



Third Quarter 2024

Interim report



About Horisont Energi

Horisont Energi's purpose is to become a leading clean energy company group contributing to the energy transition through pioneering projects. The Company's mission is to accelerate the transition to a carbon-neutral future. Time is of the essence for companies like Horisont Energi to deliver large-scale industrial projects.

Horisont Energi was founded in 2019, and the multinational utility group E.ON became a strategic investor (25%) in January 2022. E.ON has more than fifty million customers in fifteen countries with increasing demand for decarbonisation solutions. This engagement by E.ON strengthens Horisont Energi's ability to accelerate the transition to carbon neutrality through pioneering projects throughout the CCS value chain.

Horisont Energi is headquartered in Sandnes, Norway. Horisont Energi is currently located in Norway and the UK. In Norway there are three offices. The main office is in Sandnes, with additional offices in Oslo and Hammerfest, and a UK presence in Edinburgh.

To strengthen governance, clarify the business model, and facilitate funding of the different projects, Horisont Energi last year established a new company structure. Horisont Energi is the parent company for the three wholly owned and private subsidiaries Horisont Ammoniakk, Horisont Karbon, and Horisont Infra. The first company is as the name implies dedicated to our hydrogen and ammonia activities, the second company to CO₂ storage licencing and the provision of CO₂ storage services, and the third company focused on midstream CCS infrastructure like CO₂ terminals and pipelines.

The Company's shares are listed on Euronext Growth Oslo under the ticker "HRGI".

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Horisont Energi is a Norwegian Clean Energy and Carbon Infrastructure and Storage Company



Founded in 2019 with head office in Sandnes, Norway

Experienced and dedicated team of ~40 people

A 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



Q3 2024 Highlights

Strategic review

- Horisont Energi has initiated a strategic review with its Board of Directors and major shareholders to explore several options for its project portfolio within CCS and clean ammonia
- The aim is to identify and evaluate opportunities that will maximise shareholder value and ensure that the Company is well-positioned to secure the requisite funding essential for meeting the Company's key project milestones and the successful execution of its long-term strategy

Licence application for a new carbon storage licence in the North Sea was submitted 29 August 2024



Subsequent Events

Horisont Infra

- Entered into a Collaboration Agreement with ECOLOG to develop the Norwegian-Dutch CO₂ corridor further and enable industrial-scale CO₂ transport between The Netherlands and Gismarvik CO₂ hub
- Submitted funding application through the EU's Project of Mutual Interest initiative in the quarter – expecting feedback in Q1 2025

Horisont Karbon

- Entered into a new collaboration for CO₂ storage developments in Europe with a leading global technology company to cooperate on the development of carbon capture and storage (CCS) projects in Europe (outside of Norway)
- Applied to the Ministry of Energy for a 12-month extension of the "Decision of Concretisation" (BoK) deadline after ORLEN Upstream Norway decided to withdraw from the Polaris licence

Horisont Ammoniakk

- Assessing options for CO₂ storage in the North Sea for the Barents Blue project as an alternative to Polaris



Financial Highlights

- Management has continued to reduce the spending and extend the capital runway, with measures including layoffs and reduced use of external consultants in addition to conventional cost saving initiatives.
- Further reductions in operating losses of ~40% vs. Q3 2023 and ~15% vs Q2 2024 (operating loss of NOK 25.7 million in Q3 2024 vs. loss of NOK 30.2 million in Q2 2024).
- The reduction in costs and quarterly losses reflect the efforts to drive processes forward through use of own resources instead of extensive use of consulting resources, supported by all the work, know-how and documentation developed over the last four years, and combined with improved operational efficiency and cost focus.
- The company expects to see continued reductions in operating losses in Q4 2024 and into 2025 compared to Q3 2024 level, as the impact of the above-mentioned measures takes full effect.
- The work done to reduce and control spending provides a good platform for executing on the plans to be implemented based on the outcome of the ongoing strategic review.
- Cash and cash equivalents amounted to NOK 98.3 million at the end of Q3 2024.

| NOK million | Q3 2024 | Q3 2023 | YTD 2024 | YTD 2023 |
|--|---------|---------|----------|----------|
| Total income | 1.7 | 0.0 | 2.0 | 0.0 |
| Operation profit (loss) | (25.7) | (42.8) | (93.9) | (181.7) |
| Net financial income | 1.2 | 2.9 | 4.7 | 8.0 |
| Net profit (loss) | (24.6) | (39.9) | (89.1) | (173.7) |
| Cash/cash equivalents at the end of period | 98.3 | 242.3 | 98.3 | 242.3 |

Co-CEO Letter

Progressing the strategic review in pursuit of creating a sustainable platform for Horisont Energi

As the third quarter came to an end, Horisont Energi continued to advance its core business activities within carbon storage, infrastructure and clean ammonia. While progress has been steady, it is still slower than anticipated in some area. Horisont Energi is navigating an ongoing process to establish funding for its business plans and thereby establish a more solid base for the development of the company.

In September, we announced a strategic review aimed at securing the company's long-term future through strategically sound financial and industrial initiatives. The review is progressing as planned with the expectation to set a clear direction by year-end.

In parallel with this process, management has continued the work to extend the capital runway through stricter cost management, including the difficult decision to lay off employees effective early October and a reduction in the use of external consultants. These actions reflect our commitment to maintain financial discipline as we navigate an uncertain period resulting in a significant reduction of the burn rate.

Key operational highlights from the third quarter include the submission of a licence application for a new carbon storage project in the North Sea on August 29, which if successful may represent a step towards establishing a carbon storage portfolio in the North Sea, adding to the existing Polaris licence in the Barents Sea.

Our work in carbon infrastructure is progressing, with positive developments for the Gismarvik CO₂ hub project. The commercial aspects of the project have continued to mature by engaging with multiple licence holders and advancing with paid studies on behalf of licences in the North Sea. Gismarvik CO₂ hub has applied to a Project of Mutual Interest European funding process through the Nautilus CCS project. If successful, this will provide significant leverage to support the Gismarvik project development.

The Barents Blue project is at a pivotal moment in its development. While progress has been made in the commercial processes, these need to materialise into term sheets for the project to meet key deadlines. Being a unique project in Europe,

provided a firm commercial basis is established, the project will be well positioned for the next step into the FEED phase.

The Polaris carbon storage project is a cornerstone of Horisont Karbon. Horisont Energi has applied to the Ministry of Energy for a 12-month extension of the "Decision of Concretisation" (BoK) deadline. We expect feedback from the Ministry due course. Horisont Energi will focus on establishing a new licence group and making sure the work program for Polaris is aligned with the development plans for Barents Blue. Additionally, Horisont Karbon entered into a new collaboration for CO₂ storage developments in Europe with an undisclosed industrial partner, positioning Horisont Energi as a potential key player in emerging CO₂ European CCS market.

The financial position remains a key focus area, as the company continues to rely on securing new financing to maintain operations and fund future growth. The result of the ongoing strategic review will have a significant impact on the company's way forward. Finalising industrial partnerships will contribute to secure financing to fund the company's business plans.

Management is working jointly with the Board and shareholders to ensure successful outcome of the strategic review, whilst reducing business related uncertainties and costs to secure the future of the projects.

Björgulf Haukelidsæter Eidesen and Leiv Kallestad

Co-CEOs, Horisont Energi

Project Review

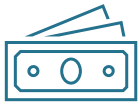
Horisont Ammoniakk



Barents Blue

Europe's first world-scale
clean ammonia plant

Key figures:



2026

Final
investment
decision



2029/30

Est. production
start



1 m tonnes

Annual
production by
2030



50%

Horisont Energi
project share



Project highlights

- Barents Blue will be located in Hammerfest, in the north of Norway
- Annual production of 1 million tonnes per year in the first phase of the project
- Combined with CCS, Barents Blue will offer a best-in-class lifecycle carbon footprint, with more than 99% CO₂ capture
- Carbon sequestration being evaluated in the Polaris licence and North Sea storages
- EU Taxonomy compliant pursuant to delegated acts for hydrogen and anhydrous ammonia
- 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

Q3 developments and subsequent events

- Progressing term sheets for ammonia offtake contracts with several large industrial companies
- On-going negotiations related to gas supply for the plant
- On-going term-sheet negotiations for CO₂ storage including alternatives to Polaris

Key project milestones

- Signed JDA with ammonia specialist Fertiberia for project realisation
- Secured sufficient power supply of 45 MW for the first production line (train)
- Option agreement signed with Hammerfest municipality for the industrial area at Markoppnes
- Completed modularised standard 1 mtpa design with mature, 3rd party verified technology meeting Taxonomy requirements
- Interface activities for Polaris CO₂ storage and co-location of CO₂ terminal in connection with the ammonia plant
- LPG study being performed to enable use of LPG during start-up and operations of the ammonia plant in addition to use of natural gas as feedstock
- Signed LOIs with VNG Handel & Vertrieb GmbH for offtake of 100,000-300,000 tonnes/year and with Barents Naturgass AS for 100,000 tonnes/year



Barents Blue is part of the IPCEI Hydrogen Programme Hy2Use



Europe's first world scale
clean ammonia plant



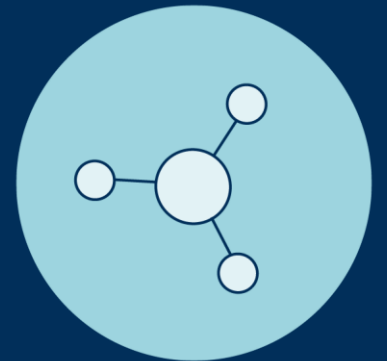
"Best in class"
CO₂ footprint -
Scope 1, 2 and 3



Above 99%
CO₂ capture rate

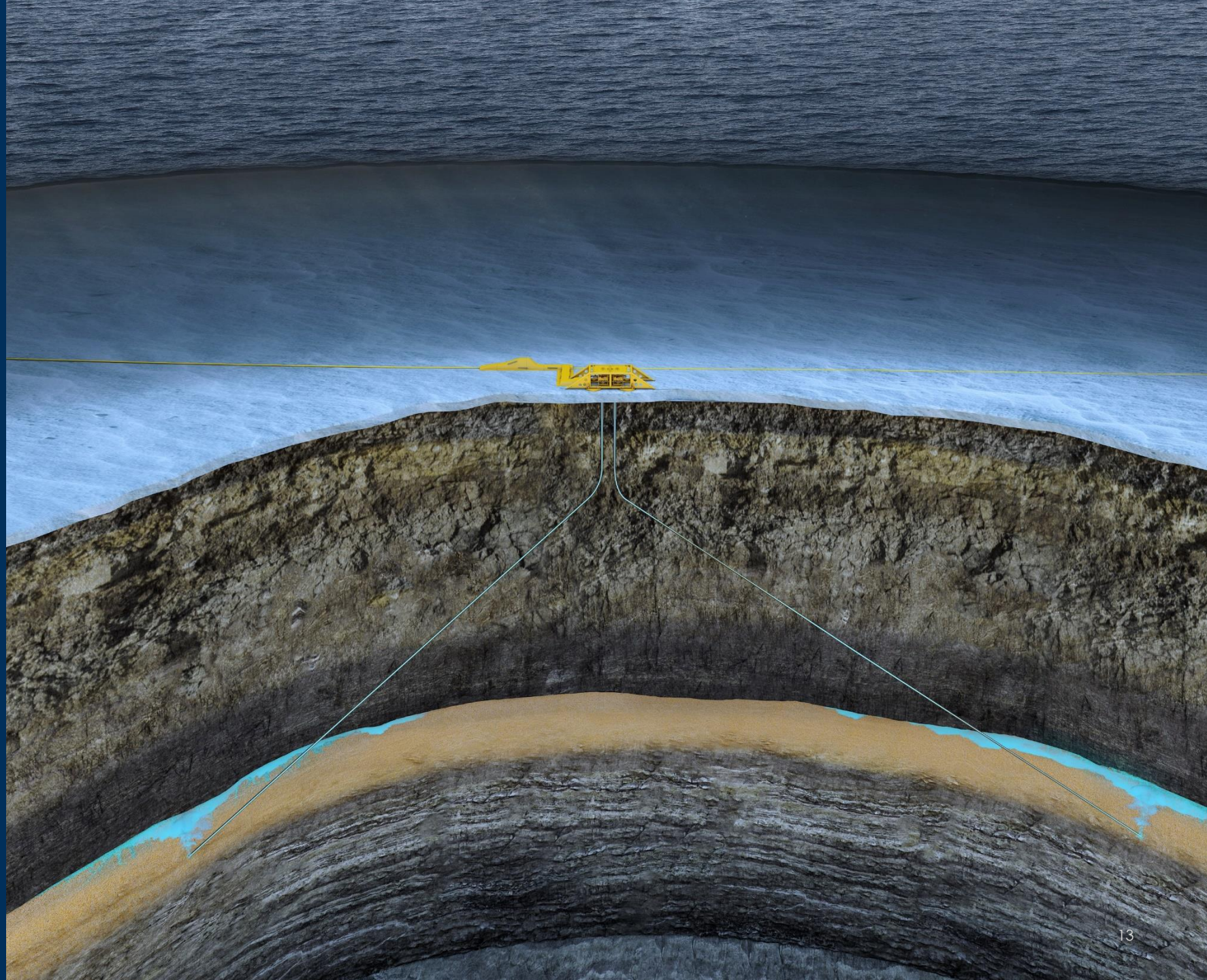


Developing new, clean
industry in Northern
Norway



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

Horisont Karbon



Polaris

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

Key figures:



2026

Final investment
decision



2029/30

Est. production
start



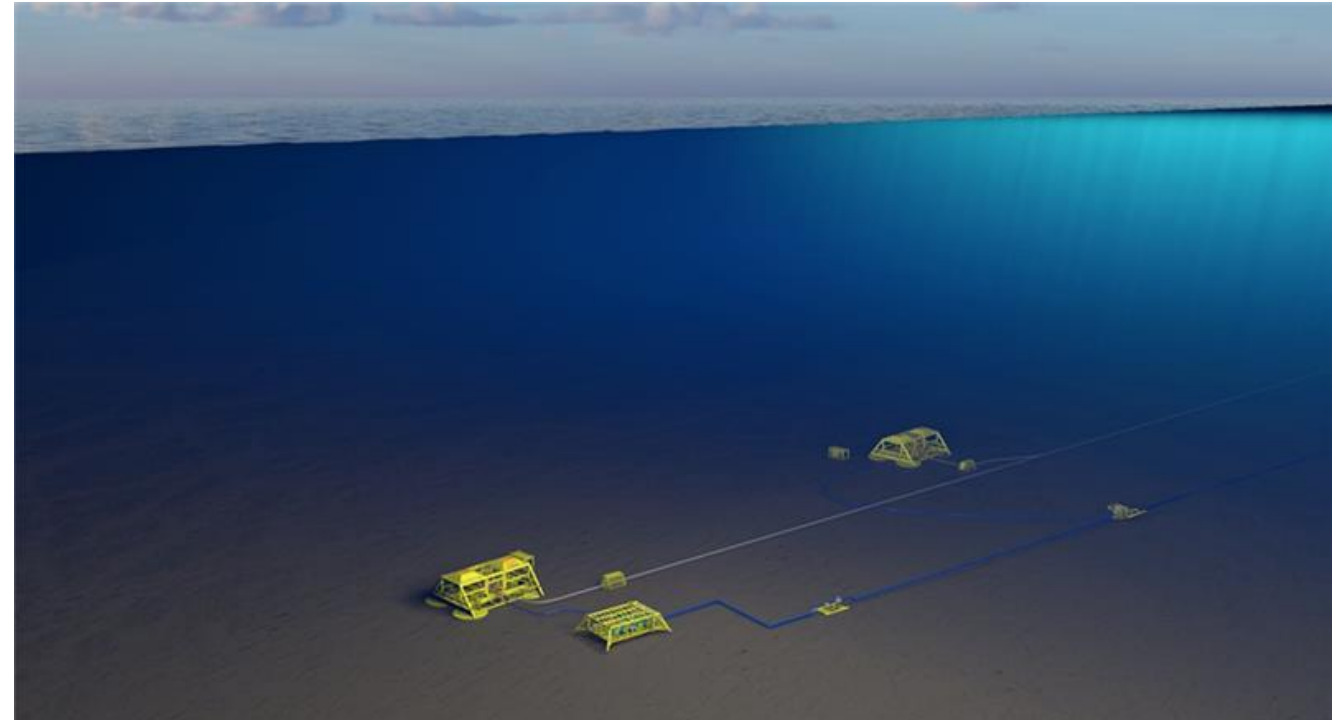
3-6 m tonnes

Annual injection
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 injection capacity 3-6 million tonnes a year
- Tailored for sustainability in design
- Safe and long-term sequestration of CO₂
- Planned CO₂ storage for the Barents Blue project
- An important project in developing carbon storage as a major green industry in Northern Norway
- Project lifetime 25+ years

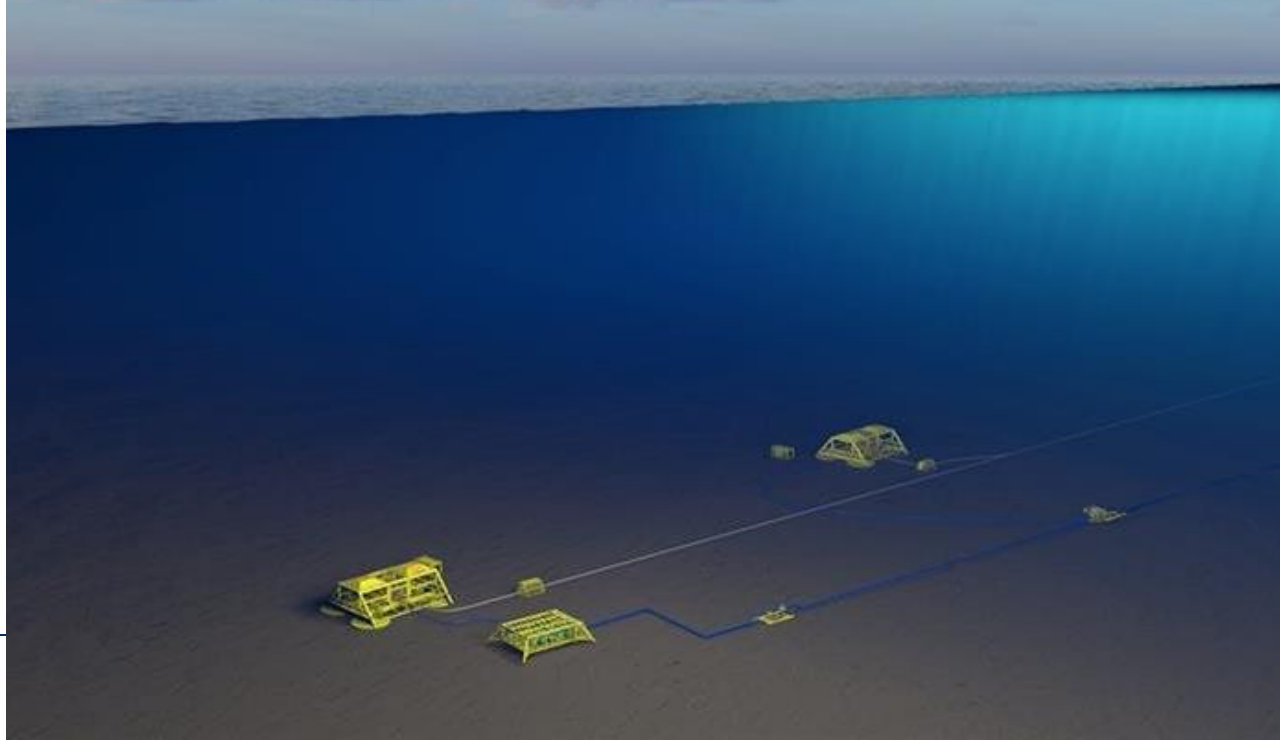
Focus to establish a new licence group for Polaris

Q3 developments and subsequent events

- Applied to the Ministry of Energy for a deadline extension for the Decision on Concretisation (BoK) to allow the Company to establish a new licence group
- Collaborating in the "CO₂ infrastructure in Northern Norway" project initiated by SINTEF and supported by the CLIMIT programme

Key project milestones

- Polaris reservoir can safely inject over 2 million tonnes of CO₂ yearly from Barents Blue without any appraisal drilling programme
- Onshore permitting programme approved as part of Barents Blue programme
- Feasibility studies conducted including analysis reducing uncertainties related to subsurface storage containment
- EU Taxonomy compliance verified from Celsia third-party assessment and DNV audit
- Power secured as part of Barents Blue power reservation
- The project can ensure safe, long-term CO₂ sequestration supporting both the Barents Blue project and other CO₂ customers
- Strong support in the local community in developing carbon storage as a major green industry in Northern Norway

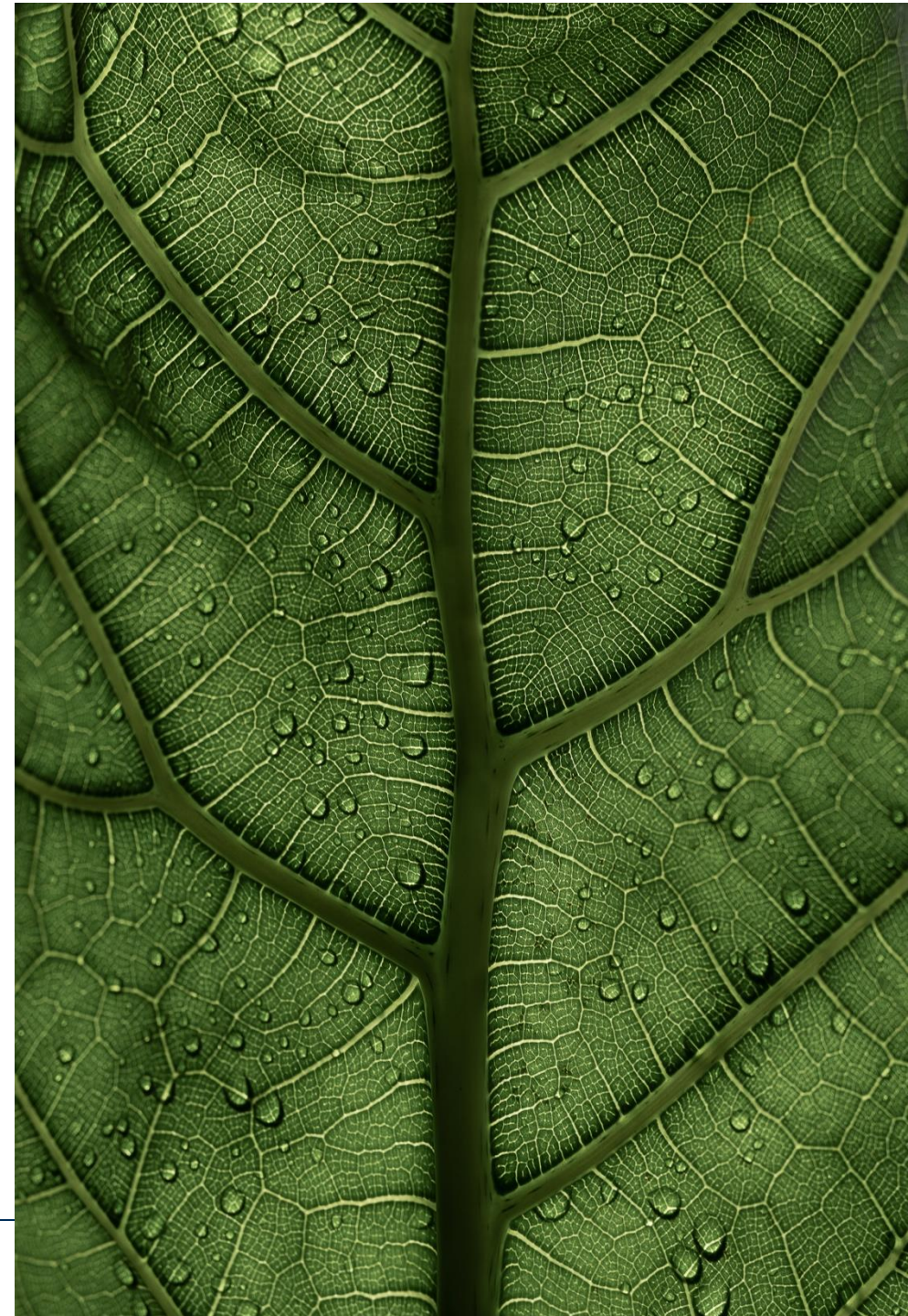


Strategic Collaboration for Carbon Storage in Europe

Horisont Energi has entered a strategic collaboration with an undisclosed global technology company to develop carbon capture and storage (CCS) projects across Europe (outside Norway).

Project scope and capabilities:

- Joint development of end-to-end CCS projects; Horisont Energi will act as the primary carbon storage project developer and operator.
- The collaboration is planned to be managed under Horisont Karbon, one of the three subsidiaries formed earlier this year, designed to develop focused industrial partnerships.
- Partnership leverages Horisont Energi's five years of CCS expertise alongside the partner's advanced technologies, enabling market expansion and pioneering CCS initiatives in Europe.
- The collaboration is expected to support value creation for Norwegian projects, enhance risk management, and contribute to the advancement of sustainable CCS frameworks essential for climate goals.



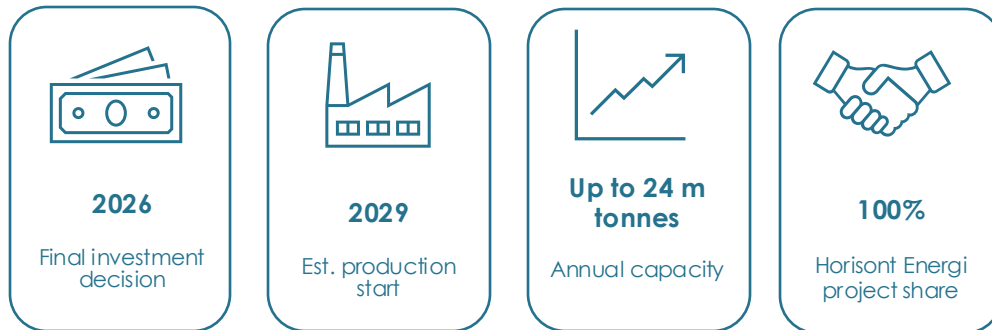
Horisont Infra



Gismarvik CO₂ hub

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

Key figures:



Project highlights

- Strategically located at Gismarvik, Haugaland Business Park in the southern part of Norway with access to critical infrastructure
- All infrastructure secured including power, 10 MW secured for the first phase of the project
- Economics of scale enables commercialisation of CCS value chain
- Dependable with robust operations and known technology, and market leading energy efficiency
- Planning programme approved and permitting process ongoing
- Provide solution for several carbon storages in several phases
- Scalable with the development of the CCS market
- Prepared for future European CO₂ pipeline
- Developing European CO₂ value chain with partners
- Project lifetime 50+ years

Gismarvik CO₂ hub

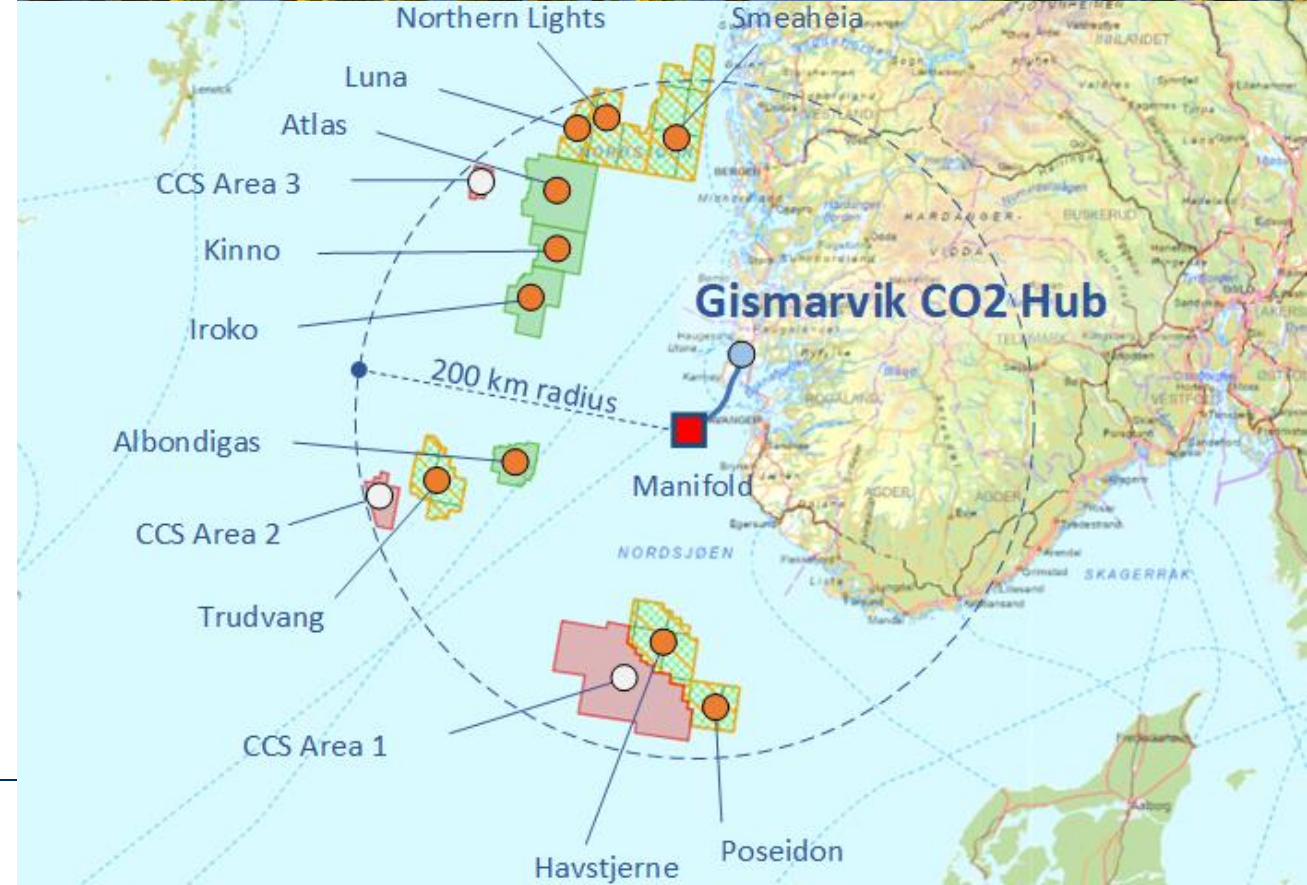
A local project with a global impact

Q3 developments and subsequent events

- Completed paid feasibility studies for regional emitters, including CO₂ transport to the Norwegian terminal by ship or truck
- Working to position the Gismarvik CO₂ hub as the natural partner for several CO₂ licences in the North Sea
- Ongoing feasibility studies for North Sea licences, covering onshore and offshore pipelines
- Preparing for concept studies with planned start Q1 2025
- Commercial negotiations with CO₂ customers and CO₂ storage licences
- Submitted funding application through the EU's Project of Mutual Interest initiative in the quarter – expecting feedback in Q1 2025
- Collaboration with ECOLOG to expand the Norwegian-Dutch CO₂ corridor and enable industrial-scale CO₂ transport to Gismarvik CO₂ hub

Key project milestones

- Signed MoU with Chane (formerly Koole Terminals) for CCS development, CO₂ storage aggregation, and shipping to Norway.
- Signed MoU & term sheet with E.ON for CO₂ volumes to terminal and connected carbon storage, and local CO₂ emitters



Company Outlook and Going Concern (1 of 2)

Strategic review Horisont Energi

The strategic review initiated in September remains central to Horisont Energi's future direction, focusing on financial and industrial initiatives to secure long-term operational and financial sustainability. This review is expected to progress sufficiently by year-end for the board to assess the options available to the company and its projects and decide on the way forward. Operationally, management continues to progress project activities with focus on commercial maturity and strict cost management, which are key elements in the drive to create a sustainable platform to deliver the business plan.

Horisont Ammoniakk

The Barents Blue project is at a pivotal stage, with continued progress on gas supply and ammonia offtake agreements. The successful completion of term sheets for gas supply and CO₂ storage remains essential to meet upcoming milestones. Horisont Ammoniakk may scale back on project activities and spending if commercial processes cannot be successfully completed.

The company is actively engaging with potential partners to strengthen Horisont's capability to deliver on the project plans. This will enable the company to adapt to the current uncertain pace for the green transition.

Horisont Karbon

The primary focus of the Company is to continue the dialogue with the Ministry of Energy to extend the BoK (Decision of Concretisation) for the Polaris licence. This will allow the company to establish a new licence group, with Horisont Energi being responsible for progressing the work until a new BoK decision can be taken by the new partnership.

In addition to Polaris, Horisont Energi submitted a licence application for a new North Sea carbon storage project in August, marking a significant step toward expanding its carbon storage capabilities.

A strategic partnership with a global industrial partner has been established, aimed at developing CO₂ storage projects in Europe, outside of Norway.

Company Outlook and Going Concern (2 of 2)

Horisont Infra

Continued progress is being made on the Gismarvik CO₂ hub. This is an EU designated Project of Mutual Interest, which may unlock funding to support project activities towards a Final Investment Decision. The Gismarvik hub's Connecting Europe Facility (CEF) funding application was submitted this quarter, with support from public authorities, partners, customers and NGOs.

The activities to secure term sheets from North Sea carbon storage holders and CO₂ emitters continue. Several licences in the North Sea are involved in joint feasibility studies to assess Gismarvik CO₂ hub in connection with concept select decisions for the licences planned for 2025. These are critical for the further progress of the Gismarvik project.

There is a growing understanding from emitters as well as storage owners of the advantages associated with common infrastructure solutions. These allow for cost effective operations and flexible development of the value chain, including phased start-up of storages. The Gismarvik CO₂ hub can become a pivotal project in the development of the North Sea CCS industry.

Financing and funding

Despite a significant reduction in the cost base and a reduced burn rate, additional financing is required to secure the future of the company beyond the 1H of 2025.

The outcome of the ongoing strategic review will be a key determining factor for the board's assessment of how to take the company forward. Creating a sustainable platform for operations as a going concern beyond 1H 2025 remains contingent upon the successful conclusion of this process.

The board will evaluate options available to the company. The way forward will be determined by the outcome of the current strategic review process. The company will revert to the market with an update as soon as the process is finalised.

Consolidated Interim Financial Report



Income Statement

| | Notes | Q3 2024 | Q3 2023 | YTD 2024 | YTD 2023 | Full year 2023 |
|---|-------|--------------------|--------------------|--------------------|---------------------|---------------------|
| | | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Other income | | | | | | |
| Sales revenue | | - | - | - | - | - |
| Other income | 1 | 1 650 325 | - | 2 027 725 | - | 5 000 000 |
| Total other income | | 1 650 325 | - | 2 027 725 | - | 5 000 000 |
| Operating costs | | | | | | |
| Salary and personnel costs | 2 | 18 574 049 | 20 392 098 | 50 042 009 | 43 805 617 | 79 263 409 |
| Depreciation | 3, 4 | 906 508 | 1 153 344 | 2 801 800 | 3 460 030 | 4 613 375 |
| Other operating costs | 5 | 7 912 658 | 21 287 455 | 43 044 246 | 134 405 177 | 124 109 105 |
| Total operating costs | | 27 393 215 | 42 832 896 | 95 888 055 | 181 670 824 | 207 985 889 |
| OPERATING PROFIT (LOSS) | | -25 742 890 | -42 832 896 | -93 860 330 | -181 670 824 | -202 985 889 |
| FINANCIAL INCOME AND EXPENSES | | | | | | |
| Interest income | 6 | 1 293 318 | 3 025 340 | 5 593 379 | 9 496 455 | 12 125 448 |
| Interest expenses | 3 | -157 119 | -148 543 | -468 414 | -452 240 | -600 123 |
| Other financial income | | 12 813 | 303 274 | 31 050 | 314 545 | 321 737 |
| Other financial expenses | | 16 729 | -289 945 | -442 441 | -1 397 375 | -1 816 177 |
| Net financial income (expenses) | | 1 165 741 | 2 890 126 | 4 713 574 | 7 961 385 | 10 030 885 |
| PROFIT (LOSS) BEFORE INCOME TAX | | -24 577 149 | -39 942 770 | -89 146 756 | -173 709 440 | -192 955 004 |
| Income tax expense | 7 | - | - | - | - | - |
| NET PROFIT (LOSS) FOR THE PERIOD | | -24 577 149 | -39 942 770 | -89 146 756 | -173 709 440 | -192 955 004 |

Balance Sheet

| ASSETS | Notes | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|---|-------|--------------------|--------------------|--------------------|
| | | Unaudited | Unaudited | Audited |
| Non-current assets | | | | |
| Right-of-use assets | 3 | 6 562 356 | 5 779 661 | 9 272 213 |
| Total non-current assets | | 6 562 356 | 5 779 661 | 9 272 213 |
| Machines, furnishings and fittings | | | | |
| Fixtures and fittings, tools, office machinery, etc | 4 | 278 457 | 401 048 | 370 400 |
| Total machines, furnishings and fittings | | 278 457 | 401 048 | 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 | | 11 840 813 | 6 180 709 | 14 762 613 |
| Current assets | | | | |
| Receivables | | | | |
| Accounts receivables | | 3 848 963 | - | 16 182 841 |
| Other receivables | 9 | 16 938 883 | 42 491 186 | 28 678 550 |
| Total receivables | | 20 787 846 | 42 491 186 | 44 861 391 |
| Cash and cash equivalents | 10 | 98 312 205 | 242 349 785 | 200 399 887 |
| Total current assets | | 119 100 051 | 284 840 971 | 245 261 278 |
| TOTAL ASSETS | | 130 940 866 | 291 021 680 | 260 023 891 |

Balance Sheet

| EQUITY AND LIABILITIES | Notes | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|---|--------|---------------------|---------------------|---------------------|
| EQUITY | | | | |
| Innskutt egenkapital | | | | |
| Share capital | 11, 12 | 223 259 | 223 259 | 223 259 |
| Share premium | 11 | 566 687 897 | 566 687 897 | 566 687 897 |
| Other paid-in equity | 2, 11 | 8 536 002 | 8 159 563 | 8 349 032 |
| Total contributed equity | | 575 447 158 | 575 070 720 | 575 260 188 |
| Retained earnings (deficit) | | | | |
| Retained earnings (deficit) | 11 | -472 918 493 | -364 526 175 | -383 771 739 |
| Total retained earnings (deficit) | | -472 918 493 | -364 526 175 | -383 771 739 |
| Total equity | | 102 528 655 | 210 544 544 | 191 488 449 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Lease debt | 3, 13 | 1 768 695 | 2 309 508 | 4 808 756 |
| Other long-term liabilities | | - | - | - |
| Liabilities to financial institutions | 13 | - | - | - |
| Total non-current liabilities | | 1 768 695 | 2 309 508 | 4 808 756 |
| Current liabilities | | | | |
| Accounts payables | | 5 878 881 | 7 899 168 | 32 723 732 |
| Public duties payable | | 3 437 960 | 3 562 248 | 6 530 134 |
| Taxes payables | | - | - | - |
| Lease debt with due date within 12 months | 3 | 3 299 112 | 1 869 147 | 3 204 649 |
| Other current liabilities | 14 | 14 027 563 | 64 837 064 | 21 268 173 |
| Total current liabilities | | 26 643 516 | 78 167 627 | 63 726 688 |
| Total liabilities | | 28 412 211 | 80 477 136 | 68 535 444 |
| TOTAL EQUITY AND LIABILITIES | | 130 940 866 | 291 021 680 | 260 023 891 |

Cash Flow

| | Q3 2024 | Q3 2023 | YTD 2024 | YTD 2023 | Full year 2023 |
|---|--------------------|--------------------|--------------------|---------------------|---------------------|
| | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Cash flow from operating activities | | | | | |
| Profit (loss) before income tax | -24 577 149 | -39 942 770 | -89 146 756 | -173 709 440 | -192 955 004 |
| Negative instalments tax | - | - | - | - | - |
| Tax refund received | - | - | - | - | 4 750 000 |
| Interest cost on right use liabilities | 153 407 | 148 518 | 464 198 | 430 539 | 577 550 |
| Depreciations | 906 508 | 1 153 344 | 2 801 800 | 3 460 031 | 4 613 375 |
| Cost related to employee share options | 50 698 | 341 735 | 186 970 | 966 052 | 1 257 383 |
| Change in accounts receivables | -1 642 678 | - | 12 333 878 | 30 974 756 | 9 791 916 |
| Change in accounts payables | 631 967 | -3 496 049 | -26 844 851 | -8 115 395 | 16 709 169 |
| Change in other short-term receivables and payables | -6 742 285 | 18 768 336 | 1 526 876 | 2 798 120 | -28 842 113 |
| Net cash flow from operating activities | -31 219 532 | -23 026 885 | -98 677 885 | -143 195 337 | -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 | -2 400 000 |
| Payments of lease debt including interest | -1 039 659 | -2 313 519 | -3 409 797 | -4 882 041 | -5 809 550 |
| Net cash from financing activities | -1 039 659 | -2 313 519 | -3 409 797 | -7 282 041 | -8 209 550 |
| Net cash flow from discontinued operations | - | - | - | - | - |
| Net change in cash and cash equivalents | -32 259 191 | -25 340 404 | -102 087 682 | -150 477 378 | -192 427 275 |
| Cash/cash equivalents at the beginning of period | 130 571 397 | 267 690 189 | 200 399 887 | 392 827 162 | 392 827 162 |
| Cash/cash equivalents at the end of period | 98 312 205 | 242 349 785 | 98 312 205 | 242 349 785 | 200 399 887 |

Accounting Principles and Basis for Preparation

Horisont Energi 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 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 performed studies on behalf of emitters and licences.

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

| Payroll expenses | Q3 2024 | Q3 2023 | YTD 2024 | YTD 2023 | Full year 2023 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Salaries/wages | 13 772 429 | 15 100 360 | 36 857 193 | 39 135 663 | 55 190 003 |
| Bonus | - | - | - | - | 11 992 307 |
| Social security fees | 2 490 504 | 2 603 012 | 6 211 214 | 6 282 031 | 9 827 327 |
| Pension expenses | 1 460 020 | 1 573 601 | 4 540 972 | 4 837 762 | 6 449 975 |
| Other remuneration | 851 096 | 1 059 845 | 2 432 630 | 3 830 637 | 3 163 699 |
| Gross employee benefits expenses | 18 574 049 | 20 336 818 | 50 042 009 | 54 086 093 | 86 623 311 |
| | | | | | |
| The number of employees | 36 | 42 | 36 | 42 | 38 |
| | | | | | |
| Reimbursed from partners | - | 55 280 | - | -10 280 476 | -7 359 902 |
| Salary and personnel costs | 18 574 049 | 20 392 098 | 50 042 009 | 43 805 617 | 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.

Employee share options scheme:

The Company has an employee share options programme 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.

| | Q3 2024 | Q3 2023 | YTD 2024 | YTD 2023 | Full year 2023 |
|--|---------|---------|----------|-----------|----------------|
| Expensed salary cost related to employee share options | 135 643 | 341 735 | 186 970 | 1 075 609 | 1 366 940 |
| Outstanding warrants opening balance | | | 406 500 | 426 000 | 426 000 |
| Warrants granted | | | 85 000 | 20 000 | 20 000 |
| Warrants forfeited | | | -98 500 | -39 500 | - 39 500 |
| Warrants exercised | | | -10 000 | | - |
| Warrants expired | | | | | - |
| Outstanding warrants at end of period | | | 383 000 | 406 500 | 406 500 |
| Of which exercisable | | | - | - | 160 000 |

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

| | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|-------------------------------------|---------------|-------------|---------------|
| - Exercise price between | 26-56 | 26-56 | 26-56 |
| - Share price at grant date between | 3-6 | 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:

| | 30.09.2024 Offices | 30.09.2023 Offices | 31.12.2023 Offices |
|---|-----------------------|-----------------------|-----------------------|
| Right-of-use assets | | | |
| Acquisition 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 | - | - | - |
| Acquisition 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 | 2 709 857 | 3 368 088 | 4 490 784 |
| Write-downs for the period | - | - | - |
| Depreciation and write-downs as at end of period | 11 058 668 | 7 226 115 | 8 348 811 |
| Book value right-of-use assets at end of period | 6 562 356 | 5 779 661 | 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%

| | 30.09.2024 Offices | 30.09.2023 Offices | 31.12.2023 Offices |
|---|-----------------------|-----------------------|-----------------------|
| Lease liability | | | |
| Liabilities and payment schedule excluding interest | | | |
| Less than 1 year | 3 299 112 | 1 869 147 | 3 204 649 |
| 1-2 years | 1 632 120 | 1 141 997 | 3 641 245 |
| 2-3 years | 136 575 | 893 267 | 893 267 |
| 3-5 years | - | 274 244 | 274 244 |
| More than 1 year | 1 768 694 | 2 309 508 | 4 808 756 |
| Total lease liabilities at end of period | 5 067 806 | 4 178 655 | 8 013 405 |
| Changes in lease liabilities | 30.09.2024 | 30.09.2023 | 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 | -3 409 797 | -4 882 041 | -5 809 550 |
| Interest payments | - | - | - |
| Interest on lease liabilities | 464 198 | 430 539 | 577 550 |
| Total lease liabilities at end of period | 5 067 806 | 4 178 655 | 8 013 405 |

Notes

Note 4 Fixed assets

| Machinery and equipment | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|-----------------------------------|----------------|----------------|----------------|
| 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 30.09 | -269 517 | -146 926 | -177 574 |
| Accumulated write-downs 30.09 | - | - | - |
| Net value at end of period | 278 457 | 401 048 | 370 400 |
| Depreciation for the period | -91 943 | -30 648 | -122 591 |
| Impairment losses for the year | - | - | - |

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:

| | Q3 2024 | Q3 2023 | YTD 2024 | YTD 2023 | Full year 2023 |
|-------------------------------|------------------|-------------------|-------------------|--------------------|--------------------|
| Office expenses | 981 987 | 3 274 526 | 3 412 698 | 9 710 889 | 10 764 279 |
| Consultants fee, studies etc. | 6 942 519 | 18 133 138 | 41 029 867 | 180 354 213 | 181 574 641 |
| Reimbursed from partners | -1 248 539 | -1 042 702 | -4 231 004 | -58 734 522 | -50 765 082 |
| Skattefunn | - | - | - | - | -4 750 000 |
| Other expenses | 1 236 691 | 922 493 | 2 832 685 | 3 074 597 | 4 178 301 |
| Reimbursed VAT | - | - | - | - | -16 893 034 |
| Total | 7 912 658 | 21 287 455 | 43 044 246 | 134 405 177 | 124 109 105 |

Cost related to maturing the projects have been expensed. The Company will start to capitalise 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

| | Q3 2024 | Q3 2023 | YTD 2024 | YTD 2023 | Full year 2023 |
|-----------------------------|------------------|------------------|------------------|------------------|-------------------|
| Interest earnings, tax-free | - | 51 202 | | 51 202 | 51 202 |
| Interest earnings, bank | 1 293 318 | 2 974 138 | 5 061 887 | 8 466 801 | 12 048 523 |
| Interest earnings, other | - | - | 531 492 | 978 452 | 25 723 |
| Interest income | 1 293 318 | 3 025 340 | 5 593 379 | 9 496 455 | 12 125 448 |

Notes

Note 7 Taxes

| This year's tax expense | Q3 2024 | Q3 2023 | YTD 2024 | YTD 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 | -24 577 149 | -39 942 770 | -89 146 756 | -173 709 440 | -192 955 004 |
| Permanent differences | 62 220 | -48 100 | 219 405 | 18 067 | -3 443 868 |
| Changes in temporary differences | 20 256 | -597 849 | -143 799 | 25 419 | -706 301 |
| Taxable income | -24 494 673 | -40 588 719 | -89 071 150 | -173 665 954 | -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:

| | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|---|---------------------|---------------------|---------------------|
| Tangible assets | -72 246 | -37 331 | 19 697 |
| Lease agreements brought to the balance | 1 494 550 | 1 601 006 | 1 258 808 |
| Other provisions | - | -2 386 665 | 0 |
| Total | 1 422 304 | -822 990 | 1 278 505 |
| Accumulated loss to be brought forward | | | |
| | -491 005 963 | -378 495 594 | -401 934 813 |
| Not included in the deferred tax calculation | -489 583 659 | -379 344 003 | -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 utilisation 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 30.09 | Net profit YTD 2024 |
|----------------------|-----------|------------------|---------------------|
| Hestaco AS | 29% | 5 527 954 | -321 922 |

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

| | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|----------------------------|-------------------|-------------------|-------------------|
| Receivable Skattefunn | 4 750 000 | 0 | 4 750 000 |
| Prepaid costs | 9 548 430 | 2 342 932 | 1 667 561 |
| Recharge to partners | 0 | 35 617 822 | 0 |
| Settlement account for VAT | 2 608 731 | 4 530 432 | 22 260 989 |
| Other receivables | 31 722 | - | - |
| Other receivables | 16 938 883 | 42 491 186 | 28 678 550 |

Note 10 Cash and cash equivalents

| | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|---|------------|------------|------------|
| Restricted cash related to tax withholding accounts amounts | 1 985 734 | 2 151 458 | 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 | | | 186 970 | | 186 970 |
| Net profit (loss) for the year | | | | -89 146 756 | -89 146 756 |
| Balance 30.09 | 223 259 | 566 687 897 | 8 536 002 | -472 918 493 | 102 528 655 |

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 30.09: | Shares | Ownership |
|---------------------------------------|-------------------|----------------|
| E.ON Energy Projects GMBH | 5 706 495 | 25,56% |
| FØNIKS INNOVASJON AS | 5 126 538 | 22,96% |
| NORDNET LIVSFORSIKRING AS | 595 788 | 2,67% |
| NORNES TED ARNE | 586 700 | 2,63% |
| STØDLE HENRY ARVID | 554 217 | 2,48% |
| DJ ADVISORS AS | 552 515 | 2,47% |
| EITOR AS | 550 000 | 2,46% |
| SPESIALFONDET KLP ALFA GLOBAL ENER | 413 798 | 1,85% |
| CLEARSTREAM BANKING S.A. | 307 284 | 1,38% |
| SPONSORMEGLEREN AS | 301 241 | 1,35% |
| Others | 7 631 404 | 34,18% |
| 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 Inovasjon 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

| | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|------------------------------|------------------|------------------|------------------|
| Lease debt | 1 768 695 | 2 309 508 | 4 808 756 |
| Other long-term liabilities* | - | - | - |
| Total | 1 768 695 | 2 309 508 | 4 808 756 |

*) Calculated social tax on share options for employees, due when options are exercised

Note 14 Other current liabilities

| | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|----------------------------------|-------------------|-------------------|-------------------|
| Unpaid salary | - | - | 11 992 306 |
| Holiday pay allowance | 4 689 457 | 3 637 111 | 4 788 265 |
| Accrued cost | 9 338 106 | 61 199 953 | 4 487 602 |
| Other current liabilities | 14 027 563 | 64 837 064 | 21 268 173 |

Notes

Note 15 Risk and risk management

Horisont Energi is an innovative company in the project development phase in still 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 licences, permits and authorisation by local and national authorities.

Thus, no guarantees can be given 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 is currently exposed to limited market risks in terms of interest or currency risk. The company may in the future become 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.

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. Project delays, with subsequent delayed positive cash flow, is also a risk factor.

Note 16 Subsequent events and going concern

Subsequent events

Horisont Infra

- Entered into a Collaboration Agreement with ECOLOG to develop the Norwegian-Dutch CO₂ corridor further and enable industrial-scale CO₂ transport between The Netherlands and Gismarvik CO₂ hub
- Submitted funding application through the EU's Project of Mutual Interest initiative in the quarter – expecting feedback in Q1 2025

Horisont Karbon

- Entered into a new collaboration for CO₂ storage developments in Europe with a leading global technology company, to cooperate on the development of carbon capture and storage (CCS) projects in Europe (outside of Norway)
- Applied to the Ministry of Energy for a 12-month extension of the "Decision of Concretisation" (BoK) deadline as ORLEN Upstream Norway decided to withdraw from the Polaris licence

Horisont Ammoniakk

- Assessing options for CO₂ storage in the North Sea for the Barents Blue project as an alternative to Polaris

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 company is currently undertaking a strategic review to explore several options for its project portfolio within CCS and Ammonia. The aim is to identify and evaluate opportunities that will maximise shareholder value and ensure that the Company is well-positioned to secure the requisite funding essential for meeting the Company's key project milestones and the successful execution of its long-term strategy. The results of the strategic review may impact the assumption of going concern beyond 1H 2025. The future financial solidity of the company will depend on the outcome of the strategic review and development of its projects. Updates are shared with the market in stock exchange notices.



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