VOW

DELIVERING SOLUTIONS FOR A CLEANER FUTURE

ANNUAL REPORT 2020

PASSIONATE ABOUT PREVENTING POLLUTION AND DECARBONISING INDUSTRY

Vow is not only a company name. It also reflects who we are, what we believe in and what we do. We develop and deliver world leading technology and solutions that purify wastewater, convert waste into valuable resources and help industries decarbonise and create new business models. The name is also a reminder of our promise, our vow to customers, to investors and to the world. Preventing pollution and decarbonising industrial processes are key to a better climate and cleaner world.

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ABOUT VOW

WORLD LEADING TECHNOLOGY AND SOLUTIONS WHICH BRING AN END TO WASTE AND DECARBONISE INDUSTRY

Vow is passionate about preventing pollution. Vow develops and delivers world leading technology and solutions which bring an end to waste and decarbonise industry. Solutions which are required to combat climate change and create a cleaner world.

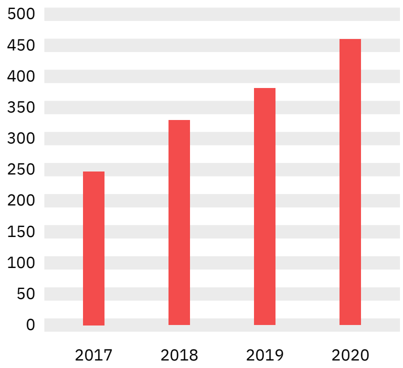
Vow’s solutions purify wastewater and convert biomass and waste into valuable resources, generating CO_2 neutral energy and biocarbon that decarbonise industrial processes. Its propriatory technologies have already been chosen by a wide range of customers in cruise, aquaculture and landbased industries and utilities. Vow's solutions are scalable and standardised, and the company has proven its delivery capabilities.

Located in Oslo, Norway, the parent company Vow ASA is listed on the Oslo Stock Exchange (ticker: VOW), with subsidiaries in Norway, France, Poland and the US.

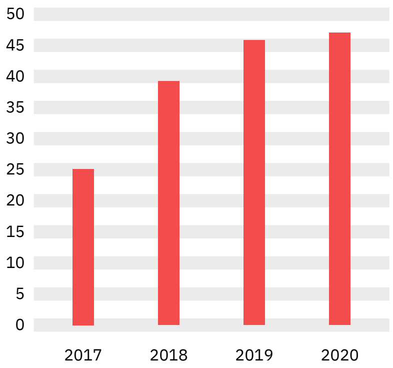
HIGHLIGHTS 2020 AND KEY FIGURES

- **Fifth consecutive year of growth,** record high performance in cruise newbuild and retrofit projects
- **Landbased celebrated several transformative achievements,** including agreements with leading industry players Repsol and ArcelorMittal
- **Activity in Aftersales was reduced** as cruise ships were docked as a response of the Covid-19 pandemic
- **Order backlog remains high,** providing good visibility and revenues well into 2024/25
- **Vow Industries launched as an incubator** for business development
- **Contemplated spin-off and subsequent listing** of Vow Green Metals

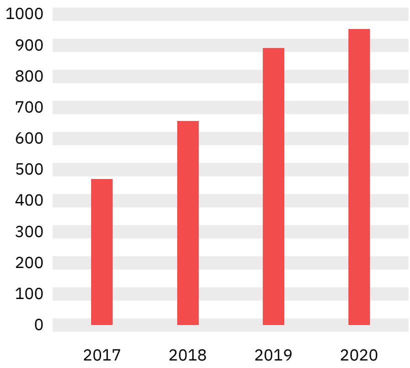
REVENUES
NOK million



EBITDA (before non-recurring items)
NOK million



BACKLOG (at the end of the year)*
NOK million



* *In addition to the firm backlog, shipowners have placed firm orders and options with shipyards on "Scanship equipped" sisterships amounting to NOK 584 million in future revenues.*

LETTER FROM THE CEO

Last year when I wrote a similar letter to this, the Covid-19 pandemic was still in an early phase. We were all uncertain about what the future would hold. Twelve months later, the pandemic is still casting a shadow over many people's lives, over businesses, and the world economy. But there are certainly also glimpses of light.

Most importantly, our people have stayed healthy and safe. Travel restrictions, quarantines and other measures imposed by health authorities have made everyday life more challenging for most, but we have prevailed. Our projects have been delivered mostly according to original plan.

None of our customers have been hit as hard as our long-term partners in cruise. Their response has been truly impressive. Even when most of their ships were docked to prevent the spread of the virus, the owners have continued their newbuilding and retrofit programmes. We are both thrilled and humbled by this, as it demonstrates ambitions and signals continuous commitment for sustainable operations to protect our oceans.

The cruise industry's responsible and relentless efforts to grow and improve is an important reason why we were able to secure new contracts to a total value of NOK 369 million in 2020. The order backlog was NOK 952 million at the end of December 2020, up from NOK 890 million the year before. Since then, orders worth an additional NOK 60 million have been confirmed and reported.

POWERFUL TRENDS

It is fair to describe 2020 as a transformative year for Vow. While newbuilds and retrofit projects in cruise continue to make most of our order backlog, we are increasingly focused on our Landbased business. Several landmark contracts for valorisation of waste, biomass, and industry decarbonising were awarded in 2020.

This transformation of our business is motivated by two powerful trends. First, the fight against climate change and for protection of the environment mean that we all need to replace fossil carbon and turn waste into valuable resources. This is what our smart technologies do. Second, leading industrial players are racing to reduce use of fossil fuels, decarbonise their processes and find ways to become net-zero. They are turning to us for help.

Through years of technology development combined with the acquisition of the French company ETIA in 2019, we now have a range of technologies and solutions available to turn biomass, sludge and other waste streams into valuable commodities and energy, helping multiple landbased industries reduce emissions and meet their CO_2 neutral targets.

PARTNERSHIPS

During 2020, this has led us to partnering with several prominent and leading industrial players.

We entered into a strategic partnership agreement with the global energy company Repsol to explore multiple applications and solutions to produce clean and renewable energy for CO_2 emission reduction.

We signed a strategic memorandum of understanding with ArcelorMittal, the world's leading steel and mining company, to work on a project to build a biogas production plant that will reduce CO_2 emissions produced during the steelmaking process.

We signed a letter of intent with Elkem, one of the world's leading suppliers of silicon-based advanced materials, with the aim of reducing fossil CO_2-emissions from the production of silicon and ferrosilicon products for the global market.

And we entered into a cooperation agreement with Tinfos AS to distribute Vow's onshore 'Plastic to Electricity' solution in selected countries and markets, starting with Indonesia.

NEW BUSINESS MODELS

In our dialogue with these and other industry partners we realised that our mastery of technology, our understanding of the customers' challenges, and our ability to develop standardised delivery models and execute large and complex projects, meant that we were in a good position to develop new business models alone or together with partners.

We decided to form Vow Industries, a separate legal entity, wholly owned by Vow ASA, to act as an incubator for new business models and companies based on Vow technology.

Vow Green Metals is a very concrete first example. Still wholly owned by Vow, this new entity will be spun off to existing shareholders and listed, likely before summer 2021. In March 2021, a successful private placement secured gross NOK 230 million of new equity, which will be used in part to fund the new company.

FIRST PLANT

Vow Green Metals will build, own, and operate plants and deliver high value biocarbon and CO_2 neutral gas for metal industries. Its first plant is currently being planned at Follum in Eastern Norway for completion in 2022, pending final investment decision.

In line with our partnership approach, Vow has already secured agreements with forest owner Viken Skog and municipal waste company Lindum to supply forest waste and waste wood respectively as feedstock to the Follum plant, and agreements with metals giant Elkem and district heating company Vardar to deliver biocarbon and CO_2 neutral gas.

With the launch of Vow Green Metals, we will be accelerating the green transition in the metallurgical industry, as our biocarbon will replace fossil coke as a reducing agent in metallurgical processes. We will also produce CO_2 neutral gas and other low-carbon fuels.

LOOKING AHEAD

Looking into 2021 and beyond, I am in no doubt that the cruise industry will continue to play an important role for our company. Signs are clear that the cruise industry again will rebound and continue to grow after crises. We will certainly be there to support them.

Also, I am in no doubt that we will continue to grow on land, building capabilities and adding capacity in several landbased verticals. Vow Green Metals is a start. New initiatives and new business models are being formed as I write these lines. 2021 is going to be another exciting year for Vow.

Employees, industry partners, science and research institutions, governmental agencies and not least, our shareholders: We thank you all for your support.

Henrik Badin
CEO, Vow ASA

BUSINESS SEGMENTS

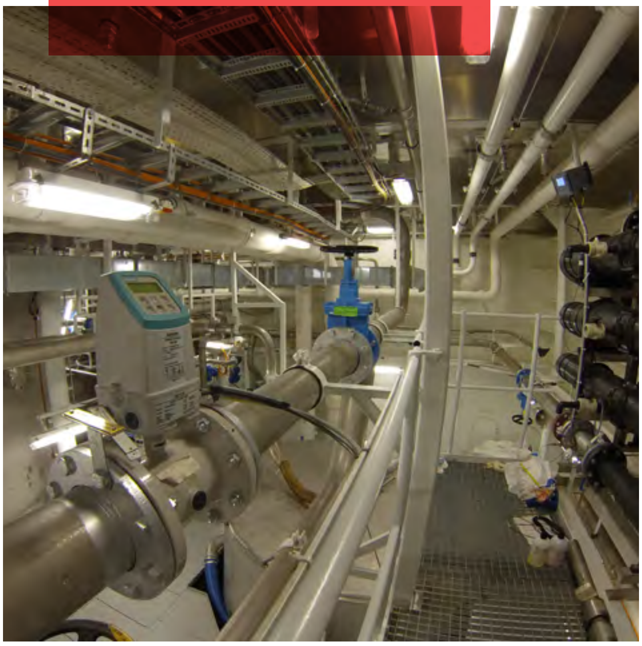
PROJECTS CRUISE

The Projects Cruise segment includes all major newbuild and retrofit projects for customers in the cruise industry and aquaculture, which are known in the market under the Scanship brand.

Cruise ships on every ocean have Scanship technology inside which processes waste and purifies wastewater. Fish farmers are adopting similar solutions, and public utilities and industries can also use the solutions for sludge processing, which again is beneficial for growing the Landbased segment.

The Scanship solutions are scalable, standardised and thoroughly documented, and the company's capability to deliver is well proven. The solutions are key to bring an end to waste and stop pollution in a truly sustainable circular economy. In the cruise industry, Scanship's systems are either sold to shipyards for newbuild constructions or to ships in operation as retrofits. When delivered to shipyards, the yard is installing the systems with supervision from Scanship, while systems delivered to shipowners are delivered as turn-key solutions where Scanship also is responsible for installation. Scanship uses subcontractors for manufacturing of the systems, providing a foundation for scalability.

AFTERSALES



The Aftersales segment is mainly related to the Projects Cruise segment and the Scanship operations, and comprises all activities related to sale of spares and consumables, as well as service on systems delivered.

Scanship has an increasing base of systems installed on the fleet of cruise vessels worldwide, which in turn strengthens and builds up the recurring revenue stream from the Aftersales segment.

Scanship offers service and operational assistance onboard cruise ships through its service department with experienced engineers and senior personnel, covering the complete lifecycle of its systems.

The Aftersales and Service department is handled both through the operations in Norway and through Scanship Americas Inc. in Fort Lauderdale, USA.

LANDBASED

The Landbased segment is mainly based on the operations of ETIA, a French engineering and technology company which was acquired by Vow and integrated with effect from 1 October 2019. In addition, the newly established subsidiary Vow Industries is included here as well as other landbased projects in Norway.

ETIA designs and provides plants to valorise biomass residues and waste into renewable products, chemicals and fossil free energy through pyrolysis solutions. ETIA offers proven solutions for turning waste into valuable green products and climate friendly energy, solutions for food sterilisation and debacterisation, and plants for mineral processing.

The launch of the incubator Vow Industries and the new company Vow Green Metals marks a significant strategic shift for Vow, offering ‘decarbonisation as a service’ stand-alone or together with partners. Vow will design, build and deliver technology to Vow Green Metals, and to other potential spin-offs. Vow Green Metals will build, own and operate plants built with Vow technology, and producing high-value biocarbon and CO_2 neutral gas for metal industries.

BOARD OF DIRECTORS' REPORT 2020

The year 2020 was marked by continued strong performance in cruise newbuild and retrofit projects, as well as a series of transformative achievements in Vow's landbased business. Activity in aftersales was reduced as cruise ships were docked as a consequence of the Covid-19 pandemic. The launch of Vow Industries and the new company Vow Green Metals marks a significant strategic shift for Vow.

Vow achieved record high revenues of NOK 460 million for 2020, representing a growth of 21 per cent over the previous year, and an EBITDA before non-recurring items of NOK 47 million. At the end of 2020, Vow had an order backlog of NOK 952 million, providing good visibility and revenues well into 2024/25.

The outbreak of Covid-19 led to uncertainty and disruption to the global economy in 2020. The objective of the board of Vow has been ensuring that the group is taking all necessary measures to protect its people and operations, and to make sure Vow is prepared to handle the potential operational and financial consequences "of the pandemic.

OVERVIEW OF THE BUSINESS

The board of directors' report for the Vow group ("Vow" or "the group") comprises Vow ASA ("the parent company") and all subsidiaries and associated companies.

Business and location

Vow develops and delivers world leading technology and solutions that bring an end to waste and help industries decarbonise. Solutions which are required to combat climate change and create a cleaner world.

Vow's solutions purify wastewater and convert biomass and waste into valuable resources, generating CO_2 neutral energy and biocarbon that decarbonise industrial processes. Customers are represented in cruise, aquaculture and a wide range of landbased industries and utilities. Vow's solutions are scalable and standardised, and the company has proven its delivery capabilities. Many of the group's solutions are also patented.

The Vow group is headquartered at Lysaker, Norway and the parent company Vow ASA is a Norwegian public limited liability company listed on the Oslo Børs (Oslo Stock Exchange) (ticker: VOW), with employees in Norway, France, Poland and the US. The group has offices in Tønsberg (Norway), Davie in Florida (USA),

With Vow technology biocoal becomes a viable replacement to fossil carbon for the metal industry.

Gdynia (Poland), Compiegne (France) and Bray sur Somme (France), and warehouse facilities in Tønsberg and Davie.

The Vow group's main activities are R&D, sales & marketing, engineering, procurement, and project management. The group is organised in three operating segments: Projects Cruise, Aftersales and Landbased.

The segments Projects Cruise and Aftersales are mainly based on the Scanship operations, while segment Landbased includes the ETIA operations, as well as certain landbased operations in Norway.

Segment Projects Cruise includes sale of wastewater purification, garbage handling, food waste treatment and sludge processing solutions for the cruise and aquaculture industry. Systems are either sold to shipyards for newbuild constructions or as retrofits to ships in operation. When delivering to shipyards, the yard is installing the systems with supervision from Vow, through the Scanship operations. When systems are delivered to shipowners for ships in operation, these are delivered as turn-key solutions, where Scanship is responsible for installation. All systems delivered are commissioned by Scanship personnel undergoing full compliance testing. Production of Scanship systems is outsourced to subcontractors.

Segment Aftersales are related to sale of spares and consumables, as well as service on delivered systems. As the number of delivered systems is increasing, so is the market for Aftersales.

Segment Landbased is mainly based on the business of ETIA, which was acquired by Vow in 2019. ETIA designs and provides plants to valorise biomass residues and waste into renewable products, chemicals and fossil free energy through pyrolysis solutions. ETIA offers proven solutions for turning waste into valuable green products and climate friendly energy, solutions for food sterilisation and debacterisation, and plants for mineral processing, which are used throughout the industry.

In 2020, Vow launched Vow Industries as an incubator for business development in its Landbased segment. The launch of Vow Industries and the new company Vow Green Metals marks a significant strategic shift for Vow.

With Vow Green Metals, Vow expands its business, and launches a new company which will offer 'decarbonisation as a service', stand-alone or together with partners.

Vow Green Metals will be spun off to existing shareholders and listed, likely before summer 2021. Vow Green Metals' planned plant at Follum will convert to an order intake of NOK 200-250 million for Vow's Landbased business, when the plant is approved, and the company is listed.

Vision, values and target markets

Vow has a profound passion for climate change mitigation and the prevention of pollution.

Vow technology offers complete recycling of end-of-life tyres.

The group has strong values as guidelines for its business conduct:

- *We are passionate about preventing pollution, giving waste value and mitigating climate change.*
- *We have a proactive approach and are responsible in what we do.*
- *We strive to always be innovative and deliver the best solution.*

Subsidiaries in the Vow group jointly target all markets where pyrolysis can be deployed to convert organic waste, biomass, plastic and polymers into energy, fuels, biogenic materials or molecules for the purpose of decarbonising energy, capturing carbon, valorising waste and creating end-of-waste solutions.

IMPORTANT EVENTS

Impact from Covid-19

The main objective of the board of Vow during the outbreak of Covid-19 has been to ensure that the group is taking all necessary measures to protect its people and operations, and to make sure Vow is prepared to handle the potential operational and financial consequences of the pandemic.

During the outbreak, Vow's business has continued mostly as planned in 2020, without significant changes in delivery schedules to the cruise industry. However, the company's Aftersales segment has been and will continue to be affected, until the world's cruise fleet is back in operation.

It cannot be ruled out that some cruise newbuilding schedules could be delayed as a result of the pandemic. It remains uncertain when the market situation will normalise.

During 2020, Vow has secured a number of new contracts, despite the uncertainty and disruption to the global economy caused by the Covid-19 pandemic. This proves that Vow's business model is robust and that the demand for the company's technology continues to benefit from the growing concern for climate and the environment.

The Board and management of Vow continue to closely monitor the impact from Covid-19 on the company's main markets and industries, in order to safeguard employees, keep operations running, and maintain a solid financial position.

Vow Industries established

In December 2020, Vow launched Vow Industries as an incubator for business development, and in February 2021, Vow introduced Vow Green Metals, a new separate entity, which will be spun off to existing shareholders and listed, likely before summer 2021. Vow Green Metals will build, own and operate plants and deliver high-value biocarbon and CO_2 neutral gas for metal industries.

Key contracts

Vow ASA has, through its subsidiary Scanship AS, been awarded several key contracts during 2020 for cruise newbuild and retrofit projects.

This year's order intake included the delivery of Scanship's waste management system including garbage handling and food waste processing to a cruise vessel to enter service in 2022 under the new brand CSSC Carnival; a joint venture between American cruise line Carnival Corporation & plc, Chinese sovereign wealth fund China Investment Corporation and the shipyard CSSC.

Vow was also awarded a EUR 2 million cruise ship supply contract for an advanced wastewater purification system to be delivered in 2021 to a cruise ship planned for 2023 operations. The contract includes delivery for one optional cruise vessel.

Other great wins in 2020 included a EUR 7.8 million cruise newbuild contract for the delivery of advanced technologies for wastewater purification, garbage handling and food waste processing. The Scanship systems will be installed on two mega-sized cruise ships entering service in 2026 and 2027, being part of an ongoing six ship newbuild program in Italy for one of the larger Miami based shipowners. Scanship has previously entered into contracts for the other ships in the program.

Adding to this, Vow was awarded a contract with Fincantieri for delivery of a total cleantech system to four cruiseships for MSC Cruises. The contract included options for system deliveries to two additional vessels.

Scanship was also awarded a retrofit contract with Carnival Cruise Line to deliver an advanced wastewater purification system to Carnival Magic.

Vow's subsidiary ETIA has been awarded several milestone contacts during the year, including a supply agreement with Circular Carbon (Würzburg, Germany), member of Econnext group, for the delivery of a Biomass Energy System to be owned and operated by Circular Carbon, for the processing of cocoa shells from the food industry. The Biomass Energy System is scheduled to be delivered and commissioned 2021. The value of this first supply agreement with Circular Carbon is in the region of EUR 2.4 million.

Moreover, Vow's subsidiary ETIA has been awarded contracts totalling EUR 1 million for its technology Safesteril. The ETIA Safesteril is an innovative steam sterilisation process for spices, herbs, dehydrated vegetables, food, and other pharmaceutical ingredients.

New partnerships

In 2020, Vow entered into a strategic partnership agreement with Repsol to explore multiple applications and solutions to produce clean and renewable energy for CO_2 emission reduction. Repsol, headquartered in Spain, is a global multienergy provider and it is one of the first energy companies to make a net zero emissions commitment by 2050 aligned with the climate objectives set out by the Paris Agreement and the UN Sustainable Goals.

Another important milestone was the announcement that Vow and Bellona will join forces to solve one of the major environmental challenges by utilising Vow's pyrolysis technology which converts sludge, organic waste, and other types of biomass into biocarbon and biogas.

Towards the end of the year, it was announced that Vow will join forces with a world leading manufacturing company, later announced to be the world's leading steel and mining company ArcelorMittal, to build a biogas production plant to reduce CO_2 emissions from metallurgical processes. The two companies will cooperate on engineering, business modelling and financing of a dedicated biogas plant for an industrial facility in continental Europe, with the aim to have the plant operational in 2022.

Grants awarded by Innovation Norway

Innovation Norway, the government's instrument for innovation and development of Norwegian enterprises and industry, awarded grants and loans to Scanship AS, a subsidiary of Vow ASA, to further commercialise the application of its patented pyrolysis technology for chemical recycling of plastic waste. The loans and grants, a total of NOK 19.4 million will be used to build a plant in Norway to demonstrate the conversion of plastic waste into energy.

EVENTS AFTER THE BALANCE SHEET DATE

New agreements and partnerships

After the close of the year, Vow was awarded a contract with a major European shipyard for the delivery of two advanced wastewater purification systems. The value of this contract is NOK 59.6 million. The agreement also includes options for system deliveries to two additional vessels worth another NOK 59.6 million.

In February 2021, Vow and Elkem, one of the world's leading suppliers of silicon-based advanced materials, signed a Letter of Intent to join forces with the aim of reducing fossil CO_2-emissions from the production of silicon and ferrosilicon products for the global market. The two companies will join competence and technology solutions to develop and manufacture biocarbon and other products for Elkem's production processes. The biocarbon will be produced at Vow's planned plant at Follum, outside Oslo in Norway, from a sustainable feedstock comprised of forestry wood mass, wood waste and other wood materials.

Later in February 2021, it was announced that Vow and Betula Energy have entered into an agreement whereby Vow will supply technology and equipment to produce biocarbon to a new plant that Betula Energy will establish in Bamble, a municipality in South-East Norway. At this location, Betula Energy, which is the new name of former entity BioGren AS, will establish bioenergy and biocarbon production from forest wood mass in the form of pellets, biocarbon and bio-oils. Vow will supply the process equipment for the biocarbon production, and orders will be placed by Betula Energy once they have secured financing planned within 2021. For Vow, this order may result in the delivery of process equipment worth up to NOK 200 million.

Successful private placement

In March 2021, it was announced that the company had successfully completed a private placement through the allocation of 5 000 000 new shares at an offer price of NOK 46, raising gross proceeds to the company of NOK 230 million.

The company intends to use the net proceeds to accelerate growth by providing initial funding to Vow Green Metals, for further build-up up and development of ETIA, for pursuing near-term growth opportunities such as the recently signed co-operation agreement with ArcelorMittal and Repsol and maintaining a leading position, including further R&D and technical development and potential value creating and strategic transactions. Along with these growth initiatives, the proceeds will be used to ensure a strong balance sheet and fund organisational build-up, further business development and value accretion in Vow Industries, as well as general corporate purposes.

PROJECT ORDER BACKLOG

Vow had a total order backlog of NOK 951.6 million as per 31 December 2020, compared with NOK 989.3 million at the end of the first half and NOK 890.4 million at the end of 2019. Of the total backlog, NOK 924.0 million relates to the Projects Cruise segment, while the remainder, NOK 27.6 million relates to the Landbased segment.

In addition to the firm backlog, Vow had secured option agreements as at 31.12.2020 to a total value of NOK 583.9 million in future revenues.

GOING CONCERN

The annual financial statements for 2020 have been prepared on the assumption that Vow is a going concern pursuant to section 3-3a of the Norwegian Accounting Act. With reference to the group's results, financial position, backlog, as well as forecasts for the years ahead, the conditions required for continuation as a going concern are hereby confirmed to exist. In the opinion of the board, the group's financial position is good.

FINANCIAL REVIEW

The following financial review is based on the consolidated financial statements of Vow ASA and its subsidiaries. The statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with the additional requirements following the Norwegian Accounting Act.

In the view of the board, the income statement, the statements of comprehensive income, changes in equity and cash flow, the statement of financial position and the accompanying notes provide satisfactory information about the operations, financial results and position of the group and the parent company at 31 December 2020.

In August 2019, Vow ASA, then Scanship Holding ASA, signed an agreement to acquire ETIA Ecotechnologies (ETIA). As a result, Vow reported its operations in three segments from the second half of 2019: Projects Cruise (Norway), Aftersales and Landbased (ETIA and certain operations in Norway). The ETIA transaction was completed on 15 October 2019 and consolidated into the accounts from this date.

Consolidated statement of income

Revenues for the Vow group amounted to NOK 459.8 million for 2020, an increase of 21 per cent from the NOK

380.8 million reported for 2019. ETIA was included in the consolidated accounts from 15 October 2019 and contributed with NOK 19.1 million in revenue for 2019 and NOK 106.5 million before group eliminations for 2020.

Further comments are provided under each of the business segments.

Gross Margin for Vow was recorded at 36 per cent for 2020, up from 32 per cent for 2019. The increase is related both to the full-year inclusion of ETIA at a 39 per cent gross margin level and higher margins both for Projects Cruise and Aftersales.

The Vow group has seen a significant growth in revenues over the last couple of years. This has resulted in a general increase in the operating expenses, following a larger and more complex organisation, as well as investments in future growth. At the same time, Vow has improved its operational efficiency considerably over the same years, maintaining a satisfactory EBITDA margin.

EBITDA before non-recurring items amounted to NOK 46.6 million for 2020, representing a margin of 10 per cent, compared with NOK 45.8 million and a margin of 12 per cent for 2019.

Vow had non-recurring costs of NOK 8.2 million in 2020. These are costs incurred for the standardisation and

While cruise ships have been docked due to the pandemic, most newbuild and retrofit projects have continued as planned.

industrialisation of the ETIA systems, and to ensure a scalable delivery model similar to the Scanship cruise model. These costs recorded through the P&L facilitates the significant expansion planned through Vow Industries and the investment in these new operations.

In 2019, Vow had non-recurring costs of NOK 19.2 million, of which NOK 18.6 million were related to the ETIA transaction. This included acquisition cost, costs related to the integration process and cost related to strategic evaluation of business opportunities for ETIA. The remaining NOK 0.6 million were related to the transfer of the listing from Euronext Expand (previously Oslo Axess) to Oslo Børs.

Depreciation and amortisation amounted to NOK 21.9 million for the full year of 2020, compared to NOK 10.9 million for 2019. The increase is primarily a result of the inclusion of ETIA and the full year effect of the amortisation of intangible assets and fixed assets related to the ETIA acquisition.

Net financial items for 2020 were recorded with a net financial income of NOK 11.5 million, compared to a net financial cost of NOK 23.0 million for 2019. The fair value adjustment of the conversion rights on the convertible

Vow has partnered with the world leading steel and mining company ArcelorMittal to reduce CO_2 emissions in the steelmaking process at its Rodange plant in Luxembourg.

loan related to the ETIA transaction was recorded with a financial income of NOK 25.0 million in 2020 and a financial cost of NOK 20.3 million in 2019. These fair value adjustments do not have any cash effects for the group. The convertible loan was converted to new share capital and equity in the second half of 2020, further strengthening the equity ratio for the group.

Besides the fair value adjustments, other net financial cost of NOK 13.5 million for the full year 2020 is affected by a currency disagio of NOK 3.9 million related to the convertible loan, and an interest cost (non-cash) of NOK 1.2 million related to the same loan. Excluding these items, the other net financial cost in 2020 is NOK 8.4 million compared to NOK 2.7 million for 2019. The increase in 2020 is related to full year effect of loan interest cost and certain currency effects.

The result before tax for the Vow group came in at NOK 28.1 million for 2020 compared with a loss of NOK 7.3 million for 2019.

The group had an income tax expense of NOK 0.2 million for 2020, compared to NOK 6.2 million for 2019. In sum, this provided the group with a profit for the year of NOK 27.9 million, an improvement from for the previous year's loss of NOK 13.5 million.

Cash flow

Operating activities generated a net cash outflow of NOK 5.4 million for 2020, compared to NOK 16.9 million for 2019. The significant growth in activity and revenue in cruise newbuilding projects in 2020 compared to 2019 led to an increase in the contracts in progress and other net working capital items related to cruise projects, which will convert to cash flow in 2021. Compared to cruise newbuilding, the Aftersales business segment requires significantly less net working capital.

Investing activities in 2020 generated a cash outflow of NOK 64.7 million and are primarily related to investments in R&D and intangible assets to strengthen and develop the Landbased segment, as well as an investment of NOK 13 million in an R&D plant in France to further develop and commercialise the patented pyrolysis technology towards converting plastic waste into energy. For the full year of 2019, investing activities amounted to NOK 95.4 million.

Financing activities in 2020 generated a positive cash flow of NOK 10.1 million, primarily related to certain new loan financing obtained for the plastic waste to energy investments. In 2019, financing activities generated a positive cash flow of NOK 190.8 million.

Both the cash flow from investing activities and financing activities in 2019 were significantly affected by the ETIA acquisition.

Financial position

As at 31 December 2020, Vow had total assets of NOK 709.7 million, compared to NOK 602.1 million at the end of 2019. The main reasons for the increase in the total assets and balance sheet of the group are both the increased project activity in cruise and the continual investments made within R&D to lay the foundation for further growth. The investments made within R&D and intangible assets are primarily towards the Landbased segment, to significantly strengthen and further develop this business segment. The increase in project activities will increase both the contracts in progress balance sheet items and the trade receivables and trade creditors.

The convertible loan, including the fair value of the conversion rights, was converted to new shares in Vow ASA on 17 July 2020.

At the end of 2020, Vow had a total equity of NOK 320.8 million, representing an equity share of 45 per cent, up from NOK 231.7 million at the end of 2019, representing an equity share of 38 per cent. The increase in book value of equity is attributable to both the result for the year and the convertible loan being converted to new equity. The private placement completed in March 2021 increases the equity level further.

The board is of the opinion that the group has adequate funds in order to meet Vow's financing needs for further growth in the next 12 months.

Segments

The Vow group is organised in three operating segments; Projects Cruise, Aftersales and Landbased. Projects Cruise and Aftersales are the same as the two previously reported segments and based on the business of Scanship, while Landbased includes the ETIA operations as well as certain landbased operations in Norway.

Projects Cruise

NOK million	**2020**	2019
Revenues	**309.2**	236.0
EBITDA	**70.8**	37.0
EBITDA margin (%)	**22.9%**	15.7%
Backlog	**924.0**	812.5

Revenues in the Projects Cruise segment amounted to 309.2 million for 2020, corresponding to an increase of 31 per cent from NOK 236.0 million in 2019. Order intake and increase in backlog level are the main drivers of the revenue growth.

Vow had a total backlog of NOK 951.6 million at year-end 2020, of which NOK 924.0 million was related to the Projects Cruise segment.

EBITDA for the segment came in at NOK 70.8 million for the year, representing a margin of 22.9 per cent, compared to NOK 37.0 million for 2019, equivalent to a margin of 15.7 per cent.

Aftersales

NOK million	**2020**	2019
Revenues	**53.3**	125.7
EBITDA	**(0.2)**	22.5
EBITDA margin (%)	**-**	17.9%

Revenues for the Aftersales segment came in at NOK 53.3 million for 2020, down from the NOK 125.7 million reported for 2019. The Aftersales segment has been particularly affected by the Covid-19 pandemic. The majority of cruise ships have been docked since March and measures to control the spread of the pandemic have restricted travel and access to the ships. Some cruise ships have gradually resumed operations, while the majority of cruise ships are still docked.

With more newbuilds being delivered to the market with Vow systems, the market for sales of spares, consumables and service is growing.

EBITDA for the segment was negative by NOK 0.2 million for the year, down from an EBITDA of NOK 22.5 million for 2019. The EBITDA margin declined as a result of the lower revenue and gross profit level for the period.

Landbased

NOK million	**2020**	2019
Revenues	**97.2**	19.1
EBITDA before non-recurring items	**(10.2)**	(1.5)
EBITDA before non-recurring items margin (%)	**(10.4%)**	(7.8%)
Backlog	**27.6**	77.9

Revenues for the Landbased segment amounted to NOK 97.2 million for 2020, up from NOK 19.1 million for 2019. Revenues and EBITDA for 2019 only relate to the fourth quarter in 2019, as the ETIA operations were consolidated into the accounts with effect from 15 October 2019.

EBITDA for the segment came in at a negative NOK 18.3 million, compared with a negative of NOK 20.1 for 2019. Non-recurring items related to the acquisition of ETIA amounted to NOK 8.2 million for 2020 and NOK 18.6 million for 2019. The segment therefore had an EBITDA before non-recurring items negative by NOK 10.2 million for 2020 and negative by NOK 1.5 million for 2019.

At year-end 2020, the Landbased segment had a backlog of NOK 27.6 million.

Parent company and allocation of net profit

The parent company Vow ASA primarily has administrative costs related to the listing at Oslo Børs, audit and legal fees, remuneration of the board and certain operating costs related to the development of the Landbased business segment. The operating result for 2020 was recorded at a loss of NOK 12.1 million compared to a loss of NOK 4.2 million for 2019. The higher operating costs in 2020 is a result of the costs incurred to further strengthen and develop the landbased operations. The result for the year ended at NOK 18.2 million for 2020, compared to a loss of NOK 22.7 million for 2019. The variation in result is to a large extent explained by the accounting effect of the fair value adjustment (with no cash effect) of the conversion rights on the convertible loan related to the ETIA transaction, as also explained above for the consolidated income statement.

The parent company had total assets booked at a value of NOK 445.6 million at 31 December 2020, compared to NOK 439.2 at the end of 2019. The parent company had total equity of NOK 444.3 million as of 31 December 2020, representing an equity ratio of 99.7 per cent.

The board proposes the following allocation of the net result of NOK 18.2 million for the parent company (Vow ASA):

Retained earnings: NOK 18.2 million.

RESEARCH AND DEVELOPMENT

Vow's main development projects during 2020 includes the Microwave Assisted Pyrolysis ("MAP") Waste to Energy project and the DryFiciency (EUH2020) project. Vow is one of the chosen participants in this DryFiciency project coordinated by EU, and Vow will primarily work to develop an innovative dryer that can work with all the systems and technologies developed within the project.

During 2020, Vow invested NOK 61.5 million on its product development activities, compared to NOK 18.2 million in 2019. The investments in 2020 include an investment of NOK 13 million in the first half of 2020 made in an R&D plant in France to further develop and commercialise the patented pyrolysis technology towards converting plastic waste into energy.

In 2020, Vow worked on a portfolio of 11 main product development projects, which are included as intangible assets in the balance sheet. All of these projects are ongoing into 2021.

Intangible assets from product development activities were as of 31 December 2020 booked at NOK 158.8 million, up from NOK 100.5 million at the end of 2019. The increase is related to the investment level in 2020. A significant part of the product development cost consists of working hours performed by Vow's own employees.

RISKS AND RISK MANAGEMENT

The Vow group is subject to a number of risks, including operational and financial risks. The board and executive management are continuously monitoring the group's risk exposure and the group constantly strives to improve its internal control processes. Below is a summary of the key financial risks for the group. More details on the risk factors are included in the notes to the financial statements.

Financial risks

The group is exposed to financial risks in various areas. Among these, the key risks being related to market, currency, credit and liquidity risks.

During 2020, the Covid-19 pandemic created a major disruption to the global economy and significantly increased the uncertainty related to the market outlook for the short- to medium term. The situation also impacts the various risk factors that the Vow group is exposed to, including, but not limited to, the market risk and liquidity risk.

Market risk

There is a risk for Vow that increased competition in the market space for supplies of AWP and Waste Management systems may have a negative effect on future revenues. If the cruise industry will experience overcapacity and pressure on consumer pricing, including the effects from the corona pandemic, the newbuilding activity may slow down. If the overall financial markets would slow down, ship-owners may

The Biogreen© technology forms the core of Vow's industrial processes for valorisation of biomass and waste.

have reduced capacity to finance newbuilds with the effect of lowering newbuild constructions.

Currency risk

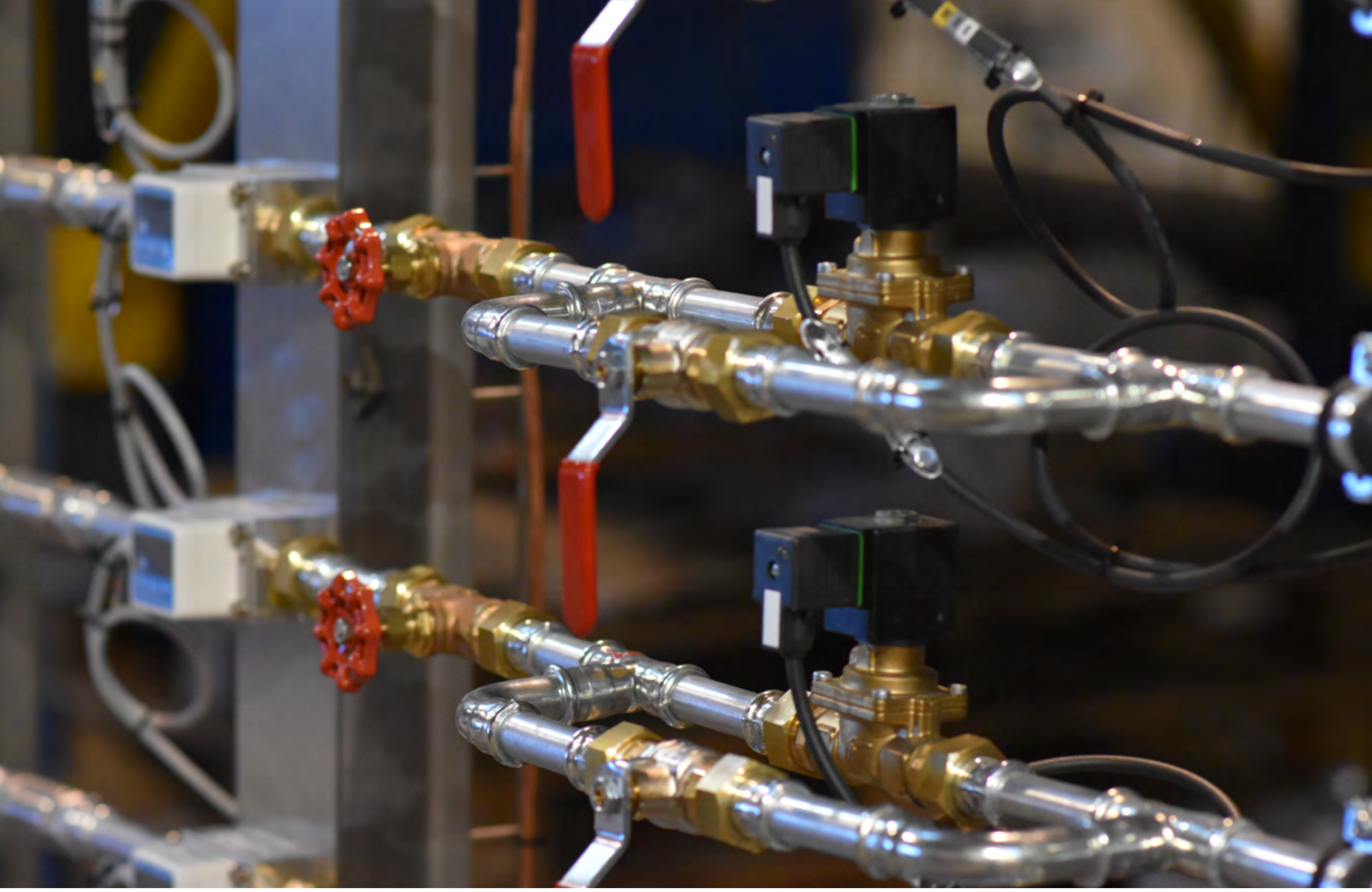
The group has earnings mainly in NOK, EUR and USD. The operating- and administration expenses are mainly in NOK, EUR and USD. The group is reducing the currency exposure by applying instruments for hedging the net foreign currency exposure in connection with major projects. The group has bank deposits, receivables and short-term liabilities in foreign currencies.

Credit risk

The group is mainly exposed to credit risk related to trade receivables. The customers are primarily large cruise shipowners, shipyards in Europe and industrial customers for the ETIA systems. Due to the nature of the business and the size of its customers, the group is predominately working with customers with a satisfactory credit history. The credit risk is mainly related to newbuilding contracts where a few yards are counterpart. This is increasing the credit risk. However due to nature of newbuilding financing, the management considers the overall risk of loss on receivables to be relatively low. The group has not provided any guarantees for third parties' liabilities. The actual losses on trade receivables have historically been very low, and no losses were incurred on trade receivables in the period 2019-2020. The group has a credit risk insurance agreement ("kredittforsikring") on its trade receivables. This agreement with a Nordic insurance company covers the potential losses incurred by Scanship AS on its trade receivables, subject to certain restrictions, and reduces the ultimate credit risk for the group substantially. This insurance agreement is entered into as an additional risk-mitigating factor.

Liquidity risk

Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. The liquidity risk for the group is primarily related to the timing of the payments on its trade receivables from the shipyards in Europe on the Newbuild projects. Certain of the shipyards exercises longer payment terms than other shipyards. Vow has a close and on-going contact with all its shipyard customers and have had so for many years. Managing this relationship is one of the key factors for the group in the daily management of its liquidity risk. Historically the group has had very limited losses on its accounts receivable. So even though the payments from the shipyards in certain periods have been delayed beyond the agreed credit term, they have historically always paid their liabilities. Vow also has a certain flexibility in its own supplier base, whereby longer payment terms sometimes are agreed with suppliers in periods



were the payments are delayed from the customers. Management of the liquidity risk is a prioritised task by Vow management.

The group also has a different structure of liquidity risk on newbuild projects as the group receives payments late in the projects, as compared to retrofit projects, where payments are received after meeting certain milestones. Given the shorter time cycle on the retrofit projects from the contract is signed and initiated, the supplier payments are however also being incurred relatively earlier on retrofit projects. Although the milestones are setup to enable a positive net cash flow on the projects, a delay in the retrofit projects will naturally also increase the liquidity risk.

Estimation risk

The preparation of the financial statements in accordance with IFRS requires management to make judgements, use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses.

The uncertainty is highest in relation to the project evaluations and the following factors:

- Total hours estimated
- Total estimated costs
- Technical complexity that may impact on the total costs

Tese estimates have a direct influence over the amount of revenue recognised.

CORPORATE GOVERNANCE

Good corporate governance provides the foundation for long-term value creation, to the benefit of shareholders, employees and other stakeholders. The board of Vow has established a set of governance principles in order to ensure a clear division of roles between the board, the executive management and the shareholders. The principles are based on the Norwegian Code of Practice for Corporate Governance.

Vow is subject to annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. Oslo Rule Book II - Issuer Rules section 4.4 under Continuing obligations for Issuers of Shares. The Accounting Act may be found (in Norwegian) at www.lovdata.no. The Norwegian Code of Practice for Corporate Governance, which was last revised on 17 October 2018, may be found at www.nues.no.

The annual statement on corporate governance for 2020 has been approved by the board and can be found in a separate section of this annual report.

CORPORATE SOCIAL RESPONSIBILITY

Vow is subject to corporate responsibility reporting requirements under section 3-3c of the Norwegian Accounting Act.

Vow defines corporate responsibility as achieving commercial profitability in a way that is consistent with fundamental ethical values and with respect for individuals, the environment and society. The Vow group shall respect human and labour rights, establish good environmental, health and safety (EHS) standards, facilitate good dialogue with stakeholders and generally operate in accordance with applicable regulatory frameworks and good business practice.

The group's business depends on the trust of consumers, contractual parties, the authorities, shareholders, employees and society in general. In order to gain trust, the group is dependent upon professionalism, expertise and high ethical standards in all aspects of the group's work. The board has established ethical and corporate social responsibility guidelines (the CSR Guidelines) that set forth the basic principles for business practices and personal behaviour that apply for all employees of the group, as well as persons/entities holding a position of trust with the group, and hired consultants acting on behalf of the group. Vow has developed separate conduct principles that apply to its suppliers.

The CSR Guidelines are included in the Sustainability section of this annual report.

Sustainable development goals

Vow's entire business is built on the fundamental belief that we need to take better care of the world. Vow provides technology and solutions that enable its customers to manage their waste and energy challenges in a sustainable manner.

In 2020, Vow ASA joined the UN Global Compact. This demonstrates the group's commitment to accelerate the integration of the UN Sustainable Development Goals (SDGs) into the business and to make the UN Global Compact and its ten principles an integral part of Vow's strategy, culture and day-to-day operations.

The United Nations' Sustainable Development Goals (SDG) guide is a collection of 17 goals set by the United Nations. The SDGs are a global call of action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Vow works to meet several of these goals, in particular the following:

SDG 7:
Affordable and clean energy

SDG 9:
Industry, innovation and infrastructure

SDG 12:
Responsible production and consumption

SDG 13:
Climate action

SDG 14:
Life below water

By participating in the UN Global Compact, Vow has committed to submitting a Communication of Progress (CoP) annually describing the company's efforts to implement the ten principles in the areas of human rights, labour, environment and anti-corruption.

Vow is also actively preparing to apply the EU Taxonomy framework to its operations with the ambition of becoming even more sustainable and demonstrate the relevance of the group's technology and solutions to investors and industry customers who are racing to reduce use of fossil fuels, decarbonise their processes and find ways to become net-zero. This includes developing methodologies to define Vow's environmental performance within the Taxonomy criteria relevant for its own industry.

Specifically, this will describe the proportion of Vow's turnover, capital expenditure and operating expenditure associated with Taxonomy-defined sustainable economic activities.

HEALTH, SAFETY AND WORKING ENVIRONMENT

Working environment, sickness absence, incidents and injuries

The group has a relatively low absence due to illness with 1.8 per cent in 2020 and 2.3 per cent in 2019.

The group has a strong focus on EHS (Environment, Health, and Safety) and is subject to strict EHS-routines from its customers. No injuries or accidents causing material damages or personal injuries were reported during the year.

Equal opportunities
As of 31 December 2020, the group had 138 employees, of which 25 women. The board of Vow ASA consists of four persons, of which two are women.

The group is committed to promoting equality and equal treatment at all stages of the organisation and other relationships.

The group is an organisation with a diversified working environment in which employment, promotions, responsibility and job enrichment are based on qualifications and abilities, and not on gender, age, race and political or religious views. Vow believes in equal opportunity for men and women in the workplace.

Environmental issues
The group's activities are causing a minimum of pollution or waste that can be harmful to the environment. The group's products are rather contributing to increased recycling and reduced pollution on a global scale.

The Vow group does not have operations that require special discharge permits or cleaning measures. Waste is sorted according to the requirements applicable at the various locations.

SHARE AND SHAREHOLDER MATTERS

Vow ASA is listed on Oslo Børs (ticker: VOW). Vow has one class of shares and all shares carry equal rights. Each share has a face value of NOK 0.10 and carries one vote at the general meetings. The company emphasises equal treatment of its shareholders and the shares are freely negotiable. No restriction on negotiability is included in the Articles of Association.

During 2020, the Vow share traded between NOK 12.25 and NOK 41.70 per share, with a closing price of NOK 37.95 per share at 31 December 2020, representing an increase of 27 per cent from the closing price of 2019 of NOK 30.00. The Vow ASA share will be included in the OSEBX index from 19 March 2021.

As at 31 December 2020, the company had a total of 109 259 870 outstanding shares, divided between 6 533 shareholders. The 20 largest shareholders held a total of 79 per cent of the shares.

OUTLOOK

Vow continues to create value from growing concern related to climate change and environmental sustainability. The fight against climate change and for protection of the environment require solutions to replace fossil carbon and turn waste into valuable resources. Leading industrial players are racing to reduce use of fossil fuels, decarbonise their processes and find ways to become net-zero.

As a provider of world leading technologies that can eliminate pollution, enhance circular economy and mitigate climate change, and a proven ability to deliver reliable technology at a competitive price, the Board considers Vow to be well positioned to meet the global trends of replacing fossil carbon and turning waste into valuable resources.

With the launch of Vow Industries, the group is taking the first steps to expand its business, developing, owning, and operating plants, stand-alone or together with partners - gearing up to offer "decarbonisation as a service".

The cruise industry continues to grow as cruise liners place new orders, although some newbuild programmes could be delayed as a consequence of the current market situation. Vow is confident about the long-term market outlook for its cruise related operations, and these growth prospects are supported by increasing demand for solutions for cleaner oceans.

As long as the majority of cruise ships are docked due to Covid-19, Vow expects its Aftersales segment to continue to be negatively impacted. As an increasing share of cruise ships are delivered with Vow systems, the aftersales market is growing, and Vow remains positive about the long-term market opportunities for Aftersales.

Through the acquisition of ETIA in October 2019, Vow strengthened its presence in landbased industries, including new geographies and verticals. Vow made significant investments in the Landbased segment in 2020 to support growth and profitability going forward.

In 2020, Vow accelerated its ESG initiatives and joined the UN Global Compact. This demonstrates the company's commitment to integrating the UN Sustainable Development Goals into the business and its day-to-day operations.

Artist impression of Vow Green Metals' first plant in Norway, planned for completion in 2022.

The Board and management of Vow continue to closely monitor the impact from Covid-19 on the company's main markets and industries, in order to safeguard employees, keep operations running, and maintain a solid financial position.

To support a sustainable growth strategy the board will propose to the annual general meeting not to pay dividends based on the 2020 financial results.

Lysaker, Norway, 30 March 2021
The board of directors and CEO – Vow ASA

Narve Reiten *Chairman*	**Bård Brath Ingerø** *Director*	**Hanne Refsholt** *Director*	**Susanne L. R. Schneider** *Director*	**Henrik Badin** *CEO*

CORPORATE GOVERNANCE

Vow aims to maintain a high standard of corporate governance. Good corporate governance strengthens the confidence in the company and contributes to long-term value creation by regulating the division of roles and responsibilities between shareholders, the board of directors and executive management more comprehensively than is required by legislation.

Corporate governance in Vow is based on the following main principles:

- All shareholders shall be treated equally
- Vow shall maintain an open, relevant and reliable communication with its stakeholders, including its shareholders, governmental bodies and the public about the company's activities
- Vow's board of directors shall be autonomous and independent of the company's management
- The company emphasises independence and integrity in all matters between the company and members of the board, management and shareholders
- Vow shall have a clear division of roles and responsibilities between shareholders, the board and management

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Compliance, objective and regulations

The board of directors (the board) of Vow ASA (the company) has the overall responsibility for ensuring that the company has sound corporate governance. The board has prepared a corporate governance policy document addressing the framework of guidelines and principles regulating the interaction between the shareholders, the board and the Chief Executive Officer (the CEO). The policy is based on the Norwegian Code of Practice (the code) for Corporate Governance issued by the Norwegian Corporate Governance Board. The objective of the code is that companies listed on regulated markets in Norway will practice corporate governance that regulates the division of roles between shareholders, the board of directors and executive management more comprehensively than is required by legislation.

The corporate governance policy in Vow shall establish a basis for good corporate governance, profitability and long-

term value creation for the shareholders of the company. The manner in which the company is managed is vital to the development of the company's value over time.

The policy contains measures that are, and will be, implemented to ensure effective management and control over the company's activities. The primary objective is to have systems for communication, monitoring and allocation of responsibility, as well as appropriate incentives, which contribute to increasing the company's financial results, long-term success and returns to shareholders on their investments in the company. The company aims to have good control and governance procedures to ensure equal treatment of all shareholders, thereby providing a foundation for trust.

The development of, and improvements in, this policy is an on-going and important process that the board will focus on. The board and executive management perform an annual assessment of its principles for corporate governance.

Vow is a Norwegian public limited company. The company is listed on Oslo Børs (Oslo stock exchange) and is subject to Norwegian laws, including the section 3-3b of the Norwegian Accounting Act, which requires the company to disclose certain corporate governance related information annually. In addition, Oslo Børs' continuing obligations requires listed companies to publish an annual statement of its principles and practices with respect to corporate governance, covering every section of the latest version of the code. The continuing obligations also sets out an overview of information required to be included in the statement. The Norwegian Accounting Act is available at www.lovdata.no (in Norwegian), while the continuing obligations is available at https://www.euronext.com/en/markets/oslo.

Vow complies with the current code of practice, latest revised on 17 October 2018. The code is available at www.nues.no. Application of the code is based on the 'comply or explain' principle, which means that the company must provide an explanation if it has chosen an alternative approach to specific recommendations.

Vow provides an annual statement of its adherence to corporate governance in its annual report, and this information is also available from www.vowasa.com. This statement describes how Vow has conducted itself with respect to the code in 2020. The statement was approved by the board of Vow on 30 March 2021.

2. BUSINESS ACTIVITY

Vow develops and delivers world leading technology and solutions that bring an end to waste and that are required in a truly sustainable circular economy. Vow solutions purify wastewater and convert biomass and waste into valuable resources, generating CO_2 neutral energy and biocarbon that decarbonise industrial processes for customers in cruise, aquaculture and a wide range of landbased industries and utilities.

Located in Oslo, Norway, the parent company Vow ASA is listed on the Oslo Stock Exchange (symbol: Vow), with employees in Norway, France, Poland and the US.

The company's business is set out in article 8 of the company's articles of association:

"The objective of the company is production, delivery and maintenance of systems for processing and purifying wastewater, food waste, solid waste and bio sludge and other types of waste from vessels and offshore installations, including interests in other companies with similar business."

The board of Vow has defined clear objectives and strategies for the company's business activities, to secure long-term value creation for the shareholders of the company. The board normally has two scheduled meetings per year that deal with the company's strategy, where objectives and risk profiles are evaluated.

Purpose and values

- **Purpose:** We have a profound passion for climate change mitigation and the prevention of pollution
- **Mission:** We shall maximise environmental sustainability impact
- **Core values:** We shall be passionate, proactive, responsible, and innovative in our conduct

3. EQUITY AND DIVIDENDS

The board and the management of Vow shall at all times aim at keeping the company's capital structure suitable for the company's objectives, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The board shall immediately take adequate steps should it be apparent at any time that the company's equity or liquidity is less than adequate.

Equity

Vow's equity totalled NOK 321 million at 31 December 2020, which corresponds to an equity ratio of 45 per cent. The board considers Vow's capital structure to be appropriate to the company's objectives, strategy and risk profile.

Dividends

The board of Vow has established a dividend policy stating that the company's goal is to provide shareholders with a high return over time through a combination of increasing value of the company's shares and payment of dividends.

The board will not propose any payment of dividend if the company's financial position is not sufficiently solid. The background for any proposal to authorise the board to resolve distribution of dividends should be explained.

Vow had solid financial results for 2020. However, to support a sustainable growth strategy, the board will not propose to the annual general meeting (AGM) to pay any dividend in 2021.

Board authorisations

Authorisations granted to the board to increase the company's share capital shall be restricted to defined purposes. If the general meeting is to consider authorisations to the board for the issue of shares for different purposes, the general meeting shall consider each authorisation separately. Authorisations granted to the board shall be limited in time to no longer than until the next annual general meeting (AGM). Authorisations granted to the board to purchase of the company's own shares shall be valid until the next AGM.

At the company's AGM on 23 May 2020, the board was granted a total of three authorisations, all valid until the earlier of the AGM in 2021 and 30 June 2021.

The board was granted an authorisation to acquire the company's own shares with a total nominal value by up to NOK 1 065 635.66. Acquired shares can only be as part of incentive arrangements or as consideration in or as to finance acquisitions.

The second authorisation allowed the board to increase the company's share capital by up to NOK 213 128. The authorisation may be used to finance the company's incentive programmes.

In addition, the board was granted an authorisation to increase the company's share capital by up to NOK 1 065 635.66 for the purpose of strengthening the company's equity/liquidity.

It follows from the purpose of the authorisations that the board may need to waive existing shareholders' preference rights, which is permitted under the terms of the authorisations concerned.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

Any decision to deviate from the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital shall be justified.

Where the board resolves to carry out an increase in share capital and deviate from the pre-emption rights of existing shareholders on the basis of an authorisation granted to the board, the justification shall be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital. If such transactions will occur, they will be carried out at market prices.

In the event of material transactions between the company and its shareholders, a shareholder's parent company, members of the board, executive personnel or close associates of any such parties, the board shall arrange for a valuation to be obtained from an independent third party. This will not apply if the transaction requires the approval of the general meeting pursuant to the requirements of the Norwegian Public Limited Liability Companies Act (the Companies Act). Independent valuations shall also be arranged in respect of transactions between companies in the same group where any of the companies involved have minority shareholders. Members of the board and executive personnel must notify the board if they have any significant, direct or indirect, interest in a transaction carried out by the company.

Any transactions with related parties will be conducted on market terms. Transactions with related parties will be enclosed in the notes to the financial statements.

5. SHARES AND NEGOTIABILITY

Vow has one class of shares and all shares carry equal rights. Each share has a face value of NOK 0.10 and carries one vote at the general meetings.

The company emphasise equal treatment of its shareholders and the shares are freely negotiable. No restriction on negotiability is included in the articles of association.

6. GENERAL MEETINGS

The general meeting is the company's ultimate decision-making body. The board shall facilitate for the general meeting to be an effective forum for communication between the board and the shareholders. The chairman of the board, the CEO and the company's auditor shall be present at the AGM.

Pursuant to article 8 of the company's articles of associations, documents relating to matters to be considered at the general meeting, including documents which shall, according to law, be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if the documents are made available on the company's website. A shareholder may request to receive the documents concerning matters which are to be discussed at the general meeting.

The notice calling the AGM and any extraordinary general meetings, and all supporting documentation shall be made available on the company's website, www.vowasa.com. Notice and supporting documentation shall include the information necessary for shareholders to form a view of matters to be considered.

Each general meeting appoints a chairperson for the meeting. If significant and unusual topics is on the agenda an independent chairperson will be appointed.

The general meetings are open for all shareholders, and all shareholders not in attendance can give proxy to vote on his/her behalf. Forms of proxy are sent to the shareholders together with the notice of the meeting. The proceeding in the meeting follows the agenda outlined in the notice. Shareholders can raise a topic at the general meeting but must notify the board of this in writing and in reasonable time before the notice of the general meeting is dispatched. The general meeting cannot decide for a higher dividend than the board has proposed.

The AGM shall approve the company's annual accounts and annual report, including any proposed distribution of dividends. The AGM should also deal with the board's declaration regarding compensation to executive personnel and any other issues as required by law.

The AGM is held each year no later than six months after the closing of the preceding financial year.

7. NOMINATION COMMITTEE

Pursuant to article six of the company's article of association, the company shall have a nomination committee consisting of two or three members, according to the decision of the general meeting. The members of the committee, including the chairman, shall be elected by the general meeting. Unless otherwise resolved by the general meeting, the elections shall be held every two years.

The nomination committee makes proposals to the general meeting for the election and remuneration of board members and proposes members to the nomination committee. The nomination committee shall justify its recommendations.

Remuneration of the members of the nomination committee shall be proposed by the board and resolved by the general meeting. The general meeting may establish guidelines for the nomination committee. The company shall provide information about the members of the nomination committee and any deadlines for submitting proposals to the committee.

The nomination committee shall have contact with shareholders, the board and the company's executive personnel as part of its work on proposing candidates for election to the board.

The AGM held on 23 May 2020 elected Bård Brath Ingerø as the leader of the nomination committee and Lars Martin Lunde as member of the committee. Mr Ingerø is also a board member of Vow and represents the company's major shareholder.

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The composition of the board shall ensure that the board can attend to the common interests of all shareholders and meet Vow's need for expertise, capacity and diversity. Attention shall be paid to ensuring that the board can function effectively as a collegiate body.

The composition of the board shall ensure that it can act independently of any special interests. The majority of the shareholder elected members of the board shall be independent of the company's executive personnel and material business connections. In addition, at least two of the members of the board must be independent of the company's major shareholder(s). For the purposes of this corporate governance policy, a major shareholder shall mean a shareholder that controls ten per cent or more of the company's shares or votes, and independence shall entail that there are no circumstances or relations that may be expected to be able to influence independent assessments of the person in question.

According to article 5 of Vow's article of association, the company's board shall consist of three to seven members, according to the decision of the general meeting.

The board members are elected by the general meeting for a term of two years unless otherwise determined by the general meeting. The AGM held on 23 May 2020 re-elected Narve Reiten as chairman of the board, as well as Susanne Schneider, Benedicte Bakke Agerup and Bård Brath Ingerø as board members. The constitution of the board reflects a strong background that balances specific industry experience with a combination of financial background, management experience and industrial experience. In December 2020, Hanne Refsholt replaced Benedicte Bakke Agerup as board member.

All board members are deemed to be independent of the company's executive personnel and material business connections and two of the four members of the board are independent of major shareholders. Mr Reiten and Mr Ingerø represent the company's largest shareholder.

9. THE WORK OF THE BOARD

The board's tasks include the overall management and supervision of the company. The board prepares an annual plan for its work, emphasising goals, strategies and execution. The board is also responsible for ensuring that the operation of the company is compliant with the company's values and ethical guidelines. The chairperson of the board is responsible for ensuring that the board's work is performed in an effective and correct manner.

The board shall ensure that the company has proper management with clear internal distribution of responsibilities and duties. A clear division of work has been established between the board and the executive personnel. The CEO is responsible for the executive management of the company.

The board normally schedules six regular meetings each year, but typically holds additional meetings as circumstances dictate. Two of the scheduled board meetings deal with strategic company issues and all the scheduled meetings deal with updates on financial results. The board operates according to applicable Norwegian law and adopts guidelines for the CEO's work and duties to the board.

The board shall provide details in the annual report of any board committees appointed. The board has appointed an audit committee, consisting of Narve Reiten as chair of the committee and Hanne Refsholt as committee member.

Vow and global energy company Repsol have partnered to explore multiple applications and solutions to produce clean and renewable energy for CO_2 emission reduction.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The board shall ensure that Vow has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. The board monitors the company's risk exposure and the company constantly strives to maintain and improve its internal control processes. The internal control and the systems shall also encompass the company's corporate values and ethical guidelines.

The objective of the risk management and internal control is to manage exposure to risks in order to ensure successful conduct of the company's business and to support the quality of its financial reporting.

On the finance and accounting side the company's internal control is also subject to an independent review by the external auditor EY, where the findings are presented annually in a board meeting. The board will carry out reviews of the company's most important areas of exposure to risk and its internal control arrangements.

11. BOARD REMUNERATION

The remuneration payable to the members of the board is proposed by the nomination committee and determined by the shareholders at the AGM. The remuneration to the board should be designed to attract and retain an optimal board structure in a competitive environment. The remuneration of the board shall not be linked to the company's performance. The company shall not grant share options to members of the board. Details of the remuneration are disclosed in the notes to the financial statements.

Members of the board and/or companies with whom the members are associated shall not take on specific assignments for the company in addition to their appointments as members of the board. If they, nonetheless, do take on such assignments this must be reported to the board and the remuneration for such additional duties must be approved by the board.

Any remuneration in addition to normal fees to the members of the board shall be specifically identified in the annual report.

12. REMUNERATION OF EXECUTIVE PERSONNEL

Pursuant to section 6-16a of the Companies Act, the board prepares an annual statement relating to the determination of salaries and other benefits payable to senior executives. This statement will, in line with the said statutory provision, be laid before the company's AGM each year.

The board shall determine the salary and other benefits payable to the CEO. The salary and benefits payable to other senior executives are determined by the CEO in accordance with the guidelines laid down in the statement. The CEO will normally propose the remuneration to senior executives in consultation with the board.

It is critical for Vow to attract and retain engaged executives with significant experience and strong drive for results. A competitive compensation package is an important tool to attract and retain the executive personnel that Vow needs to succeed.

The board's statement is included in the annual report and further details relating to the salary and benefits payable to the CEO and other senior executives are available in the notes to the financial statements.

The AGM held on 23 May 2019 approved a share option programme for the company's senior management and key personnel. This share option programme has a three-year vesting period.

13. INFORMATION AND COMMUNICATION

Investor relations

Communication with shareholders, investors and analysts has high priority for Vow. The objective is to ensure that the financial markets and shareholders receive correct and timely information, thus providing a sound foundation for a valuation of the company. All market players shall have access to the same information, and all information is published in English. All notices sent to the stock exchange are made available on the company's website and at Oslo Børs' news site, www.newsweb.no.

The board shall establish guidelines for the company's reporting of financial and other information, based on openness and equal treatment. The company submits half-yearly and annual financial reports to the Oslo Børs, and holds presentations of its financial results at least twice per year. These presentations are open to all and provide an overview of the company's operational and financial performance in the previous reporting period, as well as an update on the company's future prospects. The presentations are also made available on the company's website, www.vowasa.com.

14. TAKE-OVERS

The board has established guiding principles for how it will act in the event of a take-over bid received. During the course of a take-over process, the board and the management of both the party making the offer and the target company are held responsible to ensure that the shareholders in the target company are treated equally, the target company's business activities are not disrupted unnecessarily and that shareholders are given sufficient information and time to form a view of the offer.

The board shall not attempt to prevent or impede the take-over bid unless this has been decided by the general meeting in accordance with applicable laws. The main underlying principles shall be that the company's shares shall be kept freely transferable and that the company shall not establish any mechanisms which can prevent or deter take-over offers unless this has been decided by the general meeting in accordance with applicable law.

If an offer is made for the company's shares, the board shall issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the board finds itself unable to give a recommendation to the shareholders on whether or not to accept the offer, it should explain the reasons for this. The board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case, it shall explain the reasons why specific members of the board have excluded themselves from the statement.

The board shall consider whether to arrange a valuation from an independent expert. If any member of the board, or close associates of such member, or anyone who has recently held a position but has ceased to hold such a position as a member of the board, is either the bidder or has a particular personal interest in the bid, the board shall arrange an independent valuation. This shall also apply if the bidder is a major shareholder (as defined as shareholder that controls ten per cent or more of the company's shares or votes). Any such valuation should either be enclosed with the board's statement or reproduced or referred to in the statement.

15. AUDITOR

The auditor is appointed by the AGM and is independent of Vow ASA. Each year the board shall receive written confirmation from the auditor that the requirements with respect to independence and objectivity have been met.

Each year, the auditor shall draw up a plan for the execution of their auditing activities, and the plan shall be made known to the board and the audit committee. The auditor will present to the board any significant internal control weaknesses and improvement opportunities.

The board has determined the procedures for the external auditor's regular reporting to the board. The auditor attends at least one meeting each year with the board which the company's management is not represented.

Vow has established guidelines for the right of the management to use the external auditor for services other than auditing. According to the procedure, all assignments shall be approved by the CEO, and if there are significant assessments outside the normal scope of services, this shall also be discussed with the chairman of the board. The board shall receive an annual statement from the external auditor of services other than auditing provided to Vow. The auditor's fee is determined at the AGM and disclosed in the company's financial statements.

The auditor shall be present at board meetings where the annual accounts are on the agenda. Whenever necessary, the board shall meet with the auditor to review the auditor's view on the company's accounting principles, risk areas, internal control routines, etc.

At the AGM the board shall present a review of the auditor's compensation as paid for auditory work required by law and remuneration associated with other specific assignments. The board shall arrange for the auditor to attend all general meetings.

SUSTAINABILITY – OUR SUSTAINABLE PURPOSE

In Vow, and our subsidiaries Scanship, ETIA and Vow Industries, we are passionate about preventing pollution, which directly connects to our purpose of mitigating climate change. From the start, sustainability has been an integral part of our business activities. Vow develops and delivers world leading technology and solutions which bring an end to waste and decarbonise industry.

Our solutions purify wastewater and convert biomass and waste into valuable resources, generating CO_2 neutral energy and biocarbon that decarbonise industrial processes for customers in cruise, aquaculture and a wide range of landbased industries and utilities. These solutions emerge from our mission to maximise environmental sustainability impact, creating long-term value for our shareholders, environment, and society.

In our daily work to pursue our purpose and deliver on our mission, we are directed by a set of core values:

- We are passionate about preventing pollution, giving waste value, and mitigating climate change.
- We have a proactive approach and are responsible in what we do.
- We strive to always be innovative and deliver the best solution.

As the world is moving towards a green transition in accordance with the Paris Agreement aiming to reach net-zero emissions by 2050, we believe our solutions will be a valuable contribution. This green transition is a great opportunity for Vow, and it is reasonable to assume that we will experience an increase in demand for sustainable technology and solutions as companies focus more on climate change adaptation and mitigation. Consequently, we see a great potential for profitable growth for all our business activities in our key markets. Key markets for waste valorisation, prevention of pollution and decarbonisation include cruise, biogas, metallurgical, minerals, plastic to energy, end-of-life tires, power to heat, waste management, agricultural, aquaculture and food processing.

EU TAXONOMY

Vow is actively preparing to apply the EU Taxonomy framework to our operations. This is part of our ambition to become even more sustainable and demonstrate the relevance of our technology and solutions to investors and industry customers who are racing to reduce use of fossil fuels, decarbonise their processes and find ways to become net-zero. This includes developing

methodologies to define our environmental performance within the Taxonomy criteria relevant for our own industry. Specifically, this will describe the proportion of Vow's turnover, capital expenditure and operating expenditure associated with Taxonomy-defined sustainable economic activities. At the time of writing this report, the EU Taxonomy has only published the technical screening criteria for economic activities that can make a substantial contribution to climate change mitigation or adaptation. We can already today see that Vow is aligned with the criteria for climate change mitigation. Even though these first two environmental objectives are highly important, we are eagerly awaiting the technical screening criteria for economic activities that can make a substantiation contribution to the transition to a circular economy, as well as pollution and prevention control. These two activities coupled with climate change mitigation we assume to be most aligned with our business purpose and mission at this point and in the future.

We are already committed to comply with the minimum safeguards; OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the International Bill of Human Rights. In our full sustainability report, which is planned to be launched in June 2021, we will elaborate on our work linked to preparations for alignment on the EU Taxonomy.

UN GLOBAL COMPACT

In 2020, Vow joined the UN Global Compact. This demonstrates our commitment to accelerate the integration of the UN Sustainable Development Goals (SDGs) into the business and to make the UN Global Compact and its ten principles an integral part of Vow's strategy, culture and day-to-day operations. By participating in the UN Global Compact, Vow has committed to submitting a Communication of Progress (CoP) annually describing the company's efforts to implement the ten principles in the areas of human rights, labour, environment and anti-corruption.

WE SUPPORT

The ten principles:

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and

Vow entered into a sponsorship agreement with Norwegian sailors Helene Næss and Marie Rønningen in March 2021. We are looking forward to seeing them sail the FX class in the 2021 Tokyo Olympics.

- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

UN SUSTAINABLE DEVELOPMENT GOALS

Guiding us in our work, the United Nations' Sustainable Development Goals (SDGs) are a key part of our strategy development. Each goal has a separate list of targets, and by achieving all 169 targets, the 17 SDGs will be met. The SDGs are a global call of action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. In Vow we are working to meet several of these goals, with special emphasis on five of the SDGs.

SDG 7:

Affordable and clean energy

With our waste to energy carbon capture technology we create clean energy from waste for immediate use on board cruise ships and in various landbased industries. With this, we are advancing SDG 7.

SDG 9:

Industry, innovation and infrastructure

With our innovations within wastewater purification and waste to energy we help improving the sustainability of sea traffic and landbased industries. With these technologies, we are advancing SDG 9.

SDG 12:

Responsible production and consumption

With our technologies and solutions for wastewater purification and waste valorisation that bring an end to waste, we are promoting sustainable production and consumption, and thus advancing SDG 12.

SDG 13:

Climate action

With our waste to energy carbon capture technology that will reduce the use of fossil fuels and lower CO_2 emissions, we are advancing SDG 13.

SDG 14:

Life below water

With our technologies for wastewater purification, food waste and garbage handling onboard cruise ships along with our solutions for the aquaculture industry, we are advancing SDG 14.

SOCIAL RESPONSIBILITY

Paramount for sustainable value creation is a strong focus on ESG in terms of management and strategic development. Even though there is a strong emphasis on the environmental aspect of ESG today, we recognise the importance of both the social aspect and the governance aspect. In Vow, we define corporate responsibility as achieving commercial profitability in a way which is consistent with fundamental ethical values and with respect for individuals, the environment and society.

According to these guidelines, Vow will respect human and labour rights, establish good environmental, health and safety (EHS) standards, facilitate good dialogue with stakeholders and generally operate in accordance with applicable regulatory frameworks and good business practice. Our business depends on the trust of consumers, contractual parties, authorities, shareholders, employees and society at large. In order to gain trust, we depend upon professionalism, expertise and high ethical standards in all aspects of our work.

Strong corporate culture

Vow strives to promote an open corporate culture that fosters interaction and reflects Vow's core values. In promoting Vow's principles for good business operations, we shall respect local values and norms, and achieve success by bridging the divide between different cultures and interests. Vow companies shall always comply with local regulatory requirements in the countries in which we operate. Responsible operations require vigilance and the exercise of good judgement on the part of management and employees.

Respect for human and labour rights

Vow companies shall promote corporate conduct that reflects respect and consideration for others. In its operations, the group 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). Vow is committed to respecting fundamental human and labour rights, both in our own internal business and in our relations with business partners, suppliers, customers and others who are directly affected by the group's activities. The group shall work systematically with important issues such as non-discrimination, the right to privacy, the right to negotiate, employment contracts, protection against harassment and management-employee collaboration.

Environment, health and safety (EHS)

Vow shall strive to achieve a vision of zero harm to people, the environment and society, and work purposefully and systematically to reduce the environmental impact. The group's products and services shall always be subject to strict requirements in terms of quality and safety.

Anti-corruption

Corruption is the abuse of a position of trust to acquire personal or business benefits. Vow does not tolerate corruption and expects that all managers and procurement officers promote a strong anti-corruption culture in their department. The companies shall make active efforts to prevent undesirable conduct and ensure that their employees are capable of dealing with demanding situations.

Responsible sourcing

Vow shall actively promote good work and standards in our supply chains. This means setting ethical standards for our suppliers, assessing the risk of potential supplier violations of these standards, and engaging in dialogue with risk suppliers concerning necessary improvements. Efforts to influence suppliers should be based on an ambition of continuous improvement and should focus on the suppliers and product categories where the risk is deemed greatest. This links to our focus on SDG 12 Sustainable production and consumption.

Responsible marketing practices

Vow gains business and builds long-term customer relationships by providing the best technical solutions at competitive prices as well as by demonstrating honesty and integrity in all our interactions. Our marketing and advertising materials and other representations we make to current or prospective customers must be accurate, truthful and in compliance with applicable laws.

Vow does not tolerate any agreement on price fixing, market sharing or other activities that limit free competition. Vow attaches great importance to product safety, good customer service and responsible marketing, and is committed to exercising due diligence with regard to consumer interests.

Compliance with legislation and regulation

Vow is subject to Norwegian and international legislation and regulations. Some Norwegian legislation also applies outside the country's border, e.g. the provisions of the penal code that refer to corruption.

The group's employees, representatives and anyone who acts on behalf of the group must comply with all legislation and regulations that apply, directly or indirectly, to the work performed for the group.

Money laundering

Money laundering is the process of creating the appearance that assets obtained from criminal activity, originate from a legitimate source. Vow shall avoid any involvement with assets resulting from criminal activity.

Whistleblowing

Notification or whistleblowing is to pass information about a censurable or possible censurable incident to someone who is in a position to initiate corrective measures. A censurable incident is an illegal, dangerous or any other act in breach of the group's regulations. Anyone who becomes aware of an incident or situation that appears to contravene rules and guidelines that apply to the group's operations is encouraged to report this.

Every employee has the right to report possible censurable incidents. Each employee is encouraged to report on possible censurable incidents but is not normally obliged to do so. However, every employee has an obligation to report on criminal activity and on incidents that could endanger life or health, or the assets of the group.

Notification is beneficiary for each employee, for the group and the society as a whole because it offers an opportunity to implement corrective action. A colleague willing to make a report is an important resource to the group.

SUSTAINABILITY GOVERNANCE

As we are experiencing rapid growth and increasing demand for our solutions and innovations, we are placing an even greater focus on sustainability in our corporate governance. The management and board are actively engaged in developing a sustainability strategy, incorporating relevant risks and opportunities linked to climate change. We recognise the need to further enhance and highlight the integral sustainability within Vow, and therefore we have initiated a process to create a clear and systematic sustainability report. Early this year we put together an internal group to lead the work on our upcoming sustainability report. This group will work on ESG topics such as materiality, climate risk, and highlight the work done and goals set for both environmental, social and governance topics. By introducing a reporting method inspired by the GRI Sustainable Reporting standards, we aim to give all our stakeholders a clear and systematic overview of our work on sustainability. With the launch of our first designated sustainability report in June 2021, we will elaborate more in detail on our sustainability focus across the ESG dimensions.

EXTERNAL RESOURCES AND REFERENCES

International Labour Organization:
www.ilo.org
UN Convention on Human Rights:
www.un.org
UN Global Compact:
https://www.unglobalcompact.org/what-is-gc/mission/principles

FINANCIAL STATEMENTS
VOW GROUP

FINANCIAL STATEMENTS

VOW ASA

CONSOLIDATED STATEMENT OF INCOME

(Amounts in NOK million)	*Note*	**2020**	2019
Revenues	*4*	**459.8**	380.8
Total operating revenues		**459.8**	380.8
Cost of goods sold	*4, 16*	**(295.6)**	(259.3)
Employee expenses	*5*	**(80.2)**	(47.8)
Other operating expenses	*6*	**(37.3)**	(27.8)
EBITDA before non-recurring items		**46.6**	45.8
Transaction and integration cost	*6*	**(8.2)**	(19.2)
EBITDA		**38.4**	26.6
Depreciation	*18, 23*	**(9.7)**	(7.3)
Amortisation	*19*	**(11.3)**	(3.6)
Impairment	*19*	**(0.9)**	-
Operating profit (EBIT)		**16.6**	15.7
Sum financial items	*20, 22*	**(13.5)**	(2.7)
Fair value adjustments conversion rights	*13, 20*	**25.0**	(20.3)
Net financial items		**11.5**	(23.0)
Result before tax		**28.1**	(7.3)
Income tax expenses	*17*	**(0.2)**	(6.2)
Result for the year		**27.9**	(13.5)
Attributable to:			
Owners of the parent		**27.9**	(13.5)
Earnings per share (NOK 1 000 per share)			
- Basic	*15*	**0.26**	(0.14)
- Diluted	*15*	**0.26**	(0.14)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(Amounts in NOK million)	*Note*	**2020**	2019
Result for the year		**27.9**	(13.5)
Other comprehensive income			
Exchange differences on translation of foreign operations		**7.2**	(3.7)
Total other comprehensive income, net of tax		**35.1**	(17.2)
Total comprehensive income for the year		**35.1**	(17.2)
		-	-
Attributable to:			
Owners of the parent		**35.1**	(17.2)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK million)	*Note*	**31 Dec 2020**	31 Dec 2019
ASSETS			
Non-current assets			
Deferred tax asset	*17*	**7.2**	-
Property, plant and equipment	*18*	**19.2**	20.5
Intangible assets	*19*	**158.8**	100.5
Goodwill	*19*	**144.5**	136.1
Right-of-use assets	*23*	**17.9**	21.2
Long term receivables		**0.5**	-
Total non-current assets		**348.1**	278.2
Current assets			
Inventories	*7*	**10.0**	9.3
Trade receivables	*8, 12*	**148.5**	135.6
Contracts in progress	*4*	**122.5**	60.8
Other receivables	*9*	**53.9**	32.6
Cash and cash equivalents	*10*	**26.6**	85.5
Total current assets		**361.5**	323.8
Total assets		**709.7**	602.1
EQUITY AND LIABILITIES			
Equity			
Share capital	*5, 11*	**11.0**	10.7
Share premium	*5, 11*	**292.1**	240.7
Other capital reserves	*5*	**3.7**	1.0
Translation differences		**5.2**	(2.0)
Retained earnings		**8.0**	(19.7)
Equity attributable to owners of the parent		**320.0**	230.7
Attributable to:			
Non-controlling interest	*16*	**0.9**	1.0
Owners of the parent	*16*	**320.0**	230.7
Total equity		**320.8**	231.7
Liabilities			
Non-current liabilities			
Deferred tax liability	*17*	**32.3**	25.7
Long term borrowings	*12*	**110.7**	92.7
Non-current lease liabilities	*23*	**14.1**	14.9
Total non-current liabilities		**157.1**	133.3
Current liabilities			
Current borrowings	*12*	**21.6**	16.5
Trade creditors		**108.1**	69.2
Convertible loan	*13*	**-**	65.0
Contract accruals	*4*	**55.6**	36.8
Unrealised change fair value FX derivatives	*20, 21, 22*	**1.9**	(0.1)
Income tax payable	*17*	**(0.0)**	1.7
Bank overdraft / trade finance overdraft	*12*	**14.8**	20.6
Current lease liabilities	*23*	**3.7**	6.6
Other current liabilities	*14*	**25.9**	20.7
Total current liabilities		**231.7**	237.0
Total liabilities		**388.8**	370.4
TOTAL EQUITY AND LIABILITIES		**709.7**	602.1

Lysaker, Norway, 30 March 2021

The board of directors and CEO – Vow ASA

Narve Reiten
Chairman

Bård Brath Ingerø
Director

Hanne Refsholt
Director

Susanne L. R. Schneider
Director

Henrik Badin
CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity statement 31 December 2020 *(Amounts in NOK million)*	Share capital	Share premium	Other capital reserves	Trans-lation dif-ferences	Retained earnings	**Total**
Equity at 1 January 2020	10.7	240.7	1.0	(2.0)	(19.1)	**231.7**
Result for the year	-	-	-	-	27.9	**27.9**
Other comprehensive income	-	-	-	7.2	-	**7.2**
Total comprehensive income	-	-	-	7.2	27.9	**35.1**
Share capital increase	0.2	44.9	-	-	-	**45.2**
Share capital increase	-	6.4	-	-	-	**6.4**
Stock options	-	-	2.7	-	-	**2.7**
Dividends paid	-	-	-	-	-	**-**
Equity at 31 December 2020	11.0	292.0	3.7	5.2	8.8	**320.8**
Attributable to non-controlling interest	-	-	-	-	-	**0.9**
Attributable to owners of the parent	-	-	-	-	-	**320.0**
Total	-	-	-	-	-	**320.8**

Equity statement 31 December 2019 *(Amounts in NOK million)*	Share capital	Share premium	Other capital reserves	Trans-lation dif-ferences	Retained earnings	**Total**
Equity at 1 January 2019	9.6	77.9	0.3	1.7	4.0	**93.5**
Result for the year	-	-	-	-	(13.5)	**(13.5)**
Other comprehensive income	-	-	-	0.1	-	**0.1**
Total comprehensive income	-	-	-	0.1	(13.5)	**(13.4)**
Share capital increase - stock option exercise, March 2019	0.1	1.7	-	-	-	**1.8**
Share capital increase - business combination, Oct 2019	0.4	61	-	-	-	**61.4**
Share capital increase - private placement, Nov 2019	0.7	106.6	-	-	-	**107.3**
Transaction cost, share capital increase private placement Nov 2019	-	(6.4)	-	-		**(6.4)**
Business combination	-	-	-	(3.8)	-	**(3.8)**
Stock options	-	-	0.7	-	-	**0.7**
Dividends paid	-	-	-	-	(9.6)	**(9.6)**
Equity at 31 December 2019	10.7	240.7	1.0	(2.0)	(19.1)	**231.7**
Attributable to non-controlling interest	-	-	-	-	-	**1.0**
Attributable to owners of the parent	-	-	-	-	-	**230.7**
Total	-	-	-	-	-	**231.7**

CONSOLIDATED STATEMENT OF CASH FLOW

(Amounts in NOK million)	*Note*	**2020**	2019
Cash flow from operating activities			
Result before income tax		**28.1**	(7.3)
Adjustments:			
Fair value adjustments conversion rights		**(25.0)**	20.3
Stock option	*5*	**2.7**	1.0
Income tax paid	*17*	**(1.2)**	(1.0)
Changes in work in progress	*4*	**(42.8)**	12.7
Depreciation, amortisation and impairment	*18, 19*	**21.8**	10.9
Changes in fair value FX derivatives	*21, 22*	**1.9**	(3.4)
Changes in inventories, trade receivables and trade creditors	*7, 8, 9*	**25.3**	(50.6)
Interest paid to trade creditors		**(0.1)**	(0.1)
Changes in other accruals	*9, 14*	**(16.1)**	0.7
Net cash flow from operating activities		**(5.4)**	(16.9)
Cash flow from investing activities			
Investment/sale of subsidaries		**-**	(72.6)
Purchase of property, plant and equipment	*18*	**(3.2)**	(4.6)
Investment in intangible assets	*3, 19*	**(61.5)**	(18.2)
Net cash flow from investing activities		**(64.7)**	(95.4)
Cash flow from financing activities			
Proceeds from issuing stock	*3, 5, 11*	**6.4**	102.5
Proceeds from non-current borrowings	*12*	**23.2**	75.5
Proceeds from current borrowings	*12*	**5.1**	10.1
Leasing obligations	*23*	**(3.6)**	(4.7)
Bank overdraft/Trade Finance facility	*12*	**(5.8)**	19.5
Interest paid		**(8.9)**	(0.9)
Repayment of loans	*12*	**(5.3)**	(0.1)
Dividends paid	*11*	**-**	(9.6)
Net cash flow from financing activities		**11.1**	190.8
Net change in cash and cash equivalents		**(58.9)**	78.4
Effect of exchange rate changes on cash and cash equivalents		**-**	0.1
Cash and cash equivalents at start of period		**85.5**	7.0
Cash and cash equivalents at end of period		**26.6**	85.5
Non-restricted cash		**24.0**	83.1
Restricted cash		**2.6**	2.4
Cash and cash equivalents at end of period	*10*	**26.6**	85.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 01 GENERAL INFORMATION

Vow ASA, which is the parent company of the Vow group (the group), is a limited liability company incorporated and domiciled in Norway, with its head office at Lysaker Torg 12, NO-1366 Lysaker.

The group delivers advanced technologies for processing waste and purifying wastewater in cruise, aquaculture and landbased industries. Owners operating the group´s systems have the solution to convert all waste and wastewater into clean energy and purified water which meets the highest international discharge standards. The acquisition of ETIA has broaden the group's technology portfolio and products for landbased industries. This includes patented solutions for pyrolysis process for converting biomass, plastics and waste into energy and useful products. Valuable residuals and nutrients from the processes can be recovered for reuse. The group provides life cycle services in terms of parts, consumables, and operational assistance to the installed base worldwide.

The financial statements were approved by the company's board on 30 March 2021.

NOTE 02 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 Basis for preparation
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with the additional requirements following the Norwegian Accounting Act.

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and debt with conversion rights (embedded derivative) in relation to the acquisition of ETIA S.A.S, that have been measured at fair value.

2.2 Basis of consolidation
Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet, respectively.

If the group loses control over a subsidiary it derecognises the assets, liabilities and non-controlling interest, and reclassify to profit or loss, or transfers directly to retained earnings as appropriate, the amounts recognised in other comprehensive income in relation to the subsidiary.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests, and any consideration paid or received, is recognised in a separate reserve within equity attributable to owners.

2.3 Business combination
The acquisition method of accounting is used to account for business combinations.
The consideration comprises: fair value of the assets transferred, liabilities incurred to the former owners of acquired business, equity interests issued by the group, fair value of any assets or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests proportionate share of the acquired entity's net identifiable assets.

Acquisition related costs are expensed as incurred.

The excess of the sum of consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets required, is recorded as goodwill. If, after reassessment, the group's interest in the net fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities exceeds the total consideration of the business combination, the excess is reccognised in the income statement immediately.

Where settlement of any part of cash consideration is deferred, the future amounts payable are discounted to their present value as the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, which changes in fair value recognised in profit or loss.

2.4 Foreign currency

Functional currency, presentation currency and consolidation:
The group's presentation currency is Norwegian kroner (NOK). This is also the Parent company's functional currency. For consolidation purposes, the balance sheet figures for subsidiaries with a different functional currency, are translated into the presentation currency (NOK) at the rate applicable at the balance sheet date and their income statements are translated at the exchange rate prevailing at the date of transaction. As an approximation, average exchange rates for each quarter are applied in translating the income statements. If the exchange rates do not change much, an average rate for the year is used. A shorter period is used if the exchange rate fluctuates much. Exchange differences are recognised in other comprehensive income.

Transactions in foreign currency
Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Monetary balances in foreign currencies are translated into the functional currency at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised under financial items in the income statement.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment charges. Depreciations are calculated on a straight-line basis over the assets expected useful life and adjusted for any impairment charges. Expected useful lives of long-lived assets are reviewed annually and where they differ significantly from previous estimates, depreciation periods are changed accordingly. Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in operating profit.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. Assessment is made at least once a year. The difference between the assets` carrying amount and its recoverable amount is recognised in the income statement as impairment.

2.6 Intangible assets

Intangible assets acquired separately that have a finite useful life, are carried at cost less accumulated amortisation and any impairment charges. Amortisation is calculated on a straight-line basis over the assets` expected useful life and adjusted for any impairment charges.

Internally generated intangible assets
Expenditures on research activities, undertaken with the prospects of gaining new technical knowledge and understanding, are recognised in profit or loss as incurred.

The group is constantly working with activities to optimise our portfolio of systems and technology. Development projects involve a plan or design for the production of new or substantially improved products and processes. The cost related to the project will be capitalised if the criteria for capitalisation is met. If costs for development shall be capitalised, the group must demonstrate, amongst others, that the technical feasibility is available, that the group has the intention to complete the asset and its ability to sell it. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. The intangible assets are amortised from the time it is available for use.

At each year end, the group assess whether there is any indication that the asset may be impaired. If there is any indication of impairment, an impairment test is performed, and the assets or the cash generating unit's recoverable amount is calculated. When the recoverable amount is less than the carrying amount, an impairment loss is recognised in the income statement.

The company has in the period 2013 to 2019 received refundable tax credits ("Skattefunn"). This is recognised in the financial statement as a reduction of book value in the intangible assets and as a current receivable.

Goodwill
Goodwill does not generate cash flows independently of other assets or groups of assets and is allocated to the cash-generating units expected to benefit from the synergies of the combination that gave rise to the goodwill. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

An impairment is recognised if the recoverable amount (the higher of fair value, less cost to sell, and value in use) of the cash-generating unit is less than the carrying amount of the cash-generating unit

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current location. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.8 Trade receivables and other current receivables
Trade receivables and other current receivables are initially recognised at fair value plus any transaction costs. The receivables are subsequently measured at amortised cost using the effective interest method, if the amortisation effect is material, less provision for impairment. Other current receivables include prepayments and receivables from any related parties.

2.9 Cash and cash equivalents
Cash and the equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts and trade finance facilities are shown within borrowings in current liabilities in the balance sheet.

2.10 Trade creditors
Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, if the amortisation effect is material.

2.11 Taxes
Income tax expense for the period comprises current tax expense and deferred tax expense.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated on the basis of existing temporary differences between the carrying amounts of assets and liabilities in the financial statement and their tax basis, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realised or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that the deferred tax asset can be utilised. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

The companies included in the consolidated financial statement are subject to income tax in the countries where they are domiciled.

2.12 Revenue recognition
The accounting policies for the group´s revenue from contracts with customers are explained in note 5.

2.13 Derivative financial instruments
Derivative financial instruments are classified in category at fair value through profit or loss. These instruments are measured at fair value with changes in fair value charged to the income statement. The group does not apply hedge accounting. For more information see note 21, 22 and 23.

2.14 Pension plans
The group has a defined contribution plan for its employees. The group's payments are recognised in the income statement as employee benefits expense for the year to which the contribution applies.

2.15 Provisions
A provision is recognised when the group has a present legal or constructive obligation as a result of past events, it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as finance cost.

2.16 Share-based payments
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The company has a share-based option plan covering certain employees in senior positions. The method of settlement is at the discretion of the company, and which is described in more detail in note 6. The share option plan is recognised as equity settled share-based payments as the practice of the group is to settle in shares and not in cash.

2.17 Contingent liabilities
Contingent liabilities are not recognised in the financial statements. Significant contingent liabilities are disclosed, except for contingent liabilities where the probability of the liability occurring is remote.

2.18 Earnings per share
The calculation of basic earnings per share is based on the profit attributable to ordinary shares using the weighted average number of ordinary shares outstanding during the year after deduction of the average number of treasury shares held over the period.

The calculation of diluted earnings per share is consistent with the calculation of the basic earnings per share, but gives at the same time effect to all dilutive potential ordinary shares that were outstanding during the period, by adjusting the profit/loss and the weighted average number of shares outstanding for the effects of all dilutive potential shares, i.e.:

- The profit/loss for the period attributable to ordinary shares is adjusted for changes in profit/loss that would result from the conversion of the dilutive potential ordinary shares.
- The weighted average number of ordinary shares is increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary.

2.19 Reserves
Exchange differences relating to the translation of the net assets of the group's foreign operations from their functional currency to the group's presentation currency is recognised directly in other comprehensive income and presented as "translation differences" in the statement of financial position and statement of changes in equity.

2.20 Cost of equity transactions
Transaction costs directly attributable to an equity transaction are recognised directly in equity, net after deducting tax.

2.21 Cash flow statement
The cash flow statement is prepared by using the indirect method.

2.22 Leases
The group leases various offices, equipment and cars. Rental contracts are typically made for fixed periods of two to nine years, but may have extension options.
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The group determines the incremental borrowing rate based on the group's recent third-party financing in connection with the group's operations, together with an assessment of the nature of the asset.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Variable lease payments
Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations.

2.23 Events after the balance sheet date
The financial statements are adjusted to reflect events after the balance sheet date that provides evidence of conditions that existed at the date of the balance sheet (adjusting events). The financial statements are not adjusted to reflect events after the balance sheet date that are indicative of conditions that arose after the date of the balance sheet (non-adjusting events). Non-adjusting events are disclosed if significant.

2.24 Changes in accounting policy and disclosures
The group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business
The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the group, but may impact future periods should the group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the group.

Amendments to IAS 1 and IAS 8 Definition of Material
The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to

be any future impact to the group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions
On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic.

The amendments apply to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. These amendments had no impact on the consolidated financial statements of the group as it does not have any Covid-19 related rent concessions.

NOTE 03 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in accordance with IFRS requires management to make judgements, use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are considered reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

Estimates and assumptions which represent a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities are presented below.

Revenue recognition for contracts under the cost-to-cost method (IFRS 15)
Revenue is recognised based on estimated progress for each contract. Several estimates are made to calculate the stage of completion. These estimates have a direct influence over the amount of revenue that has been recognised. The uncertainty is highest to these factors:

Project – sales:
- Total estimated costs
- Percentage of completion estimates

Projects are reviewed periodically to reduce the risk of material deviations in the estimates between periods. See note 5 for accounting policies for revenue from customers and contracts in progress.

Intangible assets
At year end the group assesses whether there is any indication that the asset may be impaired. The assessment is performed for each individual asset. To estimate the recoverable amount, the group prepare a discounted cash flow analysis for each intangible asset which is either under development or in use. The cash flow analysis contains the expected increase in revenue and expected cost to develop the asset. This cash flow is discounted, and the discounted value is compared with the booked value.
The uncertainty is highest to the following estimates:

- Expected increase in revenue
- Expected total cost to complete the development of the intangible asset
- Expected date of completion of the intangible asset

As of 31.12.20, an impairment of 0.8 NOK million was recognised related to intangible assets.

Deferred tax assets
Deferred tax assets are recognised when it is likely that the company will have sufficient profit for tax purposes in subsequent periods that will enable the company to utilise the tax asset. Similarly, the group will reduce the deferred tax assets to the extent the company no longer regards it as being likely that it can utilise the deferred tax asset. At each year end the group assesses whether there are any indications that the asset may be impaired. To estimate the recoverable, the group prepares a discounted cash flow analysis for taxable revenue.

The uncertainty is highest to the following estimates:
- Expected taxable revenue

NOTE 04 SEGMENTS AND REVENUE

The group has identified three reportable operating segments as of 31 December, 2020; Projects Cruise, Landbased and Aftersales. The group's management uses the operating profit for each segment for assessments of the segment´s performance and for allocating resources. All transactions between operating segments are based on market terms.

Projects Cruise
Products under the Projects Cruise segment are systems delivered from Vow ASA through its subsidiary Scanship AS which provides advanced systems with technologies for processing waste and purifying wastewater for cruise ships and aquaculture. Production of Scanship systems is outsourced to subcontractors as the main activities in the subsidiary are R&D, engineering, sales and marketing, project management and service.

Landbased
Sales within the Landbased segment are systems and solutions provided by the group through its subsidiary ETIA and by some Norwegian operations.

Aftersales
Revenue in the Aftersales segment are sales of spare parts, consumables and services towards shipowners. The long-term revenue base within Aftersales is increasing with the increasing number of cruise ships with the groups systems installed.

Financial information operating segments:

FY 2020

(Amounts in NOK million)	Projects Cruise	Aftersales	Landbased	Admin.	**Total**
Revenue	309.2	53.3	97.2	-	**459.8**
Total revenue	309.2	53.3	97.2	-	**459.8**
Cost of sales	(204.0)	(32.1)	(59.5)	-	**(295.6)**
Employee expenses	(27.1)	(15.0)	(33.7)	(4.4)	**(80.2)**
Other operating expenses	(7.2)	(6.5)	(14.2)	(9.4)	**(37.3)**
EBITDA before non-recurring items	70.8	(0.2)	(10.2)	(13.9)	**46.6**
EBITDA before non-recurring items margin	22.9%	(0.4%)	(10.4%)		**10.1%**
Non-recurring items	-	-	(8.2)	-	**(8.2)**
EBITDA	70.8	(0.2)	(18.3)	(13.9)	**38.4**
Depreciation and amortisation	(8.0)	(1.5)	(11.4)	-	**(21.0)**
Impairment	(0.9)	-	-	-	**(0.9)**
Operating profit	62.0	(1.8)	(29.8)	(13.9)	**16.6**

FY 2019

(Amounts in NOK million)	Projects Cruise	Aftersales	Landbased	Admin.	**Total**
Revenue	236.0	125.7	19.1	-	**380.8**
Total revenue	236.0	125.7	19.1	-	**380.0**
Cost of sales	(165.5)	(82.3)	(11.5)	-	**(259.3)**
Employee expenses	(20.6)	(13.2)	(7.2)	(6.8)	**(47.8)**
Other operating expenses	(12.9)	(7.7)	(1.9)	(5.3)	**(27.8)**
EBITDA before non-recurring items	37.0	22.5	(1.5)	(12.2)	**45.8**
EBITDA before non-recurring items margin	15.7%	17.9%	(7.8%)	-	12.0%
Non-recurring items	-	-	(18.6)	(0.6)	**(19.2)**
EBITDA	37.0	22.5	(20.1)	(12.8)	**26.6**
Depreciation and amortisation	(6.9)	(1.3)	(2.7)	-	**(10.9)**
Operating profit	30.1	21.1	(22.8)	(12.8)	**15.7**

Disaggregation of revenue from contracts with customers:

FY 2020

(Amounts in NOK million)	Projects Cruise	Aftersales	Landbased	**Total**
Major product groups				
Newbuilding cruise	287.8	-	-	**287.8**
Retrofit	20.1	-	-	**20.1**
Aquaculture	1.4	-	-	**1.4**
Biogreen	-	-	64.9	**64.9**
Safesteril	-	-	17.8	**17.8**
Robotics	-	-	14.5	**14.5**
Spareparts	-	24.4	-	**24.4**
Chemicals	-	22.9	-	**22.9**
Work orders	-	6.1	-	**6.1**
Total revenue	309.2	53.3	97.2	**459.8**
Primary geographical markets [1]				
Norway	2.3	4.2	-	**6.5**
Europe	244.2	6.1	50.5	**300.8**
Outside Europe	62.8	43.1	46.7	**152.5**
Total revenue	309.2	53.3	97.2	**459.8**
Timing of revenue recognition				
Services and goods transferred over time	309.2	6.1	97.2	**412.5**
Goods transferred at a point of time	-	47.2	-	**47.2**
Total revenue	309.2	53.3	97.2	**459.8**

1) Based on customer location.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Projects Cruise segment - products and services

Newbuilding cruise

The group delivers clean ship systems to shipyards for newbuild constructions which includes advanced wastewater purification, waste management and food waste processing.

Retrofit

Retrofit are deliveries of the groups advanced systems to shipowners for ships that are in operations.

Aquaculture

The group provides systems for aquaculture sludge treatment where the bio residue may be used for agricultural soil enhancement, heat and energy recovery, or as a valuable feedstock in other industrial applications.

Landbased segment - products and services

Biogreen

Biogreen is a patented pyrolysis process for converting biomass, plastics and waste into energy and useful products. The valorisation of waste is done with conversion into high value products such as biofuel, biochar and with conversion of plastics to electricity.

Safesteril

Safesteril is a patented sterilisation process for food and pharmaceutical ingredients.

Robotics

The group, through the ETIA subsidiary Ascodero, provides industrial robotics solutions including robotic systems for waste recycling processes.

Revenue from sales under Projects Cruise and Landbased segments are construction contracts that typically contain the following elements: Design and engineering, production and delivery, commissioning. Based on evaluation done by management, these elements are not considered as to be accounted for separately but as one performance obligation. The construction typically consists of a design-phase (2-6 months), a procurement-phase (2-6months), an installation phase (1-2 months) and a commission phase (1-2 months). The construction process for newbuilding cruise vessels at the shipyards will normally be performed in phases over a 3-year period, meaning that our projects also will have a 3-year time span in total. For retrofit cruise projects the projects are normally completed within 9-12 months after the contract signing.

The sales in new building cruise to shipyards often include a series of contract for systems to be delivered for separate vessels. In these cases, assessments are made on if the contracts should be accounted for as a single contract, with a combined measure of progress. Contracts may also include options for additional deliveries, the transaction price for the optional deliveries tends to be similar with the price for the firm deliveries. Hence, no adjustments are made for the transaction price.

In determining the transaction price there may be are certain variable elements in the customer contracts related to time of delivery and specification of products that are assessed. These contractual elements have, based on historic prior deliveries, been considered as highly unlikely to occur or have effect on the consideration and have not affected the transaction price.

The payment terms for newbuilding cruise contracts are normally between 5-10% at contract signing, 80-90% at delivery of the equipment and 5-10% at commissioning/compliance. In certain projects there could be a payment term of between 1-5% to be paid after two years when the warranty period expires. The financing components in contracts that this represents are not considered as significant. The assessments done by management on the variable elements in the consideration leads to that the transaction price is determined by the price set in the contracts.

The payment terms for retrofit cruise contracts has a higher share of payments at the time of contract signing, normally around 40%. This is also the case for the landbased projects through ETIA, which also normally has a 40% payment term at contract signing.

Revenue from sales under project and landbased segments are construction contracts that are recognised over time, as the deliveries are without alternative use, and the group has an enforceable right to payment for performance completed to date.

Revenue is recognised in accordance with percentage of completion where incurred costs to date is used as the input method. The use of incurred cost is considered by management to be the most useful measure of completion on the construction contracts.

Aftersales segment – products and services

Spare parts

All new installations come with an extensive list of recommended spare parts and critical spares where the group through our head office supply spares and consumables both to new and existing installations.

Chemicals

The group offer chemicals in our product lines which have been developed over years to ensure optimal process performance and cost-efficient operations of the systems delivered. Products are delivered direct to vessels sailing world-wide. Today the group provides chemicals to most of the groups systems in the cruise industry.

Work orders

Work orders are typically service - and maintenance performed by the service department in the group subsidiary Scanship Americas Inc based in the US. The group offers tailor-made service and maintenance programs to ensure the reliability and efficiency of the systems.

Revenue from the sale of goods (chemicals and spare parts) is recognised at a point in time which is at delivery to the customer.

Revenue reported as work orders is recognised in accordance with percentage of completion where incurred costs to date is used as the input method – following the principles as described for construction contracts.

Payment for spare parts and consumables are typically due within 30 days, work orders between 30 and 60 days.

FY 2019

(Amounts in NOK million)	Projects Cruise	Aftersales	Landbased	**Total**
Major product groups				
Newbuilding cruise	203.1	-	-	**203.1**
Retrofit	29.0	-	-	**29.0**
Aquaculture	3.9	-	-	**3.9**
Biogreen	-	-	9.2	**9.2**
Safesteril	-	-	6.3	**6.3**
Robotics	-	-	3.6	**3.6**
Spareparts	-	54.7	-	**54.7**
Chemicals	-	55.2	-	**55.2**
Work orders	-	15.7	-	**15.7**
Total revenue	236.0	125.7	19.1	**380.8**
Primary geographical markets [1]				
Norway	26.2	8.0	-	**34.2**
Europe	209.3	29.5	12.5	**251.9**
Outside Europe	0.6	88.2	6.6	**94.8**
Total revenue	236.0	125.7	19.1	**380.8**
Timing of revenue recognition				
Services and goods transferred over time	236.0	15.7	19.1	**270.9**
Goods transferred at a point of time	-	109.9	-	**109.9**
Total revenue	236.0	125.7	19.1	**380.8**

1) Based on customer location.

The group has 3 customers in 2020 and 2019 where the revenue individually is more than 10 per cent of group revenues.

Revenue in per cent of total group revenues

	2020	2019
Company 1	**27.9%**	34.9%
Company 2	**13.6%**	12.2%
Company 3	**10.6%**	-

Aftersales and Landbased segments do not have any customers where the revenue level exceeds 10 per cent of the group's revenue.

Aggregated amount of the transaction price allocated to the performance obligation that are partially or fully unsatisfied is NOK 952 million at year end 2020.

This is consistent with the order backlog of NOK 952 million. The backlog will be recognised as revenue of the next six years, where the most significant revenue recognition will occur over the next three years.

Assets related to contracts with customers

(Amounts in NOK million)	**2020**	2019
Trade receivables	**148.5**	135.6
Contract assets	**122.5**	60.8

Contract assets consist of recognised revenue less payment received from customers.

NOTE 05 EMPLOYEE EXPENSE, REMUNERATION TO MANAGEMENT AND BOARD OF DIRECTORS AND SHARE OPTION PLAN

(Amounts in NOK million)	**2020**	2019
Salaries	**94.1**	62.5
Social security tax	**12.8**	8.5
Pension costs	**4.1**	2.2
Other benefits	**1.9**	1.1
Option program	**2.7**	1.0
Total employee expenses	**115.5**	75.3
Employee expenses recognised within cost of goods sold	**(22.5)**	(17.9)
Employee expenses capitalised as R&D	**(12.8)**	(9.5)
Total costs recognised as employee expenses	**80.2**	47.8
Full time equivalents	**128**	106

Remuneration to management and board of directors in 2020:

(Amounts in NOK thousand)	Title	Salaries	Pension	Other[1)]	Options	**Total**
Management						
Henrik Badin	Chief executive officer	2 655	71	311	204	**3 241**
Erik Magelssen	Chief financial officer	1 604	71	144	204	**2 023**
Henning Mohn	Chief technology officer	1 432	71	56	167	**1 726**
Asgeir Wien	Chief development officer	1 599	71	144	149	**1 963**
Bjørn Abraham Backe	Chief commercial officer	1 489	71	130	149	**1 839**
Jonny Hansen	Chief operating officer	1 603	71	271	149	**2 095**
Board of directors						
Narve Reiten	Chairman	360	-	-	-	**360**
Susanne L. R. Schneider	Board member	235	-	-	-	**235**
Bård Brath Ingerø	Board member	240	-	-	-	**240**
Benedicte Agerup[2)]	Board member	225	-	-	-	**225**
Hanne Refsholt[2)]	Board member	-	-	-	-	**-**
Total		11 441	426	1 057	1 022	**13 947**

1) Includes company car if applicable, insurances, electronic communication etc.
2) Hanne Refsholt replaced Benedicte Agerup as board member in December 2020.

Management and board of directors have no agreements covering severance payment or bonus.
No loans have been granted or guarantees pledged to management or board of directors.
The management team is included in as share-based option plan.

Remuneration to management and board of directors in 2019:

(Amounts in NOK thousand)	Title	Salaries	Pension	Other[1)]	Options	**Total**
Management						
Henrik Badin	Chief executive officer	2 291	71	309	78.0	**2 748.9**
Erik Magelssen	Chief financial officer	1 565	71	102	78.0	**1 815.9**
Henning Mohn	Chief technology officer	1 399	71	11	63.8	**1 544.7**
Asgeir Wien	Chief development officer	1 563	71	141	56.8	**1 831.7**
Bjørn Abraham Backe	Chief commercial officer	1 427	71	10	56.8	**1 564.7**
Jonny Hansen	Chief operating officer	1 561	71	270	56.8	**1 958.7**
Board of directors						
Narve Reiten	Chairman	360	-	-	-	**360**
Susanne L. R. Schneider	Board member	235	-	-	-	**235**
Bård Brath Ingerø	Board member	240	-	-	-	**240**
Benedicte Agerup	Board member	225	-	-	-	**225**
Total		10 866	426	843	390	**12 525**

1) Includes company car if applicable, insurances, electronic communication etc.

Management and board of directors have no agreements covering severance payment or bonus.

No loans have been granted or guarantees pledged to management or board of directors.

The management team is included in as share-based option plan.

Pension
The companies in the group domiciled in Norway are required to have an occupational pension scheme in accordance with the Norwegian law of mandatory occupational pension (lov om obligatorisk tjenestepensjon). The group's pension scheme fulfils the requirements of that law.

The group's pension scheme covers all employees which are subject to these requirements. The scheme is based on a contribution plan.

The group has no other pension arrangements in place.

(Amounts in NOK million)	**2020**	2019
Service cost	**3.6**	1.9
Social security tax	**0.5**	0.3
Net pension costs	**4.1**	2.2

Share option plan
The group has a share option plan covering certain employees in senior positions. As of 31.12.2020, 25 employees in the group were included in the option programme. The option vests yearly over three years.

A total of 1 470 000 options were granted in 2019 in relation to a new option programme, and 360 001 options from this programme were exercised in 2020.

Method of settlement:
Options that have been exercised shall, in the discretion of the company, be settled by either:

(i) the issuance by the company of new shares to the option holder
(ii) the sale by the company of treasury shares to the option holder; or
(iii) the transfer to the option holder of a NOK amount for each exercised option equal to the market price of the shares in the company less the exercise price.

The method of settlement is at the discretion of the company. The share option plan is therefor accounted for as an equity settlement.

Vesting requirements:
The options granted shall vest with 1/3 on the first anniversary of the grant date (i.e. 31.08.2020), 1/3 on the second anniversary of the grant date (i.e. 31.08.2021) and 1/3 on the third anniversary of the grant date (i.e. 31.08.2022). Options held by an option holder do only vest if the option holder at the vesting date is employed by a company in the group and the employment is not in a notice period. The option programme has a term of three years plus a limited exercise period. Any option not exercised on or prior to 28.09.2022 shall terminate without any compensation being payable to the option holder.

Overview of outstanding options:

	2020	2019
Outstanding options 1 January	**1 470 000**	535 000
Options granted	**-**	1 470 000
Options forfeited	**(13 333)**	-
Options exercised	**(360 001)**	(535 000)
Options expired	**-**	-
Outstanding options 31 December	**1 096 666**	1 470 000
Of which are exercisable	**1 096 666**	1 470 000

Equity transaction
During 2020, 360 001 of the outstanding options were exercised. The transactions were settled by issuing 360 001 new shares by a capital increse of NOK 36 000, at the exercise price of NOK 17.90. Following the issuance of new shares, the issued share capital of Vow ASA was 10 925 987, consisting of 109 259 870 shares, each with a par value of NOK 0.10.

The outstanding options are subject to the following conditions:

Expiry date	Average strike price	Number of share options
28.09.2022	17.90	1 096 666

The fair value of the options has been calculated using Black & Scholes option-pricing model.

The calculations are based on the following assumptions:
Share price on the grant date
The share price is set to the stock exchange price on the grant date.

The strike price per option
The strike price is the share price on the grant date.

Volatility
It is assumed that historic volatility of comparable shares is an indication of future volatility. The expected volatility is therefore stipulated to be the same as the historic volatility, which equals a volatility of 40.0 per cent.

The term of the option
It is assumed that 100 per cent of the employees will exercise the options once they are exercisable. Granted options as of 31.12.2020 expires 28.09.2022.

Dividend
The estimated dividend per share is NOK 0 per annum.

Risk-free interest rate
The risk-free interest rate is set equal to a weighted average calculation of interest rate on government bonds during the term of the option, and is set at 1.145 per cent at year-end 2020.

NOTE 06 OTHER OPERATING EXPENSES, REMUNERATION TO AUDITOR AND TRANSACTION- AND INTEGRATION COSTS

Other operating expenses include:

(Amounts in NOK million)	**2020**	2019
Travel expenses	**2.2**	7.8
Lease expenses	**4.4**	3.1
Consultants and other fees	**16.8**	9.1
Other office expenses	**4.1**	4.0
Insurance fees	**2.1**	2.6
Other expenses	**7.7**	1.2
Total	**37.3**	27.8

Remuneration to auditor is allocated as specified below:

(Amounts in NOK million)	**2020**	2019
Statutory audits	**1.3**	1.3
Other assurance services	**-**	0.1
Tax consultancy	**-**	0.2
Total excl. VAT	**1.3**	1.6

Transaction-and integration cost, non – recurring items.
The group has incurred costs of a non-recurring nature of NOK 8.2 million in 2020. These are costs incurred for the standardisation and industrialisation of the ETIA systems, and through this also to ensure a scalable delivery model similar to the Scanship cruise model. In 2019 the group incurred costs of 19.2 million related to the acquisition of ETIA.

NOTE 07 INVENTORIES

Inventories include:

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
Cost of goods (at cost)[1)]	**10.0**	6.3
Business combination	**-**	3.0
Total inventories at cost	**10.0**	9.3

1) Inventory is used both for input in construction contracts (raw materials) and for Aftersales.

NOTE 08 TRADE RECEIVABLES

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
Gross trade receivables	**151.1**	138.7
Allowance for doubtful debts	**(2.6)**	(3.1)
Net trade receivables	**148.5**	135.6

Trade receivables are non-interest bearing and generally on 30-60 day terms.

The allowance for doubtful debts primarily relates to accruals made in the opening balance sheet for the ETIA group.

It is considered that there is no impairment on trade receivables in 2020. The group has close on-going contact with and good knowledge of the customers. The trade receivables are reviewed regularly and evaluated for possible impairment.

As of 31.12, the aging analysis of trade receivables is as follows:

(Amounts in NOK million)	**Total**	Neither past due nor impaired	Past due but not impaired			
			<30 days	30-60 days	61-90 days	> 90 days
31 December 2020	**148.5**	67.0	12.9	19.1	11.9	37.5
31 December 2019	**135.6**	60.6	24.3	8.6	10.2	31.9

There are no disputes on the total amounts past due 60 days, but as noted above the group has an allowance for doubtful debts primarily related to the opening balance sheet for the ETIA group.

The group has a credit risk insurance agreement ("kredittforsikring") related to trade receivables, that reduces the ultimate credit risk.

NOK 65.7 million of the past due balance per 31.12.2020 has been paid down subsequent to 31.12.2020.

NOTE 09 OTHER RECEIVABLES

Other receivables include:

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
VAT receivable	**12.6**	8.1
Prepaid expenses and other items	**19.2**	11.1
Receivables "Skattefunn"/tax benefits	**7.9**	5.8
Subsidies [1)]	**4.0**	2.0
Other items	**10.1**	5.6
Total	**53.9**	32.6

1) Subsidies relate to R&D projects delivered by ETIA and its subsidiary Ascodero Robotics S.A.S in partnership with a French industrial player. The projects are subsidised by the French state, the French region Hauts-de-France and CITEO.

NOTE 10 CASH AND CASH EQUIVALENTS

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
Bank deposits	**26.6**	85.5
Total cash and cash equivalents	**26.6**	85.5
Of this:		
Restricted cash for withheld taxes from employees salaries	**2.6**	2.4

NOTE 11 SHARE CAPITAL AND SHAREHOLDER INFORMATION

	31 Dec 2020	31 Dec 2019
Number of outstanding shares at 1 January	**106 563 566**	95 640 525
Number of outstanding shares at 31 December	**109 259 870**	106 563 566
Nominal value NOK per share at 31 December	**0.10**	0.10
Share capital NOK at 31 December	**10 925 987**	10 656 356

Vow ASA has one class of shares with equal rights of all shares.

Share issue in 2020

In July 2020, the convertible loan related to the aquisition of ETIA, was converted to shares with the issuance of 2 336 303 new shares. The share issue resulted in a total increase in the share capital of NOK 233 630 and an increase of NOK 44 927 107 in share premium. The share capital was registered in the Companies' register ("Brønnøysund") on 22 July 2020 and the total number of outstanding shares following the issue was 108 899 869 shares.

A total number of 360 001 employee stock options were exercised at NOK 17.90 per share in October 2020. The exercised employee stock options generated net proceeds of NOK 6.4 million. The new share capital was registered in the company register on 6th October 2020.

Largest shareholders of Vow ASA > 1% : 31 December 2020

Name	Number	% Share
Ingerø Reiten investment Company AS 1)	27 016 822	24.7%
Daler Inn Limited	10 600 000	9.7%
Exproco Limited	10 560 000	9.7%
Badin Invest Limited	10 500 000	9.6%
Clearstream Banking S.A.	6 636 408	6.1%
DnB NOR Bank ASA	4 087 913	3.7%
Trethom AS 2)	3 741 111	3.4%
Citibank, N.A.	3 416 996	3.1%
Fondsavanse AS	1 968 390	1.8%
Avanza Bank AB	1 176 380	1.1%
Total	79 704 020	72.9%

1) Chair of the Board, Narve Reiten, and Director Bård Brath Ingerø, has a total ownership of 32 345 000 shares in Vow ASA, corresponding to 30.4%. 5 328 178 shares were per 31 December owned through a forward contract. This forward contract was settled in March 2021 by Ingerø Reiten Investment Company acquiring the shares.

2) Eigel Ingvar Thom has full ownership of Trethom AS, and holds a total ownership, direct and indirect, of 4.0% of the shares.

Number of shares owned by group management and board of directors:

Name	Number of shares in	% Share
Ingerø Reiten Investment Company AS 1)	32 345 000	30.35%
Henrik Badin (CEO)	10 500 000	9.61%
Asgeir Wien (CDO)	10 600 000	9.70%
Jonny Hansen (COO)	10 560 000	9.67%
Henning Mohn (CTO)	155 000	0.14%
Erik Magelssen (CFO)	36 667	0.03%
Bjørn Abraham Bache (CCO)	26 667	0.02%
Total	64 223 334	59.53%

1) Ingerø Reiten Investment Company AS is owned by the chairman of the board Narve Reiten (62%), and board member Bård Brath Ingerø (34%).

NOTE 12 BORROWING

Long-term borrowing

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
Other long-term interest-bearing debt	**101.6**	83.3
Conditional loans related to R&D (ETIA)	**9.1**	9.4
Balance 31 December	**110.7**	92.7

Short-term borrowing

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
Other short term interest-bearing debt	**21.6**	16.5
Balance 31 December	**21.6**	16.5

The group has a loan with DNB with a balance of NOK 79.7 million which was used as financing for the cash consideration in the purchase of ETIA, which is included under borrowing above. NOK 21.2 million of the DNB loan is classified as short-term borrowing as of 31 December 2020.

Bank overdraft / trade finance facility:

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
Bank overdraft facility	**1.5**	16.3
Trade finance facility	**13.3**	4.3
Balance 31 December	**14.8**	20.6

The group has a bank overdraft facility (DnB ASA) with a limit of NOK 50 million.

The interest rate for the bank overdraft facility is currently NIBOR 1M + 2.2% p.a

The trade finance facility (DnB ASA) has a limit of NOK 15 million.

Covenants
The subsidiary Scanship AS has the following covenants for loans, bank overdraft and trade finance facility in DnB ASA, which are relevant to measure as of 31 December 2020:

- Utilisation of the bank overdraft and trade finance facility limits not to exceed 50 per cent of the sum of trade receivables and contracts in progress (6.6 per cent at 31 December 2020)
- Equity and subordinate loans minimum 30 per cent of the total capital (40.6 per cent at 31 December 2020)
- Minimum equity ratio of 8 per cent of the yearly gross sales (34 per cent at 31 December 2020)
- NIBD/EBITDA ratio not to exceed 2 (1.59 per 31 December 2020)
- Any additional loan raised in Scanship AS to be approved by DNB ASA

Scanship AS and the group, is not in breach with the covenants as of 31 December 2020.

Mortgages
Book value of assets securing the bank loan and overdraft facility:

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
Property, plant and equipment	**19.2**	20.5
Inventory	**10.0**	9.3
Trade receivables	**148.5**	135.6
Total value of assets pledged	**177.8**	165.4

Reconciliation of liabilities from financing activities

(Amounts in NOK million)	Borrowings	Bank overdraft and trade finance facility	Leasing lialilities	**Total**
At 1 January 2020	109.3	20.6	21.4	**151.4**
Proceeds from borrowings	28.3	-	-	**28.3**
Repayment of borrowings	(5.3)	-	-	**(5.3)**
Payment of lease liabilities	-	-	(3.6)	**(3.6)**
Net use of bank overdraft and trade finance facility	-	(5.7)	-	**(5.7)**
Interests paid	-	(0.1)	-	**(0.1)**
Total	132.3	14.8	17.8	**165.0**
Non-cash changes				
New leasing contracts	-	-	2.1	**2.1**
Effect of exchange differences	-	-	-	**-**
Total non-cash changes	-	-	2.1	**2.1**
At 31 December 2020	132.3	14.8	19.9	**167.1**

(Amounts in NOK million)	Borrowings	Bank overdraft and trade finance facility	Leasing lialilities	**Total**
At 1 January 2019	0.9	2.1	12.5	**15.4**
Proceeds from borrowings	85	-	-	**85**
Repayment of borrowings	(1.1)	-	-	**(1.1)**
Payment of lease liabilities	-	-	(4.7)	**(4.7)**
Net use of bank overdraft and trade finance facility	-	19.5	-	**19.5**
Interests paid	-	(0.9)	-	**(0.9)**
Total	84.8	20.6	7.8	**113.3**
Non-cash changes				
Business combination	25.1	-	11.4	**36.5**
New leasing contracts	-	-	2.4	**2.4**
Effect of exchange differences	(0.6)	-	(0.2)	**(0.8)**
Total non-cash changes	24.5	-	13.6	**38.1**
At 31 December 2019	109.3	20.6	21.4	**151.4**

NOTE 13 CONVERTIBLE LOAN AND FAIR VALUE ADJUSTMENT OF CONVERSION RIGHTS

A part of the settlement of the purchase price for ETIA in 2019 was a sellers' credit of EUR 4.2 million (vendor notes) payable nine months after closing. The vendor notes were non-interest bearing and had an option to convert (conversion right) to Vow ASA's ordinary shares, at a conversion price of NOK 19.33 per share.

The vendor notes were recognised at fair value at the transaction date, for both the principal and the conversion right. Subsequently, the principal was measured at amortised cost and the conversion rights were measured at fair value as follows:

- The vendor notes were discounted using an applied market interest rate to reflect the net present value. When converted in July 2020, the book value of the debt was recognised as paid in equity.
- The conversion rights were measured at fair value using an option pricing model. The change in the fair value of the conversion rights has been recognised in the P&L under financial items.

The total fair value adjustment conversion rights, from 31 December 2019 up until the date of the conversion in July 2020, was a financial income of NOK 25.0 million. The change in the fair value of the conversion rights has no cash effect for the group.

Related to the vendor notes, the change in the amortised cost is due to the accrued interest expense and the EUR - NOK foreign exchange adjustments. The total change in amortised cost recognised in the P&L for 2020 is an interest cost of NOK 1.2 million and a net foreign exchange loss of NOK 3.9 million.

These two items are included under Sum financial items in the Income statement.

In July 2020, the vendor notes were converted to shares with the issuance of 2 336 303 new shares. The share issue resulted in a total increase in the share capital of NOK 233 630 and an increase of NOK 44 927 107 in share premium. The share capital was registered in the Companies' register ("Brønnøysund") on 22 July 2020 and the total number of outstanding shares following the issue was 108 899 869 shares.

NOTE 14 OTHER CURRENT LIABILITIES

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
Public duties payable	**6.6**	7.5
Short term loan – related parties (ETIA)[1)]	**0.3**	0.3
Other payables and accruals for incurred costs	**19.0**	12.9
Total	**25.9**	20.7

1) See note 16.

NOTE 15 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the profit for the year attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on exercise of the share options into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	2020	2019
Profit for the year (NOK million)	**27.9**	(13.5)
Weighted average number of shares outstanding	**107 685 067**	97 724 946
Earnings per share (NOK per share):		
- Basic	**0.26**	(0.14)
- Diluted	**0.26**	(0.14)

NOTE 16 TRANSACTIONS WITH RELATED PARTIES

The consolidated financial statement is prepared for Vow ASA as the ultimate parent. Vow ASA is the owner, direct or indirect, of 100 per cent of the shares in Scanship AS, Scanship Americas Inc., Scanship Poland Sp z o.o., Vow Industries AS and ETIA Ecotechnologies S.A.S. ETIA owns 93% of Ascodero Productique S.A.S. In addition, Scanship AS has 70 per cent ownership in CHX Maritime Inc. See section (c) for total overview.

(a) Purchases :

(Amounts in NOK million)			**2020**	2019
By	**Purchase of services from**	**Description of services**		
ETIA Ecotechnologies S.A.S	LCFI S.A.S[1)]	Management/consultancy	**3.1**	0.7
ETIA Ecotechnologies S.A.S	SCFI S.A.S[2)]	Management/consultancy	**2.7**	0.7
ETIA Ecotechnologies S.A.S	LSI S.A.S[3)]	Property rental/lease	**1.3**	0.3
Total			**7.1**	1.7

1) LCFI S.A.S is wholly owned by Mr Olivier Lepez, co-founder of ETIA Ecotechnologies S.A.S
2) SCFI S.A.S is wholly owned by Mr Philippe Sajet, co-founder of ETIA Ecotechnologies S.A.S.
3) LSI S.A.S is equally owned by Mr Olivier Lepez and and Mr Philippe Sajet.

Transactions from LCFI S.A.S and SCFI S.A.S relates to work performed by co-founder and CEO of ETIA group Olivier Lepez and co-founder and CTO Philippe Sajet. The transactions are based on a fixed rate according to agreements, and allocated to "Salary expenses" in the P&L. LSI S.A.S is the owner of the office and warehouse facilities ETIA Ecotechnologies rents, and is recognised as an item under IFRS 16. See further information regarding IFRS 16 in note 23 Leases.

(b) Balance with related parties:

(Amounts in NOK million)	**Liabilities**	**31 Dec 2020**	31 Dec 2019
Liabilities in			
ETIA Ecotechnologies S.A.S	LCFI S.A.S	**-**	2.9
ETIA Ecotechnologies S.A.S	SCFI S.A.S	**-**	2.5
ETIA Ecotechnologies S.A.S	LSI S.A.S	**0.3**	1.1
Biogreen Africa S.A.S	Florent Bourgarel	**-**	0.3
Total liabilities to related parties		**0.3**	6.8

Liabilities toward related parties are not interest bearing.

(c) Overview of subsidiaries:
The following subsidiaries are included in the consolidated financial statements:

Company	Date of acquisition/ Incorporation	Country of incorporation	% equity and voting share
Scanship Americas Inc.	01.12.2008	USA	100%
Scanship Canada Inc.[1)]	14.07.2011	Canada	100%
Scanship AS	01.03.2007	Norway	100%
Scanship Poland Sp z o.o.	12.08.2014	Poland	100%
CHX Maritime Inc.[2)]	06.07.2015	USA	70%
ETIA Ecotechnologies S.A.S	15.10.2019	France	100%
Ascodero Productique S.A.S	15.10.2019	France	93%
Biogreen Africa S.A.S	15.10.2019	France	57%
Vow Industries AS	07.11.2019	Norway	100%

1) The company is under liquididation.
2) The company's main objective is to develop an exhaust gas management system.

Remuneration to management and Board of directors:
See note 5.

NOTE 17 TAX

Specification of income tax:

(Amounts in NOK million)	**2020**	2019
Income tax payable	**-**	1.0
Change in deferred tax	**0.2**	5.2
Total income tax expenses	**0.2**	6.2

Specification of temporary differences and deferred tax:

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
Property, plant and equipment	**(8.9)**	21.3
Construction contracts	**223.6**	166.2
Inventories	**(0.3)**	(1.7)
Other items	**(0.1)**	-
Financial instruments and other receivables	**(1.9)**	0.1
Receivables	**(0.3)**	(0.5)
Leasing	**0.1**	(0.3)
Tax loss carryforward	**(98.0)**	(75.9)
Total temporary differences	**114.2**	109.2
Not recognised tax loss carry forward	**5.4**	4.9
Not recognised temporary differences on Government funding ("Skattefunn")	**-**	4.8
Total basis for deferred tax	**119.6**	118.9
Net deferred tax liability (22%)	**26.3**	26.2

Reconciliation of effective tax rate:

(Amounts in NOK million)	**2020**	2019
Profit before income tax	**28.1**	(7.3)
Expected income tax assessed at the tax rate for the parent company (22%)	**6.2**	(1.6)
Adjusted for tax effect of the following items:		
Permanent differences	**(5.0)**	6.2
Effect of other tax rate in subsidaries in the U.S and Canada	**0.0**	1.0
Unrecognised deferred tax assets	**(1.0)**	0.5
Total income tax expenses	**0.2**	6.2

NOTE 18 PROPERTY, PLANT AND EQUIPMENT

2020:

(Amounts in NOK million)	Office furniture and equipment
Cost:	
At 1 January 2020	31.6
Additions	1.6
Disposals	-
Translation difference	1.3
At 31 December 2020	34.5
Depreciation and impairment:	
At 1 January 2020	(11.1)
Depreciation this year	(4.2)
At 31 December 2020	(15.3)
Carrying amount at 31 December 2020	19.2
Useful life	3-10 years
Depreciation method	Linear

2019

(Amounts in NOK million)	Office furniture and equipment
Cost:	
At 1 January 2019	12.0
Business combination	16.6
Additions	4.6
Disposals	(1.2)
Translation difference	(0.3)
At 31 December 2019	31.6
Depreciation and impairment:	
At 1 January 2019	(8.7)
Depreciation this year	(2.4)
At 31 December 2019	(11.1)
Carrying amount at 31 December 2019	20.5
Useful life	3-10 years
Depreciation method	Linear

NOTE 19 INTANGIBLE ASSETS

The group has several different ongoing development projects developing waste to energy-, waste- and waste water solutions, in order to strengthen the competitiveness and meet the new and stricter requirements and new industry standards.

A significant part of the product development cost consists of working hours performed by Vow's own employees.

2020:

(Amounts in NOK million)	R&D	Technology	Goodwill
Cost:			
At 1 January 2020	78.8	32.5	136.1
Additions	64.7	-	-
Impairment	(0.9)	-	-
Translation difference	3.7	2.0	8.4
At 31 December 2020	146.3	34.5	144.5
Amortisation and impairment:			
At 1 January 2020	(10.0)	(0.8)	-
Amortisation	(7.8)	(3.5)	-
At 31 December 2020	(17.8)	(4.3)	-
Carrying amount at 31 December 2020	128.6	30.2	144.5
Useful life	3-15 years	10 years	
Depreciation method	Linear	Linear	

2019:

(Amounts in NOK million)	R&D	Technology	Goodwill
Cost:			
At 1 January 2019	45.5	-	-
Business combination[1)]	15.4	33.2	138.9
Additions[2)]	18.2	-	-
Translation difference	(0.3)	(0.7)	(2.8)
At 31 December 2019	78.8	32.5	136.1
Depreciation and impairment:			
At 1 January 2019	(7.2)	-	-
Amortisation[2)]	(2.8)	(0.8)	-
At 31 December 2019	(10.0)	(0.8)	-
Carrying amount at 31 December 2019	68.8	31.7	136.1
Useful life	3-15 years	10 years	
Depreciation method	Linear	Linear	

1) Related to acquisition of ETIA.
2) Useful life is expected to be 3 to 15 years for finalised R&D projects, dependent on the nature of the asset. Each asset/project is assessed individually.

Additions consist of internally developed intangible assets and purchase of goods and services related to the internally developed intangibly assets. As of 31 December 2020, NOK 59.6 million of carrying amount are still under development, while NOK 9.2 million is related to finalised projects which are subject to amortisation. Funding from "Skattefunn" has reduced the total cost with NOK 7.8 million, while funding from "Innovasjon Norge" and EU have both reduced the total cost with NOK 2.7 million (NOK 5.3 million combined).

Impairment test for R&D projects
The group assesses yearly each intangible asset whether there is any indication that the asset may be impaired. A discounted cash flow analysis is prepared for each on-going project and compared with the asset's booked value. The cash flow is estimated for the next five years. The analysis is most sensitive to the following assumptions:

- Unit sales, sales price and gross margin
- Discount rate
- Growth estimate

Unit sales, sales price and gross margin - Both unit sales, sales price and gross margin is affected by demand and market circumstances. Assumptions are taken for a low case scenario and a high case scenario, with the weighting 80 per cent and 20 per cent, respectively. The net present value is a weighted average of these scenarios.

Discount rate – A discount rate of 20 per cent before tax has been used. The discount rate is derived from the group's internal rate of return (IRR) and corresponds to WACC. The discount rate represents the current market assessment of the risks identified, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on specific circumstances of the group and its operating segments.

Growth estimate – The growth rate is based on industry knowledge, external and internal factors. The terminal value is set to four times the gross margin in year five for the low case scenario, and six times the gross margin in year five for the high case scenario. Management recognises that the speed of technological change and the possibility of new entrants can have an impact on growth rate assumptions.

One project has been recorded for impairment in 2020. The Covid-19 pandemic has not had any direct impact on the calculations.

Impairment test for goodwill
The group performs yearly an impairment test of goodwill acquired through business combination. The recoverable amount is calculated with the following assumptions as the most significant:

- EBITDA
- Discount rate
- Growth estimate

EBITDA – The group has used EBITDA to reflect the management's best estimte of earnings potential for the next five years. The forecasts are based on budgets approved by the Board of Directors.

Discount rate – A discount rate of 20 per cent before tax has been used. The discount rate is derived from the group's internal rate of return (IRR) and corresponds to WACC. The discount rate represents the current market assessment of the risks identified, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on specific circumstances of the group and its operating segments.

Growth estimate – The growth rate is based on industry knowledge, external and internal factors. The terminal value is set to five times the EBITDA in year five. Management expects strong growth, but recognises that the speed of technological change and the possibility of new entrants can have an impact on growth rate assumptions.

A sensitivity analysis has been performed in order to determine if a reasonable change in key assumptions would cause the carrying amount to exceed the recoverable amount. The group has not identified need for impairment, as the recoverable amount exceeds the carrying amount by significant margins. With a reduction in the IRR by 5 percentage points and/or a reduction in the EBITDA terminal value by 10 per cent, the recoverable amount still exceeds the carrying amount with a significant margin.

The Covid-19 pandemic has not had any direct impact on the calculations.

NOTE 20 FINANCE INCOME AND COSTS

Finance income:

(Amounts in NOK million)	**2020**	2019
Interest income	0.1	0.1
Foreign exchange gain	32.1	8.5
Fair value adjustment conversion rights [2]	25.0	-
Total finance income	57.2	8.6
Finance costs		
Interest expense	8.0	3.4
Foreign exchange loss	35.0	9.1
Interest expense - leasing [1]	0.7	0.6
Loss on FX derivatives	1.5	0.7
Other financial cost	0.6	0.5
Fair value adjustment conversion rights [2]	-	20.3
Total finance costs	45.7	34.5

1) Interest expense - leasing, see further information in note 23 Leases.
2) Fair value adjustment conversion rights, see further information in note 13 Convertible loan and fair value adjustment of conversion rights.

NOTE 21 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

(Amounts in NOK million)	Category	**31 Dec 2020**	31 Dec 2019
Financial assets:			
Trade receivables	Fair Value through profit and loss	**148.5**	135.6
Other receivables [1]	Fair Value through profit and loss	**53.9**	5.8
Cash and cash equivalents	Fair Value through profit and loss	**26.6**	85.5
Total financial assets		**229.0**	226.9
Financial liabilities:			
Non-current borrowings	Financial liabilities measured at amortised cost	**110.7**	92.7
Non-current lease liability	Financial liabilities measured at amortised cost	**14.1**	14.9
Current borrowings	Financial liabilities measured at amortised cost	**21.6**	16.5
Financial instruments derivatives	Fair value through profit and loss	**(1.9)**	(0.1)
Trade creditors	Financial liabilities measured at amortised cost	**108.1**	69.2
Bank overdraft facility	Financial liabilities measured at amortised cost	**1.5**	16.3
Trade finance facility	Financial liabilities measured at amortised cost	**13.3**	4.3
Convertible loan [3]	Financial liabilities measured at amortised cost	**-**	40.1
Embedded derivative (convertible loan) [3]	Fair value through profit and loss	**-**	25.0
Other current liabilities [2]	Financial liabilities measured at amortised cost	**25.9**	20.7
Total financial liabilities		**293.3**	299.9

All amounts in the table are booked values.

1) VAT receivable and prepaid expenses are excluded since they are not defined as financial instruments.
2) See note 5.
3) See note 13.

(b) Fair value of financial instruments
The carrying amount of trade receivables, other receivables and cash and cash equivalents are approximately equal to fair value since these instruments have a short term maturity. Similarly, the carrying amount of trade creditors and other current liabilities are approximately equal to fair value since the effect of discounting is not significant. Fair value of the bank overdraft facility and Trade credit facility with DNB ASA is equal to the book value since a floating interest is agreed.

(c) Financial risk
The most significant financial risks which affect the group are listed below. The management performs a continuous evaluation of these risks and determines policies related to how these risks are to be handled within the group.

During 2020, the corona pandemic (covid-19) has created increased uncertainty and a disruption to the global economy. The situation also impacts the various risk factors that the Vow group is exposed to, including, but not limited to, the market risk and liquidity risk.

d) Credit risk
Carrying amounts of financial assets presented above represents the maximum credit exposure. The group is mainly exposed to credit risk related to trade receivables. The customers are basically large cruise ship owners and shipyards in Europe with satisfactory credit history. The credit risk is mainly related to newbuilding contracts where a few yards are counterpart. This is increasing the credit risk. However due to nature of newbuilding financing the management considers the overall risk of loss on receivables to be relatively low. The group has not provided any guarantees for third parties' liabilities. The group has with effect from 1.4.2017 also entered into a credit risk insurance agreement (kredittforsikring) on its trade receivables. This agreement with a Nordic insurance company covers the potential losses incurred by Scanship AS on its trade receivables, subject to certain restrictions, and reduces the ultimate credit risk for the group substantially. In addtion, the group entered into a NOK 15.0 million trade finance facility during 2018. The insurance agreement and trade finance facility is an additional risk mitigating factor. See note 9 for information about the aging analysis of trade receivables.

e) Liquidity risk
Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. The liquidity risk for the group is primarily related to the timing of the payment on its trade receivables from the shipyards in Europe on the Newbuild projects. Certain of the shipyards exercises longer ayment terms than other shipyards. Scanship has a close and on-going contact with all its shipyard customers, and have had so for many years. Managing this relationship is one of the key factors for Scanship in the daily management of its liquidity risk. Historically, Scanship has had very limited losses on its accounts receivable. So even though the payments from the shipyards in certain periods have been delayed beyond the agreed credit term, they have historically always paid their liabilities. Scanship also has a certain flexibility in its own supplier base, whereby longer payment terms sometimes are agreed with suppliers in periods were the payments are delayed from the customers. Management of the liquidity risk is a prioritised task by Scanship management.

The group also has relatively higher liquidity risk on Newbuild projects as the group receives payments late in the projects, as compared to Retrofit projects, where the group receives payments after meeting certain milestones. Although the milestones are setup to enable a positive net cashflow on the projects, a delay in the retrofit projects will naturally also increase the liquidity risk.

31 December 2020:

(Amounts in NOK million)	0-6 months	6-12 months	1-5 years
Payments on non-current borrowings	-	-	108.9
Current borrowings	10.8	10.8	-
Trade creditors	108.1	-	-
Bank overdraft facility	-	1.5	-
Trade credit facility	13.3	-	-
Leases [1)]	1.9	1.9	14.1
Total	134.1	14.2	123.0

1) See note 24

31 December 2019:

(Amounts in NOK million)	0-6 months	6-12 months	1-5 years
Payments on long term borrowings	0.1	9.5	94.0
Current borrowings	16.5	-	-
Trade creditors	69.2	-	-
Bank overdraft facility	-	16.3	-
Trade credit facility	4.3	-	-
Leases [1)]	3.3	3.3	14.9
Total	93.4	29.1	108.9

f) Foreign exchange rate risk
The group is exposed to foreign exchange rate risk related to the value of NOK relative to other currencies, both through ownership of foreign companies (see note 16 c) and through sales in different currencies than the nominal currency (NOK). Mitigation of exchange rate risk in cash flows nominated in other currencies than NOK is done through derivative instruments against specific construction contracts (see note 22, forward currency contracts), where the net exposure of revenue/purchase are secured.

Exchange rate risk related to the specific group company is assessed as low as the margin remains independent of currency fluctuations. See also note 2.4.

g) Interest rate risk
The interest rate on the long term bank loan, overdraft and trade credit facilitues are floating. Hence, the group has an exposure to interest rate fluctuations. The group does not have any interest rate derivatives.

Capital management
For the purpose of the group's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the group's capital management is to maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

NOTE 22 UNREALISED CHANGE FAIR VALUE FX DERIVATIVES

(Amounts in NOK million)	**2020**	2019
Forward Currency Contracts	**1.9**	0.1

The forward currency contracts are mark to market, based on an external valuation provided by the contractual counterpart. The contracts are valued using option pricing techniques, which employ the use of various inputs including foreign exchange spot and forward rates, the time to maturity and volatility.

The group uses forward currency contracts to reduce the currency exposure on sales in EUR. See note 21 for discussion of currency risk. The group does not apply hedge accounting for it's derivative contracts, hence the contracts are measured at fair value through profit and loss. In total these contracts have a nominal value of EUR 5.2 million as of 31.12.2020, where EUR 3.6 million matures in 2021 and EUR 1.6 million are due in 2022.

Fair value measurements recognised in the statement of financial position
The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Amounts in NOK million)		Level 1	Level 2	Level 3
Derivative financial assets/(liabilities)	31 December 2020	-	1.9	-
Derivative financial assets/(liabilities)	31 December 2019	-	0.1	-

NOTE 23 LEASES

Right of use assets 2020 :

(Amounts in NOK million)	Properties	Equipment	Cars	**Total**
At 1 January 2020	18.8	1.3	1.1	**21.2**
Additions	-	0.2	1.9	2.1
Depreciation	(2.4)	(0.7)	(3.0)	(6.1)
Effect of exchange differences	0.2	0.5	-	0.7
Carrying amount at 31 December 2020	16.6	1.3	-	**17.9**

Right of use assets 2019 :

(Amounts in NOK million)	Properties	Equipment	Cars	**Total**
At 1 January 2019	11.1	-	1.4	**12.5**
Additions	1.0	1.2	0.3	**2.4**
Business combination	11.1	0.3	-	**11.4**
Depreciation	(4.2)	(0.2)	(0.5)	**(4.9)**
Effect of exchange differences	(0.2)	-	-	**(0.2)**
Carrying amount at 31 December 2019	18.8	1.3	1.1	**21.2**

Lease liabilities recognised:

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
Current lease liabilities	**3.7**	6.6
Non-current lease liabilities	**14.1**	14.9
Total	**17.8**	21.4

Lease liabilities are discounted with an interest rate of 4.5 per cent.

Maturity analysis – contractual undiscounted cash flows

(Amounts in NOK million)	
2021	6.0
2022	2.5
2023	2.0
After 2023	5.0

Other effects in the statement of profit and loss

(Amounts in NOK million)	**2020**	2019
Interest expense	**0.7**	0.5
Expense relating to short-term leases	**0.6**	0.2
Expense relating to low value leases	**0.2**	0.3

Leases with a lease term less than 12 months are accounted for as short-term leases. Low-value assets are also not capitalised.

NOTE 24 CONTINGENT LIABILITIES

Contingent liabilities:
The group has not received any claims nor is it involved in any disputes.

Guarantees:
For late delivieres the customers can give Vow penalties according to contract.
All customer contracts for system deliveries include 1-2 years limited guarantee against product failure.

NOTE 25 EVENTS AFTER THE REPORTING PERIOD

New contracts and MOU's signed
In January 2021, Vow announced that a strategic memorandum of understanding had been signed with Arcelor Mittal, the world's leading steel and mining company, to work on a project to build a biogas production plant that will reduce CO_2 emissions produced during the steelmaking process. In February 2021, Vow and Elkem signed a Letter of Intent (LOI) to join competence and technology solutions to develop and manufacture biocarbon and other products for Elkem's production processes at Vow's planned plant at Follum, outside Oslo in Norway. After the close of the year, Vow has also been awarded a contract with a major European shipyard for the delivery of two adwanced wastewater purification systems, for a total contract value of NOK 59.6 million.

COVID-19 virus situation
As long as the majority of cruise ships are docked due to Covid-19, Vow expects its Aftersales segment to continue to be negatively impacted. As of now, the major cruise operators have announced a gradual start of cruise operations from May/June. Following the increasing share of cruise ships delivered with Vow systems, the aftersales market basis is growing and Vow remains positive about the long-term market opportunities for Aftersales.

Successful private placement
In March 2021, it was announced that the company had successfully completed a private placement through the allocation of 5,000,000 new shares at an offer price of NOK 46, raising gross proceeds to the company of NOK 230 million. The company intends to use the net proceeds to accelerate growth by providing initial funding to Vow Green Metals, for further build-up up and development of ETIA, for pursuing near-term growth opportunities like the recently signed co-operation agreement with Arcelor Mittal and Repsol and maintaining a leading position, including further R&D and technical development and potential value creating and strategic transactions. Along with these growth initiatives, the proceeds will be used to ensure a strong balance sheet and fund organisational build-up, further business development and value accretion in Vow Industries, as well as general corporate purposes.

STATEMENT OF INCOME – VOW ASA

(Amounts in NOK million)	*Note*	**2020**	2019
Revenues		**-**	-
Total operating revenues		**-**	-
Employee expenses	*4*	**(1.2)**	(1.2)
Other operating expenses	*4*	**(10.9)**	(2.4)
Operating profit (EBIT) before non-recurring items		**(12.1)**	(3.6)
Non-recurring items	*4*	**-**	(0.6)
Operating profit (EBIT)		**(12.1)**	(4.2)
Finance income	*5.10*	**8.5**	2.3
Finance cost	*5*	**(5.1)**	(1.3)
Fair value adjustments, conversion rights	*14*	**25.0**	(20.3)
Net financial items		**28.4**	(19.2)
Result before tax		**16.3**	(23.4)
Income tax (expense)/income	*6*	**1.9**	0.7
Result for the year		**18.2**	(22.7)
Earnings per share (NOK per share)			
- Basic	*15*	**0.17**	(0.23)
- Diluted	*15*	**0.17**	(0.23)

STATEMENT OF OTHER COMPREHENSIVE INCOME – VOW ASA

(Amounts in NOK million)	**2020**	2019
Result for the year	**18.2**	(22.7)
Other comprehensive income	**-**	-
Total other comprehensive income	**-**	-
Total comprehensive income for the year	**18.2**	(22.7)

STATEMENT OF FINANCIAL POSITION – VOW ASA

(Amounts in NOK million)	*Note*	**31 Dec 2020**	31 Dec 2019
ASSETS			
Non-current assets			
Deferred tax asset	*6*	**9.0**	7.1
Investment in subsidiaries	*7*	**229.7**	227.0
Subordinated intercompany loan	*10*	**115.6**	107.2
Total non-current assets		**354.3**	341.3
Current assets			
Other receivables	*8*	**0.3**	-
Receivables from group companies	*10*	**88.6**	45.5
Cash and cash equivalents	*9*	**2.5**	52.4
Total current assets		**91.3**	97.9
Total assets		**445.6**	439.2
EQUITY AND LIABILITIES			
Equity			
Share capital	*11*	**10.9**	10.7
Share premium	*11*	**392.5**	341.2
Retained earnings		**40.8**	19.9
Total equity		**444.3**	371.8
Liabilities			
Current liabilities			
Convertible loan	*14*	**-**	65.0
Trade payables		**0.2**	1.4
Other current liabilities	*13*	**1.1**	1.0
Total current liabilities		**1.3**	67.4
Total liabilities		**1.3**	67.4
Total equity and liabilities		**445.6**	439.2

Lysaker, Norway, 30 March 2021

The board of directors and CEO – Vow ASA

Narve Reiten	**Bård Brath Ingerø**	**Hanne Refsholt**	**Susanne L. R. Schneider**	**Henrik Badin**
Chairman	*Director*	*Director*	*Director*	*CEO*

STATEMENT OF CHANGES IN EQUITY – VOW ASA

2020

(Amounts in NOK thousand)	*Note*	Share capital	Share premium	Retained earnings	**Total**
Equity at 31 December 2019		10 656	341 196	19 944	**371 797**
Result for the year		-	-	18 191	**18 191**
Other comprehensive income		-	-	-	**-**
Total comprehensive income		-	-	18 191	**18 191**
Share capital increase - Vendor notes converted to shares July 2020	*11*	233	44 927	-	**45 160**
Share capital increase - Employee stock options Oct. 2020	*11*	36	6 408	-	**6 444**
Options in subsidiaries		-	-	2 699	**2 699**
Dividends		-	-	-	**-**
Equity at 31 December 2020		10 925	392 531	40 834	**444 287**

2019

(Amounts in NOK thousand)	*Note*	Share capital	Share premium	Retained earnings	**Total**
Equity at 31 December 2018		9 564	178 331	51 235	**239 129**
Result for the year		-	-	(22 716)	**(22 716)**
Other comprehensive income		-	-	-	**-**
Total comprehensive income		-	-	(22 716)	**(22 716)**
Share capital increase - stock option excersise, March 2019	*11*	54	1 658	-	**1 712**
Share capital increase - business combination Oct. 2019	*11*	389	61 042	-	**61 431**
Share capital increase - private placement Nov. 2019	*11*	650	106 601	-	**107 251**
Transaction costs - private placement Nov. 2019	*11*	-	(6 435)	-	**(6 435)**
Options in subsidiaries		-	-	1 043	**1 043**
Dividends		-	-	(9 618)	**(9 618)**
Equity at 31 December 2019		10 656	341 196	19 944	**371 797**

STATEMENT OF CASH FLOW – VOW ASA

(Amounts in NOK thousand)	*Note*	**2020**	2019
Cash flow from operating activities			
Result before income tax		**16 286**	(23 407)
Adjustments:			
Change in trade payables		**(1 220)**	1 305
Currency translation effects		**1 203**	94
Interest income		**(5 774)**	(1 433)
Interest cost		**1 260**	-
Fair value adjustments, conversion rights	*14*	**(24 971)**	20 257
Changes in other accruals		**151**	224
Net cash flow from operating activities		**(13 065)**	(2 960)
Cash flow from investing activities			
Intercompany receivables	*10*	**(43 291)**	(38 063)
Net cash flow from investing activities		**(43 291)**	(38 063)
Cash flow from financing activities			
Proceeds from issuing stock	*11*	**6 444**	102 527
Dividends paid		**-**	(9 618)
Net cash flow from financing activities		**6 444**	92 909
Net change in cash and cash equivalents		**(49 912)**	51 887
Cash and cash equivalents at 1 January		**52 397**	511
Cash and cash equivalents at 31 December	*9*	**2 485**	52 397
Non restricted cash, 31 December		**2 485**	52 397
Restricted cash, 31 December		**-**	-
Cash 31 December		**2 485**	52 397

NOTES TO THE FINANCIAL STATEMENTS – VOW ASA

NOTE 01 GENERAL INFORMATION

Vow ASA is a limited company incorporated 11 April 2011 and is domiciled in Norway, with its Head Office at Lysaker Torg 12, 1366 Lysaker. Currently the company's business is ownership of shares in Scanship AS and Vow Industries AS.

The company's board approved the financial statements on 30 March 2021.

NOTE 02 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 Basis for preparation
The financial statements of Vow ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with the additional requirements following the Norwegian Accounting Act.

The financial statements have been prepared on a historical cost basis, except for debt with conversion rights (embedded derivative) in relation to the acquisition of ETIA S.A.S in the subsidiary Scanship AS, that have been measured at fair value.

2.2 Investment in subsidiaries
Investment in subsidiaries is recognised at cost, less any necessary impairment. Impairment to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Impairments are reversed when the cause and basis of the initial impairment is no longer present.

2.3 Transactions in foreign currency
The functional currency and the presentation of the company is Norske Kroner (NOK). Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Monetary balances in foreign currencies are translated into the functional currency at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.4 Cash and cash equivalents
Cash and the equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

2.5 Trade receivables and trade creditors
Trade receivables and trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, if the amortisation effect is material.

2.6 Financial assets
Non-current financial assets are initially measured at fair value. After initial recognition, these financial assets are measured at amortised cost using the effective interest method less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are impaired or derecognised. Interest effects from the application of the effective interest method and effects from currency translation are recognised through profit or loss.

2.7 Borrowings
All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction/issue costs associated with the borrowing. After initial recognition, interests-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the consideration received net of transaction/issue costs associated with the borrowing and the redemption value, is recognised in the income statement over the term of the loan.

2.8 Derivative financial instruments
Derivative financial instruments are classified in category at fair value through profit or loss. These instruments are measured at fair value with changes in fair value charged to the income statement. The company does not apply hedge accounting.

2.9 Taxes
Income tax expense for the period comprises current tax expense and deferred tax expense. The company is subject to 22% income tax in accordance with the Norwegian company tax.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated on the basis of existing temporary differences between the carrying amounts of assets and liabilities in the financial statement and their tax bases, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realised or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that the deferred tax asset can be utilised. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.10 Cost of equity transactions
Transaction costs directly attributable to an equity transaction are recognised directly in equity, net after deducting tax.

2.11 Cash flow statement
The cash flow statement is prepared by using the indirect method.

2.12 Share-based payments
The group has a share-based option plan covering certain employees in senior positions in the subsidiaries. Settlement in shares to employees is made in shares in Vow ASA where the plan is recognised as equity settled share-based payments and against value of shares in the subsidiaries.

2.13 Events after the balance sheet date
The financial statements are adjusted to reflect events after the balance sheet date that provide evidence of conditions that existed at the balance sheet date (adjusting events). The financial statements are not adjusted to reflect events after the balance sheet date that are indicative of conditions that arose after the balance sheet date (non-adjusting events). Non-adjusting events are disclosed if significant.

2.14 Changes in accounting policy and disclosures
New and amended standards and interpretations that has been effective for accounting periods starting on 1st January 2020 does not have any impact on the company's financial statements.

Information regarding new and amended standards and interpretations are provided in note 2 of the consolidated financial statements.

NOTE 03 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in accordance with IFRS requires management to make judgements, use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an on-going basis.

Estimates and assumptions which represent a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities relates mainly to the company's investments in subsidiaries and intercompany loans and receivables. The investment in subsidiaries is recognised at cost, less any necessary impairment. Each year the management apply judgement to assess if there are any indication that the carrying amount is higher than its recoverable amount. If there are any indications of impairment, the management calculate the recoverable amount which implies assessments regarding future cash flows from its subsidiaries. These assessments require substantial judgements.

NOTE 04 OTHER OPERATING EXPENSES AND REMUNERATION

Board remuneration:

(Amounts in NOK thousand)	**2020**	2019
Board remuneration	**1 075**	1 083
Social tax, expenses	**118**	118
Total	**1 193**	1 201

Other operating expenses include:

(Amounts in NOK thousand)	**2020**	2019
Auditor remuneration	**584**	549
Consultancy	**5 630**	725
Cost related to own shares	**900**	1 210
Other operating expenses	**4 162**	482
Total	**11 276**	2 966

The increase in consultancy costs is investment made in resources, systems and procedures to further develop our Landbased business segment.

Remuneration to auditor is allocated as specified below:

(Amounts in NOK thousand)	**2020**	2019
Statutory audits	**525**	480
Other assurance services	**59**	69
Tax consultancy	**-**	-
Other services	**-**	-
Total, excl. VAT	**584**	549

NOTE 05 FINANCE INCOME AND COSTS

Finance income:

(Amounts in NOK thousand)	**2020**	2019
Interest income	**116**	64
Intercompany interest income	**5 774**	1 433
Foreign exchange gain	**2 635**	811
Fair value adjustments, conversion rights	**24 971**	-
Total finance income	**33 495**	2 308

Finance costs:

(Amounts in NOK thousand)	**2020**	2019
Interest expense	**1 263**	380
Foreign exchange loss	**3 838**	905
Fair value adjustments, conversion rights	**-**	20 257
Total finance costs	**5 101**	21 542

NOTE 06 TAX

Specification of income tax:

(Amounts in NOK thousand)	**2020**	2019
Change in deferred tax	**(1 905)**	(691)
Total income tax expense/(income)	**(1 905)**	(691)

Specification of temporary differences and deferred tax asset:

(Amounts in NOK thousand)	**2020**	2019
Tax loss carry forward	**(40 843)**	(32 183)
Total basis for deferred tax	**(40 843)**	(32 183)
Deferred tax asset 22%	**(8 985)**	(7 080)

Specification of temporary differences and deferred tax liability:
There are no temporary differences as of 31 December 2020 or 2019:

Reconciliation of effective tax rate:

(Amounts in NOK thousand)	**2020**	2019
Result before income tax	**16 286**	(23 407)
Expected income tax	**3 583**	(5 149)
Adjusted for tax effect of the following items:		
Permanent differences	**(5 488)**	4 458
Total income tax expense/(income)	**(1 905)**	(691)

NOTE 07 INVESTMENT IN SUBSIDIARIES

(Amounts in NOK thousand)	Country of incorporation	% equity and voting share	Equity at 31 Dec 2020	Result for the year 2020
Company:				
Scanship AS	Tønsberg, Norway	100%	118 197	36 059
Vow Industries AS	Lysaker, Norway	100%	30	-

(Amounts in NOK thousand)	Country of incorporation	% equity and voting share	Equity at 31.12.19	Result for the year 2019
Company:				
Scanship AS	Tønsberg, Norway	100%	77 775	25 132

NOTE 08 OTHER RECEIVABLES

Other receivables include:

(Amounts in NOK thousand)	**31 Dec 2020**	31 Dec 2019
VAT receivable	**234**	16
Prepaid expenses and other items	**30**	23
Total	**264**	39

NOTE 09 CASH AND CASH EQUIVALENTS

(Amounts in NOK thousand)	**31 Dec 2020**	31 Dec 2019
Bank deposits	**2 486**	52 398
Total cash and cash equivalents	**2 486**	52 398

See note 4, 11 and 12 in the consolidated financial statements for the group for more information.

NOTE 10 INTERCOMPANY BALANCES AND TRANSACTIONS

Long-term loans to subsidiares:

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
Scanship AS	**115.6**	107.2

The long-term loan to the subsidiary Scanship AS is related to the acquisition of ETIA Ecotechnologies S.A.S completed on 15 October 2019. For more information see note 4 in the consolidated financial statements.

Part of the consideration for the shares in ETIA acquired by Scanship AS was settled with the issue of 3 888 041 shares in Vow ASA ordinary shares on the transaction date. Settlement also included a sellers credit (vendor notes) payable 9 months after closing with conversion rights to Vow ASA ordinary shares. Vow ASA granted Scanship AS long-term subordinated loans for these settlements agreed to be made in Vow ASA on behalf of its subsidiary.

Receivables from subsidiaries:

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
Scanship AS	**88.8**	45.5

Intercompany interest income:

(Amounts in NOK million)	**31 Dec 2020**	31 Dec 2019
Scanship AS	**5.8**	1.4

NOTE 11 SHARE CAPITAL AND SHAREHOLDER INFORMATION

	31 Dec 2020	31 Dec 2019
Number of outstanding shares at 1 January	106 563 566	95 640 525
Number of outstanding shares at 31 December	109 259 870	106 563 566
Nominal value NOK per share at 31 December	0.10	0.10
Share capital NOK at 31 December	10 925 987	10 656 356

Vow ASA has one class of shares with equal rights of all shares.

Share issue in 2020
In July 2020, the convertible loan related to the aquisition of ETIA, was converted to shares with the issuance of 2 336 303 new shares. The share issue resulted in a total increase in the share capital of NOK 233 630 and an increase of NOK 44 927 107 in share premium. The share capital was registered in the Companies' register ("Brønnøysund") om 22 July 2020 and the total number of outstanding shares following the issue was 108 899 869 shares .

A total number of 360 001 employee stock options were exercised at NOK 17.90 per share in October 2020. The exercised employee stock options generated net proceeds of NOK 6.4 million. The new share capital was registered in the company register on 6 October 2020.

Dividend
The group had no dividend payment in 2020.

Largest shareholders of Vow ASA > 1% : 31 December 2020

Name	Number of shares	% Share
Ingerø Reiten investment Company AS [1)]	27 016 822	24.7%
Daler Inn Limited	10 600 000	9.7%
Exproco Limited	10 560 000	9.7%
Badin Invest Limited	10 500 000	9.6%
Clearstream Banking S.A.	6 636 408	6.1%
Dnb NOR Bank ASA	4 087 913	3.7%
Trethom AS [2)]	3 741 111	3.4%
Citibank, N.A.	3 416 996	3.1%
Fondsavanse AS	1 968 390	1.8%
Avanza Bank AB	1 176 380	1.1%
Total	79 704 020	72.9%

1) Chair of the Board, Narve Reiten, and Director Bård Brath Ingerø, has a total ownership of 32 345 000 shares in Vow ASA, corresponding to 30.4%. 5 328 178 shares were per 31 December owned through a forward contract.This forward contract was settled in March 2021 by Ingerø Reiten Investment Company acquiring the shares.

2) Eigel Ingvar Thom has full ownership of Trethom AS, and holds a total ownership, direct and indirect, of 4.0% of the shares.

Number of shares owned by management and Board of directors:

Name	Number of shares	% Share
Ingerø Reiten Investment Company AS [1)]	32 345 000	30.35%
Henrik Badin (CEO)	10 500 000	9.6%
Asgeir Wien (CTO)	10 600 000	9.7%
Johnny Hansen (COO)	10 560 000	9.7%
Henning Mohn (CTO)	155 000	0.1%
Erik Magelssen (CFO)	36 667	0.03%
Bjørn Abraham Bache (CCO)	26 667	0.02%
Total	64 223 334	59.5%

1) Ingerø Reiten Investment Company AS is owned by Chair of the board Narve Reiten (62%), and Director Bård Brath Ingerø (34%).

NOTE 12 LONG TERM BORROWING

Vow ASA has per 31 December 2020 no long-term loan agreements.

NOTE 13 OTHER CURRENT LIABILITIES

(Amounts in NOK thousand)	**31 Dec 2020**	31 Dec 2019
Public duties payable	**-**	-
Other payables and accruals for incurred costs	**1 145**	1 002
Total	**1 145**	1 002

NOTE 14 CONVERTIBLE LOAN AND FAIR VALUE ADJUSTMENT OF CONVERSION RIGHTS

A part of the settlement of the purchase price for ETIA in 2019 was a sellers' credit of EUR 4.2 million (vendor notes) payable nine months after closing. The vendor notes were non-interest bearing and had an option to convert (conversion right) to Vow ASA's ordinary shares, at a conversion price of NOK 19.33 per share.

The vendor notes were recognised at fair value at the transaction date, for both the principal and the conversion right. Subsequently, the principal was measured at amortised cost and the conversion rights were measured at fair value as follows:

- The vendor notes were discounted using an applied market interest rate to reflect the net present value. When converted in July 2020, the book value of the debt was recognised as paid in equity.
- The conversion rights were measured at fair value using an option pricing model. The change in the fair value of the conversion rights has been recognised in the P&L under financial items.

The total fair value adjustment conversion rights, from 31 December 2019 up until the date of the conversion in July 2020 , was a financial income of NOK 25.0 million. The change in the fair value of the conversion rights has no cash effect for the group.

Related to the vendor notes, the change in the amortised cost is due to the accrued interest expense and the EUR - NOK foreign exchange adjustments. The total change in amortised cost recognised in the P&L for 2020 is an interest cost of NOK 1.2 million and a net foreign exchange loss of NOK 3.9 million. These two items are included under Sum financial items in the Income statement.

In July 2020, the vendor notes were converted to shares with the issuance of 2 336 303 new shares. The share issue resulted in a total increase in the share capital of NOK 233 630 and an increase of NOK 44 927 107 in share premium. The share capital was registered in the Companies' register ("Brønnøysund") on 22 July 2020 and the total number of outstanding shares following the issue was 108 899 869 shares.

NOTE 15 EARNINGS PER SHARE

	2020	2019
Profit for the year (NOK thousand)	**18 191**	(22 716)
Weighted average number of shares outstanding	**107 685 067**	97 724 946
Earnings per share (NOK per share):		
- Basic	**0.17**	(0.23)
- Diluted	**0.17**	(0.23)

NOTE 16 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

(Amounts in NOK thousand)	Category	31 Dec 2020	31 Dec 2019
Financial assets:			
Subordinated intercompany loans	Loans and receivables	115 576	107 167
Other receivables	Loans and receivables	264	38
Receivables intercompany	Loans and receivables	88 550	45 493
Cash and cash equivalents	Loans and receivables	2 486	52 398
Total financial assets		206 876	205 096
Financial liabilities:			
Other current liabilities	Financial liabilities at amortised cost	1 145	1 002
Total financial liabilities		1 145	1 002

Accruals for incurred costs are excluded since they are not defined as financial instruments.

(b) Fair value of financial instruments
The carrying amount of other receivables, receivables intercompany and cash and cash equivalents is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of other current liabilities is approximately equal to fair value since the effect of discounting is not significant.

(c) Financial risk
The most significant financial risks which affect the company are listed below. The management performs a continuous evaluation of these risks and determines policies related to how these risks are to be handled.

(d) Credit risk:
Carrying amounts of financial assets presented above represents the maximum credit exposure. The credit risk related to cash and cash equivalents and other receivables is considered to be immaterial.

(e) Liquidity risk:
Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. The company's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its financial liabilities as they fall due, under normal as well as extraordinary circumstances, without incurring unacceptable losses or risking damage to the company's reputation. If the level of income from the subsidiaries is not sufficient, loans from group companies can be used to enable the company to pay financial liabilities as they fall due.

(Amounts in NOK thousand)	0-6 months	6 - 12 months	1-5 years
31 December 2020			
Other current liabilities	1 145	-	-
Total	1 145	-	-

See note 21 in the consolidated financial statement for further information on the liquidity risk.

f) Foreign exchange rate risk:
The company has no currency risk since all major expenses are nominated in NOK.

NOTE 17 CONTINGENT LIABILITIES

Contingent liabilities:
The Company has not been involved in any legal or financial disputes in 2020.

Guarantees:
There are no guarantees issued at 31 December 2020.

NOTE 18 EVENTS AFTER THE REPORTING PERIOD

See note 25 in the consolidated financial statements.

STATEMENT BY THE BOARD OF DIRECTORS AND CEO

We confirm, to the best of our knowledge, that

- The group financial statements for the period from 1 January to 31 December 2020 have been prepared in accordance with IFRS, as adopted by the EU
- The financial statements of Vow ASA for the period from 1 January to 31 December 2020 have been prepared in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway
- The financial statements give a true and fair view of the group's and the company's consolidated assets, liabilities, financial position and results of operations
- The report from the board of directors provides a true and fair view of the development and performance of the business and the position of the group and the company, together with a description of the key risks and uncertainty factors that the group and the company is facing

Lysaker, Norway, 30 March 2021
The board of directors and CEO – Vow ASA

Narve Reiten	**Bård Brath Ingerø**	**Hanne Refsholt**	**Susanne L. R. Schneider**	**Henrik Badin**
Chairman	*Director*	*Director*	*Director*	*CEO*

This test unit made to process a combustible waste into syngas, oil and char has been successfully delivered by Vow subsidiary ETIA.

Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of VoW ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of VoW ASA, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the statement of financial position as at 31 December 2020, income statement, statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Recognition of revenue from customer contracts over time

A significant part of the Group's revenues relates to customer contracts where revenues are recognized over time. The process of measuring the progress involves judgement and estimates by management related to allocation of the transaction price and estimation of the costs in fulfilling the contract. The duration of the contracts can be several years. The recognition of revenue from customer contracts over time has been a key audit matter due to the estimation uncertainty, the complexity of the contracts and the significance of the amounts involved.

We assessed the application of accounting principles, routines for monitoring the projects and tested controls related to project evaluations and accounting. We discussed the status of projects under construction with management, finance, and technical staff of the Group. We considered the accuracy of management's prior year assumptions by comparing the actual outcome against prior period estimates. For all new contracts, we tested estimated revenues against contracts. We assessed and tested the Group's process to record contract costs, hours and contract revenues and recalculated the calculation of the stage of completion. We also performed test of details of costs against invoices and hours incurred to assess the status of the project.

We refer to the disclosures included in note 4 in the consolidated financial statements regarding revenue from contracts with customers.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on corporate governance and corporate social responsibility concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than* Audits *or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 31 March 2021
ERNST & YOUNG AS

Leiv Aschehoug
State Authorised Public Accountant (Norway)

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

EBITDA before non-recurring items	Normalised earnings before interest, tax depreciation and amortisation.. Non-recurring items, like for instance transaction costs and costs related to acquisitions, are not included.
EBITDA margin (%) before non-recurring items	EBITDA before non-recurring items as a percentage of net sales, is a key performance indicator that the company considers relevant for understanding the profitability of the business and for making comparisons with other companies.
EBITDA	Earnings before interest, tax, depreciation and amortisation. EBITDA is a key performance indicator that the company considers relevant for understanding the generation of profit before investments in fixed assets.
EBIT	Earnings before interest and tax. EBIT is a key performance indicator that the company considers relevant, as it facilitates comparisons of profitability over time independent of corporate tax rates and financing structures. Depreciations are included, however, which is a measure of resource consumption necessary for generating the result.
EBIT margin (%)	EBIT as a percentage of net sales. The EBIT margin is a key performance indicator that the company considers relevant for understanding the profitability of the business and for making comparisons with other companies.
Equity ratio (%)	Total equity in relation to total assets. The equity ratio is a key performance indicator that the company considers relevant for assessing its financial leverage.
Backlog	The group’s order backlog consists of future value of remaining revenue on ongoing projects and projects signed but not started.
Aftersales	Aftersales is revenue related to life cycle services as services, support and spare parts for the equipment and systems delivered.

STATEMENT ON REMUNERATION TO EXECUTIVE MANAGEMENT

Declaration regarding the determination of salary and other remuneration to management employees, pursuant to the Norwegian public limited liability companies Act § 6-16a

1. Determination of salary and other remuneration to the CEO and other senior executives (PLLCA § 6-16a, 1st paragraph)

The salary level for CEO and other senior executives is set according to current employment contracts. Increases in salary and bonus payments to the CEO is determined by the board of directors, possibly by elected board members based on delegation from the board. The increase in salary and bonus payments to other senior executives is determined by the CEO. All employees, including CEO and senior executives, are included in the company's collective pension scheme.

The management of Vow ASA has not received any remuneration or financial benefits from other companies in the group. There is no additional remuneration for special services outside of the normal function of a manager.

The company's current share option program was adopted in August 2019 and expires on 28 September 2022. The options granted vested with 1/3 on the first anniversary of the grant date (i.e. 31.08.2020), and then 1/3 on the second anniversary of the grant date (i.e. 31.08.2021) and 1/3 on the third anniversary of the grant date (i.e. 31.08.2022). The CEO, executive management and other key employees participate in the share option program.

2. Guidelines for the determination of salary and other remuneration for the coming financial year (PLLCA § 6-16a, 2nd paragraph)

Compensation to the CEO and senior management of Vow ASA in the form of salary and other remuneration shall be in accordance with the following principles:

- Compensation shall be competitive in relation to management remuneration in stock exchange listed industrial companies in Norway.
- The compensation must contain a fixed portion and may contain a variable part. The fixed part shall consist of basic salary and some standard additional benefits. If a variable part is given, it must consist of a bonus. Total compensation also includes pension schemes and participation in the option program in accordance with paragraph 1 above. Any bonus payments require that the Vow group achieves a certain profit and, as a general rule, shall not be paid if the audited EBITDA for the group is less than a set target for the current year. However, even if the group's revised EBITDA for the current year should be less than the stated target, a bonus may be paid for extraordinary efforts.

3. Statement on 2020, the previous fiscal year

Remuneration to the CEO and other senior executives for the 2020 financial year was based on the same general guidelines as described above for the coming financial year. The company's annual report for 2020, note 5 to the consolidated financial statements provide details of the remuneration received by members of the executive management in 2020, as well as give further details about the share-based payment (option program).

4. Management's share-based remuneration (share option plan)

As of 31.12.20, there were 1 096 666 outstanding share options in the group based on the 2019 share option program, all of which has an exercise price of NOK 17.90. All members of the management team participate in the company's share option plan, in addition to certain other key employees.

Oslo, 30 March 2021

Narve Reiten	**Bård Brath Ingerø**	**Hanne Refsholt**	**Susanne L. R. Schneider**
Chairman of the board	*Board member*	*Board member*	*Board member*

YOUR NOTES

YOUR NOTES

Vow ASA

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