

Q1 Report 2024



Markoppneset, Hammerfest. Location for the planned Barents Blue project.
Fotograf: Kristian Magnus Jensen

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OUR MISSION

Accelerating the transition to carbon neutrality through pioneering projects

Clean ammonia



Carbon infrastructure
and storage



Horisont Energi is a “pure play” Norwegian clean energy and carbon infrastructure and storage company



Founded in 2019 with head office in Stavanger, Norway

Experienced and dedicated team of ~40 people

A pure-play carbon infrastructure and storage company, and provider of clean ammonia, in partnership with major industrial leaders

Committed to accelerating the energy transition

Industrial ownership with E.ON as largest shareholder with 25% stake

FUNDING: Seed \$1M, Series A \$15M, Series B \$42M



CLEAN
AMMONIA



CARBON
INFRASTRUCTURE



CARBON STORAGE

Q1 Highlights

- The Norwegian Ministry of Energy approved PGNiG Upstream Norway as operator and partner with Horisont Energi in the CO₂ storage licence Polaris
- New company structure registered in the Norwegian Register of Business Enterprises, and new management team in place
- Granted several CCS patents

Subsequent events

- Obtained status as EU Project of Mutual Interest (PMI) for the Gismarvik CO₂ hub
- Extended option agreement with Haugaland Næringspark for the realisation of the Gismarvik CO₂ hub
- Reservation of power supply confirmed by Fagne for 10 MW for the first phase of the Gismarvik CO₂ hub project
- New third-party Polaris licence assessment confirms that Barents Blue volumes of 2 Mtpa can be injected without any appraisal drilling

Gismarvik CO₂ hub receives Project of Mutual Interest status from EU



- Gismarvik CO₂ hub to cooperate with leading CCS companies and access public support programmes through European Nautilus CCS network
- The purpose of the Nautilus programme is to fast-forward the energy transition through more integrated energy systems
- The Nautilus Project of Mutual Interest (PMI) is one of 14 CO₂ network projects established to create a market for CCS and bring together several infrastructure initiatives including export hubs

“The PMI status is a recognition of the Gismarvik CO₂ hub and its part in decarbonising Europe together with leading energy and CCS companies in the Nautilus CCS network”

Björgulf Haukelidsæter Eidesen
Co-CEO, Horisont Energi



Financial Highlights

- Total operating income of NOK 0.4 million in Q1 2024, related to a study requested from a potential customer at the planned Gismarvik terminal
- Net loss of NOK 35.6 million in Q1 2024 compared to net loss of NOK 75.1 million in Q1 2023
- The reduction in quarterly losses is primarily attributed to lower project costs combined with improved operational efficiency and cost focus
- Cash and cash equivalents amounted to NOK 167.0 million at the end of Q1 2024
- The cash position remains satisfactory and supports planned activities into 2025
- Horisont Energi is exploring additional sourcing of capital to contribute to the funding as the projects are successfully reaching key milestones

Million NOK	Q1 2024	Q1 2023	FY 2023	FY 2022
Total income	0.4	0	5.0	0
Operation profit (loss)	(37.9)	(77.4)	(203.0)	(143.5)
Net financial income (expenses)	2.3	2.3	10.0	9.7
Net profit (loss)	(35.6)	(75.1)	(193.0)	(133.8)
Cash/cash equivalents at the end of period	167.0	354.2	200.4	392.8

Co-CEO Letter

Preparing for execution towards carbon neutrality



Bjørgulf Haukelidsæter Eidesen
Co-CEO, Horisont Energi



Leiv Kallestad
Co-CEO, Horisont Energi

The corporate restructuring of Horisont Energi with the three separate entities Horisont Ammoniakk, Horisont Karbon and Horisont Infra has sharpened the business focus and improved utilisation of people resources. The restructuring is expected to facilitate the development of existing partnerships and the establishment of new ones, as we continue to move the projects forward towards realisation.

The new organisational structure has been well received, and in our view contributed to constructive partner dialogues during the first months of 2024.

In Horisont Ammoniakk, the work continues with the Spanish fertiliser specialist Fertiberia to develop the world's first world-scale clean ammonia plant. The Barents Blue project addresses the growing need for clean ammonia in the maritime and industry sectors and offers a unique large-scale opportunity to accelerate the European energy transition. The project is moving towards concept select over the summer, with the aim to decide on the most viable technical and economic solution and commence a Front-End Engineering Design (FEED) study during the second half of the year. Work continues to facilitate gas supply for the plant, expected completed by the end of summer 2024. The company is currently in negotiations with potential industrial buyers of clean ammonia, adding to the international

and local customers which expressed interest last year. A final investment decision is expected late 2025 for start-up in 2029.

In Horisont Karbon, the Polaris carbon storage project is approaching BOK – (Beslutning om Konkretisering (Decision of Concretisation), with partner and operator PGNiG Upstream Norway. BOK is a key step and milestone towards DG2, feasibility studies and preparations for a detailed design and development phase in the fall. Term-sheet negotiations for CO₂ storage from Barents Blue are ongoing. A final investment decision is expected late 2025 for start-up in 2029.

In Horisont Infra, the Gismarvik CO₂ hub is the key activity, offering cost-efficient design, economies of scale, and proximity to several awarded carbon storage exploration licenses in the North Sea. The project was recently awarded EU Project of Mutual Interest status as part of the European Nautilus CCS network. This network is a close cooperation between leading European CCS companies and opens access to public support programs designed to accelerate the energy transition. The project has secured 10 MW power reservation for the terminal, which will be sufficient for the first phase of operations with an annual capacity of 12 million tonnes. Our ambition is to reach DG2 for the Gismarvik terminal in 1H 2025, and to secure partnerships for the continued development towards a final investment decision in

2026 and start-up in 2029.

Horisont Energi is at the forefront of carbon storage development and continues to add to a patent portfolio counting 16 patent families and close to 50 patent applications. 12 patent applications have been submitted so far in 2024, and we expect this to be a record year of patent filings and grants. We believe our IP may hold significant commercial value beyond our own operations, through licensing or possibly sales.

We look forward to updating you on our progress and key milestones in the upcoming quarters.

Bjørgulf Haukelidsæter Eidesen

Leiv Kallestad

Co-CEOs, Horisont Energi

New Company Structure to Facilitate Pure-Play Partnerships



Project Review

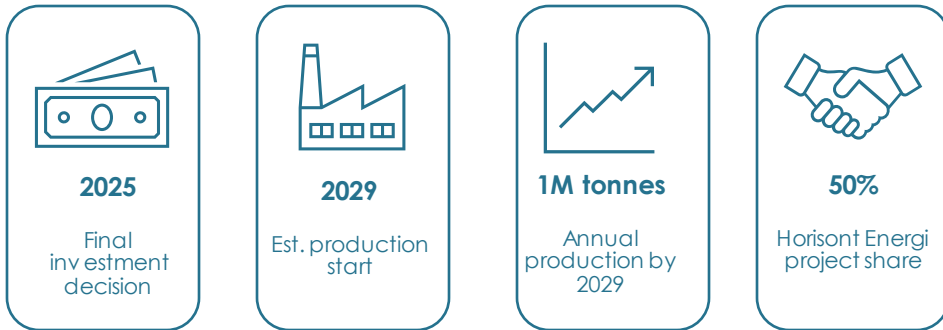
Horisont Ammoniakk



Barents Blue

Europe's first world-scale clean ammonia plant

Key figures:



Project highlights

- Barents Blue will be located in Hammerfest, in the north of Norway
- Annual production of 1M tonnes per year in the first phase of the project
- Combined with the carbon storage project Polaris, Barents Blue will offer a best-in-class lifecycle carbon footprint, with more than 99% CO₂ capture
- EU Taxonomy compliant pursuant to delegated acts for hydrogen and anhydrous ammonia
- Barents Blue part of plan to become carbon neutral by 2035
- Achieved IPCEI Hydrogen status, received a conditional grant of NOK 482 million from Enova, as part of the IPCEI Hydrogen programme, Hy2Use
- Strong support from local communities

Barents Blue

Key project developments

- JDA signed with the ammonia specialist Fertiberia for the realisation of the project
- Focus is on the first production line (train) of 1 million tonnes/year of clean ammonia
- Secured sufficient power supply for the first train, 45 MW
- Completed a modularised standard 1 Mtpa design made with mature and third-party verified technology meeting Taxonomy requirements
- Interface activities for Polaris CO₂ storage, co-location of CO₂ terminal in connection with the ammonia plant
- Work continues to facilitate gas supply for the plant. This work should be completed by the end of the summer
- LOI with VNG Handel & Vertrieb GmbH for offtake of 100.000-300.000 tonnes/year
- LOI with Barents Naturgass AS for offtake of 100.000 tonnes/year
- Mature offtake contracts with several large industrial companies
- In term-sheet negotiations on carbon storage service



Barents Blue is part of the IPCEI Hydrogen Programme Hy2Use



Europe's first world scale
clean ammonia plant



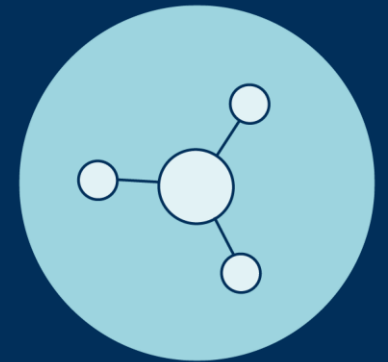
"Best in class"
CO₂ footprint -
Scope 1, 2 and 3



Above 99%
CO₂ capture rate

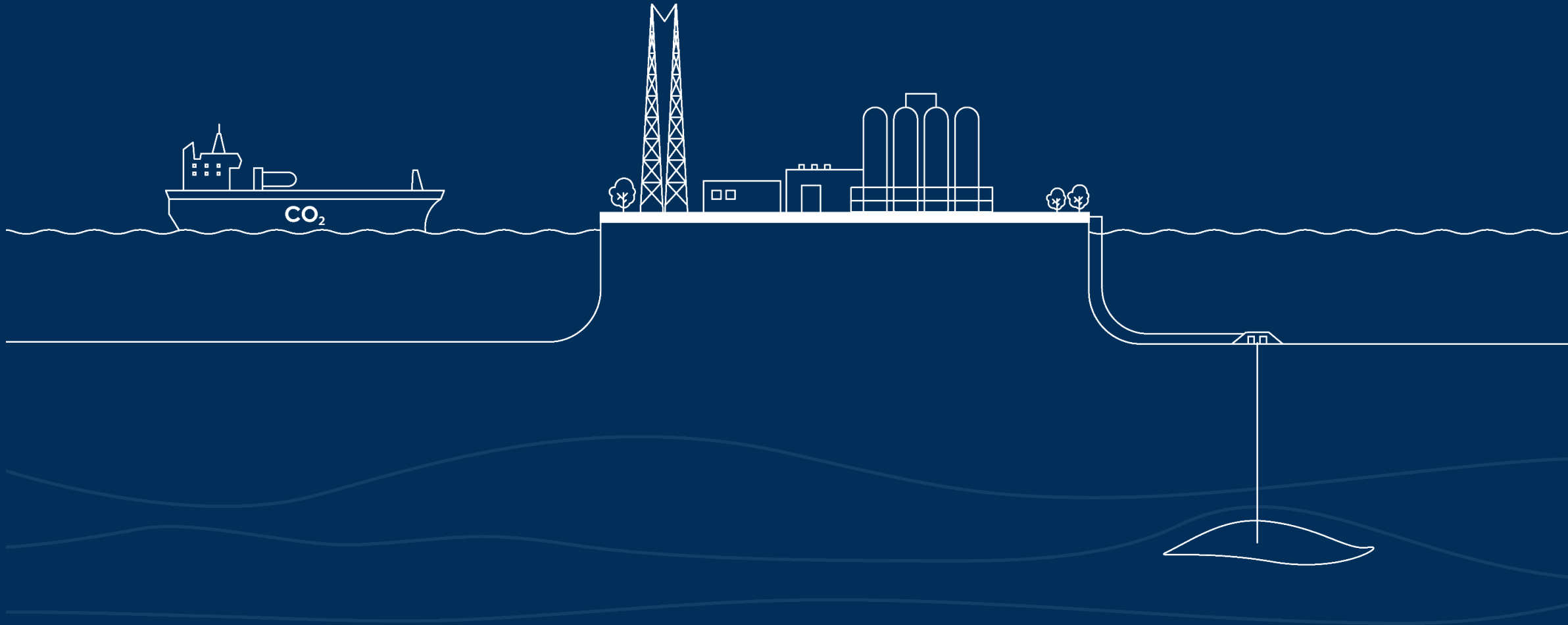


Developing new, clean
industry in Northern
Norway



EU Taxonomy compliant
pursuant to delegated acts
for hydrogen and anhydrous
ammonia

Horisont Karbon



Polaris

Licence EXL003 awarded in April 2022
as the first CO₂ storage in Barents Sea

Key figures:



2025

Final investment
decision



2029

Est. production
start



3-6M tonnes

First phase storage
capacity



50%

Horisont Energi
project share



Project highlights

- The only CO₂ licence located in the Barents Sea, 140 km off the coast of Hammerfest, northern Norway
- Annual storage 3-6M tonnes a year
- Tailored for sustainability in design
- Safe and long-term sequestration of CO₂
- Planned CO₂ storage for the Barents Blue project and other local and international CO₂ customers
- An important project in developing carbon storage as a major green industry in northern Norway
- Project lifetime 25+ years

Polaris

One of the most mature CO₂ licences in Norway

Key project developments

- PGNiG Upstream Norway (PUN) approved as operator and partner (acquiring 50% ownership)
- Onshore permitting programme approved as part of Barents Blue program
- Feasibility and concept studies conducted
- EU Taxonomy compliance verified from Celsia third-party assessment and DNV audit
- Power secured as part of Barents Blue power reservation
- Entered into MoU with E.ON for storing CO₂ in Polaris
- Strong support in the local community in developing carbon storage as a major green industry in Northern Norway

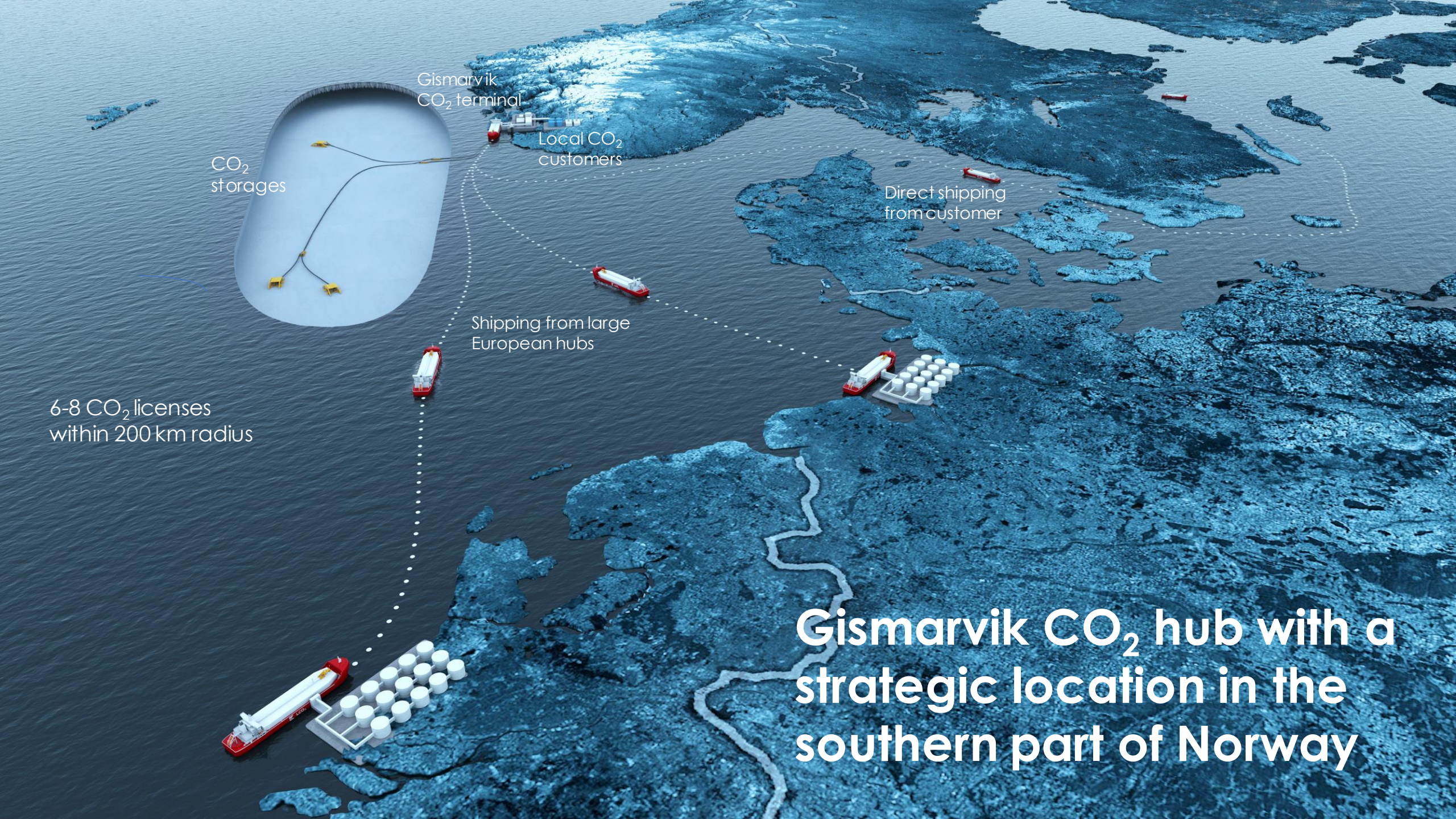
Subsequent events

- The work to mature the Polaris reservoir has progressed well, and the licence, supported by a third-party assessment, confirms that the Barents Blue volumes of 2 Mtpa can be injected without any appraisal programme



Horisont Infra





CO₂
storages

Gismarvik
CO₂ terminal

Local CO₂
customers

Direct shipping
from customer

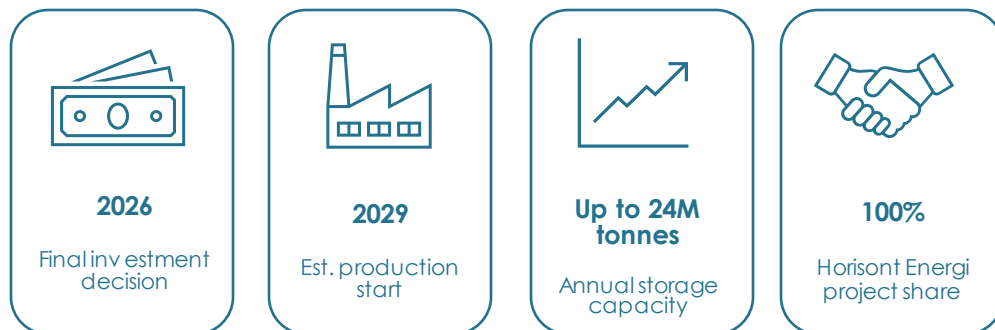
Shipping from large
European hubs

6-8 CO₂ licenses
within 200 km radius

Gismarvik CO₂ hub with a
strategic location in the
southern part of Norway

Gismarvik CO₂ hub

One of Europe's largest CO₂ injection hubs with up to 24 Mtpa capacity



Project highlights

- Strategically located at Gismarvik, Haugaland Industrial Park in the southern part of Norway with access to critical infrastructure
- Dependable with robust operations and known technology, and market leading energy efficiency
- Provide solution for several carbon storages
- Prepared for future European CO₂ pipeline
- Economics of scale enables commercialisation of CCS value chain in line with the development of the CCS market
- Developing European CO₂ value chain with E.ON and Koole Terminals
- Project lifetime 25+ years

Gismarvik CO₂ hub

One of Europe's largest CO₂ injection hubs with up to 24 Mtpa capacity

Key developments

- Planning program approved and permitting process ongoing
- Tie-in study dialogues at various stages with several carbon storage licences and one Horisont Energi licence candidate
- Conducting paid feasibility studies for interested parties in the region, including transport of CO₂ to the terminal for Norwegian emitters
- Standard CO₂ terminal design established, reuse for growth
- MoU with Koole Terminals for the development of CCS opportunities, including aggregation of CO₂ storage capacity and shipment to Norway
- MoU & term sheet with E.ON for CO₂ volumes to terminal and connected carbon storage, and local CO₂ emitters

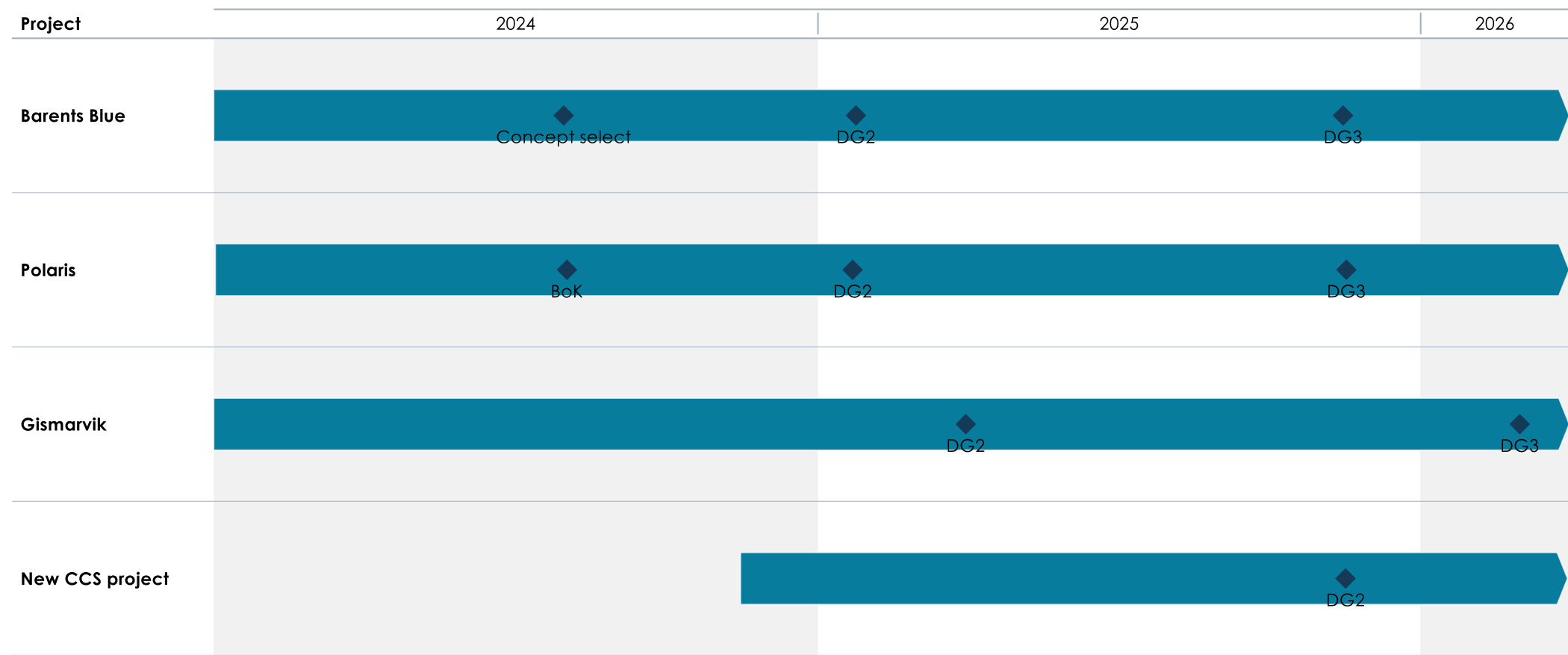
Subsequent events

- All infrastructure in place, including power, 10 MW, secured for the first phase of the project
- Signed extended option agreement with Haugaland Industrial Park for land-based CO₂ terminal
- Obtained status as EU Project of Mutual Interest (PMI) for the Gismarvik CO₂ hub



Company Priorities & Outlook

Horisont Energi's priorities going forward



Decision gate 1 (DG1): Initial concept and feasibility stage. Focus on confirming viability of concept, assessing market demands, cost estimates and risk.
Decision gate 2 (DG2): Detailed planning and design, thorough project schedule and comprehensive risk analysis.
Decision gate 3 (DG3): Further development, testing and refinement.
BoK: «Beslutning om konkretisering» (Decision of Concretisation)

Company Outlook

Horisont Energi

Operationally, the Management is prioritising execution within the subsidiaries, adapting to the recent organisational changes including new management, retaining cost focus, effective and efficient utilisation of the people resources.

The efforts to develop sustainable solutions to enable carbon neutrality will continue going forward. The main priority for Management is to extend the capital runway for Horisont while creating a sustainable basis for future activities thereby enabling realisation of the projects together with our partners.

Horisont Ammoniakk

Horisont and its partner Fertiberia are approaching the decision for the concept select stage for the Barents Blue project after the summer. A key priority remains to secure gas supply to the plant, expected to be completed by the end of summer 2024. In addition, the organisation expects to progress ongoing negotiations with potential industrial buyers of clean ammonia on the basis of the outcome of a gas purchase term sheet.

Horisont Karbon

Horisont Karbon's prioritised workstreams going forward will be driven by a decision to progress the project Polaris towards BoK – (Beslutning om konkretisering/Decision of Concretisation) together with our partner PGNiG Upstream Norway, including defining and aligning Polaris actionable items and critical success factors.

Horisont Infra

Horisont Infra is moving towards a key decision gate (DG2) in the Gismarvik project, assessing project continuation post-feasibility but pre-detailed design. Timing for DG2 will depend on when potential customers make their concept select decision. The project aims to sign Letters of Intent (LOIs) with North Sea carbon storage licence holders and local CO₂ emitters, aligning preliminary commitments for CO₂ storage and capture. Horisont Infra, currently holding full ownership, plans to engage a project partner to enhance resource sharing, risk mitigation, and overall project viability.

Financing and funding

The current cash position remains satisfactory to support current activities through 2024 and into 1H 2025. The company has continued to progress on its major strategic initiatives during the first months of 2024. Both attracting and finalising partnerships in addition to raising sufficient financing are time consuming tasks, and mutually dependent on project progress.

The company is exploring additional sourcing of capital and partnerships based on successfully meeting key project milestones. Going concern and the creation of a sustainable platform for operations beyond 2025 will be contingent upon the successful conclusion of these processes.

Financial review

Income Statement



	Notes	Q1 2024	Q1 2023	Full year 2023
Other income				
Sales revenue		-	-	
Other income	1	377 400	-	5 000 000
Total other income		377 400	-	5 000 000
Operating costs				
Salary and personnel costs	2	17 862 516	10 404 617	79 263 409
Depreciation	3, 4	988 786	1 153 344	4 613 375
Other operating costs	5	19 470 797	65 833 575	124 109 105
Total operating costs		38 322 099	77 391 536	207 985 889
OPERATING PROFIT		-37 944 699	-77 391 536	-202 985 889
FINANCIAL INCOME AND EXPENSES				
Interest income	6	2 576 528	3 273 009	12 125 448
Interest expenses	3	-151 173	-139 828	-600 123
Other financial income		4 361	-	321 737
Other financial expenses		-80 937	-803 117	-1 816 177
Net financial income		2 348 779	2 330 064	10 030 885
PROFIT BEFORE INCOME TAX		-35 595 920	-75 061 471	-192 955 004
Income tax expense	7	-	-	-
NET PROFIT FOR THE PERIOD		-35 595 920	-75 061 471	-192 955 004

Balance Sheet



	Notes	31.03.2024	31.03.2023	31.12.2023
ASSETS				
Non-current assets				
Right-of-use assets	3	8 314 075	8 025 053	9 272 213
Total non-current assets		8 314 075	8 025 053	9 272 213
Machines, furnishings and fittings				
Fixtures and fittings, tools, office machinery, etc	4	339 752	462 343	370 400
Total machines, furnishings and fittings		339 752	462 343	370 400
Financial fixed assets				
Investments in associates	8	5 000 000	-	5 000 000
Investments in subsidiaries		-	-	120 000
Total financial fixed assets		5 000 000	-	5 120 000
Total fixed assets		13 653 827	8 487 396	14 762 613
Current assets				
Receivables				
Accounts receivables		4 524 548	3 463 105	16 182 841
Other receivables	9	13 319 074	41 845 349	28 678 550
Total receivables		17 843 623	45 308 454	44 861 391
Cash and cash equivalents	10	166 958 898	354 222 981	200 399 887
Total current assets		184 802 521	399 531 435	245 261 278
TOTAL ASSETS		198 456 348	408 018 832	260 023 891

Balance Sheet



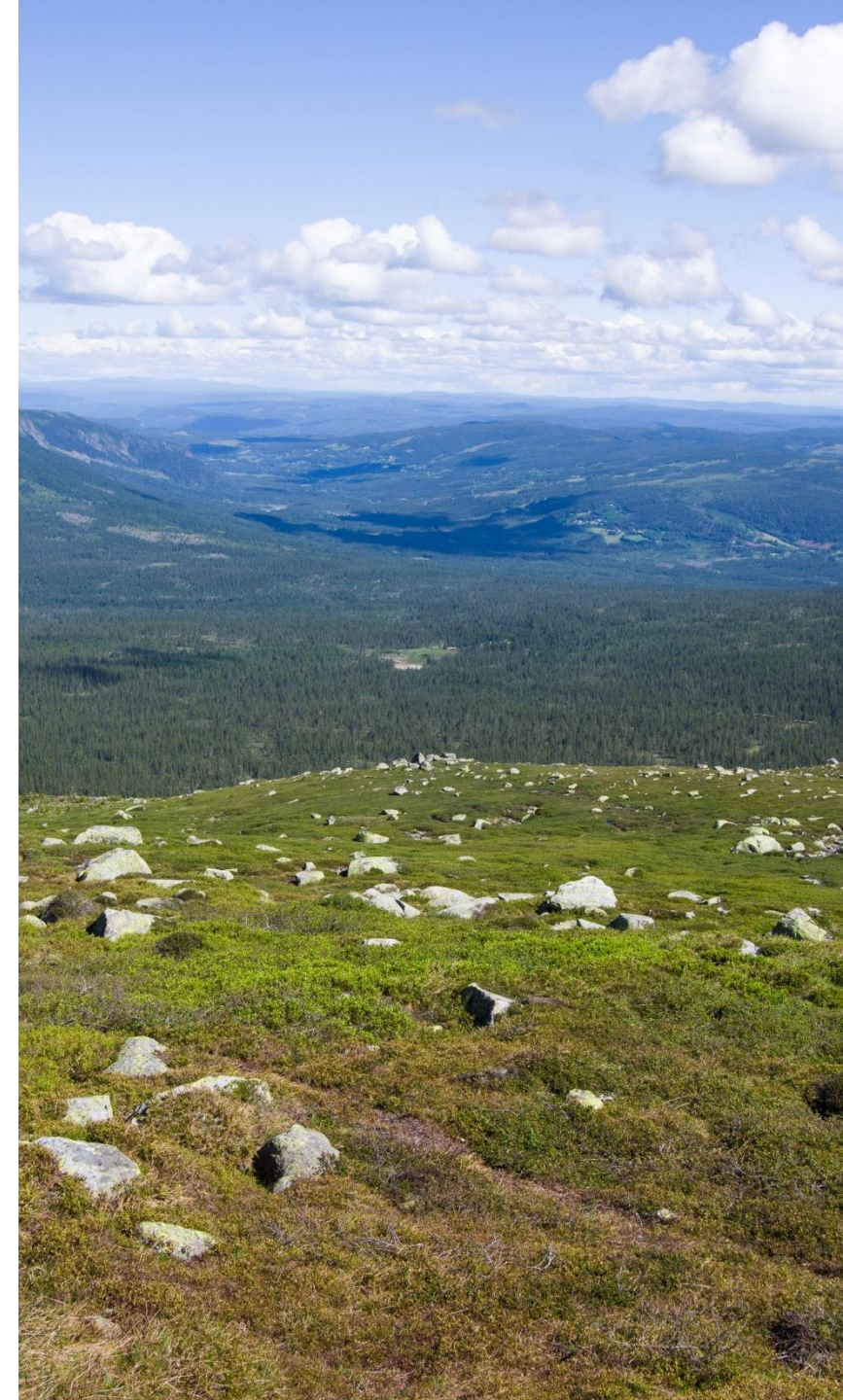
	Notes	31.03.2024	31.03.2023	31.12.2023
EQUITY AND LIABILITIES				
EQUITY				
Paid-in equity				
Share capital	11, 12	223 259	223 259	223 259
Share premium	11	566 687 885	566 687 897	566 687 897
Other paid-in equity	2, 11	8 400 359	7 452 972	8 349 032
Total contributed equity		575 311 504	574 364 129	575 260 188
Retained earnings				
Retained earnings	11	-419 367 658	-265 878 207	-383 771 739
Total retained earnings		-419 367 658	-265 878 207	-383 771 739
Total equity		155 943 846	308 485 922	191 488 449
LIABILITIES				
Non-current liabilities				
Lease debt	3, 13	3 359 397	3 221 276	4 808 756
Other long-term liabilities		-		-
Liabilities to financial institutions	13	-	2 400 000	-
Total non-current liabilities		3 359 397	5 621 276	4 808 756
Current liabilities				
Accounts payable		10 949 637	25 852 123	32 723 732
Public duties payable		3 573 409	3 387 875	6 530 134
Taxes payable		-	-	-
Lease debt with due date within 12 months	3	3 514 858	4 221 217	3 204 649
Other current liabilities	14	21 115 201	60 450 418	21 268 173
Total current liabilities		39 153 105	93 911 634	63 726 688
Total liabilities		42 512 502	99 532 910	68 535 444
TOTAL EQUITY AND LIABILITIES		198 456 348	408 018 832	260 023 891

Cash Flow

	Q1 2024	Q1 2023	Full year 2023
Cash flow from operating activities			
Profit before income tax	-35 595 920	-75 061 471	-192 955 004
Negative instalments tax	-	-	-
Tax refund received	-	-	4 750 000
Interest cost on right use liabilities	150 669	134 752	577 550
Depreciations	988 786	1 153 344	4 613 375
Cost related to employee share options	51 327	369 018	1 257 383
Change in accounts receivables	11 658 292	27 511 651	9 791 916
Change in accounts payables	-21 774 095	9 837 561	16 709 169
Change in other short-term receivables and payables	12 369 772	-1 226 620	-28 842 113
Net cash flow from operating activities	-32 151 169	-37 281 765	-184 097 725
Cash flow from investing activities			
Investments in fixed assets	-	-	0
Investments in subsidiaries	-	-	-120 000
Net cash used in investing activities	-	-	-120 000
Cash flow from financing activities			
Capital contribution net of fees			
Repayment of loan from financial institutions	-	-	-2 400 000
Payments of lease debt including interest	-1 289 819	-1 322 416	-5 809 550
Net cash from financing activities	-1 289 819	-1 322 416	-8 209 550
Net cash flow from discontinued operations	-		
Net change in cash and cash equivalents	-33 440 988	-38 604 181	-192 427 275
Cash/cash equivalents at the beginning of period	200 399 887	392 827 162	392 827 162
Cash/cash equivalents at the end of period	166 958 898	354 222 981	200 399 887

Accounting Principles and Basis for Preparation

- HorisontEnergi AS (“the company”) and its subsidiaries and investments in associated companies (“the Group”) purpose is to become a leading clean energy company contributing to the energy transition.
- These interim **consolidated** financial statements have been prepared in accordance with the principles in IAS 34, Interim Financial Reporting. The interim **consolidated** financial statements are unaudited, and do not include all of the information required for the full financial statements and should be read in conjunction with the annual financial statements.
- The accounting principles used in the preparation of these financial statements are consistent with those used in the annual financial statements for 2023. These condensed financial statements should be read in conjunction with the annual financial statements, which include a full description of the Company’s accounting principles.
- The preparation of the interim **consolidated** accounts entails the use of judgements, estimates and assumptions that affect the application of accounting policies and the amounts recognised as assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances.
- The actual results may deviate from these estimates. The material assessments underlying the application of the company’s accounting policies and the main sources of uncertainty are the same for the interim accounts as for the annual accounts for 2023.



Selected Notes

Notes



Note 1 Other income

Horisont Energi has done a study based on a requirement from a customer.

Note 2 Payroll expenses, number of employees, remunerations, loans to employees, etc.

<u>Payroll expenses</u>	<u>Q1 2024</u>	<u>Q1 2023</u>	<u>Full year 2023</u>
Salaries/wages	13 698 452	14 384 541	55 190 003
Bonus	-	-	11 992 307
Social security fees	1 941 981	2 060 032	9 827 327
Pension expenses	1 556 749	1 677 907	6 449 975
Other remuneration	665 333	1 137 497	3 163 699
Gross employee benefits expenses	17 862 516	19 259 977	86 623 311
The number of employees at 31.12	37	43	38
Reimbursed from partners	-	-8 855 359	-7 359 902
Salary and personnel costs	17 862 516	10 404 617	79 263 409

During 2023 a bonus plan was implemented to ensure retention throughout 2023 and to incentivise the organisation. The bonus has been paid in January 2024.

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act.

The company has a defined contribution scheme which covers all the employees.

The company's pension schemes satisfy the requirements of this Act.

The Company has an employee share options program for some of its employees. All share options are equity-settled.

IFRS 2 Share-based Payment requires an entity to recognise share-based payment transactions (such as granted shares, share options, or share appreciation rights) in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity. Specific requirements are included for equity-settled and cash-settled share-based payment transactions, as well as those where the entity or supplier has a choice of cash or equity instruments.

The fair value at grant date was determined using a Black Scholes Model. The right of the Holder to exercise the Options is conditional upon the Holder being employed with the Company on the date of the Exercise Notice.

	<u>31.03.2024</u>	<u>31.03.2023</u>	<u>Full year 2023</u>
Expensed salary cost related to employee share options	51 327	369 018	1 366 940
Outstanding warrants opening balance 01.01.	406 500	426 000	426 000
Warrants granted	-	20 000	20 000
Warrants forfeited	-4 000	-17 000	-39 500
Warrants exercised	-	-	-
Warrants expired	-	-	-
Outstanding warrants at end of period	402 500	429 000	406 500
Of which exercisable	187 500	-	160 000

The most significant inputs and assumptions in determining fair value at grant date were (amounts in NOK):

	<u>31.03.2024</u>	<u>31.03.2023</u>	<u>Full year 2023</u>
- Exercise price between	26-56	26-56	26-56
- Share price at grant date between	17-38	17-38	17-38
- Expected volatility	40%	40%	40%
- Risk free interest rate	4%	1%	4%
- Term of options between	1,5-3,5 years	1,5-5 years	1,5-3,5 years

Notes

Note 3 Leases IFRS 16

Right-of-use assets

Leased assets includes offices and other buildings. Right-of-use assets are categorised and presented in the table below:

Right-of-use assets	31.03.2024	31.03.2023	31.12.2023
	Offices	Offices	Offices
Aquisition cost as at 01.01	17 621 024	13 005 776	13 005 776
Addition of use-of-rights*	-	-	4 615 248
Termination of use-of-rights	-	-	-
Aquisition cost end of period	17 621 024	13 005 776	17 621 024
Depreciation and write-downs as at 01.01	8 348 811	3 858 027	3 858 027
Depreciation for the period	958 138	1 122 696	4 490 784
Write-downs for the period	-	-	-
Depreciation and write-downs as at end of period	9 306 949	4 980 723	8 348 811
Book value right-of-use assets at end of period	8 314 075	8 025 053	9 272 213
Economic lifetime	12-50 months	12-50 months	12-50 months
Depreciation method	Linear	Linear	Linear

* Additions in 2023 are calculated using a discount rate of 7%

Lease liability	31.03.2024	31.03.2023	31.12.2023
	Offices	Offices	Offices
Liabilities and payment schedule excluding interest			
Less than 1 year	3 514 857	4 221 217	3 204 649
1-2 years	2 885 972	3 221 276	3 641 245
2-3 years	473 426	-	893 267
3-5 years	-	-	274 244
More than 1 year	3 359 397	3 221 276	4 808 756
Total lease liabilities at end of period	6 874 255	7 442 493	8 013 405
Changes in lease liabilities	31.03.2024	31.03.2023	31.12.2023
Lease liabilities at 01.01	8 013 405	8 630 157	8 630 157
New/recalculated liabilities this period	-	-	4 615 248
Termination of lease	-	-	-
Downpayments of liabilities	-1 289 819	-1 322 416	5 809 550
Interest payments	-	-	-
Interest on lease liabilities	150 669	134 752	577 550
Total lease liabilities at end of period	6 874 255	7 442 493	8 013 405

Notes

Note 4 Fixed assets

<u>Machinery and equipment</u>	<u>31.03.2024</u>	<u>31.03.2023</u>	<u>31.12.2023</u>
Acquisition cost as at 01.01	547 974	547 974	547 974
Additions	-	-	-
Disposals	-	-	-
Acquisition cost at end of period	547 974	547 974	547 974
Accumulated depreciation 31.03	-208 222	-85 631	-177 574
Accumulated write-downs 31.03	-	-	-
Net value at end of period	339 752	462 343	370 400
Depreciation for the period			
Impairment losses for the year	-30 648	-30 648	-122 591

All fixed assets are depreciated by using a straight-line method. The economic life of the assets has been calculated to 5 years.

Note 5 Other operating costs

The line "Other operating costs" in the P&L consists of the following costs:

	<u>Q1 2024</u>	<u>Q1 2023</u>	<u>Full year 2023</u>
Office expenses	1 050 964	4 552 403	10 764 279
Consultants fee, studies etc.	20 248 313	102 458 498	181 574 641
Reimbursed from partners	-2 588 327	-42 137 637	-50 765 082
Skattefunn	-	-	-4 750 000
Other expenses	759 848	960 311	4 178 301
Reimbursed VAT	-	-	-16 893 034
Total	19 470 797	65 833 575	124 109 105

Cost related to maturing the projects have been expensed. The Company will start to capitalize cost incurred, when technical feasibility and commercial viability are demonstrable, and the decision to develop a particular project has been made.

Note 6 Interest income

	<u>Q1 2024</u>	<u>Q1 2023</u>	<u>Full year 2023</u>
Interest earnings, tax-free	-	-	51 202
Interest earnings, bank	2 098 742	3 273 009	12 048 523
Interest earnings, other	477 786	-	25 723
Interest income	2 576 528	3 273 009	12 125 448

Notes

Note 7 Taxes

This year's tax expense	Q1 2024	Q1 2023	Full year 2023
Entered tax on ordinary profit/loss:	-	-	-
Payable tax	-	-	-
Changes in deferred tax assets	-	-	-
Tax expense on ordinary Profit/loss	-	-	-
Taxable income:			
Result before tax	-35 595 920	-75 061 471	-192 955 004
Permanent differences	71 710	27 487	-3 443 868
Changes in temporary differences	-150 364	225 141	-706 301
Taxable income	-35 674 574	-74 808 843	-197 105 173
Payable tax in the balance:	-	-	
Payable tax on this year's result	-	-	
Total payable tax in the balance	-	-	

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	31.03.2024	31.03.2023	31.12.2023
Tangible assets	-10 951	23 964	19 697
Lease agreements brought to the balance	1 439 820	582 560	1 258 808
Other provisions	-	-680 074	0
Total	1 428 869	-1 073 550	1 278 505
Accumulated loss to be brought forward	-437 609 387	-279 638 484	-401 934 813
Not included in the deferred tax calculation	-436 180 518	-280 712 034	-400 656 308
Deferred tax assets (22%)	-	-	-

Deferred tax is calculated based on tax rates applicable on the balance sheet date. Based on uncertainties related to future utilization of tax losses, there has been made valuation allowance for deferred tax assets. There is no time limitation on the tax losses carried forward in Norway.

Notes



Note 8 Associated companies

Associated companies	Ownership	Equity per 31.12.	Net profit in 2023
Hestaco AS	29%	5 010 616	-58 608

Horisont Energi acquired ownership in Hestaco close to year end 2023. Horisont Energi AS' share of net result in Hestaco AS is considered immaterial for 2024.

Note 9 Other receivables

	31.03.2024	31.03.2023	31.12.2023
Receivable Skattefunn	4 750 000	4 750 000	4 750 000
Prepaid costs	4 006 427	3 104 834	1 667 561
Recharge to partners	0	31 012 926	0
Settlement account for VAT	4 383 306	2 931 100	22 260 989
Other receivables	179 342	46 490	-
Other receivables	13 319 074	41 845 349	28 678 550

Note 10 Cash and cash equivalents

	31.03.2024	31.03.2023	31.12.2023
Restricted cash related to tax withholding accounts amounts	1 914 983	1 936 187	2 747 678

Note 11 Share capital

	Share capital	Share premium	Other paid-in equity	Retained earnings (deficit)	Total equity
Balance 01.01	223 259	566 687 897	8 349 032	-383 771 739	191 488 449
Cost related to employee share options			51 327		51 327
Net profit (loss) for the period				-35 595 920	-35 595 920
Balance 31.03	223 259	566 687 897	8 400 359	-419 367 658	155 943 846

Notes

Note 12 Share capital, subscription rights and shareholder information

The share capital consists of one class only:	Number	Par value	Share capital
Ordinary shares	22 325 980	0,01000	223 259

The 10 largest shareholders pr 31.03:	Shares	Ownership
E.ON Energy Projects GMBH	5 706 495	25,56%
FØNIKS INNOVASJON AS	5 126 538	22,96%
DJ ADVISORS AS	552 515	2,47%
NORDNET LIVSFORSIKRING AS	551 591	2,47%
EITOR AS	550 000	2,46%
SPESIALFONDET KLP ALFA GLOBAL ENER	413 798	1,85%
NORNES	322 000	1,44%
BARMEN	320 739	1,44%
APOLLO ASSET LIMITED	300 000	1,34%
SPONSORMEGLEREN AS	300 000	1,34%
Others	8 182 304	36,65%
Total number of shares	22 325 980	100,00%

All shares have the same voting rights in the company's general meeting.

Some of the company's management and board members controls Føniks Innovasjon As. There has been no material transactions between the company and the shareholders. There are no loans/debt between the company and the shareholders.

Note 13 Other-long term liabilities

Debt that falls due more than 1 year after the balance sheet date

	31.03.2024	31.03.2023	31.12.2023
Lease debt	3 359 397	3 221 276	4 808 756
1) Debt to Innovasjon Norge	-	2 400 000	-
2) Other long-term liabilities	-	-	-
Total	3 359 397	5 621 276	4 808 756

- 1) The company had a start-up loan of NOK 2 400 000 from Innovasjon Norge. The loan has been repaid in June.
- 2) Calculated social tax on share options for employees, due when options are exercised

Note 14 Other current liabilities

	31.03.2024	31.03.2023	31.12.2023
Unpaid salary	-	-	11 992 306
Holiday pay allowance	7 423 453	5 566 824	4 788 265
Accrued cost	13 691 749	54 883 594	4 487 602
Other current liabilities	21 115 201	60 450 418	21 268 173

Notes

Note 15 Risk and risk management

Horisont Energi is an innovative company in the project development phase in new and immature industries. This involves both technological, technical, commercial, political, regulatory, and financial risks, many of which are beyond the company's control.

Horisont Energi has a short operating history. Given that it still is in a pre-commercial phase, the company has limited revenue and is loss-making. The company has sufficient funding and liquidity for its current stage of business development and has also received grants supporting the funding of the projects as well as conditional grants triggered if certain milestones are reached. However, realisation of the projects will require significant additional funding in the form of both equity and debt financing, and no guarantees can be given with respect to the availability of such funding at competitive terms. In addition, our projects are subject to the award of licenses, permits and authorization by local and national authorities.

Thus, no guarantees can be made that these will be received. Further, the company is dependent upon retaining and attracting employees that contribute to the project developments and the management of the company. The company has limited market risks in terms of interest or currency risk. The company is or may be exposed to currency risk, credit risk, interest rate risk, liquidity risk and price risk. Identifying and managing risks is performed in our projects and through our corporate governance structures.

The company currently has limited exposure to currency risk in its transactions. Horisont Energi's future business activities will involve exposure to several risks such as uncertainty related to natural gas feedstock prices, ammonia sales prices and storage contracts. There will also be risks linked to the cost of the company's projects due to fluctuating prices of steel and other materials. Delays in when projects become operational are also a risk factor.

Note 16 Subsequent events and going concern

The accounts are prepared on the assumption of a going concern. This assumption is based on the Company's budget for the year 2024 including the Business Plan and the cash flow forecast. The future solidity of the company will depend on the development of its projects and associated financing. Updates are shared with the market in notices to the stock exchange.



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