



# Horisont Energi, a Norwegian clean energy company

Q3 report 2022



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## About Horisont Energi

Horisont Energi provides clean energy and carbon transport and storage services. We will transform natural gas, water and renewable energy into cost-leading clean ammonia and hydrogen and offer CO<sub>2</sub> transportation and storage services using proprietary technology, paving the way for a low-carbon economy.

As a company, we are committed to the energy transition. We support the UN Sustainability Development Goals as well as the Paris Agreement, and we will be part of a carbon-neutral future. Within clean energy, Horisont Energi aims to be a pioneer in a field of pioneers. Horisont Energi is not alone in seeking to replace fossil fuels with carbon-neutral alternatives. But we have a new sense of urgency. We think big. We believe large-scale projects are necessary to accelerate the green transition.

Our first project is Barents Blue, intended to become Europe's first large-scale production facility for clean ammonia with carbon capture and storage (CCS), based on natural gas from the Barents Sea. During the production process, carbon will be captured and permanently stored in the Polaris reservoir below the seabed off the coast of Finnmark in Northern Norway. Barents Blue is a cooperation project with Equinor and Vår Energi. It is an IPCEI Hydrogen project. (Important project of common European

interest) where we participate in a hydrogen value chain initiative, called Hy2Use.

The carbon storage project "Errai" is our latest pioneering project where we have signed a project agreement with Neptune Energy. Horisont Energi will also pursue other large-scale projects within clean ammonia, CCS and negative emissions.

The projects are subject to various regulatory approvals and clarifications. Horisont Energi therefore emphasizes close dialogue with relevant authorities. Alignment with the partners is also important to achieve the desired timeline.

Horisont Energi was founded in 2019, and in January 2022, E.ON became a strategic investor and business partner. This cooperation strengthens our ability to accelerate the transition to carbon neutrality through pioneering projects. Horisont Energi is headquartered in Sandnes, Norway. The company's shares are listed on Euronext Growth Oslo under the ticker **HRGI**.

## CEO LETTER

# Pushing ahead with ambitious CCS plans

In August, it was three years since we founded Horisont Energi. To say that the past three years have been turbulent for the world and for Europe would be an understatement. It has been quite a ride for our company and for the world around us.



But despite all the turbulence, there is one constant. The urgent need to stop global warming by reducing emissions of greenhouse gases. And that is why our mission is: accelerating the energy transition to carbon neutrality through pioneering projects.

During the third quarter of this year, we announced another pioneering project: Errai.

Horisont Energi and Neptune Energy will cooperate on Errai, a new Carbon Capture and Storage (CCS) project in Norway. The project includes an onshore CO2 terminal for intermediate CO2 storage, with the intention to permanently store CO2 in an offshore reservoir in the North Sea. A shortlist of three sites for the onshore terminal is being evaluated.

Together with Neptune Energy, we are now setting up a project organisation to develop the project and are jointly preparing for the submission of an application in the recently announced licence round for CO2 storage and transport covering Errai.

Replacing fossil fuels with renewable energy will reduce CO2 emissions, but this is a gradual process, and in the short run, we can reduce emissions substantially by capturing and storing CO2. And even in the long run, certain emission sources are difficult or impossible to eliminate.

That is why we firmly believe that CCS is crucial to accelerate the transition to a low carbon future, and that the Errai project can play a significant role by storing substantial amounts of CO2 from third parties.

Errai is intended to be the last part of a complete value chain, which we are developing in close cooperation with E.ON, our strategic partner and owner.

In August, we announced that our partnership with the international logistics and terminal company Koole Terminals was extended to include the development of a CO2 terminal in the Port of Rotterdam, a key energy hub for Western Europe.

And that is why our mission is:

**Accelerating the energy transition to carbon neutrality through pioneering projects.**

During the quarter, we have also progressed the Barents Blue clean ammonia project in Hammerfest municipality in Northern Norway. Saipem has been conducting an extended concept study in cooperation with technology licensor Topsoe. Also, impact assessment studies, which are key to the permitting process, are in the process of being finalized and will be completed by year end. These are both important milestones for the project.

Another important step for Barents Blue occurred when the previously announced grant of NOK 482 million under the IPCEI Hydrogen program, also known as Hy2Use, was formally approved by the EFTA Surveillance Authority (ESA) and the EU Commission in September.

The core of the Barents Blue project is being Europe's largest clean ammonia production facility. The factory will produce ammonia

based on natural gas from the Barents Sea. During the production process, CO<sub>2</sub> will be captured and transported to an offshore reservoir called Polaris, where it will be permanently stored beneath the seabed.

Across our projects, Horisont Energi is also putting considerable resources into protecting the company's intellectual property. Our patent portfolio now comprises 13 patent families with patents in various stages of the approval process within CCS and clean ammonia.

The examples above illustrate that we have made significant progress on our projects in the third quarter. These projects are ambitious, large-scale, and pioneering. The scale of the challenge is also massive, but so is the potential environmental and financial impact of the projects Horisont Energi is now maturing as we move towards 2023.

## Highlights Q3

In the third quarter Horisont Energi launched the Errai CCS project together with Neptune Energy and continued to mature its existing project portfolio. These were some of the highlights of the quarter:



The EFTA Surveillance Authority (ESA) and the EU Commission formally approved the Barents Blue project under the IPCEI Hydrogen program, also known as Hy2Use, and thereby also the grant of NOK 482 million awarded from Enova.



Horisont Energi and Neptune Energy signed Memorandum of Understanding (MoU) to develop the Errai Carbon Capture and Storage (CCS) project in Norway. This was followed, in early October, by a formal project agreement, and the project organization is being established.



Horisont Energi and Koole Terminals, a leading independent liquid bulk storage company, announced the planned development of a CO<sub>2</sub> terminal in the Port of Rotterdam. This terminal will provide intermediate storage of CO<sub>2</sub> which will be permanently stored at Horisont Energi's planned offshore storage facilities in Norway.



The Barents Blue project awarded an extended concept study contract to Saipem, which is cooperating with technology licensor Topsoe to mature, optimize and finalize the process design for the clean ammonia factory. The resulting ammonia plant design is truly delivering on sustainability and climate.

## Milestones the last 12 months





## Project updates

Through our projects within carbon storage and production of clean ammonia, we contribute to the energy transition, to new green industry, and a cleaner Europe.

## Project Barents Blue

Europe's first world-scale  
clean ammonia facility

HAMMERFEST | EST. START 2027

Annual production by 2030:  
1-3 million tonnes

Barents Blue will be Europe's first world-scale clean ammonia facility, featuring a record-low carbon footprint.

Good access to natural gas and renewable power, as well as access to offshore storage of CO<sub>2</sub> give Norway very good conditions for this type of industry. Ammonia from the Barents Blue plant will be produced with associated carbon capture and permanent storage in Polaris. Clean, liquid ammonia is easy to transport in large quantities, and will, among other things, help cut large emissions in shipping. The Barents Blue project has received state aid to participate in Important Projects of Common European Interest (IPCEI) Hydrogen Program, also known as Hy2Use.

The Barents Blue project, including Polaris is a cooperation project with Equinor and Vår Energi.

### Project highlights

- Europe's first world-scale clean ammonia plant
- ESA and the EU Commission in September formally approved Barents Blue as an Important Projects of Common European Interest (IPCEI) Hydrogen, also known as Hy2Use, and a NOK 482 million grant from Enova SF
- Extended concept performed by Saipem in cooperation with the technology licensor Topsoe
- The study is scheduled to be completed by the end of year
- On-going impact assessment in cooperation with Multiconsult and other suppliers soon to be completed
- FEED studies being prepared for the next phase of the project





The Barents Blue project has high ambitions for sustainability and the environment and will pioneer clean ammonia production. The overall goal is to be the most carbon-efficient clean ammonia plant globally.

A third party has verified the Barents Blue ammonia plant design to satisfy the EU Taxonomy requirements. Furthermore, this verification has been audited. The plant needs to follow two main delegated acts: hydrogen production and anhydrous ammonia production. This is a key milestone for the project.

In addition, the project has been through a lifecycle assessment to thoroughly assess the carbon footprint of the full plant and the use of resources. The result proves that Barents Blue has achieved the ambition of becoming the most carbon and energy-efficient plant. The carbon footprint is estimated to be about 50 grams of carbon dioxide per kilogram of ammonia, to facility gate. At the same time, the plant uses about 30 MMBtu of gas per ton of ammonia in the production.

#### Environmental highlights

- EU Taxonomy compliant ammonia process design
- Above 99% overall CO<sub>2</sub> capture rate
- Record-low carbon footprint of about 50 grams of carbon dioxide per kilogram of clean ammonia from the factory gate (90% less than EU Taxonomy requirement)
- Energy consumption of about 30 MMBtu of natural gas per ton of clean ammonia (16% less than conventional<sup>1</sup>)
- Use of less than 35 MW of renewable energy per process train, providing 1 million tons of clean ammonia annually
- About 50% reduction in the use of make-up water in the process compared to conventional ammonia plants<sup>2</sup>, and 80% reduction of steam throughput in the plant<sup>3</sup>
- Overall, a high-quality clean ammonia product that delivers on the EU requirements and pioneers clean ammonia

<sup>1</sup> Compared to plants with 36 MMBtu gas per ton of ammonia

<sup>2</sup> Steam Methane Reforming plants

<sup>3</sup> Steam Methane Reforming plants

## Project Polaris

Awarded an exploration licence, the second CO<sub>2</sub> storage on the Norwegian shelf

BARENTS SEA | EST. START 2027

Estimated storage capacity:  
> 100 million tonnes

Polaris is our first carbon storage located in the Barents Sea, approximately 100 km off the coast of Finnmark, in northern Norway. The reservoir will provide permanent carbon storage for CO<sub>2</sub> captured from our production of clean ammonia at the Barents Blue plant.

The Polaris reservoir will establish carbon capture and storage (CCS) activity in Northern Norway and is an important milestone in developing carbon storage as an important industry in Norway.

The Polaris reservoir is currently undergoing subsurface assessments and studies, any new information will be provided next quarter.

### Project highlights

- Offshore pre-survey completed
- Exploration licence formally approved June 2022



**NEW**

## Project Errai

Project agreement with Neptune Energy to develop third-party CO2 storage

Estimated storage capacity:  
> 185 million tonnes



Horisont Energi has partnered with Neptune Energy on Errai to provide an end-to-end CCS service for European industry. The project will consist of a land-based CO2 terminal for offloading and intermediate storage of CO2, and an offshore reservoir for permanent CO2 storage connected to onshore through a pipeline.

Maturation of the project has been ongoing since 2021 with subsurface studies, and with facility studies since early 2022.

### Project highlights

- Subsurface studies initiated in 2021
- MoU with Neptune Energy August 2022, followed by a formal project agreement October 2022
- Joint project organisation being set up
- Onshore CO2 terminal for offloading and intermediate CO2 storage
- Plan to store 4–8 million tonnes CO2 annually in first phase, with additional potential
- Focused on European and domestic third-party customers



## Project Star

Horisont Energi and St1 Nordic in joint development of green ammonia plant



Star is the name for our planned green ammonia plant in Finnmark, northern Norway. The project is a cooperation with the energy company ST1 Nordic Oy. The plan is to produce ammonia from renewable nitrogen and hydrogen produced using electrolysis based on renewable electricity. Site screening has been ongoing through the last quarter and a few sites have now been shortlisted. These sites are being further evaluated through site studies.





## Financial results

## Comments to the Q3 financial results

- The result for the third quarter 2022 is a net loss of NOK 15.8 million. Horisont Energi currently has no activities generating income. The expenditures are according to the project plans.
- Costs incurred in Q3 are fully expensed, except for capitalized right-of-use costs related to lease of offices.
- Refund VAT. The company Horisont Energi has received refund of VAT from 01.01.2020 – 30.06.2022. The amount of NOK 16.6 million has reduced operating cost. Without this effect, operating loss would be NOK -35.3 million.
- During 2022, Horisont Energi has expanded its organisation from 17 to 44 employees in order to have the right expertise and capacity to further develop our large-scale industrial projects.
- The company has a total of NOK 443 million in cash as of September 30, and expects to have sufficient funds to bring Barents Blue, including Polaris, and the new CCS project Errai up to investment decisions.
- Regarding funding of the projects in the investment phase, Horisont Energi is maturing its financing plans in close dialogue with a number of providers of additional capital.

## Income statement

		Q3 2022	Q3 2021	YTD 2022	YTD 2021	Full year 2021
Amounts in NOK	Notes	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Other income</b>						
Other income		0	0	0	0	375 000
<b>Total other income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>375 000</b>
<b>Operating costs</b>						
Salary and personnel costs	1	11 789 735	2 740 136	21 917 832	5 251 267	9 039 262
Depreciation	2, 3	654 957	- 22 213	2 186 264	0	1 254 329
Other operating costs	4, 5	6 266 632	4 913 972	63 346 061	18 724 996	43 064 695
<b>Total operating costs</b>		<b>18 711 324</b>	<b>7 631 896</b>	<b>87 450 157</b>	<b>23 976 263</b>	<b>53 358 286</b>
<b>OPERATING PROFIT (LOSS)</b>		<b>-18 711 324</b>	<b>-7 631 896</b>	<b>-87 450 157</b>	<b>-23 976 263</b>	<b>-52 983 286</b>
<b>FINANCIAL INCOME AND EXPENSES</b>						
Interest income		3 027 661	0	6 358 111	0	894 479
Interest expenses	2	44 017	59 837	185 031	114 552	245 956
Other financial income		11 401	10 491	184 257	80 306	300 546
Other financial expenses		124 083	49 708	751 253	134 366	276 403
<b>Net financial income (expenses)</b>		<b>2 870 962</b>	<b>-99 054</b>	<b>5 606 084</b>	<b>-168 612</b>	<b>672 666</b>
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>-15 840 362</b>	<b>-7 730 949</b>	<b>-81 844 073</b>	<b>-24 144 876</b>	<b>-52 310 620</b>
Income tax expense	5	0	0	0	0	-14 904
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	5	<b>-15 840 362</b>	<b>-7 730 949</b>	<b>-81 844 073</b>	<b>-24 144 876</b>	<b>-52 295 716</b>

## Balance Sheet

		30/09/2022	30/09/2021	31/12/2021
<i>Amounts in NOK</i>	<i>Notes</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Right-of-use assets	2	9 687 432	0	2 759 525
Fixtures and fittings, tools, office machinery, etc	3	437 199	0	0
<b>Total non-current assets</b>		<b>10 124 631</b>	<b>0</b>	<b>2 759 525</b>
<b>Current assets</b>				
<b>Receivables</b>				
Accounts receivables		7 971 468	35 100	26 698 986
Other receivables	6	14 642 794	35 881 883	22 526 803
<b>Total receivables</b>		<b>22 614 262</b>	<b>35 916 983</b>	<b>49 225 789</b>
<b>Cash and cash equivalents</b>	7	<b>443 264 604</b>	<b>101 352 494</b>	<b>91 689 113</b>
<b>Total current assets</b>		<b>465 878 866</b>	<b>137 269 477</b>	<b>140 914 902</b>
<b>TOTAL ASSETS</b>		<b>476 003 497</b>	<b>137 269 477</b>	<b>143 674 427</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Paid-in equity</b>				
Share capital	8, 9	223 259	158 502	158 502
Share premium	8	566 687 897	146 877 649	146 877 649
Other paid-in equity	8	6 898 512	5 772 899	5 916 653
<b>Total contributed equity</b>	8	<b>573 809 668</b>	<b>152 809 050</b>	<b>152 952 804</b>
<b>Retained earnings (deficit)</b>				
Retained earnings (deficit)	8	-138 875 416	-28 880 502	-57 031 342
<b>Total retained earnings (deficit)</b>		<b>-138 875 416</b>	<b>-28 880 502</b>	<b>-57 031 342</b>
<b>Total equity</b>	8	<b>434 934 250</b>	<b>123 928 548</b>	<b>95 921 462</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Other long term liabilities	2, 10	868 094	0	840 586
Liabilities to financial institutions	10	2 400 000	2 400 000	2 400 000
<b>Total non-current liabilities</b>		<b>3 268 094</b>	<b>2 400 000</b>	<b>3 240 586</b>
<b>Current liabilities</b>				
Accounts payables		16 600 735	8 594 829	16 615 320
Public duties payable		3 201 745	1 302 148	5 309 249
Other current liabilities	2, 11	17 998 672	1 043 951	22 587 811
<b>Total current liabilities</b>		<b>37 801 153</b>	<b>10 940 929</b>	<b>44 512 380</b>
<b>Total liabilities</b>		<b>41 069 247</b>	<b>13 340 929</b>	<b>47 752 966</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>476 003 497</b>	<b>137 269 477</b>	<b>143 674 427</b>

## Cash flow

Amounts in NOK	Q3 2022	Q3 2021	YTD 2022	YTD 2021	Full year 2021
<b>Cash flow from operating activities</b>					
Profit (loss) before income tax	-15 840 362	-7 730 949	-81 844 073	-24 144 876	-52 310 620
Negative instalments tax	-	-	-	-	14 904
Tax refund received	4 750 000	-	4 750 000	-	280 355
Interest on right use liabilities	36 766	-	174 327	-	-
Depreciations	654 957	-22 213	2 189 264	-	1 254 329
Cost related to employee share options	443 498	-	981 859	-	143 754
Change in accounts receivables	1 279 773	-35 100	18 727 518	-35 100	-26 698 986
Change in accounts payables	3 236 453	3 711 715	-14 585	7 475 303	15 974 294
Change in other short-term receivables and payables	-7 589 737	-12 506 957	-9 816 454	-27 792 922	1 843 334
<b>Net cash flow from operating activities</b>	<b>-13 028 651</b>	<b>-16 583 504</b>	<b>-64 855 145</b>	<b>-44 497 595</b>	<b>-52 498 636</b>
<b>Cash flow from investing activities</b>					
Investments in fixed assets	-316 859	249 548	-463 106	-	-
<b>Net cash used in investing activities</b>	<b>-316 859</b>	<b>249 548</b>	<b>- 463 106</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>					
Capital contribution net of fees	-	478 500	419 875 005	143 410 452	42 931 952
Financing from financial institutions	-	-	-	-	-
Payments of lease debt including interest	-1 472 422	-	-2 981 262	-	-1 183 840
<b>Net cash from financing activities</b>	<b>-1 472 422</b>	<b>478 500</b>	<b>416 893 743</b>	<b>143 410 452</b>	<b>141 748 112</b>
Net cash flow from discontinued operations					
Net change in cash and cash equivalents	-14 817 933	-15 855 456	351 575 491	98 912 857	89 249 476
Cash/cash equivalents at the beginning of period	458 082 535	117 207 951	91 689 113	2 439 637	2 439 637
<b>Cash/cash equivalents at the end of period</b>	<b>443 264 604</b>	<b>01 352 495</b>	<b>443 264 604</b>	<b>101 352 494</b>	<b>91 689 113</b>

## Accounting principles and basis for preparation

These interim financial statements have been prepared in accordance with the principles in IAS 34, Interim Financial Reporting. The interim financial statements are unaudited, and do not include all 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 2021. 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 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 2021.

# Notes

Amounts in NOK

Note 1 Payroll expenses, number of employees, remunerations, loans to employees, etc.

Payroll expenses	Q3 2022	Q3 2021	YTD 2022	YTD 2021	Full year 2021
Salaries/wages	13 697 917	4 436 324	26 670 247	9 644 430	15 262 766
Social security fees	2 144 916	693 069	4 410 094	1 534 216	2 419 663
Pension expenses	1 697 956	337 281	3 635 845	1 072 409	1 557 224
Other remuneration	1 307 401	342 144	3 157 172	1 138 131	1 375 855
<b>Gross employee benefits expenses</b>	<b>18 848 191</b>	<b>5 808 818</b>	<b>37 873 358</b>	<b>11 112 924</b>	<b>20 615 508</b>
The number of employees	44	17	44	17	19
Reimbursed from partners	-7 058 456	-3 068 682	-15 955 526	- 5 861 657	-11 576 247
<b>Salary and personnel costs</b>	<b>11 789 735</b>	<b>2 740 136</b>	<b>21 917 832</b>	<b>5 251 267</b>	<b>9 039 262</b>

## Employee share options scheme:

The Company has an employee share options program for some of its employees.

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 assessed fair value at grant date of warrants granted was between NOK 5 and NOK 12,70 per option. 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.

The most significant inputs and assumptions in determining fair value at grant date were:

- Exercise price between NOK 70 and NOK 158
- Share price at grant date between NOK 25 and NOK 79.
- Expected volatility 40 %
- Risk free interest rate 1 %
- Term of options between 1,5 - 4 years

NOK 981 859 have been expensed as salary costs YTD 2022 related to employee share options.

## Note 2 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:

	30/09/2022	30/09/2021	31/12/2021
<b>Right-of-use assets</b>	<b>Offices</b>		<b>Offices</b>
Acquisition cost as at 01.01	4 013 854	-	-
Addition of use-of-rights	9 088 264	-	4 013 854
<b>Acquisition cost end of period</b>	<b>13 102 118</b>	<b>-</b>	<b>4 013 854</b>
Depreciation and write-downs s at 01.01	1 254 329	-	-
Depreciation for the period	2 160 357	-	1 254 329
Write-downs for the period	-	-	-
<b>Depreciation and write-downs as at end of period</b>	<b>3 414 686</b>	<b>-</b>	<b>1 254 329</b>
<b>Book value right-of-use assets at end of period</b>	<b>9 687 432</b>	<b>-</b>	<b>2 759 525</b>
Economic lifetime	24 - 60 months		24 months
Depreciation method	Linear		Linear
<b>Lease liability</b>	<b>30/09/2022</b>	<b>30/09/2021</b>	<b>31/12/2021</b>
	<b>Offices</b>		<b>Offices</b>
Liabilities and payment schedule			
Less than 1 year	8 594 276	-	2 127 721
1-2 years	627 447	-	812 674
2-3 years	-	-	-
<b>Total lease liabilities at end of period</b>	<b>9 221 723</b>	<b>-</b>	<b>2 940 395</b>
Changes in lease liabilities	<b>30/09/2022</b>	<b>30/09/2021</b>	<b>31/12/2021</b>
Lease liabilities at 01.01	2 940 395	-	-
Additions	9 088 264	-	4 013 854
Repayments	-2 981 262	-	-1 183 840
Interest payments	-	-	-
Interest on lease liabilities	174 327	-	110 381
<b>Total lease liabilities at end of period</b>	<b>9 221 723</b>	<b>-</b>	<b>2 940 395</b>

## Note 3 Fixed assets

<b>Machinery and equipment</b>	<b>30/09/2022</b>	<b>30/09/2021</b>	<b>31/12/2021</b>
Acquisition cost as at 01.01	-	-	-
Additions	463 106	-	-
Disposals	-	-	-
Acquisition cost as at 30.09	463 106	-	-
Accumulated depreciation 30.09	25 907	-	-
Accumulated write-downs 30.09	-	-	-
Net value 30.09	25 907	-	-
Depreciation for the year	25 907	-	-
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 4 Other operating costs

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

	<b>Q3 2022</b>	<b>Q3 2021</b>	<b>YTD 2022</b>	<b>YTD 2021</b>	<b>Full year 2021</b>
Office rentals and other office expenses	854 876	695 022	2 888 021	2 825 859	2 890 484
Consultants fee, studies etc.	28 571 890	17 059 973	113 057 500	35 304 423	87 634 234
Reimbursed from partners	-7 814 609	-14 613 768	-45 494 213	-23 042 768	-58 221 230
Grant received	-	-	-	-4 000 000	4 000 000
"Skattefunn"	-	-	-	-	-4 750 000
Licences, patents and royalties	394 654	-672	6 832 357	4 811 640	16 566 772
Other expenses	827 174	1 773 417	2 629 751	2 825 842	2 944 436
Reimbursed VAT*	-16 567 354	-	-16 567 354	-	-
<b>Total</b>	<b>6 266 632</b>	<b>4 913 972</b>	<b>63 346 061</b>	<b>18 724 996</b>	<b>43 064 695</b>

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.

\* The company has in Q3 applied for VAT deductions related to certain costs incurred in previous periods. The VAT is received from the Norwegian Tax Authority (Nw: Skatteetaten) in Q3.

## Note 5 Taxes

Income taxes recognised in the income statement	Q3 2022	Q3 2021	YTD 2022	YTD 2021	Full year 2021
Tax refund current year	-	-	-	-	-
Tax payable adjustment previous year	-	-	-	-	-14 904
<b>Total taxes (-)/tax income (+) recognised in income statement</b>	-	-	-	-	<b>-14 904</b>

### Specification of temporary differences and tax losses carried forward

	30/09/2022	30/09/2021	31/12/2021
Right-of-use assets	9 687 432	-	2 759 525
Lease liabilities	-9 221 723	-	-2 940 395
Fixed assets	66 714	-22 212	-
Tax losses carried forward	-148 274 082	-18 481 617	-66 143 303
<b>Total deferred tax assets (-liabilities)</b>	<b>-147 741 658</b>	<b>-</b>	<b>-66 324 173</b>
Valuation allowance for deferred tax assets	147 741 658	18 481 617	66 324 173
<b>Basis for deferred tax assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred tax assets (22 %)</b>	<b>0</b>	<b>0</b>	<b>0</b>

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.

## Note 6 Other receivables

	30/09/2022	30/09/2021	31/12/2021
Advance payment to suppliers	-79	50 000	0
Receivable" Skattefunn"	0	0	4 750 000
Prepaid costs	1 287 621	7 183 632	7 252 470
Recharge to partners	13 355 251	28 648 250	10 524 333
<b>Other receivables</b>	<b>14 642 794</b>	<b>35 881 883</b>	<b>22 526 803</b>

## Note 7 Cash and cash equivalents

	30/09/2022	30/09/2021	31/12/2021
Restricted cash related to tax withholding accounts amounts	2 065 229	600 311	1 183 262

## Note 8 Share capital

	Share capital	Share premium	Other paid-in equity	Retained earnings (deficit)	Total equity
Balance 01.01	158 502	146 877 649	5 916 653	-57 031 343	95 921 461
Share issuance related to private placement to E.ON	57 065	370 865 110			370 922 175
Share issue related to repair equity issue	7 692	48 945 138			48 952 830
Cost related to employee share options*			981 859		981 859
Net profit (loss) for the period				-81 844 073	-81 844 073
<b>Balance 30.09</b>	<b>223 259</b>	<b>566 687 897</b>	<b>6 898 512</b>	<b>-138 875 416</b>	<b>434 934 250</b>

\* The company has a share option programme for some employees. NOK 981 859 has been expensed related to the Company's share options programme YTD 2022

## Note 9 Share capital, subscription rights and shareholder information

<b>The share capital consists of one class only:</b>	<b>Number</b>	<b>Par value</b>	<b>Share capital</b>
Ordinary shares	22 325 980	0.01000	223 259
<b>The 10 largest shareholders pr 30.09:</b>		<b>Shares</b>	<b>Ownership</b>
E.ON Energy Projects GMBH		5 706 495	25.56%
FØNIKS INNOVASJON AS		5 126 538	22.96%
State Street Bank and Trust Comp		2 233 371	10.00%
SAGA PURE ASA		2 218 832	9.94%
SPECIALFONDET KLP ALFA GLOBAL ENER		1 437 591	6.44%
FERNCLIFF LISTED DAI AS		1 121 888	5.03%
DJ ADVISORS AS		552 515	2.47%
EITOR AS		550 000	2.46%
ZEVS HOLDING AS		280 875	1.26%
MOSOL INVEST AS		256 000	1.15%
Others		2 841 875	12.73%
<b>Total number of shares</b>		<b>22 325 980</b>	<b>100.00%</b>

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

The company's management and board members controls Føniks Inovasjon AS, DJ Advisors AS, Eitor AS, ZEVS Holding AS, Mosol Invest AS and Nelle Management AS. The board member Øystein Stray Spetalen has direct and indirect ownership share in Saga Pure ASA, Tycoon Industrier AS and Ferncliff Listed Dai AS.

The board member Dr. Gabriel Clemens is CEO of Green Gas, E.ON SE and Managing Director of E.ON Hydrogen GmbH.

The board member Rolf Magne Larsen has direct ownership share in RM Consultants AS. He also owns private shares.

There have been no transactions between the company and the shareholders.

There are no loans/debt between the company and the shareholders.

## Note 10 Other long-term liabilities

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

	30/09/2022	30/09/2021	31/12/2021
1) Debt to Innovasjon Norge	2 400 000	2 400 000	2 400 000
2) Other long-term liabilities	868 094	-	840 586
<b>Total</b>	<b>3 268 094</b>	<b>2 400 000</b>	<b>3 240 586</b>

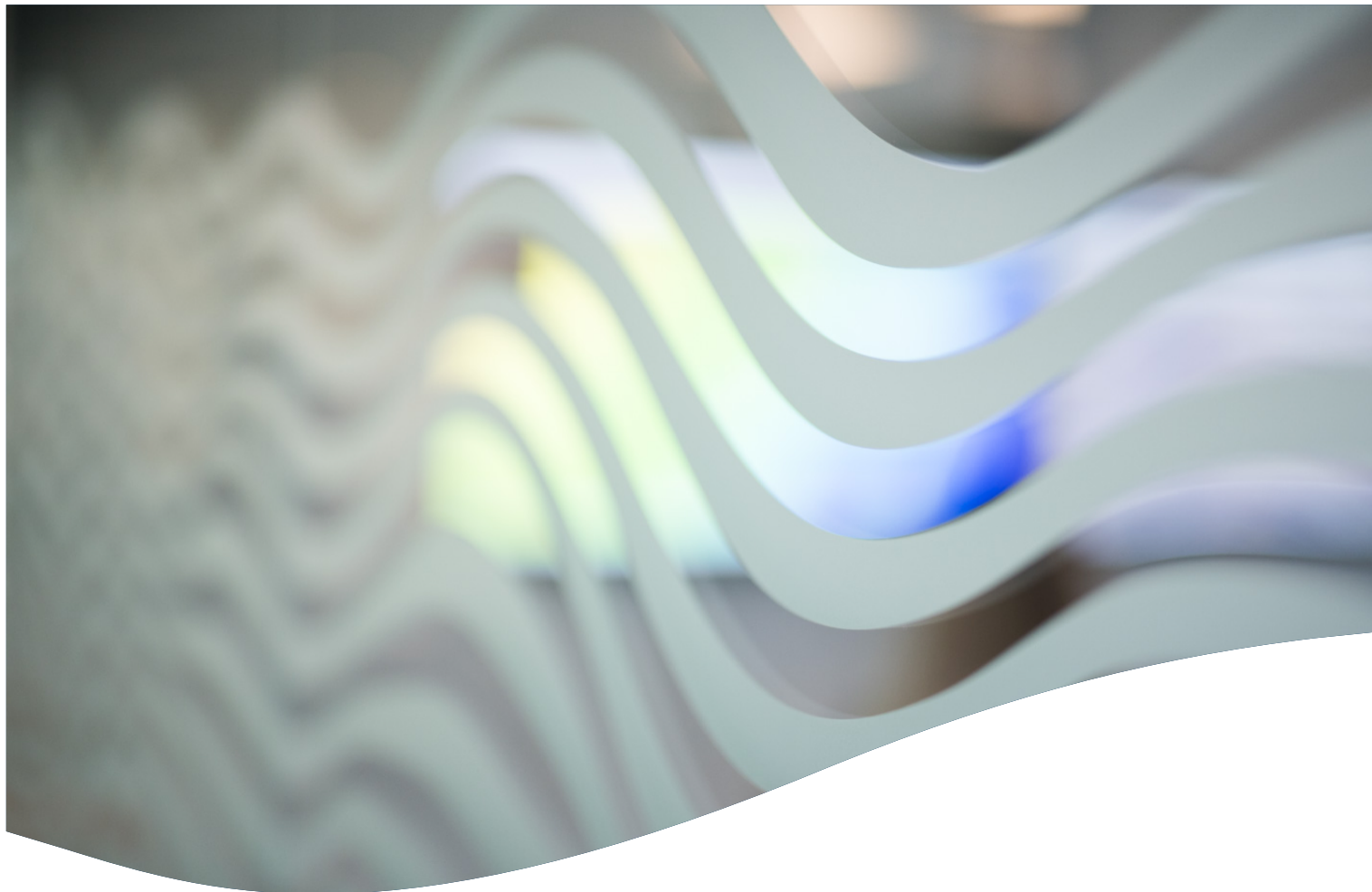
- 1) The company has a start-up loan of NOK 2 400 000 from Innovasjon Norge. The loan is interest free until summer 2023.
- 2) Item includes: Recognised lease liability on leasehold contract for offices due >12 months from balance date, and calculated social tax on share options for employees, due when options are exercised

## Note 11 Other current liabilities

	30/09/2022	30/09/2021	31/12/2021
Holiday pay allowance	2 733 533	1 043 952	1 619 766
Accrued cost	6 670 863	-	18 840 325
Other lease obligation with due date within 12 months	8 594 276		2 127 721
<b>Other current liabilities</b>	<b>17 998 672</b>	<b>1 043 951</b>	<b>22 587 811</b>

## Note 12 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 2022 including the Business Plan and the cash flow forecast.



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