

FAQ in connection with Horisont Energi's Extraordinary General Meeting 2023

Horisont Energi will hold an Extraordinary General Meeting on Friday 22 December 2023, as disclosed in the mandatory [notification](#) of 8 December 2023.

The Extraordinary General Meeting will address a proposed demerger of Horisont Energi AS involving the transfer of specific assets, rights and obligations which ultimately leads to the establishment of three new companies Horisont Karbon AS, Horisont Infra AS and Horisont Ammoniakk AS, as subsidiaries in the parent company Horisont Energi AS.

Q: What is the purpose of the demerger?

A: The initiative is part of actively positioning Horisont Energi to succeed in developing pioneering projects and accelerate the transition to a carbon-neutral future. Based on dialogue with partners and investors, we see a demand for pure-play partnerships and investment options. Simply put, investors interested in carbon storage may not necessarily want to invest in ammonia production, or vice-versa. A dedicated Barents Blue company is also a requirement to utilize the NOK 482 million grant under the IPCEI Hydrogen program. A demerger will simultaneously simplify project financing and provide companies with the opportunity to invest directly in subsidiaries within more defined business areas.

Q: Subject to approval from the Extraordinary General Meeting, when is the demerger expected to be completed?

A: We expect the process to be completed in March 2024 and have effect for accounting purposes from 1 January 2024.

Q: What are the implications for me as a Horisont Energi AS shareholder?

A: The transaction is a no-gain-no-loss and will not have any implications for Horisont Energi AS shareholders.

Q: Will the demerger have any consequences from a tax perspective for me as a shareholder?

A: The demerger is not expected to have any immediate tax consequences for shareholders in the companies.

Q: As a private investor, if I prefer to be invested in Horisont Karbon AS (or one of the other two subsidiaries) going forward, how do I proceed?

A: The three subsidiaries will be owned by Horisont Energi AS, which will remain as the only listed company in the group and thereby open for general trade in shares. However, the restructuring will allow industrial investors to enter a preferred business area with equity directly in the relevant subsidiary. Such an equity investment is likely to indirectly impact the value of the shares in the listed, parent company Horisont Energi AS.

Q: What kind of valuation are you using for the specific assets, rights and obligations in the demerger?

A: The restructuring does not change the share capital nor values in the parent company. The values that are transferred to the subsidiaries through the demerger from the parent company will return to the parent company as value of shares once the restructuring is completed, as the share value in the subsidiaries will correspond to the demerged values. In that sense, this is a “zero-sum” exercise. The basis for the valuation is a “fair value” calculation performed by a qualified 3rd party.

Q: Horisont Energi AS is today a publicly traded company on Euronext Growth Oslo. Will the demerger affect this?

A: No. Horisont Energi AS will remain listed and shares tradable. Following the demerger, Horisont Energi AS will own 100% of the shares in the three new companies, but only Horisont Energi AS shares will be listed and tradable.

Q: What is the reason for keeping the exploration permit EXL003 Polaris in Horisont Energi AS and not transferring the assets, rights and obligations to Horisont Karbon AS?

A: The application has been submitted by Horisont Energi AS. Changes in the licence group will require a new round of approval from the Ministry of Petroleum and Energy.

Q: Should this be interpreted as carbon storage having a strategic priority for Horisont Energi going forward?

A: No. Horisont Energi’s strategy is unchanged. Through profitable solutions to produce clean ammonia and large-scale carbon storage, we will contribute to new industry and a cleaner Europe.

Q: Will the three new companies have a separate board of directors and management teams?

A: The subsidiaries will formally have separate board of directors responsible for implementing decisions from Horisont Energi AS, the parent company.

Q: What are the implications for Horisont Energi employees and partners in their daily work?

A: The demerger is expected to contribute to a clarification of roles and responsibilities but is not expected to have any practical implications for the daily work of either employees or partners. Employees will be employed by Horisont Energi AS, not the subsidiaries.

Q: The new structure may facilitate Horisont Energi to develop business areas. Has this been a part of the motivation?

A: It is correct that the new structure will make it easier to implement changes in ownership in each subsidiary. It can also simplify the process of M&A transactions in the subsidiaries, but this is not the motivation for the restructuring.

Q: Who can I contact for more detailed information about the restructuring?

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