

1st half 2022

August 26, 2022 - Vow Green Metals

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



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1 – HIGHLIGHTS

First half year 2022

- Increased energy need from potential industry partners at the Follum location has given the opportunity to double the production capacity to 20,000 tonnes at the Follum plant. This enables significantly improved economies of scale at a marginally higher CAPEX cost. Exact location, layout and construction schedule will be communicated at a later stage.
- Signed Letter of Intent with Global producer of Non-Ferrous Metals with a potential of 50,000 tonnes of biocarbon production.
- European projects in discussion totalling 400,000 tonnes of biocarbon.
- Natural gas prices have increased dramatically in the period and Europe is facing an energy crisis. This has strengthened the markets pull for our pyrolysis gas even further as is now business critical for European Industry to have energy diversification and be more energy self-sufficient.
- The CO₂ emission cost (EUA) has reached an all-time high level, currently at 98 Euro/ton and is expected by analyst to increase even further going forward.

Key figures

<i>(Amounts in NOK)</i>	Unaudited 1H-2022	Unaudited 1H 2021	Audited 2021
EBITDA	(6,694,048)	(324,315)	(10,687,829)
Profit for the period	(6,842,906)	(324,315)	(10,728,446)
Total assets	137,491,014	150,962,988	144,298,032
Total equity	134,320,664	149,675,685	141,163,570
Equity %	98%	99%	98%

Follum Update

Since Vow Green Metals on November 4, 2021, announced its plans to build Europe's largest BioCarbon production plant at Follum, other companies have signaled interest to becoming part of this larger industrial complex.

Most recently in March 2022, the JV between Billerud Korsnäs, a leading provider of sustainable packaging, and Viken Skog, a large cooperative in the Norwegian forest industry announced that they plan to establish a CTMP production plant at the site.

For Vow Green Metals this is an opportunity to double the production capacity of our biocarbon factory to match the potential increased demand from the Billerud Korsnäs and Viken Skog joint venture. This will significantly improve the economics of scale at a marginally higher CAPEX cost.

Further discussion with potential partners, studies, and analysis of what this could mean for the exact location, layout and construction schedule for Vow Green Metals' plant will start immediately. This may impact the overall project, but it will result in a more efficient plant which would be able to meet the potential increased demand.

2 – FINANCIAL REVIEW

Key Figures

<i>(Amounts in NOK)</i>	Unaudited 1H-2022	Unaudited 1H 2021	Audited 2021
<i>Statement of income</i>			
EBITDA	(6,694,048)	(324,315)	(10,687,829)
Profit for the period	(6,842,906)	(324,315)	(10,728,446)
<i>Balance sheet</i>			
Total non-current assets	60,651,870	968,859	74,856,917
Total current assets	76,839,145	149,994,129	69,441,115
Total assets	137,491,014	150,962,988	144,298,032
Total equity	134,320,664	149,675,685	141,163,570
Total non-current liabilities	433,607	-	92,980
Total current liabilities	2,736,743	1,287,302	3,041,483
Total equity and liabilities	137,491,014	150,962,988	144,298,032
<i>Cashflow</i>			
Result before income tax	(6,842,906)	(324,315)	(10,728,446)
Net cashflow from operating activities	212,329	1,287,302	3,042,562
Net cashflow from investing activities	(23,821,495)	(968,859)	(74,718,916)
Net cashflow from financing activities	38,357,477	149,970,000	150,507,577
Net change in cash and cash equivalents	7,905,405	149,964,129	68,102,777
Cash and cash equivalents at start of the period	68,132,777	30,000	30,000
Cash and cash equivalents at end of the period	76,038,182	149,994,129	68,132,777

Financial review 1st half 2022

- Vow Green Metals recorded an Operating loss (EBITDA) for 1st half 2022 of Nok 6,694,048. 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 5.4 million, of which Nok 1.9 of employee expenses was capitalized under assets under construction.
- Other operating expenses for the period amounted to Nok 3.2 million and comprises of legal and audit fees, as well as other administrative expenses and shared services with Vow ASA.
- Net loss after Net financial items as of 30 June 2022 was Nok 6,842,906.
- Total non-current assets as of 30 June 2022 was Nok 60,651,870 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 was drawn of total grant NOK 80,737,000 million.
- Total assets were Nok 137,491,014 with a cash position of Nok 76,038,182.
- Total equity of Nok 134,320,664 (Equity ratio of 97.7%).
- Total equity and liabilities as of 30 June 2022 was Nok 137,491,014.

3 – OPERATIONAL REVIEW

We have several on-going projects with international industrial partners for building large-scale biocarbon and bioenergy plants. In total for our project pipeline we currently have 400,000 tonnes of production of biocarbon of which we have ongoing concept studies. Additionally we have delivered a concept study for the production of raw material for 300,000 tons of biofuel production.

Relevant for the industry is large scale facilities which can address relevant volumes of biocarbon and bioenergy, as well as providing stable energy which is business critical for their operations. Our projects are large scale, from 25,000-50,000+ ton biocarbon annual production and an energy production of 150 – 300 GWh of pyrolysis gas.

We are working with a wide range of industries, including companies from the forest industry, metal industry and process industry. The companies which we are in dialogue with are highlighting the advantage of partnering up with Vow Green Metals, as we have the understanding of the biocarbon market, knowledge on the technology and products, our process integration expertise, and our approach to the projects.

Outlook

We are working with projects totaling 400,000 tonnes of biocarbon and is building an industry with relevant volumes to supply the Metallurgic industry in their comprehensive decarbonization programs. An example of this is Elkem which has biocarbon as one of their main sustainability strategies. Their goal is to increase the share of biocarbon in their production to 50% by 2030.

In addition, we have experienced a steady increase in the demand from the industry at large for our CO₂-neutral gas. Stable energy supply is business critical for energy-intensive industry and our facilities will give a local energy source and increase their ability to be self-sufficient. Natural gas prices have increased dramatically, and we provide a competitive alternative to fossil fuels as well as a diversified source.

Vow Green Metals has a market leader ambition, and we are targeting to build large-scale industrial projects internationally.

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.

This first half of 2022 we have been facing uncertainty around the location of the Follum site based on the results of the geological analysis proving the first location unfit for our production facilities. The need for a new location and replanning of plant concept based on the change of location have led to delays in our plan for Follum.

Vow Green Metals does not have any operations in Russia or Ukraine, however development relating to Russia's invasion of Ukraine could adversely affect global and regional economic conditions and trigger volatility in the prices of energy.

These effects may indirectly affect Vow Green Metals's operations. Although society have rebound from Covid-19 in almost all markets and travel restrictions have eased, there will be a certain risk related to Covid-19 and the market situation until we have seen a more prolonged period of normal operations

The European energy crisis is an opportunity for Vow Green Metals plans for internationalization. However in some regions this may affect the price of feedstock.

4 – VOW GREEN METALS

Vow Green Metals AS will accelerate the green shift by producing advanced biocarbon for the metallurgical industry and CO₂ neutral gas for energy intensive industries.

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.

What we do

In our industrial sized plants, we will use wood waste and other biomass waste streams as feedstock to create biocarbon and CO₂-neutral gas through pyrolysis.

In many metallurgic industries, when producing raw metals, carbon is a necessary reduction agent to convert metal ores to metal. Vow Green Metals will be producing biocarbon with the purpose to replace fossil carbon to reduce CO₂ emissions.

Vow Green Metals see strong market drivers for our products. There is a pull for a more circular economy, and we see an industry pushing for decarbonization. Necessary policies and regulations are already in place and more of them are being implemented through the EU Taxonomy. The European Green Deal and Fit for 55 is set in place and this is supporting our products. During 2Q 2022 the European Union strengthened these drivers even more with their RePower EU initiative. Essentially RePower EU is accelerating the transition to renewable energy, thus further increasing the demand for our energy products.

Feedstock

A large share of wood waste is not recycled today but instead incinerated or sent to landfills. This is a big challenge as millions of tons of wood waste in Europe is under-utilized and not contributing to the circular economy. Our solution is to recycle wood waste through pyrolysis and create advanced Biocarbon materials and CO₂-neutral gas which can replace fossil products used by the industry in Europe.

BioCarbon

Fossil coal is the primary source of carbon in the metallurgical industry today. Carbon is an essential part of the chemical process to make metals.

The metallurgical industry needs carbon to be able to produce metals with their current production methods. The only source of carbon for this is today fossil carbon, which Vow Green Metals aim to replace. The metallurgical industry today accounts for almost 10% of global CO₂ emissions. Hence, introducing Biocarbon as a reduction agent instead of fossil coal will be a critical step for the metallurgical industry to reach net zero emissions. Our Biocarbon can replace fossil metallurgical coal, without any conversion cost.

In sum, Biocarbon is currently the only feasible solution for many metallurgical companies to reach net-zero emissions as they rely on a chemical process that cannot be electrified or switch to green hydrogen.

CO₂-neutral gas

The industry in Europe is using more than 1,000 TWh natural gas annually. Some industries can electrify their energy consumption, but for most this will require significant investments in new equipment and increased capacity in the electrical grid.

CO₂-neutral pyrolysis gas will be a better and quicker way for industries to phase out natural gas because it has shorter lead times, can use current infrastructure and is scalable.



Economical and regulative drivers

Today, European metal producers are consuming 56 million tons of fossil carbon in their production. This causes process emissions from metallurgical production that is difficult to reduce. Materials other than carbon cannot be used in many of these processes, and therefore biocarbon is a particularly important solution for this industry to decarbonize. In Norway, this usage of fossil carbon accounts for more than five percent of the country's CO₂ emissions.

In order to meet the EU's ambitious goal to reduce its greenhouse emissions with 55% by 2030 and become carbon neutral by 2050, it is vital that we direct investments towards sustainable projects and activities. To achieve this, clear definitions of what is sustainable is needed. Therefore, the EU is currently creating a common classification system for sustainable economic activities called the EU taxonomy.

The transition to a circular economy is part of the EU Taxonomy. A circular economy implies that businesses ensure the retention of value after a product has been used, for example through refurbishing, remanufacture or recycling. To improve recycling rates, the recovery and valorization of biomass waste is critical. Here, pyrolysis is mentioned by scientists as an important technology to build a new industry of material recycling plants.

Companies producing and handling waste will be impacted by the EU taxonomy. In dialogue with waste handling companies, they highlight the importance of having good waste distribution alternatives. With stricter requirements, waste producers and handlers need to have strong partnerships with companies able to recycle their waste, in contrast to current partners which mainly dispose waste by incineration or on landfills. Therefore, a partnership with us can be a competitive advantage as we can secure offtake of wood waste, a large share of which is currently not possible to recycle.

The cost of CO₂ emissions is increasing. In 2005, the EU launched the world's first large greenhouse gas (GHG) emission trading scheme, the EU Emission Trading System (EU ETS). Already in 2008, the installations regulated by the EU ETS were collectively responsible for



40% of EU's GHG emissions. Today, many sectors are covered by EU ETS, including electricity and heat generation, production of metal, pulp, paper, chemicals, and other energy intensive industries.

In the recent years, we have seen a sharp increase in ETS prices. In response, analysts have increased their 2030-estimates year over year. In 2020, the expectation was that 2030-prices would be below 90 EUR/ton, a price that was exceeded already in the following year. Analysts' estimates from January 2022 are a CO₂ cost of 113-169 EUR/ton in 2030.

The European Commission adopted the new circular economy action plan (CEAP) in March 2020. It is a key building block of the European Green Deal, Europe's agenda for sustainable growth. The EU's transition to a circular economy is a prerequisite to achieve the EU's 2050 climate neutrality target and to halt biodiversity loss.

The objectives of the new circular economy action plan are to make sustainable products the norm in the EU, focusing on sectors where the potential for circularity is high, including packaging, construction, buildings and food. These are areas where Vow Green Metals can contribute, making Biocarbon and CO₂-neutral gas from biomass waste.

Our production will increase circularity according to the cascading principle and therefore secure the supply of feedstock. This is because biomass for recycling is preferred over incineration by the EU and waste handlers. In turn, this will also create a stable energy supply to our energy customers and stable biocarbon supply to our material customers.

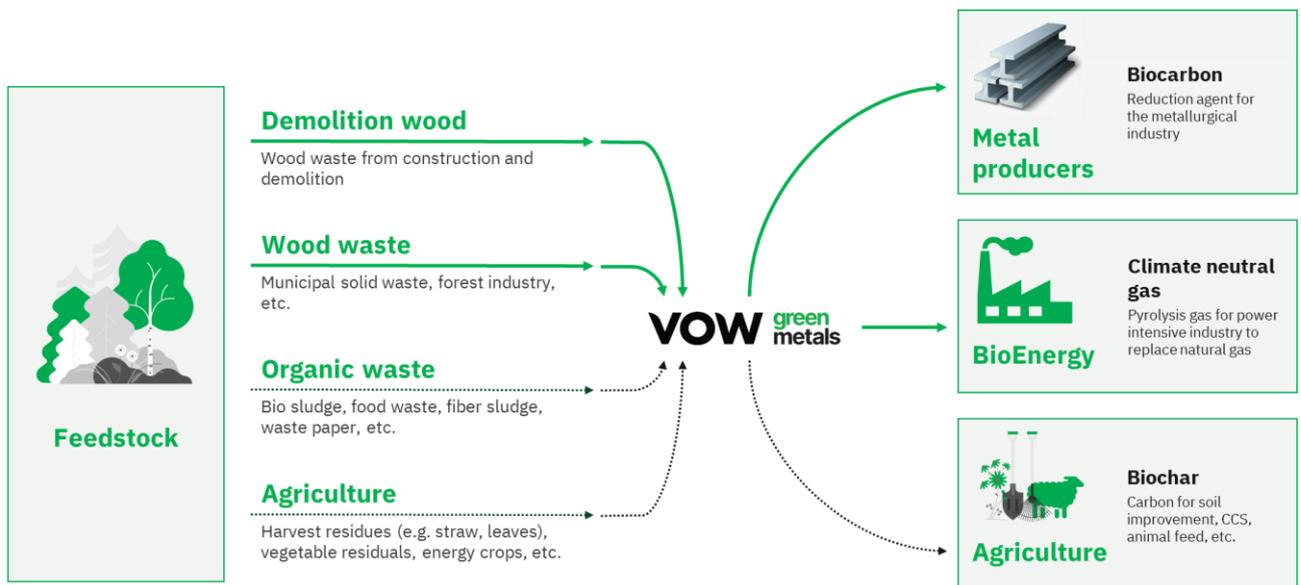
Current value chain

Most wood waste are incinerated today



Valorizing waste

Vow Green Metals will create new materials from waste which currently is incinerated



5 – ENVIRONMENTAL, SOCIAL AND GOVERNANCE

While developing a profitable biocarbon process, Vow Green Metals promotes responsible business practices with respect to both the environment, people, and society. This means that the company will work systematically on 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.

Accelerating the green shift

Vow Green Metals enables industry to undergo a significant green restructuring to achieve CO₂ neutrality by 2050. By replacing fossil carbon with biocarbon and CO₂ neutral gas made from forest and wood waste, Vow Green Metals is accelerating the green shift and combatting climate change.

The United Nations' Sustainable Developments 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 CO₂ 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 CO₂ 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 CO₂ neutral reduction agent in metallurgical industry. In addition, our CO₂ neutral gas can be used as energy and replace fossil fuels.

Health and safety

In first half of 2022, absence due to illness, due to covid-19, was 1.6 per cent.

Vow Green Metals' operations with its new plant at Follum and further biocarbon business are committed to follow strict health and safety standards.

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 30 June 2022, the company had 8¹ employees, of which 3 women.

EMPLOYEES PER 30.06.22	Female	Male	Total
> 30	0	1	1
30-50	2	2	4
> 50	1	2 ¹	3
Total	3	5	8

¹ Include a > 50 in a 20 per cent position.

The Board of Vow green Metals consist of five persons, og which three are women.

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

6 – FINANCIALS 1ST HALF 2022

Profit and loss

<i>(Amounts in NOK)</i>	<i>Note</i>	Unaudited 1H 2022	Unaudited 1H 2021	Audited 2021
Employee expenses	2	-3,474,294	-318,443	-3,786,473
Other operating expenses	3	-3,219,754	-5,872	-6,901,356
EBITDA		-6,694,048	-324,315	-10,687,829
Depreciation		-131,870	-	-36,316
EBIT		-6,825,918	-324,315	-10,724,145
Interest cost		-130	-	-2,308
Interest expenses - leasing		-10,363	-	-1,993
Other net financial cost		-6,494	-	0
Net financial items		-16,988	-	-4,301
Profit before tax		-6,842,906	-324,315	-10,728,446
Income tax expenses		-	-	-
Profit for the period		-6,842,906	-324,315	-10,728,446

STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>(Amounts in NOK)</i>				
Profit for the period		-6,842,906	-324,315	-10,728,446
Other comprehensive income		-	-	-
Total other comprehensive income, net of tax		-	-	-
Total comprehensive income for the year		-6,842,906	-324,315	-10,728,446

Balance sheet

<i>(Amounts in NOK)</i>	<i>Note</i>	Unaudited 30-06-22	Unaudited 30-06-21	Audited 31-12-21
ASSETS				
Non-current assets				
Property, plant and equipment	8	66,681	0	0
Intangible assets	9	2,182,749	968,859	968,859
Assets under construction	10	57,808,990	0	73,750,057
Right-of-use assets		593,450	0	138,001
Total non-current assets		60,651,870	968,859	74,856,917
Current assets				
Other receivables		800,963	0	1,308,338
Cash and cash equivalents	4	76,038,182	149,994,129	68,132,777
Total current assets		76,839,145	149,994,129	69,441,115
Total assets		137,491,014	150,962,988	144,298,032
EQUITY AND LIABILITIES				
Equity				
Share capital	5	1,071,809	326,087	1,071,809
Share premium		149,487,322	149,673,913	149,487,322
Other reserves		1,332,885	0	1,332,885
Retained earnings		-17,571,352	-324,315	-10,728,446
Total equity		134,320,664	149,675,685	141,163,570
Liabilities				
Non-current liabilities				
Non-current lease liabilities		433,607	0	92,980
Total non-current liabilities		433,607	0	92,980
Current liabilities				
Trade creditors		284,306	0	1,412,413
Payables to associates	6	968,859	1,287,302	968,859
Public duties payable	7	877,075	0	458,828
Current lease liabilities		181,960	0	59,783
Other current liabilities	7	424,543	0	141,600
Total current liabilities		2,736,743	1,287,302	3,041,483
Total liabilities		3,170,350	1,287,302	3,134,463
Total equity and liabilities		137,491,014	150,962,988	144,298,032

Lysaker, Norway, 26 August 2022
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

CASHFLOW STATEMENT

<i>(Amounts in NOK)</i>	<i>Note</i>	Unaudited 1H 2022	Unaudited 1H 2021	Audited 2021
Cash flow from operating activities				
Result before income tax		-6,842,906	-324,315	-10,728,446
Adjustments:				
Depreciation		131,870	-	36,316
Valuation outstanding options		-	-	1,332,885
Changes in other receivables		507,376	-	-1,308,338
Change in current liabilities		-426,917	1,287,302	2,981,700
Net cash flow from operating activities		-6,630,577	962,988	-7,685,884
Cash flow from investing activities				
Investments in tangible assets	8	-76,163	-	-
Investments in intangible assets	9	-1,213,890	-968,859	-968,859
Investments in assets under construction	10	-22,531,442	-	-73,750,057
Net cash flow from investing activities		-23,821,495	-968,859	-74,718,916
Cash flow from financing activities				
Share capital reduction		-	-30,000	-30,000
Share capital increase		-	150,000,000	150,000,000
Proceeds from issuing stock		-	-	559,131
Leasing obligations		-115,033	-	-21,555
Proceeds from Enova Grant	10	38,472,510	-	-
Net cash flow from financing activities		38,357,477	149,970,000	150,507,577
Net change in cash and cash equivalents		7,905,405	149,964,129	68,102,777
Cash and cash equivalents at start of period		68,132,777	30,000	30,000
Cash and cash equivalents at end of period		76,038,182	149,994,129	68,132,777
Non-restricted cash		75,449,790	149,994,129	67,689,321
Restricted cash		588,392	-	443,456
Cash and cash equivalents at end of period		76,038,182	149,994,129	68,132,777

STATEMENT OF CHANGES IN EQUITY

30.06.2022

<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	-	-	-	-6,842,906	-6,842,906
Equity at 30.06.2022	1,071,809	149,487,322	1,332,885	-17,571,352	134,320,664

30.06.2021

<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	-	-	-	-324,315	-324,315
Share capital reduction	-30,000	-	-	-	-30,000
Share capital increase	323,054	149,117,815	-	-	149,440,869
Stock options	3,033	556,098	-	-	559,131
Equity at 30.06.2021	326,087	149,673,913	-	-324,315	149,675,685

31-12-21

<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
Equity at 31.12.2021	1,071,809	149,487,322	1,332,885	-10,728,446	141,163,570

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

NOTES

1 – Summary of significant Accounting Principles

Vow Green Metals AS was incorporated on 14 January 2021.

The 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.

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 1H 2022	Unaudited 1H 2021	Audited 2021
Salaries	4,402,492	290,000	2,069,646
Social security tax	634,376	21,316	373,772
Pension cost	306,401	6,761	6,761
Other benefits	10,050	366	1,336,294
Total employee expenses	5,353,319	318,443	3,786,473
Employee expenses capitalised to assets under construction	-1,879,025	-	-
Total costs recognised as employee expenses	3,474,294	318,443	3,786,473

3 – Other operating expenses

<i>(Amounts in NOK)</i>	Unaudited 1H 2022	Unaudited 1H 2021	Audited 2021
Legal	187,775	-	1,026,192
Audit Fees	198,669	-	109,700
IPO Fees	-	-	2,995,112
Consultant fees	1,097,833	-	1,916,982
Other expenses	1,735,477	5,872	853,369
Total other operating expenses	3,219,754	5,872	6,901,356

4 – Cash and cash equivalents

<i>(Amounts in NOK)</i>	Unaudited 1H 2022	Unaudited 1H 2021	Audited 2021
Bank deposits	75,449,790	149,994,129	67,689,321
Restricted cash ¹⁾	588,392	-	443,456
Total cash and cash equivalents	76,038,182	149,994,129	68,132,777

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

5 – SHARE CAPITAL

	Unaudited 1H 2022
Number of outstanding shares at 31 December 2021	164,893,759
Share capital reduction	-
Share capital increase	-
Number of outstanding shares at 30 June 2022	164,893,759
Nominal value NOK per share at 30 June 2022	0.0065
Share capital NOK at 30 June 2022	1,071,809
	Unaudited 1H 2021
Number of outstanding shares at 14 January	300
Share capital reduction	-300
Share capital increase	50,167,224
Number of outstanding shares at 30 June 2021	50,167,224
Nominal value NOK per share at 31 December 2021	0.0065
Share capital NOK at 31 December 2021	326,087
	Audited 2021
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
Number of outstanding shares at 31 December 2021	164,893,759
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

<i>(Amounts in NOK)</i>	Unaudited 1H 2022	Unaudited 1H 2021	Audited 2021
Liabilities			
Vow ASA	968,859	1,287,302	968,859
Intangible assets			
Total payables to associates	968,859	1,287,302	968,859

Vow Green Metals AS have entered into a service agreement with Scanship AS, which is the subsidiary of its largest shareholder, Vow ASA. The service comprise accounting, IT and administration services. In H1 2022, the company purchased services for NOK 133 982. In addition, Scanship AS re-invoices Vow Green Metals AS quarterly for shared office space at Lysaker Torg 12. The cost re-invoiced for H1 2022 is NOK 486 914.

7 – PUBLIC DUTIES PAYABLE AND OTHER CURRENT LIABILITIES

<i>(Amounts in NOK)</i>	Unaudited 1H 2022	Unaudited 1H 2021	Audited 2021
Public duties payable			
Employee withholding tax	588,392	0	190,096
Social security tax	288,683	0	268,732
Total public duties payable	877,075	0	458,828
Other current liabilities			
Allocated holiday pay	394,543	0	141,600
Other current liabilities	394,543	0	141,600

8 – PROPERTY, PLANT AND EQUIPMENT

<i>(Amounts in NOK)</i>	Office, furniture and equipment
Cost:	
At 31 December 2021	-
Additions	76,163
At 30 June 2022	76,163
Depreciation and impairment:	
At 1 January 2021	-
Depreciation this year	(9,482)
At 31 December 2021	(9,482)
Carrying amount at 30 June 2022	66,681
Useful life	3 years
Depreciation method	Linear

9 – INTANGIBLE ASSETS

The company has acquired the value of the development cost for the new planned biocarbon plant at Follum. Depreciation will start once the Follum plant is starting production.

Unaudited

1H 2022

(Amounts in NOK)

	R&D
Cost:	
At 31 December 2021	968,859
At 30 June 2022	968,859
Carrying amount at 30 June 2022	968,859

Unaudited

1H 2021

(Amounts in NOK)

Cost:	
At 14 January 2021	-
Additions	968,859
At 30 June 2021	968,859
Carrying amount at 30 June 2021	968,859

Audited

2021

(Amounts in NOK)

Cost:	
At 14 January 2021	-
Additions	968,859
At 31 December 2021	968,859
Carrying amount at 31 December 2021	968,859

Useful life	10 years
Depreciation method	Linear

The technical and system solutions know-how developed in this R&D project was acquired from Vow ASA with effect from 1 April 2021.

Unaudited

1H 2022

(Amounts in NOK)

	Computer software
Cost:	
At 31 December 2021	-
Additions	1,213,890
At 30 June 2022	1,213,890

Depreciation and impairment:

At 1 January 2022	-
Depreciation this year	-
At 30 June 2022	-

Useful life	3 years
Depreciation method	Linear

Carrying amount at 30 June 2022	1,213,890
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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. The contract is valued at NOK 215 million.

The company also formally signed the agreement with Lindum AS for the supply of feedstock for the Follum project. The related liability is limited to feedstock supplied.

Unaudited

1H 2022

(Amounts in NOK)

	Assets under construction
Cost:	
At 31 December 2021	73,750,057
Additions	22,531,442
Enova Grant	(38,472,510)
At 30 June 2022	57,808,990
Carrying amount at 30 June 2022	57,808,990

Enova Grant

Enova has confirmed 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

2021

(Amounts in NOK)

	Assets under construction
Cost:	
At 14 January 2021	-
Additions	73,750,057
At 31 December 2021	73,750,057
Carrying amount at 31 December 2021	73,750,057

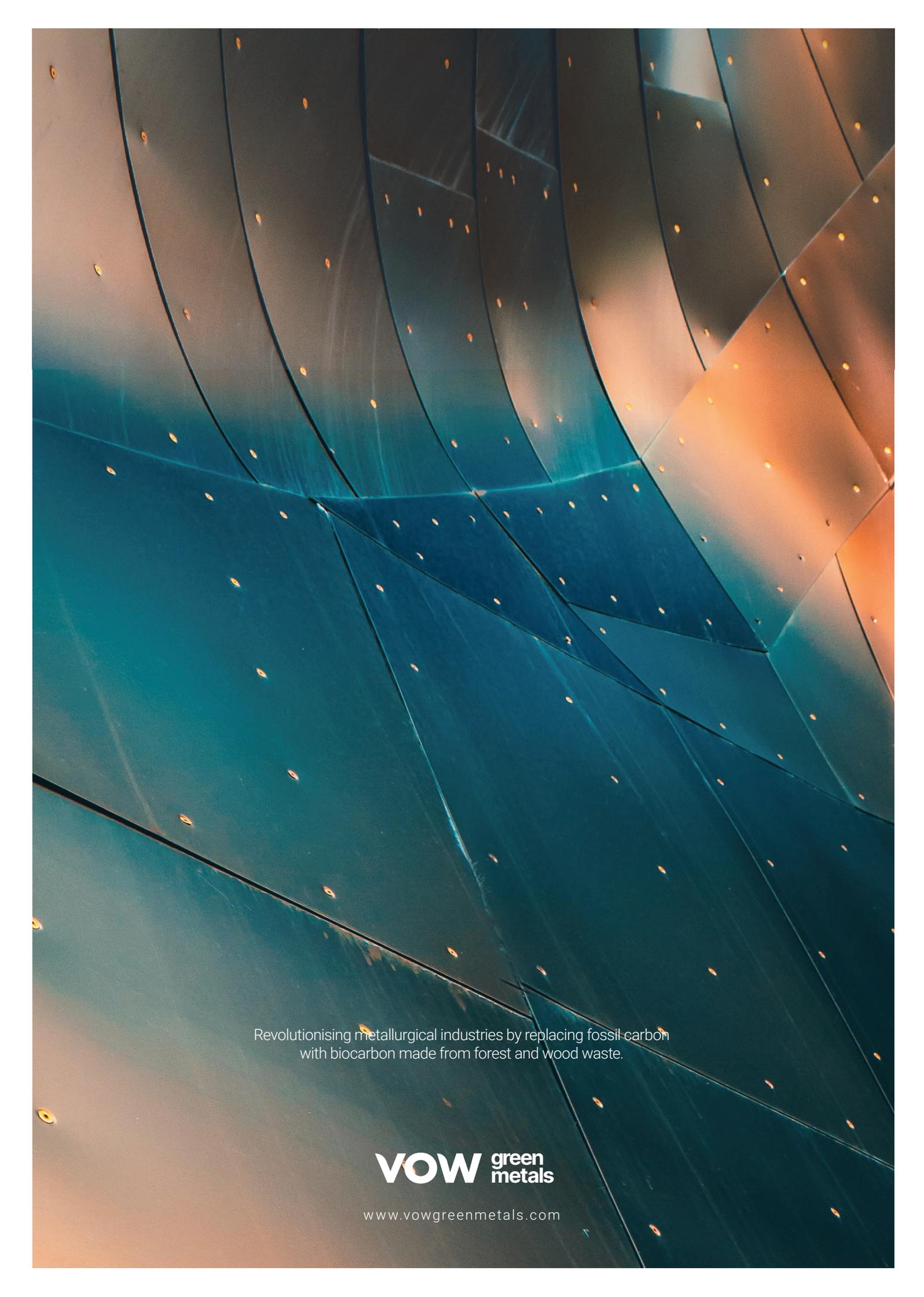
11 – RECENT EVENTS

Since Vow Green Metals on November 4, 2021, announced its plans to build Europe’s largest BioCarbon production plant at Follum, other companies have signaled interest to becoming part of this larger industrial complex.

Most recently in March 2022, the JV between Billerud Korsnäs, a leading provider of sustainable packaging, and Viken Skog, a large cooperative in the Norwegian forest industry announced that they plan to establish a CTMP production plant at the site.

For Vow Green Metals this is an opportunity to double the production capacity of our biocarbon factory to match the potential increased demand from the Billerud Korsnäs and Viken Skog joint venture. This will significantly improve the economics of scale at a marginally higher CAPEX cost.

Further discussion with potential partners, studies, and analysis of what this could mean for the exact location, layout and construction schedule for Vow Green Metals’ plant will start immediately. This may impact the overall project, but it will result in a more efficient plant which would be able to meet the potential increased demand.



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

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