

## Horisont Energi AS

*(a private limited liability company incorporated under the laws of Norway)*

The information contained in this information document (the “**Information Document**”) relates to listing and admission to trading of common shares (the “**Listing**”), each with a nominal value of NOK 0.01, (the “**Shares**”) in Horisont Energi AS (“**Horisont Energi**” or the “**Company**”) on Euronext Growth Oslo (“**Euronext Growth**”).

Euronext Growth is a market operated by Euronext. Companies on Euronext Growth, a multilateral trading facility (MTF), are not subject to the same rules as companies on a Regulated Market (a main market). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Growth may therefore be higher than investing in a company on a Regulated Market. Investors should take this into account when making investment decisions.

The present Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71.

The present Information Document has been drawn up under the responsibility of the Issuer. It has been reviewed by the Euronext Growth Advisor and has been subject to an appropriate review of its completeness, consistency and comprehensibility by Euronext

All of the Shares are registered with the Norwegian Central Securities Depository (Nw.: *Verdipapirsentralen*) (the “**VPS**”) in book-entry form. All the Shares rank in parity with one another and carry one vote per Share. Trading in the Shares on Euronext Growth is expected to commence on or about 27 January 2021 under the trading symbol “HRGI”.

**THIS INFORMATION DOCUMENT SERVES AS AN INFORMATION DOCUMENT ONLY, AS REQUIRED BY THE EURONEXT GROWTH ADMISSION RULES. THIS INFORMATION DOCUMENT DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT THERETO.**

For the definitions of capitalised terms used throughout this Information Document, see Section 11 “Definitions”. Investing in the Shares involves risks; see Section 1 “Risk Factors” beginning on page 5.

**Manager:**

Fearnley Securities AS

The date of this Information Document is 22 January 2021

## IMPORTANT INFORMATION

This Information Document has been prepared solely by the Company, only to provide information about the Company and its business in relation to the admission to trading of the Shares on Euronext Growth Oslo. This Information Document has been prepared solely in the English language.

The Company has engaged Fearnley Securities AS as its advisor in connection with its admission to trading on Euronext Growth Oslo (the "Euronext Growth Advisor"). This Information Document has been prepared to comply with the Euronext Growth Market Rule Book for Euronext Growth Oslo (the "Euronext Growth Admission Rules") and the Content Requirements for Information Documents for Euronext Growth Oslo (the "Euronext Growth Content Requirements"). Oslo Børs ASA has not approved this Information Document or verified its content.

The Information Document does not constitute a prospectus under the Securities Trading Act and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and has not been reviewed or approved by any governmental authority.

All inquiries relating to this Information Document should be directed to the Company or the Euronext Growth Advisor. No other person has been authorised to give any information, or make any representation, on behalf of the Company and/or the Euronext Growth Advisor in connection with the Listing. If given or made, such other information or representation must not be relied upon as having been authorised by the Company and/or the Euronext Growth Advisor.

The information contained herein is current as of the date hereof, and the information is subject to change, completion and amendment without notice. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Information Document and before the Listing will be published and announced promptly in accordance with the Euronext Growth Oslo regulations. Neither the publication nor distribution of this Information Document shall, under any circumstances, create any implication that there has been no change in the Company's affairs or that the information herein is correct as of any date subsequent to the date of this Information Document.

The contents of this Information Document shall not be construed as legal, business or tax advice. Each reader of this Information Document should consult with its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Information Document, you should consult with your stockbroker, bank manager, lawyer, accountant or other professional advisor.

The distribution of this Information Document may be restricted by law in certain jurisdictions. Persons in possession of this Information Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Information Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Information Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Information Document.

## INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Notwithstanding the Target Market Assessment (as defined below), distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**"), and, together with the Positive Target Market, the "**Target Market Assessment**").

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

## ENFORCEMENT OF CIVIL LIABILITIES

The Company is a private limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (each a "**Board Member**" and jointly the "**Board of Directors**" or the "**Board**") and the members of the Company's senior management (the "**Executive Management**") are not residents of the United States of America (the "**United States**" or the "**US**"), and all of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of Executive Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Executive Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Executive Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

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## 1. RISK FACTORS

*An investment in the Shares involves inherent risks. Investors should consider all information set forth in this Information Document and, in particular, the specific risk factors set out below. An investment in the Shares is suitable only for investors who understand the risks associated with this type of high-risk investment and who can afford a loss of all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision. If any of the risks described below materialise, individually or together with other circumstances, they may have a material adverse effect on the Company's business, financial condition, results of operations and cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described below are the principal known risks and uncertainties faced by the Company as of the date hereof. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on its business, financial condition, results of operations and cash flow. The information in this Section is as of the date of this Information Document.*

### 1.0 Risks Relating to the Company and its business

#### ***The Company has limited operating history and limited revenues***

The Company is in a development stage and has a limited operating history. The Company's current business model is to generate revenues by producing carbon-neutral energy products, including but not limited to the production of blue ammonia, blue hydrogen and capture and storage of CO<sub>2</sub> (CCS). The Company has to date not achieved positive operating results. The Company has to date financed its operations by raising capital from new and existing stakeholders as well as receiving grants. The Company has currently no firm contracts that generates future revenues. Further, the Company's existing contracts that potentially provide future revenues are subject to various terms, conditions, termination events, amendments etc. implying that future revenues on such contracts may be uncertain and/or may change substantially from what has been expected or estimated. To become and remain profitable, the Company must succeed in its ongoing projects and prospects, and also succeed in commercializing its business and its technologies such that they generate revenues. This will require the Company to be successful in a range of complex and interdependent activities. The Company may never succeed in these activities and, even if it does, it may not generate revenues that are significant enough to achieve profitability. The Company is a growth company, is not fully financed (nor following the Private Placement) and has made certain assumptions about the costs and funding requirements to grow and optimize its operations. If the Company's estimates are incorrect, it could lead to the need for additional financing sooner than expected and or the Company may not be able to achieve profitability. Furthermore, the contracts, rights and obligations of the Company are likely to carry a higher degree of uncertainty and risk than more mature businesses.

#### ***The Company is in a development stage and has not carried out any full-scale projects***

To date the Company has not yet carried out any full-scale projects and the Company's business model, technology and partner network have never operated on an ordinary course basis. There is consequently a risk that such ordinary course projects never will take place or that the Company's business model proves to be inefficient or inadequate for such projects. The Company's target is to have world class ammonia EPC suppliers that shall provide ammonia production technology with world leading performance. This is considered to be required for the Company's business model in order to achieve full-scale projects and expected by customers to enable the possibility to obtain debt financing. As an early development company, the Company does not have extensive experience with contract management, standardised contract terms, etc. The terms and conditions that the Company is subject to therefore varies from project to project. Further, the Company has limited or no documentation in connection with previous projects which may cause uncertainties with respect to the rights and obligations the Company is subject to.

#### ***Risks related to the Company's ability to implement its core plans to establish an ammonia plant and CCS operations***

The Company's plans related to the ammonia plant in Finnmark and to initiate CCS operations are conditional on a number of unresolved matters, including, but not limited to the following:

The Company does not have formal rights to a plot of land for the ammonia plant. The Company has not secured formal rights to a plot of land for the Barents Blue project related to the ammonia plant in Finnmark. The Company is currently in discussions with Hammerfest and Nordkapp with the intention to obtain such right for one out of three possible plots of land. While the local support seems to be strong, no formal rights are currently in place. There is no guarantee that the Company will be able to secure the preferred land plot at favourable terms, or any land plot at all.

Key Agreements are yet to be negotiated and formally entered into. In order to successfully implement its plans, the Company will need to negotiate and enter into several key agreements, including, but not limited to (i) collaboration agreement with Equinor, for the onshore ammonia production in Finnmark ("Project Barents Blue") and CCS technology and infrastructure based on an MoU dated 18 November 2020; (ii) agreement with Knutsen OAS Shipping AS, for supply of CO<sub>2</sub> carriers and technology for CO<sub>2</sub> carriers; (iii) agreement with Haldor Topsøe A/S for ammonia production technology

(SynCOR™ Ammonia); and (iv) agreement with Alcatel Submarine Networks for the supply of power cable from shore. There is no guarantee that the Company will ultimately enter into definitive agreements, or if it does, on what terms the agreements will be made.

The Company does not yet possess technology or rights to technology required to implement its plans. Key technology is intended to be purchased by entering into agreements, as set out above. There is no guarantee that the Company will be able to secure such agreements or rights.

As with any CCS project for the storage of CO<sub>2</sub> in subsea reservoirs, the Company's CCS operations is founded on assumptions regarding certain offshore CO<sub>2</sub> storage reservoirs. There is a risk that the identified offshore CO<sub>2</sub> storage reservoirs are less suitable for storage of CO<sub>2</sub> than anticipated, which may cause cost overruns and delay of CCS projects. The Company's business relies on permits from relevant authorities in accordance with current carbon storage regulations, which have not been obtained. The Company's activities within carbon storage are conditional on the Company obtaining the necessary permits for exploration for subsea reservoirs for storage of CO<sub>2</sub> and for exploitation, transportation and permanent storage of carbon dioxide in an offshore reservoir, identified, licensed and matured by the Company. The Company has identified a promising carbon storage, which is planned to be licensed early 2021. As of the date hereof, no license or carbon storage permit have yet been obtained. There is no guarantee that the Company will obtain the required permits when such permits are applied for.

***The Company's business plans depends on acquiring and protecting proprietary technology and intellectual property rights***

The Company's business is highly dependent upon proprietary technology. The Company's business is based on a combination of patent applications, trade secrets, know-how, key suppliers and confidential procedures, and is partly protected as registered IPR and through contractual provisions to maintain secrecy and prevent un-authorized use. The Company cannot guarantee that its measures for preserving the secrecy of its know-how and trade secrets are sufficient to prevent others from obtaining such information and use the know-how. Currently, the Company has pending patent applications, however with no certainty of issuance. The lack of proper and clearly defined IPR regulations in agreements, or lack of agreements/regulations at all, may also expose the Company of risks related to breach of IPR and/or weak IPR protection for the Company. Loss of key personnel may also create a risk that such personnel may exploit knowledge, information and know-how to the detriment of the Company, and/or that the Company may face difficulties to operate its technology or business methods as a result of the loss of such personnel. The extent of the Company's intellectual property rights varies in different countries, and filing, prosecuting, maintaining and defending the Company's patents throughout the world could be highly expensive. Consequently, the Company may be unable to prevent third parties from infringing its rights in certain countries, especially in jurisdictions offering no or little protection of intellectual property rights, or in jurisdictions where enforcement may be difficult. Competitors could potentially also use the Company's technology in jurisdictions where the Company has not obtained IPR protection. There is also a risk that competitors or other third parties may claim that the Company does not have rights or exclusive rights to the intellectual property it uses or infringe its key patents or otherwise obtain and use its intellectual property without authorisation. To prevent infringement in the future, the Company may have to file infringement claims. Such claims can be time consuming and costly to prosecute and there can be no assurance that any such claims will be successful. Policing unauthorised use of the Company's intellectual property is difficult and costly, and the Company may not successfully prevent misappropriation of its proprietary rights. Unauthorised use of intellectual property may damage the Company's reputation, decrease the value of such property and reduce its market share. Parties may initiate litigation against the Company for alleged infringement of their proprietary rights. In the event of a successful claim of infringement and the Company's failure or inability to develop non-infringing technology or content or to licence the infringed or similar technology or content on a timely basis, the Company's future business could suffer. Moreover, even if the Company is able to licence the infringed or similar technology or content, it could be required to pay licence fees to the licensor that are substantial or uneconomical. In the event that these or other circumstances damage the Company's intellectual property rights, it could have a material adverse effect on its business, results of operations, financial condition and prospects. The Company cannot assure that its know-how and trade secrets will provide the Company with any competitive advantage, as the know-how and trade secrets may become known to or be independently developed by others including the Company's competitors, regardless of measures the Company may take to try to preserve the confidentiality. The Company cannot give assurance that its measures for preserving the secrecy of its trade secrets and confidential information are sufficient to prevent others from obtaining such information.

Further, the Company does not yet possess technology or rights to technology required to implement its business plans. Key technology is intended to be purchased by entering into agreements, including an agreement with Haldor Topsøe A/S for ammonia production technology (SynCOR™ Ammonia).

***Risks relating to sub-contractors and supplier/partner network***

The Company will rely on experienced suppliers to perform important key tasks in the Company's projects, including among other things, construction of the ammonia plant, construction of CO<sub>2</sub> storage components and transportation Problems in the supply chain, such as delays, cost-overruns, error with products, etc., may have adverse consequences for the product and services to be delivered by the Company, compliance with project agreements, customer relations etc., resulting in

adverse effect on the Company's business and results of operation. The loss of key suppliers could result in costs for the Company and there is a risk that the Company may not be able to replace the supplier with adequate alternative suppliers, at commercial attractive terms or at all. Each such risk could adversely affect the Company's business and results of operations. The Company seeks to use established sub-contractors, however, no assurance can be given that its sub-contractors are able to perform their contractual obligations in time or otherwise in accordance with agreement. The Company is consequently exposed to risks relating to subcontractors not being able to fulfil its contractual obligations, which in turn could increase the costs and delay the Company's projects and operations.

#### ***Risk of projects being delayed in time creating uncertainties as to the cash inflow***

The construction of a utility scale ammonia plant and carbon storage facilities are large undertakings where project duration from initiation to completion will span over several years. During the project duration, important risks can relate to the feasibility of the chosen project location, weather and natural conditions, obtaining and maintaining permits and approvals for the projects, technical risks in connection with the installation of the systems and delays caused by subcontractors (as described herein). In general, materialisation of such risks could lead to amendments to the project and delays, which in turn can have adverse effect on cash flows of the Company.

#### ***Technological evolution***

The market for the Company's products and services is subject to continued evolution in technology, evolving industry standards, changes in customer needs, competition and frequent new product introduction. As such, the Company will require significant investments in scaling up the organization to keep good traction in technology development and scale up sales force. If the Company is unable to anticipate future changes in technology and customer requirement, or fails to develop and introduce its technology and services on a timely basis, it may have an adverse impact on the Company's business and prospects. There can be no assurance that the Company will have sufficient resources to make such investments. Furthermore, if any technical or other difficulties that could delay the introduction of new technologies or enhancements, are encouraged, further investment may be required to endure the desirability of the Company's product and service to customers.

#### ***Risks relating to obtaining future financing needed in order for the Company to achieve its goals***

The Company is dependent on additional financing to be able to reach its growth goals. The Private Placement is expected to secure funding of the Company's Barents Blue Project up to a final investment decision, but the Company will need to finance an additional NOK 4,500 million, according to its own estimations, in order to fully finance the Barents Blue Project, of which it intends to raise approximately NOK 300 million as equity, approximately NOK 530 million as bank debt and another NOK 3,690 million through governmental grants, infrastructure partners or otherwise.

The Company's ability in the future to obtain additional capital on commercially reasonable terms, or at all, may be limited. If the Company is unable to obtain such financing on commercially reasonable terms, it could reduce funds available to the Company for purposes such as financing its working capital, capital expenditures, strategic acquisitions and other general corporate purposes. Further, it could restrict the Company's ability to introduce new products or exploit business opportunities, and it could increase the Company's vulnerability to economic downturns and competitive pressures in the markets in which it operates and place the Company at a competitive disadvantage.

#### ***Market price of the Company's products and services***

The Company's business model entails that the Company's sales of blue ammonia constitute a material share of its future, estimated gross profit. The profitability depends to a large extent on the demand for blue ammonia and the cost of gas for the production of ammonia. Gas prices are likely to fluctuate, and an increase of the price of gas will likely reduce the relative margins for the production of blue ammonia and increased inventory for the Company. While this is further influenced by government subsidies and support, the development of the industry in general, and the Company in particular, will to a significant degree depend on the development in prices over time. A significant increase in other sources of carbon neutral energy and fuel sources may also reduce the wholesale price of blue ammonia. Broader regulatory changes related to CO<sub>2</sub> emissions and sources for carbon neutral fuel and energy could have an impact on the prices for blue ammonia, blue hydrogen and CCS services. A decline in the market price of carbon neutral energy and fuel could materially adversely affect the financial attractiveness of new projects.

#### ***Government subsidies, incentives and other support mechanisms***

The Company has previously been granted public funding from Norwegian authorities. However, there is no guarantee that the Company will qualify for such grants in the future. Consequently, it is a risk that the ability for the Company to access public funding, in Norway, EU or elsewhere, could be unavailable, limited or restricted. Political developments could lead to a material deterioration of the conditions for, or a discontinuation of, current incentives for CCS and carbon neutral



energy and fuel. It is also possible that government financial support will be subject to judicial review and determined to be in violation of EU law and applicable constitutional or legal requirements, or be significantly reduced or discontinued for other reasons. A reduction of government support and financial incentives in any of the markets in which the Company currently operates or intends to operate in the future could result in a material decline in the availability of investment opportunities. The Company is planning to broaden its market presence and become active in new markets going forward. Incentives for carbon neutral energy are currently important in all these markets.

There is a risk that the Company will not receive grants from Enova and infrastructure partners as expected, which again will cause the Company's need for other sources of financing to increase. It is uncertain whether future applications for EU grants will succeed.

***The Company's business is dependent on its ability to maintain and scale its technical infrastructure***

The Company's business depends on ammonia production technology and CCS technology. In order for the Company to compete effectively, the Company must reduce product costs and improve its technology. If the Company fails to successfully maintain, expand or upgrade its products and services, or is unable to do so on a timely basis, or on commercially reasonable terms, its offerings and services may become less attractive to customers, and the Company may lose customers and partners to its competitors.

***The Company may not be able to develop new technology that may be required to expand and/or keep up with competitors***

The Company has a growth strategy and is targeting an expansion of its customer base for existing and new products. Research and development are expensive, time-consuming, and entails considerable uncertainty with respect to both achieving positive results and, if successful, the ability to commercially sell products and services using such technology. Due to long development processes, changing regulatory requirements, changing market conditions and customer preferences and other factors, new variants of existing technologies or new technologies may take longer and cost more to develop and may be less successful than the Company anticipates. It is expected that an increased target market and customer base will result in increased competition. Furthermore, the Company may be unable to reduce costs as required to maintain a competitive position. No assurance can be given that any existing or new technologies under research and development will be commercially successful.

If the Company is unable to keep up with competitors, develop new technology or have commercial success with its existing or technology under research and development, this could adversely affect the future development on the Company's business, financial condition, results of operations and/or prospects. Production of blue ammonia and CCS services are fairly new industries and relevant technologies are expected to be developed rapidly due to practical implementation of research taking place in several different companies simultaneously. The Company's ability to stay on top of and contribute to this development will impact the success of the Company as well as the development of the whole industry. There is no guarantee that the Company's technology will be competitive with other methods of producing carbon neutral energy or CCS in the future. In addition to the inherent risks involved due to the Company being in a development phase in a new industry, such as risks related to faults in maintenance and the Company's technology etc., there is also a risk that the Company's commercialisation strategy is found inefficient or unattractive, and that other competitors in the industry are able to commercialise at a more rapid pace than the Company, which may in turn have material adverse effects on the Company's results, financial condition, cash flows and prospects.

***New technology and impact of faults in an early phase***

The CCS systems and production technology for ammonia developed by the Company represents new technology in the market, which means that customers and potential customers have little to no experience with the Company's products. In this phase, there is a risk that any defaults or unsuccessful projects, which could be due to factors within and outside of the Company's control, could have a proportionate material impact on the reception of the technology in the market and be decisive in respect of whether customers are willing to invest in the technology and buy the Company's products and services, and which in turn can have a significant severe impact on the Company's ability to successfully establish itself in the market and implement the Company's business plan.

***The Company is reliant on key personnel***

The Company has currently a limited number of employees. All such employees are considered important for the Company's success and ability to implement its business model. Consequently, any loss of current key employees may be detrimental to the Company and its business. Further, the Company's future growth and success depends, in part, upon the leadership, performance and continuing service of key personnel. The Executive Management's technical, finance, marketing and

administrative skills and experience are important to the operation of the Company's business. The Company's ability to meet its operational requirements and its future growth and profitability is dependent upon, amongst other things, its Executive Management. If any key person resigns, a suitable replacement with requisite skills, contacts and experience may not be immediately found and the Company may experience negative market or industry perception, which could have a material adverse effect on its business, financial condition, prospects and results of operations. The Company's ability to continue to identify and develop opportunities depends on the management's knowledge of, and expertise in, the industry in and such local jurisdictions and on their external business relationships. The Company's growth and success also depend on its ability to attract, hire and retain additional highly qualified and skilled technical, research, sales, managerial and finance personnel. If the Company experiences shortage of skilled personnel, or, if a significant portion of the employees were to engage in strikes, work slowdowns or other actions, the Company may not be able to continue to sell its products, develop new products or effectively manage its global operations. Further, any failure to effectively integrate new personnel could prevent the Company from successfully growing.

The counterpart of being dependent on retaining its key personnel, is that the Company faces a corresponding risk of losing its employees to competitors and that they bring with them knowledge about the IPR of the Company. The Company has not included non-compete provisions in its employee agreements with Dan Jarle Flølo (CFO), Eivind Torheim (COO) and Ellen Braune (Head of Drilling and HSEQ), and the other employees only have a three month non-compete period in their respective employment agreements.

***The Company anticipates that the markets in which it operates will become more competitive***

The Company anticipates that the number of companies seeking to develop carbon neutral energy and fuel and CCS methods will increase in the future due to the current situation of undersupply. The Company may face competitors that range in size from small, single product companies to large, diversified corporations, which may have greater financial, technical, marketing and other resources. For instance, there is a risk that the Company will be unable to compete with competitors with stronger balance sheet and/or funding capabilities that may enable them to use more resources on inter alia product offering, R&D, marketing, ramp-up, continue with limited profits and on other basis. Given the Company being in a development and growth phase in a new industry, the Company sees this risk more apparent compared to more established markets. The Company's competitors may develop and commercialize new technologies and products that may gain market share from the Company and cause decline in its revenue and profits. Any business combinations or mergers among the Company's competitors that result in larger competitors with greater resources or distribution networks, or the acquisition of a competitor by a major technology or energy corporation seeking to enter the markets which the Company operates, could further increase competition the Company face and have a material adverse effect on its business, financial condition, results of operations, cash flow and/or prospects.

***The Company may or may not pay dividends for the foreseeable future. Shareholders may never obtain a return on their investment***

As of the date of this Information Document, the Company is in a growth phase and is not in a position to pay any dividends. There can be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the policy. Any payment of future dividends will depend on legal restrictions, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its borrowing arrangements or other contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility.

***Risks related to the COVID 19 pandemic***

The current outbreak of 2019 coronavirus ("COVID-19") has resulted in a global pandemic and has severely impacted companies and markets globally. It is currently not possible to predict the consequences for the Company, its business partners, Norway, the industry in which the Company operates or global business and markets. The future of the Company and its business, including the ability for the Company to realise its current plans are therefore more uncertain under such circumstances. The occurrence of an epidemic or pandemic is beyond the Company's control and there is no assurance that any future outbreak of COVID-19 or other contagious diseases occurring in areas in which the Company or its suppliers, partners or customers operate, or even in areas in which the Company do not operate, will not seriously interrupt the Company's business, including planned constructions or those of the Company's suppliers or customers. Such event could have a material adverse effect on the Company business, results of operations or financial condition.

***The Company is exposed to liquidity risks relating to lack of liquidity that may affect the Company's ability to cover its obligations***

The Company is subject to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which normally include operating costs. If the Company is unable to manage its liquidity efficiently or has insufficient

liquidity, the Company may not be able to fulfil its obligations, when due. In case the Company should experience a liquidity shortfall, there is a risk that additional capital cannot be raised when needed, that capital cannot be raised on terms favourable to the Company, or that the capital raised should prove insufficient to cover the Company's liquidity needs which could have an adverse effect on the Company's business, results of operations, cash flows, financial condition and prospects.

***The Company is exposed to risks associated with international operations***

The Company is expected to have operations, suppliers and customers in countries outside of Norway. Key suppliers are situated in Asia and Germany. The Company's operations are consequently subject to risks inherent in international business operations, including, but not limited to, general economic conditions in each country in which the Company operates, overlapping differing tax structures, problems related to management of an organization spread over various countries, unexpected changes in regulatory requirements, compliance with a variety of local laws and regulations, and longer accounts receivable payment cycles in certain countries. The materialization of such risks might have a material adverse effect on the Company's business, prospects, financial position and operating results.

***The Company has applied for tax deductions which may not be approved and future changes in tax rules may affect present and future plans***

The Company has some cost claimed for special tax deduction due to its previous upstream activities. There is a risk that the Norwegian Oil Taxation Office will not approve all these costs to be refunded under the special tax regime. The cost applied for deduction are limited, and the Company is no longer carrying out upstream activities. Also, there is no assurance that future political conditions in Norway will not result in the government adopting new and different policies in respect of taxation. This may affect the Company's ability to undertake development activities in respect of present and future plans, as well as its ability to raise funds to further such activities.

***Fluctuations in exchange rates could affect the Company's cash flow and financial condition***

The Company presents its financial statements in NOK. The Company is expected to mainly have costs in Euro and revenue in USD. As the Company operates in the global market and has a global strategy, it is and will be exposed to currency fluctuations, primarily through fluctuations in NOK, USD and EUR. Any fluctuations in exchange rates between these currencies could materially and adversely affect the Company's business, results of operations, cash flows, financial condition and/or prospects. The Company does will implement currency hedging arrangements in place to limit the exposure to exchange rate fluctuations.

***Risk relating to estimates, targets, forecasts, assumptions and Forward-looking Statements contained herein***

This Information Document includes Forward-looking Statements, including estimates, targets, forecasts, plans and similar projected information. Such information is based on various assumptions made by the Company and/or third parties that are subject to inherent risks and may prove to be inaccurate or unachievable. Such assumptions are not verified. Forward-looking Statements included are based on current information, estimates and plans that may change rapidly and without notice. Investors are cautioned to place undue reliance on such Forward-looking Statements.

## **1.1 Regulatory risks**

***Risk relating to regulatory environment***

The Company's activities are subject to extensive international and national regulations. The Company's future sale of its products (if and when developed) is also subject to restrictions on international trade. Future changes in the domestic and international laws and regulations applicable to the Company, can be unpredictable and are beyond the control of the Company, and such changes could imply the need to materially alter the Company's operations and set-up and may prompt the need to apply for permits, which could in turn have a material adverse effect on the business, financial condition, results of operations or cash flow of the Company.

## **1.2 Risks Relating to the Listing and the Shares**

***The price of the Shares may fluctuate significantly***

The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, significant contracts, acquisitions or strategic relationships, publicity about the Company, its products and services or its competitors, lawsuits against the Company, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions. In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating

performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of Shares.

***There is no existing market for the Shares, and a trading market that provides adequate liquidity may not develop***

Prior to the Listing there is no public market for the Shares, and there can be no assurance that an active trading market for the Company's Shares on Euronext Growth will develop or be sustained. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following the completion of the Listing.

***Future sales, or the possibility of future sales of substantial numbers of Shares could affect the Shares' market price***

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of a substantial amount of the Shares in the public market following the offering, or the perception that such sales could occur, could adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares, or the Company to sell equity securities in the future, at a time and price that they deem appropriate. Although the Company's CEO, CFO and COO have undertaken lock-up restrictions, subject to certain exceptions, on their ability to sell or transfer their Shares for a defined period after completion of the contemplated Private Placement, the Manager may, in its sole discretion and at any time, waive such restrictions on sales or transfers during this period.

***Future issuances of shares or other securities in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares***

It is possible that the Company may decide to offer new shares or other securities, in order to finance new capital-intensive investments in the future, in connection with unanticipated liabilities or expenses, or for any other purposes. Any such offering could reduce the proportionate ownership and voting interests of holders of Shares as well as the earnings per Share and the net asset value per Share of the Company, and any offering by the Company could have a material adverse effect on the market price of the Shares. Depending on the structure of such future offering, existing shareholders may not have the ability to purchase additional equity securities.

***Investors may not be able to exercise their voting rights for Shares registered in a nominee account***

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is (a) re-registered in their names with the VPS prior to the Company's General Meetings or (b) the registered nominee holder grants a proxy to such beneficial owner in the manner provided in the Articles of Association in force at that time and pursuant to the contractual relationship, if any, between the nominee and the beneficial owner, to vote for such Shares. The Company cannot guarantee that beneficial owners of the Shares will receive the notice of a general meeting of shareholders of the Company in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. Any persons that hold their Shares through a nominee arrangement should consult the nominee to ensure that any Shares beneficially held are voted for in the manner desired by such beneficial owner.

***Shareholders' ability to bring an action against the Company may be limited by Norwegian Law***

The shareholders' rights are governed by Norwegian law and by the Company's Articles of Association. Such rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. Under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

***Investors may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or officers in Norway***

The Company is incorporated under the laws of Norway and all of its current directors and executive officers reside outside the United States. Furthermore, most of the Company's assets and most of the assets of the Company's directors and executive officers are located outside the United States. As a result, investors may be unable to effect service of process on the Company or its directors and executive officers or enforce judgments obtained in the United States courts against the Company or such persons in the United States, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States. The United States and Norway do currently not have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters.

***The transfer of the Shares is subject to restrictions under the securities laws of the United States and other jurisdictions***

The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws. In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

***Shareholders outside Norway are subject to exchange risk***

The Shares listed are priced in NOK, and any future payments of dividends on the Shares listed on Euronext Growth will be paid in NOK. Investors registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with SpareBank 1 SR-Bank ASA (the “VPS Registrar”). The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant investor’s currency will be the VPS Registrar’s exchange rate on the payment date. Accordingly, any investor outside Norway is subject to adverse movements in NOK against their local currency as the foreign currency equivalent of any dividends paid on the Shares listed on Euronext Growth or price received in connection with sale of such Shares could be materially adversely affected.

## **2. RESPONSIBILITY STATEMENT**

The Board of Directors accepts responsibility for the information contained in this Information Document.

We declare that, to the best of our knowledge, the information provided in the Information Document is fair and accurate and that, to the best of our knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document

Where information in this Information Document has been sourced from a third party, this information has been accurately reproduced and as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Oslo, 22 January 2021

**The Board of Directors of Horisont Energi AS**

Kåre Johannes Lie (Chairman)

Rolf Magne Larsen

Bjørgulf H. Eidesen

### 3. GENERAL INFORMATION

*This Section provides general information on the presentation of financial and other information, as well as the use of forward-looking statements, in this Information Document. You should read this information carefully before continuing.*

#### 3.0 Other Important Investor Information

The Company has furnished the information in this Information Document. No representation or warranty, express or implied, is made by the Euronext Growth Advisor as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Information Document is, or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. The Euronext Growth Advisor assume no responsibility for the accuracy or completeness or the verification of this Information Document and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Information Document or any such statement.

Neither the Company nor the Euronext Growth Advisor, or any of their respective affiliates, representatives, advisors or selling agents, is making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

#### 3.1 Cautionary Note Regarding Forward-Looking Statements

This Information Document includes Forward-looking Statements that reflect the Company's current views with respect to future events and financial and operational performance; including, but not limited to, statements relating to the risks specific to the Company's business, future earnings, the ability to distribute dividends, the solution to contractual disagreements with counterparties, the implementation of strategic initiatives as well as other statements relating to the Company's future business development and economic performance ("**Forward-looking Statements**"). These Forward-looking Statements can be identified by the use of forward-looking terminology; including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative or other variations or comparable terminology. These Forward-looking Statements are not historical facts. They appear in a number of places throughout this Information Document, for example in Section 4 "Business Overview" and Section 7 "Dividend and Dividend Policy", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, liquidity, outlook and prospects, growth, strategies, impact of regulatory initiatives, capital resources and capital expenditure and dividend targets, and the industry trends and developments in the markets in which the Company operates.

Prospective investors in the Shares are cautioned that Forward-looking Statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates may differ materially from those contained in or suggested by the Forward-looking Statements contained in this Information Document. The Company cannot guarantee that the intentions, beliefs or current expectations that these Forward-looking Statements are based on will occur.

By their nature, Forward-looking Statements involve and are subject to known and unknown risks, uncertainties and assumptions, as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the Forward-looking Statements. Should one or more of these risks and uncertainties materialise, or should any underlying assumption prove to be incorrect, the Company's business, actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected.

The information contained in this Information Document, including the information set out under Section 1 "Risk Factors", identifies additional factors that could affect the Company's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all sections of this Information Document and, in particular, Section 1 "Risk Factors" for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates when considering an investment in the Shares.

The Company undertakes no obligation to publicly update or publicly revise any Forward-looking Statement, whether as a result of new information, future events or otherwise. All subsequent written and oral Forward-looking Statements attributable to the Company or to persons acting on the behalf of the Company are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Information Document.

## 3.2 Presentation of Industry Data and Other Information

### Sources of Industry and Market Data

To the extent not otherwise indicated, the information contained in this Information Document on the market environment, market development, growth rates, market trends, market positions, industry trends, competition in the industry in which the Company operates and similar information, are estimates based on data compiled by professional organisations, consultants and analysts, in addition to market data from other external and publicly available sources as well as the Company's knowledge of the markets.

While the Company has compiled, extracted and reproduced such market data and other industry data from external sources, the Company has not independently verified the correctness of such data. Thus, the Company takes no responsibility for the correctness of such data. The Company cautions prospective investors not to place undue reliance on the abovementioned data.

Although the industry and market data are inherently imprecise, the Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

In addition, although the Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and the Company cannot assure prospective investors as to their accuracy or that a third party using different methods to assemble, analyse or compute market data would obtain the same results. The Company does not intend to or assume any obligations to update industry or market data set forth in this Information Document. Finally, behaviour, preferences and trends in the marketplace tend to change. As a result, prospective investors should be aware that data in this Information Document and estimates based on those data may not be reliable indicators of future results.

### Presentation of Financial Information

The Company is incorporated in Norway and has as such prepared its financial reporting in accordance with Norwegian Generally Accepted Accounting Principles ("N-GAAP"). The financial statements for the year ended 31 December 2019 were audited by the Company's auditor, PricewaterhouseCoopers AS (the "Audited Financial Statements"). The Audited Financial Statements are appended to this Information Document as Appendix A.

The audit opinion for the 2019 financial statement includes the following emphasis of matter:

Significant doubt with regards to the going concern assumption

We draw attention to note 8 in the financial statement, which states that the Company has an uncovered capital deficit. As stated in note 8, the events or conditions and other circumstances as described in note 8 indicate that there is significant doubt cast upon the Company's ability to continue as a going concern. Our audit opinion is not qualified as a consequence of this emphasis of matter.

In addition, and for the purposes of the Listing, the Company has prepared financial statements for the first nine month of the year 2020 (the "Interim Financial Statements"). The Interim Financial Statements have been subject to limited review by PricewaterhouseCoopers AS and are also appended to this Information Document. The Audited Financial Statements and the Interim Financial Statements are together defined as the "Financial Statements".

### Financial Information - Alternative Performance Measures

In order to measure future performance of the Company's business, the Company presents certain alternative performance measures ("APMs") as defined by the European Securities and Markets Authority ("ESMA"), including EBITDA ("EBITDA") and NIBD ("NIBD") (as defined below). An APM is defined as a financial measure of historical and future financial performance, financial position or cash flows, other than a financial measure defined in the applicable financial reporting framework (i.e. N-GAAP). The APMs are commonly used measures in the industry in which the Company operates, however, they may be calculated differently by other companies and may thus not be comparable. The Company defines the following APMs as follows:



- **EBITDA:** EBITDA is the net income before depreciation amortization, net interest expense (but including lease payments), amortization of debt issue expenses and impairment charges.
- **NIBD: Net interest bearing debt** is interest bearing debt less cash and cash equivalents.

The APMs presented herein are not measurements of performance under N-GAAP or other generally accepted accounting principles, and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with N-GAAP or other generally accepted accounting principles), as a measure of the Company's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Company's historical operating results, nor are such measures meant to be predictive of the Company's future results. The Company believes that the APMs presented herein are commonly reported by companies in the countries in which it operates and are widely used by investors in comparing performance on a consistent basis, without regard to factors such as depreciation and amortisation, which may vary significantly depending upon accounting methods (particularly when acquisitions have occurred) or based on non-operating factors. Accordingly, the Company discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies and across periods, consistent with how the Company's business performance is evaluated by the Executive Management.

#### **Other Information**

In this Information Document, all references to "NOK" are to the lawful currency of Norway, all references to "EUR" are to the lawful currency of the EU and all references to "U.S. dollar", "US\$", "USD", or "\$" are to the lawful currency of the United States of America.

In this Information Document all references to "EU" are to the European Union and its member states as of the date of this Information Document; all references to "EEA" are to the European Economic Area and its member states as of the date of this Information Document; and all references to "US", "U.S." or "United States" are to the United States of America.

Certain figures included in this Information Document have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly.

## 4. BUSINESS OVERVIEW

*This Section provides an overview of the business of the Company as of the date of this Information Document. The following discussion contains Forward-looking Statements that reflect the Company's plans and estimates; see Section 3.2 "General Information—Cautionary Note Regarding Forward-Looking Statements". You should read this Section in conjunction with the other parts of this Information Document, in particular Section 1 "Risk Factors".*

### 4.0 Introduction and history

The Company is a Norwegian private limited company founded in 2019. The CEO and the CFO founded the Company and spent 2019 developing the business model and the business plans, evaluating several different carbon neutral value chains. Towards the end of 2019 the COO in the Company joined. The work was continued and focused in 2020 by the CEO, CFO and COO. Already from the beginning the Company was built to deliver at scale, providing carbon neutral energy and commercialisation of carbon capture, transport and storage (CCS). The carbon storage activity is an offshore activity governed by the carbon storage regulation in Norway (from 2014). Through 2020 the Company has developed an offshore organisation and a governance system satisfying the requirements for companies having offshore activities in Norway. At the beginning of 2020 the Company had three employees, but grew to eleven employees towards the end of 2020. Early 2020, the Company decided upon clean ammonia as the preferred value chain providing the scale that the Company was looking for.

The Company has decided to focus on two business areas, clean ammonia and commercialisation of carbon storage. Based upon this the Company focuses on development of two types of Assets, clean ammonia facilities and offshore carbon storages. The carbon storages are required to deliver clean ammonia based upon natural gas. However, there is also a second use of the carbon storages as Assets for a European CCS business enables the development of the second business area.

Horisont Energi has a patent application pending for its proprietary carbon injection and storage technology late in 2020. This technology is expected to provide the lowest CO<sub>2</sub> storage cost in Europe, in addition it reduces the risks for investing in and operating CO<sub>2</sub> storages compared to other solutions. This technology represents a competitive advantage for Horisont Energi, and has resulted in the signing of a Memorandum of Understanding with a major European energy company, targeting the development of a joint European CCS business.

### 4.1 Principal Activities

#### Products and technologies

The first project Horisont Energi will develop is called "**Project Barents Blue**". Project Barents Blue is the development of an ammonia production plant located in Finnmark in Northern Norway. This production plant will be operational by 2024 and have an annual production capacity in excess of 1,000,000 MT<sup>1</sup> of ammonia. In November 2020 Horisont Energi signed an MoU with Equinor with the intention of becoming joint partners in Project Barents Blue.

There are three important elements of the Project Barents Blue value chain:

1. Purchase of gas feedstock for hydrogen and ammonia production

The Company will purchase natural gas used for hydrogen/ammonia production from Barents Sea producers. The access to gas within low transport distance for the production plant is abundant, with the Snøhvit, Goliat and Johan Castberg (first oil expected in 2022) fields all located in the Barents Sea. In addition, the Wisting and Alke fields are being developed.

Furthermore, the Melkøya onshore facility outside Hammerfest in Finnmark county is in close proximity to one of the likely site locations for Horisont Energi's production plant. Melkøya is a facility that receives and processes natural gas from the Snøhvit field through a 160 km gas pipeline to the facility, which became operational in the autumn of 2007. Equinor has operational responsibility for the facility.

It should be noted that the gas feedstock is about 75-85% of the production cost of existing ammonia plants, hence low cost gas feedstock is an important competitive advantage.

2. Economy of scale ammonia production

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<sup>1</sup> MT - Metric Tons

The blue ammonia production plant will be based on the proven and competitive SynCOR™ ammonia production technology developed by Haldor Topsøe. Haldor Topsøe is a Danish catalysis company founded in 1940 with approximately 2,300 employees. Haldor Topsøe specialises in the production of heterogeneous catalysts and the design of process plants based on catalytic processes. Haldor Topsøe is one of the world's leading companies within the field of heterogeneous catalysis, and over 50% of the ammonia used for fertilizer on a worldwide scale is made with the help of technology from Haldor Topsøe.

The production process chosen for Horisont Energi's production plant is based around an autothermal reformer, requiring limited staffing whilst allowing for automation and remote operation/monitoring. This results in higher energy efficiency, economy of scale effects and a large degree of process automation which will reduce OPEX by up to USD 30-40 per tons of ammonia produced compared to existing, conventional production processes.

It should be noted that the existing producers of ammonia mainly use steam methane reforming (SMR) which uses a technology called tubular reformers as the main reformer. In order to increase capacity additional tubes are added providing capacity increases that does not provide particular scaling benefits, compared to autothermal reformers (ATR) that provides economies of scale benefits for large capacities, e.g. from 3000 MT ammonia/day and upwards.

### 3. Carbon transportation and storage

The last important element of the project is the cost efficient capturing, transportation and storing of the CO<sub>2</sub> from the ammonia production process. Horisont Energi has a patent application pending for its technology for injection and storage of CO<sub>2</sub> (direct injection from vessel to well). The technology allows for a low CAPEX, scalable capacity and operational flexibility. Capturing CO<sub>2</sub> at high pressure is very efficient with the Hot Potassium Carbonate (HPC) technology designed for Horisont Energi's plant, saving both CAPEX and OPEX at only 5-6 barg pressure drop over absorption columns. Companies like CO<sub>2</sub> Capsol, GV (Giammarco Vetrocoke) and Honeywell have their own HPC patents for recuperating heat in the CO<sub>2</sub> capture system, which improves energy efficiency. CO<sub>2</sub> Capsol HPC CO<sub>2</sub> removal typically used 0.7 GJ/ton, while somewhat lower energy usage is expected using HPC for syngas CO<sub>2</sub> capture in a SynCOR™ plant, due to avoidance of additional compression (the syngas is already at high pressure), which is required for atmospheric pressure flue gas CO<sub>2</sub> capture.

### Business model for commercialisation

As with any new production process in a commodity industry, the key is to produce profitably compared with the current, established production technology, and not to rely on Government subsidies which can easily be taken away or not introduced as planned. In order for blue ammonia to compete on cost, it has to be cost competitive with grey ammonia, which is ammonia without CCS (Carbon capture and storage). The cost gap identified is USD 60/tons of ammonia at the December 2020 EU ETS<sup>2</sup> cost, as detailed in the graph below:

Ammonia production cost benchmark



Horisont Energi has developed a value chain which will reduce costs by USD 55-90/ton of ammonia compared to traditional ammonia production on the European continent, thereby making their blue ammonia cost competitive with grey ammonia already at current prices in Europe. With an increase in carbon cost (expected going forward), or a price premium for carbon free ammonia, profitability for Horisont Energi will increase.

<sup>2</sup> EU ETS - European Union Emission Trading System, CO<sub>2</sub> emission cost

The elements of this USD 55-90/ton of ammonia cost reduction range is detailed below, and consists of:

1. Access to low cost gas - *Estimated cost reduction: USD 30-45 USD/ton*
  - Gas is the key cost driver for ammonia production. In the Barents sea there are abundant volumes of gas, but the cost of transporting it to central Europe is high (USD 1.7-2.3/MMbtu). Horisont Energi is well positioned in Finnmark to exploit this gas market
2. Economy of scale ammonia production - *Estimated cost reduction: USD 30-40 USD/ton*
  - The production plant will be based on Haldor Topsøe's large scale autothermal reforming units (SynCOR™ ammonia technology), providing USD 30-40 /ton of ammonia cost reduction compared to plants using SMR
3. Proprietary carbon storage - *Estimated cost reduction: USD 10-25 USD/ton*
  - Horisont Energi has developed a proprietary concept for the transportation and storage of CO<sub>2</sub>, with patents pending to be approved. The concept is based on transportation of CO<sub>2</sub> by vessels and direct injection to the reservoir with only subsea installations. The Company will also provide CO<sub>2</sub> storage to third parties, thereby creating an additional revenue stream

As the production plant will be located in Finnmark, the Company estimates an added transportation cost to market of USD 15-20/ton of ammonia, resulting in a net cost reduction compared to current blue ammonia technology of USD 55-90/ton of ammonia, thereby closing the cost gap to grey ammonia.

In the CCS business the two most important elements for market access is end-to-end CCS cost and market sector CO<sub>2</sub> price/tax. Reducing cost of end-to-end CCS opens new market segments for carbon storage. Increasing CO<sub>2</sub> prices also opens new markets for CCS. The strategy of Horisont Energi is to be cost leading in CCS using the Company's proprietary technology enabling early market access, and scaling the business whilst improving profitability through economy of scale. As the CO<sub>2</sub> prices increase additional market shares may be captured by employing the benefit of economies of scale.

## Customers and projects

The global market for ammonia is well established and large, with approximately 180 million tonnes of production per year. About 85% of the ammonia produced is used in agriculture as fertilizer, but other uses include refrigerant gas, purification of water supplies, and in the manufacture of plastics, explosives, textiles, pesticides, dyes and other chemicals. 50% of the ammonia is used for production of urea which is the most common fertiliser around.

The Company expects the market for carbon free ammonia to increase more than the underlying total ammonia market, as companies are required to decarbonize their value chain both for legislative and reputational reasons. This is evidenced by the price of benchmark EU carbon permits, which rose to an all-time high above 31 EUR/tonne on 11 December 2020. The price hike was a result of EU leaders reaching a deal on more ambitious emissions cuts towards 2030 (from 40% to 55%). The carbon permit price was its highest since the EU's Emissions Trading System (EU ETS) was launched in 2005.

Horisont Energi has already engaged in discussion about long term offtake agreements with large industrial buyers regarding ammonia sales in Northern Europe and Eastern Asia.

Finally, Horisont Energi expects the market for carbon storage to grow significantly, as companies with excess, captured CO<sub>2</sub> will need a reservoir to safely store it. The Company has signed an MoU with a major European energy company on the ambition of realising such a joint European CCS business.

## 4.2 Principal Markets

### Market introduction

The market for ammonia is relatively mature, having been a critical raw material for the agriculture sector as a nitrogen fertilizer source for decades. This sector represents approximately 85% of ammonia demand, with the balance coming from various industrial sectors, as a raw material in environmental products, explosives, glue, melamine, and other chemicals<sup>3</sup>. Within the fertilizer segment, most of the world's ammonia output is converted to urea, a nitrogen fertilizer type that is easier to transport and apply on crop fields.<sup>3</sup>

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<sup>3</sup> Yara Fertilizer Industry Handbook 2018

In total, global production of ammonia reached 183 million metric tonnes in 2019, having increased at a compounded annual growth rate of 1.7% since 2000.<sup>4</sup> China is the largest producer of ammonia, accounting for 27% of global production in 2019, with Russia and United States each producing ~10%.<sup>5</sup> Traded volumes of ammonia amounts to ~18 million tonnes annually, with transportation infrastructure in place at 120 ports globally.<sup>5</sup>

The conventional production process for ammonia is based on the Haber-Bosch method, which combines natural or synthetic gas, a source of Hydrogen (H<sub>2</sub>), with Nitrogen (N<sub>2</sub>) from air in a high-temperature and high-pressure process.<sup>3</sup> The finished product is ammonia (NH<sub>3</sub>) and the by-product is CO<sub>2</sub>, which makes ammonia production a relatively large greenhouse gas emission source, representing the third largest industrial CO<sub>2</sub> emission source globally.<sup>3,6</sup>

Ammonia can also be produced through an electrolysis process, whereby Hydrogen is separated from water with electricity, before being combined with Nitrogen from the air to produce ammonia. This offers the potential to produce clean, carbon-free ammonia if the electricity is generated from a renewable source, such as wind or solar power. This results in what the industry calls “green” ammonia. Horisont Energi’s approach to clean ammonia production, involving carbon capture and storage, yields what the industry calls “blue” ammonia. Conventional ammonia with its unfavourable carbon footprint, is called “grey” ammonia.

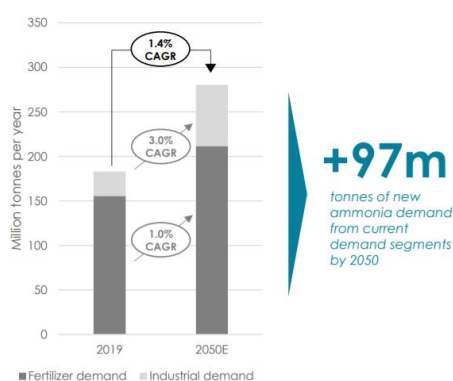
### Market development, size and growth outlook

Global ammonia capacity is expected to grow 4% over the next four years, with positive demand growth expected in all regions.<sup>7</sup> Based on historical growth rates for both the agriculture and industrial segments, the annual ammonia market could grow by 97 million tonnes by 2050, representing a growth of 53% compared to global production in 2019.<sup>9</sup>

As a large source of CO<sub>2</sub> emissions, ammonia production is expected to meet increasing pressure to decarbonize, especially in regions with emissions trading schemes, such as Europe<sup>8</sup>, and carbon taxes. Thus, demand for carbon-free ammonia, whether green or blue, is expected to outgrow demand for grey ammonia over time.

Additionally, demand growth for clean ammonia is also expected from new segments, mainly the marine fuel and the power sectors as ammonia has a relatively high energy density and can be an attractive replacement for fossil fuels. The potential from marine fuel alone is estimated at 150 million tonnes ammonia per year in 2050.<sup>9</sup> This would represent a growth of 82% compared to global ammonia production in 2019. Demand for clean ammonia from the power sector may reach 30 million tonnes in Japan alone, with other countries representing additional growth potential.<sup>10</sup>

#### Current verticals: Fertilizer and industry



#### Emerging verticals: Fuel and power

**Marine fuel**  
Ammonia considered a highly viable alternative fuel for maritime transport, with DNV-GL expecting its share of the fuel consumption to reach 30-60% of the total by 2050

+150m

tonnes of new ammonia demand from marine fuel by 2050

**Power sector**  
Countries reliant on imported fossil fuels for power production see ammonia as a high-potential alternative. Japan alone could demand 30m tonnes of ammonia to supply only 10% of its power needs. The ambition is 100% carbon free power production.

+30m

tonnes of new ammonia demand from Japanese power sector. Other countries may also make a similar transition.

*Note: Assumes ammonia production growth in line with historical average, with 15% of total demand coming from industrial sector in 2019. Marine fuel demand assumes 30% of fuel mix in 2050 is from ammonia*

<sup>4</sup> U.S. Geological Survey Mineral Commodity Summaries 2000-2020

<sup>5</sup> White paper by Alfa Laval, Hafnia, Haldor Topsoe, Vestas, and Siemens Gamesa (2020): Ammonfuel - an industrial view of ammonia as a marine fuel

<sup>6</sup> McKinsey & Company (2018), IEA

<sup>7</sup> U.S. Geological Survey Mineral Commodity Summaries 2020

<sup>8</sup> Ammonia production in EU is taxed under the EU ETS by 70%, receiving 30% free emission quotas

<sup>9</sup> White paper by Alfa Laval, Hafnia, Haldor Topsoe, Vestas, and Siemens Gamesa (2020): Ammonfuel - an industrial view of ammonia as a marine fuel

<sup>10</sup> The Institute of Energy Economics, Japan

### 4.3 History and Development

Time	Main event
<b>2019</b>	
27 August	Company founded by Bjørgulf Haukelidsæter Eidesen and Dan Jarle Flølo.
<b>2020</b>	
11 February	Start-up meeting for the prequalification process with PSA and NPD
15 February	CO <sub>2</sub> storage Polaris identified as a storage for what later became the Barents Blue project
18 February	Awarded funding for the first CCS technology project from Norwegian Research Council
1 March	Development studies initiated for the basis for the project Barents Blue
3 April	Awarded funding for CCS commercialisation project from Innovation Norway
6 May	Work with Haldor Topsøe (ammonia technology licensor) to mature the basis for project Barents Blue started
15 June	SynCOR™ Ammonia (Haldor Topsøe owned technology) selected as the base case technology for project Barents Blue
24 August	Awarded funding for CCS project from Innovation Norway
15 September	Prequalification meeting held with PSA and NPD for becoming eligible for owning licenses offshore Norway
12 October	Completed first phase of screening of sites for onshore plant in the Barents Blue project in Finnmark
6 November	Filing patent application for CO <sub>2</sub> injection and storage patent (Norway and EPO)
17 November	Signed MoU with a major European energy company for development of a joint European CCS business
18 November	Signed MoU with Equinor for cooperation in the Barents Blue project

### 4.4 Technology, Know-How and Intellectual Property

Horisont Energi has focused on the development of innovative value chains for clean ammonia production and cost efficient carbon transport, injection and storage. In the ammonia value chains, Horisont Energi has focused on achieving carbon neutral system designs, and is evaluating patentability of a particular system design. In addition, Horisont Energi is evaluating patentability of ammonia value chain solutions.

Horisont Energi is developing a carbon transport, injection and storage patent portfolio, with the first patent applied for in Norway (No 20201208) and EPO (No 20206071.1) (with possible later expansion to the whole world). The first patent is a combined apparatus and method patent containing the full system design of the Company's offshore CO<sub>2</sub> injection and storage system.

In addition, the Company is gradually investigating patentability and developing applications for additional solutions in the CCS patent space. Horisont Energi has a plan to patent several patents in the CCS space.

Horisont Energi's know-how is related to development of carbon storage assets and onshore hydrogen and ammonia plants. In addition, the Company has know-how related to value chain integration of ammonia and CO<sub>2</sub>.

### 4.5 Disclosure About Dependency on Contracts, Patents and Licenses / Governmental Approvals

Horisont is developing the first carbon storage license application, and will file this application in February/March 2021. The approval and award of this license is required in order to develop a carbon storage solution for the ammonia production facility onshore Finnmark.

Horisont Energi is also working to formalise a cooperation agreement with Equinor as project partner in the Barents Blue project.

### 4.6 Material Contracts

The Company has not entered into any material contract, other than contracts entered into in the ordinary course of business.

#### **4.7 Legal and Arbitration Proceedings**

As of the date of this Information Document, the Company is not aware of any governmental, legal or arbitration proceedings during the course of the preceding twelve months, including any such proceedings which are pending or threatened, of such importance that they have had in the recent past, or may have, a significant effect on the Company or the Company's financial position or profitability.

#### **4.8 Additional information for large transactions**

On 19 January 2021, the Company completed a private placement (the "**Private Placement**") of 7,900,000 new Shares, at a subscription price of NOK 19 per Share ("**Offer Price**"), raising gross proceeds of approximately NOK 150 million:

- The use of proceeds from the issue of the new Shares are expected to be used to expand organization, fund development of the Barents Blue project until final investment decision, as well as working capital and general corporate purposes.

#### **4.9 Reasons for the application to be admitted to trading on Euronext Growth**

Horisont Energi's reason for seeking admission to trading at Euronext Growth is to enable current and future capital raisings in an extended investor market. The ambitious Project Barents Blue is capital intensive with additional funding of NOK 4,500 million required in order to fully finance the project. The company intends to utilize a broad set of capital sources, including equity, bank debt, lease financing and governmental grants. A liquid stock will demonstrate the market value of the Company, and thereby help them in correctly pricing their capital source alternatives.

## 5. FINANCIAL INFORMATION

The following selected financial information has been extracted from the Company's Audited Financial Statements as of and for the year ended 31 December 2019 and Board approved (subject to limited review by auditor) 2020 as of 3Q 2020, which are included in Appendix A—Financial Statements to this Information Document. The Audited Financial Statements have been prepared in accordance with N-GAAP.

### 5.0 Income Statement Information

The table below sets out a summary of the Company's audited income statement information for the years ended 31 December 2019, and Board approved (subject to limited review by auditor) for 2020 up until 30 September.

## Horisont Energi AS

### Interim financial statements

#### Profit and loss

(All amounts in NOK)

	1.1 - 30.09.20	27.08. - 30.09.19	2019
<b>Revenue</b>			
Revenue	0	0	0
<b>Total operating income</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Operating costs</b>			
Salary and personnel costs	4,281,041	0	
Other operating costs	4,980,441	77,574	310,297
<b>Total operating costs</b>	<u>9,261,482</u>	<u>77,574</u>	<u>310,297</u>
<b>OPERATING PROFIT (LOSS)</b>	<u>-9,261,482</u>	<u>-77,574</u>	<u>-310,297</u>
<b>FINANCIAL INCOME AND EXPENSES</b>			
Interest income	0	0	37
Interest expenses	-41,283	0	0
Other financial expenses	-4,477	0	0
<b>Net financial income (expenses)</b>	<u>-45,760</u>	<u>0</u>	<u>37</u>
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>	<u>-9,307,242</u>	<u>-77,574</u>	<u>-310,260</u>
Income tax income	6,918,254	0	0
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<u><u>-2,388,988</u></u>	<u><u>-77,574</u></u>	<u><u>-310,260</u></u>



## 5.1 Balance Sheet

The table shows the Company's audited balance sheet for the year ended 31 December 2019 and the Board approved balance sheet (*subject to limited review by auditor*) for the quarter ended 30 September 2020.

# Horisont Energi AS

## Interim financial statements

### Balance sheet

(All amounts in NOK)

	Notes	30.09.20	31.12.19
<b>ASSETS</b>			
<b>Current assets</b>			
<b>Receivables</b>			
Accounts receivables		0	0
Subscribed capital unpaid		3,984,352	
Other receivables	6	6,349,049	39,375
<b>Total receivables</b>		<u>10,333,401</u>	<u>39,375</u>
<b>Cash and cash equivalents</b>	3	<u>273,194</u>	<u>989,360</u>
<b>Total current assets</b>		<u>10,606,595</u>	<u>1,028,735</u>
<b>TOTAL ASSETS</b>		<u>10,606,595</u>	<u>1,028,735</u>

# Horisont Energi AS

## Interim financial statements

### Balance sheet

(All amounts in NOK)

	<b>30.09.20</b>	<b>30.12.19</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Paid-in equity</b>		
Share capital	67,207	56,607
Share capital, not registered	6,694	0
Share premium	4,024,696	39,618
<b>Total contributed equity</b>	<u><b>4,098,597</b></u>	<u><b>96,225</b></u>
<b>Retained earnings (deficit)</b>		
Retained earnings (deficit)	-2,699,248	-310,260
<b>Total retained earnings (deficit)</b>	<u><b>-2,699,248</b></u>	<u><b>-310,260</b></u>
<b>Total equity</b>	<u><b>1,399,349</b></u>	<u><b>-214,035</b></u>
<b>LIABILITES</b>		
<b>Non-current liabilities</b>		
Other long term liabilities	5,300,000	1,050,000
<b>Total non-current liabilities</b>	<u><b>5,300,000</b></u>	<u><b>1,050,000</b></u>
<b>Current liabilities</b>		
Liabilities to financial institutions	1,953,414	0
Accounts payables	1,180,776	192,770
Public duties payable	380,102	0
Other current liabilities	392,953	0
<b>Total current liabilities</b>	<u><b>3,907,245</b></u>	<u><b>192,770</b></u>
<b>Total liabilities</b>	<u><b>3,907,245</b></u>	<u><b>1,242,770</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>10,606,595</b></u>	<u><b>1,028,735</b></u>

## 5.2 Changes in Equity Information

The table below sets out a summary of the Company's audited changes in equity information for the year ended 31 December 2019 and Board approved (and subject to limited review by auditor) for 2020 until 30 September.

	Share capital*	Own shares	Share premium*	Retained earnings (deficit)	Total equity
<b>Balance 31.12.2019</b>	<b>56,607</b>	<b>0</b>	<b>39,618</b>	<b>-310,260</b>	<b>-214,035</b>
Share issue	10,600	0	7,420	0	18,020
Net profit (loss) for the period	0	0	0	-9,307,242	-9,307,242
<b>Balance 30.09.20</b>	<b>67,207</b>	<b>0</b>	<b>47,037</b>	<b>-9,617,501</b>	<b>-9,503,257</b>

Reference is made to note on subsequent events for information related to changes in share capital after balance date 30 september 2020.

### 5.3 Cash Flow Information

The table below sets out a summary of the Company's Board approved (and subject to limited review by auditor) cash flow information for the nine months ended 30 September 2020.

## Horisont Energi AS

### Interim financial statement

#### Cash flows

(All amounts in NOK)

**1.1 to 30.09.20**

#### **Cash flow from operating activities**

Profit (loss) before income tax	-9,307,242
Negative instalments tax	619,910
Change in accounts receivables	-
Change in accounts payables	988,006
Change in other short term receivables and payables	761,727

**Net cash flow from operating activities** -6,937,599

#### **Cash flow fom investing activities**

Investments in fixed assets

**Net cash used in investing activities** -

#### **Cash flow from financing activities**

Capital contribution	18,020
Financing from financial institutions	1,953,414
Financing from SLIP (Startup Lead Investment Paper)	4,250,000

**Net cash from financing activities** 6,221,434

Net cash flow from discontinued operations

Net change in cash and cash equivalents -716,165

Cash/cash equivalents at the beginning of period 989,360

**Cash/cash equivalents at the end of period** 273,194

#### **5.4 Changes in financial or trading position**

Other than the Private Placement, there has been no significant change in the financial or trading position of the Company since 1 January 2020 and up to the date of this Information Document. See Section 5.8 below for a description of commitments falling due upon the Listing.

#### **5.5 Working Capital Statement**

As of the date of this Information Document, the Company is of the opinion that the working capital available is sufficient for the Company's present requirements for the period covering at least 12 months from the date of this Information Document.

The Private Placement is expected to secure funding of the Company's Barents Blue Project up to a final investment decision, but the Company will need to finance an additional NOK 4,500 million, according to its own estimations, in order to fully finance the Barents Blue Project, of which it intends to raise approximately NOK 300 million as equity, approximately NOK 530 million as bank debt and another NOK 3,690 million through governmental grants, infrastructure partners or otherwise. If the Company is successful in executing Project Barents Blue, it expects to be profitable in 2025.

#### **5.6 Borrowings and financial commitments**

The Company has not entered into any material short- or long-term borrowing agreements, including overdraft facility agreements.

#### **5.7 Related Party Transactions**

The Company has not entered into any transactions with its related parties (i.e. those that are considered related parties of the Company pursuant to N-GAAP) for the period covered by the historical financial information and up and to the date of this Information Document.

#### **5.8 Petroleum Taxation**

During 2020 Horisont Energi conducted offshore development studies for a potential gas license subject to petroleum taxation. This activity has generated tax credits as reflected in the preliminary 3q Financial Statement. The company will from 2021 have no activity subject to petroleum taxation.

## 6. THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND EMPLOYEES

*This Section provides summary information about the Board of Directors and the Executive Management of the Company and disclosures about their employment arrangements with the Company and other relations with the Company.*

### 6.0 Overview

The Board of Directors is responsible for the overall management of the Company and may exercise all the powers of the Company. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organisation, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and asset management are subject to adequate controls and to undertake investigations necessary to ensure compliance with its duties. The Board of Directors may delegate such matters as it seems fit to the Executive Management.

The Executive Management is responsible for the day-to-day management of the Company's operations in accordance with instructions set out by the Board of Directors. Among other responsibilities, the Company's CEO is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, at least every calendar quarter the Company's CEO must brief the Board of Directors about the Company's activities, financial position and operating results.

### 6.1 Board of Directors and Executive Management

#### Board of Directors

The Company's Board of Directors are elected by the Company's shareholders, in an ordinary or extraordinary General Meeting. In accordance with the Norwegian Private Limited Liabilities Act, the CEO and at least half of the members of the Board of Directors must either be resident in Norway, or be citizens of and resident in an EU/EEA country.

The Company's Board of Directors currently consists of the following members:

<u>Name</u>	<u>Position</u>	<u>Served Since</u>	<u>Term expires</u>
Kåre Johannes Lie	Chairman	2020	2022
Rolf Magne Larsen	Director	2020	2022
Bjørgulf H. Eidesen	Director	2019	2021

The Company's registered business address, Grenseveien 21, 4313 Sandnes, serves as c/o address for the members of the Board of Directors in relation to their directorship of the Company.

Set out below are brief biographies of the directors of the Company, including their managerial expertise and experience, in addition to an indication of any significant principal activities performed by them outside of the Company.

#### *Kåre Johannes Lie, Chairman*

Mr. Kåre Johannes Lie was elected as chairman of the board of directors of the Company at the EGM 17 December 2019. He is also a member of the Board in Reach Subsea. He has 48 years of experience primarily from offshore contractor and marine operations services businesses. He has held management positions in Knutsen OAS, Stolt Comex Seaway, Interrov and Seateam technology. He founded Deep Ocean and co-founded Reach Subsea, and is also an investor himself. Mr. Lie holds a MSc in Marine Technology from NTH in Trondheim, Norway.

#### *Rolf Magne Larsen, Director*

Mr. Rolf Magne Larsen was elected as member of the board of directors of the Company at the EGM 17 December 2019. Mr. Rolf Magne Larsen has more than 37 years of experience from Statoil, of which 10 years was spent as head of the international division of Statoil with activities in many countries. Rolf Magne Larsen has also has a board position in Wellguard AS and other companies, he is also an investor himself. Mr. Larsen holds a MSc in Petroleum Prospecting from NTH in Trondheim, Norway.

#### *Bjørgulf Haukelidsæter Eidesen, Director*

Mr. Bjørgulf Haukelidsæter Eidesen has 17 years of experience from the energy business, mainly in Equinor. He has held several management positions, as well as project leader and project manager positions, both within business development,

project development and technology development. Mr. Eidesen holds a MSC in Cybernetics/Control engineering from NTNU in Trondheim, Norway.

## Executive Management

The Company's Executive Management comprises of the following members:

Name	Position	Employed in the Company from
Bjørgulf H Eidesen	CEO	2019
Dan Jarle Flølo	CFO	2019
Eivind Torheim	COO	2020

(0) Set out below are brief biographies of the members of the Executive Management.

### *Bjørgulf Haukelidsæter Eidesen, CEO*

Mr. Bjørgulf Haukelidsæter Eidsen has 17 years of experience from the energy business, mainly in Equinor. He has held several management positions, as well as project leader and project manager positions, both within business development, project development and technology development. Mr. Eidesen holds an MSC in Cybernetics/Control engineering from NTNU in Trondheim, Norway.

### *Dan Jarle Flølo, CFO*

Mr. Dan Jarle Flølo has over 36 years of experience from energy. He has held positions within Kongsberg, Exxon Norge, Elf E&P / Total E&P, Equinor, Njord Gas Infrastructure where has was CEO, and also worked as deal advisor. Mr. Flølo holds an MSc in Business administration and finance from the Norwegian Business School in Oslo, Norway.

### *Eivind Torheim, COO*

Mr. Eivind Torheim has over 34 years of experience from offshore and energy. He has held positions within Elf, Western Atlas, Enterprise Oil, Shell, Revus and Wintershall where he was head of projects in the executive committee in Norway. Mr. Torheim holds a MSc in Petroleum Technology from the University in Stavanger, Norway.

## Relationships

The Chairman of the Board, Mr. Lie, is the husband of the sister of the CEO's mother.

## 6.2 Benefits upon termination of employment

The employees have entered into employment agreements where the notice period is mutually 1 month or 3 months counted from the first day of the month after the notice is served. For the CEO the notice period is mutually 3 months from the first day of the month after the notice is served. In accordance with the Working Environment Act Section 15-16 (2), the CEO and the Company have agreed that, except for termination due to workforce reductions or closure of the business, the CEO relinquish all rights according to the Working Environment Act Chapter 15 in exchange for a severance payment equal to 6 months base salary (three months beyond the notice period).

There are no agreements between the Company and members of the Board of Directors providing for benefits upon termination of employment.

## 6.3 Shares and Options held by Members of the Board of Directors and Executive Management

The table below sets forth the number of Shares beneficially owned by each of the Company's members of the Board of Directors and Executive Management as of the day of this Information Document.

	Position	Shareholding	Options, warrants etc.
Kåre Johannes Lie	Chairman	126,805	0
.....			
Rolf Magne Larsen	Director	45,293	0
.....			
Bjørgulf Haukelidsæter Eidesen	CEO	5,125,000	0
.....			

	Position	Shareholding	Options, warrants etc.
Dan Jarle Flølo	CFO	552,515	0
.....			
Eivind Torheim	COO	550,000	0
.....			

As part of the Private Placement, the CEO, CFO and COO have entered lock-up agreements of 48 months, with 25% of their respective shareholding being released under the lock-up undertaking after each 12 months. In addition, the other employees have existing lock-up agreements for three years following the specific dates in 2020 when they as individual shareholders purchased shares at discounted price.

#### 6.4 Disclosure of Conflicts of Interests

To the Company’s knowledge, there are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Board of Directors and members of the Executive Management.

#### 6.5 Disclosure About Convictions in Relation to Fraudulent Offences

Other than expressly stated below, during the last five years preceding the date of this Information Document, no member of the Board of Directors or the Executive Management has:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company.

#### 6.6 Corporate Governance

The Company is not subject to the Norwegian Code of Practice (the “Corporate Governance Code”).

#### 6.7 Employees

##### Employees

As of the date of this Information Document i.e. Jan 2021, the Company has 11 employees.

	Year	
	2020	2019
Average number of employees	7	2

Average number of employees estimate based upon weighting of working months in 2020.

##### Share Incentive Program for Employees

As of the date of this Information Document, the Company has not issued any options, warrants, convertible loans, or any subordinated debt or transferable securities to employees. Employees were invited to purchase shares in the Company in September 2020, however, the Company does not have a share incentive program or similar for its employees today.

Mr. Larsen as Board member has performed advisory services and received 35,392 options, each option giving Mr. Larsen the right to subscribe for one Share at a subscription price of NOK 0.01, as payment. These options were exercised in January 2021.



## **7. DIVIDEND AND DIVIDEND POLICY**

*This Section provides information about the dividend policy and dividend history of the Company, as well as certain legal constraints on the distribution of dividends under the Norwegian Private Limited Liability Companies Act (Nw.: aksjeloven). Any future dividends declared by the Company will be paid in NOK as this is the currency that currently is supported by the VPS. The following discussion contains Forward-looking Statements that reflect the Company's plans and estimates, see Section 3.1 "General Information—Cautionary Note Regarding Forward-Looking Statements".*

### **7.0 Dividend Policy**

As of the date of this Information Document, the Company is in a growth phase and is not in a position to pay any dividends. There can be no assurance that in any given year a dividend will be proposed or declared.

In deciding whether to propose a dividend and in determining the dividend amount, the Company's Board of Directors will take into account legal restrictions, as set out in Section 7.1 "Legal Constraints on the Distribution of Dividends", the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its borrowing arrangements or other contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility.

### **7.1 Legal Constraints on the Distribution of Dividends**

Dividends may be paid in cash or, in some instances, in kind. The Norwegian Private Limited Liability Companies Act provides several constraints on the distribution of dividends:

- Section 8-1 of the Norwegian Private Limited Liability Companies Act provides that a company may only distribute dividends to the extent that the company following the distribution still has net assets which provide coverage for the company's share capital and other non-distributable reserves.
- The Company cannot distribute dividends which would result in the Company not having an equity which is adequate in terms of the risk and scope of the Company's business.
- The calculation of dividends shall be on the basis of the balance sheet in the Company's last approved annual financial statements, but the Company's registered share capital at the time of the resolution shall still apply. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts. It is also possible to distribute extraordinary dividends on the basis of an interim balance sheet which is prepared and audited in accordance with the rules for annual financial statements and approved by the General Meeting of the Company. The interim balance sheet date cannot be dated more than six months prior to the resolution by the General Meeting of payment of such extraordinary dividend.
- The amount of distributable dividends is calculated on the basis of the Company's separate financial statements and not on the basis of the consolidated financial statements of the Company and its consolidated subsidiaries.
- Distribution of dividends is resolved by a majority vote at the General Meeting of the shareholders of the Company and on the basis of a proposal from the Board of Directors. The General Meeting cannot distribute a larger amount than what is proposed or accepted by the Board of Directors.

The Norwegian Private Limited Liability Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 9.1 "Norwegian Taxation— Non-Resident Shareholders".

## 8. CORPORATE INFORMATION, SHARES AND SHARE CAPITAL

The following Section is a summary of certain corporate information and other information relating to the Company, the Shares and share capital of the Company, summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as of the date of this Information Document, including the Norwegian Limited Liability Companies Act (Nw.: aksjeloven). This summary does not purport to be complete and is qualified in its entirety by Company's Articles of Association and applicable Norwegian law.

### 8.0 Incorporation, Registration Number, Registered Office and Other Company Information

The Company is a Norwegian private limited liability company (Nw.: aksjeselskap or AS), incorporated under the laws of Norway and in accordance with the Norwegian Limited Liability Companies Act. The Company's business registration number is 923 377 476. The Company was incorporated on 27 August 2019.

The head office and registered address of the Company is Grenseveien 21, 4313 Sandnes, the Company does not have a registered telephone number and its website is <https://www.horizontenergi.no>.

The Company does not own any shares or other ownership interest in any other entities.

### 8.1 Share Capital and Share Capital History

As of the date of this Information Document, the Company's share capital is NOK 158,502.55 divided into 15,850,255 Shares, fully paid and each Share having a par value of NOK 0.01. The Shares have been issued under Norwegian law and are registered on the Company's ISIN NO 001 0917339 with the VPS in book-entry form.

The table below shows the development in the share capital of the Company since 27 August 2019 and up to the date of this Information Document.

	Date	Capital Increase (NOK)	Share Capital After Change (NOK)	Par Value of Shares (NOK)	Subscription Price per Share (NOK)	New Shares	Total Number of Outstanding Shares
Company established	27 August 2019	50,000	50,000.00	0.01	0.017	5,000,000	5,000,000
Capital Increase*	10 October 2019	6,607	56,607.14	0.01	0.017	660,714	5,660,714
Capital Increase*	25 February 2020	5,000	61,607.14	0.01	0.017	500,000	6,160,714
Capital Increase*	17 June 2020	4,000	65,607.14	0.01	0.017	400,000	6,560,714
Capital Increase*	7 July 2020	400	66,007.14	0.01	0.017	40,000	6,600,714
Capital Increase*	30 July 2020	1,200	67,207.14	0.01	0.017	120,000	6,720,714
Capital Increase*	25 September 2020	6,694	73,901.28	0.01	5.952	669,414	7,390,128
Private Placement	19 January 2021	79,000	152,901.28	0.01	19	7,900,000	15,290,128
Capital increase**	22 January 2021	5,601.27	158,502.55	0.01	0.01	560,127	15,850,255

\* Capital increases directed to employees of the Company.

\*\* Capital increase directed to investors in accordance with the Company's former warrant program towards external investors under the Norwegian Startup's Lead Investment Paper (the "SLIP") and one option holder. The Company had issued 524,735 warrants under its SLIP, each warrant giving the holder a right to subscribe for one share at a subscription price equal to the Share's par value (NOK 0.01). The Company had also awarded one business partner 35,392 options, each option with a right to acquire one Share at a subscription price equal to the Share's par value (NOK 0.01). The capital increase was resolved by the Board of Directors on 12 January 2021 in accordance with the board authorisation given at the Company's extraordinary general meeting on 27. November 2020 (the "EGM")

The Company only has one share class.

### 8.2 Authorisation to Increase the Share Capital and to Issue Shares and Other Financial Instruments

The EGM granted its Board of Directors an authorisation to increase the share capital on one or more occasions by up to a nominal value of NOK 33,874. The authorisation may be used for multiple purposes, the Board is authorised to waive the

shareholders' pre-emptive rights when issuing shares and the authorisation is valid up until 30 June 2021, but no longer than to the next ordinary General Assembly.

In addition, the EGM granted the Board of Directors an authorisation to increase the share capital on one or more occasions by up to a nominal value of NOK 5,700. The authorisation may exclusively be used for issuing new shares as agreed in existing SLIP-agreements and to exercise existing option agreements (existing at or before 27.11.2020), the Board is authorised to waive the shareholders' pre-emptive rights when issuing shares and the authorisation is valid up to two years following the EGF. The Board of Directors used this authorisation to increase the Company's share capital with NOK 5,601.27 on 22 January 2021.

### 8.3 Share Classes; Rights Conferred by the Shares

The Company has a single share class and all shares carry the same rights. At the Company's General Meetings, each share carries one vote.

### 8.4 Major Shareholders

As of the date of this Information Document, and insofar as known to the Company, the following has, directly and/or indirectly, interest in 5% or more of the issued share capital of the Company:

	%
Føniks Innovasjon AS (Bjørgulf H. Eidesen - CEO)	33,3
.....	13,3
QVT Financial LP	11,6
.....	10,0
Saga Pure ASA	5,0
.....	
KLP Alfa Global Energi	
.....	
Tycoon Industrier AS	
.....	

### 8.5 Articles of Association

The Company's Articles of Association are appended as Appendix B—Articles of Association to this Information Document. Below is a summary of certain provisions of the Articles of Association.

#### Objective

Pursuant to Section 2 of the Articles of Association, the Company's objective is to deliver carbon neutral energy products like clean ammonia, capturing and storing CO<sub>2</sub> with the aim of commercialising carbon storage or businesses in connection with this.

#### No Restrictions on Transfer of Shares

Pursuant to Section 4 of the Articles of Association, acquisition of shares is not subject to approval by the Company. Shareholders do not have any right of first refusal pursuant to company legislation.

#### General Meetings

Pursuant to Section 5 of the Articles of Association, documents which deal with matters that are to be considered by the shareholders at General Meetings are not required to be sent to the shareholders, provided that such documents have been made available on the Company's website. A shareholder may in any case request such documents to be sent to him.

The Board of Directors can decide that the shareholders shall be able to cast their vote in writing, which shall include voting through electronically means, for a period prior to the General Meeting. For such voting, a satisfactory authentication method shall be used for the purpose of identifying the voting party.

## **8.6 Certain Aspects of Norwegian Company Law**

### **General Meetings**

In accordance with Norwegian law, the Annual General Meeting of the Company's shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of General Meetings setting forth the time, venue and agenda of the meeting be sent to all shareholders whose addresses are known at least seven days prior to the date of the meeting. A shareholder may vote at the General Meeting either in person or by proxy. Although Norwegian law does not require the Company to send proxy forms to its shareholders for General Meetings, the Company plans to include a proxy form with notices of General Meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the General Meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at General Meetings, without any requirement of pre-registration.

Apart from the Annual General Meeting, Extraordinary General Meetings of shareholders may be held if the Board of Directors considers it necessary. An Extraordinary General Meeting of shareholders must also be convened for the consideration of specific matters at the written request of the Company's auditor or of shareholders representing a total of at least 10 per cent of the Company's share capital. The requirements for notice and admission to the Annual General Meeting of the Company's shareholders also apply for Extraordinary General Meetings of shareholders.

### **Voting Rights, Amendments to the Articles of Association**

Each of the Company's Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections, the persons who obtain the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to derogate from the shareholders preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase the Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90 per cent of the share capital represented at the General Meeting of the Company's shareholders in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amending the Articles of Association.

In general, only shareholders registered in the VPS are entitled to vote on Shares. Neither beneficial owners of Shares that are registered in the name of a nominee are generally not entitled to vote on Shares under Norwegian law, nor are persons who are designated in the VPS register as the holder of such Shares as nominees.

There are no quorum requirements that apply to the General Meetings of the shareholders of the Company.

### **Additional Issuances and Preferential Rights**

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to its Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a General Meeting of the Company's shareholders passed by the same vote required to approve amending the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

At a General Meeting the Company's shareholders may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50 per cent of the registered nominal share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve,

and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the par value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's US shareholders may not be able to exercise their preferential rights. If a US shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company if deemed appropriate by the Company.

### **Minority Rights**

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of General Meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the General Meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may require the courts to dissolve the Company as a result of such decisions. Minority shareholders holding 10 per cent or more of the Company's share capital have a right to demand in writing that the Company's Board of Directors convene an Extraordinary General Meeting of the Company's shareholders to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the General Meeting has not expired.

### **Rights of Redemption and Repurchase of Shares**

The share capital of the Company may be reduced by reducing the par value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a General Meeting of the Company's shareholders. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a General Meeting of the Company's shareholders with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not lead to the share capital with deduction of the aggregate nominal of the holding of own shares is less than the minimum allowed share capital of NOK 30,000, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company's shareholders cannot be granted for a period exceeding two years.

### **Shareholder Vote on Certain Reorganisations**

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the General Meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the General Meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders at least one month prior to the General Meeting of the Company's shareholders to pass upon the matter.

### **Liability of Directors**

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the directors act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the General Meeting of the Company's shareholders to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the General Meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Company's directors from liability or not to pursue claims against such a person has been passed by a General Meeting of the Company's shareholders with a smaller majority than that required to amend the Company's Articles of Association, shareholders representing more than 10 per cent of the share capital or, if there are more than 100 shareholders, more than 10 per cent

of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's directors from liability or not to pursue claims against the Company's directors is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

#### **Indemnification of Directors**

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company of the members of the Board of Directors. The Company is permitted to purchase, and has purchased, insurance to cover the Company's directors against certain liabilities they may incur in their capacity as such.

#### **Distribution of Assets on Liquidation**

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital by the Company, if any.

### **8.7 Takeover bids and Compulsory Acquisition**

The Company is not subject to the takeover regulations set out in the Norwegian Securities Trading Act.

However, the Shares are subject to the provisions on compulsory transfer of shares, as set out in the Norwegian Private Companies Act. If a private limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the General Meeting, the Board of Directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary have the right to require the parent company to take over the shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Norwegian Private Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.

## 9. NORWEGIAN TAXATION

*This Section describes certain tax rules in Norway applicable to shareholders who are resident in Norway for tax purposes (“Norwegian Shareholders”) and to shareholders who are not resident in Norway for tax purposes (“Foreign Shareholders”). The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Information Document and are subject to any changes in law occurring after such date. Such changes could be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. The statements only apply to shareholders who are beneficial owners of Shares. Please note that for the purpose of the summary below, references to Norwegian Shareholders or Foreign Shareholders refers to the tax residency rather than the nationality of the shareholder.*

### 9.0 Norwegian Shareholders

#### Taxation of Dividends

Norwegian corporate shareholders (i.e. limited liability companies and similar entities) (“Norwegian Corporate Shareholders”) are comprised by the Norwegian Participation Exemption Method. Under the exemption, only 3% of the dividend income on shares in Norwegian limited liability companies shall be taxed as ordinary income (22% flat rate), implying that such dividends are effectively taxed at a rate of 0.66%.

Dividends distributed to Norwegian individual shareholders (i.e. other shareholders than Norwegian Corporate Shareholders) (“Norwegian Individual Shareholders”) is grossed up with a factor of 1.44 before being subject to taxation as ordinary income (22% flat rate, resulting in an effective tax rate of 31.68%) to the extent the dividend exceeds a basic tax-free allowance. The tax-free allowance shall be computed for each individual shareholder on the basis of the cost price of each of the shares multiplied by a risk-free interest rate. The risk-free interest rate will be calculated every income year and is allocated to the shareholder owing the share on 31 December of the relevant income year. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the share (“unused allowance”) may be carried forward and set off against future dividends received on (or gains upon realisation of, see below) the same share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same share the following year.

#### Taxation of Capital Gains

Sale, redemption or other disposal of shares is considered as a realisation for Norwegian tax purposes.

Capital gains generated by Norwegian Corporate Shareholders through a realisation of shares in Norwegian limited liability companies are comprised by the Norwegian Participation Exemption Method and therefore tax exempt. Net losses from realisation of shares and costs incurred in connection with the purchase and realisation of such shares are not tax deductible for Norwegian Corporate Shareholders.

Norwegian Individual Shareholders are taxable in Norway for capital gains derived from realisation of shares, and have a corresponding right to deduct losses. This applies irrespective of how long the shares have been owned by the individual shareholder and irrespective of how many shares that are realised. Gains are taxable as ordinary income in the year of realisation, and losses can be deducted from ordinary income in the year of realisation. Any gain or loss is grossed up with a factor of 1.44 before being subject to taxation at a rate of 22 % (resulting in an effective tax rate of 31.68%). Under current tax rules, gain or loss is calculated per share, as the difference between the consideration received and the tax value of the share. The tax value of each share is based on the individual shareholder's purchase price for the share. Costs incurred in connection with the acquisition or realisation of the shares will be deductible in the year of sale. Any unused tax-free allowance connected to a share may be deducted from a capital gain on the same share, but may not lead to or increase a deductible loss. Further, unused tax-free allowance related to a share cannot be set off against gains from realisation of other shares.

If a Norwegian shareholder realises shares acquired at different points in time, the shares that were first acquired will be deemed as first sold (the “first in first out”-principle) upon calculating taxable gain or loss. Costs incurred in connection with the purchase and sale of shares may be deducted in the year of sale.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances.

## Taxation of Subscription Rights

A Norwegian Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered a realisation for Norwegian tax purposes. Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of subscription rights qualifying for the Norwegian tax exemption method. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such subscription rights are not deductible for tax purposes.

For Norwegian Individual Shareholders, a capital gain or loss generated by a realisation of subscription rights is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for the computation of ordinary income in the year of disposal. The ordinary income is taxable at a flat rate of 22%.

## Net Wealth Tax

The value of shares is considered as capital for wealth tax purposes in Norway at 65% of the shares portion of the total tax value of the company as of 1 January the year before the tax assessment year. Net wealth exceeding NOK 1,500,000 is taxed at rates currently up to 0.85%. The net wealth threshold is NOK 3,000,000 for spouses assessed jointly on their joint wealth. Norwegian limited liability companies and similar entities are exempted from net wealth tax.

## 9.1 Non-Resident Shareholders

### Taxation of Dividends

Dividends paid from a Norwegian limited liability company to Foreign Shareholders are subject to Norwegian withholding tax at a rate of 25% unless the recipient qualifies for a reduced rate according to an applicable tax treaty or other specific regulations. Norway has entered into tax treaties with a number of countries and withholding tax is normally set at 15% under these treaties. The shareholder's home country may give credit for the Norwegian withholding tax imposed on the dividend.

Foreign corporate shareholders (i.e. limited liability companies and similar entities) ("**Foreign Corporate Shareholders**") which are genuinely established and carry out genuine economic activities within the EEA are comprised by the Participation Exemption Method and therefore not subject to Norwegian withholding tax.

Dividends paid to foreign individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders) ("**Foreign Individual Shareholders**") are as the main rule subject to Norwegian withholding tax at a rate of 25%, unless a lower rate has been agreed in an applicable tax treaty. If the individual shareholder is resident within the EEA, the shareholder may apply to the tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share, see Section 9.0 "Norwegian Shareholders—Taxation of Dividends". However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

In accordance with the present administrative system in Norway, a distributing company will generally deduct withholding tax at the applicable rate when dividends are paid directly to an eligible Foreign Shareholder, based on information registered with the VPS. Dividends paid to Foreign Shareholders in respect of nominee registered shares are not eligible for reduced treaty withholding tax rate or pursuant to the Participation Exemption Method at the time of payment unless the nominee, by agreeing to provide certain information regarding beneficial owner, has obtained approval for reduced treaty withholding tax rate from the Central Office for Foreign Tax Affairs. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation. If deducted withholding tax on dividends at the time of payment exceeds the correct tax rate pursuant to the relevant tax treaty or the Participation Exemption Method application for a refund may be submitted to the Norwegian Tax Authorities.

Foreign Shareholders should consult their own advisers regarding the availability of treaty or other benefits in respect of dividend payments.

### Taxation of Capital Gains

Gains from realisation of shares by Foreign Shareholders will not be subject to tax in Norway unless the Foreign Shareholders are holding the shares in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.



### **Taxation of Subscription Rights**

A Foreign Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway.

Capital gains derived by the sale or other transfer of subscription rights by Foreign Shareholders are not subject to taxation in Norway unless the Foreign Shareholder is holding the subscription rights in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

### **Net Wealth Tax**

Foreign Shareholders are not subject to Norwegian net wealth tax with respect to the Shares, unless the shareholder is an individual, and the shareholding is effectively connected with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

### **9.2 Transfer Taxes etc.; VAT**

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, issuance, disposal or redemption of shares. Further, there is no VAT on transfer of shares.

## **10. ADDITIONAL INFORMATION**

### **10.0 Admission to Euronext Growth**

On 12 January 2021, the Company applied for admission to trading of its shares on Euronext Growth. The first day of trading on Euronext Growth is expected to be 27 January 2021.

The Company does not have securities listed on any stock exchange or regulated market place.

### **10.1 Information sourced from third parties and expert opinions**

In this Information Document, certain information has been sourced from third parties. The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

The Company confirms that no statement or report attributed to a person as an expert is included in this Information Document.

### **10.2 Independent Auditors**

The Company's independent auditors are PricewaterhouseCoopers AS which have their registered address at Dronning Eufemias gate 8, 0191 Oslo, and which have been the Company's auditor from and including the financial year 2019.

Except for the financial statements covering the periods ended 31 December 2019, PricewaterhouseCoopers AS have not audited any other information in this Information Document. A limited audit has been conducted on the Q3 financial report.

### **10.3 Advisors**

The Company has engaged Fearnley Securities AS (business registration number 945 757 647, and registered business address at Grev Wedels plass 9, 0151 Oslo) as the Euronext Growth Advisor and as manager in the Private Placement.

SANDS Advokatfirma DA (business registration number 960 716 647, and registered business address at Cort Adellers gate 33, 0254 Oslo) is Norwegian legal counsel to the Company.

### **10.4 VPS Registrar**

The Company's VPS registrar is SpareBank 1 SR-Bank (business registration number 937 895 321) which has their registered address at Christen Tranes gate 35, 4007 Stavanger, Norway.

## 11. DEFINITIONS

*Capitalised terms used throughout this Information Document shall have the meaning ascribed to such terms as set out below, unless the context require otherwise.*

APM.....	Alternative performance measures.
Appropriate Channels for Distribution....	Shares which are eligible for distribution through all distribution channels as are permitted by MiFID II.
Articles of Association .....	The articles of association of the Company, as amended from time to time.
Audited Financial Statements .....	The Company's audited financial statements for the year ended 31 December 2019
Board Member .....	A member of the Board of Directors.
Board of Directors.....	The board of directors of the Company.
Company.....	Horisont Energi AS, business registration number 923 377 476.
Corporate Governance Code.....	The Norwegian Corporate Governance Code of 17 October 2018.
COVID-19 .....	Corona Virus Disease 2019
EBITDA .....	Net income before depreciation amortization, net interest expense (but including lease payments), amortization of debt issue expenses and impairment charges
EGM .....	Extraordinary general meeting of the Company's shareholders.
ESG .....	Environment, safety and governance.
ESMA .....	European Securities and Markets Authority.
Executive Management .....	The members of the Company's senior management.
EU .....	European Union.
Financial Statements .....	The Audited Financial Statements and the Interim Financial Statements together
Foreign Shareholders .....	Shareholders who are not resident in Norway for tax purposes.
Foreign Corporate Shareholders.....	Foreign corporate shareholders (i.e. limited liability companies and similar).
Foreign Individual Shareholders.....	Foreign individual shareholders (i.e. other foreign shareholders than Foreign Corporate Shareholders).
Forward-looking Statements.....	Has the meaning ascribed to it in Section 3.0.
General Meeting.....	General meeting of the Company's shareholders.
Information Document.....	This Information Document dated 22 January 2021.
Interim Financial Statements.....	The financial statements for the nine months ended 30 September 2020, prepared in accordance with NGAAP approved by the Board and subject to limited review by auditor.
Listing.....	This listing and admission to trading of Shares of the Company on Euronext Growth.
Euronext Growth Advisor.....	Fearnley Securities AS
Euronext Growth .....	A multilateral trading facility operated by Oslo Børs ASA.
Euronext Growth Admission Rules .....	The Admission to Trading Rules for Euronext Growth.
Euronext Growth Content Requirements	The Content Requirements for Information Documents for Euronext Growth.
MiFID II.....	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements .....	(a) MiFID II, (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures.
Negative Target Market .....	Investment in the Shares which is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.
NIBD .....	Interest bearing debt less cash and cash equivalents
N-GAAP .....	Norwegian generally accepted accounting principles.
Norwegian Corporate Shareholders.....	Norwegian corporate shareholders (i.e. limited liability companies and similar).
Norwegian Individual Shareholders .....	Norwegian individual shareholders (i.e. other Norwegian shareholders than Norwegian corporate shareholders).
Norwegian Shareholders.....	Norwegian Corporate Shareholders taken together with Norwegian Individual Shareholders.
Offer price .....	NOK 19 per Share.

Positive Target Market .....	Shares that have been subject to product approval process, which has determined that they are : (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II.
Private Placement .....	A private placement of new Shares in the Company, raising gross proceeds of NOK 150 million.
Project Barents Blue .....	Onshore ammonia production project in Finnmark with reinjection and storage of CO2 in the Barents Sea
Shares .....	The shares of the Company.
Securities Trading Act .....	The Norwegian Securities Trading Act of 29 2007 no. 75, as amended.
SLIP .....	Norwegian Startup's Lead Investment Paper
Target Market Assessment .....	The Negative Target Market together with Positive Target Market.
U.S. Securities Act .....	The United States Securities Act of 1933, as amended.
VPS .....	The Norwegian Central Securities Depository (Nw.: <i>Verdipapirsentralen</i> ).
VPS Registrar .....	SpareBank 1 SR-Bank ASA

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## APPENDIX A - FINANCIAL STATEMENTS

### Index to Financial Information

The Company's audited financial statements for the periods ended 31 December 2019 and Board Approved statements (and subject to limited review by auditor) 2020 30 September (3Q).

.....

#### RESULTATREGNSKAP

##### HORISONT ENERGI AS

DRIFTSINNETEKTER OG DRIFTSKOSTNADER	Note	2019
Annen driftskostnad		310 297
<b>Sum driftskostnader</b>		<b>310 297</b>
<b>Driftsresultat</b>		<b>-310 297</b>
<b>FINANSINNETEKTER OG FINANSKOSTNADER</b>		
Annen renteinntekt		37
<b>Resultat av finansposter</b>		<b>37</b>
Ordinært resultat før skattekostnad		-310 260
Skattekostnad på ordinært resultat		0
<b>Ordinært resultat</b>		<b>-310 260</b>
<b>Årsresultat</b>		<b>-310 260</b>
<b>OVERFØRINGER</b>		
Overført til udekket tap		310 260
<b>Sum overføringer</b>		<b>-310 260</b>



## BALANSE

### HORISONT ENERGI AS

EIENDELER	Note	2019
<b>OMLØPSMIDLER</b>		
<b>FORDRINGER</b>		
Andre kortsiktige fordringer		39 375
<b>Sum fordringer</b>		<b>39 375</b>
<b>INVESTERINGER</b>		
Bankinnskudd, kontanter o.l.		989 360
<b>Sum omløpsmidler</b>		<b>1 028 735</b>
<b>Sum eiendeler</b>		<b>1 028 735</b>



## BALANSE

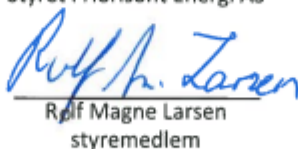
### HORISONT ENERGI AS

EGENKAPITAL OG GJELD	Note	2019
<b>EGENKAPITAL</b>		
<b>INNSKUTT EGENKAPITAL</b>		
Aksjekapital	1	56 607
Overkurs		39 618
<b>Sum innskutt egenkapital</b>		<b>96 225</b>
<b>OPPTJENT EGENKAPITAL</b>		
Udekket tap		-310 260
<b>Sum opptjent egenkapital</b>		<b>-310 260</b>
<b>Sum egenkapital</b>	<b>1, 2</b>	<b>-214 035</b>
<b>GJELD</b>		
<b>ANNEN LANGSIKTIG GJELD</b>		
Annen langsiktig gjeld		1 050 000
<b>Sum annen langsiktig gjeld</b>	<b>3</b>	<b>1 050 000</b>
<b>KORTSIKTIG GJELD</b>		
Leverandørgjeld		192 770
<b>Sum kortsiktig gjeld</b>		<b>192 770</b>
<b>Sum gjeld</b>		<b>1 242 770</b>
<b>Sum egenkapital og gjeld</b>		<b>1 028 735</b>

19.06.2020

Styret i Horisont Energi AS

  
Kåre Johannes Lie  
styreleder

  
Rolf Magne Larsen  
styremedlem

  
Bjørgulf Haukelidsæter Eidesen  
styremedlem/daglig leder

## **Regnskapsprinsipper**

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapsskikk for små foretak. Forutsetning om fortsatt drift er lagt til grunn ved utarbeidelse av årsregnskapet

### **Klassifisering av balanseposter**

Eiendeler bestemt til varig eie eller bruk er klassifisert som anleggsmidler. Eiendeler som er knyttet til varekretsløpet er klassifisert som omløpsmidler. Fordringer klassifiseres som omløpsmidler hvis de skal tilbakebetales i løpet av ett år. For gjeld er analoge kriterier lagt til grunn. Første års avdrag på langsiktige fordringer og langsiktig gjeld klassifiseres likevel ikke som omløpsmiddel og kortsiktig gjeld.

### **Varige driftsmidler**

Tomter avskrives ikke. Varige driftsmidler balanseføres og avskrives lineært over driftsmidlenes forventede levetid dersom de har antatt levetid over 3 år og har en kostpris som overstiger kr 15 000. Vedlikehold av driftsmidler kostnadsføres løpende. Påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Skillet mellom vedlikehold og påkostning/forbedring regnes i forhold til driftsmidlets stand ved kjøp av driftsmidlet.

Utgifter til leie av driftsmidler kostnadsføres. Forskuddsbetalinger balanseføres som forskuddsbetalt kostnad, og fordeles over leieperioden.

### **Utenlandsk valuta**

Fordringer og gjeld i utenlandsk valuta vurderes etter kursen ved regnskapsårets slutt. Kursgevinster og kurstap knyttet til varesalg og varekjøp i utenlandsk valuta føres som salgsinntekter og varekostnad.

### **Fordringer**

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning for tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap.

### **Skatt**

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt beregnes med aktuell skattesats på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt eventuelt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet.

Netto utsatt skattefordel balanseføres ikke, i samsvar med unntaksreglene for små foretak.

Skatt på avgitt konsernbidrag som er ført som økt kostpris på aksjer i andre selskaper, og skatt på mottatt konsernbidrag som er ført direkte mot egenkapitalen, er ført direkte mot skatt i balansen (føringen skjer mot betalbar skatt hvis konsernbidraget har hatt virkning på betalbar skatt og mot utsatt skatt hvis konsernbidraget har hatt virkning på utsatt skatt).

**Note 1 Aksjekapital og aksjonærinformasjon**

Aksjekapitalen på kr. 56 607 består av 5 660 714 aksjer à kr. 0,01.

Aksjeeiere pr 31.12.19	Antall Aksjer	Eierandel
Føniks Inovasjon	5 125 000	90,54 %
DJ Advisors AS	535 714	9,46 %
<b>Sum</b>	<b>5 660 714</b>	<b>100 %</b>

**Note 2 Egenkapital**

	Aksje-kapital	Overkurs	Annen innskutt egenkapital	Udekket tap	Sum
Stiftelse 27.08.2019	50 000	35 000	0	0	85 000
Kontantinnskudd 10.10.19	6 607	4 618	0	0	11 225
Årets resultat	0	0	0	-310 260	-310 260
<b>Egenkapital 31.12.2019</b>	<b>56 607</b>	<b>39 618</b>	<b>0</b>	<b>-310 260</b>	<b>-214 035</b>

**Note 3 Fordringer og gjeld**

Selskapet har utstedt konvertible SLIP (Startup Lead Investment Paper) hvor långiver gis mulighet, og plikt til å konverte gjelden til et gitt antall aksjer i selskapet basert på en fremtidig verdsettelse (tilsvarende en tegningsrett). Konverteringstidspunktet avhenger av fremtidige milepæler for kapitalinnhenting med en absolutt frist den 31.12.2020.

	<b>2019</b>
Konvertible gjeld	1 050 000

**Note 4 Bundne midler**

	<b>2019</b>
Herav bundne bankinnskudd	0

**Note 5 Skatt**

<b>Beregning av utsatt skatt/utsatt skattefordel</b>	<b>2019</b>
<b>Midlertidige forskjeller</b>	
Varige driftsmidler	0
Netto midlertidige forskjeller	0
Underskudd til fremføring	-310 260
<b>Grunnlag for utsatt skattefordel</b>	<b>-310 260</b>
Utsatt skatt	-68 257
Herav ikke balanseført utsatt skattefordel	68 257
<b>Utsatt skatt i balansen</b>	<b>0</b>
<b>Utsatt skattefordel som kunne vært balanseført</b>	<b>68 257</b>
<b>Fordeling av skattekostnaden</b>	<b>2019</b>
Betalbar skatt	0
For mye, for lite avsatt i fjor	0
Sum betalbar skatt	0
Endring i utsatt skatt/skattefordel med gammel sats	0
Endring i utsatt skatt/skattefordel som følge av endret skattesats	0
Endring i utsatt skatt/skattefordel som følge av endret skattesats	0
<b>Skattekostnad</b>	<b>0</b>

**Note 6 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte m.v.**

Selskapet har ingen ansatte og har derav ingen lovfestede pensjonsordninger

<b>Kostnadsført godtgjørelse til revisor</b>	<b>2019</b>
Revisjon	0
Andre tjenester	0
<b>Sum godtgjørelse til revisor</b>	<b>0</b>

**Note 7 Hendelser etter balansedagen**

Selskapet er i en tidlig oppstartsfasen hvor forretningsutvikling og finansiering er sentrale oppgaver. Vedrørende selskapets forretningsutvikling, så har selskapet fått ferdigstilt studier i samarbeid med eksterne leverandører. Videre pågår det samtaler med flere oppstrømselskaper om et bilateralt samarbeid om ulike prosjekter. Planen er å signere en avtale i løpet av 3.kvartal 2020.

Horisont Energi forventes å ha en betydelig del av sin virksomhet innenfor offshoresektoren. Denne sektoren har i likhet med mange andre deler av næringslivet opplevd store endringer i sine markeder på grunn av Covid-19. Det har ført til større usikkerhet i selskapene og enkelte aktører er nå avventende mht. investeringer og nye satsinger. Selv om selskapet i dag ikke blir direkte rammet av lave olje- og gasspriser så opplever vi at det tar lenger tid å gjennomføre forhandlinger og selskapets planer.

Mht. til finansiering har selskapet innhentet ytterligere kapital etter årsskiftet gjennom SLIP-avtaler. I tillegg så er det inngått en leteavtale med bank med sikkerhet i myndighetenes leterefusjonsordning.

**Note 8 Fortsatt drift**

I samsvar med regnskapsloven §3-3a bekreftes det at forutsetningen for fortsatt drift er tilstede.

På bakgrunn av selskapets planer og budsjett, hensyntatt tilgjengelig likviditet basert på SLIP-lån og tilgjengelig letelån, så legges forutsetningen om fortsatt drift til grunn ved avleggelsen av regnskapet. Avhengig av aktivitetsnivå og utvikling av selskapet, så vil det i selskapets prognoser oppstå behov for ytterligere kapital i løpet av 2020. Det foreligger usikkerhet knyttet til selskapets finansiering som kan medføre vesentlig usikkerhet knyttet til fortsatt drift, i visse tilfeller. Selskapets styre og ledelse følger utviklingen nøye og ser på alternative planer dersom det skulle bli nødvendig

# Financial Statement Q3 2020

## Horisont Energi AS

### Interim financial statements

#### Profit and loss

(All amounts in NOK)

	Notes	1.1 - 30.09.20	27.08. - 30.09.19	2019
<b>Revenue</b>				
Revenue		0	0	0
<b>Total operating income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>Operating costs</b>				
Salary and personnel costs		4,281,041	0	
Other operating costs		4,980,441	77,574	310,297
<b>Total operating costs</b>		<u>9,261,482</u>	<u>77,574</u>	<u>310,297</u>
<b>OPERATING PROFIT (LOSS)</b>		<u>-9,261,482</u>	<u>-77,574</u>	<u>-310,297</u>
<b>FINANCIAL INCOME AND EXPENSES</b>				
Interest income		0	0	37
Interest expenses		-41,283	0	0
Other financial expenses		-4,477	0	0
<b>Net financial income (expenses)</b>		<u>-45,760</u>	<u>0</u>	<u>37</u>
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<u>-9,307,242</u>	<u>-77,574</u>	<u>-310,260</u>
Income tax income	6	6,918,254	0	0
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	2	<u>-2,388,988</u>	<u>-77,574</u>	<u>-310,260</u>

# Horisont Energi AS

## Interim financial statements

### Balance sheet

(All amounts in NOK)

	Notes	30.09.20	31.12.19
<b>ASSETS</b>			
<b>Current assets</b>			
<b>Receivables</b>			
Accounts receivables		0	0
Subscribed capital unpaid		3,984,352	
Other receivables	6	6,349,049	39,375
<b>Total receivables</b>		<u><b>10,333,401</b></u>	<u><b>39,375</b></u>
<b>Cash and cash equivalents</b>	3	<u><b>273,194</b></u>	<u><b>989,360</b></u>
<b>Total current assets</b>		<u><b>10,606,595</b></u>	<u><b>1,028,735</b></u>
<b>TOTAL ASSETS</b>		<u><u><b>10,606,595</b></u></u>	<u><u><b>1,028,735</b></u></u>

# Horisont Energi AS

## Interim financial statements

### Balance sheet

(All amounts in NOK)

	Notes	30.09.20	31.12.19
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid-in equity</b>			
Share capital	1	67,207	56,607
Share capital, not registered		6,694	0
Share premium		4,024,696	39,618
<b>Total contributed equity</b>	2	<u>4,098,597</u>	<u>96,225</u>
<b>Retained earnings (deficit)</b>			
Retained earnings (deficit)		-2,699,248	-310,260
<b>Total retained earnings (deficit)</b>	2	<u>-2,699,248</u>	<u>-310,260</u>
<b>Total equity</b>	2	<u>1,399,349</u>	<u>-214,035</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other long term liabilities	4	5,300,000	1,050,000
<b>Total non-current liabilities</b>		<u>5,300,000</u>	<u>1,050,000</u>
<b>Current liabilities</b>			
Liabilities to financial institutions	5	1,953,414	0
Accounts payables		1,180,776	192,770
Public duties payable		380,102	0
Other current liabilities		392,953	0
<b>Total current liabilities</b>		<u>3,907,245</u>	<u>192,770</u>
<b>Total liabilities</b>		<u>3,907,245</u>	<u>1,242,770</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>10,606,595</u>	<u>1,028,735</u>

Sandnes, 8. January 2021

  
Kåre Johannes Lie  
Chairman of the Board

  
Rolf Magne Larsen  
Member of the Board

  
Bjørgulf Haukelidsæter  
Eidesen  
Member of the Board / CEO



# Horisont Energi AS

## Interim financial statement

### Cash flows

(All amounts in NOK)

**1.1 to 30.09.20**

**Cash flow from operating activities**

Profit (loss) before income tax	-9,307,242
Negative instalments tax	619,910
Change in accounts receivables	-
Change in accounts payables	988,006
Change in other short term receivables and payables	761,727

<b>Net cash flow from operating activities</b>	<b>-6,937,599</b>
--	-------------------

**Cash flow fom investing activities**

Investments in fixed assets

<b>Net cash used in investing activities</b>	<b>-</b>
--	----------

**Cash flow from financing activities**

Capital contribution	18,020
Financing from financial institutions	1,953,414
Financing from SLIP (Startup Lead Investment Paper)	4,250,000

<b>Net cash from financing activities</b>	<b>6,221,434</b>
---	------------------

Net cash flow from discontinued operations

Net change in cash and cash equivalents	-716,165
Cash/cash equivalents at the beginning of period	989,360
<b>Cash/cash equivalents at the end of period</b>	<b>273,194</b>

## Accounting principles and basis for preparation

Horisont Energi AS is located in Sandnes municipality with office address;  
Grenseveien 21, 4313 Sandnes

The company is a Norwegian limited company with 11 employees by year end 2020.

Horisont Energi will build a climate neutral business by combining production of carbon neutral ammonia and hydrogen from natural gas with CO<sub>2</sub> capture, storing the CO<sub>2</sub> from the production process in an offshore aquifer, i.e. a permanent carbon storage reservoir. The company's carbon transport, injection and storage concept is a cost-effective proprietary solution that is patent pending. Horisont Energi's offshore carbon storage operations are regulated by the Norwegian carbon storage regulation. The company is the first pure carbon storage company offshore Norway.

The interim consolidated financial statements of Horisont Energi AS comprise interim statement of profit or loss, interim balance sheet, interim statement of cash flows, and notes.

The interim financial statements have been prepared in accordance with generally accepted accounting principles in Norway. The company Horisont Energi AS was in 2019 under the rules of small companies defined in the Norwegian Accounting Act Section 1-6. The financial statements have been prepared voluntarily to present the Company's financial position as of 30.09.2020.

The interim financial statements have been prepared using valuation rules in accordance with generally accepted accounting practice and do not include a full set of notes in accordance with the Norwegian Accounting Act.

All amount are presented in Norwegian kroner (NOK).

The interim financial statements have been presented in English.

### *Use of estimates*

The preparation of financial statements in compliance with generally accepted accounting principles requires the use of estimates. The application of the company's accounting principles also 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

### **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 at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

### **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.

### **Liabilities**

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

### **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. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Deferred tax is reflected at nominal value.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

Oil companies operating on the Norwegian Continental Shelf under the offshore tax regime can claim a 78% refund of their exploration costs, limited to taxable losses for the year. After the amendments to the Petroleum Tax Act sanctioned in June 2020, other losses related to the petroleum activities (excluding exploration losses) are refunded, as negative tax instalments.

### **Cash flow statement**

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

### **Government grants (Innovasjon Norge)**

Government grants are recognised and deducted for the costs the grant is meant to recover.

## NOTES

### Note 1 Share capital, subscription rights and shareholder information

The share capital consists of one class only:	Number	Par value	Share capital
Ordinary shares	6,720,714	0.01000	67,207

The 10 largest shareholders pr 30.09.20:	Shares	Ownership	Shares after capital increase	
			25.09.20	Ownership
Føniks Innovasjon AS	5,125,000	76.26%	5,125,000	69.35%
DJ Advisors AS	535,714	7.97%	552,515	7.48%
Eitor AS	500,000	7.44%	550,000	7.44%
Zevs AS	100,000	1.49%	268,011	3.63%
Mosol Invest AS	100,000	1.49%	240,000	3.25%
Nelle Managment AS	100,000	1.49%	200,000	2.71%
Rosima Invest AS	100,000	1.49%	240,000	3.25%
Ravndal & More Projects AS	100,000	1.49%	100,000	1.35%
Emilie Rye Jomark	20,000	0.30%	45,201	0.61%
Tor Helge Storstein	20,000	0.30%	41,000	0.55%
Ida Furre	20,000	0.30%	28,401	0.38%
<b>Total number of shares</b>	<b>6,720,714</b>	<b>100.00%</b>	<b>7,390,128</b>	<b>100.00%</b>

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

The company's management and board members controls Føniks Innovasjon As, DJ Advisors AS and Eitor AS.

### Note 2 Share capital

#### Parent company

	Share capital*	Share capital, not registered	Share premium*	Retained earnings (deficit)	Total equity
<b>Balance 31.12.2019</b>	<b>56,607</b>	<b>0</b>	<b>39,618</b>	<b>-310,260</b>	<b>-214,035</b>
Share issue	10,600	0	7,420	0	18,020
Share issue 25.09.20, not registered	0	6,694	3,977,658	0	3,984,352
Net profit (loss) for the period	0	0	0	-2,388,988	-2,388,988
<b>Balance 30.09.20</b>	<b>67,207</b>	<b>6,694</b>	<b>4,024,695</b>	<b>-2,699,247</b>	<b>1,399,349</b>

The share issue of 25.09.20 was registered on November 2, 2020.

Reference is made to note on subsequent events for information related to changes in share capital after balance date 30 september 2020.

### Note 3 Cash and cash equivalents

Restricted cash in 2020 is NOK 273 194 (NOK 0).

### Note 4 Other long term liabilities

	30/09/2020	2019
Other long term liabilities	5,300,000	1,050,000

The Company has issued convertible SLIP (Startup Lead Investment Paper), where the lenders have the opportunity and the obligation to convert the debt to equity based on a future valuation (similar to a warrant).

The SLIP contract holders have an right to convert the SLIP contracts into 524,737 shares, representing 6.63% of the company's shares.

This is expected to take place in January 2021. In addition a board member has an option to convert debt to 35 392 shares.

### Note 5 Liabilities to financial institutions

	30/09/2020	2019
Liabilities to financial institutions	1,953,414	0

The Company has entered into an Exploration Financing Facility as part financing of the Company's direct and indirect exploration costs on the Norwegian Continental Shelf, which are eligible to tax refund, in accordance with §3 of the Petroleum Taxation Act. The availability period is to 31 December 2020, and final maturity is 31 December 2021. The facility amount is NOK 7 mill.

**Note 6 Taxes**

<b>Income taxes recognised in income statement</b>	<b>30/09/2020</b>	<b>2019</b>
Change in deferred taxes	0	0
Tax refund current year	6,918,254	0
<b>Total taxes (-)/ tax income (+) recognised in income statement</b>	<b>6,918,254</b>	<b>0</b>

**Specification of tax effects on temporary differences and tax losses**

Tax losses carried forward onshore 22%	702,186	310,260
Valuation allowance (uncapitalised deferred tax asset) -	702,186	- 310,260
Total deferred tax assets/liabilities (-) recognised	<b>0</b>	<b>0</b>

**Specification of tax refund receivable**

Tax refund current year	6,918,254	0
Instalments received -	619,910	0
Tax refund receivable in balance sheet	6,298,344	<b>0</b>

The tax calculation is based on management's best estimat. The final assessment by the Tax Authorities may differ.

**Note 7 Subsequent events and going concern**

This interim financial statements have been prepared under the Going concern assumption. The Going concern assumption is based on projected cash flows from financing.

After period end the company's main activity has been to develop its business case related to blue ammonia. Further to this, Horisont Energi has entered into a LOI with Equinor to perform a feasibility study for an ammonia plant and a connected CCS chain.

In Q4, the company has raised new equity capital. In November 2020 a capital increase of 3.984 MNOK by employees, was registered. In December the company raised new 150 MNOK in equity capital by an private placement organised by Fearnley Securities. Final completion of the capital increase is estimated to take place in January 2021.

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## APPENDIX B—ARTICLES OF ASSOCIATION

### **§1 Foretaksnavn**

*Selskapets navn er Horisont Energi AS*

### **§2 Selskapets forretningsformål**

*Selskapets virksomhet: Foredling og produksjon av karbonnøytrale energiprodukter, fangst og lagring av karbondioksid samt relaterte aktiviteter.*

### **§3 Aksjekapital**

*Selskapets aksjekapital er NOK 152 901,28 fordelt på 15 290128 aksjer, hver pålydende NOK 0,01.*

*Aksjene skal registreres i Verdipapirsentralen.*

### **§4 Erverv av aksjer**

*Selskapets aksjer er fritt omsettelige. Erverv av aksjer er ikke betinget av samtykke fra selskapet og aksjeeierne har ikke forkjøpsrett iht. aksjeloven.*

### **§5 Saksbehandling**

*Når dokumenter som gjelder saker som skal behandles på generalforsamlingen, er gjort tilgjengelige for aksjonærene på selskapets internettsider gjelder ikke aksjelovens krav om at dokumentene skal sendes til aksjonærene. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. En aksjonær kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.*

*Styret kan bestemme at aksjeeierne skal kunne avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. For slik stemmegivning skal det benyttes en betryggende metode for å autentisere avsenderen.*

### **§6 Forholdet til annen lovgivning**

*For øvrig henvises til den enhver tid gjeldende aksjelovgivning.*

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