



REPORT FOR THE SECOND HALF OF 2022

23 February 2023

VOW

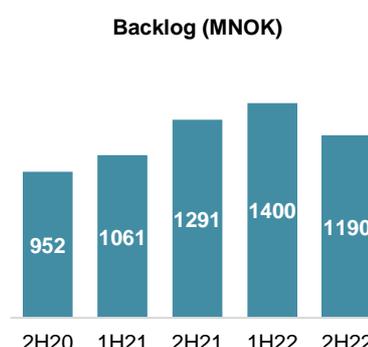
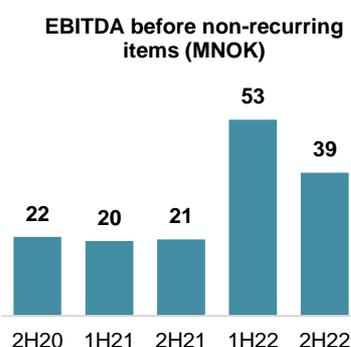
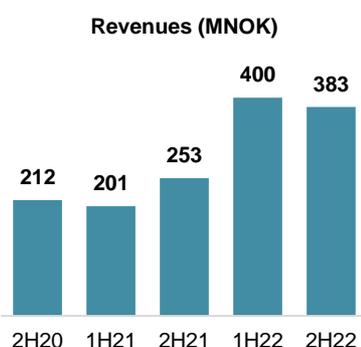
HIGHLIGHTS

Second half year

- **Revenues** for the second half-year reached **NOK 382.9 million**, an increase of 52 per cent from the level of NOK 252.7 million for the same period in 2021. Newly acquired C.H. Evensen represented NOK 29.5 million of the increase, being included in the Vow group from 1 April 2022.
- **EBITDA** before non-recurring items reached **NOK 38.9 million**, representing a margin of 10.2 per cent, compared with NOK 20.8 million and a margin of 8.2 per cent in the second half-year 2021.
 - 32 per cent revenue growth for **Projects Cruise** at slightly lower margins due to mix of projects in the period and certain cost increases.
 - All-time high revenue and profitability for **Aftersales**
 - Strong, profitable growth for **Landbased** segment compared with the second half-year 2021, timing of new orders impacted activity levels in the fourth quarter
- **Robust order backlog** of NOK 1 190 million, compared with NOK 1 291 million from same period last year, providing good visibility and revenues well into 2025/26. On top of this, Vow has a high pipeline of option agreements totalling NOK 857 million
- **Subsidiary C.H. Evensen awarded multiple contracts** with a combined value of NOK 57 million
- **Partnership established with European Tyre Enterprise Ltd.** to deploy Vow's advanced technology to convert end-of-life tyres to valuable raw material and renewable energy

Consolidated key figures

| Amounts in million NOK (except percentages) | 2H 2022 | 2H 2021 | 2022 | 2021 |
|---|---------|---------|-------|-------|
| Revenues | 382.9 | 252.6 | 782.8 | 454.1 |
| EBITDA before non-recurring items | 38.9 | 20.8 | 92.2 | 41.1 |
| EBITDA before non-recurring items margin % | 10.2% | 8.2% | 11.8% | 9.1% |
| EBITDA | 35.0 | 15.2 | 85.5 | 31.3 |
| EBIT | 16.4 | 0.5 | 53.3 | 7.1 |
| Project backlog | 1 190 | 1 291 | 1 190 | 1 291 |
| Total assets | 1 452 | 1 108 | 1 452 | 1 107 |
| Total equity | 539 | 524 | 539 | 524 |



FINANCIAL REVIEW

Vow ASA reports its operations in three segments; Projects Cruise, Aftersales and Landbased. Further comments are provided under each of the business segments.

The acquisition of C.H. Evensen was completed 30 March 2022. The financial results of C.H. Evensen have been included in the Vow group accounts from 1 April 2022 and are reported as part of the Landbased segment.

Financial results

Profit and loss

Revenues for Vow ASA amounted to NOK 382.9 million for the second half of 2022, compared with NOK 252.6 million for the corresponding period of 2021. C.H. Evensen accounted for NOK 29.5 million of revenue in the second half-year period.

The organic increase in revenue is driven by solid growth in all segments. The Aftersales segment has demonstrated solid recovery from the negative impact of the Covid-19 pandemic in 2021. The Landbased revenues in the second half year was 63 per cent higher than in the same period in 2021. This progress was driven by the order with Vow Green Metals (VGM) for delivery of equipment and engineering to the Follum plant. The Projects Cruise revenue recorded in the second half of 2022 represents an increase of 32 per cent from the second half of 2021.

For the full year of 2022, Vow recorded revenues of NOK 782.8 million, compared with NOK 454.1 million in 2021.

The gross margin for the second half of 2022 ended at 37.8 per cent, compared to 38.6 per cent for the same period in 2021. For the full year, the gross margin came in at 37.8 per cent, the same level as recorded for 2021.

EBITDA before non-recurring items amounted to NOK 38.9 million for the second half of 2022, representing a margin of 10.2 per cent, compared to NOK 20.8 million and a margin of 8.2 per cent for the corresponding period of 2021.

Vow recorded **non-recurring costs** of NOK 6.7

million for the full year 2022 compared to NOK 9.8 million in 2021. These costs in 2022 are primarily related to the acquisition of C.H. Evensen.

EBITDA came in at NOK 35.0 million for the second half of 2022, compared with NOK 15.2 million for the same period last year.

All three business segments recorded significant improvements in EBITDA for the second half of 2022, compared with the same period of 2021.

The Aftersales segment increased significantly in both revenue and EBITDA during the second half year, bring the EBITDA margin for the second half year in total up to 13.6 per cent.

For the full year, EBITDA before non-recurring items came in at NOK 92.2 million, compared with NOK 41.1 million for 2021.

Depreciation and amortisation amounted to NOK 18.6 million for the last six months of 2022, compared to NOK 14.7 million for the same period in 2021. Part of the increase is related to the inclusion of the C.H. Evensen operations.

For the full year, depreciation and amortisation came in at NOK 32.2 million, compared with NOK 24.3 million in 2021.

This gave an **operating result** (EBIT) of NOK 16.4 million for the second half of 2022, compared with NOK 0.5 million for the same period last year.

For the full-year period, Vow reports an operating result of NOK 53.3 million in 2022, compared with NOK 7.1 million in 2021.

Net financial items for the second half of 2022 include Vow ASA's share of net profit, and internal gains, from the associated company VGM, recorded as a financial cost of NOK 7.6 million, compared with a financial cost of NOK 7.4 million in 2H 2021.

Other financial items in the second half of 2022 were recorded with a financial cost of NOK 2.1 million, compared to NOK 12.4 million for the same period in 2021. The lower net cost level in 2022 is primarily due to currency agio gains on accounts receivable in Euro and USD at year-end.

In total, net financial items were recorded with a financial cost of NOK 9.7 million in the second half of 2022, compared with a financial income of NOK 321.8 million for the same period in 2021.

In 2H 2021, the demerger of the VGM operations from Vow ASA resulted in a gain of NOK 341.6 million, reflecting the fair value adjustment and value creation of the demerger and stock exchange listing process of VGM.

For the full year 2022, net financial items were recorded with a cost of NOK 31.1 million, compared with an income of NOK 315.3 million in 2021.

The result before tax for the period came in at NOK 6.7 million, compared with NOK 322.3 million for the same period last year. The result for the year 2022 was recorded with NOK 22.7 million, compared with NOK 323.4 million for the year 2021.

Cash flow and investments

Operating activities were high in the second half of 2022, continuing to build the organisation and to deliver on the ongoing projects. The high activity level and significant increase in net contracts in progress and other working capital generated a negative cash flow from operations of NOK 78.6 million for the second half of 2022. A significant part of the contracts in progress will be invoiced in the start of 2023, giving net positive cash flow generation.

For the full year of 2022, operating cash flow ended at negative NOK 72.2 million, compared with NOK 18.0 million for 2021.

Investing activities in the last six months of 2022 generated a cash outflow of NOK 56.3 million, primarily related to ongoing R&D projects and investments in the Landbased segment. Investing activities in the second half of 2021 included the NOK 150 million in cash equity increase in VGM prior to the demerger from Vow ASA. The other net investing activity of NOK 44.1 million were primarily related to investments made within R&D and intangible assets to strengthen and develop the Landbased segment.

For the full year 2022, investments made within intangible assets and fixed assets amounted to NOK 117.1 million compared with NOK 96.1 million for the full year 2021.

Financing activities in the second half of 2022 generated a positive cash flow of NOK 138.2 million, compared with a negative NOK 9.4 million in the same period of 2021. This is a combination of interest cost paid on debt financing, instalments made on long-term debt and changes in the drawn amount on the bank overdraft, trade finance and revolving credit facilities.

For the full year 2022, cash flow from financing activities was positive with NOK 136.4 million, compared with NOK 341.1 million in 2021. The cash flow from financing in 2021 includes the equity financing in March 2021 and the new long-term debt financing drawn up in June 2021.

Financial position

As of 31 December 2022, Vow had total assets of NOK 1 452.3 million, compared with NOK 1 106.6 million at the end of 2021.

The increase in the total balance sheet of the group follows the significant increase in the activity and revenue level in all business segments during the second half of 2022. In addition, the inclusion of the balance sheet of C.H. Evensen from 1 April 2022 also increase the total balance sheet levels for the Vow group.

At the end of December 2022, Vow had total equity of NOK 538.9 million, representing an equity share of 37 per cent, compared with NOK 523.7 million at the end of 2021.

OPERATIONAL REVIEW

Vow ASA develops and delivers world leading technology and solutions that bring an end to waste and that are required in a truly sustainable circular economy.

The company's world leading solutions convert biomass and waste into valuable resources and generate clean energy for a wide range of industries.

Advanced technologies and solutions from Vow enable industry decarbonisation and material recycling. Biomass, sewage sludge, plastic waste and end-of-life tyres can be converted into clean energy, low carbon fuels and renewable carbon that replace natural gas, petroleum products and fossil carbon. The solutions are scalable, standardised, patented, and thoroughly documented, and the company's capability to deliver is well proven.

The company is a cruise market leader in wastewater purification and valorisation of waste. It also has strong niche positions in food safety and robotics, and in heat-intensive industries with a strong decarbonising agenda.

Key events

Vow and ETEL team up for recycling of end-of life tyres

In December, Vow ASA teamed up with European Tyre Enterprise Ltd. (ETEL), to deploy Vow's advanced technology in a complete solution to convert end-of-life tyres to valuable raw material and renewable energy. ETEL has identified a potential demand for more than 300 tyre recycling plants in Europe, North America and Japan.

Vow subsidiary C. H. Evensen awarded multiple contracts

In December, C.H. Evensen AS, a specialist in heat treatment solutions, was awarded five large orders for advanced technology to leading industry players. The orders have a combined value of NOK 57 million. The two larger orders, each valued at around NOK 20 million, are for a hot-dip galvanising system to an unnamed customer in Northern Ireland and an unnamed

Swedish customer in metals manufacturing. The other three orders are for ThyssenKrupp in Germany, and unnamed customers in Sweden and Norway.

Vow and Controlpartner establish joint venture within automation

In September, Vow and Controlpartner established a joint venture within automation, Vow Automation AS, in which Scanship will own 50.1 per cent and Control Invest AS will own 49.9 per cent. The aim of Vow Automation is to develop better digitised control systems, mainly to the Vow group and its many projects and system deliveries.

Additional 2,500-tonnes production facility at Follum to be transferred to Vow Green Metals

In February this year, Vow announced that it is in discussion with Vow Green Metals about the potential sale of a 2,500 tonnes biocarbon production facility at Follum Norway, featuring a biogreen line. Construction is underway for completion in the third quarter 2023.

Order backlog

At the end of 2022, Vow had a total order backlog of NOK 1 190 million, down from NOK 1 291 million at the start of the year. Of the total backlog, NOK 749 million relates to the Projects Cruise segment, while the remaining NOK 441 million relate to the Landbased segment.

On top of the firm backlog, Vow ASA had secured option agreements related to the Projects Cruise segment to a total value of 857 million as at 31 December 2022.

Segments

Vow ASA is organised in three operating segments; Projects Cruise, Aftersales and Landbased. In addition, there is an accounting segment named Administration which represents costs that are not allocated to the business segments, as the costs are mainly related to headquarter and listing of the Vow group.

The segment Projects Cruise includes sales of systems to shipyards for newbuild constructions or to ships in operations as retrofits, while Aftersales are related to sale of spares and consumables, as well as service on delivered systems. The Landbased segment designs and provides systems to valorise biomass residues and waste into renewable products, chemicals and fossil free energy through pyrolysis solutions.

Projects Cruise

| NOK million | 2H-22 | 2H-21 | 2022 | 2021 |
|--------------------|-------|-------|-------|-------|
| Revenues | 191.4 | 144.9 | 358.6 | 294.2 |
| EBITDA* | 36.5 | 29.6 | 76.9 | 67.9 |
| EBITDA* margin (%) | 19.1% | 20.4% | 21.4% | 23.1% |
| Backlog | 749 | 1 012 | 749 | 1 012 |

* Before non-recurring items

Revenues from the Projects Cruise segment amounted to NOK 191.4 million for the second half of 2022, compared to NOK 144.9 million for the same period in 2021, representing an increase of 32 per cent. The revenue level within Projects Cruise is primarily related to the phasing of the newbuilding and retrofit projects and the timing of equipment deliveries from Scanship.

EBITDA for the segment came in at NOK 36.5 million for the period, compared with NOK 29.6 million for the corresponding period of 2021. The increase was driven by higher activity levels. The EBITDA margin came in at 19.1 per cent, compared with a margin of 20.4 per cent in the same period in 2021.

For the year as a whole, the EBITDA was NOK 76.9 million representing an increase from NOK 67.9 million in 2021.

Order backlog for segment Projects Cruise was NOK 749 million at the end of the year, compared with NOK 1 012 million at year-end 2021.

Operational activity for Vow's subsidiary Scanship AS continued on a high level in the second half of 2022, with major system deliveries to 16 cruise newbuilds and 1 retrofit project. In addition, Scanship commissioned 3 newbuild projects in the second half year.

Aftersales

| NOK million | 2H-22 | 2H-21 | 2022 | 2021 |
|--------------------|-------|-------|-------|------|
| Revenues | 70.7 | 33.6 | 119.9 | 51.9 |
| EBITDA* | 9.6 | 1.0 | 14.0 | 0.4 |
| EBITDA* margin (%) | 13.6% | 2.9% | 11.7% | 0.7% |

* Before non-recurring items

Revenues for the Aftersales segment came in at NOK 70.7 million for the period, up from NOK 33.6 million for the same period in 2021. The increase was driven by higher activity levels as cruise ships around the world resumed normal operations during the first half year 2022, after the covid-related travel restrictions were eased.

EBITDA for the segment was positive at NOK 9.6 million for the second half of the year, compared to an EBITDA of NOK 1.0 million in the second half of 2021. This gave a positive EBITDA margin of 13.6 per cent for the period, up from 2.9 per cent in the corresponding prior-year period.

For the full year, the EBITDA from Aftersales was NOK 14.0 million, compared with NOK 0.4 million for 2021.

Landbased

| NOK million | 2H-22 | 2H-21 | 2022 | 2021 |
|--------------------|-------|-------|-------|--------|
| Revenues | 120.8 | 74.2 | 304.3 | 108.0 |
| EBITDA* | 12.9 | 2.0 | 37.7 | (7.1) |
| EBITDA* margin (%) | 10.7% | 2.7% | 12.4% | (6.5%) |
| Backlog | 441 | 279 | 441 | 279 |

* Before non-recurring items

Revenues for the Landbased segment amounted to NOK 120.8 million for the second half of 2022, compared with NOK 74.2 million in the second half of 2021. The progress is driven by the order with Vow Green Metals for delivery of equipment and engineering to the Follum plant. Revenue from the C.H. Evensen operations was NOK 29.5 million for the second half-year period of 2022.

With the acquisition of C.H. Evensen, Vow has increased the revenue base for the Landbased segment significantly. Vow has also made substantial investments in the ETIA operations and the Landbased segment, both through operating expenses and R&D investments, in order to grow the revenue base and profitability of this business segment.

EBITDA before non-recurring items for the segment came in at NOK 12.9 million for the second half of the year, compared with NOK 2.0 million for the same period in 2021.

EBITDA for the segment came in at NOK 11.3 million for the second half of 2022, compared with NOK 0.3 million for the corresponding period of 2021.

For the full year, EBITDA for Landbased was NOK 33.2 million, compared with negative NOK 10.1 million in 2021.

Order backlog for the Landbased segment amounted to NOK 441 million at the end of 2022, compared with NOK 279 million at the end of 2021.

During the second half year the C.H. Evensen operations have been awarded multiple contracts with a combined value of NOK 57 million.

Administration cost

Administration costs are costs that are not allocated to the segments, as the costs are mainly related to headquarter and to listing of the group rather than to a specific segment. The costs for this segment amounted to NOK 20.2 million for the second half of 2022, compared with NOK 16.2 million for the first half of 2022 and NOK 11.8 million in the second half of 2021.

The increase in cost level compared to 2021 reflects the investments made in the organisation to facilitate further growth in all three operating business segments in the coming years.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG)

Vow's business is built on the fundamental belief that we need to take better care of the world. Vow takes a holistic view on our business and its impact on environmental, social and governance (ESG) topics.

Vow reports annually on material ESG-topics using the respected standard Global Reporting Initiative (GRI). Some key insights on sustainability performance are described below.

Environment and climate action

Vow's ambition is to play a significant part in the green transition with the company's solutions for decarbonisation, waste valorisation and pollution prevention. Vow acknowledges the importance of reducing the environmental footprint from own operations. In accordance with the Greenhouse Gas (GHG) Protocol, Vow annually accounts for scope 1 and 2 emissions, and are continuously working to include additional scope 3 categories into its accounts, aiming for full scope 3 reporting in 2025.

Diversity, equality and inclusion

A diversified workforce is important for Vow to accomplish its mission and Vow has now developed a recruitment strategy to further diversify the workforce. As of 31 December 2022, Vow had 251 employees, of which 20 per cent are women. To accompany a growing workforce, Vow has during the second half of 2022 changed reporting criteria for ESG purposes relating to management positions. Management positions are now separated between 1) Managers with personnel responsibility, and 2) Managers without personnel responsibility. The proportion of females in the first category account to 9 per cent, and 27 per cent in the latter category.

Occupational health and safety

During the second half year of 2022, Vow has implemented a training platform, where employees will do internal HSE training related to their scope of work, and it is in the progress to be developed to cover the internal requirements in Vow and our customers safety requirements. The HSEQ department will visit all commission and test sites in 2023 to ensure that everyone is following the safety standard, including how to use the deviation system that's implemented in 2nd half of 2022.

Sustainability governance

As a part of Vow's work to promote responsible business practices, training in anti-corruption began for all employees at the end of the second

half of 2022. The training will be completed in the beginning of 2023. No incidents are reported through the internal whistle-blower channel or the external grievance mechanism.

SHARE INFORMATION

Vow ASA is listed at the Oslo Børs under the symbol VOW.

A total number of 201 001 employee stock options were exercised in September 2022 at a price of NOK 16.74 per share. As settlement of the options that were exercised, 201 001 new shares were issued at the exercise price NOK 16.74.

Following the issuance of the new shares, the issued share capital of Vow ASA is NOK 10 737 621.4385 consisting of 114 840 871 fully paid shares, each with a par value of NOK 0.09350.

During the second half of 2022, the Vow share traded between NOK 16.34 and NOK 25.22 per share, with a closing price of NOK 17.77 per share at 30 December 2022. A total of 15.7 million shares were traded during the second half of 2022, representing 13.7 per cent of the total number of shares outstanding. The average volume traded daily was approximately 120 700, compared to an average of 268 962 shares per day in the previous reporting period.

General meetings

Vow ASA's annual general meeting will be held 22 May 2023.

RISKS AND UNCERTAINTIES

The Vow group is subject to a number of risks, including operational and financial risks. For a more detailed description of the risk factors, please see an overview in the annual report for 2021.

Vow's business has continued according to plan in the second half of 2022, without significant changes in delivery schedules to the cruise

industry. The geopolitical situation has however caused macroeconomic uncertainty and inflationary pressure, which may impact consumer preferences and demand for vacations going forward.

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

OUTLOOK

Vow continues to support its customers in their quest to decarbonise their value chains and become more environmentally sustainable.

During 2022, the global cruise ship fleet has returned to normal operations. This is reflected by the increase in our revenue level in the Aftersales segment. As more cruise newbuilds have been delivered with Vow systems in recent years, Vow's addressable market for Aftersales has increased.

At the same time, Vow continues to deliver more newbuild and retrofit projects in cruise. The order backlog provides good visibility for revenues well into 2025/26. A cruise ship version of Vow's Biogreen solution is being developed for cruise operators that are seeking ways to further improve the environmental footprint of their operation.

In Norway, Vow is currently in the process of producing and assembling equipment for Vow Green Metals' first biocarbon plant based on Vow's advanced pyrolysis technology Biogreen. Vow continues to make investments in the Landbased segment, and the acquisition of C.H. Evensen further strengthens the group's foothold capacities and growth prospects in this segment.

With the Vow Green Metals Follum project and the large scale pyrolysis reactor now being built by C.H. Evensen, Vow is positioned as a supplier of large capacity pyrolysis systems to industries. As a result of this positioning, Vow is now experiencing increased demand for large industrial scale pyrolysis projects.

The large contract awarded in May in the US and the partnership with ETEL announced in December are also results of this new demand.

As a provider of world leading technologies that can eliminate pollution, enhance circular economy

and mitigate climate change, and with a proven ability to deliver reliable technology at a competitive price, Vow is well positioned to meet the global trends of green industry transition and turning waste into valuable resources.

Lysaker, Norway, 22 February 2023
The Board of Directors and CEO
Vow ASA

Narve Reiten
Chairman

Bård Brath Ingerø
Director

Susanne Schneider
Director

Hanne Refsholt
Director

Henrik Badin
CEO

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

| | |
|---|---|
| EBITDA before non-recurring items | Normalised earnings before interest, tax depreciation and amortization. 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 amortization. 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 |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| (NOK million) | Note | Unaudited 2H 2022 | Unaudited 2H 2021 | Unaudited 2022 | Audited 2021 |
|--|------|----------------------|----------------------|-------------------|-----------------|
| Revenue | 2 | 382.9 | 252.6 | 782.8 | 454.1 |
| Total operating revenue | | 382.9 | 252.6 | 782.8 | 454.1 |
| Cost of goods sold | | -238.1 | -155.2 | -487.2 | -282.5 |
| Gross Profit | | 144.8 | 97.4 | 295.6 | 171.6 |
| <i>Gross Margin</i> | | 37.8% | 38.6% | 37.8% | 37.8% |
| Employee expenses | | -68.2 | -51.2 | -126.6 | -90.8 |
| Other operating expenses | | -37.8 | -25.4 | -76.8 | -39.6 |
| EBITDA before non-recurring items | | 38.9 | 20.8 | 92.2 | 41.1 |
| <i>EBITDA margin before non-recurring items</i> | | 10.1% | 8.2% | 11.8% | 9.1% |
| Non-recurring items | | -3.8 | -5.7 | -6.7 | -9.8 |
| EBITDA | 2 | 35.0 | 15.2 | 85.5 | 31.3 |
| Depreciation and amortisation | | -18.6 | -14.7 | -32.2 | -24.3 |
| Operating result (EBIT) | | 16.4 | 0.5 | 53.3 | 7.1 |
| Sum financial items | | -2.1 | -12.4 | -8.9 | -18.9 |
| Share of net profit from associated company | | -7.6 | -7.4 | -22.1 | -7.4 |
| Gain from demerger of Vow Green Metals AS operations | | 0.0 | 341.6 | 0.0 | 341.6 |
| Net financial items | | -9.7 | 321.8 | -31.1 | 315.3 |
| Result before tax | | 6.7 | 322.3 | 22.3 | 322.3 |
| Income tax revenue (+) / expense (-) | | 1.6 | 1.5 | 0.4 | 1.0 |
| Result for the period | | 8.2 | 323.8 | 22.7 | 323.4 |
| Other comprehensive income | | | | | |
| <i>Exchange differences or trans. of foreign op.</i> | | 0.5 | -3.7 | 9.2 | -6.1 |
| Total comprehensive income, net of tax | | 8.7 | 320.1 | 31.9 | 317.2 |
| Attributable to | | | | | |
| Owners of the parent | | 8.7 | 320.0 | 31.8 | 317.1 |
| Non-controlling interest | | - | 0.1 | 0.1 | 0.1 |
| | | 8.7 | 320.1 | 31.9 | 317.2 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (NOK million) | Note | Unaudited 2022 | Audited 2021 |
|--|------|-------------------|-----------------|
| Deferred tax asset | | 9.2 | 9.2 |
| Property, plant and equipment | | 43.9 | 22.3 |
| Intangible assets | | 332.8 | 232.6 |
| Goodwill | | 179.3 | 137.8 |
| Right-of-use assets | | 36.1 | 24.9 |
| Investment in associated company | | 120.5 | 142.6 |
| Long-term receivables | | 0.9 | 0.9 |
| Total non-current assets | | 722.5 | 570.2 |
| Inventories | | 54.6 | 18.0 |
| Trade receivables | | 192.1 | 122.3 |
| Contracts in progress | 2 | 339.2 | 195.0 |
| Other receivables | | 101.5 | 60.0 |
| Cash and cash equivalents | | 42.5 | 141.1 |
| Total current assets | | 729.9 | 536.3 |
| Total assets | | 1452.3 | 1 106.6 |
| Share capital | | 10.7 | 10.7 |
| Treasury shares | | -0.1 | 0.0 |
| Share premium | | 498.0 | 516.4 |
| Other capital reserves | | 8.6 | 6.9 |
| Translation differences | | 8.2 | -0.9 |
| Retained earnings | | 12.3 | -10.5 |
| Equity attributable to owners of the parent | | 537.8 | 522.6 |
| <i>Attributable to non-controlling interest</i> | | <i>1.1</i> | <i>1.1</i> |
| <i>Attributable to owners of the parent</i> | | <i>537.8</i> | <i>522.6</i> |
| Total equity | | 538.9 | 523.7 |
| Deferred tax liabilities | | 38.5 | 33.2 |
| Long term borrowings | 3 | 192.9 | 240.4 |
| Non-current lease liabilities | | 25.3 | 11.0 |
| Total non-current liabilities | | 256.7 | 284.6 |
| Current borrowings | 3 | 191.0 | 39.8 |
| Trade creditors | | 177.7 | 72.9 |
| Convertible loan | 4 | 28.5 | - |
| Contract accruals | 2 | 141.0 | 96.4 |
| Bank overdraft / Trade finance facility | 3 | 61.4 | 2.1 |
| Current lease liabilities | | 12.2 | 14.1 |
| Other current liabilities | | 44.9 | 72.9 |
| Total current liabilities | | 656.7 | 298.2 |
| Total liabilities | | 913.4 | 582.8 |
| Total equity and liabilities | | 1452.3 | 1 106.6 |

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

| <i>Unaudited</i> (NOK million) | Share Capital | Treasury Shares | Share premium | Other cap. reserves | Trans. diff. | Retained earnings | Total |
|---|------------------|--------------------|------------------|---------------------------|-----------------|----------------------|--------------|
| 31.12.22 | | | | | | | |
| Equity at 31.12.2021 | 10.7 | - | 516.4 | 6.9 | -0.9 | -9.5 | 523.7 |
| Result for the period | - | - | - | - | - | 22.7 | 22.7 |
| Other comprehensive income | - | - | - | - | 9.2 | - | 9.2 |
| Total comprehensive income | - | - | - | - | 9.2 | 22.7 | 31.9 |
| Share buy-back March 2022 * | - | -0.1 | -21.7 | - | - | - | -21.8 |
| Share capital increase September 2022 | 0.0 | - | 3.3 | - | - | - | 3.4 |
| Stock option | - | - | - | 1.7 | - | - | 1.7 |
| Equity at end of period | 10.7 | -0.1 | 498.0 | 8.6 | 8.2 | 13.3 | 538.9 |
| <i>Attributable to non-controlling interest</i> | | | | | | | 1.1 |
| <i>Attributable to owners of the parent</i> | | | | | | | 537.8 |
| | | | | | | | 538.9 |

| <i>Unaudited</i> (NOK million) | Share Capital | Treasury Shares | Share premium | Other cap. reserves | Trans. diff. | Retained earnings | Total |
|---|------------------|--------------------|------------------|---------------------------|-----------------|----------------------|---------------|
| 31.12.21 | | | | | | | |
| Equity at 31.12.2020 | 10.9 | - | 292.0 | 3.7 | 5.2 | 8.8 | 320.8 |
| Result for the period | - | - | - | - | - | 323.4 | 323.4 |
| Other comprehensive income | - | - | - | - | -6.1 | - | -6.1 |
| Total comprehensive income | - | - | - | - | -6.1 | 323.4 | 317.2 |
| Share capital increase March 2021 | 0.5 | - | 218.0 | - | - | - | 218.5 |
| Reduction nominal value | -0.7 | - | - | 0.7 | - | - | - |
| Share capital increase September 2021 | 0.0 | - | 6.3 | - | - | - | 6.4 |
| Stock options | - | - | - | 2.4 | - | - | 2.4 |
| Dividends paid | - | - | - | - | - | -341.6 | -341.6 |
| Equity at end of period | 10.7 | - | 516.4 | 6.9 | -0.9 | -9.5 | 523.7 |
| <i>Attributable to non-controlling interest</i> | | | | | | | 1.1 |
| <i>Attributable to owners of the parent</i> | | | | | | | 522.6 |
| | | | | | | | 523.7 |

* On 30 March 2022, Vow ASA finalised the repurchase of shares under the share buy-back programme announced on 15 March 2022. The total programme comprised 1 000 000 shares repurchased in the market for a total consideration of NOK 21 765 251.

CONSOLIDATED STATEMENT OF CASH FLOW

| (NOK million) | Unaudited 2H 2022 | Unaudited 2H 2021 | Unaudited 2022 | Audited 2021 |
|---|----------------------|----------------------|-------------------|-----------------|
| <i>Result before tax</i> | 6.7 | 322.3 | 22.3 | 322.3 |
| Net cash flow from operating activities | -78.6 | 40.9 | -72.2 | 18.0 |
| Investment in intangible and fixed assets | -56.3 | -44.1 | -117.1 | -96.1 |
| Divestment of Vow Green Metals AS | - | -150.0 | - | -150.0 |
| Acquisition of C.H. Evensen Industriovner AS | - | - | -25.0 | - |
| Purchase of own shares | - | - | -21.8 | - |
| Net cash flow from financing activities | 138.2 | -9.4 | 136.4 | 341.1 |
| Net change in cash and cash equivalents | 3.2 | -162.6 | -99.7 | 113.0 |
| <i>Effect of exchange rate changes on cash and cash equivalents</i> | 0.1 | 0.7 | 1.1 | 1.5 |
| Cash and cash equivalents at start of period | 39.2 | 303.0 | 141.1 | 26.6 |
| Cash and cash equivalents at end of period | 42.5 | 141.1 | 42.5 | 141.1 |

NOTES TO THE ACCOUNTS

Note 1 General information

This interim financial information for the Second Half Year 2022 has been prepared pursuant to IAS 34 «interim financial reporting». The interim Financial Reporting should be read in conjunction with the annual Financial Statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS, as adopted by European Union. The accounting policies implemented are consistent with those of the annual financial statements for the year ended December 2021. The Board of Directors approved this Interim report February 22, 2023.

Note 2 Revenue, contracts in progress and segment

| (NOK million) | Unaudited 2H 2022 | Unaudited 2H 2021 | Unaudited 2022 | Audited 2021 |
|-----------------|----------------------|----------------------|-------------------|-----------------|
| Project revenue | 191.4 | 144.8 | 358.6 | 294.2 |
| Aftersales | 70.7 | 33.6 | 119.9 | 51.9 |
| Landbased | 120.8 | 74.2 | 304.3 | 108.0 |
| Revenue | 382.9 | 252.6 | 782.8 | 454.1 |

Revenue from projects is recognised under IFRS 15 (Revenue from contracts with customers). The method will include estimates for the total costs on the projects, both equipment cost and internal project related work hours.

Recognised and included in the financial statements as amount due:

| (NOK million) | Unaudited 2022 | Audited 2021 |
|-----------------------------|-------------------|-----------------|
| Contracts in progress | 339.2 | 195.0 |
| Contract accruals | 141.0 | 96.4 |
| Net work in progress | 198.2 | 98.6 |

Segment information:

| 2H 2022 | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| (NOK million) | Projects | Aftersales | Landbased | Admin. | Total |
| Revenue | 191.4 | 70.7 | 120.8 | - | 382.9 |
| Total revenue | 191.4 | 70.7 | 120.8 | - | 382.9 |
| Cost of sales | -124.3 | -44.9 | -69.0 | - | -238.1 |
| Employee expenses | -23.5 | -13.5 | -27.2 | -3.9 | -68.2 |
| Other operating expenses | -7.1 | -2.7 | -11.7 | -16.2 | -37.8 |
| EBITDA before non-recurring items | 36.5 | 9.6 | 12.9 | -20.2 | 38.9 |
| <i>EBITDA before non-recurring items margin %</i> | <i>19.1%</i> | <i>13.6%</i> | <i>10.7%</i> | | <i>10.1%</i> |
| Non-recurring items | - | - | -1.6 | -2.2 | -3.8 |
| EBITDA | 36.5 | 9.6 | 11.3 | -22.4 | 35.0 |
| Depreciation and amortisation | -11.6 | -0.8 | -5.5 | - | -17.9 |
| Impairment | -0.1 | -0.6 | - | - | -0.7 |
| Operating profit | 24.8 | 8.2 | 5.8 | -22.4 | 16.4 |
| 2H 2021 | | | | | |
| (NOK million) | Projects | Aftersales | Landbased | Admin. | Total |
| Revenue | 144.8 | 33.6 | 74.2 | 0.0 | 252.6 |
| Total revenue | 144.8 | 33.6 | 74.2 | 0.0 | 252.6 |
| Cost of sales | -99.5 | -20.4 | -35.2 | 0.0 | -155.2 |
| Employee expenses | -14.0 | -10.0 | -23.3 | -3.9 | -51.2 |
| Other operating expenses | -1.7 | -2.2 | -13.6 | -7.9 | -25.4 |
| EBITDA before non-recurring items | 29.6 | 1.0 | 2.0 | -11.8 | 20.8 |
| <i>EBITDA before non-recurring items margin %</i> | <i>20.4%</i> | <i>2.9%</i> | <i>2.8%</i> | | <i>8.2%</i> |
| Non-recurring items | -1.1 | 0.0 | -1.7 | -2.9 | -5.7 |
| EBITDA | 28.5 | 1.0 | 0.3 | -14.6 | 15.2 |
| Depreciation and amortisation | -4.5 | -0.7 | -8.9 | - | -14.0 |
| Impairment | -0.6 | - | - | - | -0.6 |
| Operating profit | 23.4 | 0.3 | -8.6 | -14.6 | 0.5 |
| 2022 | | | | | |
| (NOK million) | Projects | Aftersales | Landbased | Admin. | Total |
| Revenue | 358.6 | 119.9 | 304.3 | - | 782.8 |
| Total revenue | 358.6 | 119.9 | 304.3 | - | 782.8 |
| Cost of sales | -235.8 | -76.4 | -175.0 | - | -487.2 |
| Gross profit | 122.7 | 43.5 | 129.4 | - | 295.6 |
| Gross margin | 34.2% | 36.3% | 42.5% | | 37.8% |
| Employee expenses | -37.0 | -24.3 | -58.5 | -6.7 | -126.6 |
| Other operating expenses | -8.8 | -5.2 | -33.2 | -29.6 | -76.8 |
| EBITDA before non-recurring items | 76.9 | 14.0 | 37.7 | -36.4 | 92.2 |
| <i>EBITDA before non-recurring items margin %</i> | <i>21.4%</i> | <i>11.7%</i> | <i>12.4%</i> | | <i>11.8%</i> |
| Non-recurring items | - | - | -4.5 | -2.2 | -6.7 |
| EBITDA | 76.9 | 14.0 | 33.2 | -38.6 | 85.5 |
| Depreciation and amortisation | -19.2 | -1.4 | -10.9 | - | -31.5 |
| Impairment | -0.1 | -0.6 | - | - | -0.7 |
| Operating profit | 57.6 | 12.1 | 22.3 | -38.6 | 53.3 |

| 2021 (NOK million) | Projects | Aftersales | Landbased | Admin. | Total |
|---|--------------|-------------|--------------|--------------|--------------|
| Revenue | 294.2 | 51.9 | 108.0 | 0.0 | 454.1 |
| Total revenue | 294.2 | 51.9 | 108.0 | 0.0 | 454.1 |
| Cost of sales | -195.3 | -31.4 | -55.9 | 0.0 | -282.5 |
| Gross profit | 98.9 | 20.5 | 52.1 | - | 171.6 |
| Gross margin | 33.6% | 39.6% | 48.3% | - | 37.8% |
| Employee expenses | -27.5 | -19.3 | -39.5 | -4.4 | -90.8 |
| Other operating expenses | -3.4 | -0.9 | -19.7 | -15.6 | -39.6 |
| EBITDA before non-recurring items | 67.9 | 0.4 | -7.1 | -20.1 | 41.1 |
| <i>EBITDA before non-recurring items margin %</i> | <i>23.1%</i> | <i>0.7%</i> | <i>-6.5%</i> | <i>-</i> | <i>9.1%</i> |
| Non-recurring items | -1.1 | - | -3.0 | -5.7 | -9.8 |
| EBITDA | 66.8 | 0.4 | -10.1 | -25.8 | 31.3 |
| Depreciation and amortisation | -7.9 | -1.2 | -14.5 | - | -23.7 |
| Impairment | -0.6 | 0 | - | - | -0.6 |
| Operating profit | 58.3 | -0.9 | -24.6 | -25.8 | 7.1 |

Note 3 Borrowing

Long term borrowings:

| (NOK million) | Unaudited 31.12.2022 | Audited 31.12.2021 |
|---|-------------------------|-----------------------|
| Other long term interest-bearing debt | 186.2 | 233.1 |
| Conditional loans related to R&D (ETIA) | 6.8 | 7.4 |
| Balance | 193.0 | 240.4 |

Short term borrowings:

| (NOK million) | Unaudited 31.12.2022 | Audited 31.12.2021 |
|--|-------------------------|-----------------------|
| Other short term interest-bearing debt | 191.0 | 39.8 |
| | 191.0 | 39.8 |

Bank overdraft / Trade finance facility:

| (NOK million) | Unaudited 31.12.2022 | Audited 31.12.2021 |
|-------------------------|-------------------------|-----------------------|
| Bank overdraft facility | 18.3 | -9.2 |
| Trade finance facility | 43.1 | 11.2 |
| | 61.4 | 2.1 |

Scanship AS has a bank overdraft facility with a limit of NOK 65 million, as well as a trade finance facility with limit of NOK 40 million, in total NOK 105 million. C.H. Evensen has drawn NOK 7.7 million bank overdraft facility with a limit of NOK 10 million.

In June 2021, Vow secured NOK 320 million in long-term financing from DNB ASA, establishing a strong financial foundation for further innovation and project development in land-based industries. The financing arrangement consists of a NOK 170 million term loan facility and a NOK 150 million revolving credit facility (RCF), both classified as “green financing” at attractive terms, and within the DNB Sustainable Product Framework. This framework includes a verification by DNV, the assurance and risk management company, and is based on the international Green Loan Principles (GLP).

The NOK 170 million term loan with DNB is drawn up as per 31 December 2022. The RCF facility is drawn with NOK 135 million as per 31 December 2022.

Note 4 Vow acquisition of C.H. Evensen Industriovner AS

On 30 March 2022, Vow ASA entered into an agreement through its subsidiary Scanship AS to acquire all shares in C.H. Evensen Industriovner AS (C.H. Evensen). The agreed purchase price was NOK 50 million.

Established in Norway in 1937 and currently ranking as a leader in its field in the Nordic, C.H. Evensen has earned a well-deserved reputation as trusted partner and supplier of technology and solutions for high-temperature industrial processes.

Its product range for industries to lower emissions and improve operational efficiencies comprises heat treatment furnaces and ovens, hot-dip galvanising solutions, and green technology based on pyrolysis. Lately, the company has also developed solutions within a growing market for battery production and recycling. This makes it an excellent match with Vow's pyrolysis-based circular carbon and CO2 neutral energy solutions.

Scanship AS has as part of the closing issued a Vendor Note (seller's credit) for NOK 25 million, that immediately upon the issuance was transferred to Vow ASA (as new borrower). The convertible loan is recorded at fair value NOK 28.5 million.

The purpose of the transfer to Vow ASA is to facilitate a possible settlement of the Vendor Note with Vow ASA shares. During the last month before the Vendor Note's settlement date, the Seller will have the right to elect to have the Vendor Note (fully or partially) settled by receiving Vow shares at a price of NOK 25 per Vow share. The Vendor Note shall be settled on 30 May 2023.

STATEMENT BY THE BOARD OF DIRECTORS AND CEO

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

Lysaker, Norway, 22 February 2023
The Board of Directors and CEO
Vow ASA

Narve Reiten
Chairman

Bård Brath Ingerø
Director

Susanne Schneider
Director

Hanne Refsholt
Director

Henrik Badin
CEO