

# Second quarter 2023

Interim report



## About Horisont Energi

**Horisont Energi is a Norwegian clean energy company with a mission to accelerate the transition to a carbon-neutral future through the development of a portfolio of projects. We aim to deliver end-to-end carbon capture and storage (CCS) solutions, as well as to produce clean ammonia using CCS for more than 99% CO<sub>2</sub> removal.**

As a company, we are committed to the energy transition. Time is of essence to meet the goals set in the Paris Agreement on climate change while simultaneously balancing the dramatic changes to energy supply and demand in Europe. The need for carbon-free and carbon-neutral energy sources is more pressing than ever before. We want to deliver solutions that support a carbon-neutral future.

The company is seeking to become a leading supplier of third-party carbon storage solutions through the establishment of an end-to-end value chain for carbon storage business to meet the high European demand.

The world also needs clean energy sources. That is why we continue to develop Europe's first industrial scale clean ammonia plant, the Barents Blue project.

Horisont Energi was founded in 2019, and in January 2022, E.ON became a strategic investor with 25% stake in Horisont Energi. E.ON has more than fifty million customers in fifteen countries where decarbonisation demand is on the increase. The engagement by E.ON strengthens our ability to accelerate the transition to carbon neutrality through pioneering projects.

Horisont Energi is headquartered in Sandnes, Norway. We also have offices in Hammerfest, Oslo and Edinburgh.

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

*Accelerating the transition to carbon neutrality*

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## Q2 2023 Highlights

- Prolonged partnership with E.ON to develop European CCS value chain
- Secured power supply for the Barents Blue project, representing an important milestone for the development and realisation of the project
- Maturing the Gismarvik CO<sub>2</sub> terminal project for potential 20-25 million tonnes of annual capacity, including third-party storage
- Started the development of a portfolio of carbon storage licenses with the goal of taking equity positions in storages which can be connected to the Gismarvik CO<sub>2</sub> terminal
- Several steps taken to strengthen the governance and align the organisation with changes to the Board and Management team
- Net loss of MNOK 58.7 down from MNOK 75.1 in Q1 primarily as a result of the termination of the Errai project. The H1 loss of MNOK 133.8 was MNOK 67.8 higher than last year as it included costs for both the Barents Blue and Errai projects, whilst the company last year had lower project costs and lower employee cost
- The cash at the end of the quarter was MNOK 267.7. The cash outflow has been high during the quarter and the first half of the year due the project activities. The cash position is however satisfactory for planned operating activities going forward. Planned activities do not require substantial external support, and the cash outflow will therefore be lower, which ensures that the company on this basis is funded until the end of 2024

## Subsequent Events

- A joint development agreement was signed with Fertiberia 23 August for realisation of the Barents Blue project

## Key figures

Million NOK	Q2 2023	Q1 2023	H1 2023	Q2 2022	H1 2022	FY 2022
Total income**	0	0	0	0	0	0
Operation profit (loss)	(61.4)	(77.4)	(138.8)	(32.6)	(68.7)	(143.5)
Net financial income (expenses)	2.7	2.3	5.1	1.6	2.7	9.7
Net profit (loss)	(58.7)	(75.1)	(133.8)	(31.0)	(66.0)	(133.8)
Cash/cash equivalents at the end of period	267.7	354.2	267.7	458.1	458.1	392.8

\*\* Horisont Energi currently has no activities generating income.

# Horisont Energi and Fertiberia move forward in developing Europe's largest clean ammonia plant Barents Blue

## Joint development agreement signed for realization of the Barents Blue project

- Horisont Energi and Fertiberia signed a cooperation agreement 1 February 2023 aiming to bring Fertiberia in as a partner in the Barents Blue project
- The companies have agreed to continue the work regulated by a joint development agreement (signed 23 August), which defines the work until the decision gate for concept select, and subsequent steps based on a positive outcome of this decision
- Horisont Energi and Fertiberia will share the project team efforts equally through a joint project team
- The parties will share the external project costs 50% towards concept select for the Barents Blue project as the first joint project milestone towards the end of Q1 2024



## Key topics to be solved:

- Secure gas supply from Melkøya with potential gas sellers
- Progressing Polaris CO<sub>2</sub> storage by securing a new partner qualified as operator to mature ammonia offtake
- Mature project financing strategies with relevant institutions
- Identify and influence further support schemes targeted for blue ammonia and hydrogen to anchor the project

## Prolonged and expanded partnership with E.ON to develop European CCS value chain

- New cooperation agreement with E.ON to develop a European value chain for CCS and joint efforts to access carbon storage capacity on the Norwegian Continental Shelf, strengthening agreement previously announced
- Horisont Energi and E.ON intend to further develop the strategy for CO<sub>2</sub> transport and storage. The ambition of the strategy is to jointly position Horisont Energi to access carbon storage licenses on the Norwegian Continental Shelf and for Horisont Energi to act as a storage capacity aggregator for E.ON
- Horisont Energi will be responsible for shipping and storage, targeting to take part in existing carbon storage licenses on the Norwegian continental shelf and through any new carbon storage licenses
- E.ON is expected to become a project partner in new carbon storage projects and potential farm-in-projects on the Norwegian Continental Shelf
- LOI signed with E.ON who intends to deliver more than one million tonnes of CO<sub>2</sub> annually by 2030 from its customers across Europe

*"I am excited to embark on my new role as Chairperson of Horisont Energi and continuing to represent E.ON on the board of directors. Horisont Energi has carried out considerable and valuable work over the last year within carbon capture and storage, and clean ammonia (energy)".*

*"We have ambitious plans to develop projects based on our knowledge base, powered by Horisont Energi's skilled and dedicated organisation and new partners. Together we are scaling projects for a carbon-neutral future".*

Dr. Gabriël Clemens,  
Chairperson  
of Horisont Energi





# Letter from the CEO

## Accelerating momentum – paving the way for clean energy

**We continue to see economic uncertainty with persistent inflation, higher interest rates, and an overall challenging geopolitical situation including the war in Ukraine. This affects the investment sentiment across most industries, including the renewable energy sector. At the same time, many of us have felt climate changes this summer, with record-breaking temperatures in July in several European countries. This underpins the importance of effectively accelerating the transition to a carbon-neutral future. We have no time to lose.**

Horisont Energi has made substantial progress on our projects and the organisation's development in the quarter. We have reignited the company in the second quarter and have high expectations for the second half of the year.

The Barents Blue project has made good progress on commercial aspects, including dialogue on gas purchase agreements and in the ammonia sales work stream. Sufficient power supply for the first stage of the project was secured during the second quarter.

We have continued to work alongside our new Barents Blue partner Fertiberia who brings significant value to the project. With 50 years of industrial experience and 14 ammonia plants in operation, the company adds invaluable ammonia know-how and operational experience. Furthermore, with green ammonia products already for sale to thousands of customers, they have commercial and market knowledge which will be important for the commercialisation of the high-quality Barents Blue clean ammonia product. Finally, with Fertiberia being one of the most ambitious legacy ammonia companies globally with a zero net emissions goal by 2035, we have a partnership that is fully aligned on taking a lead in the energy transition.

Barents Blue is an important project in relation to the development of a new green industry in Northern Norway, bridging the gap to carbon neutrality.

We continue to develop our carbon storage project Polaris as a potential third-party CO<sub>2</sub> storage option. The project shows great potential to be realized ahead of Barents Blue, either as a stand-alone project or jointly with benefits for both projects. We are in dialogue with potential customers as suppliers

of CO<sub>2</sub> and are benefitting from the considerable development efforts done in the Polaris concept studies in 2021 and 2022. The Polaris project received a CO<sub>2</sub> storage license from the Norwegian Ministry of Petroleum and Energy in 2022. We have secured a license extension until the end of 2023 where Equinor will remain a technical (pro forma) operator until a new operator is approved.

The Gismarvik CO<sub>2</sub> terminal is turning out to be an asset attracting attention from many companies. The terminal is a possible enabler of projects that require critical industrial infrastructure like electricity, a harbour basin, and a deep-sea quay in place. Our option agreement with one of Norway's largest industrial areas creates concrete opportunities for partnerships and collaboration for Horisont Energi.

We have continued the development of the Gismarvik CO<sub>2</sub> terminal to support a much larger amount of CO<sub>2</sub> and now see a potential capacity of up to 25 million tons of capacity per annum in a phased approach. This enables the terminal to be a solution for a portfolio of carbon storage projects.


We continue to use the lessons and experience learned from the maturation of our previous Errai carbon storage project into new license applications. Horisont Energi is planning for new license applications to establish a portfolio of carbon storage projects and expects to return to this during the second half of the year. Furthermore, we continue to cooperate with our great partner E.ON to develop a European value chain for CCS.

We are developing the organisation in parallel with the advancements of the project portfolio. We have reorganised

our management team to better support the organisation in reaching its goals and were pleased to welcome our new CFO Leiv Kallestad during the second quarter. We also welcome Dr. Gabriel Clemens from E.ON as the new Chair of the Board, to support in the scaling of our ambitious projects.

We have laid a strong foundation through project development, partnership agreements, and the development of comprehensive industry insights. This includes the submission of 28 patent applications so far, illustrating the innovative capacity of the organisation. Our work to mature the technology and project engineering within both our ammonia and CCS businesses will facilitate a cost-effective and standardised approach to the development of our projects.

Succeeding in our endeavour is however a long-term commitment, more like a marathon than a sprint. While there is still a considerable distance ahead, I am glad to see that we are making substantial progress on our journey.

DocuSigned by:  
  
 Bjørgulf Haukelidsæter Eidesen  
 CEO, Horisont Energi

# Clean ammonia



# Barents Blue clean ammonia | Project update

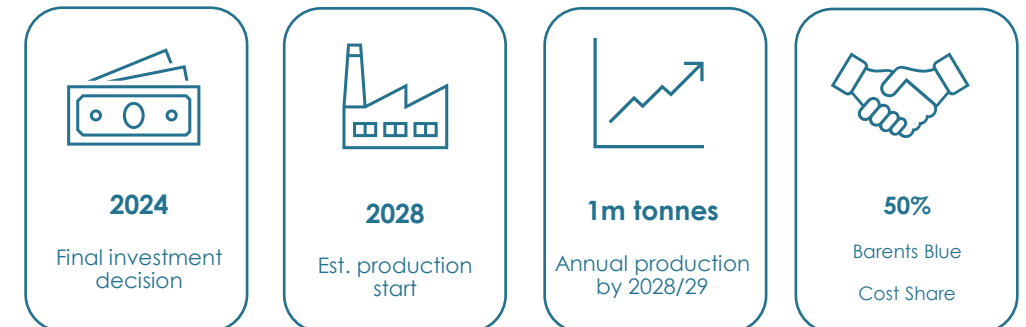
## Europe's first world-scale clean ammonia plant

- The Barents Blue project at Markoppneset in Finnmark will become Europe's first world scale clean ammonia facility if executed. Combined with the CCS project Polaris, Barents Blue will offer a best-in-class lifecycle carbon footprint, with more than 99% CO<sub>2</sub> captured.
- In June sufficient power supply for the first stage of the project was secured. This clarification is positive, and important for the continued development of the project.
- Good progress in commercial aspects of the project, both on feedstock and offtake.
- Horisont Energi is working to simplify and reduce project costs. Focus is now on the first production line (train) of 1 million tonnes ammonia per year, which also reduces complexity. A second train will be developed at a later stage.
- Horisont Energi signed a cooperation agreement with Fertiberia 1 February 2023, which has been expanded into a Joint Development Agreement signed on 23 August for realization of the Barents Blue project.
- Barents Blue has received a conditional grant of NOK 482 million from Enova, as part of the IPCEI Hydrogen program, granted 17 December 2021.
- The project has potential upside by delivering blue power.

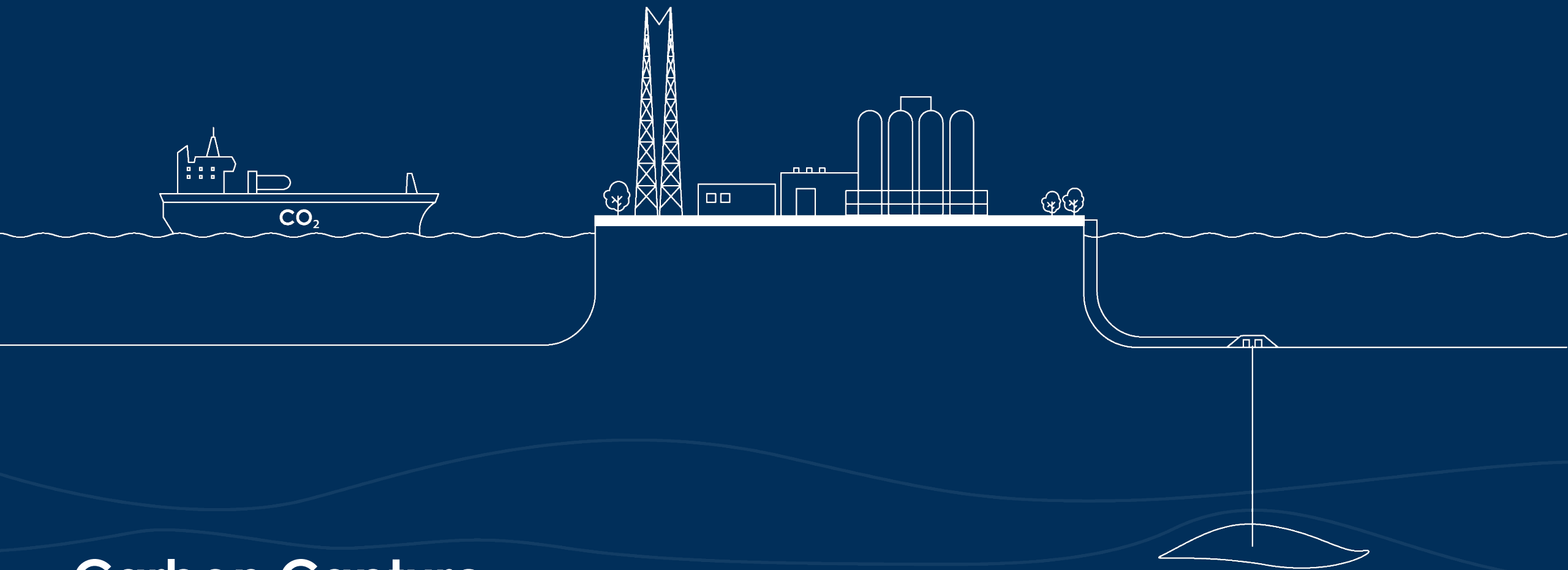
## Project highlights

- European-first world-scale CO<sub>2</sub>-free ammonia production with an annual production of 1 million tonnes
- Best-in-class life-cycle carbon footprint, with above 99% carbon capture
- Modular construction strategy with focus on sustainable solutions and circular practices in design
- Mostly self-sufficient on power, limited renewable electricity from grid
- Fertiberia adding more than five decades of ammonia plant and supply chain knowhow
- EU Taxonomy compliant pursuant to delegated acts for hydrogen and anhydrous ammonia
- Barents Blue part of plant to become carbon neutral by 2035

## Key figures







# Carbon Capture and Storage

## CCS strategy - ambitions

2030 Ambitions

# >200Mt

Equity storage capacity

Become a carbon storage operator

Be central in the carbon market including CDR

TODAY

# 1 PROJECT

- ✓ Polaris project in development
- ✓ Developed planning basis for a CO<sub>2</sub> project portfolio

2028

# 4 PROJECTS 1-2 RESERVOIRS IN OPERATION

- ✓ Polaris in operation
- ✓ 1 new projects in operation including Gismarvik CO<sub>2</sub> terminal
- ✓ 4 new projects in development and passed DG1

2030

# 5 PROJECTS 3-4 RESERVOIRS IN OPERATION

- ✓ 1-2 new projects in operation
- ✓ 2-3 new projects in development and passed DG1

## Polaris carbon storage | Project update

### Important CO<sub>2</sub> project developing a CCS value chain in Northern Norway

- The process to onboarding a new operating partner for Polaris is progressing well with a goal to establish a new license group in Q3 2023.
- Equinor acts as a technical (pro forma) operating partner until early December 2023.
- Polaris is a key part of the Barents Blue project, and we explore the possibility for 3-party CO<sub>2</sub> storage.
- The Polaris license has performed all the work obligations in the first phase of the license work program. This includes 3D seismic reprocessing, feasibility studies for subsea and subsurface, offshore surveys and operations. Furthermore, concept studies have also been performed, which is the work obligation in the next phase of the license.
- As part of the Polaris CO<sub>2</sub> storage project, an offshore direct injection from vessel to well was developed through to conceptual level in 2021. We have also built an intellectual property portfolio covering this offshore injection solution. In that way, we have matured two main concepts tailored to CCS developments, the terminal and pipeline concept, and direct offshore injection from vessel to well. These development efforts have built a high competence level in the company.
- With all the work done the updated Polaris project concept can offer a commercial solution for CO<sub>2</sub> from continental Europe, based upon this and commercial CO<sub>2</sub> capture projects in Norway Polaris can be accelerated ahead of the rest of the Barents Blue project to serve 3-parties.

### Project highlights

- Developing a fit for purpose cost efficient storage asset
- Key part of Barents Blue project with anticipated start-up in 2028
- Exploring third party CO<sub>2</sub> storage option with potential start-up in 2027, using direct offshore injection concept
- Focus on sustainable and inherently safe solutions in design
- Development of a simplified CO<sub>2</sub> injection offshore system
- Safe and long-term sequestration of CO<sub>2</sub>
- An important milestone in developing carbon storage as a major green industry in the north of Norway

### Key figures



**2024**

Final investment  
decision



**2027**

Est. start



**4-8 m tonnes**

First phase storage  
capacity

## Gismarvik CO<sub>2</sub> terminal | Project update

**The largest planned CO<sub>2</sub> terminal in Norway with an annually capacity up to 20-25 million tonnes creating a large-scale CO<sub>2</sub> hub**

- Horisont Energi signed an option agreement in late December 2022 with Haugaland Industrial Park for a land-based CO<sub>2</sub> terminal planned at the deep-water port of Gismarvik.
- The plan is to build Norway's second and largest terminal for intermediate CO<sub>2</sub> storage prior to onwards transport by pipeline for permanent storage under the seabed of the Norwegian Continental Shelf.
- The onshore concept for the Gismarvik CO<sub>2</sub> terminal has undergone design maturation both on the civil and terminal design side. Significant progress has been made and a highly value optimised, and cost-effective design is the result of all the work performed. The planning program was approved by local communities in June.
- Through the work done on the offshore part of the Errai project, a fit for purpose CO<sub>2</sub> injection solution and system design has been developed together with our contractors. The work has been conducted building significant know-how, technical basis, and intellectual properties for CO<sub>2</sub> terminals and future CCS projects.
- Our simplified, secure, and cost-effective seabed concept is planned to be the basis for our upcoming CCS projects – also a result of the work with Errai (and previously Polaris).





# Organisational update



# Organisational update

**Horisont Energi has taken several steps to strengthen the governance and align the organisation and its resources and cost base with the outlook for a company focused on clean ammonia and carbon capture and storage (CCS).**

On the Annual General Meeting 25 May, Dr. Gabriël Clemens was appointed as new Chair of the Board, representing the largest shareholder E.ON and underlining their commitment to the future of Horisont Energi. Mr. Clements replaced Rob Stevens who will continue as a board member. Leif Christian Salomonsen was appointed new Deputy Chairperson.

During the second quarter, the company made several changes in the management and the organisation. The core management team will consist of the CEO, CFO, the Chief Operating Officer (COO) and Chief Legal Officer (CLO), a team that was strengthened with the appointments of Leiv Kallestad as CFO and Ståle Brattebø as COO and CTO in the second quarter.

The business areas will be organized around a clean ammonia team and a CCS team supported by commercial and technical teams, with the intent of optimizing the use of resources. The new set-up allows the company to adjust the activity level to a dynamic business environment, maintaining a sharp cost focus. The company expects to lower the cost level and reduce the cash burn during the second half of 2023 compared to first half.

Horisont Energi has three offices in Norway (Sandnes, Oslo and Hammerfest), and a technical site office in Edinburgh, UK. The company has a very competent and experienced organization of 44 employees. Several have PhDs or Master's degrees in different disciplines and functions with significant experience covering areas of expertise such as facilities and process engineering as well as sub surface, areas critical to the continued development of the company.

The new CFO Leiv Kallestad comes from a position as a CEO at Optimarin, where he has been an essential contributor to securing growth and establishing an industrial platform for future-oriented businesses and has CFO experience from both public and private companies. Leiv Kallestad replaced Dan Jarle Flølo who will continue supporting the company in an advisory role.

COO/CTO Ståle Brattebø has been part of the management team in Horisont Energi for 3 years. He has over 30 years of leadership experience and entrepreneurship in the subsea industry, from both contractors and energy companies including Poseidon group, Siemens, Saga, and Aker Solutions.

Frode A. Berntsen, CLO has been part of the management team for 1,5 years. He was senior lawyer and partner in the law firm "Simonsen Vogt Wiig" working with offshore, petroleum and M&A related subjects before entering Horisont Energi.



Bjørgulf Haukelidsæter Eidesen,  
CEO & Founder



Ståle Brattebø,  
COO/CTO



Leiv Kallestad, CFO



Frode A. Berntsen, CLO



## Outlook and market perspective

**Horisont Energi reassessed its plans and ambitions during the second quarter and is focusing its resources on the Barents Blue project and a revised scope for the CCS business. The company has strengthened the governance structures and streamlined the organisation to continuously align with a dynamic business environment. The company will continue to move forward with a mission to accelerate the transition to a carbon-neutral future.**

### CCS

As part of its ambitious plans to tackle the climate crisis and achieve a carbon-neutral future, the EU is incentivising CCS with a goal to make CCS economically preferable over CO<sub>2</sub> emissions. The development of a commercialised and sustainable CCS-market is expected to contribute significantly to emission reductions and to enable emission reduction also in 'hard-to-abate' sectors such as cement and steel. In the Net Zero Industry Act, EU stated a clear ambition to store 50 million tonnes annually by 2030, increasing more than ten-fold to 550 million tonnes of CO<sub>2</sub> storage annually by 2050. Through this act EU is recognising CCS as a key part of the solution.

Together with partners, Horisont Energi has built deep in-house knowledge across the CO<sub>2</sub> value chain, including technical solutions for offshore injections, CO<sub>2</sub> reservoir modelling, and experience with CO<sub>2</sub> exploration license applications and onshore CO<sub>2</sub> terminals.

Our strategic cooperation with E.ON on the CCS value chain continues and will also remain a competitive edge going forward. Horisont Energi plans to use its experience and competitive edge to work towards developing a small portfolio of projects with low to medium equity participation.

In Southern Norway, the planned Gismarvik CO<sub>2</sub> terminal will be an important asset which could possibly serve as a hub for CO<sub>2</sub> storages in the North Sea. The company is also considering the potential of connecting existing CO<sub>2</sub> storage licenses to the Gismarvik CO<sub>2</sub> terminal. This would allow for the completion of the CO<sub>2</sub> value chain that Horisont Energi is developing together with E.ON.

In the North, the company considers establishing the Polaris license as third-party storage for CO<sub>2</sub> volumes, in addition to the CO<sub>2</sub> from the Barents Blue project. Polaris may also be a solution for large CO<sub>2</sub> volumes for Continental customers wanting to secure commercial CO<sub>2</sub> storage at an early stage.

Horisont Energi is working towards attracting an operating partner for the Polaris CO<sub>2</sub> project by year-end. We are making good progress in this work.

### Clean Ammonia

As for the CCS market, the EU has high ambitions for clean ammonia both for domestic production and for imports into the region. EU is planning for annual production of hydrogen and hydrogen-derivatives such as ammonia of around 50 million tonnes and equally high amounts of imports.

The Barents Blue at Melkøya in Finnmark remains our key clean ammonia project. The plant design has reached high technical maturity, including both the gas tie-in solution for the Melkøya LNG plant and the Polaris CO<sub>2</sub> and subsurface facilities.

Over the next quarters our main efforts will be to verify and document the commercial basis for Barents Blue together with Fertiberia. This is to be able to proceed with a concept selection and then eventually a FEED study. Establishing a commercial basis means securing gas purchases and the corresponding commercial agreements for gas supply, ammonia sales and other related agreements. This will allow us to proceed with establishing a Barents Blue project company, which in turn is a prerequisite for the release of the funding we have been awarded through IPCEI Hydrogen.

### The company

2023 has been challenging so far. The Board's assessment is that the company has progressed from the setbacks in Q1. Despite the significant continued execution risk that the company faces, including its ability to attract and finalise additional partnership agreements as well as successfully raise financing for the next stages of project developments, the company continues to move forward focused on delivering on the strategy and main goals.

# Responsibility statement

The Board of Directors and the CEO certify that the interim financial statements for the period from 1 January 2023 to 30 June 2023 gives a fair view of the performance of the business, position and profit or loss of the Company, and describes the principal risks and uncertainties that the Company faces.

**The board of directors for Horisont Energi AS**

Sandnes, 23 August 2023

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*Dr. Gabriël Clemens*  
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**Dr. Gabriël Clemens**

Chairman of the board

DocuSigned by:  
*Leif Christian Salomonsen*  
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**Leif Chr. Salomonsen**

Board member

DocuSigned by:  
*Beatriz Malo de Molina*  
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**Beatriz Malo de Molina**

Board member

DocuSigned by:  
*Rob Matheus Maria Stevens*  
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**Rob Matheus Maria Stevens**

Board member

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*Rolf M. Larsen*  
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**Rolf Magne Larsen**

Board member

DocuSigned by:  
*Bjergulf Haukelidsæter Eidesen*  
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**Bjergulf Haukelidsæter Eidesen**

Chief Executive Officer

# Interim financial report

# Consolidated statements of income

(all amounts i NOK)	Notes	Q2 2023 Unaudited	Q2 2022 Unaudited	H1 2023 Unaudited	H1 2022 Unaudited	Full year 2022 Audited
<b>Other income</b>						
Other income		0	0	0		0
<b>Total other income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating costs</b>						
Salary and personnel costs	1	13 008 902	4 803 947	23 413 519	10 128 096	41 181 811
Depreciation	2, 3	1 153 344	936 597	2 306 687	1 531 307	2 658 681
Other operating costs	4, 5	47 283 626	26 903 444	113 117 201	57 079 430	99 662 203
<b>Total operating costs</b>		<b>61 445 872</b>	<b>32 643 988</b>	<b>138 837 407</b>	<b>68 738 831</b>	<b>143 502 695</b>
<b>OPERATING PROFIT (LOSS)</b>		<b>-61 445 872</b>	<b>-32 643 988</b>	<b>-138 837 407</b>	<b>-68 738 831</b>	<b>-143 502 695</b>
<b>FINANCIAL INCOME AND EXPENSES</b>						
Interest income	5	3 198 106	1 985 000	6 471 115	3 330 450	10 223 871
Interest expenses	2	-163 869	-109 312	-303 697	-141 014	-212 196
Other financial income		11 270	1 574	11 270	172 856	638 059
Other financial expenses		-304 834	-250 976	-1 107 950	-627 170	-932 432
<b>Net financial income (expenses)</b>		<b>2 740 673</b>	<b>1 626 286</b>	<b>5 070 738</b>	<b>2 735 122</b>	<b>9 717 302</b>
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>-58 705 199</b>	<b>-31 017 702</b>	<b>-133 766 670</b>	<b>-66 003 709</b>	<b>-133 785 393</b>
Income tax expense	6	0	0		0	0
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>6</b>	<b>-58 705 199</b>	<b>-31 017 702</b>	<b>-133 766 670</b>	<b>-66 003 709</b>	<b>-133 785 393</b>

# Consolidated statements of financial position

		30/06/2023	30/06/2022	31/12/2022
(all amounts i NOK)	Notes	Unaudited	Unaudited	Audited
<b>ASSETS</b>				
<b>Non-current assets</b>				
Right-of-use assets	2	6 902 357	10 322 503	9 147 749
<b>Total non-current assets</b>		<b>6 902 357</b>	<b>10 322 503</b>	<b>9 147 749</b>
<b>Machines, furnishings and fittings</b>				
Fixtures and fittings, tools, office machinery, etc	3	431 695	140 226	492 991
<b>Total machines, furnishings and fittings</b>		<b>431 695</b>	<b>140 226</b>	<b>492 991</b>
<b>Total fixed assets</b>		<b>7 334 052</b>	<b>10 462 729</b>	<b>9 640 740</b>
<b>Current assets</b>				
<b>Receivables</b>				
Accounts receivables		0	9 251 242	30 974 756
Other receivables	7	34 965 619	10 310 448	11 225 517
<b>Total receivables</b>		<b>34 965 619</b>	<b>19 561 690</b>	<b>42 200 273</b>
<b>Cash and cash equivalents</b>				
	8	<b>267 690 189</b>	<b>458 082 535</b>	<b>392 827 162</b>
<b>Total current assets</b>		<b>302 655 808</b>	<b>477 644 225</b>	<b>435 027 434</b>
<b>TOTAL ASSETS</b>		<b>309 989 860</b>	<b>488 106 954</b>	<b>444 668 174</b>

(all amounts i NOK)	Notes	30/06/2023	30/06/2022	31/12/2022
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Paid-in equity</b>				
Share capital	9, 10	223 259	223 259	223 259
Share premium	9	566 687 897	566 687 897	566 687 897
Other paid-in equity	9	7 817 828	6 455 014	7 083 954
<b>Total contributed equity</b>	9	<b>574 728 984</b>	<b>573 366 170</b>	<b>573 995 110</b>
<b>Retained earnings (deficit)</b>				
Retained earnings (deficit)	9	-324 583 405	-123 035 055	-190 816 735
<b>Total retained earnings (deficit)</b>		<b>-324 583 405</b>	<b>-123 035 055</b>	<b>-190 816 735</b>
<b>Total equity</b>	9	<b>250 145 579</b>	<b>450 331 116</b>	<b>383 178 375</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Other long term liabilities	2, 11	2 122 439	8 572 986	4 518 497
Liabilities to financial institutions	11	0	2 400 000	2 400 000
<b>Total non-current liabilities</b>		<b>2 122 439</b>	<b>10 972 986</b>	<b>6 918 497</b>
<b>Current liabilities</b>				
Accounts payables		11 395 217	13 364 282	16 014 563
Public duties payable		3 920 595	3 223 926	5 289 281
Other current liabilities	2, 12	42 406 029	10 214 645	33 267 460
<b>Total current liabilities</b>		<b>57 721 842</b>	<b>26 802 853</b>	<b>54 571 304</b>
<b>Total liabilities</b>		<b>59 844 281</b>	<b>37 775 839</b>	<b>61 489 801</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>309 989 860</b>	<b>488 106 954</b>	<b>444 668 174</b>



# Consolidated statements of cash flow

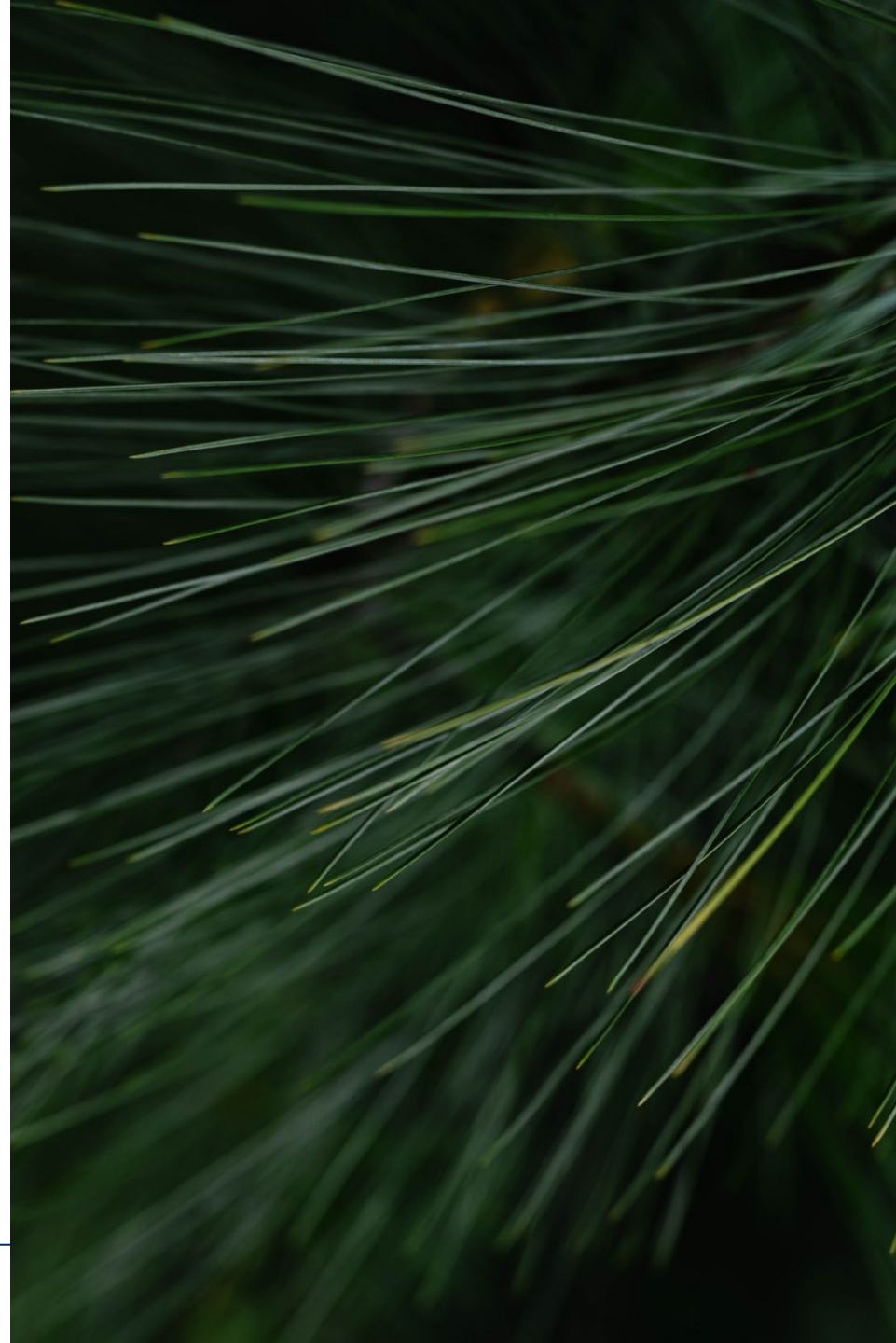
(all amounts i NOK)

	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
<b>Cash flow from operating activities</b>					
Profit (loss) before income tax	-58 705 199	-31 017 702	-133 766 670	-66 003 709	-133 785 393
Negative instalments tax	-	-	-	-	-
Tax refund received	-	-	-	-	-
Interest on right use liabilities	147 269	109 312	282 021	137 561	-
Depreciations	1 153 344	936 597	2 306 688	1 531 307	2 658 681
Cost related to employee share options	364 856	276 014	624 317	538 361	1 248 947
Change in accounts receivables	3 463 105	9 837 500	30 974 756	17 447 744	-4 275 770
Change in accounts payables	-14 456 906	-3 165 788	-4 619 346	-3 251 038	-600 757
Change in other short-term receivables and payables	-14 853 154	-3 902 496	-15 970 218	-2 209 087	19 517 837
<b>Net cash flow from operating activities</b>	<b>-82 886 686</b>	<b>-26 926 563</b>	<b>-120 168 452</b>	<b>-51 808 860</b>	<b>-115 236 454</b>
<b>Cash flow from investing activities</b>					
Investments in fixed assets	-	-146 247	-	-146 247	-547 974
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-146 247</b>	<b>-</b>	<b>-146 247</b>	<b>-547 974</b>
<b>Cash flow from financing activities</b>					
Capital contribution net of fees	-	-	-	419 857 369	419 875 005
Financing from financial institutions	-2 400 000	-	-2 400 000	-	-
Payments of lease debt including interest	-1 246 106	-881 980	-2 568 522	-1 508 840	-2 952 528
<b>Net cash from financing activities</b>	<b>-3 646 106</b>	<b>-881 980</b>	<b>-4 968 522</b>	<b>418 348 529</b>	<b>416 922 477</b>
Net cash flow from discontinued operations					
Net change in cash and cash equivalents	-86 532 792	-27 954 790	-125 136 974	366 393 422	301 138 049
Cash/cash equivalents at the beginning of period	354 222 981	486 037 325	392 827 162	91 689 113	91 689 113
<b>Cash/cash equivalents at the end of period</b>	<b>267 690 189</b>	<b>458 082 535</b>	<b>267 690 189</b>	<b>458 082 535</b>	<b>392 827 162</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 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 2022. 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 2022.



## Selected notes

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

Payroll expenses	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Salaries/wages	9 650 762	5 773 621	24 035 303	12 972 329	43 848 396
Social security fees	1 567 201	1 008 196	3 627 233	2 265 178	6 615 362
Pension expenses	1 586 254	1 070 782	3 264 161	1 937 889	5 124 029
Other remuneration	1 685 081	1 101 471	2 822 577	1 849 771	2 910 819
<b>Gross employee benefits expenses</b>	<b>14 489 298</b>	<b>8 954 070</b>	<b>33 749 274</b>	<b>19 025 167</b>	<b>58 498 606</b>
The number of employees	44	40	44	40	44
Reimbursed from partners	-1 480 396	-4 150 123	-10 335 755	-8 897 071	-17 316 795
<b>Salary and personnel costs</b>	<b>13 008 902</b>	<b>4 803 947</b>	<b>23 413 519</b>	<b>10 128 096</b>	<b>41 181 811</b>

The company has a defined contribution scheme which covers all the employees. Total expensed in pension cost is NOK 3 264 161 (NOK 1 937 889 in H1 2022).

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

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

#### Employee share options scheme 2023:

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 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.

	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Expensed salary cost related to employee share options	364 856	276 014	733 874	538 361	1 167 302
	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>31/12/2022</b>		
Outstanding warrants opening balance 01.01	426 000	340 000	340 000		
Warrants granted	20 000	-	86 000		
Warrants forfeited	-20 000	-	-		
Warrants exercised		-	-		
Warrants expired		-	-		
Outstanding warrants at end of period	426 000	340 000	426 000		
Of which exercisable	-	-	-		

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

	30/06/2023	30/06/2022	31/12/2022
- Exercise price between	26-56	70-117	42-158
- Share price at grant date between	17-38	25-73	38-79
- Expected volatility	40%	40%	40%
- Risk free interest rate	4%	1%	1%
- Term of options between	1,5-4 years	1,5-4 years	1,5-4 years

## Selected notes

### Note 2 Leases IFRS 16

#### Right-of-use assets

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

	30/06/2023	30/06/2022	31/12/2022
Right-of-use assets	offices		Offices
Acquisition cost as at 01.01.	13 005 776	4 013 854	4 013 854
Addition of use-of-rights	-	9 088 264	9 677 265
Termination of use-of-rights	-	-	-685 343
<b>Acquisition cost end of period</b>	<b>13 005 776</b>	<b>13 102 118</b>	<b>13 005 776</b>
Depreciation and write-downs as at 01.01.	3 858 027	1 254 329	1 254 329
Depreciation for the period	2 245 392	1 525 286	2 603 698
Write-downs for the period	-	-	-
<b>Depreciation and write-downs as at end of period</b>	<b>6 103 419</b>	<b>2 779 615</b>	<b>3 858 027</b>
<b>Book value right-of-use assets at end of period</b>	<b>6 902 357</b>	<b>10 322 503</b>	<b>9 147 749</b>
Economic lifetime	12-50 months	24-60 months	12-50 months
Depreciation method	Linear	Linear	Linear
	30/06/2023	30/06/2022	31/12/2022
<b>Lease liability</b>	<b>Offices</b>		<b>Offices</b>
Liabilities and payment schedule			
Less than 1 year	3 416 087	2 294 690	4 221 217
1-2 years	1 141 997	8 362 689	1 976 850
2-3 years	1 165 436		1 165 436
3-5 years	620 136		1 266 654
<b>Total lease liabilities at end of period</b>	<b>6 343 655</b>	<b>10,657,379</b>	<b>8 630 157</b>
Changes in lease liabilities	30/06/2023	30/06/2022	31/12/2022
Lease liabilities at 01.01.	8 630 157	2 940 395	2 940 395
New/recalculated liabilities this period	-	9 088 264	9 677 265
Termination of lease	-	-	-1 221 202
Downpayments of liabilities	-2 568 522	-1 508 840	-2 952 528
Interest payments	-	-	-
Interest on lease liabilities	282 021	137 561	186 227
<b>Total lease liabilities at end of period</b>	<b>6 343 655</b>	<b>10 657 379</b>	<b>8 630 157</b>

# Selected notes

## Note 3 Fixed assets

Machinery and equipment	30/06/2023	30/06/2022	31/12/2022
Acquisition cost as at 01.01	547 974		-
Additions	-	146 247	547 974
Disposals	-	-	-
Acquisition cost at end of period	547 974	146 247	547 974
Accumulated depreciation 30.06	-116 279	-6 021	-54 983
Accumulated write-downs 30.06	-	-	-
Net value at end of period	431 695	140 226	492 991
Depreciation for the period	30 648	6 021	54 983
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.



## Selected notes

### Note 4 Other operating costs

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

	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Office rentals and other office expenses	1 883 959	1 222 133	6 436 363	2 033 144	3 835 104
Consultants fee, studies etc.	59 762 578	34 494 672	162 221 075	84 485 611	179 552 911
Reimbursed from partners	-15 491 693	-10 306 832	-57 691 820	-37 679 604	-72 224 149
Skattefunn	-	-	-	-	-4 750 000
Licences, patents and royalties	-	183 443	-	6 437 703	7 510 084
Other expenses	1 128 782	1 310 028	2 151 583	1 802 576	-14 261 747
<b>Total</b>	<b>47 283 626</b>	<b>26 903 444</b>	<b>113 117 201</b>	<b>57 079 430</b>	<b>99 662 203</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.

### Note 5 Interest income

	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Interest earnings, tax-free	-	-	-	-	10 049
Interest earnings, bank	3 198 106	1 985 000	6 471 115	3 330 000	10 155 150
Interest earnings, customers	-	-	-	450	58 672
<b>Interest income</b>	<b>3 198 106</b>	<b>1 985 000</b>	<b>6 471 115</b>	<b>3 330 450</b>	<b>10 223 871</b>



## Selected notes

### Note 6 Taxes

This year's tax expense	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Entered tax on ordinary profit/loss:	-	-	-	-	-
Payable tax	-	-	-	-	-
Changes in deferred tax assets	-	-	-	-	-
<b>Tax expense on ordinary Profit/loss</b>	-	-	-	-	-
Taxable income:					
Result before tax	-58 705 199	-31 017 702	-133 766 670	-66 003 709	-133 785 393
Permanent differences	38 680	26 017	66 167	- 999 999	-5 590 029
Changes in temporary differences	623 268	-330 971	848 409	- 154 006	495 873
<b>Taxable income</b>	<b>-58 043 251</b>	<b>-31 322 656</b>	<b>-132 852 094</b>	<b>-67 157 714</b>	<b>-138 879 549</b>
Payable tax in the balance:	-	-	-	-	-
Payable tax on this year's result	-	-	-	-	-
<b>Total payable tax in the balance</b>	-	-	-	-	-

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:

	30/06/2023	30/06/2022	31/12/2022
Tangible assets	-6 684	-	54 612
Lease agreements brought to the balance	558 702	-334 876	517 592
Other provisions	-2 044 930	-	-1 420 613
<b>Total</b>	<b>-1 492 912</b>	<b>-334 876</b>	<b>-848 409</b>
Accumulated loss to be brought forward	-337 681 734	-133 301 017	-204 829 640
<b>Not included in the deferred tax calculation</b>	<b>-338 530 143</b>	<b>-133 635 893</b>	<b>-205 678 049</b>
<b>Deferred tax assets (22 %)</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.



## Selected notes

### Note 7 Other receivables

	30/06/2023	30/06/2022	31/12/2022
Advance payment to suppliers	-	207 654	-
Receivable Skattefunn	4 750 000	4 750 000	4 750 000
Prepaid costs	3 370 146	1 938 532	2 301 329
Recharge to partners	25 553 434	3 414 262	3 216 507
Settlement account for VAT	1 292 039	-	957 680
<b>Other receivables</b>	<b>34 965 619</b>	<b>10 310 448</b>	<b>11 225 517</b>

### Note 8 Cash and cash equivalents

	30/06/2023	30/06/2022	31/12/2022
Restricted cash related to tax withholding accounts amounts	2 243 921	1 369 580	3 237 839

### Note 9 Share capital

	Share capital	Share premium	Other paid-in equity	Retained earnings (deficit)	Total equity
Balance 01.01.	223 259	566 687 897	7 083 954	-190 816 735	383 178 375
Cost related to employee share options			733 874		733 874
Net profit (loss) for the period				-133 766 670	-133 766 670
<b>Balance 30.06</b>	<b>223 259</b>	<b>566 687 897</b>	<b>7 817 828</b>	<b>-324 583 405</b>	<b>250 145 579</b>

\* The company has a share option programme for all employees. NOK 364 856 has been expensed related to the Company's share options programme Q2 2023.

# Selected notes

## Note 10 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 30.06	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%
EITOR AS	550 000	2,46%
NORDNET LIVSFORSIKRING AS	525 248	2,35%
SPECIALFONDET KLP ALFA GLOBAL ENER	413 798	1,85%
APOLLO ASSET LIMITED	300 000	1,34%
ZEVS HOLDING AS	280 875	1,26%
MOSOL INVEST AS	256 000	1,15%
NELLE MANAGEMENT AS	255 300	1,14%
Others	8 359 211	37,44%
<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 and Zevs Holding AS.

There has been no material transactions between the company and the shareholders.

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

## Selected notes

### Note 11 Other long-term liabilities

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

	30/06/2023	30/06/2022	31/12/2022
1) Debt to Innovasjon Norge	-	2 400 000	2 400 000
2) Other long-term liabilities	2 122 439	8 572 986	4 518 497
<b>Total</b>	<b>2 122 439</b>	<b>10 972 986</b>	<b>6 918 497</b>

Debt that

- 1) 1) The company had a startup loan of NOK 2 400 000 from Innovasjon Norge. The loan has been repaid in June.
- 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 12 Other current liabilities

	30/06/2023	30/06/2022	31/12/2022
Holiday pay allowance	2 379 899	1 374 582	4 372 314
Accrued cost	35 804 913	6 545 373	24 673 929
Other lease obligation with due date within 12 months	4 221 217	2 294 690	4 221 217
<b>Other current liabilities</b>	<b>42 406 029</b>	<b>10 214 645</b>	<b>33 267 460</b>

### Note 13 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, realization 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 14 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 2023 including the business plan and the cash flow forecast.

Horisont Energi signed a joint development agreement with Fertiberia 23 August 2023 for the realization of Barents Blue.

The future solidity and going concern of the company will depend on the development of projects and their financing. Updates are shared with the market in notices to the stock exchange.



[www.horisontenergi.no](http://www.horisontenergi.no)