

Third 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 large-scale industrial 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% CO₂ removal.

As a company, we are committed to the energy transition. Time is of essence to meet the climate change goals set in the Paris Agreement 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.

Horisont Energi seeks to become a leading supplier of carbon storage solutions through the establishment of an end-to-end CCS value chain to meet the high European demand for storage. The world also needs clean energy sources. That is why we develop Europe's first industrial scale clean ammonia plant, the Barents Blue project. The company was founded in 2019, and E.ON became a strategic partner and investor with 25% stake in Horisont Energi in January 2022. The cooperation with E.ON strengthens our ability to accelerate the transition to carbon neutrality through pioneering projects which encompass the entire carbon value chain.

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".

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Accelerating the transition to carbon neutrality

Letter from the CEO

Building momentum towards important milestones

Even though high inflation and interest rates have increased the costs of both materials and capital for major industrial projects we note that the deployment of clean energy technologies is continuing and with accelerating momentum in many cases.

Horisont Energi has made progress on its three major strategic project initiatives this quarter; the clean ammonia project Barents Blue, the carbon storage project Polaris, and the onshore terminal Gismarvik CO₂ terminal. The activity level in the organisation remains high, while the outflow of cash has been reduced as the level of external costs has been substantially reduced compared to previous quarters in 2023. We are approaching an important phase where important and positive milestones are expected to be passed, moving our pioneering projects forward.

Barents Blue: The partnership with the large European industrial fertiliser company Fertiberia is moving forward, and the joint team is advancing the project across various workstreams. The goal for the joint team is to finalize a concept selection in the first quarter of 2024. In the extension of the concept selection, we expect to start drawing on the NOK 482 million support program we have been awarded by IPCEI and Enova, and to embark on Front End Engineering Design (FEED) studies. In parallel, we are also further developing plans and preparing for project

financing, as well as establishing Barents Blue as a separate project company. Our work to purchase gas to the project is ongoing, both technical work and commercial work have been conducted and is ongoing to align the project across the Melkøya gas plant and the ammonia plant. We continue to explore possibilities for the Barents Blue project to facilitate delivery of blue power to support electricity demand in Northern Norway. The most likely scenario being an externally owned and operated power plant creating synergies for the entire project complex.

Polaris: Our partnership with PGNiG Upstream Norway on the Polaris carbon storage project has so far proven to be very good. We are currently engaging with the Norwegian Ministry of Energy and Petroleum to synchronize our schedules for PGNiG Upstream Norway's to enter as partner in the Polaris project, and to be formally appointed operator, by early December. The development of the Polaris project continues with the intention to make it a key part of the Barents Blue clean ammonia initiative as well as offering storage to other customers as a third-party CO₂ storage solution.

Gismarvik CO₂ terminal: Met a major milestone with the granting of a 420 kV power concession to the area, after Statnett was awarded concession for a new power line

from Blåfalli in Kvinnherad. Combined with an increase in annual CO₂ storage capacity up to 20-25 million tonnes fully developed from 12-15 million tonnes in the first phase, the power concession has been integral to advancing the project both technically and commercially. Significant internal engineering work has gone into advancing the project and transforming the terminal from a design with 8 million tonnes CO₂ annually to above 20 million tonnes annually. Moreover, we experience strong regional support for the shaping of the Gismarvik CO₂ terminal as a key component in a European value chain for CO₂ management, with start-up targeted for 2028.

Our proactive engagements and ongoing dialogue with key industry players and governmental bodies such as Fertiberia, PGNiG Upstream Norway, E.ON, and the Norwegian authorities, are all contributing to the realization of our ambitious strategic initiatives.

We will continue to harness the collective support and expertise from our organization and partners to drive the company forward towards our goal of becoming a leader in CO₂ management and clean ammonia production. Significant milestones lie ahead in the next months.



Bjørgulf Haukelidsæter Eidesen
CEO, Horisont Energi

Q3 highlights

- Signed Letter of Intent (LOI) with PGNiG Upstream Norway to partner up as an operator in the CO₂ licence Polaris (EXL003) located in the Barents Sea.
- In September, Statnett was granted concession for a new 420kV power line to Haugaland Industrial Park, providing sufficient electric power for Horisont Energi to develop a 20-24 million tonnes CO₂ terminal at Gismarvik in the South of Norway.
- Exploring possibilities for the Barents Blue project to facilitate delivery of blue power to support electricity demand in northern Norway.
 - The most likely scenario is an externally owned and operated power plant creating synergistic benefits for the entire industrial complex in Finnmark.

Subsequent events

- LOI for sale of ammonia to VNG, 100,000 – 300,000 tonnes/year.
- LOI for sale of ammonia to Barents Naturgass 100,000 tonnes/year.
- MOU with Koole Terminals for the development of CCS opportunities.
- Changes in the legal structure of HRGI: Horisont plans to establish three sub-holding companies by business area, which will own the project-specific companies. The approval of the new legal structure will be requested at an Extraordinary General Meeting later this year.



Daniel Obajtek,
CEO and President of the ORLEN Management Board

Dr. Gabriël Clemens
Chair of the board in Horisont Energi

Financial statements

- Net profit (loss) of MNOK (39.9) compared to MNOK (58.7) in Q2 as the company reduced its spending after the termination of the Errai project and significantly reduced costs for both the Barents Blue and CCS activities.
- The losses were higher than in the corresponding quarter in 2022, and the comparable year-to-date period as 2023 includes a large portion of the costs for the Errai project, substantial purchase of external services for Barents Blue, and higher organizational costs related to a higher average number of employees in 2023.
- The cash at the end of the quarter was MNOK 242.3. The cash outflow was reduced significantly compared to the previous quarter, driven by
 1. Lower project spending on Barents Blue and Polaris
 2. The closing of financial commitments for the Errai project which was closed in Q2 2023
- The cash position remains satisfactory and supports current activities going forward. With a lower cash outflow, the company is fully funded until the end of 2024.
- Horisont Energi will explore additional sourcing of capital to fund projects when key milestones have been successfully met for the projects.

Key figures

Million NOK	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Total income	0	0	0	0	0	0
Operation profit (loss)	(42.8)	(61.4)	(18.7)	(181.7)	(87.5)	(143.5)
Net financial income (expenses)	2.9	2.7	2.9	8.0	5.6	9.7
Net profit (loss)	(39.9)	(58.7)	(15.8)	(173.7)	(81.8)	(133.8)
Cash/cash equivalents at the end of period	242.3	267.7	443.3	242.3	443.3	392.8

PGNiG Upstream Norway to become partner in and operator for the CO₂ storage Polaris

Polaris is a key part of the Barents Blue project and an important project in developing a CCS value chain in Northern Norway

- The LOI between Horisont Energi and PGNiG Upstream Norway, part of the ORLEN Group, aims to secure the entry for PGNiG Upstream Norway as partner in and operator for the CO₂ licence Polaris (EXL003), located in the Norwegian part of the Barents Sea.
- Polaris is expected to provide necessary storage capacity for two million tonnes CO₂ annually from the Barents Blue clean ammonia plant and additional storage capacity for other potential customers.
- E.ON and Horisont Energi have previously signed a LOI for the storage of one million tonnes of CO₂ in Polaris. With additional CO₂ volumes from industry in Northern Norway there appears to be a substantial commercial basis for the development of the Polaris licence.
- The onboarding process of PGNiG Upstream Norway is expected to be completed by early December this year, subject to approval from Norwegian authorities, and the board of each company.



The first Barents Blue clean ammonia offtake agreements with VNG and Barents NaturGass

LOI with **VNG Handel & Vertrieb GmbH** for offtake of 100,000-300,000 tonnes/year of clean ammonia from the Barents Blue project

- The purpose of the agreement with VNG is to make clean ammonia available to VNG customers particularly in the industrial sector, either directly or as hydrogen



LOI with **Barents Naturgass AS** for offtake of 100,000 tonnes/year clean ammonia from the Barents Blue project, representing the first clean ammonia offtake deal in Northern Norway

- To assess market opportunities and review technologies required to develop clean ammonia as an energy source for the industry in Northern Norway
- Collaborate on developing the European clean ammonia market, including exploring potential sources for public and relevant funding



Strengthened partnership with Koole Terminals to develop a European CCS value chain

MOU with Koole Terminals

- The framework agreement covers cooperation to develop CO₂ import and export terminals in continental Europe, including the terminal under development in Rotterdam as part of a large logistic solution for CO₂ and clean ammonia.
- The CO₂ terminal is planned to be connected to the contemplated Delta Rhine Corridor CO₂ pipeline. This will allow us for aggregation of volumes from several places on the continent, for shipment to carbon storages in Norway. The Rotterdam terminal will have a CO₂ storage capacity of up to 200,000 tonnes of CO₂ accommodating annual transport of several million tons of CO₂ to carbon storages on the Norwegian Continental Shelf.
- The intention for the Gismarvik CO₂ terminal is to become an intermediate storage and processing terminal of CO₂ for permanent storage at Horisont Energi's planned offshore storages on the Norwegian Continental Shelf and offer services to other CCS licences in the North Sea.
- Both parties intend to promote and to develop Norway's largest CO₂ terminal at Gismarvik, with CO₂ volumes coming from Europe.



John Kraakman, CEO Koole Terminals
Bjørgulf Haukelidsæter Eidesen, CEO Horisont Energi

Company perspective and outlook

Horisont Energi has made progress on all projects this quarter; Barents Blue, Polaris, and the Gismarvik CO₂ terminal. The activity level in the organisation remains high and the company expects positive developments moving the pioneering projects forward.

Clean ammonia

The Fertiberia partnership is a good match for maturing the Barents Blue project toward concept select expected to take place at the end of Q1 2024.

Key milestones going forward through the JDA with Fertiberia include developing a commercial basis including gas supply and ammonia sales, building on the offtake agreements with Barents Naturgass and VNG.

Documenting gas supply and ammonia offtake will serve as steppingstones in the establishment of a separate clean ammonia entity, which in turn is a prerequisite for drawing on the NOK 482 million IPCEI Hydrogen, Hy2Use funds.

We continue our constructive dialogue with Norwegian authorities and key stakeholders to develop attractive framework conditions for the blue (clean) ammonia industry, with CCS as an important part of the energy transition.

Carbon capture, transport and storage

Horisont Energi expects to complete the onboarding process of PGNiG Upstream Norway as operator and partner in the CO₂ licence Polaris (EXL003) in December, subject to approval from Norwegian authorities and the board of each company.

The onboarding will represent a key milestone in ensuring the planned CO₂ storage for Barents Blue and the development of a value chain for CO₂ in Northern Norway and Europe.

Horisont Energi maintains the dialogue with key regulatory stakeholders to ensure attractive framework conditions for CCS in Norway. This specifically involves the Norwegian implementation of the EU CCS Directive, to which the Polaris license is subject, the European legislative framework concerning the environmentally safe storage of CO₂ to contribute to the mitigation of climate changes by reducing CO₂ emissions at scale.

We continue to develop the Gismarvik CO₂ terminal as a key project in establishing a European values chain for CCS together with our partners E.ON and Koole Terminals. We see progress in the development of new licence applications for offshore storage in connection with the terminal.

The outlook for Horisont Energi

Horisont Energi is moving forward keeping focus on delivering on its strategy and main goals. The company has made progress on all its major strategic initiatives in the third quarter. However, activities remain both in terms of finalising partnerships and raising sufficient financing for the next stages of project developments. Based upon current activities Horisont Energi is fully funded through 2024. The company will explore additional sourcing of capital once key milestones have been successfully met for the projects.

Clean ammonia



Barents Blue clean ammonia | Project update

Europe's first world-scale clean ammonia plant with best-in-class carbon footprint with above 99% carbon capture

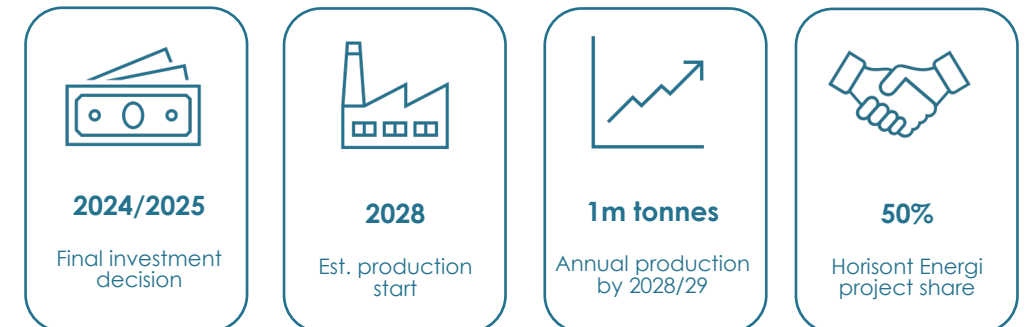
- Joint development agreement signed with Fertiberia for the realization of the Barents Blue project.
- Focus is on the first production line (train) of 1 million tonnes ammonia per year, which also reduces complexity
 - A second train may be developed at a later stage
- Aligned on scope for the Concept Select milestone.
- Smaller technical studies still running to finalize FEED scope.
- Interface activities with Polaris with early study definition for a possible CO₂ terminal at Markoppneset.
- Necessary modifications at Melkøya studied with Aibel.
- Good progress in commercial aspects of the project, both on feedstock and offtake.
- Secured sufficient power supply for the first stage of the project.
- Barents Blue has received a conditional grant of NOK 482 million from Enova, as part of the IPCEI Hydrogen programme, Hy2Use.
- Barents Blue project has potential upside from facilitating blue power.

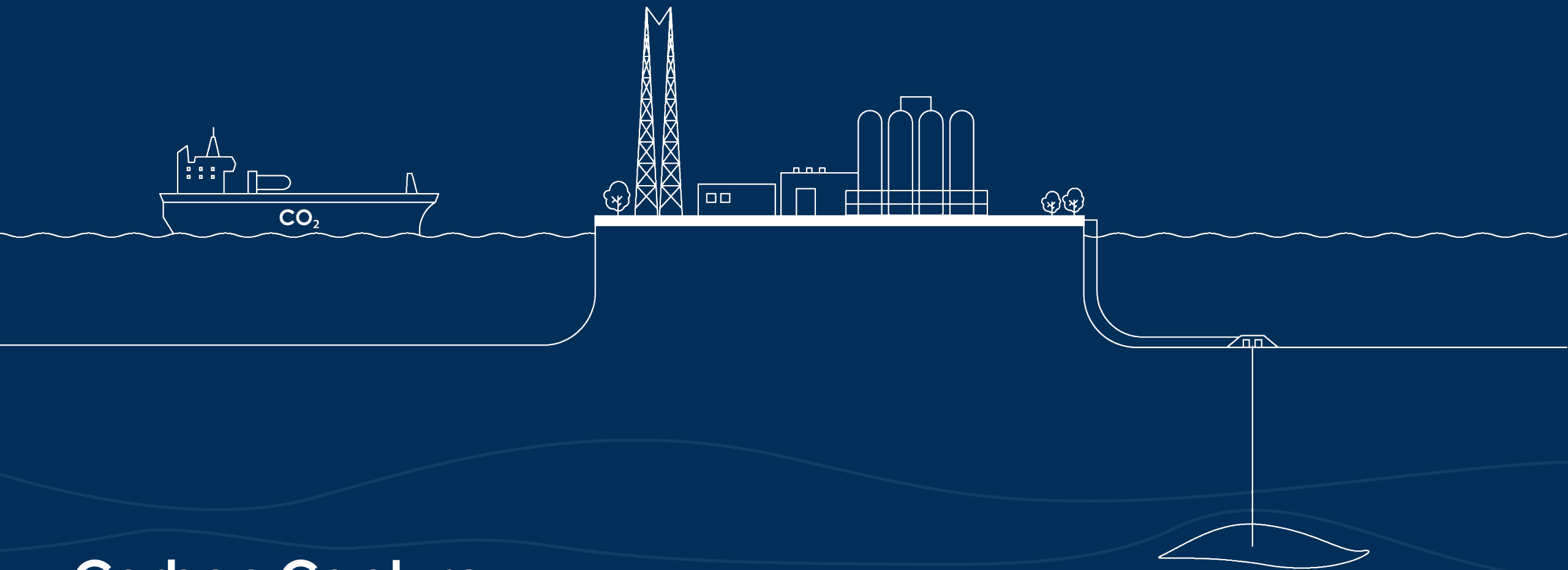


Project highlights

- European-first world-scale CO₂-free ammonia production with an annual production of 1 million tonnes
- Combined with the CCS project Polaris, Barents Blue will offer a best-in-class lifecycle carbon footprint, with more than 99% CO₂ captured.
- Modular construction strategy with focus on sustainable solutions and circular practices in design
- 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

Key figures





Carbon Capture and Storage

Polaris carbon storage | Project update

Polaris is a key part of the Barents Blue project, and we explore possibilities for CO₂ storage for other Norwegian and European customers

- Signed LOI with PGNiG Upstream Norway where the aim is to get the energy company to enter as a partner and operator in the CO₂ licence EXL003.
- The process of onboarding the new operating partner is progressing well intending to establish a new license group in December 2023, subject to approval from Norwegian authorities, and board approval from both companies.
- The Polaris licence has performed all the work obligations in the first phase of the licence work programme, except the need for the incoming operator and partner to accept the Decision of Concretisation. The work done includes 3D seismic reprocessing, feasibility studies for subsea and subsurface, concept studies, offshore surveys and operations.
- As part of the Polaris CO₂ storage project, an offshore direct injection from vessel to well was developed through to the conceptual level in 2021. We have also built an intellectual property portfolio for this development option.
- Horisont Energi has matured two main concepts tailored to CCS developments, the terminal and pipeline concept, and direct offshore injection from vessel to well.
- Polaris is an important project in the development of a CCS value chain in Northern Norway.

Project highlights

- The only CO₂ licence located in the Barents Sea
- Contributes to achieve significant emission reductions
- Developing a fit for purpose cost efficient storage asset
- Focus on sustainable and inherently safe solutions in design
- Safe and long-term sequestration of CO₂
- An important milestone in developing carbon storage as a major green industry in the north of Norway

Key figures



2024/2025

Final investment
decision



2028

Est. start



**3-6 m
tonnes/year**

First phase storage
capacity

Gismarvik CO₂ terminal | Project update

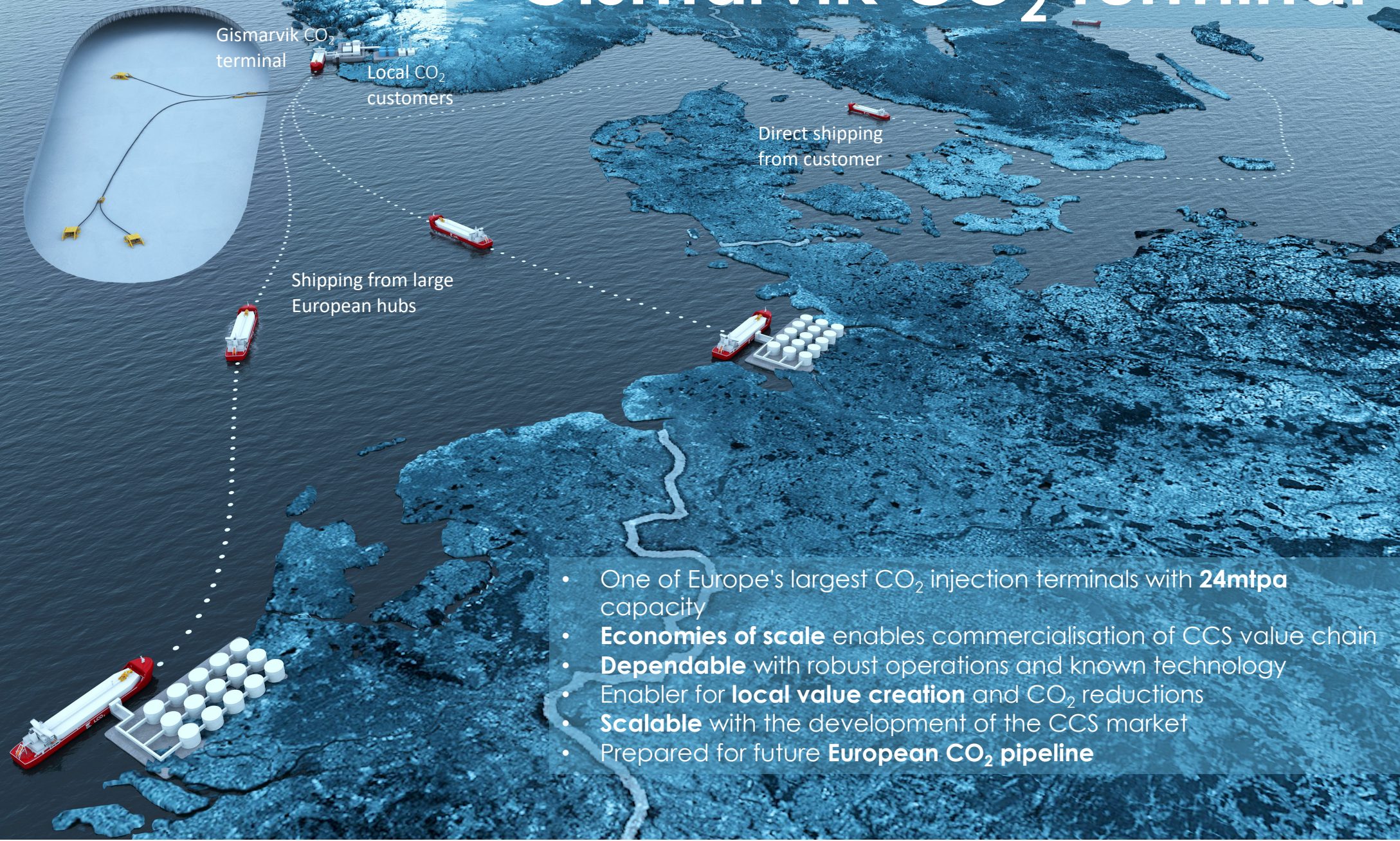
The largest planned CO₂ injection terminal in Norway with an annual capacity of 20-24 million tonnes for Norwegian and European customers

- In December 2022, Horisont Energi signed an option agreement to lease land and access to the deep-water port at Haugaland Industrial Park for the contemplated CO₂ terminal and offloading facilities.
- The plan is to build Norway's largest terminal for intermediate CO₂ storage for subsequent transport by pipeline and storage under the seabed of the Norwegian Continental Shelf, with the potential of becoming an injection terminal for several CCS licences.
- All infrastructure is in place at Gismarvik for the project development and in September, Statnett was granted a concession to build and operate a new 420kV power line from Blåfalli in Kvinnherad to Gismarvik.
- The onshore concept for the Gismarvik CO₂ terminal has undergone design maturation both on the civil and terminal design side.
- Significant progress has been made on the concept, and a value optimised, cost-effective design is the result of the work performed. The planning programme was approved by local communities in June.
- A fit-for-purpose CO₂ injection solution and system design have been developed together with our contractors. The work has been conducted in a way that builds know-how, technical basis, and intellectual property rights which can be applied to future CO₂ terminals and CCS projects.
- Our simplified, secure, and cost-effective seabed concept is planned to be the basis for Horisont Energi's upcoming CCS projects.



Horisont Energi was present at Gismarvik when **Terje Aasland, the Minister of Petroleum and Energy** launched the news about the 420 kV power line.

Gismarvik CO₂ terminal



- One of Europe's largest CO₂ injection terminals with **24mtpa** capacity
- **Economies of scale** enables commercialisation of CCS value chain
- **Dependable** with robust operations and known technology
- Enabler for **local value creation** and CO₂ reductions
- **Scalable** with the development of the CCS market
- Prepared for future **European CO₂ pipeline**

Organisational update



Planned changes in legal structure and Board of Directors

The new core management team is in place and the company is well-positioned to develop our industrial-scale projects within clean ammonia and CCS.

Change in the legal structure of Horisont Energi

Horisont Energi plans to establish three subsidiaries (one will own the clean ammonia, one for infrastructure developments and one for carbon storage licences).

The subsidiaries will either be sub-holdings or serve as special-purpose vehicles for the three business lines set out for their respective areas of business companies and create more visibility for Horisont's business lines.

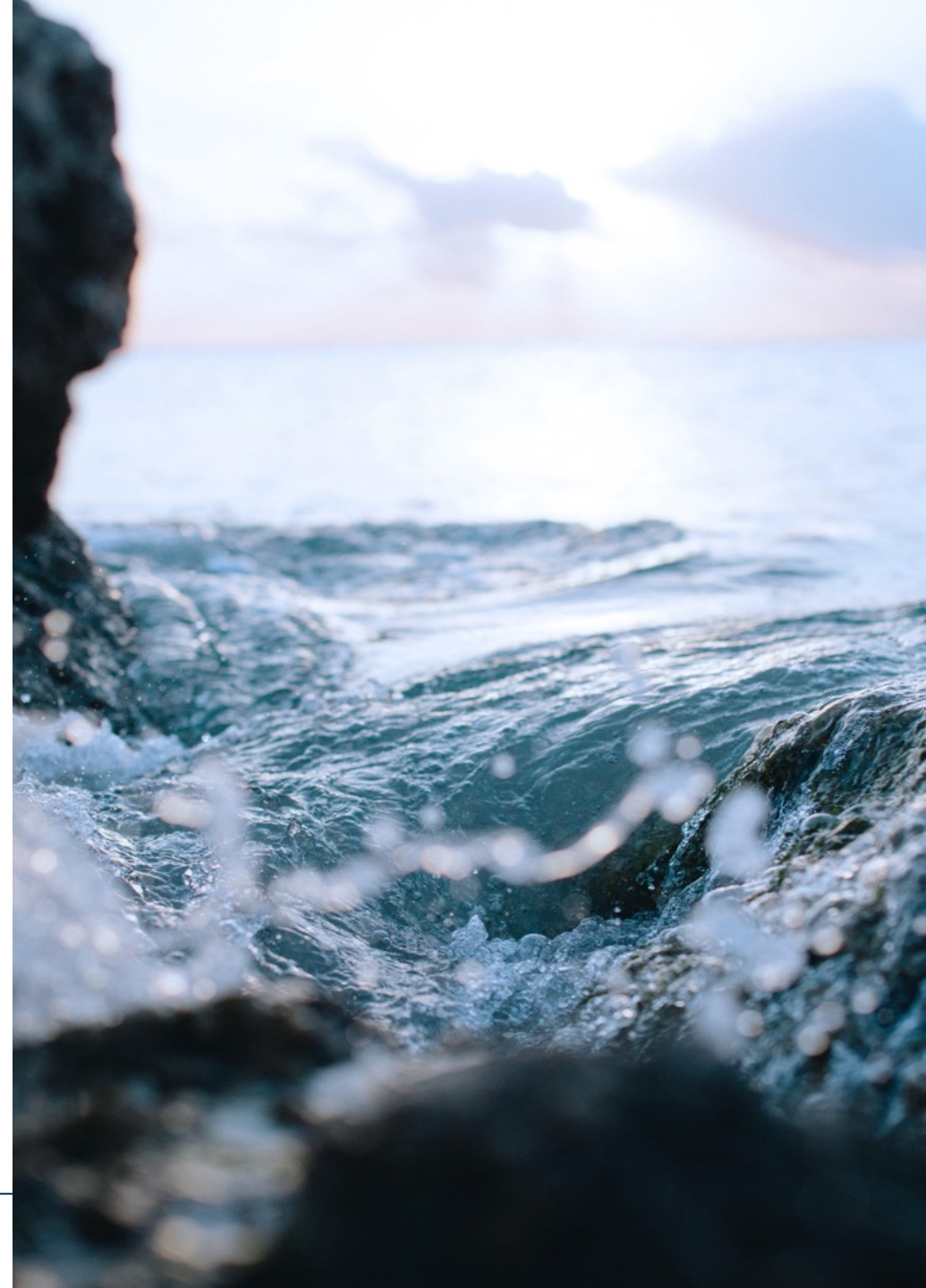
The approval of the new structure will be requested at an Extraordinary General Meeting later this year.

Changes in the Board of Directors

In September Board member Ms Beatriz Malo de Molina informed the board that she could no longer retain her directorship in the Company beyond the time required to nominate a replacement.

The nomination committee has nominated Ms Silje Christine Augustson as a new board member. She will formally be nominated as board member to the same Extraordinary General Meeting planned for the change of legal structure as stated above.

Mr Stefan Håkansson, who has served as a personal deputy for Dr Gabriël Clemens (in his capacity as appointed board member), has left the E.ON Group. Therefore E.ON has decided to appoint Mr Rainer Bayerke, Chief Financial Officer of E.ON Energy Projects GmbH, to become the new personal deputy for Dr Clemens in his capacity as board member.



Q3 financial report

Consolidated statements of income

(all amounts i NOK)	Notes	Q3 2023 Unaudited	Q3 2022 Unaudited	YTD 2023 Unaudited	YTD 2022 Unaudited	Full year 2022 Audited
Other income						
Other income		0	0	0	0	0
Total other income		0	0	0	0	0
Operating costs						
Salary and personnel costs	1	20 392 098	11 789 735	43 805 617	21 917 832	41 181 811
Depreciation	2, 3	1 153 344	654 957	3 460 030	2 186 264	2 658 681
Other operating costs	4, 5	21 287 455	6 266 632	134 405 177	63 346 061	99 662 203
Total operating costs		42 832 896	18 711 324	181 670 824	87 450 157	143 502 695
OPERATING PROFIT (LOSS)		-42 832 896	-18 711 324	-181 670 824	-87 450 157	-143 502 695
FINANCIAL INCOME AND EXPENSES						
Interest income	5	3 025 340	3 027 661	9 496 455	6 358 111	10 223 871
Interest expenses	2	-148 543	-44 017	-452 240	-185 031	-212 196
Other financial income		303 274	11 401	314 545	184 257	638 059
Other financial expenses		-289 945	-124 083	-1 397 375	-751 253	-932 432
Net financial income (expenses)		2 890 126	2 870 962	7 961 385	5 606 084	9 717 302
PROFIT (LOSS) BEFORE INCOME TAX		-39 942 770	-15 840 362	-173 709 440	-81 844 073	-133 785 393
Income tax expense	6	0	0	0	0	0
NET PROFIT (LOSS) FOR THE PERIOD	6	-39 942 770	-15 840 362	-173 709 440	-81 844 073	-133 785 393

Consolidated statements of financial position

		30/09/2023	30/09/2022	31/12/2022
(all amounts i NOK)	Notes	Unaudited	Unaudited	Audited
ASSETS				
Non-current assets				
Right-of-use assets	2	5 779 661	9 687 432	9 147 749
Total non-current assets		5 779 661	9 687 432	9 147 749
Machines, furnishings and fittings				
Fixtures and fittings, tools, office machinery, etc	3	401 048	437 199	492 991
Total machines, furnishings and fittings		401 048	437 199	492 991
Total fixed assets		6 180 709	10 124 631	9 640 740
Current assets				
Receivables				
Accounts receivables		0	7 971 468	30 974 756
Other receivables	7	42 491 186	14 642 794	11 225 517
Total receivables		42 491 186	22 614 262	42 200 273
Cash and cash equivalents				
	8	242 349 785	443 264 604	392 827 162
Total current assets		284 840 971	465 878 866	435 027 434
TOTAL ASSETS		291 021 680	476 003 497	444 668 174

(all amounts i NOK)	Notes	30/09/2023	30/09/2022	31/12/2022
EQUITY AND LIABILITIES				
Equity				
Paid-in equity				
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	8 159 563	6 898 512	7 083 954
Total contributed equity	9	575 070 720	573 809 668	573 995 110
Retained earnings (deficit)				
Retained earnings (deficit)	9	-364 526 175	-138 875 416	-190 816 735
Total retained earnings (deficit)		-364 526 175	-138 875 416	-190 816 735
Total equity	9	210 544 544	434 934 250	383 178 375
LIABILITIES				
Non-current liabilities				
Other long-term liabilities	2, 11	2 309 508	868 094	4 518 497
Liabilities to financial institutions	11	0	2 400 000	2 400 000
Total non-current liabilities		2 309 508	3 268 094	6 918 497
Current liabilities				
Accounts payables		7 899 168	16 600 735	16 014 563
Public duties payable		3 562 248	3 201 745	5 289 281
Other current liabilities	2, 12	66 706 211	17 998 672	33 267 460
Total current liabilities		78 167 627	37 801 153	54 571 304
Total liabilities		80 477 135	41 069 247	61 489 801
TOTAL EQUITY AND LIABILITIES		291 021 680	476 003 497	444 668 174

Consolidated statements of cash flow

(all amounts i NOK)

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Full year 2022
Cash flow from operating activities					
Profit (loss) before income tax	-39 942 770	-15 840 362	-173 709 440	-81 844 073	-133 785 393
Negative instalments tax	-	-	-	-	-
Tax refund received	-	4 750 000	-	4 750 000	-
Interest on right use liabilities	148 518	36 766	430 539	174 327	-
Depreciations	1 153 344	654 957	3 460 031	2 186 264	2 658 681
Cost related to employee share options	341 735	443 498	966 052	981 859	1 248 947
Change in accounts receivables	-	1 279 773	30 974 756	18 727 518	-4 275 770
Change in accounts payables	-3 496 049	3 236 453	-8 115 395	-14 585	- 600 757
Change in other short-term receivables and payables	18 768 336	-7 589 737	2 798 120	-9 816 454	19 517 837
Net cash flow from operating activities	-23 026 885	-13 028 651	-143 195 337	-64 855 145	-115 236 454
Cash flow from investing activities					
Investments in fixed assets	-	-316 859	-	-463 106	-547 974
Net cash used in investing activities	-	-316 859	-	-463 106	-547 974
Cash flow from financing activities					
Capital contribution net of fees	-	-	-	419 875 005	419 875 005
Financing from financial institutions	-	-	-2 400 000	-	-
Payments of lease debt including interest	-2 313 519	-1 472 422	-4 882 041	-2 981 262	-2 952 528
Net cash from financing activities	-2 313 519	-1 472 422	-7 282 041	416 893 743	416 922 477
Net cash flow from discontinued operations					
Net change in cash and cash equivalents	-25 340 404	-14 817 933	-150 477 378	351 575 491	301 138 049
Cash/cash equivalents at the beginning of period	267 690 189	458 082 535	392 827 162	91 689 113	91 689 113
Cash/cash equivalents at the end of period	242 349 785	443 264 604	242 349 785	443 264 604	392 827 162

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 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	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Full year 2022
Salaries/wages	15 100 360	13 697 917	39 135 663	26 670 247	43 848 396
Social security fees	2 603 012	2 144 916	6 282 031	4 410 094	6 615 362
Pension expenses	1 573 601	1 697 956	4 837 762	3 635 845	5 124 029
Other remuneration	1 059 845	1 307 401	3 830 637	3 157 172	2 910 819
Gross employee benefits expenses	20 336 818	18 848 191	54 086 093	37 873 358	58 498 606
The number of employees	42	44	42	44	44
Reimbursed from partners	55 280	- 7 058 456	-10 280 476	-15 955 526	-17 316 795
Salary and personnel costs	20 392 098	11 789 735	43 805 617	21 917 832	41 181 811

The company has a defined contribution scheme which covers all the employees. Total expensed in pension cost is NOK 4 837 762 (NOK 3 635 845 in YTD 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.

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Full year 2022
Expensed salary cost related to employee share options	341 735	443 498	1 075 609	981 859	1 167 302
	30/09/2023	30/09/2022	31/12/2022		
Outstanding warrants	426 000	340 000	340 000		
Warrants granted	20 000	-	86 000		
Warrants forfeited	-39 500	-	-		
Warrants exercised		-	-		
Warrants expired		-	-		
Outstanding warrants at end of period	406 500	340 000	426 000		
Of which exercisable	-	-	-		

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

	30/09/2023	30/09/2022	31/12/2022
- Exercise price between	26-56	70-158	42-158
- Share price at grant date between	17-38	25-79	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:

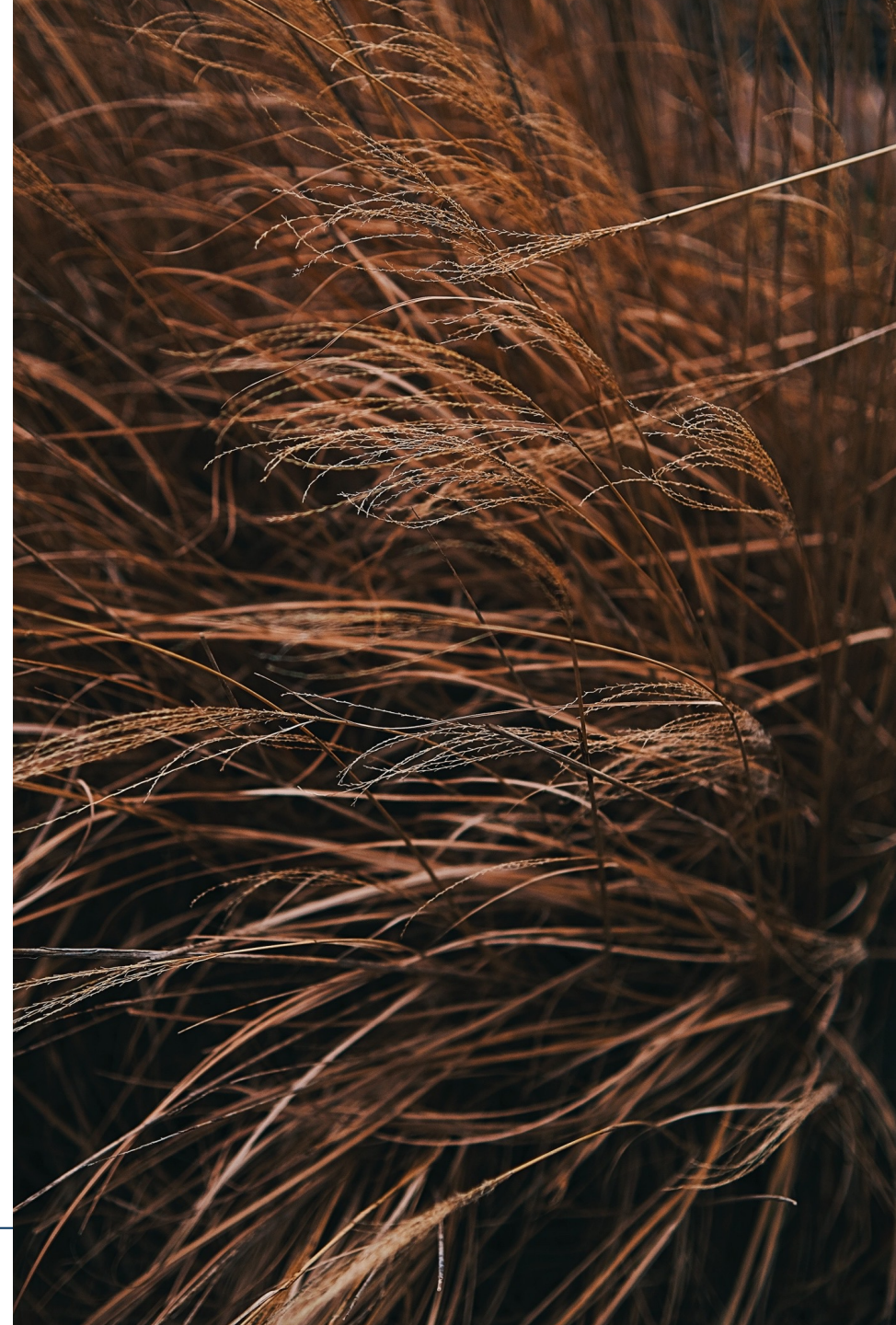
	30/09/2023	30/09/2022	31/12/2022
Right-of-use assets	Offices		Offices
Acquisition cost as at 01.01.	13 005 776	4 013 854	4 013 854
Addition of use-of-rights	-	9 088 264	9 677 265
Termination of use-of-rights	-	-	-685 343
Acquisition cost end of period	13 005 776	13 102 118	13 005 776
Depreciation and write-downs as at 01.01.	3 858 027	1 254 329	1 254 329
Depreciation for the period	3 368 088	2 160 357	2 603 698
Write-downs for the period	-	-	-
Depreciation and write-downs as at end of period	7 226 115	3 414 686	3 858 027
Book value right-of-use assets at end of period	5 779 661	9 687 432	9 147 749
Economic lifetime	12-50 months	24-60 months	12-50 months
Depreciation method	Linear	Linear	Linear
	30/09/2023	30/09/2022	31/12/2022
Lease liability	Offices		Offices
Liabilities and payment schedule			
Less than 1 year	1 869 147	8 594 276	4 221 217
1-2 years	1 141 997	627 447	1 976 850
2-3 years	893 267		1 165 436
3-5 years	274 244		1 266 654
Total lease liabilities at end of period	4 178 655	9 221 723	8 630 157
Changes in lease liabilities	30/09/2023	30/09/2022	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	-4 882 041	-2 981 262	-2 952 528
Interest payments	-	-	
Interest on lease liabilities	430 539	174 327	186 227
Total lease liabilities at end of period	4 178 655	9 221 723	8 630 157

Selected notes

Note 3 Fixed assets

Machinery and equipment	30/09/2023	30/09/2022	31/12/2022
Acquisition cost as at 01.01	547 974	-	-
Additions	-	463 106	547 974
Disposals	-	-	-
Acquisition cost at end of period	547 974	463 106	547 974
Accumulated depreciation 30.06	-146 926	-25 907	-54 983
Accumulated write-downs 30.06	-	-	-
Net value at end of period	401 048	437 199	492 991
Depreciation for the period	-30 648	-25 907	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:

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Full year 2022
Office rentals and other office expenses	3 274 526	854 876	9 710 889	2 888 021	3 835 104
Consultants fee, studies etc.	18 133 138	28 571 890	180 354 213	113 057 500	179 552 911
Reimbursed from partners	-1 042 702	-7 814 609	-58 734 522	-45 494 213	-72 224 149
Skattefunn	-	-	-	-	- 4 750 000
Licences, patents and royalties	-	394 654	-	6 832 357	7 510 084
Other expenses	922 493	-15 740 180	3 074 597	-13 937 604	-14 261 747
Total	21 287 455	6 266 632	134 405 177	63 346 061	99 662 203

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

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Full year 2022
Interest earnings, tax-free	51 202	10 049	51 202	10 049	10 049
Interest earnings, bank	2 974 138	2 970 000	8 466 801	6 300 000	10 155 150
Interest earnings, customers	-	47 612	978 452	48 062	58 672
Interest income	3 025 340	3 027 661	9 496 455	6 358 111	10 223 871

Selected notes

Note 6 Taxes

This year's tax expense	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Full year 2022
Entered tax on ordinary profit/loss:	-	-	-	-	-
Payable tax	-	-	-	-	-
Changes in deferred tax assets	-	-	-	-	-
Tax expense on ordinary Profit/loss	-	-	-	-	-
Taxable income:					
Result before tax	-39 942 770	-15 840 362	-173 709 440	-81 844 073	-133 785 393
Permanent differences	- 48 100	26 017	18 067	- 999 999	-5 590 029
Changes in temporary differences	-597 849	- 154 006	25 419	- 154 006	495 873
Taxable income	-40 588 719	-15 968 351	-173 665 954	-82 998 078	-138 879 549
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:

	30/09/2023	30/09/2022	31/12/2022
Tangible assets	- 37 331	-	54 612
Lease agreements brought to the balance	1 601 006	- 4 706 985	517 592
Other provisions	- 2 386 665	-	-1 420 613
Total	-822 990	-4 706 985	-848 409

Accumulated loss to be brought forward	-378 495 594	-133 301 017	-204 829 640
Not included in the deferred tax calculation	-379 344 003	-138 008 002	-205 678 049

Deferred tax assets (22 %)	-	-	-
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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

	30/09/2023	30/09/2022	31/12/2022
Advance payment to suppliers	-	-79	-
Receivable Skattefunn	0	0	4 750 000
Prepaid costs	2 342 932	1 287 621	2 301 329
Recharge to partners	35 617 822	13 355 251	3 216 507
Settlement account for VAT	4 530 432	-	957 680
Other receivables	42 491 186	14 642 794	11 225 517

Note 8 Cash and cash equivalents

	30/09/2023	30/09/2022	31/12/2022
Restricted cash related to tax withholding accounts amounts	2 151 458	2 065 229	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			1 075 609		1 075 609
Net profit (loss) for the period				-173 709 440	-173 709 440
Balance 30.06	223 259	566 687 897	8 159 563	-364 526 175	210 544 544

* The company has a share option programme for all employees. NOK 341 735 has been expensed related to the Company's share options programme Q3 2023.

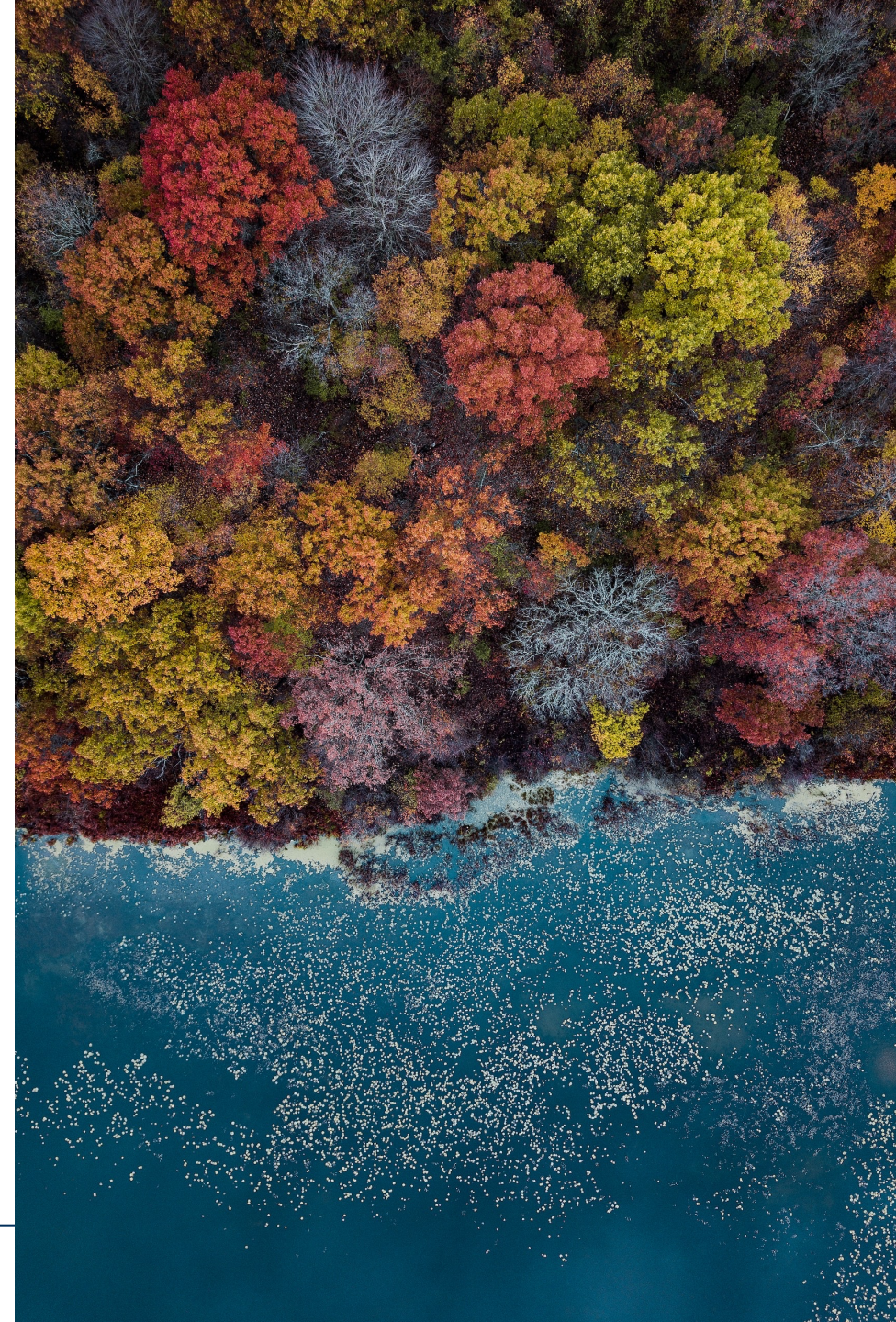
Selected notes

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%
NORDNET LIVSFORSIKRING AS	573 863	2,57%
DJ ADVISORS AS	552 515	2,47%
EITOR AS	550 000	2,46%
SPECIALFONDET KLP ALFA GLOBAL ENER	413 798	1,85%
BARMEN ØYSTEIN	305 000	1,37%
APOLLO ASSET LIMITED	300 000	1,34%
NORNES TED ARNE	288 500	1,29%
ZEVS HOLDING AS	280 875	1,26%
Others	8 228 396	36,86%
Total number of shares	22 325 980	100,00%

All shares have the same voting rights in the company's general meeting.
The company's management and board members controls Føniks Innovasjon 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

	30/09/2023	30/09/2022	31/12/2022
1) Debt to Innovasjon Norge	-	2 400 000	2 400 000
2) Other long-term liabilities	2 309 508	868 094	4 518 497
Total	2 309 508	3 268 094	6 918 497

Debt that

- 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

	30/09/2023	30/09/2022	31/12/2022
Holiday pay allowance	3 637 111	2 733 533	4 372 314
Accrued cost	60 691 851	6 670 863	24 673 929
Other lease obligation with due date within 12 months	2 377 249	8 594 276	4 221 217
Other current liabilities	66 706 211	17 998 672	33 267 460

Selected notes

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, realisation of the projects will require significant additional funding in the form of both equity and debt financing, and no guarantees can be given with respect to the availability of such funding at competitive terms. In addition, our projects are subject to the award of licenses, permits and authorization by local and national authorities.

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

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

Note 14 Subsequent events and going concern

Horisont Energi has signed a LOI with VNG and Barents Naturgass, both ammonia offtake agreements.

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.

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



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