

Horisont Energi AS

Financial statements

Income statement

(All amounts in NOK)

	Notes	2020	2019
Revenue			
Revenue		0	0
Total operating income		<u>0</u>	<u>0</u>
Operating costs			
Salary and personnel costs	7	6 086 848	
Other operating costs	7	7 410 853	310 297
Total operating costs		<u>13 497 701</u>	<u>310 297</u>
OPERATING PROFIT (LOSS)		<u>-13 497 701</u>	<u>-310 297</u>
FINANCIAL INCOME AND EXPENSES			
Interest income		843	37
Interest expenses		-65 327	0
Other financial income		1 947	0
Other financial expenses		-5 213	0
Net financial income (expenses)		<u>-67 750</u>	<u>37</u>
PROFIT (LOSS) BEFORE INCOME TAX		<u>-13 565 451</u>	<u>-310 260</u>
Income tax expense	6	-9 140 085	0
NET PROFIT (LOSS) FOR THE PERIOD	2	<u><u>-4 425 366</u></u>	<u><u>-310 260</u></u>

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Balance sheet

(All amounts in NOK)

		31.12.2020	31.12.19
ASSETS	Notes		
Current assets			
Receivables			
Refund on tax refund	6	7 280 355	0
Other receivables		231 450	39 375
Total receivables		7 511 805	39 375
Cash and cash equivalents	3	2 439 637	989 360
Total current assets		9 951 442	1 028 735
TOTAL ASSETS		9 951 442	1 028 735

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Balance sheet

(All amounts in NOK)

	Notes	31.12.2020	31.12.19
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital	1	73 901	56 607
Share premium		4 024 696	39 618
Total contributed equity	2	4 098 597	96 225
Retained earnings (deficit)			
Retained earnings (deficit)		-4 735 627	-310 260
Total retained earnings (deficit)	2	-4 735 627	-310 260
Total equity	2	-637 030	-214 035
LIABILITIES			
Non-current liabilities			
Other long term liabilities	4	5 300 000	1 050 000
Liabilities to financial institutions	5	2 400 000	
Total non-current liabilities		7 700 000	1 050 000
Current liabilities			
Accounts payables		1 119 526	192 770
Public duties payable		791 987	0
Other current liabilities		976 958	0
Total current liabilities		2 888 471	192 770
Total liabilities		2 888 471	1 242 770
TOTAL EQUITY AND LIABILITIES		9 951 442	1 028 735

Stavanger, 31. March 2021

Kåre Johannes Lie
Chairman of the Board

Rolf Magne Larsen
Boardmember

Øystein Stray Spetalen
Boardmember

Bjørgulf Haukelidsæter Eidesen
CEO

Horisont Energi AS

Financial statements

Cash flows

(All amounts in NOK)

	2020		2019
Cash flow from operating activities			
Profit (loss) before income tax	-13 565 451	-	310 260
Negative instalments tax	1 859 730		-
Change in accounts receivables	-		-
Change in accounts payables	926 756		192 770
Change in other short term receivables and payables	1 576 870	-	39 375
Net cash flow from operating activities	-9 202 095	-	156 865
Cash flow fom investing activities			
Investments in fixed assets	-		-
Net cash used in investing activities	-		-
Cash flow from financing activities			
Capital contribution	4 002 372		96 225
Financing from financial institutions	2 400 000		-
Financing from SLIP (Startup Lead Investment Paper)	4 250 000		1 050 000
Net cash from financing activities	10 652 372		1 146 225
Net cash flow from discontinued operations			
Net change in cash and cash equivalents	1 450 277		989 360
Cash/cash equivalents at the beginning of period	989 360		-
Cash/cash equivalents at the end of period	2 439 637		989 360

Accounting principles and basis for preparation

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway for small companies.

The Company was established 27.08.2019

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.

Note 1 Share capital, subscription rights and shareholder information

The share capital consists of one class only:	Number	Par value	Share capital
Ordinary shares	7 390 128	0,01000	73 901

The 10 largest shareholders pr 31.12:

	Shares	Ownership
Føniks Innovasjon AS	5 125 000	69,35 %
DJ Advisors AS	552 515	7,48 %
Eitor AS	550 000	7,44 %
Zevs AS	268 011	3,63 %
Mosol Invest AS	240 000	3,25 %
Nelle Management AS	200 000	2,71 %
Rosima Invest AS	240 000	3,25 %
Ravndal & More Projects AS	100 000	1,35 %
Emilie Rye Jomark	45 201	0,61 %
Tor Helge Storstein	41 000	0,55 %
Ida Furre	28 401	0,38 %
Total number of shares	7 390 128	100,00 %

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

The company's management and board members controls Føniks Innovasjon AS, DJ Advisors AS and Eitor AS. See note 2 for further information of capital increase taken place in January 2021.

Note 2 Share capital**Parent company**

	Share capital*	Share premium*	Retained earnings (deficit)	Total equity
Balance 01.01	56 607	39 618	-310 260	-214 035
Share issue	17 294	3 985 078	0	4 002 372
Net profit (loss) for the period	0	0	-4 425 369	-4 425 369
Balance 31.12	73 901	4 024 696	-4 735 627	-637 030

There has been several share issues during 2020, mainly from employees.

In January 2021, there was an capital increase of total NOK 150 million in relation to a private offering and listing on Euronext Growth, representing an increase in share capital of NOK 79 000 (7,9 million new shares), and increase in share premium of NOK 150 million. See note 4 for capital increase related to SLIP (Startup Lead Investment Paper and options).

Note 3 Cash and cash equivalents

Restricted cash in 2020 is NOK 403 698 (NOK 0).

Note 4 Other long term liabilities

	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). Cash received from SLIP funding has been recognised at nominal value as debt. The SLIP contract holders have an right to convert the SLIP contracts into 524,737 shares at nominal value, representing 6.63% of the company's shares. This has taken place in January 2021. In addition a board member exercised an option to convert debt to 35 392 shares, at nominal value.

Note 5 Liabilities to financial institutions

	2020	2019
Liabilities to financial institutions	2 400 000	0

The company has received a start up loan from Innovasjon Norge.

Note 6 Taxes

Income taxes recognised in income statement	2020	2019
Change in deferred taxes	-	0
Tax refund current year	9 140 085	0
Total taxes (-)/ tax income (+) recognised in income statement	9 140 085	0
Specification of tax effects on temporary differences and tax losses		
Tax losses carried forward onshore 22%	2 157 654	310 260
Valuation allowance (uncapitalised deferred tax asset)	- 2 157 654	-310 260
Total deferred tax assets/liabilities (-) recognised	-	0
Specification of tax refund receivable		
Tax refund current year	9 140 085	0
Instalments received	- 1 859 730	0
Tax refund receivable in balance sheet	7 280 355	0

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

Note 7 Payroll expenses, number of employees, remunerations, loans to employees, etc.

Payroll expenses	2020	2019
Salaries/wages	5 134 597	0
Social security fees	864 339	0
Pension expenses	662 601	0
Other remuneration	680 312	0
Grants received	- 1 255 000	0
Total	6 086 848	0

The number of employees 13 0

The company has received some grants from Innovasjon Norge in 2020 accounted for as a deduction in payroll expenses.

The company has a defined contribution sheme which covers all the employees. Total expensed in pension cost is NOK 662 601 (NOK 0).
The company's pension schemes meet the requirements of the law on compulsory occupational pension.

Remuneration to executives	General manager	Board
Salaries/board fee	330 129	
Pension expenses	18 083	
Other remuneration	16 666	550 000

Neither the chairman of the Board, nor the general manager, has any bonus agreement or any severance pay agreement.

Expensed audit fee (incl VAT)

	2020	2019
Statutory audit (incl. technical assistance with financial statements)	62 500	-
Other assurance services	14 219	-
Tax advisory fee (incl. technical assistance with tax return)	30 844	-
Total audit fees	107 563	-

Note 8 Subsequent events and going concern

The financial statements have been prepared under the Going concern assumption. The Going concern assumption is based on the 150 MNOK in equity capital from the private placement and Euronext Growth Oslo listing that took place in January 2021 and the cash flow forecast for 2021.

In November 2020 Horisont Energi entered into a MOU with Equinor to perform a feasibility studies and evaluations of an ammonia plant in Finnmark and a connected CCS value chain. After period end the company's main activity has been to develop the blue ammonia project and the related carbon storage asset. Haldor Topsoe was selected as ammonia technology licensor for the project. Furthermore, in connection to this Horisont Energi entered into a MOU with Baker Hughes for carbon storage asset development in March 2021.