



Annual Report 2023

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About Horisont Energi

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

We believe that enabling cost-efficient end-to-end value chains for carbon capture and storage (CCS) and carbon management are crucial to meet the climate targets. We seek to become a leading supplier of carbon storage solutions to meet the high European demand, as well as enabling local CCS value chains in Norway.

As the EU ramps up its climate targets with an increased focus on the role of CCS, we must be ready to pick up the pace and deliver on the ever-increasing demand. Through our pioneering work developing CCS infrastructure, we see that we will enable solutions for cost-efficient value chains for CCS in Norway. Though the large volumes will be from the European continent, every ton of CO₂ reduced

is another step closer to reaching our common goals.

The net zero target cannot be met without low carbon solutions for hard-to-abate industries. That is why we develop Europe's first industrial scale clean ammonia plant. With a capture rate of over 99% and a best-in-class carbon footprint, we set a global standard for the production of the much needed low-carbon production of clean ammonia.

Being an early mover in the clean energy sector means contributing to the development of policy and frameworks as we go. Our pioneering projects are subject to various regulatory approvals and clarifications. We therefore emphasize

close dialogue with relevant authorities and policy makers.

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

Horisont Energi is headquartered in Sandnes, Norway. The company's shares are listed on Euronext Growth Oslo under the ticker "HRGI".

Letter from the Co-CEOs

Building strategic partnerships to accelerate the transition to carbon neutrality



Bjørgulf Haukelidsæter Eidesen and Leiv Kallestad

After a challenging 2023, the Board and management decided late last year to strengthen governance to enable and secure key deliveries while maintaining the focus on operational efficiency and cost control. Subsequently, after the extraordinary general meeting 22 December, Horisont Energi established a dual CEO structure where the two Co-CEO's will be jointly accountable and share the responsibility to drive Horisont Energi forward and accelerate the transition to carbon neutrality. Bjørgulf Haukelidsæter Eidesen will focus on strengthening our existing relationships and building new ones, whilst Leiv Kallestad will focus on enhancing project delivery and other key capabilities as we jointly will work towards securing financing.

Reflecting on the past year at Horisont Energi, the company is pleased to have established new and strong partnerships with internationally renowned players for our projects within clean ammonia, offshore carbon storage and onshore carbon infrastructure under development. Together with our existing partnership with Horisont Energi's largest owner, E.ON, these partnerships will be crucial in our work forward towards our mission to accelerate the transition to a carbon-neutral future.

A key milestone in this regard, was to join forces on the Barents Blue project with Fertiberia, a recognised European leader in ammonia and fertilizers. Their extensive experience in developing and operating ammonia plants will be invaluable as we partner up to realise Europe's first world-scale clean ammonia plant in Hammerfest, Northern Norway. Together we reached several milestones in 2023. Power was secured for the initial industrial phase before the summer, and Horisont Energi proceeded to sign letters of intent for offtake of significant clean ammonia volumes with German VNG H&V and local Barents Naturgass. The company is also working towards securing gas feedstock.

The Barents Blue project is starting to take shape, backed by the conditional grant of NOK 482 million from Enova under the IPCEI Hydrogen programme Hy2Use.

Horisont Energi also made good progress on the offshore carbon storage project Polaris in the Barents Sea which will facilitate large-scale emission reductions. This is an integral part of the Barents Blue project and will also provide storage for other CO₂ sources in Norway and the European continent. Horisont Energi is very excited to have joined forces with PGNiG Upstream Norway (PUN) as a 50% partner and operator on the license.

Finally, Horisont Energi has continued the development of the onshore Gismarvik CO₂ Hub on the west coast of Norway. With an annual capacity of up to 24 million tonnes of CO₂ the Gismarvik terminal is one of the largest planned CO₂ injection hubs in Europe and will be designed to receive both smaller volumes from local emitters and large CO₂ volumes from continental Europe. The location at the Haugaland Næringspark (Norway's largest regulated industrial area) is ideal for carbon storage projects in the North Sea.

Horisont Energi and Koole Terminals, a leading European storage, processing and logistics company, last year reaffirmed and progressed our partnership with the intent to develop the CO₂ value chain from export terminals in Europe to the Gismarvik CO₂ import terminal. The next milestones for Gismarvik CO₂ Hub will be to secure connection of CO₂ licences and local and European emitters into the CO₂ hub as we continue our efforts to secure industrial and financial project partners.

As a company Horisont Energi sees a need to facilitate for pure-play partnerships and investments into our businesses, and also legal structures enabling dedicated project financing of our projects. To this end we have reshaped our organization and launched a new company structure to facilitate the realization of our strategies for each area. Our operational activities will hence be executed within the three new entities Horisont Ammoniakk, Horisont Karbon and Horisont Infra as subsidiaries of the parent company Horisont Energi.

Horisont Energi's overall direction remains steadfast: We are going to develop profitable

projects and solutions for clean energy production and contribute to the building of a European value chain for carbon capture and storage. Both are needed to enable the green transition and mitigate emissions from hard-to-abate industries.

The path to a carbon-neutral future is complex and requires unwavering commitment, innovation, and collaboration. We step into 2024 with a renewed sense of purpose, strengthened by our accomplishments, the lessons learned through 2023, and the new partnerships. Together with our partners and the truly dedicated team at Horisont Energi we are prepared to make continued progress toward a sustainable, low-carbon energy future in 2024.

**Bjørgulf Haukelidsæter Eidesen
and Leiv Kallestad**
Co-CEOs, Horisont Energi



Our pioneering projects



Barents Blue – best-in-class low carbon ammonia

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

Barents Blue will produce clean ammonia from water, renewable energy, and natural gas, with CO₂ being captured and sequestered in an offshore reservoir. The planned clean ammonia plant will be the largest of its kind in Europe and will contribute to the transition in the ammonia market on global scale. Producing 1 million tonnes clean ammonia annually with associated carbon capture and storage, the project will decarbonise 1 billion cubic metres of natural gas annually, avoiding emissions from going to the atmosphere.

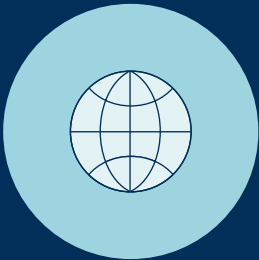
The Barents Blue project has advanced during 2023 with our project partner, Fertiberia onboard. Early in 2023 the former partners in the project, Equinor and Vår Energi decided to discontinue their involvement in Barents Blue. At the same time, Horisont Energi signed a cooperation agreement with the European fertiliser and ammonia specialist on February 1, and in August a Joint Development Agreement (JDA) was signed with Fertiberia for a 50% share in the project.

The joint team has since then moved forward and matured the project through various workstreams, also agreeing to develop the project towards next milestone, concept select before summer 2024.

The Barents Blue project was in June 2023 secured sufficient power supply as the project was granted grid connection from Statnett.

In October, the company signed its first LOI for offtake of 100,000 tonnes annually of clean ammonia with Barents Naturgass. This is the first offtake agreement with a local customer, which will enable local value chains and infrastructure for clean ammonia. The two companies have agreed to explore the opportunity of receiving public funding support from Enova, Innovation Norway or another relevant funding provider to review technologies required to develop clean ammonia as an energy source for the industry in Northern Norway.

Key facts



European-first world-scale CO₂-free ammonia production with an annual production of 1 million tonnes



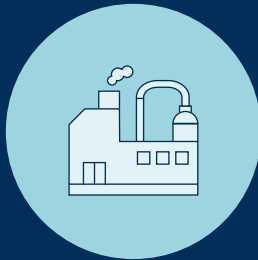
Combined with the CCS project Polaris, Barents Blue will offer a best-in-class lifecycle carbon footprint, with more than 99% CO₂ captured.



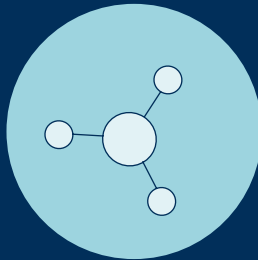
Participant in the IPCEI Hydrogen programme, with conditionally granted NOK 482 million in state aid from Enova



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



Not long after, Horisont Energi signed a LOI for clean ammonia offtake with German energy company, VNG. The agreement sets out a long-term partnership for clean ammonia supply targeting a quantity of 100,000 – 300,000 tonnes per year starting from 2028. This is corresponding to 10% – 30% of the planned capacity of the Barents Blue plant. The agreement marks another leap forward for the development of Barents Blue as Europe's largest clean ammonia plant, meeting the growing demand for clean ammonia and hydrogen.



Clean Ammonia Market outlook

By 2030 it is EU's ambition to produce 10 million tonnes of renewable hydrogen and to import an equal amount. This equals about 100 million tonnes of clean ammonia, but due to local production the import part is expected to be about 50 million tonnes. The expectation is that most of this hydrogen will be provided with clean ammonia as the energy carrier.

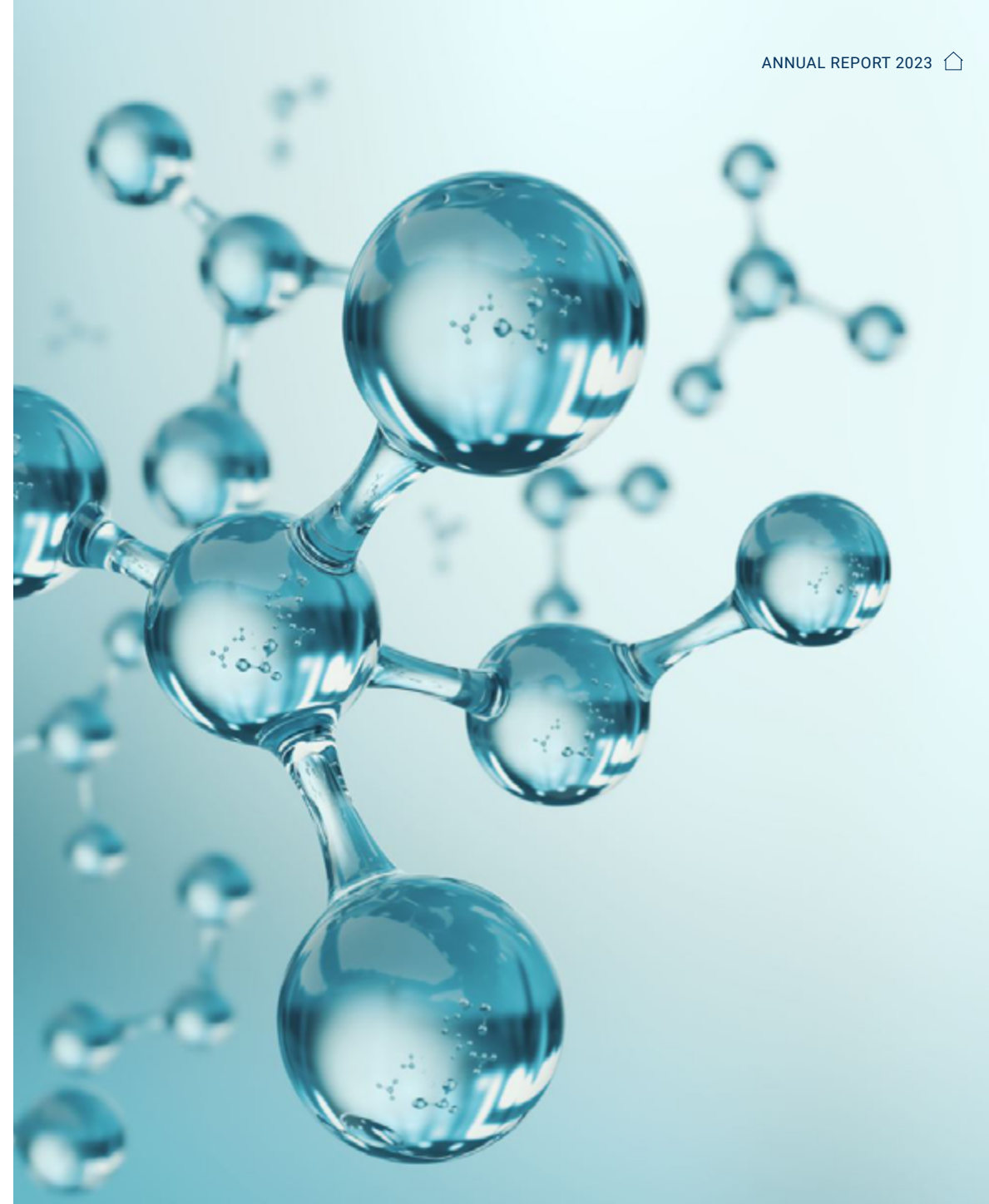
The global ammonia market is estimated to demand 530 million tonnes by 2050. EU are designing a framework and infrastructure for the use of clean hydrogen to enable hydrogen market development and strengthen international demand.

Decarbonising European industry and developing new renewable energy sources are amongst the most urgent matters for the European Union in the coming years. Facing an ongoing energy crisis and

a climate crisis, the EU has stepped up its green ambitions, accelerating the energy transition. The demand for new energy sources and a stabilised energy market is substantial, making projects like Barents Blue interesting to the European market.

By end 2023, the EU has welcomed a new deal to decarbonize EU gas markets and promote hydrogen as a follow up on the revised Renewable Energy Directive and the REPowerEU plan. This includes a certification system for low-carbon gases as the EU acknowledges that they need to include low carbon and not solely rely on the development on ammonia and hydrogen from renewables, as this alone will not be sufficient to reach the climate targets. This framework enables uptake of both renewable and low-carbon gases in the EU and stimulates a growing hydrogen market. The framework also defines low-carbon gases and the carbon footprint.

Source: Public available information





Polaris CO₂ storage – the first commercial storage project in the Barents Sea

The Polaris storage project is a key part of the Barents Blue project, and a potential CO₂ storage for Norwegian and European customers.

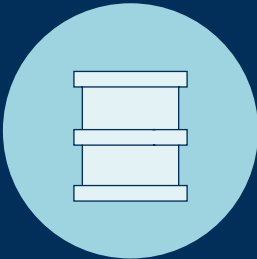
After the exit of Vår Energi and Equinor from the project in early 2023, Horisont Energi aimed to find a new partner and operator for the Polaris storage license. In September the company signed an LOI with PGNiG Upstream Norway.

The onboarding of PGNiG as a new partner and operator for Polaris progressed well during fall, and the companies signed and SPA in December 2023, with PGNiG acquiring 50% participating interest in Polaris. With final approval pending from the Norwegian authorities, the agreement was expected finally approved early 2024.

The Polaris CO₂ storage is expected to provide necessary storage capacity for 2 million tonnes CO₂ annually from the Barents Blue clean ammonia plant and additional storage capacity for other potential customers. Horisont Energi and E.ON signed an LOI for the storage of 1 million tonnes of CO₂ in Polaris. With additional volumes from the industry in Northern Norway and neighbouring countries, there appears to be a substantial commercial basis for the development of the Polaris licence.



Key facts



3 – 6 million tonnes annual storage capacity



2025 Final investment decision



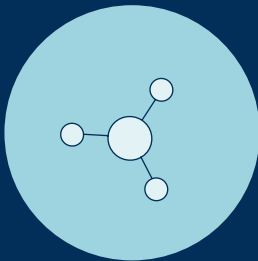
Estimated start 2029



The first commercial and only CO₂ storage license in the Barents Sea



Contributes significantly to CO₂ mitigation



Safe and long-term sequestration of CO₂



An important and necessary milestone in developing value chains for carbon capture- and storage in Northern Norway



Gismarvik CO₂ hub – a local solution with global impact

The largest planned CO₂ injection terminal in Norway with future annual capacity of 20 – 24 million tonnes

Horisont Energi has during 2023 developed the Gismarvik CO₂ terminal concept to a CO₂ hub concept with increased capacity and economies of scale. The project has through the year been value-optimised, with cost-effective design making the terminal a fit-for-purpose CO₂ injection solution.

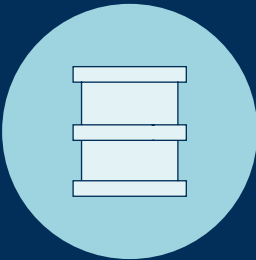
The CO₂ terminal concept was developed in the Errai storage project, which Horisont Energi conducted together with Neptune Energy. The joint application for the Errai CO₂ storage resulted in a negative license award in March 2023.

Horisont Energi has since 2022 had an option agreement with Haugaland Næringspark to build an onshore terminal for intermediate CO₂ storage. Work has been done after the negative license award building on know-how and a solid technical basis to develop the onshore terminal as a stand-alone project. The result is a robust technical

concept which can revolutionise the CO₂ injection infrastructure development with cost effective CCS value chains accessible for both local and European customers.

The location at Haugaland Næringspark is optimal with all needed infrastructure available. Statnett was granted a concession to build and operate a new 420kV power line in September, which supplies the region with sufficient power for both planned and future industry development.

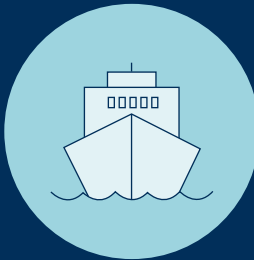
Key facts



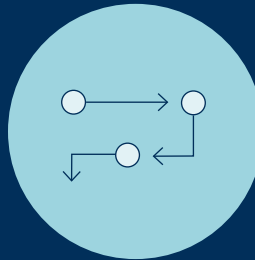
20 – 24 million tonnes annual capacity



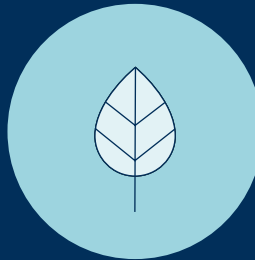
Economies of scale



CO₂ transported by ships and pipeline



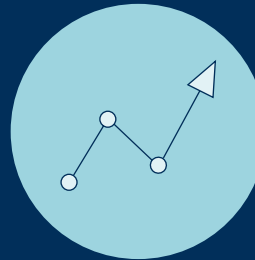
Designed as infrastructure for multiple storage licences with pipeline



Enables local CCS value chains, contributing to Norwegian emission cuts



Prepared for future European CO₂ pipeline



Scalable as the CCS market matures



With Horisont Energi at Haugaland Næringspark and the granted power supply, the industry park will be a one-of-a-kind industry hub with access to both power and injection solutions for CO₂ storage. This is key moving into the net zero future.

The CO₂ injection hub is designed to receive large volumes from ships, as well as smaller volumes from local industry via pipeline. This innovative design will hopefully lay the foundation for future CCS infrastructure as the industry develops.

Having an onshore terminal has created great interest in the regional and local industry. Our commercial team has been in progressive dialogue with local customers and industry, assessing the possibilities for local CCS value chains.

CCS Market outlook

No net zero without CCS.

The commercial CCS market is developing rapidly as the EU enhances its climate targets for 2040 with 90% emission reductions and increased ambitions for the CCS industry.

By 2030, the EU has a goal of capturing and storing at least 50 million tonnes CO₂ annually, 280 million tonnes by 2040 and up to 450 million tonnes by 2050. The capacity on the Norwegian Continental Shelf (NCS) meets that target – and more. The offshore capacity in Norway paves way for a fast-growing CCS industry in Norway, and we are well positioned to contribute to the development.

Horisont Energi remains committed to its mission of accelerating the transition to carbon neutrality, but we are reliant on the policy development

and high-level strategies to make this happen. Industrial decarbonization in Europe will require large-scale infrastructure deployment, regulatory framework across the entire value chain, and better incentives for investments in different parts of the CCS value chain.

The launching of the Industrial Carbon Management Strategy (ICM) by the EU Commission in 2024 will be marked as a watershed moment for the CCS industry. The EU's core mission is to create single markets of free trade, and that is what the EU is doing now with the carbon market, having legally binding targets and strategies for CCS to achieve common climate goals.

Now time is of the essence for Norwegian authorities to follow the pace of the EU and to follow suit to the extent the EU legislation is not already implemented.

The ICM strategy focuses largely on the deployment of infrastructure for CCS as the industry needs cost efficient solutions. Recent studies by SINTEF, a Norwegian research centre, have shown that proximity to an onshore terminal for CO₂ injection reduces cost on large scale. With the Norwegian know-how, facilitating the development of regional hubs for CO₂ injections should be on top of the agenda.

The work performed on our CCS projects in 2023 showcases the growing demand for local and regional CO₂ injection solutions, and the demand is increasing as the ICM strategy puts a greater pressure on European industry.

We experience a growing interest in CO₂ value chains internationally and domestically, thus outlining a solid basis for a commercialised industry where the main profit will be emission reductions.



2023 Highlights



Q1

- Ammonia and fertiliser specialist Fertiberia to partner with Horisont Energi for realization of the Barents Blue project, Equinor and Vår Energi exit the project. In 2022, Fertiberia committed to reducing emissions to net zero by 2035 – as the first major company in the crop nutrition sector.
- Horisont Energi, Neptune Energy and E.ON sign MoU for realisation of a European CCS value chain.
- Horisont Energi was not awarded a storage license for the applied area after a competitive tender process overseen by the Ministry of Petroleum and Energy. Horisont Energi continues to mature the Gismarvik CO₂ Hub project as a stand-alone project.



Q2

- Horisont Energi introduces the possibility of producing blue power to the grid as an integrated part of the Barents Blue project. The purpose is to use gas to produce power that can help supply Northern Norway with clean power. The power could be available before 2030. We are talking about up to several hundred megawatts in the delivery of stable balancing power with high environmental and climate standards.
- Changes to the board of directors. Following the Annual General Meeting 2023 in Horisont Energi, the changes were:
New Chairperson: Dr. Gabriël Clemens
Deputy Chairperson: Leif Christian Salomonsen (new)
Board member: Rob Stevens (re-election)
Board member: Rolf Magne Larsen (re-election)
Board member: Beatriz Malo de Molina Laborde
Stefan Håkansson (personal deputy to Dr. Gabriël Clemens)



Q3

- Organisational changes in Horisont Energi. New management team and structure presented to better support the organisation in reaching the company's goals and realising projects with our partners.
- Horisont Energi has secured sufficient power supply for the first stage of the Barents Blue project, Europe's largest clean ammonia plant located in Northern Norway. This clarification is positive for the project, and important for the continued development of a robust clean ammonia plant.
- Horisont Energi signs a joint development agreement with the European ammonia specialist Fertiberia as the new partner in the clean ammonia project Barents Blue, a best-in-class clean ammonia plant. The joint development agreement builds on a cooperation agreement entered between the two parties on 1 February 2023.



Q4

- Horisont Energi and the energy company PGNiG Upstream Norway (PUN), part of the ORLEN Group signs a Letter of Intent (LoI), whereby PUN aims to enter into full partnership and to become operator in the only CO₂ storage licence in the Barents Sea – Polaris.
- Horisont Energi signs offtake agreements with VNG and Barents NaturGass AS with volumes of 100,000 – 300,000 tons per year with VNG and 100,000 tons with Barents NaturGass AS.
- Horisont Energi and Koole Terminals B.V sign a non-binding memorandum of understanding (MoU) to continue their collaboration developing midstream part of the European CCS value chain.



2023 Highlights

Q4

- Horisont Energi and PGNiG Upstream Norway (PUN) signs a Sales and Purchase Agreement (SPA) where PUN acquires a 50% participating interest in the CO₂ exploration licence Polaris.
- Horisont Energi exit the green ammonia project Star in Finnmark.
- Horisont Energi holds an Extraordinary General Meeting and proposes changes to the legal structure of the company.
New legal structure:
 - Horisont Energi (parent)
 - Horisont Karbon
 - Horisont Ammoniakk
 - Horisont Infra

The extraordinary general meeting 22 December elected Silje Christine Augustson to the Company's board, with tenure until the next ordinary General Meeting in 2024. Silje Christine Augustson replaced Beatrix Malo de Molina who withdrew from the board in October 2023.

The General Meeting also noted Rainer Bayerke as the personal deputy for Dr. Gabriël Clemens, effective from October 2023.

January 2024

The Norwegian Ministry of Energy approved PGNiG Upstream Norway as operator and partner with Horisont Energi in Polaris (CO₂ exploration licence EXL003) the only CO₂ storage located in the Barents Sea.

Board of Directors' Report 2023

Horisont Energi is a Norwegian clean energy company working with partners to realize industrial scale projects to accelerate the transition to a carbon neutral future. Founded in 2019, the company is headquartered in Sandnes, Norway, with offices in Hammerfest, Oslo, and Edinburgh. The largest shareholder is the European energy major E.ON with 25% ownership, and the company's shares are listed on Euronext Growth under the ticker "HRGI".

The ambition of Horisont Energi is to become a leading clean energy company offering cost-effective clean ammonia, carbon storage and CO₂ terminals with market leading sustainability performance. This requires that the company establishes and maintains strong partnerships. To facilitate pure play partnerships in each of the three business areas the Group is with effect from 22 December 2023 organised with Horisont Energi as a parent company for the three wholly owned subsidiaries Horisont Ammoniakk, Horisont Karbon, and Horisont Infra.

The three subsidiaries are established as specific business vehicles for clean ammonia production and marketing, offshore carbon storage services to European CO₂ emitters and midstream CO₂ infrastructure services for carbon storage licences and CO₂ emitters. Each of the three subsidiaries has one main project under development, the clean ammonia project Barents Blue at Melkøya, the offshore carbon storage-project Polaris in the Barents Sea, and the onshore CO₂ terminal at Gismarvik in Rogaland. The company made significant progress on all these three projects during 2023.

All content, rights and obligations related to clean ammonia, CO₂ transportation and storage and CO₂ infrastructure will be transferred to the subsidiaries during the first half of 2024, and the restructuring was formally registered in the Norwegian Register of Business Enterprises in February 2024. One exception is the Polaris exploration licence (EXL003) that still resides in Horisont Energi as this requires additional processing involving public authorities prior to be transferred to Horisont Karbon.



Operational review

The **Barents Blue** project will be Europe's first world-scale clean ammonia plant, producing ammonia from clean water, renewable energy, and low-carbon natural gas. Capturing CO₂ for permanent storage in the Polaris offshore reservoir will enable removal of more than 99% of the CO₂. Combined with the low carbon footprint of all inputs including gas and power makes Barents Blue a best-in-class project. The project is being driven forward by Horisont Energi and Fertiberia in a 50/50 partnership established in August 2023, following the exit by Equinor and Vår Energi from Barents Blue and the associated Polaris project. Planning for an annual production level of 1 million tonnes of clean ammonia, the partners have already secured access to renewable power and signed LOIs for ammonia offtake agreements with both local customers in Norway and customers on the European continent. The focus is now on securing gas feedstock, as the partners work towards concept select before summer 2024, for a final investment

decision in late 2025 and commissioning and production start in 2029.

The **Polaris** CO₂ storage project is the first commercial carbon storage project under the carbon storage regulation in the Barents Sea. With an annual storage injection capacity of 3-6 million tons of CO₂ the Polaris asset is a key part of the Barents Blue project and provides additional capacity also for other Norwegian and European customers such as E.ON. The company in 2023 signed up PGNiG Upstream Norway (PUN) as a partner and operator, with PUN acquiring 50% participating interest in December. As the only CO₂ storage license for CO₂ emitters in the Barents Sea, Polaris represents an important and necessary milestone in developing a CCS value chain in Northern Norway. A final investment decision for the project is scheduled late in 2025 with a planned start-up in 2029. The company evaluates other carbon storage opportunities in other areas in the North Sea with a goal to establish a licence

portfolio mainly connected to the Gismarvik CO₂ Hub, despite losing out on the application for a licence on the Errai project early 2023.

The **Gismarvik CO₂ Hub** onshore in Rogaland will play an important role in enabling local and European CCS large-scale value chains. With a planned future annual capacity of up to 24 million tons of CO₂ injection this is the largest planned CO₂ injection terminal in Norway to date. The terminal offers cost-efficient design, economies of scale, and closeness to several awarded carbon storage exploration licences in the North Sea. The location at Haugaland Næringspark is optimal with all needed infrastructure available, including a new planned 420kV power line which will supply the region with sufficient power for both planned and future industrial developments. Horisont Energi already has an agreement with its largest shareholder E.ON for development of a European carbon capture and storage value chain, and in November 2023, Horisont Energi and Kooles Terminals signed a non-binding MOU to explore the potential development of such a European CCS value chain and potentially connect the Gismarvik terminal with planned CO₂ export terminals on the European continent. Depending on the timing of the first connected carbon storage licence, the Gismarvik CO₂ Hub is targeting a final investment decision (FID) by the end of 2025 and start-up in 2028.





Financial review

Profit and loss

Horisont Energi is still in the pre-commercial phase with little revenue generating activities. Total operating income amounted to NOK 5.0 million in 2023, reflecting the sale of technology not considered core to the company business.

Operating costs amounted to NOK 208.0 million in 2023, compared to NOK 143.5 million in 2022. The higher expenses reflect the activity level and phasing of the company's main projects. The costs were particularly high in the first half of the year, due to the terminated Errai project development with a planned DG2 in summer of 2023 and partly due to activities in the Polaris and the Barents Blue project.

The cost level was significantly reduced in the second half of the year, after closing of the financial commitments related to the Errai project in the second quarter and a reduction of

project spending at Barents Blue and Polaris. The company retains a sharp cost focus into 2024 to preserve capital and financial flexibility through the period towards final investment decisions for the company's main projects.

Salary and personnel costs accounted for NOK 79.3 million or 38% of operating expenses in 2023, up from NOK 41.2 million or 29% in 2022. The number of employees and personnel costs declined in the second half of the year after completion of the Errai project, and the 38 employees at the end of the year compares to 44 employees at the end of 2022. Other operating costs amounted to NOK 124.1 million, up from NOK 99.7 million last year.

Research and development (R&D) accounted for NOK 40.7 million out of total operating expenses in 2023, compared to NOK 38.0 million in 2022.

Depreciation increased to NOK 4.6 million from

NOK 2.7 million in 2022, and the operating loss hence increased to NOK 203.0 million from a loss of NOK 143.5 million in 2021.

Net financial income amounted to NOK 10.0 million for 2023, up from NOK 9.7 million in 2022. This mainly reflects higher interest income on the company's net cash position.

As a result, the net loss increased to NOK 193.0 million in 2023 from a loss of NOK 133.8 million in 2022. The company recognised no income tax for either period.

Balance sheet and liquidity

Total assets amounted to NOK 260.0 million at the end of 2023, compared to NOK 444.7 million at the end of 2022. Total current assets amounted to NOK 245.3 million (435.0), comprising NOK. 200.4 million in cash and cash equivalents (392.8),

NOK 16.2 million in accounts receivable (31.0) and NOK 28.7 million in other receivables (11.2).

Total non-current assets amounted to NOK 9.3 million (9.1), consisting of right-of-use assets.

Equity amounted to NOK 191.5 million at the end of 2023, down from NOK 383.2 million at the end of 2022, with the equity ratio declining to 73% from 86% at the end of 2022. The decline reflects the losses in the period.

Total liabilities amounted to NOK 68.5 million at the end of 2023, up from NOK 61.5 million at the end of 2022. The company had no liabilities to financial institutions (2.4), and other long-term liabilities amounted to NOK 4.8 million (4.5). Total current liabilities amounted to NOK 63.7 million (54.6), of which NOK 32.7 million accounts payables (16.0), NOK 6,5 million public duties payables (5.3), and NOK 21.3 million other current liabilities (33.3).

Cash flow

Net cash flow from operating activities was a negative NOK 184.1 million in 2023, compared to a negative NOK 115.2 million in 2022. This mainly reflects losses in the period, slightly offset

by received tax refund of NOK 4.7 million and positive changes in working capital with increases in short-term receivables and payables.

Cash flow from investing activities was a negative NOK 0.1 million, reflecting investments in financial fixed assets. In 2022 the company invested NOK 0.5 million in fixed assets.

Cash flow from financing was a negative NOK 8.2 million, reflecting NOK 2.4 million repayment of debt and NOK 5.8 million payment of lease debt. In 2022 cash flow from financing activities was a positive NOK 416.9 million, reflecting a capital contribution of NOK 420.0 million net of fees less NOK 3.0 million in lease debt payments.

The cash position at the end of the year was NOK 200.4 million, a reduction from NOK 392.8 million at the end of 2022. Given the reduction of spending during the 2nd half of 2023, combined with the planned operating activities in 2024, the capital fairway extends into the early part of 2025. The company is exploring additional sourcing of capital at project level as the different projects reach key milestones.

R&D

Horisont Energi engages in several R&D activities, some involving external parties and others being internally focused. The company will apply for a credit of NOK 4.75 million under the SkatteFUNN scheme for 2023 (4.75). Total costs related to SkatteFUNN projects were NOK 40.7 million in 2023, compared to NOK 38.0 million in 2022.

Events after the balance date

On 3 January 2024 the Norwegian Ministry of Energy approved PUN as operator and partner with Horisont Energi in the Polaris CO₂ exploration license EXL003.

On 17 January 2024, the Board of Directors announced the introduction of a dual CEO structure, with Bjørgulf Haukelidsæter Eidesen as Leiv Kallevig as Co-CEOs. An extraordinary general meeting on 5 February approved to revise the Articles of Association to accommodate the dual-CEO structure, and it was implemented in a Board meeting 8 February.

19 February 2024, the restructuring of the company was formally registered in the Norwegian Register of Business Enterprises

in February 2024 and the demerger of the businesses into three wholly owned subsidiaries was completed.

Risk factors

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, and Horisont Energi has put strong emphasis on and allocated resources to establishing a solid project development model where identification, monitoring, and control of risk is central.

The company's projects are subject to the award of licences, permits and authorisations by local and national authorities, and no guarantees can be made as to if or when 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.

Future business activities will involve exposure to several risks, many of which are beyond the company's control. These include but are not limited to natural gas feedstock prices, ammonia

sales prices, pricing of contracts for CO₂ transport and storage, etc. There will also be risks linked to the cost of the company's projects due to fluctuating prices for steel and other materials, as well as for the exposure to changes in cost of capital over time and exposure to foreign exchange fluctuations as the projects go into development and execution phase.

Horisont Energi has a short operating history and given that it still is in a pre-commercial phase the company has limited revenue and is loss-making. Given the nature of current activities, the company has only very limited exposure to market risk factors such as currency risk, credit risk and interest rate risk. The company's accounts receivables of NOK 20.0 million at year end (30.9) are against project partners, which are major companies with low credit risk. The company has no interest-bearing debt, and current interest rate is hence limited to financial income on the cash position.

At the end of 2023 held cash and cash equivalents of NOK 200 million, which the Board of Directors considers sufficient funding through 2024 given the company's current stage of business development.

The company has received certain conditional grants supporting the funding of projects, most notably an Enova grant of NOK 482 million under the IPCEI Hydrogen programme Hy2Use. No

guarantees can be given that the company will reach the milestones required to release this grant, and realization of the company's projects will in any case require significant additional funding in the form of both equity and debt financing. No guarantees can be given with respect to the availability of such funding at competitive terms.

Please also see note 15 to the Financial Statements.

Organization, Sustainability and Environment

With a mission to accelerate the transition to carbon neutrality through large-scale pioneering projects, sustainability is truly at the core of Horisont Energi's strategy. The current organization is in a project development phase and does not pollute the external environment to any material degree. Horisont Energi's Sustainability report for 2023 is presented as part of this Annual report, and please refer to the Sustainability report for further details.

The number of employees at Horisont Energy stood at 38 at the end of 2023, down from 44 at the end of 2022. Of these, 22 employees were male (26) and 16 female (18). The company had no part-time employees (2).

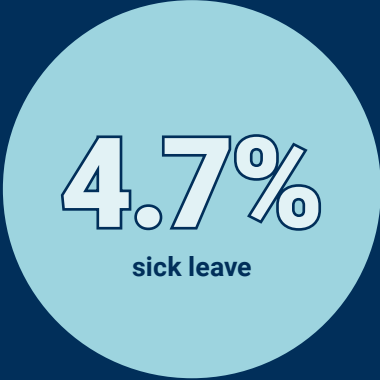
The working environment is considered good. Absence due to illness was 4.7% in 2023, and

although this was an increase from only 1.6% in 2022 it remains well below the averages reported for the Norwegian workforce. Horisont Energi has a zero vision for incidents and serious accidents, and no incidents were reported in 2023.

The company's management team consists of Bjørgulf Haukelidsæter Eidesen as Co-CEO, Leiv Kallestad CFO, Ståle Brattebø COO/CTO and Frode A. Berntsen as Chief Legal Officer.

The Co-CEO structure was adopted in early 2024, through the appointment of Leiv Kallestad as Co-CEO in addition to his role as CFO. The implementation of the Co-CEO body was approved by an extraordinary general meeting in February 2024. Bjørgulf Haukelidsæter Eidesen will continue to focus on strengthening existing relationships and building new ones, whereas Kallestad will focus on enhancing project delivery capabilities and secure financing while retaining his other responsibilities as CFO.

As earlier described, the Group was established with effect from 22 December 2023 organized with Horisont Energi as a parent company with three subsidiaries in Horisont Ammoniakk, Horisont Karbon, and Horisont Infra. Rune Halseid is responsible for the company's projects within ammonia and infrastructure and Morten Sola for the projects within carbon storage.





Corporate governance

Horisont Energi's corporate governance principles are designed to create a sound, effective corporate culture that promotes trust, clarifies the division of roles between the shareholders, the auditor, the Board of Directors, and the CEO, and safeguards the interests of various stakeholders and society at large. A code of conduct governs the ethical rules and principles applicable to conduct of the company employees and stakeholders contractually involved with the company. The corporate governance also includes procedures and rules related to being a listed company.

The Board of Directors has adopted instructions governing Board responsibilities, authority, and procedures, as well as a CEO instructions governing the responsibilities and authority of the CEO. The Board has also adopted an authorisation matrix defining responsibilities, accountabilities, and consultation and information duties for the board, the chairperson of the board, the CEO, and authorised members of management alone or in combination with others. The authority of the Board and the CEO are clearly defined, with the CEO entitled to delegate authority to management and employees.

The Board of Directors of Horisont Energi consists of Dr. Gabriël Clemens as Chairperson, Leif Christian Salomonsen as deputy chair, Silje Christine Augustson, Rolf Magne Larsen, Rob Stevens, and Rainer Bayerke representing E.ON as personal deputy for Dr. Gabriël Clemens. Dr. Gabriël Clemens replaced Rob Stevens as Chairperson at the AGM in May 2023.

Silje Augustsson joined the Board in December 2023, replacing Beatriz Malo de Molina Laborde. At the same time Rainer Bayerke replaced Stefan Håkonsson as personal deputy for Dr. Gabriël Clemens.

In February 2023, Øystein Spetalen resigned from the Board whereas Lars Foss-Skiftesvik resigned from the position as observer to the Board on behalf of QVT on 3 February.

The Board of Directors and CEO are covered by liability insurance.

The company has established a nomination committee that is independent of the Board of Directors and the management of the company. At the end of 2023 this committee consisted of Frode Berg (leader), Tor Mørne, and Mia Fogelfors Wredmark.

Outlook

Horisont Energi is moving forward with its three main projects: the Barents Blue clean ammonia project at Melkøya in Finnmark, the Polaris CO₂ storage project in the Barents Sea, and the Gismarvik CO₂ terminal in Rogaland on the west coast of Norway.

The Fertiberia partnership is a good match for maturing the Barents Blue project towards concept select before the Summer. Other key milestones under the Joint Development Agreement with Fertiberia include the development of a commercial basis with gas supplies and further ammonia sales in addition to offtake agreements entered with Norwegian Barents Naturgass and VGN in Germany during 2023. The establishment of Horsont Ammoniakk AS as a separate legal entity was a pre-requisite for future draws on the NOK 482 million grant awarded under the IPCEI Hydrogen Hy2Use programme.

The onboarding of PGNiG Upstream Norway as a 50/50 partner and operator represents a key milestone towards realising the Polaris carbon storage field in the Barents Sea and a CO₂ value chain extending to Northern Norway.

The Gismarvik CO₂ terminal is a key project in establishing a European value chain for CCS together with partners E.ON and Koole Terminals. The company will continue to evaluate more license application for offshore storage in connection with the terminal.

Despite progress made during the last half of 2023 on the major strategic initiatives, the company still need to mature the projects commercially to attract long term financing and create a sustainable basis for the future operations of the company. The Board's assessment is that the company has continued to make progress from the setbacks in Q1 2023. The execution risk remains significant, including its ability to attract and finalize 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.

Allocation of profits

Dividend: NOK 0
Transferred from other equity: NOK 193 million
Total allocations: NOK 193 million

Going concern

The board confirms that the conditions for the going concern assumption are satisfied and that the financial statements for 2023 have been prepared on this assumption.

Responsibility statement

We confirm, to the best of our knowledge, that the set of financial statements for the period 1 January to 31 December 2023 has been prepared in accordance with the Accounting Act 3-9 and Simplified IFRS and gives a true and fair view of the Company's assets, liabilities, financial position and profit or loss. We also confirm, to the best of our knowledge, that the management report includes a fair review of major events that have occurred during the fiscal year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties, and major related parties' transactions.

Sandnes, 20 March 2024

This document has been signed digitally and is kept on file by the company.

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Dr. Gabriël Clemens
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Dr. Gabriël Clemens
Chairperson of the board

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Leif Christian Salomonsen
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Leif Chr. Salomonsen
Deputy Chairperson

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Silje Christine Augustson
Board member

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Rob Stevens
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Rob Stevens
Board member

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Rolf Magne Larsen
Board member

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Björgulf Haukelidsæter Eidesen
Co-CEO

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Leiv Olav Kallestad
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Leiv Kallestad
Co-CEO

Board of directors



Dr. Gabriël Clemens
Chairperson of the board

Dr. Gabriël Clemens is the CEO of Green Gas, E.ON SE, and Managing Director of E.ON Hydrogen GmbH. He represents E.ON on the board of Horisont Energi.

Dr. Clemens has held a number of senior management and board positions with energy companies such as VSE, RWE and Essent in Germany and the Netherlands. He has also a consultancy background from McKinsey & Company. Dr. Clemens holds a PhD degree in electrical engineering from RWTH Aachen, Germany.

Dr. Clemens is a Dutch and German citizen residing in Germany.



Silje Christine Augustson
Board member

Ms. Augustson brings extensive experience from leading positions and directorships in sectors like finance, energy, geo services, real estate, and retail. Ms. Augustson is currently a strategic and financial advisor to the Norwegian Carbonor, a CO₂-removal and bio carbon company, as well as being the founder and creative director of Esperance.

Ms. Augustson led Norwegian Energy Company ASA (NOR) through a successful financial restructuring, resulting in full recovery for the company and best performing stock on the OSE in 2016.

Ms. Augustson holds over 15 years of experience as non-executive board member from both listed and unlisted companies, as well as NGOs.

Silje Christine Augustson is a Norwegian citizen residing in Switzerland.



Leif Chr. Salomonsen
Deputy Chairperson

Leif Chr. Salomonsen is an experienced business executive with a track record of creating value through substantial transformation and turnaround of large public and private international industrial companies. In the Chair, CEO and CRO positions, respectively, he has proven ability to improve corporate value in complex business situations while managing the delicate balancing act between internal and external stakeholders' interests.

He started his career with BP as a Petroleum Engineer and then worked 19 years with Norsk Hydro, first in its Oil & Gas Division (now listed as Equinor ASA), and then in the Agriculture Division (now listed as Yara ASA). In the latter position he successfully completed a major restructuring and efficiency program for the Nordic and Baltic region.

Leif has served at several boards in Norway and abroad, both as an executive and non-executive director and Chairman.

Mr. Salomonsen is a Norwegian citizen residing in Norway.

Board of directors



Rob Stevens
Board member

Rob Stevens holds an MSc and PhD degree in Chemical Engineering from Delft University of Technology. He joined Topsoe in June 2023 as the Sector Lead for Green Fuels within Power-to-X at Topsoe, instrumental in establishing the company as the leader in PtX solutions across green fuel. He started his career with Yara research in the Netherlands in 1997, and has held various global roles since, focusing on ammonia production management and more recently serving as VP of technology scouting, decarbonization, and shipping fuels. In his latest assignment as technology opportunities expert a green financing start-up, Rob expanded his knowledge in climate technologies. He has built a strong reputation as a thought leader through his contributions to international clean ammonia energy position papers and ammonia fuel shipping studies.

Rob currently is VP Past President at the Ammonia Energy Association, bringing forward the responsible use of clean ammonia in new uses. Rob also is Director of the Clean Ammonia Platform with the Institute for Sustainable Process technology in the Netherlands.

Rob Stevens is a Dutch citizen residing in Norway.



Rolf Magne Larsen
Board member

Rolf Magne Larsen was Head of International Exploration at Statoil (now Equinor) establishing business for the company in more than 10 countries. Heading the company’s country risk management and social responsibility unit, he led the work of producing Statoil’s first Sustainability Report making the company a global front runner within the area.

Following retirement from Statoil, Rolf Magne Larsen has been advising energy companies through his own company. Today he holds board positions at Wellguard and Drem Investment.

Mr. Larsen is a Norwegian citizen residing in Norway.

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Income statement

All amounts in NOK	Notes	2023	2022
Other income			
Other income	1	5 000 000	0
Total other income		5 000 000	0
Operating costs			
Salary and personnel costs	2	79 263 409	41 181 811
Depreciation	3, 4	4 613 375	2 658 681
Other operating costs	5	124 109 105	99 662 203
Total operating costs		207 985 889	143 502 696
OPERATING PROFIT (LOSS)		-202 985 889	-143 502 696
FINANCIAL INCOME AND EXPENSES			
Interest income	6	12 125 448	10 223 871
Interest expenses	3	-600 123	-212 196
Other financial income		321 737	638 059
Other financial expenses		-1 816 177	-932 432
Net financial income (expenses)		10 030 885	9 717 302
PROFIT (LOSS) BEFORE INCOME TAX		-192 955 004	-133 785 393
Income tax expense	7	0	0
NET PROFIT (LOSS) FOR THE PERIOD		-192 955 004	-133 785 393


Balance sheet

All amounts in NOK	Notes	12/31/2023	12/31/2022
ASSETS			
Non-current assets			
Right-of-use assets	3	9 272 213	9 147 749
Total non-current assets		9 272 213	9 147 749
Machines, furnishings and fittings			
Fixtures and fittings, tools, office machinery, etc	4	370 400	492 991
Total machines, furnishings and fittings		370 400	492 991
Financial fixed assets			
Investments in associates	8	5 000 000	
Investments in subsidiaries	9	120 000	0
Total financial fixed assets		5 120 000	0
Total fixed assets		14 762 613	9 640 740
Current assets			
Receivables			
Accounts receivables		16 182 841	30 974 756
Other receivables	11	28 678 550	11 225 517
Total receivables		44 861 391	42 200 273
Cash and cash equivalents	12	200 399 887	392 827 162
Total current assets		245 261 278	435 027 435
TOTAL ASSETS		260 023 891	444 668 175

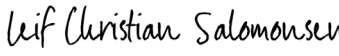
All amounts in NOK	Notes	12/31/2023	12/31/2022
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital	13, 14	223 259	223 259
Share premium	13	566 687 897	566 687 897
Other paid-in equity	13	8 349 032	7 083 954
Total contributed equity		575 260 188	573 995 110
Retained earnings (deficit)			
Retained earnings (deficit)	13	-383 771 739	-190 816 735
Total retained earnings (deficit)		-383 771 739	-190 816 735
Total equity		191 488 449	383 178 375
LIABILITES			
Non-current liabilities			
Lease debt	3, 15	4 808 756	4 408 940
Other long-term liabilities	15	0	109 557
Liabilities to financial institutions	15	0	2 400 000
Total non-current liabilities		4 808 756	6 918 497
Current liabilities			
Accounts payables		32 723 732	16 014 563
Public duties payable		6 530 134	5 289 280
Lease debt with due date within 12 months	3	3 204 649	4 221 217
Other current liabilities	16	21 268 173	29 046 243
Total current liabilities		63 726 688	54 571 303
Total liabilities		68 535 444	61 489 800
TOTAL EQUITY AND LIABILITES		260 023 891	444 668 175

Stavanger, 20 March 2024


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Dr. Gabriël Clemens
Chairperson

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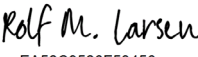
Leif Christian Salomonsen
Deputy Chairperson

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Rob Stevens
Board member

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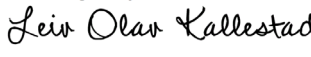
Silje Christine Augustson
Board member

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Rolf Magne Larsen
Board member

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Bjørgulf Haukelidsæter Eidesen
Co-CEO

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Leiv Kallestad
Co-CEO

Cash flows

All amounts in NOK	2023	2022
Cash flow from operating activities		
Profit (loss) before income tax	-192 955 004	-133 785 393
Negative instalments tax	-	-
Tax refund received	4 750 000	-
Interest cost on right use liabilities	577 550	-
Depreciations	4 613 375	2 658 681
Cost related to employee share options	1 257 383	1 248 947
Change in accounts receivables	9 791 916	-4 275 770
Change in accounts payables	16 709 169	-600 757
Change in other short-term receivables and payables	-28 842 113	19 517 837
Net cash flow from operating activities	-184 097 725	-115 236 454
Cash flow from investing activities		
Investments in fixed assets	0	-547 974
Investments in subsidiaries	-120 000	
Net cash used in investing activities	-120 000	-547 974
Cash flow from financing activities		
Capital contribution net of fees		419 875 005
Repayment of loan from financial institutions	-2 400 000	-
Payments of lease debt including interest	-5 809 550	-2 952 528
Net cash from financing activities	-8 209 550	416 922 477
Net cash flow from discontinued operations		
Net change in cash and cash equivalents	-192 427 275	301 138 049
Cash/cash equivalents at the beginning of period	392 827 162	91 689 113
Cash/cash equivalents at the end of period	200 399 887	392 827 162

Accounting principles and basis for preparation

The Company was established 27.08.2019.

The Company converted to Simplified IFRS in 2021. This means that measurement and recognition criterias comply with international accounting standards (IFRS®) and disclosure notes are in accordance with Norwegian Accounting Act and generally accepted accounting principles.

The annual accounts represent the parent company Horisont Energi AS. For 2023, no consolidated financial statements are prepared due to immaterial activity level and immaterial book values in the 3 subsidiaries Horisont Ammoniakk AS, Horisont Karbon AS and Horisont Infra AS.

Cost sharing in accordance with cooperation agreements

Several cooperation agreements has been in place during 2023. Based on the cost shareing agreements, the partners have covered their share of salary cost and other operating cost. The cost sharing have been based on a no gain/loss principle. The share of salary and operating cost

to be recharged to partners have been booked as reduction of salary and other operating cost.

Going concern

The annual accounts are prepared on the assumption of a going concern. This assumption is based on the Company’s budget for the year 2024 including the Business Plan and the cash flow forecast.

Estimates

The preparation of financial statements is in compliance with Simplified IFRS. The application of the company’s accounting principles require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Revenue/other income

Other Income consists of sale of technology to an external party. All recharges in accordance with the cooperation agreement is booked as a cost reduction for salaries and other expenses.

Defined contribution plan

With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognised as payroll expenses.

Employee share options

Employee share options and other equity instruments granted to employees are measured by reference to the fair value of the warrants or other equity instruments at the date on which they are granted. The fair value of the warrants or other equity instruments is estimated on the grant date and expensed over the vesting period with a corresponding increase in equity. The vesting period is the period in which the performance conditions are fulfilled, ending on the date on which they become entitled to the award (‘vesting date’).

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified

as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year’s instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Debtors

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised ar fair value and subsequently measured at amortised cost less provision for impairment.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as operating income and cost of goods sold.

Loans and borrowings

All loans and borrowings are initially recognised at cost as represented by the fair value of the consideration received net of issue costs and transaction costs associated with the borrowing. Following initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method

Provisions

A provision is recognised when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date. The amount of the provision is the present value of the risk adjusted cost expected to be required to settle the obligation, and is discounted by the estimated risk-free interest rate.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority/tax regime. Timing differences are considered.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, and bank deposits.

Govenment grants

Goverment grants are recognized based on the attributed cost. If the grant are linked to operation the grant is recogized in the P/L. If the grants are linked to an asset the deduction are recognized in the balance sheet.

Investments in subsidiaries

The cost method is applied to investments in subsidiaries The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount.

Investments in associates

Associates are all entities over which the

Company has significant influence but not control, generally accompanying a shareholding of between 20 and 50 % of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Company’s share of its associates’ net results are recognized on separate lines in the income statement. In the balance sheet statement invesments in associates are presented as non-current assets.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or



the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use. Previous impairment charges, except writedown

of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

Lease liabilities are measured at the present value of remaining lease payments, discounted using the interest rate implicit in the lease contract, or if this is not available, the company's calculated borrowing rate per lease object. Lease payments are recognised as interest expense and a reduction of lease liabilities.

Note 1 Other income

Horisont has sold technology to Hestaco AS related to a technology development project for a venting solution intended for gas tankers. The technology was considered non-core to Horisont. The agreed sale price was MNOK 5, and Horisont Energi AS has received shares in Hestaco as settlement for the receivable.



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

Payroll expenses

All amounts in NOK	2023	2022
Salaries/wages	55 190 003	43 848 396
Bonus	11 992 307	0
Social security fees	9 827 327	6 615 362
Pension expenses	6 449 975	5 124 029
Other remuneration	3 163 699	2 910 819
Gross employee benefits expenses	86 623 311	58 498 606
The number of employees at 31.12	38	44
Average number of employees during the year	41	32
Reimbursed from partners	-7 359 902	-17 316 795
Salary and personnel costs	79 263 409	41 181 811

During 2023 a bonus plan was implemented to ensure retention throughout 2023 and to incentivise the organisation. The bonus has been paid in January 2024.

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

The company has a defined contribution scheme which covers all the employees.

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

Remuneration to executives

All amounts in NOK	General manager	Board
Salaries/board fee	1 647 404	2 058 335
Pension expenses	204 845	0
Other remuneration	42 978	0
Total	1 895 227	2 058 335

The general manager has no option agreement or any severance pay agreement.

No board members have any bonus agreement, option agreement or any severance pay agreement.

Expensed audit fee

All amounts in NOK	2023	2022
Statutory audit (incl. technical assistance with financial statements)	562 500	342 463
Other assurance services	130 000	425 000
Tax advisory fee (incl. technical assistance with tax return)	264 330	117 780
Other services	406 700	1 525 390
Total audit fees	1 363 530	2 410 633

Employee share options scheme 2023:

The Company has an employee share options program for some of its employees. All share options are equity-settled.

IFRS 2 Share-based Payment requires an entity to recognise share-based payment transactions (such as granted shares, share options, or share appreciation rights) in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity. Specific requirements are included for equity-settled and cash-settled share-based payment transactions, as well as those where the entity or supplier has a choice of cash or equity instruments.

The fair value at grant date was determined using a Black Scholes Model. The right of the Holder to exercise the Options is conditional upon the Holder being employed with the Company on the date of the Exercise Notice.

All amounts in NOK	2023	2022
Expensed salary cost related to employee share options	1 366 940	1 167 302
Outstanding warrants opening balance 01.01.	426 000	340 000
Warrants granted	20 000	86 000
Warrants forfeited	-39 500	
Warrants exercised	-	
Warrants expired	-	
Outstanding warrants at end of period	406 500	426 000
Of which exercisable	160 000	-

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

All amounts in NOK	2023	2022
- Exercise price between	26-56	42,24 -157,8
- Share price at grant date between	17-38	38,4-78,9
- Expected volatility	40%	40%
- Risk free interest rate	4%	1%
- Term of options between	1,5-3,5 years	1,5-5 years

Note 3 Leases IFRS 16

Right-of-use assets

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

All amounts in NOK	2023	2022
Right-of-use assets	Offices	
Aquisition cost as at 01.01	13 005 776	4 013 854
Addition of use-of-rights*	4 615 248	9 677 265
Termination of use-of-rights		-685 343
Aquisition cost end of period	17 621 024	13 005 776
Depreciation and write-downs as at 01.01	3 858 027	1 254 329
Depreciation for the period	4 490 784	2 603 698
Write-downs for the period	-	-
Depreciation and write-downs as at end of period	8 348 811	3 858 027
Book value right-of-use assets at end of period	9 272 213	9 147 749
Economic lifetime	12-50 months	12-50 months
Depreciation method	Linear	Linear

*Additions in 2023 are calculated using a discount rate of 7%

Lease liability

All amounts in NOK	2023	2022
Lease liability	Offices	
Liabilities and payment schedule excluding interest		
Less than 1 year	3 204 649	4 221 217
1-2 years	3 641 245	1 976 850
2-3 years	893 267	1 165 436
3-5 years	274 244	1 266 654
More than 1 year	4 808 756	4 408 940
Total lease liabilities at end of period	8 013 405	8 630 157
Changes in lease liabilities		
Lease liabilities at 01.01	8 630 157	2 940 395
New/recalculated liabilities this period	4 615 248	9 677 265
Termination of lease		-1 221 202
Downpayments of liabilities	-5 809 550	-2 952 528
Interest payments	-	-
Interest on lease liabilities	577 550	186 227
Total lease liabilities at end of period	8 013 405	8 630 157

Note 4 Fixed assets

Machinery and equipment

All amounts in NOK	2023	2022
Acquisition cost as at 01.01	547 974	
Additions	-	547 974
Disposals	-	-
Acquisition cost at end of period	547 974	547 974
Accumulated depreciation 31.12	-177 574	-54 983
Accumulated write-downs 31.12	-	-
Net value at end of period	370 400	492 991
Depreciation for the period	122 591	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.

Note 5 Other operating costs

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

All amounts in NOK	2023	2022
Other office expenses	10 764 279	3 835 104
Consultants fee, studies etc.	181 574 641	179 552 911
Reimbursed from partners	-50 765 082	-72 224 149
Skattefunn	-4 750 000	-4 750 000
Licenses, patents and royalties	-	7 510 084
Other expenses	4 178 301	3 578 785
Reimbursed VAT	-16 893 034	-17 840 532
Total	124 109 105	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 6 Interest income

All amounts in NOK	2023	2022
Interest earnings, tax-free	51 202	10 049
Interest earnings, bank	12 048 523	10 155 150
Interest earnings, customers	25 723	58 672
Interest income	12 125 448	10 223 871

Note 7 Taxes

This year's tax expense

All amounts in NOK	2023	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	-192 955 004	-133 785 393
Permanent differences	-3 443 868	-5 590 029
Changes in temporary differences	-706 301	495 873
Taxable income	-197 105 173	-138 879 550
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:

All amounts in NOK	2023	2022	Difference
Tangible assets	19 697	54 612	34 915
Lease agreements brought to the balance	1 258 808	517 592	-741 216
Other provisions	-	-	0
Total	1 278 505	572 204	-706 301
Accumulated loss to be brought forward	-401 934 813	-204 829 640	197 105 173
Not included in the deferred tax calculation	-400 656 308	-204 257 436	196 398 872
Deferred tax assets (22 %)	-	-	-

Deferred tax is calculated based on tax rates applicable on the balance sheet date. Based on uncertainties related to future utilization of tax losses, there has been made valuation allowance for deferred tax assets. There is no time limitation on the tax losses carried forward in Norway.

Note 8 Associated companies

Associated companies	Ownership	Equity per 31.12.	Net profit
Hestaco AS	29%	5 010 616	-58 608
Horisont Energi acquired ownership in Hestaco close to year end 2023. Horisont Energi AS’ share of net result in Hestaco AS is considered immaterial for 2023.			

Note 9 Subsidiaries

Subsidiaries	Ownership	Equity per 31.12.	Net profit
Horisont Ammoniakk AS	100%	30 000	0
Horisont Infra As	100%	30 000	0
Horisont Karbon AS	100%	30 000	0

These company was established in 2023 with the activity to start in 2024. The subsidiaries will run and develop the core-projects under each business line and is set up to facilitate pure-play partnerships.

Note 10 Government grants – SkatteFunn

The SkatteFUNN R&D tax incentive scheme is a government program designed to stimulate research and development (R&D) in Norwegian trade and industry. The incentive is a tax credit and comes in the form of a possible deduction from a company's payable corporate tax.

In order to be eligible, the company also needs to be incorporated in Norway and liable to pay corporate tax to Norway. If the tax credit for the R&D expenses is greater than the amount the firm is liable to pay in tax, the remainder will be paid out in cash to the firm. If the applying company does not generate a taxable income, the entire SkatteFUNN credit is paid out in cash.

The actual tax credit for costs associated with a given SkatteFUNN project is assessed and granted by the Norwegian Tax Administration.

The deduction/credit rate is 19 percent for all enterprises.

Total cost related to SkatteFUNN project in 2023 has been NOK 40.7 million. The SkatteFUNN R&D cost ceiling for R&D projects using in-house R&D resources is NOK 25 million per year. The company will apply for a possible credit of NOK 4.75 million in 2023.

Note 11 Other receivables

<i>All amounts in NOK</i>	2023	2022
Receivable Skattefunn	4 750 000	4 750 000
Prepaid costs	1 667 561	2 301 329
Recharge to partners	0	3 216 507
Settlement account for VAT	22 260 989	957 680
Other receivables	28 678 550	11 225 517

Note 12 Cash and cash equivalents

<i>All amounts in NOK</i>	2023	2022
Restricted cash related to tax withholding accounts amounts	2 747 678	3 237 839

Note 13 Share capital

<i>All amounts in NOK</i>	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			1 265 078		1 265 078
Net profit (loss) for the period				-192 955 004	-192 955 004
Balance 31.12.	223 259	566 687 897	8 349 032	-383 771 739	191 488 449

Note 14 Share capital, subscription rights and shareholder information

The share capital consists of one class only:

All amounts in NOK	Number	Par value	Share capital
Ordinary shares	22 325 980	0	223 259

The 10 largest shareholders pr 31.12:

All amounts in NOK	Shares	Ownership
E.ON Energy Projects GMBH	5 706 495	26%
FØNIKS INNOVASJON AS	5 126 538	23%
NORDNET LIVSFORSIKRING AS	605 753	3%
DJ ADVISORS AS	552 515	2%
EITOR AS	550 000	2%
BARMEN ØYSTEIN	434 000	2%
SPECIALFONDET KLP ALFA GLOBAL ENER	413 798	2%
APOLLO ASSET LIMITED	300 000	1%
NORNES TED ARNE	297 000	1%
ZEVS HOLDING AS	280 875	1%
Others	8 059 006	36%
Total number of shares	22 325 980	100%

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

Some of the company’s management and board members controls Føniks Inovasjon As 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.

Note 15 Other-long term liabilities

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

All amounts in NOK	2023	2022
Lease debt	4 808 756	4 408 940
1) Debt to Innovasjon Norge	-	2 400 000
2) Other long-term liabilities	0	109 557
Total	4 808 756	6 918 497

- 1) The company had a start up loan of NOK 2 400 000 from Innovasjon Norge. The loan has been repaid in June.
- 2) Calculated social tax on share options for employees, due when options are exercised

Note 16 Other current liabilities

All amounts in NOK	2023	2022
Unpaid salary	11 992 306	
Holiday pay allowance	4 788 265	4 372 314
Accrued cost	4 487 602	24 673 929
Other current liabilities	21 268 173	29 046 243

Note 17 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 18 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 2024 including the Business Plan and the cash flow forecast.

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

Independent auditor's report



To the General Meeting of Horisont Energi AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Horisont Energi AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable statutory requirements, and the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Directors (management) are responsible for the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the other information. The purpose is to consider if there is material inconsistency between the other information and the financial statements or our knowledge obtained in the audit, or whether the other information appears to be materially misstated. We are required to report if there is a material misstatement in the other information. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisionsberetninger>

Stavanger, 20 March 2024
PricewaterhouseCoopers AS


Arne Birkeland
State Authorised Public Accountant

Sustainability report

About this report

This is Horisont Energi's third sustainability report and applies to the reporting period January 1st to December 31st 2023. Entities included in this report is Horisont Energi.

The report is issued annually together with the company's financial reporting. The last sustainability report was published in April 2023. No restatements of information have been done from previous reporting periods.

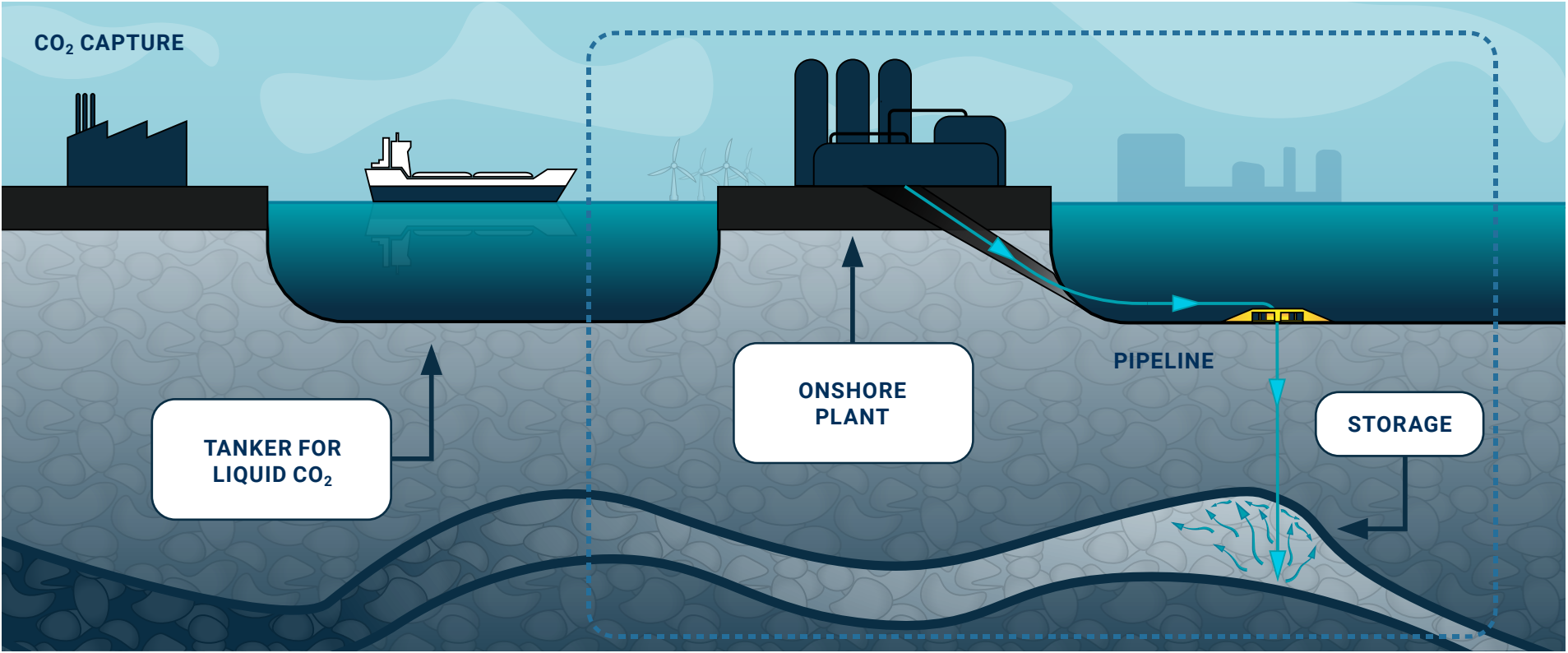
The sustainability report has been prepared in accordance with the 2021 Global Reporting Initiative (GRI) Standard, and the Euronext Guidelines for sustainability reporting.

The sustainability report has been reviewed and approved by the Board of Directors (the Board). The claims and data in this report have not been audited by a third-party.

For information about the sustainability report and its content, please contact Chief HSSE Officer Malene Sandøy at mas@horisontenergi.no. Comments and feedback are welcomed.

Horisont Energi's approach to sustainability

Horisont Energi provides clean energy and carbon transport and storage services. We will transform natural gas, water and renewable energy into cost-leading clean ammonia and hydrogen and offer CO₂ transportation and storage services using proprietary technology, meeting EU Taxonomy requirements and other relevant EU climate and sustainability schemes, paving the way for a low-carbon economy. The CO₂ storage value chain is shown in the figure on the next page.



At Horisont Energi, sustainability stands at the core of our mission and our business strategy. Our sustainability strategy is centred around our overarching goal to be the preferred provider and standard setter where we can be of low-carbon technology solutions, products and services, to be profitable and to be pluralistic, celebrating diversity.

One of our short-term goals is that sustainability shall be incorporated into our facility designs and in contracts. Furthermore, that it is adopted as a screening criterion for every investment decision

and into ERM (Enterprise Risk Management), and this has been included as part of our company's Safety and Sustainability Policy.

Horisont Energi is a member of several industry associations for example NHO, Norsk Hydrogenforum and Offshore Norge. Our Chief Commercial Officer is also a board member in the Ammonia Energy Association.

For information about relevant business relationships, please refer to our annual report.

Our mission: Accelerating the transition to carbon neutrality through pioneering projects

Horisont Energi is a publicly listed company on Euronext Growth (legal name: Horisont Energi, ticker: HRGI). The company is headquartered in Sandnes, Norway and in addition has offices in Oslo, Hammerfest and Edinburgh.

There have been no changes to Horisont Energi's sectors, value chain, or other relevant business relationships from prior reporting periods.

Corporate governance approach

As Horisont Energi grows, we strive to continuously improve our corporate governance performance accordingly. Although not subjected to the Norwegian Code of Practice for Corporate Governance (NUES), we aim to comply with the principles of these recommendations. Our corporate governance statement can be found in the annual report, and we have also established our own ethical guidelines (Code of Conduct), available on our website.

The Annual General Meeting ("AGM") is Horisont Energi's highest governing body, and where shareholders can influence our strategic development. The Board of Directors of Horisont Energi ("the Board") is the highest governance body of the company and is responsible for the supervision of the company, including corporate governance. The Chief Executive Officer ("CEO") is responsible for day-to-day management and responsible towards the Board.

Together with the core management team, the CEO is responsible for proposing strategy development to the Board, and implementing it once approved. The CEO and the management team ensures that the company operates in accordance with applicable laws and regulations, as well as internal and external governance documents.

Horisont Energi's governance structure is described above, and in the company's annual report. In addition, Horisont Energi has a

nomination committee proposing the board composition to the GM. (Board committees responsible for managing impacts on the economy, environment, and people specifically have not been established).

Information about the composition of the Board, including executive and non-executive members, can be found on the company's website. All members are independent, and other significant positions and commitments held by board members, the nature of these commitments, gender and competencies relevant to the impacts of the organisation, can be found in brief in the annual report. Tenure of Board members is included in the annual report (Board's CVs).

The nomination and selection processes for the Board is described in the "Articles of association" which can be found on Horisont Energi's website. The criteria used for nominating and selecting Board members are not described in detail.

Horisont Energi's corporate governance approach is supported by the relevant policies and procedures, including:

- Code of conduct
- Safety and sustainability policy
- Risk management policy
- Annual Management Cycle
- Due diligence for responsible business conduct
- Emergency preparedness plan
- Employee handbook in our HR tool, Evolution

The Board’s role

Horisont Energi’s Board and the CEO with management are responsible for approving the company’s goals related to sustainable development and values, vision and mission statements, but not the sustainability policy. The Board does not directly oversee Horisont Energi’s due diligence and other processes to identify and manage our impacts on the economy, environment, and people. This responsibility has been delegated to the CEO with management and to other relevant persons in the organisation.

The Board regularly receives updates on sustainable development in Board meetings, including when reviewing and approving the annual sustainability report. Measures taken to advance the collective knowledge, skills, and experience of the Board on sustainable development includes briefs by members of the company’s management on inclusion of sustainability objectives in ongoing project developments.

Conflicts of interest and critical concerns

The Chair of the Board is not a senior executive in the organisation. Regarding conflicts of interests, the Board has established processes to ensure that these are prevented and mitigated by stating conflict of interest rules, beyond company law requirements, in the Board Instructions. To assist the Chair of the Board with all regulatory requirements applicable to the Board, our lawyer has been appointed by the Chair as secretary of the Board. More information about how conflicts of interest within the Company should be handled can be found in the employee handbook whereas handling of conflicts of interest externally are described in Horisont Energi’s Code of Conduct. Stakeholders with right of access to such information are informed about internal and external conflicts of interest through Board minutes, or through direct communication from the CEO or management representative.

Making sure that the company has full overview of any critical concerns is essential. Critical concerns can be reported through Horisont Energi’s internal and external reporting system. The Board

receives notifications in cases where reports are considered significant, and no critical concerns were communicated in 2023.

Remuneration policies and compensation ratio

Remuneration procedures for members of Horisont Energi’s Board and the CEO is provided in the annual report. We do not report information regarding sign-on bonuses or recruitment incentive payments and claw backs as of today. All employees, including the CEO, are covered by the same pension arrangement which is a defined contribution scheme. The Board members are not entitled to pension benefits. The CEO does not receive severance payments. A description of the process to determine remuneration to the management team is currently not available. The nomination committee proposes the remuneration for the Board members and submits the proposal to the general meeting for approval. Independent remuneration consultants were involved in the process. The notice of general meeting and the minutes of the general meeting are available

on Horisont Energi’s website and the company information page on Euronext Growth.

Horisont Energi has not yet established procedures for evaluating the performance of the highest governance body in overseeing the organisation’s impact on the economy, environment and people, and remuneration for the Board is currently not linked to their sustainability performance.

Information regarding the annual total compensation for Horisont Energi’s CEO is provided in the annual report, including the percentage increase from prior reporting periods. Due to confidentiality constraints, we are not reporting the total annual compensation of the highest paid individual. Although we are not reporting the median annual total compensation for employees, their average is reported in the Diversity, equality and non-discrimination section of this report.

UN Sustainable Development Goals

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

Horisont Energi supports the UN SDGs and has identified five goals where we can contribute through our business activities.

Goal nr. 7:
Ensure access to affordable, reliable, sustainable and modern energy for all

Target 7.2:
By 2030, increase substantially the share of renewable energy in the global energy mix



Goal nr. 8:
Decent work and economic growth

Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment



Goal nr. 9:
Industry, innovation and infrastructure

Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities



Goal nr. 12:
Responsible consumption and production

Target 12.2:
By 2030, achieve the sustainable management and efficient use of natural resources

Target 12.5:
By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse



Goal nr. 13:
Climate action

Target 13.2:
Integrate climate change measures into national policies, strategies and planning

Target 13.3:
Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning



Stakeholder dialogue

In a 2021 workshop, Horisont Energi defined the following five stakeholder groups as having a significant impact on the company and its operations: employees, partners, customers, suppliers, investors / shareholders, governmental authorities and civil society.

The first stakeholder dialogue for Horisont Energi was undertaken in 2021, where representatives from key stakeholder groups were interviewed about their expectations towards Horisont Energi’s work and reporting on sustainability topics. Systematic stakeholder dialogue is key to ensure that the company is operating within the expectations of its stakeholders.

In addition to the systematic stakeholder dialogue, other key inputs from key stakeholder groups include:

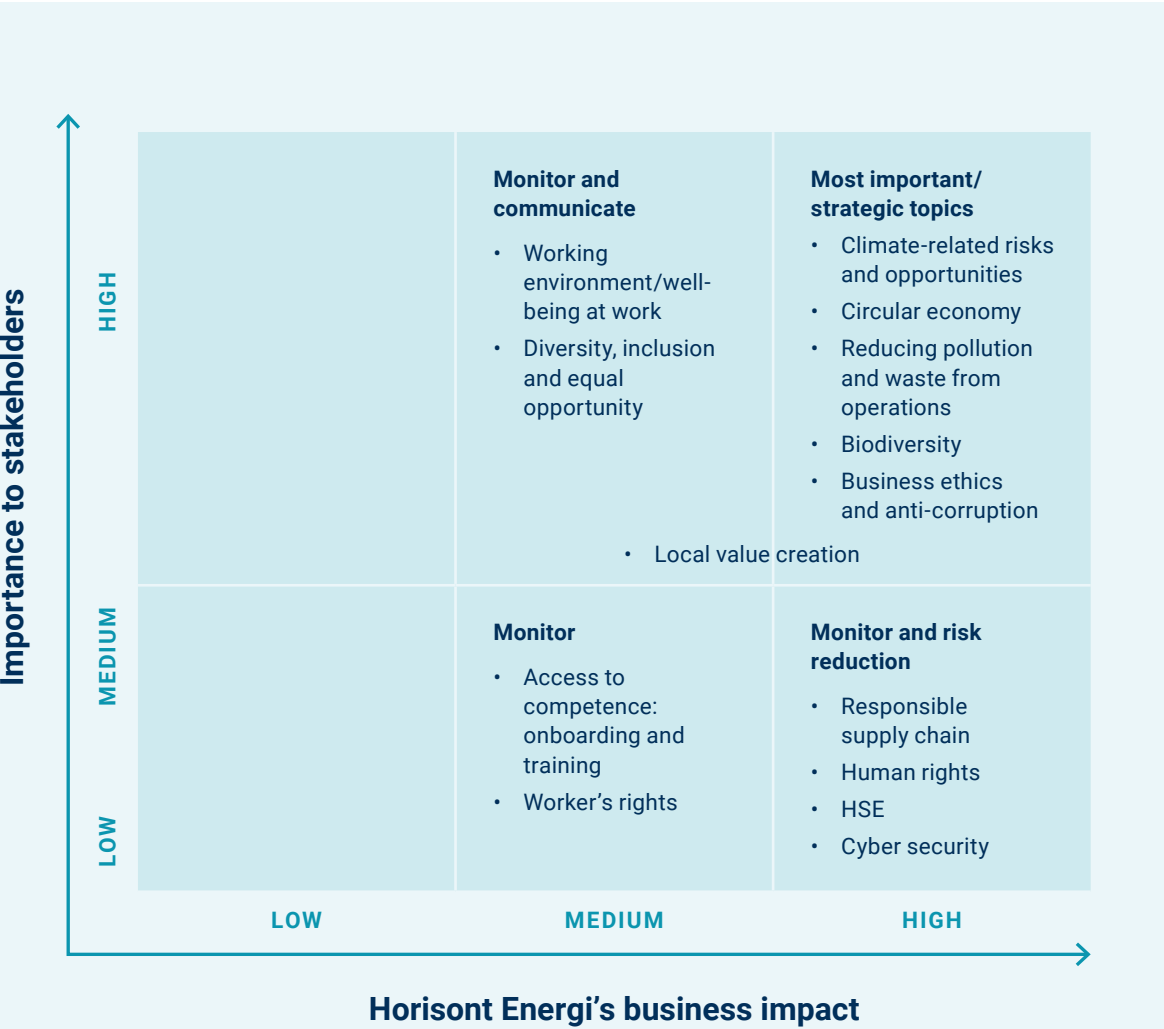
- Employee surveys
- Customer surveys and customer dialogue
- Community grievance mechanisms
- Whistleblowing channel

On the company and project level, environmental impact assessments and sustainability risk were also considered.

Going forward, Horisont Energi will seek to maintain meaningful dialogue with key stakeholders on topics related to sustainability and the impact of our operations.



Materiality assessment



Our ESG reporting and sustainability strategy aim to reflect our most material sustainability impacts across the value chain, and topics that are significant to Horisont Energi, our industry and stakeholders.

Through a double materiality assessment, we have evaluated our actual and potential impact (both positive and negative) across our own activities and business relationships. This includes not only topics that may affect Horisont Energi (*inward impact*), but also our impact on people, the environment, society, and the economy (*outward impact*).

The first materiality assessment for Horisont Energi was undertaken during the fall of 2021, and the results are presented in the below materiality matrix, with topics considered material for Horisont in the upper right section.

Based on the systematic stakeholder dialogue process in 2021, Horisont Energi compiled a list of relevant sustainability topics, which again was prioritised based on their perceived significance.

Relevant disclosure standards and reporting frameworks have also informed our assessment, such as the GRI Standards, the Recommendations of the Task Force on Climate-related Financial Disclosures and the SASB Standards. The Paris Agreement and the United Nations Sustainable Development Goals, as well as the EU Taxonomy Regulations are the key external frameworks we use.

List of material topics:

- Climate change
- Circular economy, waste and pollution
- Biodiversity
- Well-being at work
- Business ethics and anti-corruption

We regularly engage with stakeholders regarding our progress on each of the selected material topics, for example through this sustainability report.

The materiality assessment will be updated whenever the company strategy, the sustainability context or our defined business areas significantly change and should be reviewed at least every three years. We plan to review and update the materiality assessment during 2024.

Targets, activities and results 2023





Business ethics and anti-corruption

Horisont Energi is committed to operate our business in a way that will deliver lasting benefit to all stakeholders, including the communities and environments where we work, our shareholders, employees and contractors. Compliance with all applicable legal and internal requirements as well as industry best practice is critical to our success.

Horisont Energi can have an actual and potential positive and negative impact on business ethics and anti-corruption. Horisont Energi is directly and indirectly exposed to risks through our business operations. By having a high focus on conducting our business in an ethical and transparent way, and by committing to local and industry specific norms, as well as adhere to Horisont Energi's core values, anti-corruption guidelines and human rights policies, we seek to impact this topic positively.

Horisont Energi continuously strive to be an ethical and responsible company and applies the precautionary principle. Our CEO, management and compliance team are the main responsible

for business ethics and anti-corruption on a management level. All employees are responsible for following the company's ethical guidelines and values, identify potential conflicts of interest, and otherwise practice good corporate governance in their everyday work.

We take several actions to manage this topic and related impacts, of which you can read more about in this chapter.

Ethical guidelines

Our Business Management System (BMS) provides both the framework and mechanism for

setting, monitoring, and measuring sustainable health, safety and environmental objectives as well as ensuring their continual improvement.

Horisont Energi's ethical guidelines are outlined in our Code of Conduct¹, which provides a framework to ensure that the company complies with relevant local and international legislation and acts in accordance with internal policies. The Code of Conduct builds on the OECD guidelines for multinational enterprises and relevant UN Conventions and has been approved by the Board and senior management.

The Code of Conduct is available on our website and is communicated to the Board and all

¹ <https://horisontenergi.no/wp-content/uploads/2023/02/Code-of-conduct.pdf>

employees as part of the onboarding process. The Code of Conduct is also part of employees' contracts. Horisont Energi aims to regularly train employees in business ethics and has appointed a compliance officer. We plan to review and update the Code of Conduct during 2024.

The Code of Conduct is also communicated to our suppliers and business partners through our contracts. A Supplier Code of Conduct which will apply to all suppliers and business partners was established in 2023,.

Horisont Energi is not currently a member of any external initiatives regarding ethical business conduct but will consider such initiatives in 2024.

Human rights

Horisont Energi aims to conduct our business with respect for human rights and the dignity of people. We support international regulations on human rights, children rights and labour conventions, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International

Labour Organisation's Declaration of Fundamental Principles and Rights at work.

We have not yet established our own policy regarding human rights specifically, but our commitment to human rights is embedded in Horisont Energi's internal company policies, such as the company Code of Conduct and Safety and sustainability policy, and is also clearly communicated to our suppliers and business partners through relevant documents.

Our commitment to human rights has been read and approved by our Board, and our CEO and Horisont Energi's compliance officer are responsible for monitoring, communicating and periodically reviewing our efforts relating to human rights.

Anti-corruption

Corruption is broadly linked to negative impacts, such as poverty in transition economies, damage to the environment, abuse of human rights, abuse of democracy, misallocation of investments, and undermining the rule of law.

Horisont Energi does not tolerate and works against corruption in all its forms. We do not offer, give, accept, request or receive bribes or other improper advantages, whether directly or indirectly, for business or private gain, whether for ourselves or for others. Further to this, we do not permit facilitation payments being paid.

Horisont Energi prohibits the offer or acceptance of business courtesies – gifts, hospitality, expenses or any benefit – where they could constitute, or appear to constitute, an undue influence. In addition, business courtesies can only be accepted or offered if they are modest, both with respect to value and frequency, and if the time and place are appropriate. We exercise increased caution when business courtesies involve public officials.

We operate in accordance with national and international laws and regulations including, but not limited to, the Norwegian Anti-Money Laundering Act and the Penal Code with related regulations. Horisont Energi has not established a separate anti-corruption policy, but our anti-corruption guidelines are included in the company Code of Conduct. We operate in

Norway, where risk of corruption is considered to be low according to the Corruption Perception Index (CPI).

We aim to regularly train Board members in our anti-corruption guidelines. Due to the company still being in a start-up phase, and several changes to the Board and management? In 2023 we did not arrange such training in 2023, but plan to do so in 2024.

Risk assessments

Horisont Energi evaluates possible adverse impacts relating to business ethics, human rights and anti-corruption as part of the due diligence process and the project and enterprise risk assessments. Risk assessments are performed in the projects and on the enterprise level on a quarterly basis. Social and governmental issues are raised in these meetings. Project teams participate in the project risk assessment and Management participate in the enterprise risk assessments.



Whistleblowing

It is the responsibility of all Board members, officers, employees, and consultants to report concerns about violations of Horisont Energi’s Code of Conduct or suspected violations of law or regulations that govern our operations. When unsure, we encourage stakeholders to seek advice regarding the organisation’s policies and practices for responsible business conduct and to raise potential concerns about the organisation’s business conduct.

Horisont Energi has established a Whistle Blower Policy, stated in the Employee Handbook and company Code of Conduct. The Whistle Blower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that the company can address and correct inappropriate conduct and actions. Such issues can for example include:

- Breach of Horisont Energi’s Code of Conduct
- Breach of law
- Discrimination, bullying, harassment
- Corruption
- Health and safety breaches

Our Whistle Blower Policy will apply in cases where an employee genuinely and in good faith believes that one of a set of circumstances is occurring, has occurred or may occur within the company. The Horisont website was updated during 2023 to include the possibility to request information in accordance with the Transparency Act.

Breaches

There were no instances of non-compliance with laws and regulations during the reporting period, and the company was not fined for instances of noncompliance with laws and regulations in 2023.

There were no confirmed incidents of corruption in 2023. Zero contracts were terminated or not renewed due to corruption-related violations. We are not aware of any legal proceedings concerning business ethics or corruption being brought against Horisont Energi or its employees in the reporting period.

Horisont Energi aims to be an engaged corporate citizen that takes social responsibility in the communities where we operate.

During 2023, we have been involved in several initiatives in the communities where we operate, including:

- **Karriere Nord:** Karriere Nord (“Career North”) is a project aimed at increasing activities in Hammerfest municipality. Horisont Energi has, together with other companies in the region, participated in visits to high schools and universities where we informed about the opportunities that comes with living and working in Hammerfest.
- **Tromsø University:** Horisont Energi supports two students at Tromsø University with their bachelor’s thesis on CO₂ capturing. We are currently working to expand the cooperation with the University of Tromsø and are also mentoring PhD students.
- **Hammerfest High School:** Horisont Energi makes regular visits to

Hammerfest High School where we present our company to young people and educate them on the green shift. Several of the senior students have also contributed with our digital marketing and communications.

- **Hammerfest Næringsforening (Hammerfest Chamber of Commerce):** Horisont Energi works together with Hammerfest Chamber of Commerce to expand the Hammerfest business day. The focus is to show students and pupils at high school the opportunities that exist in the area.
- **Kreftkompasset:** Kreftkompasset is a non-profit rganization that supports cancer patients after medical treatment has ended. The aim is to get them back to work according to their work capacity. An employee in Horisont Energi has during 2023 mentored a cancer survivor, on behalf of the company.
- The employee Christmas gift for 2023 was a donation to the **Church City Mission (Kirkens bymisjon)**

Climate change

When we develop our projects, Horisont Energi aim to set the standard for blue and green ammonia and carbon storage. Our clear goal is to develop the most carbon- and energy efficient plant in the world, which means we must focus on sustainable solutions and circular practices in design from the drawing board to the end of life for our projects.

Core Elements of Recommended Climate-Related Financial Disclosures:

1. Governance: The organization's governance around climate-related risks and opportunities
2. Strategy: The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning
3. Risk Management: The processes used by the organization to identify, assess, and manage climate-related risks
4. Metrics and Targets: The metrics and targets used to assess and manage relevant climate-related risks and opportunities



Horisont Energi has both an actual and potential positive and negative impact on climate change. Our positive impact is related to our sustainable solutions and circular practices, while our negative impact is linked to the company’s emissions and waste.

Climate related risks and opportunities

The Task force on Climate-related Financial Disclosures (TCFD) has set forth voluntary recommendations that inform corporate disclosures about climate related risks and opportunities.

The TCFD divide climate-related risks into two major categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change.

1. Transition Risks

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change.

Depending on the nature, speed, and focus of these changes, transition risks may pose

varying levels of financial and reputational risk to organizations.

2. Physical Risks

Physical risks resulting from climate change can be event driven (acute) or longer-term shifts

(chronic) in climate patterns. Physical risks may have financial implications for organizations, such as direct damage to assets and indirect impacts from supply chain disruption. Organizations’ financial performance may also be affected by changes in water availability, sourcing, and quality; food security; and extreme temperature changes affecting organizations’ premises, operations, supply chain, transport needs, and employee safety.

Assessment of physical risks are a key part of the engineering and our impact assessments for our projects.

A preliminary high level TCFD disclosure summary is included in Appendix 4 to this report.

Carbon accounting

Greenhouse gas (GHG) emissions are a major contributor to climate change. Climate action by storing CO₂ and supplying clean energy is a part of our mission as a company – paving the way

Greenhouse gas (GHG) emissions

GHG Scope & Category		2021 GHG Emissions (tCO ₂ e)	2022 GHG Emissions (tCO ₂ e)	2023 GHG Emissions (tCO ₂ e)
Purchased goods and services	Scope 3 Upstream Category 1	1821	5174	6000*

Greenhouse gas (GHG) emissions (in CO₂-equivalents) calculated by Variable tool (<https://variable.co>), in accordance with the GHG Protocol.

to a carbon neutral future. We are contributing to creating new industry based on hydrogen and ammonia.

We will introduce carbon accounting for all our operations, and are currently reporting on Scope 1, Scope 2 and Scope 3 for business operations located in Sandnes, Oslo and Hammerfest, Norway.

For 2023 we have no Scope 1 and 2 emissions due to the fact that Horisont Energi is still in the start-up phase and our organisation works from leased offices which means that electricity is accounted for as Scope 3 emissions. Scope 3 emissions are estimated based on a spend-based method. Emissions for goods and services are estimated by collecting data on the economic value of

goods and services purchased and multiplying it by relevant secondary (e.g., industry average) emission factors¹ (e.g., average emissions per monetary value of goods). The emission factor is expressed in CO₂ equivalents and accounts for CO₂, CH₄, N₂O, NO_x and CO. Biogenic CO₂ emissions are not included in the spend-based estimate and were not calculated separately. Horisont Energi’s activities were reviewed and no significant source of biogenic carbon emissions was found.

The base year for the calculations is 2021, as this was the first year that Horisont Energi started carbon accounting. We expect emissions and sources of emissions from our operations to change as the company grows and develops.

¹ Source emission factors: Corsatea T.D., Lindner S., Arto, I., Román, M.V., Rueda-Cantuche J.M., Velázquez Afonso A., Amores A.F., Neuwahl F.; World Input-Output Database Environmental Accounts. Update 2000-2016, Publications Office of the European Union, Luxembourg, 2019, ISBN 978-92-79-64439-9, doi:10.2791/947252, JRC116234. GWP factors by IPCC 2007.

The EU Taxonomy

The EU Taxonomy, a classification system establishing a list of environmentally sustainable economic activities, plays an important role in helping the EU scale up sustainable investment and implement the European Green Deal.

Horisont Energi plans to implement relevant EU Taxonomy criteria in project and plant design specifications. When in operations, we will report on relevant technical criteria for each applicable technology:

- Manufacturing of hydrogen
- Manufacturing of ammonia
- Transport of CO₂
- Underground permanent geological storage of CO₂

In 2021/2022, we undertook a comprehensive Taxonomy assessment for our projects and activities which was subject to a second-party independent review by DNV-GL. All of Horisont Energi's projects were assessed to be taxonomy eligible and the Opex 100% aligned.

DNV has created an EU Taxonomy alignment protocol that integrates the technical screening and minimum safeguards criteria which is developed for assessing the appropriateness of existing and planned documentation; to what extent they meet the technical screening criteria and the general requirements for minimum safeguards. DNV assessed that the combination of existing documentation and the provision of planned documentation will enable our projects to meet the technical screening criteria.

As part of our project planning and supplier screening process, the significant contribution criteria, the thresholds given in the EU Taxonomy as well as the "do no significant harm" principle guides our technology and supplier choices.

In December 2021, Horisont Energi announced that Barents Blue, the EU's first world-scale clean ammonia plant, was awarded a NOK 482 million grant from Enova SF to participate in the Important Projects of Common European Interest (IPCEI) Hydrogen, subject to final approval by the EFTA Surveillance Authority (ESA).

The Barents Blue project is a world-scale clean ammonia project in Finnmark, Northern Norway, which will include planned CO₂ storage offshore in the Polaris license.

"Being selected for IPCEI is a testimony to the significant potential, ambition and innovative nature of the Barents Blue project, which we aim to make the most environmentally-friendly, cost-efficient and energy-efficient ammonia plant in the world. Barents Blue can serve as a major contributor to achieving European

technological leadership in hydrogen and allowing European companies to take the lead in the emerging global market for hydrogen," says Bjørgulf Haukelidsæter Eidesen, CEO of Horisont Energi.

The European Union's IPCEI programme will provide Horisont Energi with a unique opportunity to link the Barents Blue project to other projects and value chains in the 23 participating European countries, to create positive spillover effects and benefit from possible knowledge transfer, financing, market size and other economies of scale. Norway is part of IPCEI Hydrogen, and Enova manages the participation of Norwegian companies in the initiative. The Barents Blue project has received state aid to participate in Important Projects of Common European Interest (IPCEI) Hydrogen Program, also known as Hy2Use.

Circular economy, waste and pollution

Waste can have significant negative impacts on the environment and human health when inadequately managed. These impacts often extend beyond locations where waste is generated and discarded.

Waste

When in operation, Horisont Energi may have actual and potential waste-related impacts that are negative. Therefore, it is of high importance that we have an overview of the inputs, activities and outputs that lead or could lead to such impacts and this overview will be established as part of the project engineering. By taking a proactive approach to waste management, the company seeks to have positive influence on this topic.

As Horisont Energi does not yet have any operations, waste generated in the organisation’s own activities or upstream or downstream in its

value chain is non-existent. Waste generated at our offices in Sandnes, Norway (typically paper and food waste) is considered minimal. The company did not dispose of any hazardous waste in the reporting period.

Circularity and life cycle assessments

In our project planning, we have high focus on circularity and minimising waste generated from our operations, and will implement actions, including circularity measures, to prevent waste generations and to otherwise manage significant impacts from waste generated when relevant.

Waste	2021	2022	2023
Hazardous waste	Non material	Non material	Non material
Ration of non-recycled waste	Non material	Non material	Non material

	2021	2022	2023
Total water discharges	Non material	Non material	Non material
Total water consumption	Non material	Non material	Non material

Other impacts

As we are not yet in operations, other types of pollution, including sound/noise pollution, are also not relevant for the time being. However, we will look into this as part of the impact assessment and will seek to avoid and minimise such impact. The company will focus on openness and communication with impacted parties and will seek to remediate negative impacts where feasible.



Biodiversity

Protecting biological diversity is important for ensuring the survival of plant and animal species, genetic diversity, and natural ecosystems. Natural ecosystems provide clean water and air and contribute to food security and human health. Biodiversity also contributes directly to local livelihoods, making it essential for achieving poverty reduction, and thus sustainable development.

Horisont Energi's operations may have actual and potential positive and negative impact on biodiversity. Negative impact can for example occur during the construction phase, transportation to and from the sites, and/or during operations.

As the company is not yet in operations, we do not have significant impact on biodiversity today but minimising possible negative impacts will be a top

priority for the company going forward. During the project development phase, the company seeks to avoid any impacts on biodiversity, and remaining potential impacts are also being assessed.

Impact assessments

Horisont Energi is conducting impact assessments together with Multiconsult, for our Barents Blue and Gismarvik CO₂ Hub projects. The impact assessments look at species affected by the company's operations, extent of areas impacted, duration of impacts and reversibility or irreversibility of the impacts.

The company's planned ammonia factory ("Barents Blue") is located in Markoppnes in Hammerfest municipality, Norway, nearby Repparfjorden, which is a national salmon fjord due to the importance of its Atlantic salmon spawning grounds. Indigenous Sami people also herd reindeer in this area.

In the impact assessment, biodiversity in sea and reindeer herding for the Barents Blue ammonia plant are being looked at specifically. The GCO₂H

terminal at Gismarvik is located at Førresfjorden which is an important spawning area for cod, and impact to cod will be assessed. The impact assessment will be sent for public consultation as part of the approval process for use of the area in the municipality .

Remediation

We are committed to provide for or cooperate in the remediation of negative impacts that the organisation has caused or contributed to and will focus on openness and communication with impacted parties where relevant. Clear guidelines and a grievance mechanism was implemented in early 2023 to allow anyone that have feedback or concerns related to our projects to let us know. identify and address possible adverse impacts. No concerns were raised during 2023.

The company plans to track the effectiveness of the grievance mechanisms , and report examples of their effectiveness, including stakeholder feedback.

Well-being at work

Our people are essential to our success, and our skilled, ambitious, and dedicated employees are the foundation of our work and our growth strategy.

The ability to both attract and retain competent people as well as creating a safe and healthy working environment for our employees is crucial to both Horisont Energi and our stakeholders. If not managed correctly, Horisont Energi can have an actual or potential negative impact on this topic, with dissatisfied employees, high turnover and absence rate.

Horisont Energi aims to have a positive impact on its workers and the working environment by and fostering a culture of diversity, equality, and inclusion. To be able to deliver on our sustainability goals, we are aiming towards a “sustainability culture” across all levels of our organisation.

As per 31.12.23 we are 38 employees in total, with 6 new employees joining the company in 2023. 10 employees resigned from the company in

2023 and absence due to illness was 4,69% in the reporting period.

The quality of benefits is a key factor in retaining employees, and at Horisont Energi, permanent employees have life insurance and health insurance covering health care, disability and invalidity, as well as the right to parental leave, retirement provision and stock option ownership. The company did not have any temporary employees in the reporting period.

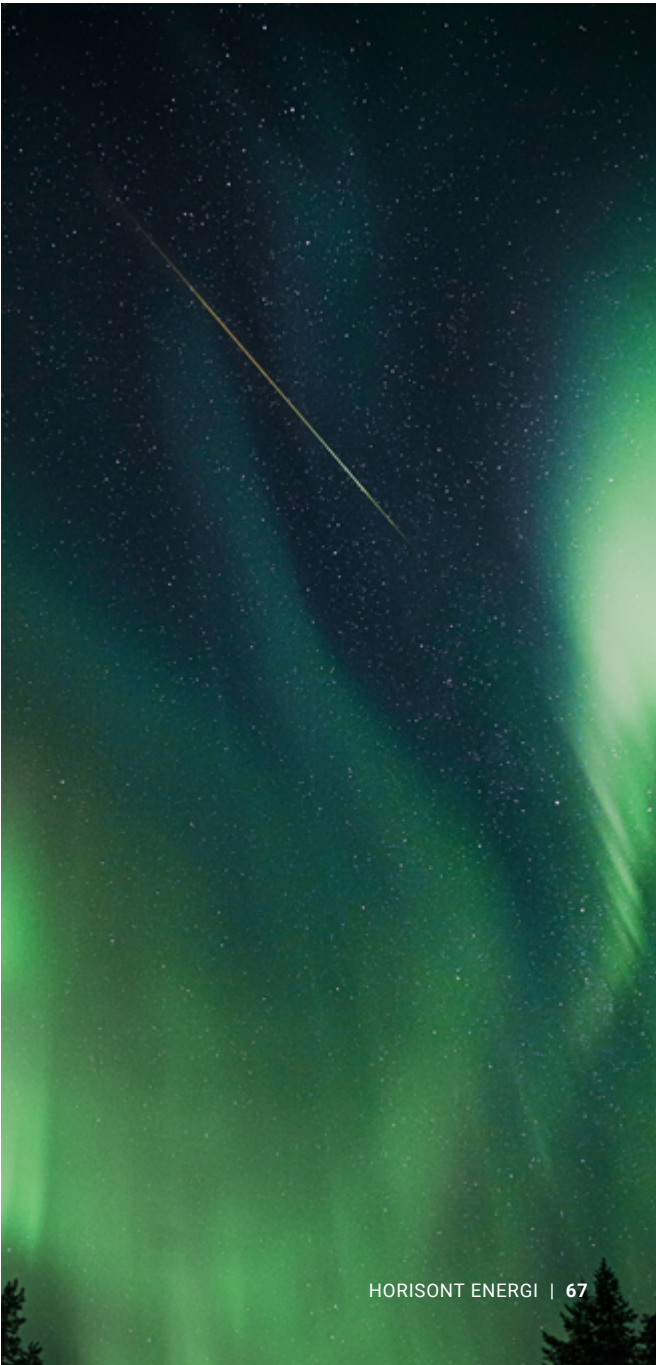
As a company located in Norway, Horisont Energi operates according to the Norwegian Working Environment Act with related regulations. The company has not established a working environment committee but will do so in 2024. The company has appointed a safety delegate. We have a Code of Conduct and an Employee Handbook.

Absence due to illness

	2021	2022	2023
Absence due to illness	0.68%	1.59%	4.69%

None of our employees are covered by collective bargaining agreements for determining terms of employment. Horisont Energi follows terms and conditions based on national benchmark using the HAY methodology where the level of role is determining a salary scale.

Due to legal constraints, Horisont Energi does not collect or report information about under-represented social groups.





Part-time employees, turnover and parental leave

Region: Norway			2021			2022			2023
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Organisation									
Total	12 (63%)	7 (37%)	19 (100%)	26 (59%)	18 (41%)	44 (100%)	22 (58%)	16 (42%)	38 (100%)
Permanent employees	12 (63%)	7 (37%)	19 (100%)	26 (59%)	18 (41%)	44 (100%)	22 (58%)	16 (42%)	38 (100%)
Temporarily hired	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Full time employees	11 (61%)	7 (39%)	18 (95%)	24 (57%)	18 (43%)	42 (95%)	20 (56%)	16 (44%)	36 (100%)
Part time employees	1 (100%)	0 (0%)	1 (5%)	2 (100%)	0 (0%)	2 (5%)	2 (100%)	0 (0%)	2 (100%)
Involuntary part time employees	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Newly Hired									
Total number of newly hired employees	4 (50%)	4 (50%)	8 (42%)	14 (56%)	11 (44%)	25 (57%)	2 (33%)	4 (67%)	6 (100%)
Employee turnover									
Number of employees who have left the company	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	1 (2%)	5 (50%)	5 (50%)	10 (100%)
Parental leave									
Number of employees on parental leave	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	1 (100%)

Our values are:

Brave

- Innovation and results are central to all that we do.

Open

- We have high ethical standards for ourselves and our suppliers.
- Integrity and transparency are core principles for our business conduct.

Responsible

- Our activities shall be safe for people and the environment, and shall contribute to a better climate.
- We support the UN Sustainability Development Goals.

Empowered

- A trust-based culture where we care about development of people.
- An organisation focused on diversity and equality.

By encouraging a culture of openness within our organisation we aim to prevent malpractice. Horisont Energi has an open-door policy which ensures a good dialogue between employees and management. The company has established a set of values that we expect all employees, management and Board to live by.

We regularly conduct development talks where employees can raise their opinions about the working environment. Horisont Energi has also implemented an annual employee survey to gain insights to the working environment. The 2023 survey was postponed to 2024.

Training and development

Horisont Energi is committed to a policy of continuous learning and development of all members of our staff. We encourage all employees to take responsibility for their own development by discussing training opportunities with their line managers. Senior personnel facilitate training for less experienced personnel.

New employees undergo training as part of the onboarding process to ensure that they are equipped to perform their respective duties and

tasks. As we are in a scale-up phase we have not yet implemented a formal training programme .

Horisont Energi operates according to the “70-20-10” Model. This entails a 70% focus on job learning and job-related skills (including stretch assignments and projects), 20% focus on social learning (mentoring, coaching, feedback and appraisal, and formal training), and 10% focus on courses, development programs and similar.

Health and safety

The safety of our employees is our highest priority, and we aim to constantly reinforce the principle of safety first in our culture, among ourselves and our partners. Healthy and safe work conditions involve both prevention of physical and mental harm.

Horisont Energi currently only perform office work which means that risk is considered to be low. An occupational health service will be established after DG3 for the first project.

Horisont Energi has a zero vision for incidents and serious accidents, and no incidents have been reported in 2023.

Diversity, equality and non-discrimination

To us, diversity is a goal, as well as a key enabler for the level of innovation and performance that we seek to deliver. Horisont Energi has high focus on, and actively promotes, diversity and equality at work. By gaining access to a larger and more diverse set of potential workers, we can promote social stability and support further economic development.

Our company operates in accordance with the Norwegian Equality and Anti-Discrimination Act, and diversity is implemented in our ethical guidelines and is considered in recruitment processes. We always choose the best candidate, and we also look for people with various industry backgrounds, aiming to develop a strong culture based on a broad range of competencies.

In all our activities we aim for gender balance, and the female representation in the company is 42%. In 2023 the Core management team was 0% female, and in the Board 25%. To date, Horisont Energi have employees from five different countries.

Breakdown of board members and election committee by gender

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Board of directors	5 (100%)	0 (0%)	4 (80%)	1 (20%)	4 (80%)	1 (20%)
Election committee						
Core management	5 (83%)	1 (17%)	6 (67%)	3 (33%)	4 (100%)	0 (0%)
Non-executive level management	0 (0%)	0 (0%)	1 (50%)	1 (50%)	3 (43%)	4 (57%)

Breakdown of employees and board members by age

	2021			2022			2023		
	< 30	30-49	50+	< 30	30-49	50+	< 30	30-49	50+
Organisation total	2 (11%)	10 (53%)	7 (36%)	3(7%)	24(55%)	17 (39%)	0 (0%)	21 (55%)	17 (44%)
Board of directors	0 (0%)	1 (20%)	4 (80%)	0 (0%)	0 (0%)	5 (100%)	0 (0%)	1 (25%)	3 (75%)
Executive level management	0 (0%)	1 (17%)	5 (83%)	0 (0%)	1 (13%)	8(87%)	0 (0%)	1 (25%)	3 (75%)
Non-executive level management	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	2 (100%)	0 (0%)	3 (43%)	4 (57%)

Payroll¹	2021			2022			2023		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Organisation total	1030531	1121945	886881	1216461	1321813	1075989	1 273 784	1 386 759	1 131 202
FTE	13.5	9.9	3.6	38.0	23.9	14.1	32,8	18,3	14,5
Board of directors	212500	-	-	237024	-	-	437 500	-	-
	0,9	-	-	1,3	-	-	5	-	-
Executive level management	1193093	-	-	1446725	-	-	-	-	-
	6,6	-	-	7,9	-	-	-	-	-
Non-executive level management	0	-	-	1179500	-	-	1 421 530	-	-
	-	-	-	-	-	-	7	-	-

*Less than five is marked with a line.

Horisont Energi offers equal pay for equal work and operate with an equal bonus to all employees. Information regarding remuneration can be found both in internal systems and externally through the remuneration report.

We have a zero tolerance for discrimination, whether this is based on gender, age, nationality, religious belief, disabilities, or the like. Employees are encouraged to report incidents of discrimination to their nearest line manager or through the company’s whistle blowing system. There were no incidents of discrimination during the reporting period.

¹ Location: Norway (significant location of operation).

Appendix I

Goals and targets for 2024

The following goals and targets have been set for business ethics in 2024:

- *Ensure involvement of the indigenous sami people in connection with the impact assessment for Barents Blue*
- *Review Code of conduct and provide training for all employees*
- *Publicly disclose information regarding due diligence of suppliers on human rights, ref. the Norwegian Transparency Act*
- *Arrange anti-corruption training for Board members (KPI: 100% participation rate)*
- *Compliance officer to present Code of Conduct internal review (in compliance) to Board of Directors annually*

The following goals and targets have been set for climate change in 2024:

- Update carbon footprint analysis for our projects

The following goals and targets have been set for biodiversity for 2024:

- Complete the impact assessment for the Barents Blue and the GCO₂H projects

The following goals and targets have been set for well-being at work in 2024:

- Establish a working environment committee (AMU)(requirement for establishing AMU changed from 50 to 30 employees from 1st of January 2024)
- Conduct a new working environment survey (KPI: participation rate 80%)
- Look at ways to improve training/development for employees
- Maintain our zero-accident track-record

Other goals related to sustainability:

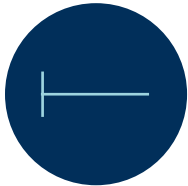
- Review and update the materiality assessment
- Initiate work related to the ESRS (European Sustainability Reporting Standards) and CSRD (Corporate Sustainability Reporting Directive) reporting requirements

Appendix II

Sustainability roadmap

In 2021, Horisont Energi developed a Sustainability Roadmap towards 2030, which sets out the actions we will take in the short, medium and long-term to achieve our sustainability ambitions and deliver material growth in a safe, sustainable and responsible way. These actions were reviewed in 2022, taking account of portfolio changes, stakeholder expectations, technological advances, regulatory changes and other factors.

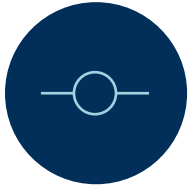
Our roadmap is ambitious and to achieve it will require that we collaborate with governments, customers, partners, associations and industry sectors to speed up the pace of the energy transition and deliver solutions at scale.



Short-term sustainability goals and targets

Status on the 2021 short term goals for 2023:

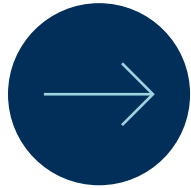
- **Barents Blue will have been notified as a project admitted into the European Union’s IPCEI Hydrogen program.**
Horisont Energi was admitted into European Union’s IPCEI Hydrogen program in December 2021 and in September 2022 EFTA Surveillance Authority (ESA) approved the grant of NOK 482 million for the Barents Blue project under the IPCEI Hydrogen program, Hy2Use wave.
- **Horisont Energi will have implemented a sustainability framework.**
Work in progress. Was further developed during 2023 through, amongst others, a new Safety and Sustainability Policy.
- **Processes for conducting life-cycle assessments for projects will be introduced.**
Requirement to perform life-cycle assessments for projects has been included in the Safety and Sustainability policy and a procedure has been developed.
- **All relevant policies and work processes for employees, suppliers and partners will be in place, including Suppliers’ Code of Conduct.**
Supplier Code of Conduct was developed in 2023.
- **Training of staff in relevant processes will have been initiated.**
Training has taken place as part of the onboarding process.
- **ESG will have been adopted as a screening criterion for every investment decision.**
Has been included as part of the Project stage gate process.
- **The company will initiate ESG reporting from 2021 based on established international reporting standards.**
The first Horisont sustainability report according to GRI requirements was published in 2021, and the report was updated to match the 2021 GRI Standard for 2022.
- **The company will build a pluralistic organisation with a diverse workforce in an engaging working environment.**
Horisont Energi currently have a good gender balance in the organisation, with 58% men and 42% women in total.
- **The company will be an engaged corporate citizen that takes social responsibility in the communities where we operate.**
Please refer fact box in this report for a description of actions taken.



Mid-term sustainability goals and targets

In 2026, Horisont Energi aims to have achieved the following goals:

- **Together with relevant partners, Horisont Energi will be a driving force in developing a commercial and regulated carbon marketplace for trading of carbon removal credits in Europe.**
Horisont initiated a project in 2020 on the basis that capture and storage of CO₂ subject to the EU's emissions trading scheme (EU ETS) is not enough to achieve the EU's climate goals and that negative emissions from sustainable CO₂ is needed.
- **Horisont Energi will be actively reducing its environmental footprint.**
Carbon footprint estimated for all our projects. Requirement to perform life-cycle assessments for projects has been included in the Safety and Sustainability policy and a procedure has been developed.
- **Horisont Energi will have introduced climate accounting for all its operations.**
We use a carbon accounting system for reporting scope 3 emissions. A fit for purpose climate accounting system will be established in due time prior to start-up of operations.
- **We will have developed Science-Based targets, setting targets to reduce Scope 1,2 and 3 GHG emissions.**
- **EU taxonomy goals climate goal for hydrogen production and production of anhydrous ammonia – 70% lower than the taxonomy requirements (per carbon footprint (kg CO₂e /kg NH₃ produced and per kg CO₂ stored)), 50gr/kg ammonia equivalent.**
Preliminary analysis is well within these requirements.
- **Horisont Energi will actively engage our organization across all levels and functions in our sustainability work.**
- **Training and awareness program for all employees with focus on continuous improvements in safety and sustainability.**
- **Ensure a digitally supported management system is in place to enable safe and secure operations and reduce the risk of unwanted incidents.**
Work in progress. A digital system is in place.
- **Implement data security and data protection measures through technological and human factors and trainings.**
Online training ongoing.
- **Horisont Energi will maintain dialogue with the society where we operate to share best practices, knowledge and awareness on sustainable business practices.**
- **The company will share educational content on climate change, CO₂ emissions and the long-term storage of CO₂ as a climate solution.**
- **Horisont Energi will have in place mechanisms to receive feedback from the local communities about expectations, grievances and opportunities.**
Procedure has been developed and feedback mechanism available through [Horisontenergi.no](https://horisontenergi.no)
- **Support for at least one project every year that has a strategic relevance for our organization in the broader perspective and the opportunity to make a positive contribution to societies where we operate.**
Please refer fact box in this report for a description of actions taken.



Long-term sustainability goals and targets by 2030

- Horisont Energi will be carbon-neutral energy company by 2030 (net-zero emissions for scope 1, 2 and 3).
- Horisont Energi will be the preferred partner and employer in the communities where we operate.
- The company will have created more than 100 jobs in the communities where we operate.
- We will maintain our zero-accident track-record.
- Sustainability and safety culture will be implemented and measured on all levels in the company – making Horisont Energi an attractive employer with employee well-being and belonging at the heart of our organisation.

GRI Content Index

GRI 2 - General Disclosures 2021

Disclosure	Disclosure description	Omission	Reference
2-1	Organizational details		Horisont Energi's approach to sustainability
2-2	Entities included in the organization's sustainability reporting		About this report
2-3	Reporting period, frequency and contact point		About this report
2-4	Restatements of information		About this report
2-5	External assurance		About this report + Corporate Government Approach
2. Activity and workers			
2-6	Activities, value chain and other business relationships		Horisont Energi's approach to sustainability
2-7	Employees		Breakdown of employees and board members by gender Well-being at work + Table Horisont Energi's employees
2-8	Workers who are not employees		Well-being at work



Disclosure	Disclosure description	Omission	Reference
3. Governance			
2-9	Governance structure and composition	The requirements are met with one exemption: The company does not gather or report information about underrepresented social groups due to legal constraints.	Corporate governance approach + Board of directors
2-10	Nomination and selection of the highest governance body		Corporate governance approach + Articles of association (website)
2-11	Chair of the highest governance body		Corporate governance approach (conflicts of interest and critical concerns) + Board of directors
2-12	Role of the highest governance body in overseeing the management of impacts		Corporate governance approach (The Board's role)
2-13	Delegation of responsibility for managing impacts		Corporate governance approach (The Board's role)
2-14	Role of the highest governance body in sustainability reporting		About this report + Corporate governance approach (The Board's role)
2-15	Conflict of interest		Corporate governance approach (Conflicts of interest and critical concerns)
2-16	Communication of critical concerns		Corporate governance approach (Conflicts of interest and critical concerns)
2-17	Collective knowledge of the highest governance body		Corporate governance approach (The Board's role)
2-18	Evaluation of the performance of the highest governance body	Not applicable: No processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people has been established.	Corporate governance approach (Remuneration policies and compensation ratio)



Disclosure	Disclosure description	Omission	Reference
2-19	Remuneration policies	Information not available: We do not report information regarding sign-on bonuses or recruitment incentive payments and claw backs as of today. Horisont Energi has not yet established procedures for evaluating the performance of the highest governance body in overseeing the organisation's impact on the economy, environment and people, and remuneration for the Board is currently not linked to their sustainability performance.	Corporate governance approach (Remuneration policies and compensation ratio)
2-20	Process to determine remuneration		Corporate governance approach (Remuneration policies and compensation ratio)
2-21	Annual total compensation ratio	The company does not report the annual total compensation for the highest paid individual due to confidentiality constraints, thus, the percentage increase cannot be disclosed. Instead of reporting the median annual total compensation for all employees, we report the average.	Corporate governance approach (Remuneration policies and compensation ratio) + Remuneration report (website)
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy		CEO letter (annual report)
2-23	Policy commitments		Business ethics and anti-corruption (Ethical guidelines, Human rights)
2-24	Embedding policy commitments		Business ethics and anti-corruption (Ethical guidelines)
2-25	Processes to remediate negative impacts		Biodiversity
2-26	Mechanisms for seeking advice and raising concerns		Business ethics and anti-corruption (whistleblowing)



Disclosure	Disclosure description	Omission	Reference
2-27	Compliance with laws and regulations		Business ethics and anti-corruption (Breaches)
2-28	Membership associations		Membership associations
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement		Stakeholder dialogue + Materiality assessment
2-30	Collective bargaining agreements		Well-being at work
Material topcis GRI 3: Material topcis 2021			
3-1	Process to determine material topcis		Materiality assessment & Stakeholder dialogue
3-2	List of material topics		Materiality assessment
Business ethics and anti-corruption			
3-3	Management of material topics		Business ethics and anti-corruption Stakeholder dialogue + Materiality assessment
Anti-corruption GRI 205: Anti-corruption			
205-1	Operations assessed for risks related to corruption		Anti-corruption (Table Anti-corruption assessment) + Risk assessments
205-2	Communication and training about anti-corruption policies and procedures	Not employee category	Anti-corruption (Table Anti-corruption training and communications)
205-3	Confirmed incidents of corruption and actions taken		Anti-corruption (breaches) + Table Anti-corruption assessment



Disclosure	Disclosure description	Omission	Reference
Human rights GRI 414: Supplier social assessment			
414-1	New suppliers that were screened using social criteria		Table Social screening of suppliers
Climate change			
3-3	Management of material topics		Climate change, EU taxonomy, Stakeholder dialogue + Materiality assessment
Emissions GRI 305: Emissions			
305-3	Other indirect (scope 3) GHG emissions		Climate change (carbon accounting)
Circular economy, waste and pollution			
3-3	Management of material topics		Circular economy, waste and pollution Stakeholder dialogue + Materiality assessment
Own KPI			
KPI	Waste		Circular economy, waste and pollution (waste)
Biodiversity			
3-3	Management of material topics		Biodiversity Stakeholder dialogue and materiality assessment
Own KPI Well-being at work			
3-3	Management of material topics		Well-being at work Stakeholder dialogue and materiality assessment



Disclosure	Disclosure description	Omission	Reference
Own KPI			
	Absence due to illness		Well-being at work (table Absence due to illness)
	New hires		Well being at work (table Part-time employees, turnover and parental leave)
	Turnover		Well being at work (table Part-time employees, turnover and parental leave)
	Parental leave		Well being at work (table Part-time employees, turnover and parental leave)
	Employee survey		Well being at work
Equality and diversity GRI 405: Equality and diversity			
405-1	Diversity of governance bodies and employees		Well-being at work (diversity, equality and non-discrimination: Table Breakdown of employees and board members by gender + Table Breakdown of employees and board members by age)
405-2	Ratio of basic salary and remuneration of women to men		Well-being at work (diversity, equality and non-discrimination: Table Payroll)
Non-discrimination GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken		Well-being at work (Diversity, equality and non-discrimination)

Appendix IV

High level TCFD disclosure summary

Governance

Disclose the organization’s governance around climate-related risks and opportunities.

a. Describe the board’s oversight of climate-related risks and opportunities.

Climate-related issues are an integrated part of our overall business strategy. The Board of Directors sits with the highest-level responsibility.

b. Describe management’s role in assessing and managing climate-related risks and opportunities.

The project teams, led by the Project managers, are responsible for assessing and managing climate-related risks and opportunities. The management team is overall responsible for reviewing key risks and taking a proactive role in understanding the risks related to a project.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.

a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

Physical risks for our projects are evaluated through the risk reviews as well as the impact assessments. Our key opportunities are access to new markets and increased demand for our low-carbon energy production and carbon storage.

b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.

Our ambition is to become a leading clean energy company offering clean ammonia and carbon storage services. Each project shall be explicitly assessed on its fit with Horisont Energi’s strategic

ambition to accelerate the transition to carbon neutrality through pioneering projects.

Our projects within carbon storage and production of clean ammonia contribute to the energy transition and low carbon society. All our business activities shall be either low carbon or zero carbon and promote and support the energy transition.

c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Our ambition is to become a leading clean energy company offering clean ammonia and carbon storage services. Our mission is Accelerating the energy transition to carbon neutrality through pioneering projects and our strategy is hence assessed to be resilient taking into consideration different climate-related scenarios. Assessment of physical risks are a key part of the engineering and our impact assessments for our projects.



Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

a. Describe the organization's processes for identifying and assessing climate-related risks.
Our process of identifying and assessing climate-related risks are integrated into our multi-disciplinary company-wide risk management process

b. Describe the organization's processes for managing climate-related risks.
Our process for managing climate-related risks are integrated into our company-wide risk management process.

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.
Our process for managing climate-related risks are integrated into our company-wide risk management process. Our business management system includes policies, processes and procedures to ensure we assess and manage risks in each business phase.

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
In the current phase of our projects, our main focus is to ensure that estimating greenhouse gas emissions from our future activities, as well as ensuring metrics associated with water usage, energy, land and resource use and waste management is thoroughly assessed as part of the impact assessments.

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
Refer to chapter 'Climate change (Carbon reporting)'

c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

The targets are included in our Safety and Sustainability Policy: "All our business activities shall be either low carbon or zero carbon and promote and support the energy transition. As a company we shall strive to achieve a low carbon footprint. Furthermore, our objective is to reach net zero by 2030 - including scope 1 (direct emissions), 2 (indirect emissions from purchased electricity) and 3 (all other emissions associated with our activities). For all projects greenhouse gas lifecycle emissions shall be estimated and used actively to minimize the footprint through using the best available technologies (BAT) and the ALARP principle. Carbon footprint for our ammonia and emissions from CO₂ transport and storage shall be well within the EU taxonomy requirements of 3 tCO₂e/tH₂ and CO₂ leakages <0.5% respectively. Furthermore, we will conduct our operations with minimal impact on the environment and biodiversity by careful use of resources and circular practices in design and by ensuring very high energy efficiency in our plants, reducing noise level and light pollution for the surroundings in line with an ALARP principle.



Accelerating the transition to carbon neutrality through pioneering projects



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