuel AS
May	2018	Completion of private placement raising NOK 150 million in gross proceeds at NOK 68 per share.
27 July	2018	Closing-down of Quantafuel Mexico S.A. de C.V. Termination of all activities and liabilities of Quantafuel Mexico S.A. de C.V. and formal de-listing of Quantafuel Mexico S.A. de C.V.
10 October	2018	Trademark of the name "Quantafuel" awarded Quantafuel AS in Norway and the EU.
30 November	2018	Signed Framework agreement for delivery of complete pyrolysis reactor systems for the Company's plants.
1 January	2019	Sale of 100% of the shares in Quantafuel CZ s.r.o. (Czech) to previous shareholder and MD of the company, Alan Svoboda, and the name was changed to Shinedown Services.
18 February	2019	Completion of private placement raising NOK 150 million in gross proceeds at NOK 55 per share
19 March	2019	Trademark of the name "Quantafuel" awarded Quantafuel AS in the USA.
26 March	2019	Announcement of corporation with Geminor on plastic waste deliverables
21 June	2019	Announcement of corporation with Avinor on the production of sustainable jet biofuel
6 July	2019	Patent concerning specific polymer to fuel process steps filed in Norway 190706 and Denmark 180706, both pending.
25 September	2019	Enters into the Investment- and Convertible Loan Agreement with BASF
14 October	2019	Completion of capital increase by converting loan from Vitol of USD 3,253,417.20 at NOK 98 per share and 301,375 shares.
31 January	2020	Amendment agreement to the BASF Investment and Convertible Loan Agreement entered into

6.3 Vision and strategy

Quantafuel's strategy is to develop a generic module for chemical recycling of mixed plastic waste, to be deployed in scale on a global basis in a JV structure with strategic and financial partners. The plants will be sold to a partly owned joint venture company at a cost-plus model in an EPC (engineering, procurement and construction) strategy. Upon successful installation and production, this will provide the Company with steady income and cash flow through service agreements and dividends from the operations.

In January 2019, EU published its revised renewable directive, called RED 2, stating that recycled hydrocarbons, or Recycled Carbon Fuel will be an integrated part of Europe's future energy mix, where the recycling rate of plastic waste should become minimum 55% within 2025. The actual rate today is significantly lower, reports show that for example countries like Germany have a recycling rate as low as approximately 16%[1].

[1] https://www.spiegel.de/wissenschaft/natur/plastikmuell-nur-16-prozent-werden-in-deutschland-wiederverwendet-a-1271125.html

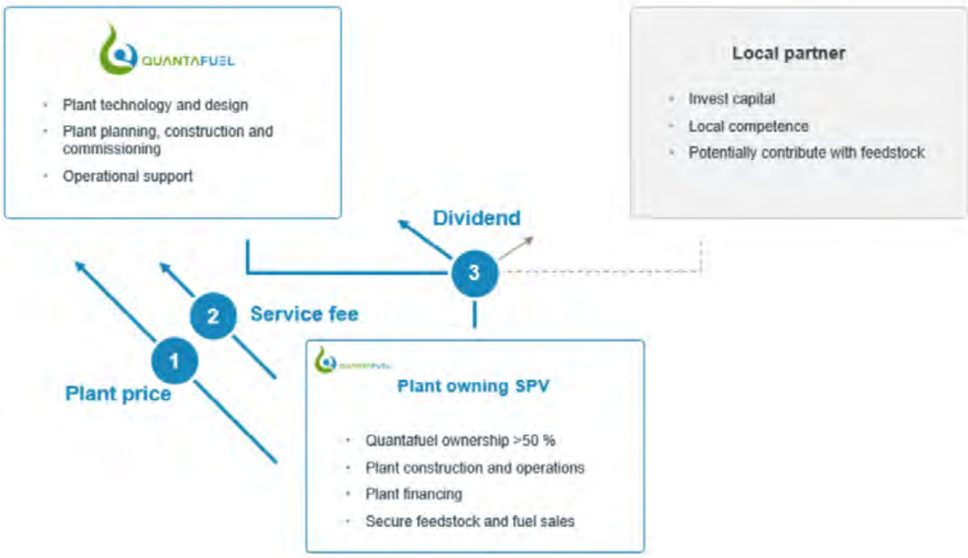
Following this change of policy, leading market analysts, among them McKinsey[2], have stated that chemical recycling of plastic waste will become a 75 BUSD market within 11 years. Today this market is basically non-existing.

Quantafuel has an early mover advantage within this market and aims to become a leading provider of chemical recycling of plastic waste on a global scale.

6.4 Group structure

Quantafuel is the parent company of the Group. The Company currently has 6 subsidiaries and/or joint ventures of which Quantafuel Skive ApS ("**QF Skive**") is the only subsidiary with current operations. Please refer to Section 9.2 for a legal chart of the Group and a full overview of the Company's subsidiaries.

Based on the Company`s business model the plants will be delivered from the Company to the partly owned subsidiaries which will own and operate the plants through their own resources. The Company will however enter into service agreement ("Operation & Maintenance Support Agreement") to deliver technical support throughout the operation.



QF Skive is currently building the first PtL plant in Skive, Denmark. The plant is delivered from Quantafuel AS, with additional investments locally in infrastructure. Quantafuel currently holds 76.31% of the shares in QF Skive. The remaining shares are held by Hanne Risgaard Holding ApS (7.59%), Steen Ginnerup Holding ApS (8.06%) and Holdingselskabet af 15. April 1999 ApS (8.06%). The ownership interests in QF Skive is subject to a shareholders' agreement dated 8 November 2017 entered into on customary terms.

6.5 PtL business

6.5.1 Technology

The overall goal of Quantafuel's Plastic-to-liquid ("**PtL**") technology is to chemically recycle mixed plastic waste into synthetic hydrocarbons with a maximized yield and quality. By utilizing Quantafuel's catalyst technology the release hydrocarbons are transformed into desirable fractions, too be further processed by the petrochemical industry into new plastic products or other chemical end-products or used in the fuel market.

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[2] Source: https://www.mckinsey.com/industries/chemicals/our-insights/no-time-to-waste-what-plastics-recycling-could-offer?hlkid=3102ad8264e04466990ed3db847eca95&hctky=2115419&hdpid=795f24f3-879b-4f10-be56-be6d3fb508a4

The main process steps of Quantafuel's PtL plants are:

- Raw material feeding
- Pyrolysis
- Catalysis
- Distillation (and storage)
- Heat integration

The plants also include feedstock reception system and balance-of-plant items. The latter includes thermal integration to facilitate heat recovery from the cooling demand downstream of the pyrolysis reactor and utilization of the recovered heat for the distillation column.

Quantafuel's PtL technology is able to utilize inhomogeneous waste plastic fractions of primarily polyethylene (HDPE and LDPE) and polypropylene (PP) and to some extent polystyrene (PS) and polyethylene terephthalate (PET).

6.5.2 The Skive Plant

Quantafuel is currently in the final stage of building its first commercial plant in Skive, Denmark. All major construction and installation works were completed by the end of Q4 2019 and the plant is currently planned to be in operation by the end of March 2020, subject to a successful mechanical complete process. At full operation, the plant will have a yearly capacity to transform 20,000 ton of plastic waste into 16,000 ton of high value products.

The Skive Plant is to be delivered from the Company to QF Skive under a turn-key contract dated 8 November 2018. The fixed contract price is USD 12 million, of which the Company has provided an interest free seller's credit of USD 3.6 to be repaid over three years after reaching full production. Furthermore, the Company and QF Skive has entered into a Management Service Agreement and an Operations & Maintenance Support Agreement, under which the Company will deliver certain assistance and services to QF Skive after commencement of production at the Skive Plant.

The Company has entered into a supplier agreement with a third party for the delivery of complete pyrolysis reactor systems for the Company's plants, under which four systems have been delivered to the Skive Plant.

A framework agreement for delivery of feedstock (i.e. plastic waste), including services related to negotiations with suppliers, transportation, invoicing etc. are to be delivered by Geminor AS. In December 2019, an annual delivery of 20,000 tonnes of waste plastic to the Skive Plant was agreed between the parties. In addition, the Company is in firm discussions with other potential local Danish plastic waste suppliers.

Regarding sale of products produced at the Skive Plant, BASF has, on certain conditions, a 4-year right and obligation to purchase and take delivery of all products from the Skive Plant according to certain further specifications, including quality requirements.

6.5.3 Vitol Framework Agreement

The Company entered into a framework agreement with Vitol in March 2018 (and as later amended) under which Vitol has a right, but no obligations, to acquire all or part of fuel of certain qualities and hydrocarbon production of any existing or future plant that is owned by the Company or its subsidiaries which commences production prior to March 2028 (the "**Vitol Framework Agreement**"). If such right is exercised with respect to any plant, the right will have a duration of 10 years and will be regulated by a separate supplier agreement.

Further, QF Skive and Vitol have entered into a separate offtake agreement for the Skive Plant (the "**Skive Offtake Agreement**"). This agreement inter alia regulated Vitol's right to purchase 100% of the fuel produced at the Skive Plant from the commencement of production.

Upon the Company signing the BASF Investment and Convertible Loan Agreement in September 2019, and as further described below, Vitol has waived its rights and obligations under the Vitol Framework Agreement and the Skive Offtake Agreement, which are in in conflict with the signature and/or full performance and implementation of the BASF Investment and Convertible Loan Agreement and the intention set out therein to execute the envisaged BASF Supplier Agreement and BASF Collaboration Agreement, on certain conditions, including:

- Insofar as BASF does not exercise any of its rights under the BASF Investment and Convertible Loan Agreement, or the envisaged BASF Supplier Agreement and/or the BASF Collaboration Agreement, Vitol's rights under the Vitol Framework Agreement and the Skive Offtake Agreement are not waived or affected.
- The term of the envisaged BASF Supplier Agreement may not exceed 4 years from the commercial date, and any extension to that term is subject to Vitol's prior consent.

The Vitol Framework Agreement includes a change of control provision regarding the Company, under which Vitol may terminate the agreement where any person or group of persons acting in concert gains direct or indirect control of Quantafuel (if not preapproved by Vitol, such approval not to be unreasonably withheld).

6.5.4 BASF Investment and Convertible Loan Agreement

On 25 September 2019, the Company entered into an agreement with BASF with a view to establish a collaboration to develop and commercialise technology and production (as amended on 31 January 2020, the "**BASF Investment and Convertible Loan Agreement**"). As part of the agreement, BASF's wholly owned subsidiary, BASF Antwerpen N.V. has invested a total of EUR 20,000,000 in the Company of which EUR 10,000,000 has been invested through a private placement at a share price of NOK 118 per share (the "**BASF Investment**") and EUR 10,000,000 has been invested as a convertible loan (the "**BASF Convertible Loan**") as further described in Section 7.9 below.

The parties have agreed to negotiate in good faith to establish a collaboration for the joint development and commercialisation of the technology to produce the Product to produce chemical feedstock (the "**BASF Collaboration Agreement**"). It is envisaged that the term of the BASF Collaboration Agreement shall be 10 years from signing. If the BASF Collaboration Agreement has not been entered into within 6 March 2020, the BASF Convertible Loan shall be repaid at 110% of the nominal value within 1 April 2021.

Furthermore, under the terms of the BASF Investment and Convertible Loan Agreement, BASF has a right of first refusal to purchase and take all volumes of liquid hydrocarbon products produced from plastic waste from the

Skive Plant, and subject to final agreement, BASF shall purchase and take all products from the Skive Plant that satisfy an agreed specification for a minimum term of four years after commercialisation. Preliminary quality specifications and fixed price apply for the initial volumes of products produced at the Skive Plant. For subsequent production volumes, the parties shall agree on the final quality specifications and price formula in in a separate agreement before 1 August 2020 (the "**BASF Supplier Agreement**"). If the BASF Supplier Agreement has not been entered into within 1 August 2020, the BASF Convertible Loan shall be repaid at 110% of the nominal value within 1 August 2021.

6.6 BtL business

In addition to the PtL technology, the Company has also entered into a purchase agreement with Avinor AS for the establishment of a small biogas-to-liquid ("BtL") pilot plant in Norway aiming at converting biomass to bio-jet fuel. The development of Quantafuel's jet biofuel-technology was already started in lab-scale in 2007. Since then, the Company has developed a concept for a full and complete BtL process. The project work package 1 has started, which includes catalyst stress tests and gasifier principal design, and requirements for downstream syngas cleaning.

It is currently planned that this project will be included in a subsidiary of the Company to be incorporated and that the project will be partly financed by prepaid amounts from Avinor AS as well as Enova grants.

6.7 Material Agreements

Neither the Company nor any other member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Admission Document. Further, the Group has not entered into any other contract outside the ordinary course of business that contains any provision under which any member of the Group has any obligation or entitlement that is material to the Group as of the date of this Admission Document.

6.8 Market overview

6.8.1 Introduction

Quantafuel's plants use plastic waste as feedstock which are processed and recycled to various fractions of carbon fuels (C6 - C28) and Naphtha, the latter being an input for the petrochemical industry. Quantafuel is thus exposed to various markets and risks for their feedstock and products. This chapter briefly describe the key features of these various markets.

6.8.2 Market for recycled plastic

Plastic is widely used globally in countless applications and products. About 8% of the world's oil and gas production goes into producing more than 300 million tons of plastics annually. Additionally, plastic production is growing fast with about USD 186bn invested in 318 new plastic production projects over the last 8 years.

Plastic waste is a huge and growing environmental problem, as well as a wasted resource. In Europe alone about 27 million tonnes of plastic waste is generated annually, of which only one third is recycled. Traditionally, a lot of waste has been deposited in landfills, but this is now strongly discouraged, and advanced economies are moving towards sorting, reusing, recycling and energy recovery. EU has set a binding target that no more than 10 percent of household waste will be deposited in landfills by 2030.

6.8.3 Market for recycled carbon fuels and Naphtha

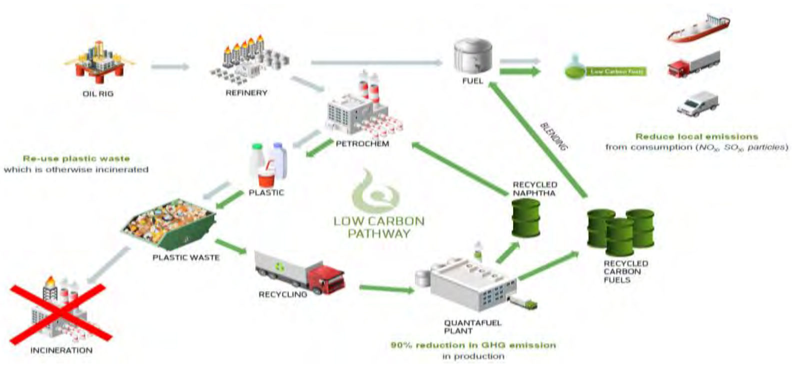
Quantafuel's plant in Skive, Denmark will produce ~67% Diesel, ~18% Naphtha, ~6% Natural gas and a heavy oil fraction of ~9%. These products are the same supplied by the conventional oil and gas industry, meaning that Quantafuel is exposed to the world's oil and gas commodity markets.

Oil is a commodity with a well-developed global market. The prices are determined on the world's leading commodities exchanges, with New York Mercantile Exchange (NYMEX) in New York and the Intercontinental Exchange ("**ICE**") in London as the most important markets for the determination of global oil prices. Relative oil price differentials are primarily determined by the weight of the oil and its sulphur content, with WTI, the main benchmark for NYMEX, as the lightest and sweetest (lowest in sulphur) of the main benchmarks in oil pricing. Brent crude, the main benchmark for ICE, is slightly heavier.

Because gas is not easily transported, gas prices are not determined by a world-wide market. Gas price volatility is also significantly higher than the oil price volatility, primarily due to the fact that gas is more difficult to store than oil. Gas prices are therefore immediately affected by supply and demand within pipeline networks. Hence, regional gas prices generally correlate less than the prices for various types of oil. Gas prices are also affected by the price of other energy sources, such as the oil price, electricity and materials.

Although Quantafuel in principle is exposed to the global oil and gas markets, the Company may achieve offtake conditions more favourable than regular "market terms" as regulators and customers may recognise the positive externalities of Quantafuel's production process compared to conventional oil and gas production.

6.8.4 Quantafuel position in the value chain



6.9 IPR

The Group registered the word-mark "QUANTAFUEL" in Norway, EU, China, Mexico and the US. In addition, the Group holds the following patents and patent applications:

Title	Country	Registration no. / Application no.	Status
Combined processes for utilizing synthesis gas with low CO^2 emission and high energy output	United states of America	9199888	In force
Combined processes for utilizing synthesis gas with low CO^2 emission and high energy output	United states of America	9856426	In force
Production of hydrocarbon fuels from waste plastic	Denmark	PA201870470	Pending
Production of hydrocarbon fuels from waste plastic	Norway	20180957	Pending
Production of hydrocarbon fuels from waste plastic	WIPO	PCT/EP2019/068143	Pending

6.10 Dependency on contracts, patents, licences etc.

The Group is required to obtain various governmental permits and approvals for each of its plants, including inter alia construction permits, fire safety approvals and emission approval licenses. As of the date of this Admission Document, all permits and licences have been obtained for the Skive Plant, except for explosion safety approval and wastewater approvals which will be obtain upon completion of construction. QF Skive are in dialogue with the relevant authorities. To obtain required approvals and permits are necessary to commence construction, production and operations on any of the Group's current or future plants.

Except for the above, the Group's existing business is not dependent on any patents, licenses or other intellectual property.

Except from the BASF Investment and Convertible Loan Agreement and the Vitol Framework Agreement as further described in Section 6.5.4 and 6.5.3 respectively, it is the Company's opinion that the Group's existing business and profitability are not dependent upon any contracts.

6.11 Related Party Transactions

Below is a summary of the Group's related party transactions for the periods covered by the historical financial information included in this Admission Document as Appendix B and up to the date of this Admission Document.

For further information on related party transactions of the Group, please refer to the Financial Statements (note 2 (Construction Contracts) note 10 (intercompany balances with Group companies and associates) and note 16 Transactions with close associates), included in this Admission Document as Appendix B.

As at 30 September 2019, the Company had receivables in the total amount of NOK 29,873,921 towards its subsidiary QF Skive. The amount of such receivable was NOK 6,991,172 as of 31 December 2018. In addition, the current outstanding amount under the Skive Seller's Credit is currently USD 3.6 million and USD 5.4 million of the purchase price under the sale and purchase agreement for the Skive Plant is outstanding.

In addition to his annual salary, the Company's CEO Kjetil Bøhn received a one-time bonus of NOK 1,427,695 in 2018.

An agreement was on 2 July 2018 entered into between the Company and chairman Oscar Spieler, under which Mr. Spieler delivers consultancy services to the Company for a monthly remuneration of NOK 25,000 / month in addition to his board remuneration. Year to date 2019, NOK 250,000 has been paid to Mr. Spieler under such agreement, and NOK 172,619 was paid for the year ended 31 December 2018. He was also granted 70,000 options at a strike price of NOK 68 under the above described agreement. Further, Mr. Spieler was granted 70,000 options at a strike price of NOK 46 on 19 October 2018. The terms of these options are further described in section 8.5.

The Company has entered into a partnership agreement with Midas Investment Group Ltd. for the joint shareholding (50%/50%) in Quantafuel UK. MiDas Investment Group Ltd. is an affiliated company of Midas Capital AS, being the holder 2.71% of the Shares in the Company as at the date of this Admission Document. There are currently no activities in Quantafuel UK.

6.12 Legal and arbitrational proceedings

Neither the Company, nor any other company in the Group is, nor has been, during the course of the preceding 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

7 SELECTED AND OTHER FINANCIAL INFORMATION

7.1 Introduction and basis for preparation

The Company's audited consolidated financial statements as of and for the year ending 31 December 2018 have been prepared in accordance with IFRS and includes comparable (and converted) numbers as of and for the year ending 31 December 2017 (the Annual Financial Statements). The Company's audited unconsolidated financial statements as of and for the year ending 31 December 2017 have been prepared in accordance with NGAAP, the Norwegian Accounting Act and NRS no. 8 (good accounting practice for small businesses) (together with the Annual Financial Statements, the "Financial Statements"). The Financial Statements have been audited by RSM. And are included in Appendix B to this Admission Document.

The Company's unaudited consolidated interim financial statements as of and for the three months' period ended 30 September 2019 (the Interim Financial Statements) are included in Appendix C to this Admission Document.

The selected financial information presented in Section 7.2 to Section 7.6 below has been derived from the Annual Financial Statements and the Interim Financial Statements, and should be read in connection with, and is qualified in its entirety by reference to, the Annual Financial Statements and the Interim Financial Statements included herein as Appendix B and Appendix C, respectively.

7.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, please see note 1 in the Annual Financial Statements, incorporated herein as Appendix B.

7.3 Selected statement of income

The table below sets out selected data from the Company's unaudited consolidated interim income statement for the three months' period ended 30 September 2019, and from the consolidated audited statement of income for the years ended 31 December 2018 and 2017:

NOK	Three months ended 30 September 2019 *(unaudited)*	Year ended 31 December 2018 *(audited)*	2017 *(audited)*
Revenue	-	102 285	2 187 491
Other income	496 761	121 365	1 457 274
Operating revenue	**496 761**	**223 650**	**3 644 765**
Cost of sales	-1 586 404	-167 689 280	-3 747 620
Salaries and personnel costs	-49 746 898	-22 505 787	-11 225 226
Depreciation and amortisation	-103 911	-596 127	-818 196
Other operating expenses	-14 378 116	-12 822 661	-17 193 702
Total operating expenses	**-65 815 329**	**-203 613 854**	**-32 984 744**
Operating profit (or loss)	**-63 318 568**	**-203 390 204**	**-29 339 979**
Interest income (1)	-	226 672	34 282
Income from subsidiaries and other group entities	-	-	-
Exchange currency gains/loss	-13 375 251	-2 529 738	225 662
Interest expense (1)	-2 221 356	-3 810 399	-1 555 354
Other financial expenses (1)	-7 690 191	-9 275 128	-3 470 613
Net financial income / expense (-)	**-23 286 798**	**-15 388 593**	**-4 766 024**

Net income / loss (-) before taxes	-88 605 366	-218 778 797	-34 106 003
Tax expense		843 313	38 871
Net income / loss (-)	**-**	**-217 935 484**	**-34 067 132**
Brought forward		-	-
Net loss attributable to minority interests	2 117 030	727 063	34 844
Loss brought forward	86 488 336	217 208 421	34 032 288
Net brought forward	**-88 605 366**	**-217 935 484**	-34 067 132
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	-471 040	-92 343	-99 004
Total comprehensive income for the period	**-89 076 406**	**-218 027 827**	**-34 166 136**

(1) *"Net financial items" in interim reporting*

7.4 Selected statement of financial position

The table below sets out selected data from the Company's unaudited consolidated interim balance sheet as at 30 September 2019, and from the consolidated audited statement of financial position as at 31 December 2018 and 2017:

NOK	**As of 30 September 2019** *(unaudited)*	**As of 31 December 2018** *(audited)*	**2017** *(audited)*
Assets			
Goodwill		-	-
Other intangible assets	18 181 009	9 208 867	560 920
Deferred tax asset		-	-
Total intangible assets	**18 181 009**	**9 208 867**	**560 920**
Property, plant and equipment	181 910 766	38 732 466	25 302 920
Investments in Associates		-	-
Other non-current receivables	3 244 691	3 261 584	-
Total financial non-current assets	**3 244 691**	**3 261 584**	**-**
Total non-current assets	**203 336 466**	**51 202 918**	**25 863 840**
Accounts receivable	-	913 889	619 561
Other receivables	12 951 987	17 935 491	13 598 478
Total receivables	**12 951 987**	**18 849 380**	**14 218 039**
Bank deposits, cash etc.	40 419 784	86 052 946	21 339 852
Total current assets	**53 371 771**	**104 902 326**	**35 557 892**
Total assets	**256 708 236**	**156 105 243**	**61 421 732**
Equity			
Share capital	102 966	72 679	40 604

Premium reserve	439 237 078	235 368 187	41 925 839
Uncovered loss [(2)]	-359 253 917	-270 177 512	-52 587 598
Total equity	**80 086 127**	**-34 736 646**	**-10 621 155**
Minority interests	9 765 502	727 063	-
Total equity	**89 851 629**	**-34 009 583**	**-10 621 155**
Liabilities			
Deferred tax		-	-
Loans to financial institutions	16 795 978	1 095	642
Other non-current liabilities		13 059 401	13 565 566
Total non-current liabilities	**16 795 978**	**13 060 496**	**13 566 208**
Accounts payable	31 414 284	18 607 885	11 287 879
Trade, other payables and provision	24 200 211		
Finance debt			
Other current liabilities	94 446 135	158 446 447	47 188 800
Total current liabilities	**150 060 631**	**177 054 332**	**58 476 679**
Total liabilities	**166 856 608**	**190 114 828**	**72 042 888**
Total equity and liabilities	**256 708 237**	**156 105 245**	**61 421 732**

[(1)] Shareholders' equity in interim reporting
[(2)]Retained earnings in interim reporting

7.5 Selected statement of cash flow

The table below sets out selected data from the Company's unaudited consolidated cash flow statement for the three months' period ended 30 September 2019, and from the consolidated audited cash flow statement for the years ended 31 December 2018 and 2017:

NOK	For the three months ended 30 September 2019 *(unaudited)*	For the year ended 31 December 2018 *(audited)*	2017 *(audited)*
Cash flow from operating activities			
Net income/loss (-) before tax	-35 429 536	-218 778 796	-34 106 003
Depreciation and amortization	50 561	596 127	818 196
Adjustments to net income	-4 706 994	805 226	30 611 781
Adjustments to Accrued expenses	37 335 445	84 719 935	1 364 445
Changes in inventories, receivables and payables		-6 257 977	7 492 311
Changes in other accruals	5 420 311	-2 450 796	693 082
Net cash flow from operating activities	**-3 588 190**	**-134 894 813**	**6 873 812**
Cash flow from investment activities			
Investments in subsidiaries	-	-	-
Net investments in tangible fixed assets	-63 131 606	-21 803 794	-25 008 874
Investments in intangibles	-3 213 518	-75 142	705 268
Net cash flow from investment activities	**-66 345 124**	**-21 878 937**	**-24 303 606**
Cash flow from financing activities			
Dividends paid		-	-
Capital placement	29 534 751	177 304 858	17 755 445
Net proceeds from borrowings	-25 917 300	44 181 985	13 565 566

Other cash flows from financing activities	9 317 292		
Net cash flow from financing activities	**12 934 743**	**221 486 843**	**31 321 011**
Effect of exchange rate changes	-139 596		
Net change in cash and cash equivalents	**-57 138 167**	**64 713 093**	**13 891 217**
Cash and cash equivalents at beginning of period	97 557 951	21 339 852	7 448 635
Cash and cash equivalents at end of period	**40 419 784**	**86 052 946**	**21 339 852**

7.6 Selected statement of changes in equity

Changes in equity is presented in the equity note in the financial statements as of and for the year ending 31 December 2018 and 2017. An overview is included below:

	Issued capital	Share premium	Retained earnings	Total equity
Equity as of 1 January 2017	38 156,00	40 867 059,00	(31 103 922,00)	9 801 293,00
Capital increase	2 448,00	1 058 779,00	-	1 061 227,00
Equity as of 31 December 2017	40 604,00	41 925 838,00	(52 587 597,00)	(10 621 155,00)
Equity as of 1 January 2018	40 604,00	41 925 838,00	(52 587 597,00)	(10 621 155,00)
Capital increase 5 June 2018	22 060,00	149 985 940,00	-	150 008 000,00
Capital increase 6 August 2018	10 015,00	40 852 409,00	-	40 862 424,00
Equity at 31 December 2018	72 679,00	235 368 187,00	(270 177 512,00)	(34 009 583,00)

7.7 Significant changes in the Company's financial or trading position since 30 September 2019

On 25 September 2019, the Company signed the BASF Investment and Convertible Loan Agreement as further described in Section 6.5.4 above, and as approved by the general meeting on 7 October 2019. The EUR 10 million Convertible Loan was disbursed on 24 October 2019, and the share capital increase pertaining to the EUR 10 million BASF Investment was registered with the Norwegian Register of Business Enterprises on 15 November 2019. The BASF Investment and Convertible Loan Agreement was subsequently amended on 31 January 2020.

On 7 October 2019, the Company further announced that Vitol had agreed to convert the then outstanding debt owed to Vitol in the aggregate amount of USD 3,253,417.20 (including accrued interest) at a price per share of NOK 98.00. The subscription price of NOK 98.00 was based on the price of the Company's shares on the NOTC prior to the notice of the annual general meeting granting the board authorisation. The loan from Vitol was originally a short term loan disbursed to the Company in connection with the entering into of the Vitol Framework Agreement, secured inter alia by a share pledge over the Company's shares in QF Skive, and which fell due for payment in April 2019. As at the date of this Admission Document, the share pledge has not yet been released.

7.8 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Admission Document.

7.9 Borrowings and financial commitments

Except for the BASF Convertible Loan, the facility agreement entered into with Danmarks Grønne Investeringsbank and the guarantees provided by the Company and as described below, the Group has no interest-bearing debt with banks or credit institutions and no significant liabilities, and no debt financing is planned as of the date of this Admission Document.

7.9.1 BASF Convertible Loan

The following key terms of the BASF Convertible Loan are set out in the BASF Investment and Convertible Loan Agreement (as amended):

- The interest rate is 1% p.a.
- Maturity date is three years after disbursement of the loan (i.e. 24 October 2022)
- Any non-converted part of the loan must be repaid within (i) 1 April 2021 at a price of 110% of the loan amount if the parties have not entered into the BASF Collaboration Agreement by 6 March 2020 or within (ii) 1 August 2021 at a price of 110% of the loan amount if the parties have not entered into the BASF Supplier Agreement by 1 August 2020.
- Any non-converted part of the loan must also be repaid at 110% of the nominal value if the board member nominated by BASF is removed from the Board of Directors for any reason or if the BASF Supplier Agreement or the BASF Collaboration Agreement is agreed and signed and subsequently terminated by Quantafuel before the end of the respective term as agreed between the parties for the respective agreement.
- BASF may at any time convert the loan into Shares at a share price equal to the volume weighted average price for the shares for the last 30 days prior to the conversion, but not lower than NOK 118 per share and not higher than NOK 144 per share (subject to adjustments in the event of share capital transactions).
- The loan shall be converted upon achievement of any necessary agreements between BASF and the Company to jointly establish a production company (JV) being the owner of a production facility for the production of liquid hydrocarbon products produced from plastic waste, to be further regulated in the BASF Collaboration Agreement.

The BASF Convertible Loan was issued by the Board of Directors on 7 October 2019, based on an authorisation to the Board of Directors granted by the extraordinary general meeting on 7 October 2019, and took effect from the registration of the authorisation in the Register of Business Enterprises on 15 October 2019.

7.9.2 Danmarks Grønne Investeringsbank

QF Skive has entered into a loan agreement with Danmarks Grønne Investeringsfond as part of the financing of the Skive Plant. The loan has a limit of DKK 53 million of which DKK 13 million has been disbursed. The remaining DKK 40 million is to be drawn at the commencement of operation of the Skive Plant, of which DKK 15 million will be held in deposit (the "**DGI Loan**").

The DGI Loan is subject to customary financial covenants, including QF Skive's obligation from ultimo 2020 to have a net debt-to-EBITDA ratio of no higher than 3 and a debt service coverage ratio of no lower than 2. Further, the interest rate for the DGI Loan is 8.18% p.a.

In the event of a substantial change of ownership in QF Skive or its assets without the prior approval from Danmarks Grønne Investeringsfond, Danmarks Grønne Investeringsfond has the right to demand repayment of the DGI Loan. Substantial change of ownership includes direct and indirect transfer of (i) minimum 25% of QF Skive's capital investment, (ii) minimum 25% of the financial rights to the capital investment of QF Skive, (iii) the controlling interest in QF Skive, or (iv) QF Skive's assets (including ownership of subsidiaries) which are not in the ordinary course of business and where the transferred amount is higher than the amount of the DGI Loan.

Parts of the DGI Loan is inter alia secured by pledge over trade receivables, inventories and operating equipment. In addition, the Company has provided a guarantee (*Nw.: selvskyldnergaranti*) for the fulfilment of all of QF Skive's obligations under the loan agreement, including payment of the performance fee (as described below).

In addition to interest, Danmarks Grønne Investeringsfond is entitled to a one time performance fee from QF Skive, calculated on the basis of the accumulated EBITDA of QF Skive in the financial years 2019 – 2022. Such performance fee shall not exceed DKK 7 million.

7.9.3 Skive Deficit Agreement

The Company (as Lender) and QF Skive entered into an agreement on 28 November 2018, under which, the Company shall make available to QF Skive a credit facility in an aggregate amount of DKK 25 million. The amount of the yearly loans (limited to the period from 2019 – 2023) are calculated on the basis of the deficit of QF Skive for the preceding year as reflected in its audited financial statements (subtracted the expected deficits of DKK 3 million and DKK 1 million in 2019 and 2020, respectively). The debt (meaning the aggregate sum of the loans provided) will become due for repayment by QF Skive upon approval of the audited annual accounts for 2022, and shall, if the accumulated deficits for the financial years 2018 – 2022 is negative either be (i) repaid as shareholder contribution to QF (no shares to be issued) or (ii) forgiven. Any part of the debt not settled as described, shall be repaid to the Company in cash. The loans are interest free.

7.9.4 Parent company guarantee under Vitol Framework Agreement

The Company has provided an irrevocable and unconditional parent company guarantee for the due and punctual performance by any of its subsidiaries' present or future obligations to make payment of monies (including, but not limited to, the obligation to make payment of any damagers following breach of contract or otherwise) under inter alia any offtake agreements entered into under the Vitol Framework Agreement (as further described in Section 6.5.3). As at the date of this Application, no such payment obligations exist.

7.9.5 Lease guarantee - Skive

The Company has guaranteed for the payment obligations of QF Skive under a lease agreement entered into between Steen Ginnerup Ejendomme ApS and QF Skive with a yearly rent of approximately DKK 4.2 million. The Company has guaranteed for the payment obligations of QF Skive until 31 December 2021. The lease agreement is entered into for an initial period of 15 years upon which the agreement may be terminated by either of the parties upon a 12 months' prior written notice.

7.10 Grants

The Group has been granted the following funding from Enova:

- Enova BtL 17-3572: NOK 13,826,250 from Enova to partly finance a BtL plant in Norway, of which NOK 1,575,400 has been paid out. It is contemplated that this grant will be used to partly finance the BtL plant to be developed under the Avinor Agreement.
- Enova PtL 16-2996: The Company has been granted NOK 10,498,000 from Enova to partly finance a PtL plant in Oslo, Norway, of which NOK 6,591,508 has been paid out.

In addition, Quantafuel has received four grants from SkatteFunn of which two projects are currently ongoing.

8 THE BOARD OF DIRECTORS, MANAGEMENT AND CORPORATE GOVERNANCE

8.1 Introduction

The General Meeting is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at General Meetings and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested with its board of directors (the "**Board of Directors**", and each of the members thereof, a "**Board Member**") and its executive management team (the "**Management**"). In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's Chief Executive Officer (the "**CEO**"), is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must, according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results at a minimum of one time per month.

8.2 The Board of Directors

8.2.1 Introduction

The Company's articles of association (the "**Articles of Association**") provide that the Board of Directors shall comprise between three and eight board members, as elected by the Company's shareholders in an ordinary or extraordinary general meeting (as applicable).

The Company's registered business address, Vollsveien 13H, 1366 Lysaker, serves as business address for the members of the Board of Directors in relation to their directorship in the Company.

8.2.2 Overview of the Board of Directors

The table below sets out the names of the current Board Members.

Name	Position	Served since	Term expires
Mr. Svein Oscar Spieler	Chairperson	21 June 2019	Next AGM
Mr. Thorleif Enger	Director	21 June 2019	Next AGM
Mr. Per-Anders Hjort	Director	21 June 2019	Next AGM
Mr. Ragnar Thor Grundtvig Søegaard	Vice-Chairperson	21 June 2019	Next AGM
Mrs. Ann-Christin Gjerdseth Andersen	Director	21 June 2019	Next AGM
Mr. Jim Dåtland	Director	21 June 2019	Next AGM
Mr. Maximilian Walter	Director	7 October 2019	Next AGM

8.2.3 *Brief biographies of the Board Members*

Set out below are brief biographies of the Board Members, including their managerial expertise and experience, in addition to an indication of any significant principal activities performed by them outside of the Company.

Mr. Svein Oscar Spieler

Oscar Spieler was previously CEO Golar LNG management and has experience as CEO of Frontline Management, Sea Production. Mr Spieler has previous Board experience from Jasper Investments, Archer and North Atlantic Drilling and are currently chairman in Energy Drilling LTD. Mr Spieler hold a MSc in Engineering from Norwegian University of Science& Technology within Naval Architecture.

Dr. Thorleif Enger

Dr. Thorleif Enger was CEO of Yara International. Dr. Enger was the EVP of Hydro Oil and Gas before taking over the responsibility for Hydro Agri, which was demerged to create Yara in 2004. Dr. Enger has been president of the International Fertilizer Industry Association, and has been a chairman or non-executive director of several boards, including Telenor, Spring Energy, HitecVision, FMC Technologies and Marine Harvest and several others. Dr. Enger is educated at the University of Colorado where he earned his PhD in Structural Engineering.

Mr. Per-Anders Hjort

Mr. Per-Anders Hjort was CEO of DSV Miljø after serving as CEO of SITA UK and President of Miljøservice. Mr. Hjort has board experience from Norsk Gjenvinning, SITA Sweden and Suez Environment and several others. Mr. Hjort is educated as a Geologist from the University in Gothenburg.

Mr. Ragnar Thor Grundtvig Søegaard

Ragnar Søegaard is the CEO of Clean Energy Group, which is developing a 400 MW hydropower plant in Georgia, and holds several board positions in Norway. Mr. Søegaard has more than 20 years of experience in the power sector including as CFO of E-CO, the second largest power company in Norway, and CEO of Viken Fjernvarme. Mr. Søegaard is also a professor at the Asian Institute of Technology in Bangkok. Mr. Søegaard is a Norwegian citizen living in Oslo.

Mr. Ann-Christin Gjerdseth Andersen

Ms Ann-Christin Andersen is an executive with more than 30 years' experience from the oil&gas industry. She has been Chief Digital Officer, Managing Director, and held SVP/Vice President roles for Projects and Products. She has served as chair and non-executive director of several boards the last decades, and in now on the board of Rotork Plc, Quantafuel and Glitre Energi. Ann Christin also works as a strategic advisor in her new start-up 4ADA AS. Ann-Christin has a Bachelor degree with 1st Class Honors in Offshore Electrical Engineering from Heriot Watt University, UK and an Executive MBA with Honors at IMD University in Lausanne, Switzerland.

Mr. Jim Dåtland

Mr. Jim Dåtland is CFO and Investment Director at the family office of T.D. Veen AS. He has a significant corporate- and capital markets experience from various positions in stock exchange listed offshore drilling companies including Seadrill Ltd. Mr. Dåtland holds a master's degree in finance from Norwegian School of Economics (NHH) and is a Norwegian citizen based in Stavanger, Norway.

Mr. Maximilian Walter

Dr. Maximilian Walter is SVP of BASF's Global Technology Petrochemicals department. He has quite extensive experience in operations of petrochemical plants. In his operational career his focus was to enhance performance of plants like steamcrackers and synthesis gas. He has been with BASF since 1990. He holds a Ph.D from Technology University in Aachen, Germany. He is citizen of Germany and lives in Neustadt/ Germany.

8.2.4 Board members' shareholding in the Company

Name	Position	Shares	Options
Mr. Svein Oscar Spieler	Chairperson	180,860[(1)]	140,000
Mr. Thorleif Enger	Director	12,930[(2)]	8,000
Mr. Per-Anders Hjort	Director	-	8,000
Mr. Ragnar Thor Grundtvig Søegaard	Vice-Chairperson	54,203[(3)]	20,000
Mrs. Ann-Christin Gjerdseth Andersen	Director	-	8,000
Mr. Jim Dåtland	Director	-	8,000
Mr. Maximilian Walter	Director	-	-

(1) 63,843 Shares directly held and 117,017 Shares held through SOS Shipping AS, in which Mr. Speiler has 60% ownership.
(2) Shares held through Thoeng AS
(3) Shares held through RS Consult AS

8.2.5 Board of Directors independence

The Company has entered into consultancy agreements with Board Members Oscar Spieler and Per-Anders Hjort, under which they deliver consultancy services to the Company. Consequently, they are not considered as being independent of the Company's management. Maximilian Walter is elected to the Board of Directors as a representative of BASF.

Other than as described above, all of the Board Members are considered as independent of the Management, larger shareholders and material business contacts.

8.2.6 Audit committee

The Company has established an audit committee currently consisting of Ragnar Thor Grundtvig Søegaard and Jim Dåtland.

8.3 Management

8.3.1 General

As of the date of this Admission Document, the Company's senior management team consists of the following persons:

Name	Position	Employed since	Shares	Options[(5)]
Kjetil Bøhn	CEO	December 2014	443,205[(1)]	60,000
Jens Petter Broby	CFO[(2)]	1 January 2019	6,364	20,000
Bjørn Arild Dahlen	CTO	1 November 2018	5,000	25,000
Olav Stadaas[(3)]	Plant Development Director	November 2018	8,000	20,000
Thomas Steenbuch Tharaldsen[(4)]	CSO	1 September 2019	30,000	27,500
Winifred Patricia Johansen	CCO[(6)]	1 October 2019	68	10,000 [(7)]

[(1)]Shares held through KB Management
[(2)] Board member QF Skive
[(3)] Board member QF Skive
[(4)] CCO from 2017 to October 2019
[(5)] Please refer to Section 8.5 for a description of the terms of options
[(6)] Chairperson of the Board of QF Skive
[(7)] Under the terms of the employment agreement, Mrs. Johansen has a right to receive 10,000 additional options after 12 months employment.

The Company's registered business address, Vollsveien 13H, 1366 Lysaker, serves as business address for the members of the Management in relation to their position with the Company.

8.4 Brief biographies of the members of the Management

Kjetil Bøhn, CEO

Kjetil Bøhn is the founder of Agrinos AS, a leading biology company within the agricultural sector with 150 employees in 10 countries. He was previously CEO and Vice Chairman of the Board of the company. Mr. Bøhn has been an entrepreneur for 15 years, and holds a Master's degree from the Norwegian School of Economics in Bergen. Mr. Bøhn has extensive international experience from several board positions in both Norwegian and international companies. Mr. Bøhn is a Norwegian citizen living in Oslo.

Jens Petter Broby, CFO

Jens Petter Broby has more than 20 years of experience from finance positions within the oil & gas industry, mainly in start-up and growth companies. His experience includes positions as CFO in Sea Production, VP Finance in Aquamarine AS and VP Project Service in EMAS AMC. Mr. Broby holds a Master`s degree from Norwegian School of Economics. Mr. Broby is a Norwegian citizen living in Oslo.

Bjørn Arild Dahlen

Bjørn Arild Dahlen, CTO, holds a MsD (siv. ing.) from the Norwegian University of Science and Technology (NTNU). Mr. Dahlen has 20 years of experience in global management of project execution, engineering, procurement and construction of large-scale industrial projects. Mr. Dahlen is a Norwegian citizen living in Oslo.

Olav Stadaas

Olav Stadaas, Plant Development Director, has +30 years of experience within Technology and Business Development, Process Engineering and Project execution within aluminium in Hydro, automotive and oil & gas in Aker Solutions. Mr. Stadaas holds a MSc in Process Engineering from NTNU. Mr. Stadaas is a Norwegian citizen living in Oslo.

Thomas Steenbuch Tharaldsen

Thomas Steenbuch Tharaldsen, Chief Strategic Officer, has extensive experience from the biofuels markets. He has previously worked on introducing second generation synthetic alternative fuels and biofuels in Norway for road transport and industrial heating applications. He contributed to and led the introduction of the first 100% renewable fuel stations in Norway and contributed to establishing the first marine vessels fully operated on renewable synthetic fuels. Thomas has a degree in management and strategy from the Norwegian Business School and experience in commercial law from the University of Oslo. Mr. Tharaldsen is a Norwegian citizen living in Oslo.

Winifred Patricia Johansen

Winifred Patricia Johansen, Chief Commercial Officer, has extensive international commercial and technical experience. She has previously worked with sales, business development and technical validation of subsea control umbilicals. She has also worked with product development in the automotive sector. Winifred holds a master's degree in mechanical engineering from the Norwegian University of Science and Technology (NTNU), a Master degree in Oil and Gas Management from Robert Gordon University, Aberdeen and is a pursuing an Extramural Doctorate Degree in Leadership at the University of Bradford, UK. Mrs. Johansen is a Norwegian citizen living in Oslo.

8.5 Share incentive scheme

The Company has implemented a share option programme for its Group employees and Board Members. As of the date of this Admission Document, the Company has 495,500 options outstanding. Each option gives the right to subscribe for one share. The Board of Directors may at any time resolve to terminate all issued options against a cash consideration equal to the market value of the option shares at the time of termination, less the exercise price for such options.

The terms of the outstanding options are set out below:

178,000 options with exercise price of NOK 46.00 granted on 19 October 2018. All options vested on the date of grant, and the exercise period is 36 months thereafter (i.e. will expire on 19 October 2021), after which the options will lapse. The following options have been granted to current members of the Management and Board Members:

Option holder	Position	Number of Options
Oscar Spieler	Chairperson	70,000
Thomas S Tharaldsen	CSO	20,000
Ragnar Søegaard	Vice-chairperson	20,000

94,000 options with exercise price of NOK 68.00, granted on 19 October 2018. All options vested on the date of grant, and the exercise period is 36 months thereafter (i.e. will expire on 19 October 2021), after which the options will lapse. The following options have been granted to current members of the Management and Board Members:

Option holder	Position	Number of Options
Oscar Spieler	Chairperson	70,000
Thorleif Enger;	Board member	8,000
Per-Anders Hjort;	Board member	8,000

98,000 options with exercise price of NOK 60.00, granted on 15 March 2019. All options vested on the date of grant, and the exercise period is 36 months thereafter (i.e. will expire on 15 March 2022), after which the options will lapse. The following options have been granted to current members of the Management and Board Members:

Option holder	Position	Number of Options
Olav Stadaas;	Plant Development Director	20,000
Bjørn Arild Dahlen;	CTO	20,000
Jens Petter Broby;	CFO	20,000
Kjetil Bøhn;	CEO	30,000

36,500 options with exercise price of NOK 109.00 granted on 12 June 2019. The options will be vested with 1/3 after 12 months, 1/3 after 24 months and 1/3 after 36 months. The exercise period is 48 months from 12 June 2019, after which the options will lapse. The following options have been granted to current members of the Management and Board Members:

Option holder	Position	Number of Options
Thomas S Tharaldsen	CSO	7,500
Bjørn Arild Dahlen;	CTO	5,000

16,000 options with exercise price of NOK 135.00, granted on 21 June 2019. The option will be vested with 1/3 after 12 months, 1/3 after 24 months and 1/3 after 36 months. The exercise period is 48 months from 21 June 2019, after which the options will lapse. The following options have been granted to current members of the Management and Board Members:

Option holder	Position	Number of Options
Ann-Christin Gjerdseth Andersen;	Board member	8,000
Jim Dåtland;	Board member	8,000

10,000 options with exercise price of NOK 160.00, granted to Winifred Patricia Johansen (CCO) on 1 October 2019. The options will be vested with 1/3 after 12 months, 1/3 after 24 months and 1/3 after 36 months. The exercise period is 48 months from the 1 October 2019, after which the options will lapse.

30,000 options with exercise price of NOK 175.00, granted to Kjetil Bøhn (CEO) on 22 November 2019. The options will be vested with 1/3 after 12 months, 1/3 after 24 months and 1/3 after 36 months. The exercise period is 48 months from the 22 November 2019, after which the options will lapse.

33,000 options with an average exercise price of NOK 174.00, granted in the period from December 2019 to January 2020 to five new employees of the Group. The options will be vested with 1/3 after 12 months, 1/3 after 24 months and 1/3 after 36 months. The exercise period is 48 months from the date options granted, after which the options will lapse.

8.6 Benefits upon termination

There are no benefits upon termination for the Company's employees, board members or members of the management.

8.7 Employees

The Company has, per February 2020, approximately 45 employees and full-time consultants. The table below sets out the Group's average number of full-time employees for the financial years ended 31 December 2018 and 2017:

	QF AS	Group Total
2017	10	10
2018	14	18
2019	24	41

8.8 Corporate governance requirements

The Board has a responsibility to ensure that the Company has good corporate governance.

As the Company is not listed on any regulated market, no mandatory corporate governance code applies. The trading of the Company's shares on Merkur Market does not provide specific requirements in terms of corporate governance code, such as the Norwegian Code of Practice. However, the Company intends to maintain a high level of corporate governance standards and will consider the implications of the Norwegian Code of Practice going forward.

8.9 Nomination committee

At the ordinary general meeting held on 21 June 2019 it was decided that the Company shall have a nomination committee consisting of at least three members elected by the general meeting. Bård Mikkelsen was appointed as chairman of the nomination committee, and was granted authorisation to appoint the two additional members to the nomination committee. The additional members shall be independent from the Board of Directors and executive personnel.

The nomination committee shall prepare the election of board members. The general meeting may adopt rules of procedure for the work of the election committee.

8.10 Conflicts of interests etc.

Kjetil Bøhn was board member in AJ Hus og Hytter AS and Liåsen Utvikling AS which were declared bankrupt in 2018 and 2019, respectively.

Except from the above, during the last five years preceding the date of this Admission Document, no Board Member or member of the Management has (i) any convictions in relation to indictable offences or convictions in relation to fraudulent offences; (ii) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a Corporation or from acting in the management or conduct of the affairs of any Corporation; or (iii) been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a Sponsor, director or senior manager of a Corporation.

There are no family relationships between any of the persons listed above.

9 CORPORATE INFORMATION AND DESCRIPTION OF SHARE CAPITAL AND SHAREHOLDER MATTERS

9.1 Corporate Information

The legal and commercial name of the Company is Quantafuel AS. The Company is a private limited liability company (*Nw.: aksjeselskap*) validly incorporated and existing under the laws of Norway and in accordance with the Norwegian Private Companies Act. The Company is registered with the Norwegian Register of Business Enterprises with company registration number 915 119 484. The company was incorporated on 15 December 2014.

The Company's registered business address is Vollsveien 13H, 1366 Lysaker, Norway, which is also its principal place of business. The website for the Company is https://quantafuel.com/.

The Shares are registered in book-entry form with VPS under ISIN NO0010785967. The Company's register of shareholders in VPS is administrated by the VPS Registrar, DNB Bank ASA, Registrar Department, Dronning Eufemias gate 30, NO-0191 Oslo, Norway. The Company's LEI-code is 549300V6BLI7Z2UYNG15.

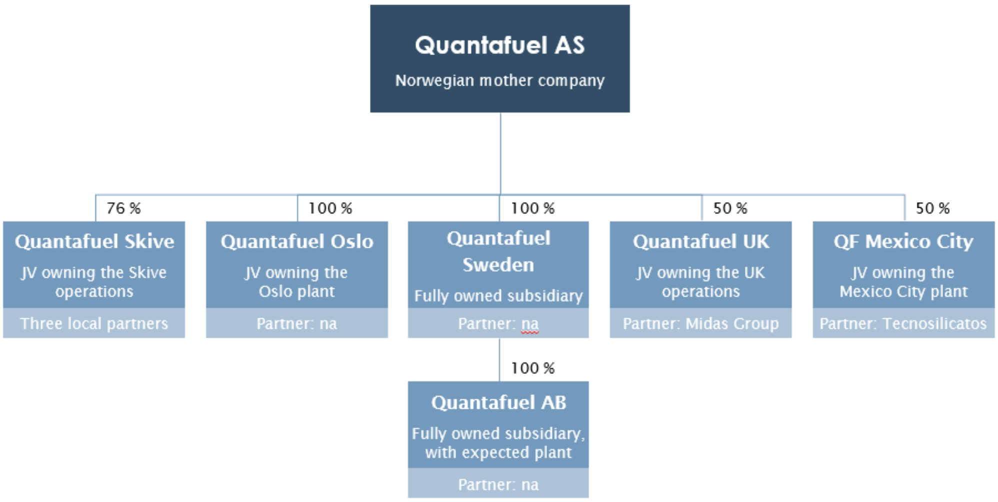
9.2 Legal structure

The Company is the parent company of Quantafuel Skive ApS (JV), Quantafuel Oslo AS, Quantafuel Sweden AB, Quantafuel AB, Quantafuel UK (JV) and QF Mexico City (JV). Please see section 6.4 for further information about regarding the organisational structure of the Group.

The below table sets out brief information about the Company's subsidiaries at the date of this Admission Document:

Company Name	Registrered office	Activity	Ownership held
Quantafuel Skive ApS (JV)	Skive, Denmark	The Company is currently building the first PtL plant in Skive Denmark.	76%
Quantafuel Oslo AS	Vollsveien 13 H, 1366 Lysaker, Norway	There has been no activities in this company during 2019.	100%
Quantafuel Sweden AB	Gothenburg, Sweden	No activities in this company during 2019	100%
Quantafuel AB	Gothenburg, Sweden	There have been no activities in this company during 2019.	100% (held through Quantafuel Sweden AB)
Quantafuel UK (JV)	London, England	There has been some activities in this company during 2019.	50%
Next Gen Energy S. de R.L. de C.V. (JV) (QF Mexico City).	Mexico City, Mexico	There has been no activities in this company during 2019.	50%

The following chart sets out the Group's legal structure as of the date of this Admission Document:



9.3 Share capital and share capital history

9.3.1 Overview

The registered share capital of the Company at the date of this Admission Document is NOK 111,674.67, divided into 11,167,467 Shares, each with a par value of NOK 0.01. All of the Shares have been created under the Norwegian Private Companies Act, and are validly issued and fully paid.

The Company has one class of shares, and accordingly there are no differences in the voting rights among the Shares. The Company's shares are freely transferable, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Articles of Association, the Company's shares shall be registered in the Norwegian Central Securities Registry ("**VPS**").

9.3.2 Share capital history

The table below shows the development in the Company's share capital for the period covered by the Financial Statements to the date of the Admission Document. There have not been any other capital increases in the Company other than as set out in the table below, neither by way of contribution in cash or in kind for the period covered by the Financial Statements until the date of this Admission Document.

Date	Event	Capital increase /decrease	Par value (NOK)	Share price (NOK)	Total share capital (NOK)	New shares issued	Total no. of Shares
27.03.2017	Conversion of loan	Capital increase	0.01	46.00	40,604.26	23,071	4,060,426
18.06.2018	Private placement	Capital increase	0.01	68.00	62,664.26	2,206,000	6,266,426
06.08.2018	Loan conversion	Capital increase	0.01	40.80	72,679.56	1,001,530	7,267,956
12.03.2019	Private placement	Capital increase	0.01	55.00	99,952.28	2,727,272	9,995,228
25.09.2019	Vitol Conversion	Capital increase	0.01	98.00	102,966.03	301,375	10,296,603
07.10.2019	BASF Investment	Capital increase	0.01	118.00	111,434.67	846,864	11,143,467
21.10.2019	Exercise of options	Capital increase	0.01	46.00 / 68.00	111,674.67	24,000	11,167,467

9.4 Ownership structure

As of 14 February 2020, the Company had a total of 820 registered shareholders in the VPS. The Company's 20 largest shareholders as of the same date are presented in the table below.

#	Shareholder	Number of shares	%
1	BASF ANTWERPEN N.V.	846,864	7.583
2	T.D. VEEN AS	523,636	4.689
3	KB MANAGEMENT AS	443,205	3.969
4	VERDIPAPIRFONDET NORDEA NORGE VERD	357,783	3.204
5	FAREID HOLDING AS	340,686	3.051
6	Heorot AB	315,193	2.822
7	DB London (Inv. Serv.) Nominees Lt	301,375	2.699
8	PRO AS	300,023	2.687
9	MIDAS CAPITAL AS	261,000	2.337
10	HANDELSBANKEN Nordiska Smabolag	252,603	2.262
11	AS CLIPPER	250,000	2.239
12	VERDIPAPIRFONDET NORDEA KAPITAL	243,299	2.179
13	MØSBU AS	221,209	1.981
14	Citibank, N.A.	216,076	1.935
15	VERDIPAPIRFONDET NORDEA AVKASTNING	193,813	1.735
16	VERDIPAPIRFONDET DELPHI NORGE	177,500	1.589
17	STRANDEN INVEST AS	177,058	1.585
18	EQUINOR PENSJON	172,444	1.544
19	Alta Invest SA	167,024	1.496
20	KLP ALFA GLOBAL ENERGI	155,000	1.388
	Total 20 largest shareholders	**5,915,791**	**52.973**
	Total shareholdings in VPS	**11,167,467**	**100.000**

As of the date of this Admission Document, no shareholders other than BASF Antwerpen N.V holds more than 5% of the issued Shares.

As of the date of this Admission Document, the Company does not hold any treasury shares.

There are no arrangements known to the Company that may lead to a change of control in the Company.

9.5 Authorisation to issue additional shares

As at the date of this Admission Document, the general meeting of the Company has granted the following authorisations to increase the Company's share capital to the Board of Directors:

(a) 27 June 2018: Authorisation to increase the share capital with up to NOK 3,000.00, of which NOK 2,760.00 remains unissued. The authorisation is valid until 27 June 2020. The authorisation may only be used to establish or implement incentive arrangements for the employees and board members of the Company or its subsidiaries (300,000 options maximum) that have been approved by the board. The new Shares may be issued at market value or a lower subscription price. The terms of the options granted to employees and Board Members are set out in section 8.5 above.

(b) 25 February 2019: Authorisation to increase the share capital with up to NOK 3,000.00, of which NOK 3,000.00 remains unissued. The authorisation is valid until 25 February 2021. The authorisation may only be used to establish or implement incentive arrangements for the employees and board members of the Company or its subsidiaries (300,000 options maximum) that have been approved by the board, as generally applicable or as agreed individually. The new Shares may be issued at market value or a lower subscription price. The terms of the options granted to employees and Board Members are set out in section 8.5 above.

(c) 21 June 2019: Authorisation to increase the share capital with up to NOK 13,872.00, of which NOK 10,858.25 remains unissued. The authorisation is valid until 21 June 2020. Only Vitol S.A. (or its affiliates) may subscribe for shares issued pursuant to the authorisation. The authorisation includes increase by non-cash payment, rights to assume special obligations on the Company's behalf and mergers.

(d) 7 October 2019: Authorisation to increase the share capital with up to NOK 26,000.00, of which NOK 17,531.36 remains unissued. The authorisation is valid until 7 October 2020. The authorisation may be used to carry out share issues to third parties identified by the board and with whom the Company intends to establish, continue or develop an industrial, scientific, commercial or strategic cooperation to facilitate the development or commercialisation of technology or production. The subscription price shall be minimum NOK 118.

9.6 Other financial instruments issued by the Company

Except for the share options described in Section 8.5 "*Share incentive schemes*", and the BASF Convertible Loan as described in Section 7.9.1, neither the Company nor any of the Company's subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries.

9.7 Shareholder rights

The Company has one class of shares in issue and all Shares provide equal rights in the Company, including the rights to any dividends. Each of the Company's shares carries one vote. The rights attached to the Shares are further described in Section 9.8 "*The Articles of Association*" and Section 9.9 "*Certain aspects of Norwegian corporate law*".

9.8 The Articles of Association

The Articles of Association are enclosed in Appendix A to the Admission Document. Below is a summary of provisions of the Articles of Association last updated on 21 October 2019.

9.8.1 Objective of the Company

Pursuant to section 3, the objective of the Company is to develop, produce and sell components and products which transform organic material into liquid carbon compounds by chemical processes, as well as sell the end products of these processes. The Company may also participate in other companies, invest in securities, as well as own, rent and operate real estate. The Company shall negotiate and enter into agreements with regards to purchasing real estate.

9.8.2 Share capital and par value

Pursuant to article section 4, the Company's share capital is NOK 111,674.67 divided into 11,167,467 shares, each with a nominal value of NOK 0.01. The Shares shall be registered with a central securities depository (the Norwegian Central Securities Depository (VPS)). The Company's shares carry equal rights.

9.8.3 The board of directors

Pursuant to section 5, the Board of Directors shall consist of between three and eight board members.

9.8.4 Nomination committee

The Company shall have a nomination committee consisting of minimum three members elected by the general meeting. The nomination committee shall prepare for election of board members. The general meeting may adopt instructions for the nomination committee.

9.8.5 Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares.

9.8.6 General meetings

Documents relating to matters to be dealt with by the Company's general meeting, including documents which pursuant to law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website.

The annual general meeting shall deal with and decide the following matters:

- Approval of the annual accounts and the annual report, including distribution of dividend;
- Election of the Board of Directors and auditor, in addition to general manager if required by the general meeting (cf. Norwegian Private Companies Act Section 6-6). The Board of Directors elect the Chairman of the Board;
- Changes to the Articles of Association; and
- Any other matters which fall within the responsibility of the general meeting.

9.9 Certain aspects of Norwegian law

9.9.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian private limited liability company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that a written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting is sent to all shareholders with a known address no later than seven days before the annual general meeting of a Norwegian private limited liability company shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy (the proxy holder is appointed at their own discretion). Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the shareholders' register kept and maintained with VPS as of the date of the general meeting, or who otherwise have reported and documented ownership of shares in the Company, are entitled to participate at general meetings, without any requirement of pre-registration.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the board of directors considers it necessary. An extraordinary general meeting of shareholders shall also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 10% of the share capital demands such in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings.

9.9.2 Voting rights – amendments to the articles of association

Each Share carries one vote. In general, decisions shareholders are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments (e.g. to the board of directors), the person(s) who receive(s) the greatest number of votes cast is elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe or shares in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the articles of association, to authorize an increase or reduction of the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the general meeting in question. Moreover, Norwegian law requires that certain decisions, i.e. decisions that have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the articles of association.

In general, only a shareholder registered in VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees.

There are no quorum requirements that apply to the general meetings.

9.9.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's articles of association must be amended, which requires the same vote as other amendments to the articles of association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. The preferential rights may be deviated from by a resolution in the general meeting passed with the same vote required to amend the articles of association. A deviation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the articles of association, authorize the board of directors to issue new Shares, and to deviate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered par share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States and other jurisdictions upon the exercise of preferential rights may require the Company to file a registration statement or prospectus in the United States under United States securities laws or in such other jurisdictions under the laws of such jurisdictions. Should the Company in such a situation decide not to file a registration statement or prospectus, the Company's U.S. shareholders and shareholders in such other jurisdictions may not be able to exercise their preferential rights. To the extent that shareholders are not able to exercise their rights to subscribe for new shares, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company will be reduced.

9.9.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the board of directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 10% or more of the Company's share capital have a right to demand in writing that the Board of Directors convenes an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

9.9.5 Rights of redemption and repurchase of shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not lead to the share capital with deduction of the aggregate nominal of the holding of own shares is less than the minimum allowed share capital of NOK 30,000, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the general meeting of the Company's shareholders cannot be granted for a period exceeding two years.

9.9.6 Shareholder vote on certain reorganizations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the board of directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the articles of association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

9.9.7 Liability of board members

Board members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the board members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Board members may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the articles of association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the articles of association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

9.9.8 Indemnification of board members

Neither Norwegian law nor the articles of association contains any provision concerning indemnification by the Company of the board of directors. The Company is permitted to purchase insurance for the board members against certain liabilities that they may incur in their capacity as such.

9.9.9 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

9.10 Takeover bids and forced transfer of shares

The Company is not subject to the takeover regulations, applicable only to companies with shares listed on a Norwegian regulated market, set out in the Norwegian Securities Trading Act, or otherwise.

The Shares are, however, subject to the provisions on compulsory transfer of shares as set out in the Norwegian Private Companies Act. If a private limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the general meeting, the board of directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary have the right to require the parent company to take over the shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Norwegian Private Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.

9.11 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are admitted to trading, or subject to an application for admission to trading on a Norwegian regulated marketplace or a Norwegian multilateral trading facility, or incitement to such dispositions, must not be undertaken by anyone who has inside information. The same applies in the case of financial instruments that are admitted to trading on a Norwegian multilateral trading facility. Inside information is defined in Section 3-2 of the Norwegian Securities Trading Act and refers to precise information about financial instruments issued by the Company admitted to trading, about the Company admitted trading itself or about other circumstances which are likely to have a noticeable effect on the price of financial instruments issued by the Company admitted to trading or related to financial instruments issued by the Company admitted to trading, and which is not publicly available or commonly known in the market. Information that is likely to have a noticeable effect on the price shall be understood to mean information that a rational investor would probably make use of as part of the basis for his investment decision. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions. Breach of insider trading obligations may be sanctioned and lead to criminal charges.

10 NORWEGIAN TAXATION

This Section describes certain tax rules in Norway applicable to shareholders who are resident in Norway for tax purposes ("**Norwegian Shareholders**") and to shareholders who are not resident in Norway for tax purposes "**Non-Resident Shareholders**"). The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Admission Document and are subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. The statements only apply to shareholders who are beneficial owners of Shares. Please note that for the purpose of the summary below, references to Norwegian Shareholders or Foreign Shareholders refers to the tax residency rather than the nationality of the shareholder.

10.1 Norwegian shareholders

10.1.1 Taxation of dividends

Norwegian corporate shareholders (i.e. limited liability companies and similar entities) ("**Norwegian Corporate Shareholders**") are comprised by the Norwegian participation exemption. Under the exemption, only 3% of dividend income on shares in Norwegian limited liability companies is subject to tax as ordinary income (22% flat rate as of 2020), implying that such dividends are effectively taxed at a rate of 0.66%.

Dividends distributed to Norwegian individual shareholders (i.e. other shareholders than Norwegian Corporate Shareholders) ("**Norwegian Individual Shareholders**") are grossed up with a factor of 1.44 before taxed as ordinary income (22% flat rate, resulting in an effective tax rate of 31.68%) to the extent the dividend exceeds a tax-free allowance.

The tax-free allowance is calculated on a share-by-share basis for each individual shareholder on the basis of the cost price of each of the Shares multiplied by a risk-free interest rate. The risk-free interest rate is based on the effective rate of interest on treasury bills (*Nw.: statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The tax-free allowance is calculated for each calendar year and is allocated solely to Norwegian Individual Shareholders holding Shares at the expiration of the relevant calendar year. Norwegian Individual Shareholders who transfer Shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the Share ("unused allowance") may be carried forward and set off against future dividends received on (or gains upon realization of, see below) the same Share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same Share the following year.

The Shares will not qualify for Norwegian share saving accounts (*Nw.: aksjesparekonto*) for Norwegian Individual Shareholders as the shares are listed on Merkur Market (and not Oslo Børs).

10.1.2 Taxation of capital gains

Sale, redemption or other disposal of Shares is considered as a realization for Norwegian tax purposes.

Capital gains generated by Norwegian Corporate Shareholders through a realization of shares in Norwegian limited liability companies, such as the Company, are comprised by the Norwegian participation exemption and therefore tax exempt. Net losses from realization of Shares and costs incurred in connection with the purchase and realization of such Shares are not tax deductible for Norwegian Corporate Shareholders.

Norwegian Individual Shareholders are taxable in Norway for capital gains derived from realization of Shares, and have a corresponding right to deduct losses. This applies irrespective of how long the Shares have been owned by the individual shareholder and irrespective of how many Shares that are realized. Gains are taxable as ordinary income in the year of realization and losses can be deducted from ordinary income in the year of realization. Any gain or loss is grossed up with a factor of 1.44 before taxed at a rate of 22% (resulting in an effective tax rate of 31.68%. Under current tax rules, gain or loss is calculated per Share, as the difference between the consideration received for the Share and the Norwegian Individual Shareholder's cost price for the Share, including costs incurred in connection with the acquisition or realization of the Share. Any unused tax-free allowance connected to a Share may be deducted from a capital gain on the same Share, but may not lead to or increase a deductible loss. Further, unused tax-free allowance related to a Share cannot be set off against gains from realization of other Shares.

If a Norwegian shareholder realizes Shares acquired at different points in time, the Shares that were first acquired will be deemed as first sold (the "first in first out"-principle) upon calculating taxable gain or loss. Costs incurred in connection with the purchase and sale of Shares may be deducted in the year of sale.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances.

10.1.3 Net wealth tax

The value of Shares is taken into account for net wealth tax purposes in Norway. The marginal net wealth tax rate is currently 0.85% of the value assessed. The value for assessment purposes for the Shares is equal to 75% of the total tax value of the Company as of 1 January of the year before the tax assessment year. However, if the share capital in the Company has been increased or reduced by payment from or to shareholders in the year before the tax assessment year, the value for assessment purposes for the Shares is equal to 75% of the total tax value of the Company as of 1 January of the tax assessment year. The value of debt allocated to the Shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75%).

Norwegian limited liability companies and similar entities are exempted from net wealth tax.

10.2 Non-Resident Shareholders

10.2.1 Taxation of dividends

Dividends paid from a Norwegian limited liability company to Non-Resident Shareholders are subject to Norwegian withholding tax at a rate of 25% unless the recipient qualifies for a reduced rate according to an applicable tax treaty or other specific regulations. The shareholder's country of residence may give credit for the Norwegian withholding tax imposed on the dividend.

If a Non-Resident Shareholder is carrying on business activities in Norway and the Shares are effectively connected with such activities, the Non-Resident Shareholder will be subject to the same taxation of dividend as a Norwegian Shareholder, as described above.

Non-Resident Shareholders that are corporate shareholders (i.e. limited liability companies and similar entities) ("**Foreign Corporate Shareholders**") resident within the EEA are exempt from Norwegian withholding tax pursuant to the Norwegian participation exemption provided that the Foreign Corporate Shareholder is genuinely established and carries out genuine economic activities within the EEA. UK has left the EU (and EEA) as of 31 January 2020, but shall in a transitional period until at least 31 December 2020 be treated as a EU/EEA member.

Dividends paid to Non-Resident Shareholders that are individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders) ("**Foreign Individual Shareholders**") are as the main rule subject to Norwegian withholding tax at a rate of 25%, unless a lower rate has been agreed in an applicable tax treaty. If the individual shareholder is resident within the EEA, the shareholder may apply to the tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share, see Section 10.1.1 "*Taxation of* *dividends*". However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

In accordance with the present administrative system in Norway, a distributing company will generally deduct withholding tax at the applicable rate when dividends are paid directly to an eligible Foreign Shareholder, based on information registered with the VPS. Foreign Corporate and Individual Shareholders must document their entitlement to a reduced withholding tax rate by (i) obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state and (ii) providing a confirmation from the shareholder that the shareholder is the beneficial owner of the dividend. In addition, Foreign Corporate Shareholders must also present either (i) an approved withholding tax refund application or (ii) an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate or a withholding tax exemption. Such documentation must be provided to either the nominee or the account operator (VPS). Dividends paid to Non-Resident Shareholders in respect of nominee registered shares are not eligible for reduced treaty withholding tax rate at the time of payment unless the nominee, by agreeing to provide certain information regarding beneficial owner, has obtained approval for reduced treaty withholding tax rate from the Norwegian tax authorities. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Foreign Individual and Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Foreign Corporate Shareholders that have suffered withholding tax although qualifying for the Norwegian participation exemption.

Non-Resident Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments.

10.2.2 Taxation of capital gains

Gains from realization of Shares by Non-Resident Shareholders will not be subject to tax in Norway unless the Non-Resident Shareholders are holding the Shares in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

10.2.3 Net wealth tax

Non-Resident Shareholders are not subject to Norwegian net wealth tax with respect to the Shares, unless the shareholder is an individual, and the shareholding is effectively connected with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

10.2.4 Transfer taxes etc. VAT

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, issuance, disposal or redemption of shares. Further, there is no VAT on transfer of shares.

11 SELLING AND TRANSFER RESTRICTIONS

11.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares admitted to listing on Merkur Market.

The Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Admission Document does not constitute an offer and this Admission Document is for information only and should not be copied or redistributed. If an investor receives a copy of this Admission Document, the investor may not treat this Admission Document as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Admission Document, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

11.2 Selling restrictions

11.2.1 United States

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, the Merkur Market Advisor has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Shares as part of its allocation at any time other than (i) within the United States to QIBs in accordance with Rule 144A or (ii) outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Shares will be restricted and each purchaser of the Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 11.3.1 "*United States*".

11.2.2 United Kingdom

The Merkur Market Advisor has represented, warranted and agreed that:

a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") in connection with the issue or sale of any Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving the United Kingdom.

11.2.3 European Economic Area

In no member state (each a "**Relevant Member State**") of the European Economic Area (the "**EEA**") have Shares been offered and in no Relevant Member State other than Norway will Shares be offered to the public pursuant to an offering, except that Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

a) to persons who are "qualified investors" within the meaning of Article 2(e) in the EU Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Merkur Market Advisor for any such offer; or

c) in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation;

provided that no such offer of Shares shall result in a requirement for the Company or Merkur Market Advisor to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

This EEA selling restriction is in addition to any other selling restrictions set out in this Admission Document.

11.2.4 Other jurisdictions

The Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Switzerland, Japan, Canada, Australia or any other jurisdiction in which it would not be permissible to offer the Shares.

In jurisdictions outside the United States and the EEA where an offering would be permissible, the Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

11.3 Transfer restrictions

11.3.1 United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Admission Document and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, subject to certain exceptions, may not be offered or sold within the United States.

- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Admission Document.

- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- The Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.

- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.

- The purchaser acknowledges that the Company, the Merkur Market Advisor and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Admission Document and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.

- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.

- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser will not deposit or cause to be deposited such Shares into any depositary receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.

- The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.

- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.

- If the purchaser is requiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- The purchaser acknowledges that the these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Merkur Market Advisor and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

11.3.2 European Economic Area

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Admission Document will be deemed to have represented, warranted and agreed to and with the Merkur Market Advisor and the Company that:

a) it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and

b) in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Merkur Market Advisor has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

12 ADDITIONAL INFORMATION

12.1 Admission to trading on Merkur Market

On 17 February 2020, the Oslo Stock Exchange approved the Company's application for Admission to Merkur Market. The first day of trading on Merkur Market is expected to be 20 February 2020.

Neither the Company nor any other entity of the Group have securities listed on any stock exchange or other regulated marketplace. However, prior to the Admission, trades in the Company's Shares have been quoted on the NOTC, a non-regulated information system for unlisted shares owned by Oslo Børs ASA.

12.2 Third-party information

Throughout this Admission Document, we have used industry and market data obtained from independent industry publications, market research, internal surveys and other publicly available information. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. We have not independently verified such data. Similarly, whilst we believe that our internal surveys are reliable, they have not been verified by independent sources and we cannot assure you of their accuracy. Thus, we do not guarantee or assume any responsibility for the accuracy of the data, estimates, forecasts or other information taken from sources in the public domain. The information in this Admission Document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

12.3 Independent auditor

The Company's independent auditor is RSM Norge AS, with registered address Filipstad Brygge 1, NO-0252 Oslo, Norway. RSM Norge AS is a member of Den Norske Revisorforeningen (the Norwegian Institute of Public Accountants). RSM Norge AS has been the Company's independent auditor since 27 March 2017.

12.4 Advisors

The Company has engaged SpareBank 1 Markets AS (business registration number 992 999 101, and registered business address at Olav V's gate 5, NO-0161 Oslo, Norway, as Merkur Advisor.

Wikborg Rein Advokatfirma AS (business registration number 916 782 195, and registered business address at Dronning Mauds gate 11, NO-0250 Oslo, Norway is acting as Norwegian legal counsel to the Company.

13 DEFINITIONS AND GLOSSARY OF TERMS

Admission Document	This Admission Document dated 17 February 2020
Admission to Trading	The admission to trading of the Company's shares on Merkur Market
Annual Financial Statements	The Group's consolidated financial statements for the year ended 31 December 2018
Articles of Association	Articles of Association of the Company as of 21 October 2019.
BASF	BASF SE
BASF Convertible Loan	Investment as a convertible loan as part of the BASF Investment and Convertible Loan Agreement
BASF Collaboration Agreement	A collaboration agreement to be entered into between the Company and BASF to develop technology to produce liquid hydrocarbon products produced from plastic waste to produce chemical feedstock.
BASF Investment	BASF's investment as part of the BASF Investment and Convertible Loan Agreement.
BASF Investment and Convertible Loan Agreement	The agreement with BASF entered into on 25 September 2019.
Board of Directors	The Board of Directors of the Company
Board Member	Member of the Board of Directors
BtL	Biogas-to-Liquid
CEO	Chief Executive Officer.
Company	Quantafuel AS
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance last updated 17 October 2018.
DGI Loan	The DKK 53 million loan from Danmarks Grønne Investeringsbank to QF Skive, of which DKK 13 million has been disbursed
DKK	Danish Kroner, the lawful currency of Denmark
QF Skive	Quantafuel Skive ApS
EEA	European Economic Area.
Enova	Enova SF
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and as implemented in Norway.
Foreign Corporate Shareholders	Non-Resident Shareholders that are corporate shareholders (i.e. limited liability companies and similar entities).
Foreign Individual Shareholders	Non-Resident Shareholders that are individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders).
FSMA	Financial Services and Markets Act 2000.
Group	The Company and its subsidiaries
IFRS	International Financial Reporting Standards as adopted by the European Union
Interim Financial Statements	The Group's consolidated financial statements for the three months' period ended 30 September 2019
Management	The members of the Company's executive management.
Merkur Advisor	SpareBank 1 Markets AS
Merkur Market	A multilateral trading facility operated by Oslo Børs ASA
NOK	Norwegian kroner, the lawful currency of Norway

Non-Resident Shareholders	Shareholders who are not resident in Norway for tax purposes.
Norwegian Accounting Act	The Norwegian Accounting Act of 17 July 1998 no 56.
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes
Norwegian Individual Shareholders	Norwegian Shareholders other than Norwegian Corporate Shareholders.
Norwegian Private Companies Act	The Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44 (as amended)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 28 June 2007 (Nw.: *verdipapirhandelloven*)
Norwegian Shareholders	Shareholders who are resident in Norway for tax purposes
PtL	Plastic-to-liquid technology
Quantafuel	The Company
RED 2	The revised renewable energy directive 2018/2001/EU
Relevant Member State	Each Member State of the European Economic Area which has implemented the EU Prospectus Regulation.
Share(s)	The shares of the Company, consisting as at the date of this Admission document of 11,167,467 ordinary shares each with a par value of NOK 0.01.
Skive Offtake Agreement	An offtake agreement entered into between QF Skive and Vitol with respect to offtake from the Skive Plant.
Skive Plant	The Group's first commercial plant in Skive, Denmark
United States	The United States of America
USD	United States Dollar, the lawful currency in the United States
Vitol Framework Agreement	A framework agreement entered into between the Company and Vitol S.A. in March 2018
VPS Registrar	DNB Bank ASA
VPS	The Norwegian Central Securities Registry

Quantafuel AS

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https://www.sb1markets.no/

Appendix A – Articles of Association

SELSKAPETS VEDTEKTER:

§ 1.
Selskapets foretaksnavn skal være: Quantafuel AS. Selskapet er et aksjeselskap og skal være registrert i Verdipapirsentralen (VPS)

§ 2.
Selskapet skal ha sitt forretningskontor i Bærum kommune

§ 3.
Selskapets virksomhet vil være å utvikle, produsere, markedsføre og selge komponenter og produkter som omformer organisk materiale til flytende karbonforbindelser ved hjelp av kjemiske prosesser, samt selge sluttprodukter fra disse prosessene. Selskapets kan i tillegg delta i andre selskaper, investering i verdipapirer, samt eie, leie, utleie og drive fast eiendom. Selskapets skal forhandle og inngå avtaler vedrørende kjøp av fast eiendom.

§ 4.
Aksjekapitalen skal være på kr 111 674,67 a 11 167 467 aksjer hver pålydende kr 0,01 og lydende på navn. Alle aksjer har like rettigheter.

§ 5.
Selskapets styre skal ha 3 til 8 medlemmer.

§ 6.
Selskapet skal ha en valgkomité bestående av minst 3 medlemmer som skal velges av generalforsamlingen. Valgkomiteen skal forberede valg av styremedlemmer. Generalforsamlingen kan vedta instruks for valgkomiteens arbeid.

§ 7.
På den ordinære generalforsamlingen skal følgende spørsmål behandles og avgjøres:

1. Godkjennelse av årsberetningen og årsregnskapet, herunder utdeling av utbytte.
2. Valg av styre og eventuell revisor samt forretningsfører, hvis forretningsfører ønskes av generalforsamlingen *(jfr. § 6-6 om styremedlemmenes tjenestetid).* Styret velger selv leder.
3. Vedtektsendringer.
4. Andre saker som ligger til generalforsamlingen å behandle

Når dokumenter som gjelder saker som skal behandles på generalforsamlingen er gjort tilgjengelige for aksjeeierne på selskapets internettsider, gjelder ikke aksjelovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen

§ 9. Aksjenes omsettelighet

Aksjene i Selskapet er fritt omsettelige, herunder gjelder det ingen forkjøpsrett eller styresamtykke etter aksjeloven eller øvrige omsetningsbegrensninger ved eierskifte av aksjer

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Endringslogg for Vedtektene:

15.12.2014: Stiftelse av selskapet.
30.06.2015: §1 VPS Registrering, §3 Presisering av tekst, § Økning fra maks 5 til maks 7 styremedlemmer
18.05.2016 Sletting av §10 «Det kreves flertall av totalt utestående aksjer for å endre selskapets vedtekter.», endring Aksjekapital.
29.08.2016 Endring Aksjekapital ihht styrefullmakt
18.10.2016 Endring Aksjekapital ihht styrefullmakt
27.02.2016 Endring Aksjekapital ihht Generalforsamling §6 endring av tekst, §7 sletting av «Aksjonærer med mer enn 15% eierandel kan kreve at selskapet har årlig revisjon», §9 slettes i sin helhet
05.06.18 Endring i Aksjekapital ihht Generalforsamling, emisjon I
05.06.18 Endring i Aksjekaptial iht Generalforsamling, Emisjon II og konvertering av lån ihht Styremøte #3 2018
25.02.19 Nytt punkt §9 Aksjenes omsettelighet
25.02.19 Endring i Aksjekapital ihht Generalforsamling
21.06.19 Slettet eksisterende §6 og la inn ny §6 ang valgkomitee
21.06.19 Slettet §7
21.06.19 Endret §8 til §7, samt tillagt tekst
25.09.19 Endring aksjekapital ihht styrefullmakt
07.10.19 Endring i antall styremedlemmer fra 3-7 til 3-8
07.10.19 Endring aksjekapital ihht styrefullmakt
21.10.19 Endring aksjekapital ihht styrefullmakt

Appendix B – Financial Statements

QUANTAFUEL

ANNUAL REPORT

QUANTAFUEL AS

915 119 484

01.01.2018 - 31.12.2018

Financial Statements

Income statement

Quantafuel AS 2018	Quantafuel AS 2017	NOK	Notes	Quantafuel Group 2018	Quantafuel Group 2017
31 010 693	2 187 491	Revenue	2;3	102 285	2 187 491
121 365	1 457 274	Other income	3	121 365	1 457 274
31 132 058	3 644 765	Operating revenue		223 650	3 644 765
-167 598 801	-3 747 620	Cost of sales	2	-167 689 280	-3 747 620
-20 884 407	-11 225 226	Salaries and personnel costs	4	-22 505 787	-11 225 226
-540 014	-196 668	Depreciation and amortisation	7;8	-596 127	-818 196
-11 433 315	-16 416 471	Other operating expenses	4;11	-12 822 661	-17 193 702
-200 456 537	**-31 585 985**	**Total operating expenses**		**-203 613 854**	**-32 984 744**
-169 324 479	-27 941 220	**Operating profit (or loss)**		-203 390 204	-29 339 979
226 645	29 473	Interest income		226 672	34 282
-	-	Income from subsidiaries and other group entities		-	-
-2 529 738	225 662	Exchange currency gains/loss		-2 529 738	225 662
-2 275 236	-1 555 354	Interest expense		-3 810 399	-1 555 354
-8 152 715	-3 316 193	Other financial expenses		-9 275 128	-3 470 613
-12 731 044	-4 616 412	Net financial income / expense (-)	5	-15 388 593	-4 766 024
-182 055 523	-32 557 632	Net income / loss (-) before taxes		-218 778 797	-34 106 003
-	-	Tax expense	6	843 313	38 871
-182 055 523	-32 557 632	**Net income / loss (-)**		-217 935 484	-34 067 132
		Brought forward		-	-
0		Net loss attributable to minority interests		727 063	34 844
182 055 523	32 557 632	Loss brought forward		217 208 421	34 032 288
-182 055 523	-32 557 632	**Net brought forward**	15	-217 935 484	-34 067 132
		Other comprehensive income			
		Items that may be reclassified subsequently to profit or loss			
		Foreign currency translation		-92 343	-99 004
-182 055 523	**-32 557 632**	**Total comprehensive income for the year**		**-218 027 827**	**-34 166 136**

Financial Statements

Balance Sheet

Quantafuel AS 2018	Quantafuel AS 2017	Quantafuel AS 01.01.2017	NOK	Notes	Quantafuel Group 2018	Quantafuel Group 2017	Quantafuel Group 01.01.2017
			Assets				
-	-	-	Goodwill		-	-	-
9 018 493	106 570	106 570	Other intangible assets	7	9 208 867	560 920	1 128 053
-	-	-	Deferred tax asset		-	-	-
9 018 493	106 570	106 570	Total intangible assets		9 208 867	560 920	1 128 053
308 890	275 338	472 006	Property, plant and equipment	8	38 732 466	25 302 920	1 778 455
17 155 512	17 653 546	4 400 794	Investments in Associates	2;9	-	-	-
-			Other non-current receivables	11	3 261 584	-	-
17 155 512	17 653 546	4 400 794	Total financial non-current assets		3 261 584	-	-
26 482 895	18 035 454	4 979 370	**Total non-current assets**		51 202 918	25 863 840	2 906 508
-			Inventories	12	-	-	-
-					-	-	-
18 281 677	76 066	9 738 350	Accounts receivable	10;18	913 889	619 561	7 254 299
6 730 284	4 347 338	2 153 681	Other receivables	11;18	17 935 491	13 598 478	4 642 026
25 011 961	4 423 404	11 892 031	Total receivables		18 849 380	14 218 039	11 896 325
70 600 639	12 491 820	6 721 393	Bank deposits, cash etc.	13	86 052 946	21 339 852	7 561 701
95 612 600	16 915 224	18 613 424	**Total current assets**		104 902 326	35 557 892	19 458 026
122 095 495	34 950 678	23 592 794	**Total assets**		156 105 243	61 421 732	22 364 534

Quantafuel AS 2018	2017	01.01.2017	NOK	Notes	Quantafuel Group 2018	2017	01.01.2017
			Equity				
72 679	40 604	38 156	Share capital	14;15	72 679	40 604	38 156
235 368 187	41 925 839	40 867 059	Premium reserve	15	235 368 187	41 925 839	40 867 059
-250 820 077	-68 764 555	-31 103 922	Uncovered loss	4;15	-270 177 512	-52 587 598	-33 165 504
-15 379 211	-26 798 112	9 801 293	Total equity		-34 736 646	-10 621 155	7 739 711
-	-	-	Minority interests	15	727 063	-	5 718
-15 379 211	-26 798 112	9 801 293	**Total equity**		-34 009 583	-10 621 155	7 745 429
			Liabilities				
-	-	-	Deferred tax	6	-	-	-
-	-	-	Loans to financial institutions	11	1 095	642	-
-	-	-	Convertible debt		-	-	-
-	13 565 566	1 506 624	Other non-current liabilities	2;11	13 059 401	13 565 566	657 986
-	13 565 566	1 506 624	Total non-current liabilities		13 060 496	13 566 208	657 986
15 043 614	4 264 628	2 472 945	Accounts payable	10	18 607 885	11 287 879	2 465 231
					-		
122 431 092	43 918 596	9 811 932	Other current liabilities	10;11	158 446 447	47 188 800	11 495 889
137 474 706	48 183 224	12 284 877	Total current liabilities		177 054 332	58 476 679	13 961 120
137 474 706	61 748 790	13 791 501	**Total liabilities**		190 114 828	72 042 888	14 619 105
122 095 495	34 950 678	23 592 794	**Total equity and liabilities**		156 105 245	61 421 732	22 364 534

Date and place: Lysaker, 12.06.2019

Oscar Spieler - Chairman

Bård Mikkelsen - Board Member

Jens Engwall - Board Member

Ragnar Søegaard - Board Member

Dag-Erik Rasmussen - Board Member

Thorleif Enger - Board Member

Per-Anders Hjort - Board Member

Kjetil Bøhn - CEO

Statement of changes in equity

Quantafuel AS					Quantafuel Group						
Issued capital	Share premium	Retained earnings	Total	NOK	Issued capital	Share premium	Retained earnings	Currency translation differences	Total shareholders' equity	Minority interests	Total equity
38 156	40 867 059	-31 103 922	9 801 293	Balance at 1 January 2017	38 156	40 867 059	-31 103 922	-	9 801 293	-	9 801 293
				Adjustment for change in accounting policy					-		-
38 156	40 867 059	-31 103 922	9 801 293	Balance at 1 January 2017 - restated	38 156	40 867 059	-31 103 922	-	9 801 293	-	9 801 293
-	-	-32 557 632	-32 557 632	Profit after income tax expense for the year	-	-	-32 557 632	-	-32 557 632	-	-32 557 632
-	-	-5 103 000	-5 103 000	Other comprehensive income for the year, net and tax	-	-	11 073 957	-	11 073 957	-	11 073 957
38 156	40 867 059	-68 764 554	-27 859 339	Total comprehensive income for the year	38 156	40 867 059	-52 587 597	-	-11 682 382		-11 682 382
			-	Transactions with owners in their capacity as owners:							-
2 448	1 058 779	-	1 061 227	Contributions of equity, net of transaction costs	2 448	1 058 779			1 061 227		1 061 227
			-	Dividends paid					-		-
40 604	41 925 838	-68 764 554	-26 798 112	**Balance at 31 December 2017**	40 604	41 925 838	-52 587 597	-	-10 621 155	-	-10 621 155
40 604	41 925 838	-68 764 554	-26 798 112	Balance at 1 January 2018	40 604	41 925 838	-52 587 597	-	-10 621 155	-	-10 621 155
-	-	-182 055 523	-182 055 523	Profit after income tax expense for the year			-217 935 484		-217 935 484	727 063	-217 208 421
-	-	-	-	Other comprehensive income for the year, net and tax			345 569		345 569		345 569
40 604	41 925 838	-250 820 077	-208 853 635	Total comprehensive income for the year	40 604	41 925 838	-270 177 512	-	-228 211 070	727 063	-227 484 007
				Transactions with owners in their capacity as owners:							
32 075	190 838 349		190 870 424	Contributions of equity, net of transaction costs	32 075	190 838 349			190 870 424		190 870 424
	2 604 000		2 604 000	Accrued option costs		2 604 000			2 604 000		2 604 000
			-	Dividends paid					-		-
72 679	235 368 187	-250 820 077	**-15 379 211**	**Balance at 31 December 2018**	72 679	235 368 187	-270 177 512	-	-34 736 646	727 063	**-34 009 583**

Financial Statements

Cash flow statement

Quantafuel AS 2018	Quantafuel AS 2017	NOK	Notes	Quantafuel Group 2018	Quantafuel Group 2017
		Cash flow from operating activities			
-182 055 523	-32 557 632	Net income/loss (-) before tax		-218 778 796	-34 106 003
540 014	196 668	Depreciation and amortization		596 127	818 196
-30 908 408	30 611 781	Adjustments to net income		805 226	30 611 781
84 719 935	1 364 445	Adjustments to Accrued expenses		84 719 935	1 364 445
-7 426 625	7 796 886	Changes in inventories, receivables and payables		213 491	7 492 311
-1 997 273	604 468	Changes in other accruals		-2 450 796	693 082
-137 127 880	8 016 616	**Net cash flow from operating activities**		-134 894 813	6 873 812
		Cash flow from investment activities			
-	-16 870 535	Investments in subsidiaries		-	-
-8 585 863	-	Net investments in tangible fixed assets		-21 803 794	-25 008 874
-780 410	-	Investments in intangibles		-75 142	705 268
-9 366 273	-16 870 535	**Net cash flow from investment activities**		-21 878 937	-24 303 606
		Cash flow from financing activities			
-	-	Dividends paid		-	-
177 304 858	1 058 780	Capital placement		177 304 858	17 755 445
27 298 114	13 565 566	Net proceeds from borrowings		44 181 985	13 565 566
-	-	Proceeds from minority interest sharehc	15	-	-
-	-	Proceeds from issuance of shares	15	-	-
204 602 972	14 624 346	**Net cash flow from financing activities**		221 486 843	31 321 011
58 108 819	5 770 427	**Net change in cash and cash equivalents**		64 713 093	13 891 217
12 491 820	6 721 393	Cash and cash equivalents at beginning of period		21 339 852	7 448 635
70 600 639	12 491 820	Cash and cash equivalents at end of pe	13	86 052 946	21 339 852

Notes to the accounts

General

Quantafuel (the Group) consists of Quantafuel AS and its subsidiaries. Quantafuel AS is a private limited company incorporated in Norway. The company's registered office is at Vollsveien 13H, Lysaker, Norway.

Note 1 Accounting policies

The Company and consolidated entity ("Group") have been prepared in accordance with the the Accounting Standards and Interpretations issued by the International Accounting Standards Board ("IASB")

IAS has been adopted from 1 January 2017, and the adoption has had no effect on the equity

The Group's accounts are presented in Norwegian kroner which is the Group's reporting currency.

Shares in subsidiaries and associated companies: See note 9 for an overview of subsidiaries.

Subsidiaries are companies which the parent company has a controlling influence on the entity's financial and operational strategy, ordinarily through agreements or ownership of more than 50 percent of the voting shares.

Consolidation policies

Companies over which the Group has a controlling influence are consolidated from the time when control is transferred to the Group (the date of acquisition). Partly owned subsidiaries are incorporated in the consolidated accounts in their entirety. The non-controlling share of the subsidiary's equity constitutes part of the Group's equity. The share of the profit attributable to non-controlling interests is included in the consolidated profit for the year. The non-controlling share of the profit and equity are presented as separate items in the accounts.

Acquisition of subsidiaries

Acquired subsidiaries are accounted for in the Group financial statements on the basis of the parent company's consideration transferred. The consideration transferred in a business combination is measured at fair value of identifiable assets and liabilities in the subsidiary, and presented in the Group financial statements at fair value on the date of acquisition. Shares have been assessed at cost also in the event that equity is lower when the acquisition has been considered a long term investment with unexploited potential, and future return on investment is expected.

A final allocation of these define amounts has been determined and is presented in note 9. Any excess values that cannot be attributed to identifiable assets and liabilities are recorded in the balance sheet under goodwill. Goodwill is treated as a residual value and is recorded on the balance sheet at the amount observed at the time of the acquisition. Excess values in the Group financial statements are amortized over the purchased assets' expected useful economic life.

Changes in Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transaction.

Elimination of internal items

In the Group financial statements the item "shares in subsidiaries" is replaced by "investments in associates". The Group financial statements are prepared as if the Group was a single economic unit. Transactions, unrealized internal gains and intra-group balances between companies in the Group are eliminated.

Translation of foreign subsidiaries

The individual financial statements of a subsidiary company are prepared in the company's functional currency, normally the local currency where the company is located. In preparing the consolidated financial statements, the balance sheets are translated using the exchange rates prevailing at year-end, and the income statements are translated using the yearly average exchange rates. Any material transactions are translated at the prevailing exchange rate on the date of the transaction. All translation adjustments are recognized directly in equity.

General rules for the valuation and classification of assets and liabilities

Current / non-current classification

An asset is classified as current when it is expected to be realised or is intended for sale or consumption within twelve months after the reporting date. Other assets are classified as non-current. A liability is classified as current when it is expected to be settled within twelve months after the reporting period. All other liabilities are classified as non-current.

Revenue recognition

Revenue is, in accordance with IFRS 15, recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract the Company; identifies the contract, identifies the performance obligations, determines the transaction price , allocates the transaction price to the separate obligations/deliverables, and recognises revenue when or as each perofmance obligation is satisfied in a manner that depict the transfer to the customer of the goods or services promised.

Construction contracts is, in accordance with IAS 11, recognised in the income statement with revenue and cost (and hence profit) based on the Stage of Completion of the contract. If a net loss is expected under the contract , the entire loss is recognised immediately in the income statement.

Intangible assets

Separately acquired intangible assets or assets acquired as a result of contracts or legal rights are recognized at cost at the time of acquisition. Goodwill arises on the acquisition of a business. Goodwill is not amortised, but tested annually for impairment, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed. Development costs are capittalised when it is probable that the project will be profitable considering its commercial and technical feasibility,the concolidated entity is able to use or sell the asset, the consolidated entity has sufficient resources and intent to complete the development and its costs can be measured reliably. Intangible assets are amortised on a stright line basis over its estimated useful life. Research costs are expensed in the period in which they are incurred.

Tangible fixed assets

Tangible fixed assets are measured at historic cost and depreciated on a straight-line basis over the expected useful economic life of the assets. Costs associated with direct maintenance of the assets are expensed on an ongoing basis under operating expenses. Additions or improvements that materially extend the life of the asset are capitalized and depreciated at the same rate as the underlying asset. Fixtures and fittings in leased premises are carried on the balance sheet and depreciated over the period of the lease. The assets are tested for impairment annually

Leases

Leases are accounted for as operating lease. Payments are recognized as an expense over the lease term.

Classification and valuation of balance sheet items

Inventories consist of goods and equipment purchased or produced for resale. Current assets are valued at the lower of cost and fair value. Short term liabilities are reflected at nominal value.

Inventory

Finished goods and work in progress are valued at full absorption cost. Impairment charges are made if fair value less cost to sell is lower than the cost price. Sales costs includes all remaining sales -, administrative- and storage costs. Inventories consist of accumulated costs regarding service provided in Norway.

Trade and other receivables

Trade and other receivables are recognized in the balance sheet at nominal value after deduction of provision for bad debts. The provision for bad debts is estimated on the basis of an individual assessment of each major receivable. In addition, for the remainder of the receivables, a general provision is made based on estimated expected losses. VAT receivables and payables are recorded in the financial statements if they are related to the Norwegian operations.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and monetary items which are due in less than three months. Cash items in foreign currency are translated at the exchange rate on the balance sheet date.

Pensions

Group companies have only defined contribution pension plans. For defined contribution plans, the Group pays contributions to publicly or privately administrated pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that the cash refund or a reduction in future payments is available.

Share option program

The company's share option program uses the intrinsic value method of accounting. The intrinsic value of the options are expensed directly to equity while related social taxes are expensed in the income statement. Liabilities related to share option program are classified as other current liabilities, and is value at The valuation of the share option program is based on the market trading price of the share on the balance sheet day.

Guarantee commitments

Estimated costs for future guarantee work relating to sales/completed projects is embedded in the contract.

Foreign currencies

Items denominated in foreign currencies are translated into Norske Kroner at the exchange rate on the balance sheet date.

Tax

Tax in the income statement comprises both current tax payable and changes in deferred tax. The tax currently payable is based on taxable profit for the year. Deferred tax is recognized on differences between the carrying amounts of assets and liabilities and the corresponding tax base used in the computation of taxable profit and on the basis of any accumulated tax loss at the end of the financial year. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are not recognized. Deferred tax assets and liabilities are offset when there is legally enforceable right to offset tax assets against tax liabilities and the Group is able and intends to settle the net tax assets and liabilities.

Cash flow statement

The Cash flow statement has been prepared using the indirect method. The company has held all liquidity in the form of cash in bank accounts.

Note 2 - Construction contracts

Revenue

The company recognises revenue when it is realised or realisable and earned.

Alle construction contracts are related parties.

	2018	2017	2016
Invoiced Revenues	19 725 241	41 181 900	
Earned Revenues not yet invoiced	11 183 167		1 042 000
Invoiced, not completed work (incl short-term liablities)		-35 714 781	
Loss on construction contracts		-3 279 628	
Recognized revenue on construction contracts	**30 908 408**	**2 187 491**	**1 042 000**
Cost of project execution	167 598 801	5 710 425	12 605 940
Contract profit/loss	**-136 690 393**	**-3 522 934**	**-11 563 940**
Total profit (loss) for 2018, 2017,2016	**-149 384 767**	**-12 694 374**	**-9 171 440**

During 2018 there were no construction activites other than on the Skive project. Income in 2018 was NOK 30 908 508, and cost NOK 167 597 801. A loss of NOK 136 690 293 has been recognized as an expense in 2018.

The Skive contract has a total value of USD 12 000 000 (NOK 102 452 700) and with a total estimated cost of NOK 239 143 093, hence a loss recognized as NOK 136 690 293. The progress is as per end of the year 36.9 %. The progress is recognized using actual cost against total forcasted cost. The revenue is recogized proportonally according to measured progress.The revenue recognition has been done taking " IFRS 15 - Revenue from Contracts with Customers" into account.

Refer to note 10 for intercompany transactions not included in construction contracts.
These assessments are based on management's best knowledge of current events, historical experience, actions that the company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. As a result, actual results may be different from these assessments.

Note 3 Revenue and Other Income

Geographical distribution:

NOK	Quantafuel AS 2018	Quantafuel AS 2017	Quantafuel Group 2018	Quantafuel Group 2017
Revenues:				
Norway		0		0
Rest of the world	31 010 693	2 187 491	102 285	2 187 491
Total	31 010 693	2 187 491	102 285	2 187 491
Other Income:				
Norway	121 365	1 457 274	121 365	1 457 274
Rest of the world	0	0	0	0
Total	121 365	1 457 274	121 365	1 457 274

Other Income

In addition NOK 121 365 is funding from Enova SF, and NOK 102 285 from other sales.

Note 4 Salary and personnel costs, number of employees, loans to employees and auditor's fee

Salary and personnel costs :

NOK	Quantafuel AS 2018	Quantafuel AS 2017	Quantafuel Group 2018	Quantafuel Group 2017
Salaries	14 906 759	9 266 760	16 274 271	9 266 760
Payroll tax	2 535 520	1 377 351	2 535 520	1 377 351
Payroll tax - stock rights	0	0	0	0
Pension costs	342 193	161 012	500 944	161 012
Other benefits	3 099 935	420 103	3 195 052	420 103
Total	20 884 407	11 225 226	22 505 787	11 225 226
Annual full-time equivalent employees	14	10	18	10

The parent company has defined contribution plans in accordance with local legislation. The defined contribution plans cover full-time employees and contributions comprise 4% of salaries.

Chief Executive Officer :

NOK	2018	2017
Salary	2 627 695	600 000
Pension costs	30 729	10 704
Other benefits	0	1 863
Total	2 658 424	612 567

The salary of the CEO, Kjetil Bøhn is NOK 1 200 000,00 pr year. In addition in 2018 the CEO received a bonus of NOK 1 427 695,00. Kjetil Bøhn is a major shareholder in KB Management AS, which again is a major shareholder in Quantafuel AS.
The Board of Directors received personal remuneration of NOK 700 000,00

Stock rights, options etc:

Options: A share-based incentive program for the company's executive management, the employees, the Chairman and the Board has been established, which enables the Board to compensate current and future executives and employees through warrants to acquire shares in the company. The company's current and future Directors will aslo be permitted to participate in the program. The program for the Chariman consists of 140 000 shares, while as of 31.12.2018 the CEO had not been granted any warrants.
The deadline for requiring the issued shares is three years. Each warrants entitles the holder to one share in the company, with nominal value of NOK 0,01. The exercise price is stipulated in the option agreement.

NOK	Opening balance Granted Options	Granted options	Returned options	Ending balance Granted Options	Total vested options	Exercised options	Average exercise price (A)
Board		200 000	-	200 000	-	-	-
Chief Executive Officer		-	-	-	-	-	-
Employees		96 000	-	96 000	-	-	-
Total	-	296 000	-	296 000	-	-	

Specification of auditor's fee:

NOK	Quantafuel AS 2018	Quantafuel AS 2017	Quantafuel Group 2018	Quantafuel Group 2017
Statutory audit fees	228 600	134 006	266 388	137 131
Other assurance services	89 094	43 631	89 094	43 631
Tax advisory fees	0	0	0	0
Other services	0	0	0	0
Total fee to auditor	317 694	177 637	355 482	180 762

VAT is not included in the fees specified above.

Note 5 Finance income and expenses

Finance income

NOK	Quantafuel AS 2018	2017	Quantafuel Group 2018	2017
Interest income from group companies	-	20 033	-	-
Other interest income	226 645	9 440	226 672	34 282
Other financial income (agio)	-	225 662	-	-
Total financial income	226 645	255 135	226 672	34 282

Finance expense

NOK	Quantafuel AS 2018	2017	Quantafuel Group 2018	2017
Interest expenses from group companies	-	-	-	-
Other interest expenses	-2 275 236	-1 555 354	-3 810 399	-1 555 354
Other financial expenses/ disagio.	-10 682 453	-3 316 193	-11 804 866	-3 244 951
Total financial expenses	-12 957 689	-4 871 547	-15 615 265	-4 800 305

The group net currency exchange gains and losses for the year of 2018 are effects due to the weakening of the reporting currency NOK against USD, EUR and DKK. Since a significant amount of Quantafuel AS receivables and liabilities are held in these currencies, these assets and liablities have effects against the reporting currency NOK.
Other financial expenses includes disagio of 2 529 738 and brokers fee of NOK 8 152 715 in regards to capital increase.

The Company had in 2018 an interest expense of NOK 1 252 651 for the loan of USD 3 000 000 from Vitol S.A. In addition the Company had interest expenses of NOK 998 114 on convertible loans and NOK 24 471 in other interest expenses was NOK 24 471 in relation to suppliers interest.
On Group level DKK 871 777 (NOK 1 122 413) in interest on the loan from DGI is recognized (ref note 11), and NOK 1 560 575 interest expense in QF Oslo from debt settled in 2018.

Note 6 Income taxes

Income tax expense

NOK	Quantafuel AS 2018	2017	Quantafuel Group 2018	2017
Tax payable	-	-	-	-
Changes in deferred tax	-	-	-	-
Total income tax expense	-	-	-	-
Tax base calculation				
Profit before income tax	-182 055 523	-32 557 632	-218 778 797	-34 106 003
Permanent differences	-2 773 006	1 770 089	-2 770 755	1 770 089
Temporary differences	136 844 115	289 196	136 631 305	289 196
Tax base	-47 984 414	-30 498 347	-84 918 246	-32 046 718
Temporary differences:				
Receivables	-	-	-	-
Inventories	-	-	-	-
Non current assets	413 850	-77 093	413 850	-77 093
Provisions and contracts	-137 603 193	-268 138	-137 603 193	-268 138
Foreign exchange rate gains (losses)	-	-	-	-
Losses carried forward	-110 712 685	-62 728 272	-117 526 037	-63 597 837
Total	-247 902 028	-63 073 503	-254 715 380	-
Deferred tax liability (asset)	-	-	-	-
Deferred tax asset not recognized	-	-	-	-
Deferred tax liability (asset)	-	-0	-	-

Effective tax rate	Quantafuel AS		Quantafuel Group	
Expected income taxes at statutory tax rate	-	-	-	-
Permanent differences	-637 791	424 821	843 313	-38 871
Change in allowance for taxes carried forward not recognized	637 791	-424 821	-	-
Income tax expense	-0	0	843 313	-38 871
Effective tax rate in %	0,0 %	0,0%	0,0 %	0,0 %

Differences of taxable income and net income before tax as reported in the income statement are due to items of income or expense that are taxable or deductible in future years (temporary differences), and excluded items that are not taxable or deductible (permanent differences).
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is more likely than not that future tax advantages will not be available to allow all of the asset to be recovered. The value of losses carried forward has been calculated but has not been included.

Note 7 Intangible assets

Amounts in NOK

Quantafuel AS

NOK	Goodwill	Research and Development cost	Other intangibles	Acquired rights/Patents	Total
Acquisition cost 01.01.	-	-	-	106 570	106 570
Additions	-	8 911 923	-	454 350	9 366 273
Disposals	-	-	-	-	-
Acquisition cost 31.12.	-	8 911 923	-	560 920	9 472 843
Accumulated amortisation at 31.12.	-	-	-	-454 350	-454 350
Accumulated impairment loss 31.12.	-	-	-	-	-
Reversed impairments 31.12.	-	-	-	-	-
	-	-	-	-	-
Net carrying value at 31.12.	-	8 911 923	-	106 570	9 018 493
write downs for the year	-	-	-	-454 350	-454 350
Impairment loss for the year	-	-	-	-	-

Quantafuel Group

NOK	Goodwill	Research and Development cost	Other Intangibles	Aquired Rights/Patents	Total
Acquisition cost 01.01.	-	-	1 461 333	106 570	1 567 903
Additions	-	8 911 923	-	454 350	9 366 273
Disposals	-	-	-1 080 569	-	-1 080 569
Translation adjustments	-	-	-	-	-
Acquisition cost 31.12.	-	8 911 923	380 764	560 920	9 853 607
Accumulated amortisation at 31.12.	-	-	-565 692	-454 350	-1 020 042
Accumulated impairment loss 31.12.	-	-	-	-	-
Reversed impairments 31.12.	-	-	375 302	-	375 302
	-	-	-	-	-
Net carrying value at 31.12.	-	8 911 923	190 373	106 570	9 208 866
Amortisation for the year	-	-	-	-454 350	-454 350
Impairment for the year	-	-	-	-	-

The Company activated in 2018 NOK 8 585 863 of engineering costs in regards to construction, and NOK 326 060 in acquired rights. The activation of NOK 8 585 863 will not be amortised as it is costs related to the generic concept.

Both the parent company and the group use 10 years straight line amortisation for acquired rights and other intangibles.
Acquired rights was purchased with a remaining life of 17 years, and amortisation was set to 17 years.

Note 8 Tangible assets

Amounts in NOK

Quantafuel AS

NOK	Vehicles	Property and plant	Machinery and equipment	Total
Acquisition cost at 01.01.	-	-	629 340	629 340
Additions	-	-	119 216	119 216
Disposals	-	-	-	-
Acquisition cost 31.12.	-	-	**748 556**	**748 556**
Accumulated depreciation 31.12.	-	-	-439 666	-439 666
Accumulated impairment loss 31.12.	-	-	-	-
Reversed impairment loss 31.12.	-	-	-	-
Net carrying value at 31.12.	-	-	**308 890**	**308 890**
Depreciation for the year	-	-	85 664	85 664
Impairment loss for the year	-	-	-	-

Quantafuel Group

NOK	Vehicles	Property and plant	Machinery and equipment	Total
Acquisition cost at 01.01.	-	25 241 539	629 340	25 870 879
Additions	-	13 171 647	185 550	13 357 197
Disposals	-	-	-	-
Translation adjustments	-	-	-	-
Acquisition cost 31.12.	-	**38 413 185**	**814 890**	**39 228 075**
Accumulated depreciation 31.12.	-	-48 695	-446 915	-495 609
Accumulated impairment loss 31.12.	-	-	-	-
Reversed impairment loss 31.12.	-	-	-	-
				-
Net carrying value at 31.12.	-	**38 364 490**	**367 976**	**38 732 466**
Depreciation for the year	-	12 372	129 405	141 777
Impairment loss for the year (incl. reversals)	-	-	-	-

Both the parent company and the group use linear depreciation for all tangible assets

The useful economic life is estimated to be:	**Years**
* Buildings and other real estate	20-50
* Machinery and equipment	3-15
* Land	No depreciation

Note 9 - Investment and changes in Subsidiaries and Associates

Subsidiaries	Capital	Est year	Prosentage	Investments 18
Quantafuel Sweden AB	Stockholm	2015	100 %	249 448
Quantafuel INC	Washington D.C	2015	100 %	1
Quantafuel UK ltd	London	2015	50 %	5 525
Quantafuel Oslo AS	Oslo	2016	100 %	30 000
Quantafuel CZ s.r.o	Praha	2016	100 %	1
Next Gen Energy S.A. de C.V.	Mexico City	2016	50 %	1
Quantafuel Mexico S.A. de C.V.	Mexico City	2015	50 %	1
Quantafuel Skive ApS*	Copenhagen	2017	76 %	16 870 535

Quantafuel Skive ApS	Amount
Fixed Assets	41 685 160
Current assets	17 656 171
Non-current liabilities	13 060 496
Current liabilities	15 623 478
Operating revenue	-
Operating profit (or loss)	-2 718 276
Net income / loss (-)	-3 029 429

Amount in NOK - 100 %

Quantafuel Skive Aps
The Company is currently building the first PTL plant in Skive Denmark. The plant is delivered from Quantafuel AS, with additional investments locally in infrastructure. The plant is planned to be in operation in 2019. The minority shareholders have equal rights according to the percentage of shares.

Quantafuel Oslo AS
There has been no activites in this company during 2018.
The Company has initiated a project for a PTL plant development in Norway, but this has had limited progress due to the group`s focus on commercialization of the Skive plant. Further activities/progress are planned after the Skive plant is put into operation. The Company has been granted funding support from Enova SF to develop the project.

Quantafuel Sweden AB
The operations executed in Quantafuel Sweden AB was significantly scaled back and the planned activity and expected cost reduced to a minimum in 2018.

Quantafuel Mexico S.A. de C.V.
The company was closed down in 2018.

Next Gen Energy S.A. de C.V.
There has been no activites in this company during 2018. The shareholders have equal rights according to the percentage of shares.

Quantafuel CZ s.r.o.
All activities in the company was suspended in Q1 2018 and the company was closed down during 2018.

Quantafuel UK Ltd
There has been now activites in this company during 2018. The shareholders have equal rights according to the percentage of shares.

Quantafuel Inc
As there have been no planned activities in the company, the US shell company has been closed down.

Note 10 Intercompany balances with group companies and associates

Quantafuel AS

Receivables:	Quantafuel AS	
NOK	**2018**	**2017**
Loans to group companies	-	-
Allowance of loans to group companies	-	-
Net value of loans to group companies	-	-
Accounts receivable	18 281 677	76 066
Allowance for accounts receivable group companies		
Net value of accounts receivable	18 281 677	76 066
Other receivables		
Total	18 281 677	76 066

Payables:		
NOK	**2018**	**2017**
Accounts payable	1 406	1 396 328
Other short term payables	-	-
Total	1 406	1 396 328

The Company had by year end 2018 a intercompany balance of NOK 6 991 172 towards Quantafuel Skive, which is planned to be settled during 2019.
The intercompany balance of NOK 11 290 505 is between the Company and Quantafuel Oslo AS, and will be settled when further progress on the development on the PTL plant is materialized (note 9).The above transactions were made on the same terms as equivalent transactions with unrelated parties. The short-term intercompany balance are not subject to interest.

Refer to note 2 for intercompany transactions related to construction contracts.

Note 11 Liabilities and receivables

Amounts in NOK

Non - current receivables

	Quantafuel AS		Quantafuel Group	
NOK	2018	2017	2018	2017
Other non-current receivables	6 730 284	4 347 338	14 673 907	13 598 478
Non-current receivables - deposit Quantafuel Skive ApS			3 261 584	
Allowance of non-current receivables				
Net non-current receivables	6 730 284	4 347 338	17 935 491	13 598 478

Quantafuel AS other non-current receivables are refund of Norwegian and Danish VAT and Skattefunn

Non- current liabilities

	Quantafuel AS		Quantafuel Group	
NOK	2018	2017	2018	2017
Liabilities to financial institutions	-	-	-13 060 496	-13 566 208
Other non-current liabilities	-	-13 565 566		
Total	-	-13 565 566	-13 060 496	-13 566 208

Quantafuel Skive ApS has been granted a loan from Danmarks Grønne Investeringsfond ("DGI") of DKK 53,000,000, of which DKK 13 000 000 (net of fees DKK 12 673 340) is drawn at 31.12.2018. The remaining will be drawn when the Skive plant is operational (planned in 2019). DKK 9 802 883 (NOK 13 060 496) is the non-current part of the drawn amount.

Secured debts:

Pledged assets:

Property and plant					
Total	-	-	-	-	-

Current liabilities

	Quantafuel AS			Quantafuel Group	
NOK	2018	2017		2018	2017
Taxes payable	-	-		-	-
Accrued commissions	-15 043 614	-4 264 628		-18 607 885	-11 287 879
VAT and Fees payable	-	-		-	-
Accrued earn-out payments	-	-		-	-
Accrued stock options	-	-		-	-
Current intercompany liabilities	-912 800	-268 135		-912 800	-268 135
Group provisions	-	-		-	-
Unearned revenue	-	-		-	-
Other current liabilities	-121 518 292	-43 650 461		-157 533 647	-46 920 665
Total	-137 474 706	-48 183 224	-	-177 054 332	-58 476 679

Other current liabities consists of loan of USD 3 000 000 from Vitol S.A, accrued income from construction plant of NOK 89 526 408 and other public duties of NOK 5 926 384
In addition for Group DKK 2 870 457 (NOK 3 824 023) current part of loan from DGI, other current liabilities for subsidiaries NOK 1 857 672 and internal profit elimination from QF Skive of NOK 30 908 408.

Note 12 Inventories

The company has no inventory as of 31.12.2018

Note 13 Bank deposits - restricted funds

Amounts in NOK

	Quantafuel AS		Quantafuel Grou	
NOK	2018	2017	2018	2017
Employees salary taxes, deposited in a separate bank account	602 421	647 099	602 421	647 099
Security deposit rent / other designated funds		0		0
Total	**602 421**	**647 099**	**602 421**	**647 099**

Note 14 Share capital and shareholder Information

Amounts in NOK

Quantafuel AS

	shares	Face value	NOK
Share Capital	7 267 956	0.01	72 680

At 31.12.2018 Quantafuel AS had 191shareholders. Issued capital consists of one class of shares and all issued shares have the same voting rights.

The 20 largest shareholders as of 31 December 2018 were:

Name	Related party	No of shares	Ownership
SVENSKA HANDELSBANKEN AB		1 119 357	15,40 %
KB MANAGEMENT	CEO	495 023	6,81 %
FAREID HOLDING AS	Employee	460 686	6,34 %
DOMAREN I GØTEBORG AB		270 841	3,73 %
BLAAIS HOLDING AS		243 490	3,35 %
VPF NORDEA NORGE VERDI		216 500	2,98 %
MIDAS CAPITAL AS		209 827	2,89 %
Skandinaviska Enskilda Banken AB		184 056	2,53 %
Jefferies LLC		161 603	2,22 %
T.D. VEEN AS		160 000	2,20 %
STATOIL PENSJON		151 180	2,08 %
PRO AS		144 000	1,98 %
TELECOM AS		143 812	1,98 %
STRANDEN INVEST AS		128 749	1,77 %
VPF NORDEA KAPITAL		120 954	1,66 %
MULTIMED AS		115 540	1,59 %
VERDIPAPIRFONDET DNB MILJØINVEST		111 070	1,53 %
VPF NORDEA AVKASTNING		103 800	1,43 %
Alta Invest SA		96 000	1,32 %
FJELLSETH HOLDING AS		90 980	1,25 %
Other		2 540 488	34,95 %
Total number of shares issued and outstanding		7 267 956	100,0 %
		-	
Total number of shares authorized, but not issued		-	
Total number of shares issued and authorized		7 267 956	

Note 15 Equity

Amounts in NOK

Quantafuel AS

NOK	Issued capital	Share premium	earnings	Total
Equity 01.01.17	38 156	40 867 059	-31 103 922	9 801 293
Capital increase	2 448	1 058 779	-	1 061 227
Capital increase	-	-	-	-
Accrued option costs	-	-	-	-
Net profit for the year	-	-	-32 557 632	-32 557 632
Correction beginning balance			-5 103 000	-5 103 000
Equity 31.12.2017	40 604	41 925 838	-68 764 554	-26 798 112
Equity 01.01.2018	40 604	41 925 838	-68 764 554	-26 798 112
Capital increase 050618	22 060	149 985 940	-	150 008 000
Capital increase 060818	10 015	40 852 409	-	40 862 424
Accrued option costs	-	2 604 000	-	2 604 000
Net profit for the year	-	-	-182 055 523	-182 055 523
Adjustment change in employee stock rights	-	-	-	-
Equity 31.12.2018	72 679	235 368 187	-250 820 077	-15 379 211

The Company had a capital increase of NOK 150 008 000 in June, and converted the loans of NOK 40 862 424 to qeuity in august 2018.
The negative equity is due to increase in project cost for Skive (Note 2) where the cost has been accounted for in 2018. The Company reaised NOK 150 000 in capital placement in February 2019, strengthening the balance sheet (Note 21).

Quantafuel Group

NOK	Issued capital	Share premium	Retained earnings	Currency translation differences	Total shareholders' equity	Minority interests	Total equity
Equity 01.01.2017	38 156	40 867 059	-31 103 922	-	9 801 293	-	9 801 293
Capital increase	2 448	1 058 779	-	-	1 061 227	-	1 061 227
Capital increase	-	-	-	-	-	-	-
Net loss for the year	-	-	-	-	-32 557 632	-	-32 557 632
Share capital increase in subsidiary minority interest	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-
Adjustment beginning balance	-	-	11 073 957	-	11 073 957	-	11 073 957
Equity 31.12.2017	40 604	41 925 838	-52 587 597	-	-10 621 155	-	-10 621 155
Equity 01.01.2018	40 604	41 925 838	-52 587 597	-	-10 621 155	-	-10 621 155
Capital increase 050618	22 060	149 985 940	-	-	150 008 000	-	150 008 000
Convertible loan 060818	10 015	40 852 409	-	-	40 862 424	-	40 862 424
Accrued option cost	-	2 604 000	-	-	2 604 000	-	2 604 000
Net loss for the year	-	-	-217 935 484	-	-217 935 484	727 063	-217 208 421
Share capital increase in subsidiary minority interest	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-
Adjustment beginning balance	-	-	345 569	-	345 569	-	345 569
Equity 31.12.2018	72 679	235 368 187	-270 177 512	-	-34 736 646	727 063	-34 009 583

The conversion to IFRS as of 01.01.2017 has had no effect on equity.

Note 16 Transactions with related parties

The CEO is a shareholder in KB Management. KB Management is a major shareholder in Quantafuel AS, holding as per 31.12.2018 - 495 023 shares

Erik Fareid, an employee in Quantafuel AS, is also a major shareholder through his company Fareid Holding AS, which had 460 686 shares in Quantafuel AS pr 31.12.2018

Note 17 Amortisation of Goodwill

The company has not amortisation of goodwill

Note 18 Receivables

Current receivables

	Quantafuel AS		Quantafuel Group	
NOK	2018	2017	2018	2017
Accounts receivables	18 281 677	76 066	913 889	619 561
Allowance for uncollectible accounts	-	-	-	-
Net accounts receivable	18 281 677	76 066	913 889	619 561
Taxes and fees receivable	6 193 956	4 244 015	6 193 956	-
Prepaid expenses	336 328	84 656	336 328	
Loans to external distributors	-	-	-	-
Other current receivables	200 000	18 667	11 405 207	13 598 478
Total	25 011 961	4 423 404	18 849 380	14 218 039

Taxes and fees receivable includes NOK 2 884 965 from Skattefunn, NOK 3 309 000 in VAT receivables and NOK 536 328 in other prepayments.

Note 19 Financial risk

The company has included a description of risks related to the business in the Board of Directors report.

The company operates business units in several countries with currency risk associated with currency exposure mainly related to cash-flows in local currency and capital funded in NOK. No currency hedges have been executed that may mitigate this exposure.
Liquidity is deposited in bank accounts in NOK, USD and EUR.

Note 20 Commitments under operating leases

The Company rent its headquarter in Lysaker, Norway. The lease was renewed in January 2018 for another 5 years.
The Group rents property and plant in Skive, starting 2018 for 15 years.

	Quantafuel AS		Quantafuel Group	
NOK	2018	2017	2018	2017
Offices rental	1 142 589	926 935	1 314 212	926 935
Warehouse lease	-	-	-	-
Vehicle cost (leasing)	-	-	-	-
Total annual lease cost	1 142 589	926 935	1 314 212	926 935

At year end, the group has outstanding commitments under non-cancellable operating leases that fall due as follows:

	Quantafuel AS		Quantafuel Group	
NOK	2018	2017	2018	2017
Within one year	-	-	-	-
Later than one year but within five years	-	-	-	-
Later than five years	-	-	50 962 245	-
Total annual commitment	-	-	50 962 245	-

Note 21 Events After the end the Reporting Period

The Company had an equity increase of NOK 150 000 000 in February, inviting both existing shareholders and new investors to participate.

The CEO was awarded 30 000 options 15.03.2019.

At the end of the year the loss for the Skive contract was estimated to be NOK 92 261 400,-. Based on the activity in the project from year end to the signing of the accounts, this estimated loss has been updated with additional NOK 44 428 893,-. This increased cost is included in the accruals as per 31.12.2018 and in the estimated loss of NOK 136 690 293,- (note 2)
There has been no other incidents/happenings after year end.

Note 22 Going Concern

With reference to equity increase and strengthening of the balance sheet, please see elaboration in Note 15 and Note 21

The Company is in a position to continue as a going concern.

Report from the Board of Directors 2018

About the Company

Quantafuel is a technology-based energy company converting waste plastics back into low-carbon synthetic oil products replacing virgin oil products. Quantafuel is planning to establish, operate and own dedicated plastic-to-liquid (PtL) plants and plans to establish several plants throughout Europe and beyond.

Quantafuel has commenced the building of the its first commercial production plant in Skive, Denmark, through its subsidiary (76% owned) Quantafuel Skive ApS. The plant is planned to be set into production in 2019.

Overview of the development and result

For Quantafuel AS, the net loss for the year was NOK 182 055 523,-, and for the Group NOK 217 935 484,-. Revenue for the Company was NOK 31 132 058,- and for the Group NOK 223 650,-. The main revenue in Quantafuel AS is the sale of the production plant to Quantafuel Skive ApS.

Research & Development

The Company has received grants from Innovasjon Norge and Enova and have during 2018 had activities for these projects;

The "Innovasjon Norge" project mapped and analyzed the availability of eligible plastic waste in Norway. The knowledge acquired through extensive lab testing of numerous plastic waste streams, laid the basis for further testing and development of process equipment. Such as new preprocessing modules, ultimately enabling Quantafuel's Plastic to Liquid plants ability to process a wider range of plastic waste compositions. The research project results are a part of Quantafuel's managements Norwegian investment feasibility study. In total NOK 500 000,- has been received in total for this project, of this NOK 0,- was received in 2018 and the corresponding cost was NOK 967 273,- in 2018. The total project cost for this project was NOK 1 302 939,82.

The grant from Enova is in support to a pilot project of new energy- and climate technology in relations to high-efficiency production of bio-jet fuel from Norwegian forest. In 2018 the Company received NOK 121 365,- from Enova and the corresponding cost was NOK 269 700,-.

The Company currently has two projects with support from Skattefunn; 1) Experimental development for optimization of PtL plants, which will develop a more robust and safer PtL plant with more strong operation and increased tolerance for available raw material and 2) Industrial research for optimization of PtL plants, which will secure a better energy utilization and more robust operation.

Cashflow

The Company had a net increase in cash of NOK 58 108 819,- for the year, while the Group had an increase of NOK 64 713 094,-. The operational cashflow for the Company was negative NOK 137 127 880,-, and for the Group negative NOK 134 894 813,-. Net investment was NOK 9 366 273,- for the Company, and NOK 21 878 937,- for the Group. Net proceeds from capital placement and new debt was NOK 204 602 972,- (Company) and NOK 221 486 843,- (Group). The cash balance at the end of the year was NOK 70 600 639,- (Company) and NOK 86 052 946,- (Group).

Equity

For the Company, the equity was negative NOK 15 379 211,- at the end of 2018. For the year, the equity increased with NOK 11 418 901,-, which came from a net increase in the Share capital and premium reserve of NOK 193 474 424,- but less the net uncovered loss for the year of NOK 182 055 523,-.

The Group had a negative equity of NOK 34 736 646,- at the end of 2018, and decrease of NOK 24 115 491,- for the year.

The negative equity was being addressed in February 2019, with a capital increase inviting existing shareholders and new investors to participate. The Company raised gross proceeds of NOK 150 000 000, - in new equity and further strengthening the balance sheet.

In the Board`s opinion, the information in the financial statements give a true and fair view of the company`s assets, debts and financial situation.

Going Concern and events after period end

The main activity in the Group in 2018 has been to build the Skive plant. The plant was sold on a firm turnkey contract in 2017 with a fixed price of USD 12,000,000 (NOK 102 452 700,-) from Quantafuel AS to the subsidiary Quantafuel Skive ApS. The cost in Quantafuel AS for the delivery was at the end of the 2018 estimated to be NOK 194 714 100,-, with a loss of NOK 92 261 400,-.

During First Half 2019 further delays in the project was experienced and an increased cost of NOK 44 428 993,- was estimated for the completion of the plant based on the end Q1 2019 result, to a total loss of NOK 136 690 393,- for the internal delivery of the plant to Quantafuel Skive ApS (total delivery cost of NOK 239 143 093,-).

In accordance with IAS 11 –"Recognition of loss in Construction Contracts" and IAS 10 – "Events after the reporting period" , the estimate from the end of the year has then been revised and the newly disclosed cost increase included in the 2018 estimate for the completion of the Skive project.

As a consequence, the total loss for the project is now incorporated in the 2018 accounts with NOK 136 690 393,- , of which NOK 84 720 033,- is accruals for cost to come in 2019.

In February 2019 the Company carried out a successful private placement of gross proceeds of NOK 150 000 000,- in new equity to enable the Company to complete the project and commence commercial production in 2019.

Despite the increased cost to complete the first plant, the Board remains positive for the development of the company and its good prospects of profitable operation and growth going forward.

In accordance with the Accounting Act § 3-3, the Board confirm that the Financial Statements have been prepared under the assumption of going concern.

Allocation of the result

The Company`s net loss for the year was NOK 182 055 523, - which the Board recommends being allocated against uncovered loss:

Quantafuel AS

Uncovered loss	NOK 182 055 523, -

Working environment and Equal opportunities

The Company has 14 full-time employees, and the group 18 at the end of the year, 12 (15) men and 2 (3) women. The Board is composed by 7 men.

The Company has implemented routines against discrimination and has a continuous focus to prevent any discrimination within the Group.

The Board considers the working environment in the Company and the Group to be good, and no measures have been needed to address the issue.

The sick leave for the Group is low and below 1%.

There have not been any incidents causing injuries on personnel during 2018

External environment

The Company do not have any operations with could cause any pollution to the external environment.
Quantafuel Skive ApS which has carry out the building project during 2018, has implemented routines to mitigate pollution risk during the construction period. There have not been any incidents during the year.

Risk

To ensure a good process of mitigating the risks in the Group, measures are initiated to have a systematic approach to risk handling and mitigation at all level in the Group

<u>Project Risk</u>
The Group's ability to carry out project at profitable margin is important to meet the Group's business goals. Focus in the first project has been, in addition to the execution itself, to improve all aspects of the project execution and - control. A full evaluation is further planned to be carried out at conclusion of the construction project before the commencement of the next planned construction project to use the experience from the first project as basis for the forthcoming projects.

<u>Market Risk</u>
The Company has in 2018 not have any external sale and thus there are no market risk connected to the operation for the year.

<u>Liquidity Risk</u>
The Group has in February 2019 concluded a successful private placement. The major use of available funds is to conclude the Skive project. Based on the current plan and cost estimate, the Group will be able to complete the project and set the plant in commercial operation with available funds and drawdown on existing bank facility. The Group has a defined growth strategy and will be seeking additional funding to build the Company further. Based on the successful private placements in 2018 and in 2019, where the Company has proven its ability to attract investors, combined with recent increased interest and focus among investors, it is believed that as soon as the first plant is in operation additional funding opportunities will be possible.

<u>Credit risk</u>
The Credit risk in the Company is limited as the revenue mainly derives from group internal revenue from the sale of the Skive plant.

Currency Risk

The Group has currency risk mainly between DKK, EUR, USD and NOK for the Skive project. No hedging agreements have been entered for the project. The Company will, however, implement a hedging policy when the ordinary operations commence. For the forthcoming projects, each project will have a defined hedging strategy to mitigate any currency fluctuation in the coming projects.

Outlook

There is a general growing focus on sustainability and environment, hereunder for the treatment of plastic waste. Quantafuel has solutions for the challenges of recycling of plastic by applying a unique pyrolysis process. The plant in Skive in Denmark will when it is operational create further business opportunities for the company.

It is the Company's ambition to become the leading provider of low carbon products produced from waste plastic, and when Skive is operational the Company will have the foundation to achieve that ambition.

The Board takes the opportunity to thank the employees and the management for their hard efforts and diligent work in a challenging phase for the company.

The Board of Directors Quantafuel AS
Lysaker, 12. June 2019

Oscar Spieler – Chairman

Bård Mikkelsen – Board Member

Jens Engwall – Board Member

Ragnar Søegaard – Board Member

Dag-Erik Rasmussen – Board Member

Thorleif Enger – Board Member

Per-Anders Hjort – Board Member

Kjetil Bøhn – CEO

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Til generalforsamlingen i Quantafuel AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Quantafuel AS' årsregnskap, som består av:

- selskapsregnskapet, som består av balanse per 31. desember 2018, resultatregnskap som viser et underskudd på kr 182 055 523, utvidet resultatregnskap, oppstilling over endringer i egenkapital og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper, og

- konsernregnskapet, som består av balanse per 31. desember 2018, resultatregnskap som viser et underskudd på kr 217 935 484, utvidet resultatregnskap, oppstilling over endringer i egenkapital og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening:

- er årsregnskapet avgitt i samsvar med lov og forskrifter

- gir det medfølgende selskapsregnskapet et rettvisende bilde av den finansielle stillingen til Quantafuel AS per 31. desember 2018 og av selskapets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med International Financial Reporting Standards som fastsatt av EU.

- gir det medfølgende konsernregnskapet et rettvisende bilde av den finansielle stillingen til konsernet Quantafuel AS per 31. desember 2018 og av konsernets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med International Financial Reporting Standards som fastsatt av EU.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet og konsernet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvisende bilde i samsvar med International Financial Reporting Standards som fastsatt av EU. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet er ledelsen ansvarlig for å ta standpunkt til selskapets og konsernets evne til fortsatt drift, og på tilbørlig måte å opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvikle konsernet eller å legge ned virksomheten, eller ikke har noe realistisk alternativ til dette.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
https://revisorforeningen.no/revisjonsberetninger

Uttalelse om andre lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til resultatdisponering er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Oslo, 13. juni 2019
RSM Norge AS

Lars Løyning
Statsautorisert revisor

Annual Report

for

Quantafuel AS

Org.no: 915 119 484

Reporting period:
01.01.2017 - 31.12.2017

Quantafuel AS

STATEMENT OF OPERATIONS

Year Ended,		2017	2016
Revenue	2	2 187 491	1 042 000
Other Income		1 457 274	-
Totalt revenue		**3 644 765**	**1 042 000**
Cost of sales	2,3	-3 747 620	-
Gross profit		**-102 855**	**1 042 000**
Operating expenses:			
Payroll expenses	4	-11 225 226	-5 799 696
Depreciation	5	-196 668	-157 334
Other operating expenses	2,3,4,6,7	-16 416 471	-21 564 270
Total operating expenses		**-27 838 365**	**-27 521 300**
Operating profit (or loss)		**-27 941 220**	**-26 479 300**
Interest income	8	29 473	29 141
Income from subsidiaries and other group entities		-	91 868
Exchange currency gains	8	225 662	2 887
Interest expense	8	-1 555 354	-1 056 571
Other financial expenses	8	-3 316 193	-114 799
Net financial gain/(loss)		**-4 616 412**	**-1 047 474**
Operating result before tax		-32 557 632	-27 526 774
Tax on ordinary result	9	-	-
Profit (or loss) for the year		**-32 557 632**	**-27 526 774**
Brought forward			
Loss brought forward	10	32 557 632	27 526 774
Net brought forward		**-32 557 632**	**-27 526 774**

QUANTAFUEL

Quantafuel AS

BALANCE SHEET

Year Ended,	Note	12.31.2017	12.31.2016
Assets			
Non-Current Assets (Fixed Assets)			
Property, Plant and Equipment (PPE)	5	275 338	472 006
Investment Securities (Available for sale/Held-to-maturity)		-	-
Investments in Associates	11	17 653 546	4 400 794
Intangible Assets (Patent, Copyright, Trademark, etc.)	12	106 570	106 570
Less : Accumulated Amortization	12	-	-
Other Non-Current Assets, e.g. Deferred Tax Assets, Lease Receivable		-	-
Total Non-Current Assets		**18 035 454**	**4 979 370**
Current Assets			
Accounts Receivable (Debtors)	13	76 066	9 738 350
Other Receivable (Debtors)	13	4 347 338	2 153 681
Cash and Cash Equivalents	14	12 491 820	6 721 393
Total Current Assets		**16 915 224**	**18 613 424**
Total assets		**34 950 678**	**23 592 794**

Year Ended,	Note	12.31.2017	12.31.2016
Liabilities and Equity			
Equity			
Paid-in Capital			
Share Capital (Ordinary Shares)	10.15	40 604	38 156
Share Premium	10	41 925 839	30 667 027
Share Capital (reg in Brreg 25.01.2017)		-	10 200 032
Total Paid-in Capital		**41 966 443**	**40 905 215**
Retained Earnings			
Revaluation Reserve		-	-
Uncovered loss	10	-68 764 555	-31 103 922
Total Retained Earnings		**-68 764 555**	**-31 103 922**
Revaluation Reserve		-	-
Total Non-Controlling Interest		-	-
Total shareholders' Equity		**-26 798 112**	**9 801 293**
Liabilities			
Current Liabilities (Creditors: amounts falling due within one year)			
Accounts Payable	13	4 264 628	2 472 945
Current Income Tax Payable		-	-
Current portion of Loans Payable		-	-
Short-term Provisions		-	-
Convertible debt	18	-	1 506 624
Other Current Liabilities, e.g. Unearned Revenue, Security Deposits	2,13,19	43 918 596	9 811 932
Total Current Liabilities		**48 183 224**	**13 791 501**
Non-Current Liabilities (Creditors: amounts falling due after more than one year)			
Convertible debt		13 565 566	
Total Non-Current Liabilities	13	**13 565 566**	-
Total liabilities		**61 748 790**	**13 791 501**
Total Liabilities and Equity		**34 950 678**	**23 592 794**

Date and place: Lysaker, 29.05.2018

Ragnar Søegaard - Chairman

Bård Mikkelsen - Board Member

Jens Engwall - Board Member

Rolf Olaf Larsen - Board member

Terje Osmundsen - Board Member

Per Graff - Board Member

Kjetil Bøhn - CEO

Note 1 - Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. Reporting currency is Norske Kroner (NOK). The Accounting Act's rules for small enterprises have been used.

Revenue recognition
For construction projects:
The general revenue principle is running costs without profit.
When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. An expected loss on the construction contract is recognized as an expense immediately in.
For other sales revenue are recognized at time of sale.

Classification and valuation of balance sheet items
Inventories consist of goods and equipment purchased or produced for resale. Current assets are valued at the lower of cost and fair value. Short term liabilities are reflected at nominal value.
The company has no fixed assets.

Inventories
Finished goods and work in progress are valued at full absorption cost. Impairment charges are made if fair value less cost to sell is lower than the cost price. Sales costs includes all remaining sales -, administrative- and storage costs. Inventories consist of accumulated costs regarding service provided in Norway.

Trade and other receivables
Trade and other receivables are recognized in the balance sheet at nominal value after deduction of provision for bad debts. The provision for bad debts is estimated on the basis of an individual assessment of each major receivable. In addition, for the remainder of the receivables, a general provision is made based on estimated expected losses.
VAT receivables and payables are recorded in the financial statements if they are related to the Norwegian operations.

Guarantee commitments
Estimated costs for future guarantee work relating to sales/completed projects is embedded in the contract.

Foreign currencies
Items denominated in foreign currencies are translated into Norske Kroner at the exchange rate on the balance sheet date.

Taxes
The tax expense in the income statement consists both of taxes payable for the accounting period, and the period's changes in deferred tax. Deferred tax is calculated as 23% (2017) and 24% (2016) of the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences, both positive and negative, are offset within the same period. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Deferred tax assets and deferred tax liabilities are presented net in the balance sheet.

Note 2 - Construction contracts

Alle construction contracts are related parties.

	2017	2016	2015
Invoiced Revenues	29 047 900	12 134 000	1 281 406
Earned Revenues not yet invoiced		1 042 000	2 313 694
Invoiced, not completed work (incl short-term liablities)	-23 580 781	-12 134 000	
Loss on construction contracts	-3 279 628		
Recognized revenue on construction contracts	**2 187 491**	**1 042 000**	**3 595 100**

Cost of project execution	5 710 425	12 605 940	898 775
Contract profit/loss	**-3 522 934**	**-11 563 940**	**2 392 500**
Total profit (loss) for 2017,2016,2015	**-12 694 374**	**-9 171 440**	

During 2017 the process of closing down the Quantafuel Mexico plant was initiated and the loss of NOK 3 522 934 in 2017 and total loss of NOK 12 694 374 are related to this plant.
The plant has been valuable as a pilot plant for testing of differenct processes in regards to taking plastic and turning it into diesel, however, no more activites has been planned for this plant, therefore closing the plant down.
Other income and costs of NOK 5 467 119 is from QF Skive and QF Oslo. As these projects are recorded on a cost method, meaning ongoing settlement without profit, the recognised profit of these projects equal 0.

Total value inluced in short-term liabilities is NOK 35 714 781.

Refer to Note 3 for intercompany transactions not included in constrcution contracts.

Note 3 - Intercompany Transactions

	Quantafuel AS	
	2017	2016
Purchases for resale	0	0
Operating Expense	2 460 537	0

Refer to Note 2 for intercompany transactions related to construction contracts.

Note 4 - Payroll expenses, employees, fees etc.

	Current year	Previous Year
Salary	9 266 760	4 710 683
Social security	1 377 351	814 674
Pension	161 012	93 273
Other benefits	420 103	181 067
Total Payroll expenses	**11 225 226**	**5 799 696**

Average full-time equivalent	10	6

The defined contribution plans cover full-time employees and contributions comprise 2 % of salaries up to 12G.

Chief Executive Officer :

	2017	2016
Salary	600 000	0
Pension costs	10 704	0
Other benefits	1 863	0
Total	612 567	0

The CEO was engaged as a consultant through KB Management AS, a company which he owns 100%, up until 01.07.2017 when Kjetil Bøhn was hired as CEO. KB Management is also a shareholder in Quantafuel AS.
KB Management AS' total consultancy fee in 2017 was NOK 600 000 until 30.06.17.

The Board of Directors have received personal remuneration with NOK 373 333 in 2017.

Note 5 - Tangible assets

At the end of 2017 Quantafuel had no investments in tangible assets.

	Equipment/Machinery	Plant/Factory	Total
Acquisition cost at 01.01.	629 340	0	629 340
Additions		0	0
Disposals	0	0	0
Acquisition cost 31.12.	**629 340**	**0**	**629 340**
Accumulated depreciation 31.12.	-354 002	0	-354 002
Accumulated impairment loss 31.12.	0	0	0
Reversed impairment loss 31.12.	0	0	0
Net carrying value at 31.12.	**275 338**	**0**	**275 338**
			-
Depreciation for the year	196 668	0	196 668
Impairment loss for the year	0	0	0

Both the parent company and the group use linear depreciation for all tangible assets

The useful economic life is estimated to be:	Years
* Buildings and Processing Plants	20-50
* Machinery and equipment	3-15
* Land	No depreciation

Note 6 - Operating Expense detail

Selling, general and administrative expenses

	2017	2016
Payroll Expense	-11 225 226	-5 799 696
Rental costs	-1 206 125	-771 483
Consultancy Expense	-9 980 417	-8 170 633
Travel Expense	-1 161 915	-1 787 118
Other Operating Expenses	-4 068 014	-13 952 578
Total Selling, general and administrative expenses	**-27 641 697**	**-30 481 508**

Specification of auditor's fee:

In 2017 auditors fee was NOK 134 006. Other expenses from auditor was NOK 43 631

Note 7 - Commitments under operating leases

The company rents its headquarter at Lysaker, Norway. The lease was renewed in January 2018 for another 5 years.

	2017	2016
Offices rental	1 206 125	771 483
Plant and production facility lease	0	0
Vehicle cost (leasing)	0	0
Total annual lease cost	**1 206 125**	**771 483**

At year end, the company has outstanding commitments under non-cancellable operating leases that fall due as follows:

	2017	2016
Within one year	0	500 000
Later than one year but within five years	0	200 000
Later than five years	0	0
Total commitment	0	**700 000**

Note 8 - Finance income and expenses

Finance Income

	2017	2016
Interest income	29 473	29 141
Other financial income	0	0
Unrealized Currency gain	0	0
Realized currency gain	225 662	2 887
Total financial income	**255 135**	**32 028**

Finance expense

	2017	2016
Interest expenses loan	-1 555 354	-1 031 068
Other financial expenses	-3 316 193	-25 502
Unrealized Currency loss	0	0
Realized currency loss	0	-114 799
Total financial expenses	**-4 871 547**	**-1 171 369**

The group net currency exchange gains and losses in the year of 2017 are effects due to the weakening of the reporting currency NOK against USD. Since a significant amount of Quantafuel AS receivables and liabilities are held and settled in USD these assets and liabilities have effects against the reporting currency NOK.

Note 9 – Tax

Current year tax:

	2017	2016
Tax payable	0	0
Change in deferred tax liability	0	0
Corrections previous year	0	0
Tax Expense	0	0

Current year payable tax

	2017	2016
Ordinary result before tax	-32 557 632	-27 526 774
Changes in temporary differences	289 196	954 807
Permanent differences in taxable result	1 770 089	-1 269 943
Received group contribution	0	91 868
Taxable result of the year	-30 498 348	-27 750 042

Temporary differences

	01.01	31.12	Change
Assets	31 468	-77 093	-108 561
Goods	0	0	0
Receivables	-87 500	-268 135	-180 635
Liabilities/Construction in progress	0	0	0
Total temporary differences	-56 032	-345 228	-289 196
Loss brought forward	-32 229 924	-62 728 272	-30 498 348
Basis for deferred tax asset/liability	-32 285 956	-63 073 500	-30 787 544
Deferred tax asset/liability (24%/23%)	7 748 629	14 506 905	6 758 276
Deferred tax asset not recorded	7 748 629	14 506 905	6 758 276

Differences of taxable income and net income before tax as reported in the income statement are due to items of income or expense that are taxable or deductible in future years (temporary differences), and excluded items that are not taxable or deductible (permanent differences). The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is more likely than not that future tax advantages will not be available to allow all of the asset to be recovered.

In 2017 Quantafuel AS tax rate for future taxes is set at 23%. (24% in 2016)

Note 10 - Equity

	Share capital	Share premium reserve	Other equity	Total equity
Equity 01.01	38 156	40 867 059	-31 103 922	9 801 293
Capital increase	2 448	1 058 779	0	1 061 227
Reversal of previously reported sales			-5 103 000	-5 103 000
Current year result	0	0	-32 557 632	-32 557 632
Equity 31.12	40 604	41 925 839	-68 764 554	-26 798 112

With the increasing focus on larger plants located close to or at port, parts of historic plant sales to subsidiaries has been corrected to better reflect the situation leading to a reversal of previously reported plant sales of NOK 5 103 000. The plant sales was classified as a cost reduction in 2016 and reversed in 2017 due to lack of costs regarding the plant.

Note 11 - Investment and changes in Subsidiaries and Associates

Subsidiaries	Est year	Prosentage	Investments 17
Quantafuel Sweden AB	2015	100 %	747 482
Quantafuel INC	2015	100 %	1
Quantafuel UK ltd	2015	50 %	5 525
Quantafuel Oslo AS	2016	100 %	30 000
Quantafuel CZ s.r.o	2016	100 %	1
Next Gen Energy S.A. de C.V.	2016	50 %	1
Quantafuel Mexico S.A. de C.V.	2015	50 %	1
Quantafuel Skive ApS	2017	76 %	16 870 535

Quantafuel Skive Aps

Quantafuel Skive ApS was funded with an equity placement of USD 2 000 000 from Quantafuel AS, with an additional funding of USD 1 955 000 provided by the local partners. This investment in the plant-owning entity for the Skive plant represented a break-through for Quantafuel AS with the first commercial plant now in construction.

Quantafuel Sweden AB

Quantafuel Sweden AB received NOK 747 482 in order to cover operational expenses. The operations executed in Quantafuel Sweden AB was significantly scaled back in the later part of 2017, and the planned activity level and expected cost base have been reduced to an absolute minimum with the office rent ending 31.06.18 as the last remaining significant cost.

Quantafuel Mexico S.A. de C.V.

Quantafuel Mexico has conducted important development of technology and verification, but due to the finalisation of the development programme and that further commercial plants are going to be substantially larger in capacity, there are no more activities planned in the company and the company is therefore being closed down.
As part of the closure, all assets will be liquidated, expectedly at a low value to be determined, and all employees will be terminated. It is not expected that there will be any residual value from the asset sale after payment of outstanding obligations and closure costs.

Furthermore, NOK 3 279 628 of the total plant sales of NOK 4 637 100 has been credited and written off for 2017, so that the expected remaining exposure should be limited.

Quantafuel CZ s.r.o.

All activities in the company has been suspended in Q1 2018, so there are no assets or substance left in the company. In this process, the 70 kEUR loan provided by Quantafuel AS to Quantafuel CZ s.r.o. has been remitted, and the company will be finally closed during 2018.

Quantafuel Sweden

The long-term assets in Quantafuel Sweden AB has been reviewed and some overdue write down has been implemented in addition to planned depreciation of the patent.
The adjustment in book value has been incorporated into Quantafuel AS's balance sheet.

Quantafuel Inc

As there have been no planned activities in the company, the US shell company has been closed down.

Note 12 - Intangible assets

	Acquired Rights	Patents	Total
Acquisition cost 01.01.	106 570	0	106 570
Additions	0	0	0
Disposals	0	0	0
Acquisition cost 31.12.	106 570	0	106 570
Accumulated amortization at 31.12.	0	0	0
Accumulated impairment loss 31.12.	0	0	0
Reversed impairments 31.12.	0	0	0
Net carrying value at 31.12.	106 570	0	106 570
Amortization for the year	0	0	0
Impairment loss for the year	0	0	0

Note 13 - Liabilities and receivables

Current receivables

	2017	2016
Accounts receivables	76 066	9 738 350
Accrued customer receivables	0	0
Allowance for uncollectible accounts	0	0
Net accounts receivable	76 066	9 738 350
Value added tax receivable	0	0
Prepaid expenses	0	0
Other current receivables	4 347 338	2 153 681
Total Current Receivables	4 423 404	11 892 031

Non - current receivables

	2017	2016
Other non-current receivables	0	0
Allowance of non-current receivables	0	0
Net non-current receivables	0	0

Current liabilities

	2017	2016
Accounts Payable	-4 264 628	-2 472 945
Unearned revenue	-35 714 781	0
Payroll Accruals	-936 234	-574 422
Taxes payable	-647 099	0
VAT and Fees payable	-300 734	-1 402 937
Convertible debt	0	0
Other Provisions	0	0
Accrued Interest	0	0
Other current liabilities	-6 319 748	-9 341 197
Total Current Liabilities	-48 183 224	-13 791 501

Non- current liabilities

Liabilities to financial institutions	0	0
Convertible Bond	-13 565 566	0
Other non-current liabilities	0	0
Total non-current liabilities	-13 565 566	0

The are no secured debts.
There are no pledged assets.

Note 14 - Restricted funds

The company has restricted funds of NOK 647 099 (accrued employee withholding tax).

Note 15 - Shareholders

The company's share capital is NOK 40 604, represented by 4 060 400 shares at NOK 0,01 per share.
At 31.12.2017 Quantafuel AS had over 20 shareholders.
Issued capital consists of one class of shares and all issued shares have the same voting rights.

Shareholders:

Name	No. of shares	Ownership %	Positions
Heorot AB	656 437	16,2 %	Henrik Selstam, consultant
Faried Holding AS	601 522	14,8 %	Erik Fareid, consultant
KB Management AS	517 208	12,7 %	CEO
Ditowin	458 492	11,3 %	
Other shareholders	1 826 741	45,0 %	
Total issued and outstanding shares	**4 060 400**	**100,0 %**	

Note 16 - Transactions with related parties

The CEO was engaged as a consultant through KB Management AS, up until 01.07.2017 when Kjetil Bøhn was hired as CEO.
KB Management is also a shareholder in Quantafuel AS.
KB Management AS' total consultancy fee in 2017 was NOK 600 000 until 30.06.17.

Henrik Selstam in the capacity of Business Development Manager, has invoiced NOK 1 237 404 through the consultancy company Heorot AB. Henrik Selstam is also a shareholder of the company Bluetrout AB and through his company Heorot AB.

Erik Fareid in the capacity of engineer has invoiced NOK 1 200 000 through the consultancy company EicChem Fareid and Fareid Technologies AS (from 01.11.2017).
Erik faired is also a shareholder of the company Bluetrout AB and his company Fareid Holding AS.

Inge Berge is an employee and also a shareholder of Quantafuel AS through Blaais Holding AS.

Note 17 - Financial risk

The company operates business units in several countries with currency risk mainly related to cash flows in local currency and capital funded in NOK. No currency hedges have been executed that may mitigate this exposure.

Liquidity is deposited in bank accounts in NOK while the company in 2017 has had significant expenses in NOK, SEK and USD.

Note 18 - Events After the end the Reporting Period

During the last quarter of 2017, Quantafuel established a convertible loan facility which is used for ongoing liquidity management. This convertible loan was fully subscribed by the end of the first quarter of 2018, thus securing the company's liquidity situation going forward.

The process of inviting investors to a larger equity increase securing long-term strengthening of the balance sheet has started. The equity increase is also expected to trigger conversion of the convertible loan into equity, further strengthening the balance sheet.

The process of closing down three daughter companies: Quantafuel Mexico and Quantafuel CZ s.r.o has been initiated, while Quantafuel Inc. has been liquidated.

There has been no other incidents/happenings after year end.

Note 19 Going Concern

With reference to the negative equity and strengthening of the balance sheet, please see elaboration in Note 10 and Note 18.

The company is in a position to continue as a going concern.

Quantafuel AS

STATEMENT OF CASH FLOWS

Year Ended,	2017	2016
Net income	-32 557 632	-27 526 774
Operating activities, cash flows provided by or used in:		
Depreciation and amortization	196 668	157 334
Adjustments to net income	30 611 781	-
Adjustments to Accrued expenses	1 364 445	10 953 277
Decrease (increase) in accounts receivable	7 447 849	-8 245 925
Increase (decrease) in liabilities (A/P, taxes payable)	349 037	305 670
Decrease (increase) in inventories	-	-
Increase (decrease) in other operating activities	604 468	-355 574
Net cash flow from operating activities	**8 016 616**	**-24 711 992**
Investing activities, cash flows provided by or used in:		
Capital expenditures	-	-
Investments	-16 870 535	-5 030 134
Other cash flows from investing activities	-	-
Net cash flows from investing activities	**-16 870 535**	**-5 030 134**
Financing activities, cash flows provided by or used in:		
Dividends paid	-	-
Capital plancement	1 058 780	40 875 215
Sale (repurchase) of stock	-	-
Increase (decrease) in debt	13 565 566	-7 166 532
Other cash flows from financing activities	-	-
Net cash flows from financing activities	**14 624 346**	**33 708 683**
Effect of exchange rate changes	-	-
Net increase (decrease) in cash and cash equivalents	**5 770 427**	**3 966 557**
Cash at period beginning	6 721 393	2 754 836
Cash at period end	12 491 820	6 721 393

Quantafuel AS

Report of the Board of Directors

Type of activity and location
Quantafuel AS operations consists of establishing and installing waste to fuel process plants, and ensure safe and optimised operations and sales of high quality, synthetic fuel. Quantafuel AS has offices in Lysaker, Norway.

Going concern
In accordance with the Accounting Act § 3-3 we confirm that the Financial Statements have been prepared under the assumption of going concern.
During the last quarter of 2017, Quantafuel established a convertible loan facility which is used for ongoing liquidity management.
This convertible loan was fully subscribed by the end of the first quarter of 2018, thus securing the company's liquidity situation going forward.

The process of inviting investors to a larger equity increase securing long-term strengthening of the balance sheet has started.
The equity increase is also expected to trigger conversion of the convertible loan into equity, further strengthening the balance sheet.

The Board of Directors confirms that the company is in a position to continue as a going concern.

Quantafuel Mexico
Quantafuel Mexico has conducted important development of technology and verification, but due to the finalisation of the development programme and that further commercial plants are going to be substantially larger in capacity, there are no more activities planned in the company and the company is therefore being closed down.
As part of the closure, all assets will be liquidated, expectedly at a low value to be determined, and all employees will be terminated.
It is not expected that there will be any residual value from the asset sale after payment of outstanding obligations and closure costs.

Information in the financial statements
In our opinion the information in the financial statements give a true and fair view of the company's assets, debts and financial position.
The loss in 2017 of NOK 32 557 632 is recommended to be transferred to uncovered loss.

Working environment
The company had ten full-time employees at the end of 2017.
The working environment is considered to be good, and no injuries or accidents have been reported
The company's Board of Directors consist of six men.

External environment
The activities of the company do not have harmful impact on the environment, nor does the company believe that any products or services may cause environmental hazard.

Date and place: Lysaker, 29.05.2018

Ragnar Søegaard - Chairman

Bård Mikkelsen - Board Member

Jens Engwall - Board Member

Per Graff - Board Member

Rolf Olaf Larsen - Board member

Terje Osmundsen - Board Member

Kjetil Bøhn - CEO

RSM Norge AS
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Til generalforsamlingen i Quantafuel AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Quantafuel AS' årsregnskap som viser et underskudd på kr 32 557 632. Årsregnskapet består av balanse per 31. desember 2017, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettvisende bilde av selskapets finansielle stilling per 31. desember 2017, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon består av årsberetningen, men inkluderer ikke årsregnskapet og revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og anslår vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.

- opparbeider vi oss en forståelse av den interne kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.

- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.

- konkluderer vi på hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av regnskapet, basert på innhentede revisjonsbevis, og hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i regnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon om årsregnskapet. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke fortsetter driften.

- evaluerer vi den samlede presentasjonen, strukturen og innholdet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet representerer de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.

Uttalelse om øvrige lovmessige krav

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Oslo, 29. mai 2018
RSM Norge AS

Lars Løyning
Statsautorisert revisor

Appendix C – Interim Financial Statements

Quantafuel AS

*(NOTC: **QFUEL**)*

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

Visit www.quantafuel.com for more information

Third Quarter 2019

Financial statement and review

for Quantafuel AS

Summary of the third quarter 2019

In the third quarter, Quantafuel negotiated a breakthrough partnership agreement with BASF, the world largest chemical company, investing 20 MEUR in Quantafuel`s strive to become the leading provider of chemical recycling on a global basis. At the same time the company was working to complete the Skive plant with expected mechanical completion within the fourth quarter and start of operation in first quarter 2020.

Following a rising concern for the environmental consequences of plastic waste entering the oceans, changes in the European legislation regarding recycled hydrocarbons, and tougher demands for recycling of plastic waste, the interest for Quantafuel`s unique solutions reached new proportions during the quarter.

Agreement with BASF

Following a thorough technical, financial and legal due diligence conducted by several companies in parallel, Quantafuel chose to sign a partnership agreement with BASF, the world largest chemical company with more than 122,000 employees on a global basis. In addition to the 20 MEUR investment, in equity and a convertible loan (concluded in Q4), the main reason for selecting BASF as a partner, was access to BASF´s industrial-, technical- and chemical resources and know-how. BASF`s vast experience will contribute to a safe and controlled start-up in Skive, and further development of the technology towards an industrial scalable solution with the clear intention to build out production capacity together in a 50/50 JV structure.

BASF, as one of the founding members of the Alliance to End Plastic Waste (AEPW), has stated a strong commitment to engage in chemical recycling of plastic waste, and publicly announced that their ambition is to turn 1.6 million tons of their annual consumption of 20 million ton of naphtha to recycled naphtha. This is equivalent to 100 times the production capacity of the Skive plant.

An important aspect of the partnership agreement with BASF is that it is exclusive only with regard to joint development of improved technology , and entered in understanding with Quantafuel`s long-standing partner, Vitol, that still has an ambition to build out large production capacity together with Quantafuel, starting in Antwerp. As part of this understanding Vitol converted its 3 MUSD loan plus accrued interests to shares in Quantafuel in the third quarter.

Furthermore, with the support from BASF, Quantafuel has maintained the discussions with other major petrochemical companies with the aim to agree terms for one or more commercial partnership in the near future.

Skive progress

All technical resources have through the quarter been directed at completing the plant in Skive, Denmark, now in collaboration with recourses with extensive experience from starting chemical process facilities which BASF has made available to Quantafuel.

While completing the last remaining systems in the plant, we have been running pre-commissioning on those production steps already completed. Through this process we have encountered several issues that needed to be addressed and corrected. Most of these issues have been minor, but some have required more extensive rework, before another pre-commissioning run could be performed. Our ambition has all the way been to have completed pre-commissioning on as many parts of the process facility as possible, while working towards mechanical completion.

This has in periods been challenging, and we had to reassess the balance between resources used and efficiency on site on a number of occasions. Extensive rework on some parts of the system and the installation of additional safety and utility systems have delayed the process, but by the end of November we are only weeks away from mechanical completion.

While completing the plant, we are now preparing for a safe and controlled start-up of operations, in a close working relationship with experts from BASF. Operating procedures are being implemented, safety and emergency procedures are being controlled and retested and our local operators are being trained in all aspects of plant operations.

After mechanical completion we will start final commissioning of the complete process facility before entering hot commissioning with plastic waste. We will start with clean and uniform plastic in one reactor before gradually implementing more capacity, more challenging raw materials and the different upgrading steps throughout the first quarter next year.

The plant in Skive has become more advanced and sophisticated than the one we initially set out to build one and half year ago as new features and upgrading steps have been introduced along the way. As we reach mechanical completion, Quantafuel is proud to state that we have built a state-of-the-art production plant for chemical recycling of waste plastic, which we strongly believe, as several major petrochemical companies already have discovered, is unmatched in terms of flexibility and capabilities. We believe that the plant in Skive, despite its many challenges in the building process, will set us apart from the competition in a market expected to grow from zero to 75 BUSD (Mc Kinsey) over the next 10 years.

Rework, changes in scope, double shifts and an extended commissioning period have resulted in a cost increase of MNOK 59 (MUSD 6.5), bringing the total CAPEX to MUSD 37.7. from MUSD 31.2, which was predicted in the second quarter 2019 report. (Given the current currency exchange at the date of this report, comparable CAPEX would be 36,1 MUSD (MNOK 332)).

With the investment from BASF, Quantafuel is in a strong financial position and has the necessary resources to complete the plant in Skive, strengthen the organization as planned and fully engage in all further development activities to rapidly industrialize the technology with the keen ambition to become the leading provider of chemical recycling of plastic waste on a global basis.

Next steps

The Skive plant is where we demonstrate our technology in scale in a commercial operation, and where we invite current and potential new partners and other key stakeholders to see how chemical recycling of plastic waste can be done.

The next steps for the Company are to implement the experience to date from the Skive process into a generic module that can be deployed in scale through an EPC strategy.

At the same time, we do take the organization through a transition phase from a start-up to an industrial company capable of delivering standardized, high performing process facilities. As part of this process will we over the next few month's welcome between 10 and 15 new colleagues, many with a long and extensive track records from the process industry. We are also proud that many of these new colleagues find it meaningful and have motivation to work for Quantafuel at reduced salaries from previous positions, and that they bring with them the drive, attitude and competence that we are certain will help

Quantafuel in becoming the leading provider of chemical recycling of plastic waste on a global scale.

Health Safety and the Environment

There has been no reported HSE incidents at Quantafuel, either of the subsidiaries or any of the contractors in the period.

Financial situation

The total cost estimate for the delivery of the first plant from Quantafuel AS to Quantafuel Skive ApS (Danish 76% owned subsidiary) is now MUSD 37.7 (MNOK 332), (Q219; MUSD 31.2).

Financial review

Income statement

Quantafuel financial highlights unaudited figures in USD if not stated otherwise	**Q3 2019 Company**	**YTD Q3 2019 Company**	**Q3 2019 Group**	**YTD Q3 2019 Group**
Operating income	308,834	5,465,533	2,742	57,817
EBITDA	-8,837,536	-15,397,694	-2,462,541	-7,487,467
Net result	-10,348,866	-18,570,354	-3,997,270	- 10,916,421
Total assets	12,438,786	12,438,786	28,248,810	28,248,810
Cash and cash equivalents	3,529,957	3,529,957	4,447,893	4,447,893

As the company foresee an increased cost for concluding the Skive project, a provision of MUSD 6.5 (MNOK 59) is booked in the Company accounts ("cost of sales"). In total provisions of MUSD 25.7 (MNOK 225) is accounted for in the Company for the delivery (loss) of the Skive plant to the Danish subsidiary. No further accruals are done on consolidated level in Q3 based on a preliminary assessment of the value for the plant on Group level. A final assessment of the book value on Group and Company level will be done at finalization of the plant.

Payroll expenses of MUSD 1.6 (MNOK 14.2) includes accrual for the company employee option program of MUSD 1.2 (MNOK 10.6). The cost of the option program is recognised in the accounts on a continuous basis based on the actual share price, as the options are fully vested.

Average G&A cost ("Other operating & payroll expenses") for the period has been MUSD 0.3 (MNOK 2.7) per month (Q2 MUSD 0.25 per. month). This represent a slight increase due to increased activity in the Company.

As there are increased activity in Skive towards the start-up of the plant, MUSD 0.35 (MNOK 3.2) is recognized as operation expenses / cost of sales for Q3, an increased from last quarter where MUSD 0.25 (MNOK 2.1) was used for the quarter.

This gives an EBITDA of MUSD -8.8 (Company) and MUSD -2.5 for the Group.

Net financial items include MNOK 11 in currency adjustments under the Skive delivery due to increased cost in NOK for committed cost items denominated in foreign currency.

Balance Sheet

As major changes in the quarter, the non-current assets on Group level have increased with MNOK 70, of which MNOK 66 is related to the building of the Skive plant. On the liability side, the Vitol loan of MUSD 3.3 (including accrued interest) was converted into equity in the period.

Cash flow

Statement of Cash flow unaudited figures in kUSD	**Q3 2019 Company**	**Q2 2019 Company**	**Q3 2019 Group**	**Q2 2019 Group**
Cash flow from operations	-7,564	-10,525	-405	-7,871
Cash flow from investing	-521	-301	-7,485	-3,246
Cash flow from financing	1,459	2,849	1,459	2,849
Effect of exchange rate change	-504	430	-574	445
Net change in cash & cash eq.	-7,129	-7,547	-7,005	-7,823
Cash and cash eq. EOQ	**3,530**	**10,659**	**4,448**	**11,453**

Net cash flow from operating activities was MUSD -7.6 (MUSD -0.4 Group).

MUSD 7.5 is invested in the Skive plant.

Net financing activities of MUSD 1.5 include the conversion of the Vitol loan, together with the increased accrual for options program (increase in the equity and reflected in "Cashflow from financing "(while the cost of the increase is booked through the P&L and included in "Cashflow from operations")).

The Company's holding of cash and cash equivalents was MUSD 3.5 at the end of the period, and MUSD 4.5 at Group level.

Financial statements

Third Quarter 2019 (July-September)

Quantafuel Statement of Operations	**Q3 2019**	**YTD Q3 2019**	**Q3 2019**	**YTD Q3 2019**	**YTD Q3 2019**
	Company	**Company**	**Group**	**Group**	**Group**
(Unaudited figures, NOK/USD exchange rate quarter 8,8634)	(kNOK)	(kNOK)	(kNOK)	(kNOK)	(kUSD)
Revenues	2 713	46 668	0	0	0
Other income	24	497	24	497	58
Total revenues and other income	**2 737**	**47 164**	**24**	**497**	**58**
Cost of sales	-62 403	-123 770	-1 538	-1 586	-179
Payroll expenses	-14 183	-46 713	-15 488	-49 747	-5 713
Other operating expenses	-4 482	-11 688	-4 825	-14 378	-1 653
Depreciation	-51	-104	-51	-104	-12
Total operating expenses	**-81 119**	**-182 275**	**-21 901**	**-65 815**	**-7 557**
Operating profit (/loss)	**-78 381**	**-135 111**	**-21 877**	**-65 319**	**-7 499**
Net financial items	-13 345	-21 735	-13 828	-23 287	-1 373
Net financial gain (/loss)	**-13 345**	**-21 735**	**-13 828**	**-23 287**	**-1 373**
Profit (/loss) before taxes	**-91 726**	**-156 846**	**-35 705**	**-88 605**	**-8 872**
Tax on ordinary result	0	0	0	0	0
Net profit (/loss)	**-91 726**	-156 846	**-35 705**	-88 605	**-8 872**
Other comprehensive income					
Foreign currency translation	0	0	275	-471	-2 044
Total comprehensive income for the year	**-91 726**	**-156 846**	**-35 430**	**-89 076**	**-10 916**

Quantafuel Balance sheet (Unaudited figures, NOK/USD exchange rate 30.09: 9,0874)	**Q3 2019** **Company** (kNOK)	**Q2 2019** **Company** (kNOK))	**Q3 2019** **Group** (kNOK)	**Q2 2019** **Group** (kNOK)	**Q3 2019** **Group** (kUSD)
Assets					
Property, plant and equipment	1 638	287	181 911	115 001	20 018
Investment in Associates	17 156	17 156	0	0	0
Intangible assets	17 991	14 777	18 181	14 967	2 001
Other non-current assets	0	0	3 245	3 180	357
Total non-current assets	**36 784**	**32 220**	**203 336**	**133 148**	**22 376**
Accounts receivables	0	4 000	0	4 000	0
Other receivables	42 594	7 580	12 952	19 715	1 425
Other current assets	0	0	0	0	0
Cash and cash equivalents	32 078	90 798	40 420	97 558	4 448
Total current assets	**74 672**	**102 378**	**53 372**	**121 273**	**5 873**
Total assets	**111 457**	**134 598**	**256 708**	**254 421**	**28 249**
Equity and Liabilities					
Shareholders' equity	448 235	409 383	439 340	401 147	48 346
Retained earnings	-407 666	-315 940	-359 254	-323 824	-39 533
-Non-controlling interests	0	0	9 766	8 895	1 075
Total equity	**40 569**	**93 443**	**89 852**	**86 218**	**9 887**
Loans to financial institutions	0	0	16 796	16 460	1 848
Total non-current liabilities	**0**	**0**	**16 796**	**16 460**	**1 848**
Accounts payable	30 374	7 225	31 414	42 581	3 457
Trace, other payables and provisions	23 644	1 560	24 200	1 928	2 663
Finance debt	0	25 917	0	25 917	0
Other current liabilities	16 870	6 453	94 446	81 317	10 393
Total current liabilities	**70 888**	**41 155**	**150 061**	**151 743**	**16 513**
Total equity and liabilities	**111 457**	**134 598**	**256 708**	**254 421**	**28 249**

Quantafuel Statement of Cash flow (Unaudited figures, NOK/USD exchange rate quarter 8,8634)	Q3 2019 Company (kNOK)	Q2 2019 Company (kNOK))	Q3 2019 Group (kNOK)	Q2 2019 Group (kNOK)	Q3 2019 Group (kUSD)
Cash flows from operation					
Net profit (/loss)	**-91 726**	**-52 724**	**-35 430**	**-38 156**	**-3 997**
Depreciations, amortisations and net impairment losses	51	27	51	27	6
Adjustments to net income	-13 543	-27 614	-4 707	-20 735	-531
Adjustments to Accrued expenses	37 335	-13 640	37 335	-13 640	4 212
Changes in inventories, accounts payable and receivables	-4 577	10 428	-6 258	11 919	-706
Changes in other current balance sheet items	5 420	-4 230	5 420	-4 230	612
Cash flows provided by (/used in) operating activities	-67 040	-87 753	-3 588	-64 814	-405
Cash flows from investing activities					
Net investments in tangible fixed assets	-4 615	-2 599	-66 345	-28 066	-7 485
Cash flows used in investing activities	**-4 615**	**-2 599**	**-66 345**	**-28 066**	**-7 485**
Cash flows from financing activities					
Issuing (/repurchase) of shares	29 535	0	29 535	0	3 332
Increase (/repayment) of finance debt	-25 917	24 626	-25 917	24 626	-2 924
Other cash flows from financing activities	9 317	0	9 317	0	1 051
Cash flows provided by (/used in) financing activities	**12 935**	**24 626**	**12 935**	**24 626**	**1 459**
Effect of exchange rate changes	0	0	-140	-303	-574
Cash balance					
Net increase (/decrease) in cash and cash equivalents	-58 720	-65 727	-57 138	-68 556	-7 005
Cash and cash equivalents at the beginning of the period	90 798	156 525	97 558	166 114	11 453
Cash and cash equivalents at the end of the period	**32 078**	**90 798**	**40 420**	**97 558**	**4 448**

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 divestments; 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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