

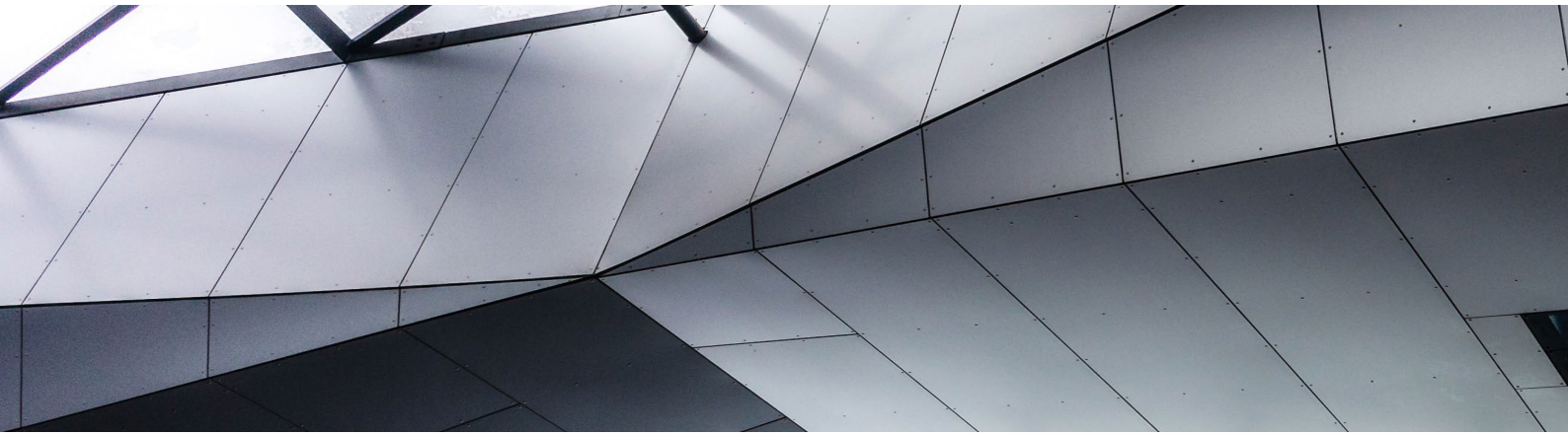
**2<sup>nd</sup> half 2022**

February 17, 2023 - Vow Green Metals

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Revolutionising metallurgical industries by replacing fossil carbon with biocarbon made from forest and wood waste







**Vow Green Metals AS will accelerate the green shift by producing biocarbon for the metallurgical industry and CO<sub>2</sub>-neutral gas for energy intensive industries.**

*Picture showing pyrolysis processing equipment delivered to Follum in January 2023*

## **CONTENT**

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# 1 – HIGHLIGHTS

## Second half year 2022

- Encouraged by feedback from the market and ongoing feasibility studies, Vow Green Metals is now planning to start production of biocarbon at Follum as early as in the third quarter 2023.
- Vow Green Metals' project pipeline continues to grow. With new studies added in the fourth quarter, the pipeline now includes projects that represent a total potential biocarbon production of more than 600,000 tons per year.
- The Follum project is progressing, with production start scheduled for mid-2024. The framework approval and work permits have been confirmed. The process equipment was delivered in December 2022 and is currently being stored at site. Contracts for civil and other construction work are scheduled for award in Q1 2023.
- Studies are on-going for expansion of the Follum Plant to match the potential increased demand from the Billerud and Viken Skog joint venture, and several other customers.
- This further expansion at Follum would take production capacity to 20.000 tons per year and will include a large-scale pyrolysis reactor which is currently being assembled by C.H.Evensen, a subsidiary of Vow ASA.
- Vow Green Metals and Elkem entered a cooperation agreement for further development and supply of biocarbon suited for Elkem's advanced metals processes. As part of the agreement, the parties will collaborate to secure the development, qualification, and testing of the biocarbon product to Elkem.

## Key figures

<i>(Amounts in NOK)</i>	Unaudited 2H 2022	Unaudited 2H 2021	Unaudited 2022	Audited 2021
EBITDA	<i>(10,720,231)</i>	<i>(10,363,514)</i>	<i>(17,414,279)</i>	<i>(10,687,829)</i>
Profit for the period	<i>(10,527,621)</i>	<i>(10,404,131)</i>	<i>(17,370,527)</i>	<i>(10,728,446)</i>
Total assets			130,971,947	144,298,032
Total equity			125,889,623	141,163,570
Equity %			96.1%	97.8%

## 2 – FINANCIAL REVIEW

### Key Figures

<i>(Amounts in NOK)</i>	Unaudited 2H 2022	Unaudited 2H 2021	Unaudited 2022	Audited 2021
<i>Statement of income</i>				
EBITDA	(10,720,231)	(10,363,514)	(17,414,279)	(10,687,829)
Profit for the period	(10,527,621)	(10,404,131)	(17,370,527)	(10,728,446)
<i>Balance sheet</i>				
Total non-current assets			87,440,582	74,856,917
Total current assets			43,531,364	69,441,115
<b>Total assets</b>			<b>130,971,947</b>	<b>144,298,032</b>
Total equity			125,889,623	141,163,570
Total non-current liabilities			178,486	92,980
Total current liabilities			4,903,838	3,041,483
<b>Total equity and liabilities</b>			<b>130,971,947</b>	<b>144,298,032</b>
<i>Cashflow</i>				
Result before income tax	(10,527,621)	(10,404,131)	(17,370,527)	(10,728,446)
Net cash flow from operating activities	4,065,037	1,755,260	4,277,366	3,042,562
Net cash flow from investing activities	(26,918,639)	(73,750,057)	(50,740,134)	(74,718,916)
Net cash flow from financing activities	(118,867)	537,577	38,238,610	150,507,577
<b>Net change in cash and cash equivalents</b>	<b>(33,500,090)</b>	<b>(81,861,352)</b>	<b>(25,594,685)</b>	<b>68,102,777</b>
Cash and cash equivalents at start of period	76,038,182	149,994,129	68,132,777	30,000
<b>Cash and cash equivalents at end of period</b>	<b>42,538,092</b>	<b>68,132,777</b>	<b>42,538,092</b>	<b>68,132,777</b>

- Vow Green Metals is a newly established company currently undergoing a rapid expansion phase. It is to be expected that the company will incur financial losses for some period of time, until the biocarbon production plant at Follum is up and running at full scale.
- Vow Green Metals recorded an Operating loss (EBITDA) for 2nd half 2022 of NOK 10,720,231. The Operating loss is related to employee- and other operating expenses related to the organisation and ongoing projects.
- Expenses for salary, social security tax, and pension amounted to NOK 10.1 million, of which NOK 3.5 million of employee expenses was capitalized under assets under construction.
- Other operating expenses for the period amounted to NOK 4.1 million and comprises of legal, consultant-, and audit fees, as well as other administrative expenses and shared services with Vow ASA.
- Net loss after Net financial items was NOK 10,527,621.
- Total non-current assets were NOK 87,440,582 and consist of the ordering of Process equipment for the Follum plant, offset by drawdown under the Enova grant.
- NOK 38,472,510 of the Enova grant, included under net cash flow from financing activities, was drawn of total grant NOK 80,737,000.
- Total assets were NOK 130,971,947 with a cash position of NOK 42,538,092. Undrawn part of Enova grant, totalling NOK 42,264,490, is not included.
- Total equity of NOK 125,889,623, equity ratio of 96.1%.



## 3 – OPERATIONAL REVIEW

### Follum 10,000 tons

Vow Green Metals together with other parties at Treklyngen, an industrial park at Follum, Norway, has identified a location which is well suited for Vow Green Metals' biocarbon factory. This first full-scale factory, the largest to date in Europe, will initially produce 10,000 tons per year of biocarbon; a material used in production of metals.



*Above: Process equipment arriving at the industrial park at Follum.*

Framework permission for the plant was applied for and approved during 4th quarter 2022. The project is moving forward to execution phase during 1st half 2023, and the first shipment of pyrolysis reactors were delivered at Follum in January 2023.

### Follum 20,000 tons

During 4th quarter 2022, Vow Green Metals completed the feasibility study for doubling the production capacity of the biocarbon plant at Follum. The pyrolysis reactor from C.H. Evensen, a subsidiary of Vow ASA, is central in the Follum, phase 2 concept.

Our research shows that the realization of such plans has strong potential. Integrating a second phase may impact the overall Follum project and will result in a more efficient plant. A doubling of capacity at Follum will contribute to Vow Green Metals being able to deliver a larger volume of biocarbon to the metallurgical industry

faster than initially assumed. The project is moving forward with pre-studies during 1st quarter 2023.



*Above: Process equipment is stored at the Follum site*

### Biocarbon development

A test batch of metallurgical biocarbon has been tested in laboratory, with very promising results with regards to requirements by several Silicon / Ferro Silicon manufacturers. It is expected that tuning of the early production unit will further improve the product.



## Business development

Vow Green Metals has a total of 18 potential projects in its pipeline, in addition to the current plant construction and potential expansion at Follum. Our process produces a significant amount of excess energy, and the majority of these potential projects are with large energy consumers which can be energy off-takers.

In total, these 18 projects offer potential biocarbon production of more than 600,000 tons per year.

## Outlook

Companies in the metallurgical industry are committing to comprehensive decarbonising programs in response to new regulations and expectations from investors and customers and accelerated by recent geopolitical events Vow Green Metals has a firm ambition to contribute by replacing fossil coal with biocarbon and supplying energy intensive industries with CO<sub>2</sub> neutral gas. The board maintains a positive outlook on the demand for the company's solutions.

Promising feasibility studies within several industrial verticals are underway and in our pipeline. The use of pyrolysis for production of materials from biomass contributes to increased value creation in the wood based economy. The main goal of these feasibility studies, for both Vow Green Metals and our partners, is to ensure higher value creation from wood residues. However, the process will also produce bioenergy and secure us and our partners with renewable energy.

Encouraged by feedback from the market and ongoing feasibility studies, Vow Green

Metals is now planning to start production of biocarbon at Follum as early as third quarter 2023 from a production facility with 2,500 tons production capacity. This will shorten the customers' needed time frame for incorporating an increased share of biocarbon.

All biocarbon production plants will have an excess of energy in addition to pyrolysis gas. A study is ongoing to clarify the opportunity space for electricity production for Vow Green Metals' production plants. Having their own electricity production will make Vow Green Metals' production plants less exposed to fluctuating energy prices.

## Risk and uncertainties

Vow Green Metals is subject to several risks, both operational and financial. For a further description of the risk factors, please see an overview in the annual report for 2021.

During the second half of 2022 the company has received general permission and approval from the labour inspection for the new location at the Follum site and the replanning of the plant concept. However, financing for the new concept, including expansion, involves financial risk which may lead to delays in our plan for Follum.

Vow Green Metals sees the European energy crisis as an opportunity for the company's international expansion plans. At the same time, Russia's invasion of Ukraine has resulted in higher inflation and interest rates, which are likely to drive up parts of the company's capital expenditures and cost of capital.

## 4 – ENVIRONMENTAL, SOCIAL AND GOVERNANCE

While developing a profitable biocarbon process, Vow Green Metals promotes responsible business practices with respect to the environment, people, and society. This means that the company will work systematically on such issues as EHS (environment, health, and safety), non-discrimination, human and labour rights, anti-corruption, responsible sourcing, and responsible marketing practices. Vow Green Metals shall respect fundamental human rights as described in international human rights conventions such as the UN Convention on Human Rights and the labour rights conventions of the International Labour Organization (ILO). To promote responsible business practices throughout the value chain, Vow Green Metals is

facilitating good dialogue with its stakeholders.

Vow Green Metals enables industry to undergo a significant green restructuring to achieve CO<sub>2</sub> neutrality by 2050. By replacing fossil carbon with biocarbon and CO<sub>2</sub> neutral gas made from forest and wood waste, Vow Green Metals is accelerating the green shift and combatting climate change.

The United Nations' Sustainable Development Goals (SDGs) are a global call of action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Vow Green Metals works to meet several of these goals and puts special emphasis on the following goals:



### **SDG 7 Affordable and clean energy**

We are enabling industry to replace fossil fuels with CO<sub>2</sub> neutral gas and provide clean energy for the industry.

We will provide energy supply to local consumers, enabling the consumers to be energy self-sufficient.



### **SDG 9 Industry, innovation, and infrastructure**

As a pioneer and an industrial processing company, we offer industrial production of biocarbon which plays a crucial role in the ongoing decarbonizing of metallurgical industry and the green transition.



### **SDG 12 Responsible consumption and production**

With our environmentally friendly production of biocarbon and CO<sub>2</sub> neutral gas, we add value to the biomass life cycle, and thus we are enhancing circular economy.



### **SDG 13 Climate action**

We decarbonize industry through production of biocarbon that can be used as a CO<sub>2</sub> neutral reduction agent in metallurgical industry. In addition, our CO<sub>2</sub> neutral gas can be used as energy and replace fossil fuels.



## Environment, Health, and Safety and (EHS)

The Company works actively with EHS, ensuring good internal controls with a systematic, well-documented and targeted approach to EHS. The purpose of good internal controls is to prevent undesirable incidents and ensure a good working environment, low absence due to illness rate, good profitability, and minimal emissions/discharges.

Vow Green Metals' operations at its new plant at Follum and further biocarbon business are committed to follow strict health and safety standards. The Company have strict requirements for EHS in selecting various suppliers.

In second half of 2022, absence due to illness, was 0.64 per cent.

## Diversity and equal opportunities

Vow Green Metals is working to prevent discrimination and to ensure equal opportunities for its employees regardless of gender, age, ethnicity, religion, belief, disability, pregnancy, maternity leave, care responsibility, sexual orientation, gender identity, gender expression, or combinations of these grounds.

### Gender and age composition

As of 31 December 2022, the company had eight<sup>1</sup> employees, of which three are female.

Employees	Female	Male	Total
< 30	-	1	1
30-50	2	2	4
> 50	1	2 <sup>1</sup>	3
<b>Total</b>	<b>3</b>	<b>5</b>	<b>8</b>

<sup>1</sup> Include a > 50 in a 20 per cent position.

The Board of Vow Green Metals consist of five people, which three are female.

Board of Directors	Female	Male	Total
30-50	2	-	2
> 50	1	2	3
<b>Total</b>	<b>3</b>	<b>2</b>	<b>5</b>

## 5 – FINANCIALS 2<sup>ND</sup> HALF 2022

### Profit and loss

<i>(Amounts in NOK)</i>	<i>Note</i>	<b>Unaudited 2H 2022</b>	<b>Unaudited 2H 2021</b>	<b>Unaudited 2022</b>	<b>Audited 2021</b>
Employee expenses	2	(6,662,054)	(3,468,030)	(10,136,348)	(3,786,473)
Other operating expenses	3	(4,058,177)	(6,895,484)	(7,277,932)	(6,901,356)
<b>EBITDA</b>		<b>(10,720,231)</b>	<b>(10,363,514)</b>	<b>(17,414,279)</b>	<b>(10,687,829)</b>
Depreciation		(138,186)	(36,316)	(270,056)	(36,316)
<b>EBIT</b>		<b>(10,858,418)</b>	<b>(10,399,830)</b>	<b>(17,684,336)</b>	<b>(10,724,145)</b>
Finance income		342,594	-	342,594	-
Finance expense		(11,798)	(4,301)	(28,785)	(4,301)
<b>Net financial items</b>		<b>330,797</b>	<b>(4,301)</b>	<b>313,809</b>	<b>(4,301)</b>
<b>Profit before tax</b>		<b>(10,527,621)</b>	<b>(10,404,131)</b>	<b>(17,370,527)</b>	<b>(10,728,446)</b>
Income tax expenses		-	-	-	-
<b>Profit for the period</b>		<b>(10,527,621)</b>	<b>(10,404,131)</b>	<b>(17,370,527)</b>	<b>(10,728,446)</b>

### STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>(Amounts in NOK)</i>					
Profit for the period	(10,527,621)	(10,404,131)	(17,370,527)	(10,728,446)	
Other comprehensive income	-	-	-	-	
<b>Total other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total comprehensive income for the year</b>	<b>(10,527,621)</b>	<b>(10,404,131)</b>	<b>(17,370,527)</b>	<b>(10,728,446)</b>	

## Balance sheet

<i>(Amounts in NOK)</i>	<i>Note</i>	<b>Unaudited 12/31/2022</b>	<b>Audited 12/31/2021</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	53,994	-
Intangible assets	9	1,711,502	968,859
Other intangible assets	9	3,461,733	-
Investment in subsidiaries	12	30,000	-
Assets under construction	10	81,716,621	73,750,057
Right-of-use assets	11	466,732	138,001
<b>Total non-current assets</b>		<b>87,440,582</b>	<b>74,856,917</b>
<b>Current assets</b>			
Other receivables		993,273	1,308,338
Cash and cash equivalents	4	42,538,092	68,132,777
<b>Total current assets</b>		<b>43,531,364</b>	<b>69,441,115</b>
<b>Total assets</b>		<b>130,971,947</b>	<b>144,298,032</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5	1,073,976	1,071,809
Share premium		149,871,822	149,487,322
Other reserves		3,042,799	1,332,885
Retained earnings		(28,098,973)	(10,728,446)
<b>Total equity</b>		<b>125,889,623</b>	<b>141,163,570</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current lease liabilities	11	178,486	92,980
<b>Total non-current liabilities</b>		<b>178,486</b>	<b>92,980</b>
<b>Current liabilities</b>			
Trade creditors		1,721,103	1,412,413
Payables to associates	6	968,859	968,859
Public duties payable	7	977,891	458,828
Current lease liabilities	11	279,575	59,783
Other current liabilities	7	956,410	141,600
<b>Total current liabilities</b>		<b>4,903,838</b>	<b>3,041,483</b>
<b>Total liabilities</b>		<b>5,082,324</b>	<b>3,134,463</b>
<b>Total equity and liabilities</b>		<b>130,971,947</b>	<b>144,298,032</b>



## Cashflow statement

<i>(Amounts in NOK)</i>	<i>Note</i>	Unaudited 2H 2022	Unaudited 2H 2021	Unaudited 12/31/2022	Audited 2021
<b>Cash flow from operating activities</b>					
Result before income tax		(10,527,621)	(10,404,131)	(17,370,527)	(10,724,145)
<b>Adjustments:</b>					
Depreciation		138,186	36,316	270,056	36,316
Interest		339,767	(4,301)	339,767	(4,301)
Valuation outstanding options		1,709,914	1,332,885	1,709,914	1,332,885
Changes in other receivables		(192,310)	(1,308,338)	315,066	(1,308,338)
Change in current liabilities		2,069,480	1,694,398	1,642,563	2,981,700
<b>Net cash flow from operating activities</b>		<b>(6,462,584)</b>	<b>(8,653,173)</b>	<b>(13,093,161)</b>	<b>(7,685,884)</b>
<b>Cash flow from investing activities</b>					
Investments in tangible assets	8	9,479	-	(66,684)	-
Investments in intangible assets	9	(2,990,486)	-	(4,204,376)	(968,859)
Investments in assets under construction	10	(23,907,632)	(73,750,057)	(46,439,074)	(73,750,057)
Investment in subsidiaries	12	(30,000)	-	(30,000)	-
<b>Net cash flow from investing activities</b>		<b>-26,918,639</b>	<b>-73,750,057</b>	<b>-50,740,134</b>	<b>-74,718,916</b>
<b>Cash flow from financing activities</b>					
Current loan to associates		(339,767)	-	(339,767)	-
Share capital reduction		-	-	-	(30,000)
Share capital increase		-	-	-	150,000,000
Proceeds from issuing stock		386,666	559,131	386,666	559,131
Leasing obligations		(165,767)	(21,555)	(280,800)	(21,555)
Proceeds from Enova Grant	10	-	-	38,472,510	-
<b>Net cash flow from financing activities</b>		<b>-118,867</b>	<b>537,577</b>	<b>38,238,610</b>	<b>150,507,577</b>
<b>Net change in cash and cash equivalents</b>		<b>(33,500,090)</b>	<b>(81,865,653)</b>	<b>(25,594,685)</b>	<b>68,102,777</b>
Cash and cash equivalents at start of period		76,038,182	149,994,129	68,132,777	30,000
<b>Cash and cash equivalents at end of period</b>		<b>42,538,092</b>	<b>68,128,475</b>	<b>42,538,092</b>	<b>68,132,777</b>
Non-restricted cash		42,024,221	67,689,321	42,024,221	67,689,321
Restricted cash		513,871	443,456	513,871	443,456
<b>Cash and cash equivalents at end of period</b>		<b>42,538,092</b>	<b>68,132,777</b>	<b>42,538,092</b>	<b>68,132,777</b>

Lysaker, Norway, 16 February 2023  
The Board of Directors and CEO  
Vow Green Metals AS

**Narve Reiten**  
Chairman

**Elise Must**  
Board member

**Line Tønnessen**  
Board member

**Carl Rembert Hartmann**  
Board member

**Kari Stine Tærum**  
Board member

**Cecilie Jonassen**  
CEO

## Statement of changes in equity

### Audited

31.12.2021

<i>(Amounts in NOK)</i>	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Equity at 14.01.21	30,000	-	-	-	30,000
Profit for the period	-	-	-	(10,728,446)	(10,728,446)
Share capital reduction	(30,000)	-	-	-	(30,000)
Share capital increase	1,068,776	148,931,224	-	-	150,000,000
Stock options exercised*	3,033	556,098	-	-	559,131
Stock options	-	-	1,332,885	-	1,332,885
<b>Equity at 31.12.2021</b>	<b>1,071,809</b>	<b>149,487,322</b>	<b>1,332,885</b>	<b>-10,728,446</b>	<b>141,163,570</b>

\* Stock options were exercised in October 2021 in connection with employee stock option program.

### Unaudited

31.12.2022

<i>(Amounts in NOK)</i>	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Equity at 31.12.2021	1,071,809	149,487,322	1,332,885	(10,728,446)	141,163,570
Profit for the period	-	-	-	(17,370,527)	(17,370,527)
Share capital increase	-	-	-	-	0
Stock options exercised*	2,167	384,500	-	-	386,666
Stock options	-	-	1,709,914	-	1,709,914
<b>Equity at 31.12.2022</b>	<b>1,073,976</b>	<b>149,871,822</b>	<b>3,042,799</b>	<b>-28,098,973</b>	<b>125,889,623</b>

\* Stock options were exercised in September 2022 in connection with employee stock option program.

# NOTES

## 1 – Summary of significant Accounting Principles

The company was incorporated on 14.01.2021 and registered as a legal entity on 15.02.2021, demerged from Vow ASA on 09.07.2021 and subsequently listed on Euronext Growth on 12.07.2021.

The interim financial statements have been prepared in accordance with the Norwegian accounting law and regulations for simplified international financial reporting standards (IFRS). This generally implies that recognition and measurement are aligned with international accounting principles (IFRS), while presentation and disclosures are in accordance with the Norwegian accounting act and good accounting practice.

Vow Green Metals was demerged from the parent company Vow ASA on 09.07.2021 in a subsequent listing on Euronext Growth on 12.07.2021. The board of Vow Green Metals appointment Cecilie Jonassen and Lars Mårdalen, as chief executive officer (CEO) and Chief Financial Officer (CFO) respectively of the new company. The appointments were important steps for the demerger and separate listing of the company.

Vow Green Metals Follum AS, a wholly owned subsidiary of Vow Green Metals AS, was established in May 2022. Consolidated accounts as of 31 December 2022 are not prepared as Vow Green Metals Follum AS is considered as an immaterial subsidiary.

### Government grants

Government grants are recognised when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognised systematically during the grant period. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalised and recognised systematically over the asset's useful life. Investment grants are recognised either as deferred income or as a deduction of the asset's carrying amount.



## 2 – Employee expense

<i>(Amounts in NOK)</i>	Unaudited 2H 2022	Unaudited 2H 2021	Unaudited 2022	Audited 2021
Salaries	5,757,536	1,779,646	10,160,028	2,069,646
Social security tax	1,021,804	352,456	1,656,180	373,772
Pension cost	309,644	-	616,045	6,761
Other benefits	3,023,370	1,335,928	3,033,420	1,336,294
<b>Total employee expenses</b>	<b>10,112,354</b>	<b>3,468,030</b>	<b>15,465,673</b>	<b>3,786,473</b>
Employee expenses capitalised to investment projects	(3,450,300)	-	(5,329,325)	-
<b>Total costs recognised as employee expenses</b>	<b>6,662,054</b>	<b>3,468,030</b>	<b>10,136,348</b>	<b>3,786,473</b>

## 3 – Other operating expenses

<i>(Amounts in NOK)</i>	Unaudited 2H 2022	Unaudited 2H 2021	Unaudited 2022	Audited 2021
Legal	(84,650)	1,026,192	103,125	1,026,192
Audit Fees	266,180	109,700	464,849	109,700
IPO Fees	-	-	-	2,995,112
Consultant fees	1,414,800	3,243,851	2,512,633	1,916,982
Other expenses	2,461,848	2,515,741	4,197,325	853,369
<b>Total other operating expenses</b>	<b>4,058,177</b>	<b>6,895,484</b>	<b>7,277,932</b>	<b>6,901,356</b>

## 4 – Cash and cash equivalents

<i>(Amounts in NOK)</i>	Unaudited 2022	Audited 2021
Bank deposits	42,024,221	67,689,321
Restricted cash <sup>1)</sup>	513,871	443,456
<b>Total cash and cash equivalents</b>	<b>42,538,092</b>	<b>68,132,777</b>

1) Restricted cash comprise of withheld taxes from employees salaries.

## 5 – SHARE CAPITAL

	<b>Unaudited 2022</b>
Number of outstanding shares at 1 January 2022	164,893,759
Share capital reduction	-
Share capital increase	-
Share capital increase - demerger	-
Share capital increase - employee stock options	333,333
<b>Number of outstanding shares at 31 December 2022</b>	<b>165,227,092</b>
Nominal value NOK per share at 31 December 2022	0.0065
Share capital NOK at 31 December 2022	1,073,976
	<b>Audited 2021</b>
Number of outstanding shares at 14 January 2021	300
Share capital reduction	-300
Share capital increase	50,167,224
Share capital increase - demerger	114,259,870
Share capital increase - employee stock options	466,665
<b>Number of outstanding shares at 31 December 2021</b>	<b>164,893,759</b>
Nominal value NOK per share at 31 December 2021	0.0065
Share capital NOK at 31 December 2021	1,071,809

## 6 – TRANSACTIONS WITH ASSOCIATES

	<b>Unaudited 2022</b>	<b>Audited 2021</b>
<i>(Amounts in NOK)</i>		
<b>Liabilities</b>		
Vow ASA Intangible assets	968,859	968,859
<b>Total payables to associates</b>	<b>968,859</b>	<b>968,859</b>

Payables to Vow ASA of NOK 968 859 is related to the acquisition of the value of the development cost for the new planned biocarbon plant at Follum. Please see Note 9.

Other transactions with related parties is related to a service agreement entered into with Scanship AS, which is the subsidiary of its largest shareholder, Vow ASA. The service comprises advice and consultancy services in connection with the efficient and effective operation of VGM's business and related activities. The Services to be provided shall include but are not limited to the following: Management services comprised of bookkeeping, accounting, payroll, online banking, human resources, ESG/sustainability services, market research/information and financing. In addition, Scanship AS re-invoices Vow Green Metals AS quarterly for shared office space at Lysaker Torg 12.

## 7 – PUBLIC DUTIES PAYABLE AND OTHER CURRENT LIABILITIES

<i>(Amounts in NOK)</i>	Unaudited 2022	Audited 2021
<b>Public duties payable</b>		
Employee withholding tax	513,871	190,096
Social security tax	464,020	268,732
<b>Total public duties payable</b>	<b>977,891</b>	<b>458,828</b>
<b>Other current liabilities</b>		
Accrued holiday pay	956,410	141,600
<b>Other current liabilities</b>	<b>956,410</b>	<b>141,600</b>

## 8 – PROPERTY, PLANT AND EQUIPMENT

<i>(Amounts in NOK)</i>	Office, furniture and equipment
<b>Cost:</b>	
At 1 January 2022	-
Additions	66,684
<b>At 31 December 2022</b>	<b>66,684</b>
<b>Depreciation and impairment:</b>	
At 1 January 2022	-
Depreciation this year	(12,690)
<b>At 31 December 2022</b>	<b>(12,690)</b>
<b>Carrying amount at 31 December 2022</b>	<b>53,994</b>
Useful life	3 years
Depreciation method	Linear



## 9 – INTANGIBLE ASSETS

### Audited

12/31/2021

(Amounts in NOK)

	Proof of Concept	Development cost Follum	Computer software
<b>Cost:</b>			
At 14 January 2021	-	-	-
Additions	-	968,859	-
<b>At 31 December 2021</b>	<b>-</b>	<b>968,859</b>	<b>-</b>
<b>Depreciation and impairment:</b>			
At 14 January 2021	-	-	-
Depreciation this year	-	-	-
<b>At 31 December 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>
Useful life	10 years	10 years	3 years
Depreciation method	Linear	Linear	Linear
<b>Carrying amount at 31 December 2021</b>	<b>-</b>	<b>968,859</b>	<b>-</b>

### Unaudited

12/31/2022

(Amounts in NOK)

	Proof of Concept	Development cost Follum	Computer software
<b>Cost:</b>			
At 1 January 2022	-	968,859	-
Additions	742,643	-	3,461,733
<b>At 31 December 2022</b>	<b>742,643</b>	<b>968,859</b>	<b>3,461,733</b>
<b>Depreciation and impairment:</b>			
At 1 January 2022	-	-	-
Depreciation this year	-	-	-
<b>At 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>
Useful life	10 years	10 years	3 years
Depreciation method	Linear	Linear	Linear
<b>Carrying amount at 31 December 2022</b>	<b>742,643</b>	<b>968,859</b>	<b>3,461,733</b>

## 10 - ASSETS UNDER CONSTRUCTION

The company formally signed the contract for the process equipment for the Follum project. According to which Vow ASA will deliver process equipment and engineering support to Vow Green Metals' biocarbon plant at Follum in Norway. Below overview relates to the first phase production of 10,000 tonnes of BioCarbon.

### Unaudited

12/31/2022

<i>(Amounts in NOK)</i>	<b>Assets under construction</b>
<b>Cost:</b>	
At 1 January 2022	73,750,057
Additions	46,439,074
Enova Grant	(38,472,510)
<b>At 31 December 2022</b>	<b>81,716,621</b>
<b>Carrying amount at 31 December 2022</b>	<b>81,716,621</b>

### Enova Grant

Enova has given a government grant to support the company's project for industrial production of biocarbon for metallurgical industry at Follum. The grant is for 40 % of the total approved project cost, but limited to NOK 80.7 million. Grants will be paid in arrears based on agreed progress milestones in the project. 20% of the grant will be withheld until the final report has been submitted and approved by Enova. Grants of total NOK 38 472 510 has been received in June 2022.

### Audited

12/31/2021

<i>(Amounts in NOK)</i>	<b>Assets under construction</b>
<b>Cost:</b>	
At 14 January 2021	-
Additions	73,750,057
<b>At 31 December 2021</b>	<b>73,750,057</b>
<b>Carrying amount at 31 December 2021</b>	<b>73,750,057</b>

## 11 – ASSET LEASE

Unaudited

31.12.2022

(Amounts in NOK )

Cars

At 31 December 2021	138,001
Additions	586,098
Depreciation	(257,366)
<b>Carrying amount at 31 December 2022</b>	<b>466,732</b>

Lease liabilities are discounted with an interest rate of 3.3 per cent.

Lease liabilities recognised

Unaudited

(Amounts in NOK)

12/31/2022

Current lease liabilities	279,575
Non-current lease liabilities	178,486
<b>Total</b>	<b>458,061</b>

Maturity analysis - contractual undiscounted cash flows

(Amounts in NOK)

12/31/2023	279,575
12/31/2024	178,486

Leases with a lease term less than 12 months are accounted for as short-term leases.

## 12 – INVESTMENTS IN SUBSIDIARIES

Vow Green Metals Follum AS was established in May 2022 and is a wholly owned subsidiary of Vow Green Metals AS.

The company is established to build, own and operate the infrastructure related to Vow Green Metals AS' production plant at Follum, Norway.

*(Amounts in NOK)*

Company	Date of acquisition/ incorporation	Country of incorporation	% Equity and voting share	Book value	Equity at 31. Dec. 2022	Profit for the year 2022
Vow Green Metals Follum AS	5/31/2022	Lysaker, Norway	100%	30,000	24,430	(300)

Consolidated accounts as of 31 December 2022 are not prepared as Vow Green Metals Follum AS is considered as an immaterial subsidiary.

## 13 – RECENT EVENTS

Most recently, Vow Green Metals AS and Elkem ASA have decided to advance their relationship beyond an initial letter of intent. The two parties have entered into an agreement to collaborate on the further development and supply of biocarbon suited for Elkem's advanced metals processes.

The objective of the cooperation agreement is to develop a competitive reduction material for the metallurgical industry. The production, which will take place at Vow Green Metals' factory at Follum, will be based on forest waste and other sustainable feedstock sourced in Norway. As part of the agreement, the parties will collaborate to secure the development, qualification and testing of the biocarbon product to Elkem.

Vow Green Metals' customers want access to biocarbon before our main plant is ready for production. Availability of pilot scale product quantities will shorten the customers' needed time frame for incorporating an increased share of biocarbon, and VGM is therefore in the process of acquiring a pilot plant for production of biocarbon for customer testing in 2023.

VGM's process produces a significant amount of excess energy, and the majority of the potential projects are with large energy consumers which can be energy off-takers. In total, the potential projects offer a biocarbon production of more than 600,000 tonnes per year.

## STATEMENT BY THE BOARD OF DIRECTORS AND CEO

We confirm, to the best of our knowledge, that the consolidated financial statement for the period 1 July to 31 December 2022 for Vow Green Metals AS have been prepared in accordance with current accounting standards and that the information in the accounts gives a true and fair view of the company's assets, liabilities, financial position, and results of operation. We also confirm, to the best of our knowledge, that the half year report includes a true and fair overview of the company's development, results and position, together with a description of the most important risks and uncertainty factors the company.

Lysaker, Norway, 16 February 2023  
The Board of Directors and CEO  
Vow Green Metals AS

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**Narve Reiten**  
Chairman

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**Elise Must**  
Board member

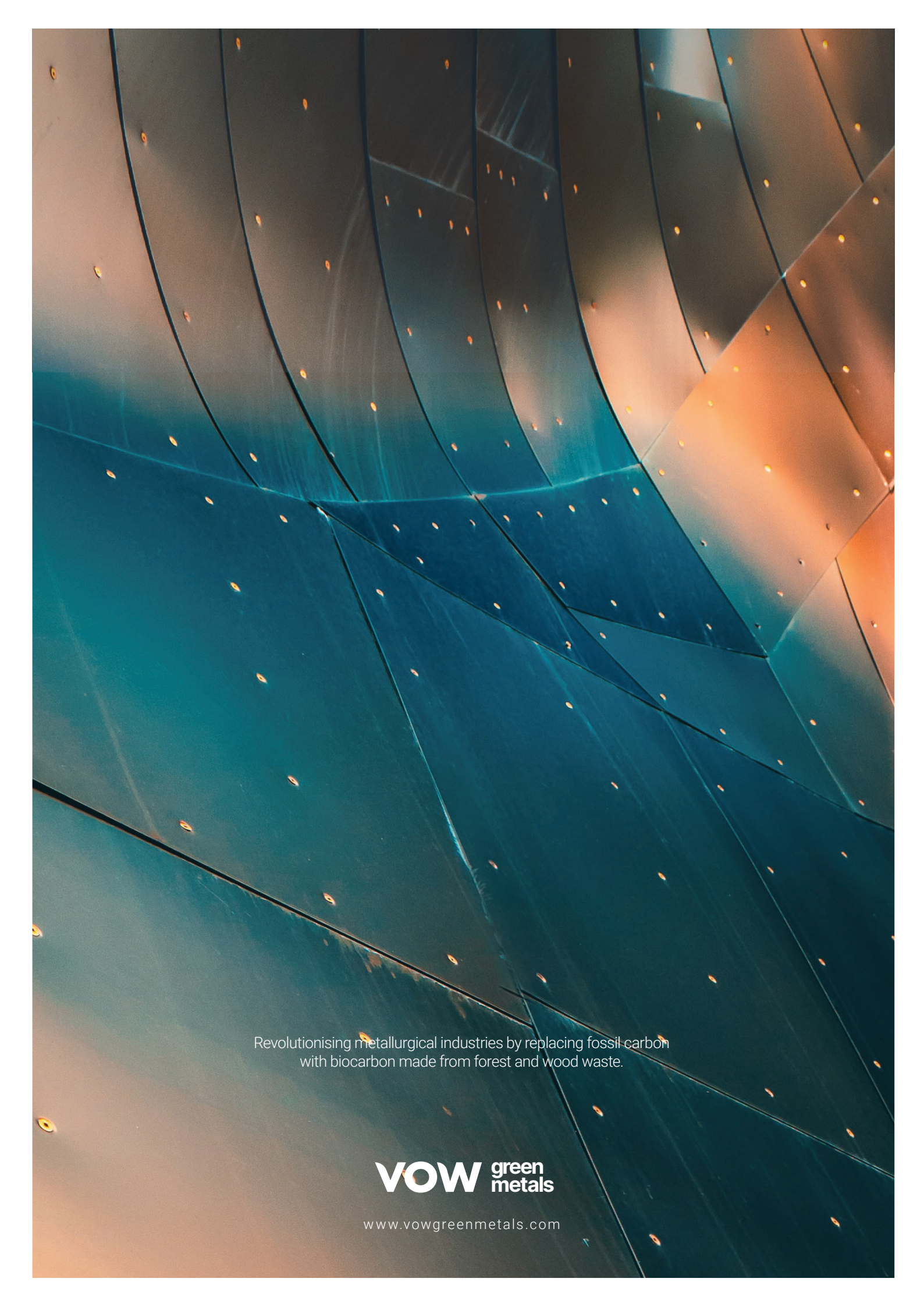
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**Line Tønnessen**  
Board member

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**Carl Rembert Hartmann**  
Board member

-----  
**Kari Stine Tærum**  
Board member

-----  
**Cecilie Jonassen**  
CEO





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