

REPORT FOR THE FIRST HALF OF 2024

29 August 2024



VOW

HIGHLIGHTS

First half-year 2024

- Revenues for the first half-year reached NOK 485.0 million, representing an increase of 8.1 per cent from NOK 448.7 million for the same period in 2023.
 - Revenue from the Maritime Solutions segment increased by 2.3 per cent to NOK 219.1 million from NOK 214.1 million in the same period last year.
 - Increased activity levels in Aftersales resulted in a 17.6 per cent revenue increase to NOK 102.2 million from NOK 86.9 million in the same period in 2023.
 - Revenues in Industrial Solutions increased by 10.9 per cent to NOK 163.8 million
- During the period, the Group delivered on cost reduction programmes with estimated annual cost savings in the range of NOK 40-50 million for FY 2024 compared with FY 2023.
- EBITDA before non-recurring items was NOK 26.1 million, corresponding to a margin of 5.4 per cent, compared with NOK 29.6 million and a margin of 6.6 per cent in the first half-year 2023.
 - Non-recurring costs amounted to NOK 5.4 million mainly related to the restructuring of the French subsidiary ETIA.
- Robust order backlog of NOK 1 061 million, compared with NOK 1 145 million in the same period last year. The backlog has increased compared with backlog as of YE 2023 following contract awards during first half of the year, providing good visibility and revenues well into 2025/26. In addition, option agreements totalling NOK 316 million.

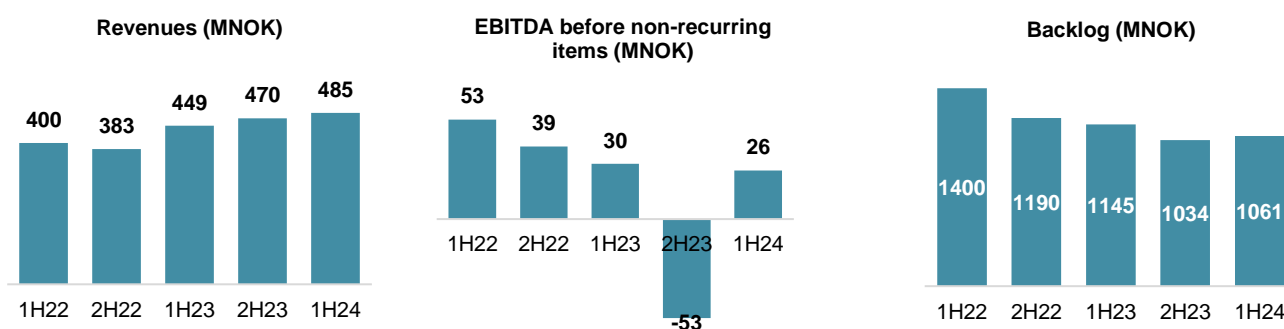
Subsequent events

- Vow has obtained amended bank facilities with improved covenant headroom. The agreement is subject to agreement on final documents and strengthening of the group's balance sheet with an equity improvement of NOK 125 million.
- Vow has undertaken preliminary soundings in the market and continues to explore the possibility of carrying out a share issue to satisfy the required strengthening of the Company's balance sheet. The Company is also considering other ways to strengthen its equity position.

Consolidated key figures

Amounts in million NOK (except percentages)	1H 2024	1H 2023	2023
Revenues	485.0	448.7	918.5
EBITDA before non-recurring items*	26.1	29.6	-23.4
EBITDA before non-recurring items margin %	5.4%	6.6%	-2.5%
EBITDA	20.6	26.3	-54.7
EBIT	-1.9	5.5	-106.9
Project backlog	1 061	1 145	1 034
Total assets	1 536	1 605	1 544
Total equity	367	569	387

* Non-recurring items in 1H 2023 were reclassified to cost before non-recurring items in the annual report 2023. The 1H 2023 report was not restated.



FINANCIAL REVIEW

Vow ASA reports its operations in three segments: Maritime Solutions, Aftersales and Industrial Solutions. Further comments are provided under each of the business segments.

Profit and loss

Revenues for the Vow ASA group amounted to NOK 485.0 million for the first half of 2024, compared with NOK 448.7 million for the corresponding period of 2023. This corresponds to a year-over-year growth of 8.1 per cent.

FY 2023 gross margin was impacted by increased cost prognosis and inflation in projects leading to temporarily reduced margins. **The gross margin** for the first half of 2024 increased to 30.9 per cent, compared to 25.3 per cent for FY 2023.

EBITDA before non-recurring items amounted to NOK 26.1 million for the first half of 2024, representing a margin of 5.4 per cent, compared to NOK 29.6 million and a margin of 6.6 per cent for the corresponding period of 2023.

Vow recorded **non-recurring costs** of NOK 5.4 million for Q2 2024 mainly related to restructuring of the French subsidiary ETIA. As we continue to optimise the organisation, further restructuring costs can be expected to occur.

EBITDA came in at NOK 20.6 million for the first half of 2024, compared with NOK 26.3 million for the same period last year.

Depreciation and amortisation amounted to NOK 22.4 million for the first six months of 2024, compared to NOK 20.4 million for the same period last year. The increase in 2024 is due to completion of development projects where amortising has commenced.

This gave an **operating result** (EBIT) of NOK negative 1.9 million for the first half of 2024, compared with NOK 5.5 million for the same period last year.

Net financial items were negative NOK 35.7 million in the first half of 2024, compared with a net income of NOK 3.6 million for the same period in 2023. Net financial items included finance costs for the period of NOK 42.1 million, driven by increased interest payments combined with currency losses, partly offset by NOK 11.9 million in finance income.

The net financial items also include Vow ASA's share of net profit, and internal gains, from the associated company Vow Green Metals (VGM), recorded as a

financial cost of NOK 5.6 million, compared with a financial cost of NOK 2.9 million in the same period of 2023.

The result before tax for the period came in at negative NOK 37.6 million, compared with a profit of NOK 9.1 million for the same period last year.

Cash flow

Operating activities generated a cash flow of NOK 69.4 million for the first half of 2024, compared with a negative cash flow of NOK 15.2 million for the first half of 2023. Operating cash flow is impacted by working capital fluctuations.

Investing activities for the first half of 2024 amounted to NOK 29.5 million, reduced from NOK 46 million for the same period last year as several R&D projects completed.

Financing activities in the first half of 2024 generated a cash outflow of NOK 56.0 million, compared with a positive cash flow of NOK 34.2 million in the same period of 2023. This is a combination of interest cost paid and reduction of debt.

Financial position

As of 30 June 2024, Vow had total assets of NOK 1 536.2 million, compared with NOK 1 535.1 million at the end of 2023 and NOK 1 605.3 million at 30 June 2023.

At the end of June 2024, Vow had total equity of NOK 367.4 million, representing an equity share of 23.9 per cent, compared with NOK 396.4 million at the end of 2023 and NOK 568.5 million at the end of June 2023.

Order backlog

At the end of June, Vow had a total order backlog of NOK 1 061 million, compared with NOK 1 145 million one year earlier, and NOK 1 034 million at year-end 2023. Of the total backlog, NOK 696 million relate to the Maritime Solutions segment, while the remaining NOK 365 million relate to the Industrial Solutions segment.

On top of the firm backlog, Vow ASA had secured option agreements related to the Maritime Solutions segment to a total value of NOK 316 million at 30 June 2024.

OPERATIONAL REVIEW

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

Vow solutions purify wastewater and convert waste into valuable resources and clean energy for customers in cruise and a wide range of land-based industries and utilities. Vow solutions are scalable, standardised, patented and the company's delivery model is well proven.

Maritime Solutions

The segment Maritime Solutions includes sales of systems to shipyards for newbuild constructions or to ships in operations as retrofits for major Cruise lines.

Key financials

NOK million	1H-24	1H-23	2023
Revenues	219.1	214.1	375.5
EBITDA before non-recurring *	25.0	43.6	11.8
EBITDA margin (%)	11.4%	20.4%	3.1%
Backlog	696	636	584

*Non-recurring items in 1H 2023 were reclassified to cost before non-recurring items in the annual report 2023. The 1H 2023 report was not restated.

Revenues from the Maritime Solutions segment amounted to NOK 219.1 million for the first half of 2024, compared to NOK 214.1 million for the same period in 2023, representing an increase of 2.3 per cent. The revenue is primarily related to the phasing of the newbuilding and retrofit projects and equipment deliveries from Scanship.

EBITDA before non-recurring items for the segment came in at NOK 25.0 million for the period, compared with NOK 43.6 million for the corresponding period of 2023. The EBITDA margin came in at 11.4 per cent, compared with a margin of 20.4 per cent in the same period in 2023. The reduction is due to lower gross margin during the period following the recalculation of cost prognosis in existing projects during 2023.

During the first half of 2024, **the Maritime Solutions segment** announced two contract awards including firm orders and options with a combined value of EUR 47.7 million for state-of-the-art wastewater and waste treatment systems to cruise newbuilds.

The first contract covers a firm order to deliver Scanship solutions in 2024, as well as an option agreement to

The Vow group's key markets for waste valorisation, prevention of pollution and decarbonisation include cruise, biogas, minerals, metallurgical, plastic to energy, end-of-life tires, power to heat, waste management and food processing.

Vow ASA has three operating segments: **Maritime Solutions, Aftersales and Industrial Solutions**. Cost that are not allocated to the business segments is reported under **Administration**. These costs are mainly related to headquarter and operating the publicly listed parent company.

deliver similar equipment to a second ship in 2025. The combined value of the firm order and the option is EUR 19.3 million.

The second contract covers a firm order to deliver equipment in 2025, and an option agreement for a second delivery one year later. The firm part of the contract is valued at EUR 13.9 million and the option is valued at EUR 14.5 million.

Scanship also won a significant change order to a value of EUR 2.1 million during the half-year period, bringing total order intake to EUR ~50 million.

Order backlog for the Maritime Solutions segment was NOK 696 million at the end of June, compared with NOK 636 million one year earlier, and NOK 584 million at year-end 2023. In addition, Vow had option agreements to a total value of NOK 316 million.

Operational activity for Vow's subsidiary Scanship AS continued at a high level in the first half of 2024, with major system deliveries to 8 cruise newbuilds. In addition, Scanship commissioned 5 newbuild projects in the first half year.

Aftersales

Aftersales are related to sale of spares and consumables, as well as service on delivered systems.

Key financials

NOK million	1H-24	1H-23	2023
Revenues	102.2	86.9	178.5
EBITDA before non-recurring *	10.4	13.1	22.2
EBITDA margin (%)	10.2%	15.0%	12.5%

*Non-recurring items in 1H 2023 were reclassified to cost before non-recurring items in the annual report 2023. The 1H 2023 report was not restated.

Revenues for the Aftersales segment came in at NOK 102.2 million for the period, up from NOK 86.9 million for the same period in 2023. An increasing number of ships in operation with Vow systems was the main driver of the 17.6 per cent increase in revenues.

EBITDA before non-recurring items for the segment was positive at NOK 10.4 million for the first half of the year, compared with an EBITDA of NOK 13.1 million in the same period of 2023. This gave a positive EBITDA margin of 10.2 per cent for the period, down from 15.0 per

cent in the corresponding prior-year period. The reduction is due to low gross margin in chemical sales during the period. Corrective measures are being evaluated to improve the margins for this segment.

As more ships are being built, and with higher focus on environmental compliant operations, the market for Scanship's technology and lifecycle services are increasing.

Industrial Solutions

The Industrial Solutions segment designs and provides systems to valorise biomass residues and waste into renewable products, chemicals, and fossil free energy through pyrolysis solutions.

Key financials

NOK million	1H-24	1H-23	2023
Revenues	163.8	147.7	364.5
EBITDA before non-recurring *	8.8	-0.5	-12.5
EBITDA margin (%)	5.4%	-0.3%	-3.4%
Backlog	365	509	450

*Non-recurring items in 1H 2023 were reclassified to cost before non-recurring items in the annual report 2023. The 1H 2023 report was not restated.

Revenues for the Industrial Solutions segment amounted to NOK 163.8 million for the first half of 2024, compared with NOK 147.7 million in the same period of 2023.

EBITDA before non-recurring items for the segment came in at NOK 8.8 million for the first half of the year, compared with NOK negative 0.5 million for the same period in 2023.

The segment's overall profit has been impacted by costs related to tendering, project development and building capacity in anticipation of orders in new industry verticals.

C.H. Evensen continues to prove its relevance in the heat intensive industry sector, and for the period to date, the **Industrial Solutions** segment has been awarded new contracts to a total value of NOK 30 million to blue chip recurring customers in Europe.

Order backlog for the Industrial Solutions segment amounted to NOK 365 million at the end of June, compared with NOK 509 million one year earlier and NOK 450 million at year-end 2023.

Administration

Costs in this segment amounted to NOK 18.1 million for the first half of 2024, compared with NOK 28.6 million for the same period of 2023. The decrease in costs is related to the cost improvement program.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

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. Some key insights on sustainability performance are described below.

Environmental

Vow's ambition is to play a significant part in the green transition with the company's solutions. 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.

Social

Vow has a vision of zero harm to people and works daily to ensure safe working conditions. Unfortunately, two serious fall accidents occurred to our Vow-colleagues during the first half of 2024. One of these accidents resulted in a life altering injury, whereas the other accident was a lost time incident. In the first case recovery is ongoing, while in the other case the employee has returned to full-time work. The cause of both accidents has been thoroughly investigated and corrective measures have been implemented.

Ensuring diversity in Vow are of high priority. We believe that this will strengthen Vow's resilience and promote innovation. A central KPI with respect to diversity is female ratio. As of June 30th, 2024, Vow had 231 employees, of which 32 per cent were women. Women in leadership positions accounted for 22 per cent, compared to the target of 25 per cent by 2025.

Governance

Vow has since 2020 reported annually on material ESG-topics using the respected standard Global Reporting Initiative (GRI). From FY 2025, Vow will report on sustainability matters as set out by the EU Corporate Sustainability Reporting Directive (CSRD). In that regard, we will during the second half of 2024 conduct a double materiality assessment according to the new standard.

SHARE INFORMATION

Vow ASA is listed on the Oslo Stock Exchange under the symbol VOW.

The issued share capital of Vow ASA is NOK 10 737 621 consisting of 114 840 871 fully paid shares, each with a par value of NOK 0.0935.

During the first half of 2024, the Vow share traded between NOK 4.80 and NOK 12.18 per share, with a closing price of NOK 6.89 per share on 30 June 2024. A total of 18.3 million shares were traded during the first half of 2024, representing 16.0 per cent of the total number of shares outstanding. The average volume traded daily was approximately 145 442 shares, compared to an average of 202 087 shares per day in the previous reporting period.

Annual general meeting

Vow ASA's annual general meeting was held 23 May 2024. All resolutions were adopted in accordance with the board's proposal and the nomination committee's recommendations. The board of directors was elected pursuant to the recommendation from the nomination committee, as follows:

- Narve Reiten, chairman
- Susanne Schneider, director
- Cecilie Lind, director
- Egil Haugsdal, director
- Thomas F. Borgen, director

RISKS AND UNCERTAINTIES

The Vow group is subject to several 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. For a more detailed description of the risk factors, please see an overview in the annual report for 2023.

Vow's operations have continued mostly as planned in the first half of 2024, without significant changes in delivery schedules to the cruise industry. The geopolitical situation has however caused macroeconomic uncertainty and inflationary pressure, which may have an adverse impact on operations and results.

Geopolitical risk remains high due to ongoing wars, political unrest and trade sanctions. Vow does not have any operations in Russia, Ukraine or the Middle East, however development relating to these conflicts 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

Maritime and Aftersales

The Maritime Solutions and Aftersales segments are supported by a steadily growing cruise market, generating good order intake. As more ships are being built, with higher focus on environmental compliant operations, the market for Scanship's technology and lifecycle services is increasing

At the end of July, Cruise ship newbuilding contracting was at its highest level since before the pandemic. Seventeen ships had been ordered so far in 2024, which is more than in any other year since 2019, according to Clarksons.

The cruise industry is taking further steps to valorise waste to generate renewable energy. As the market leader, Vow is well positioned to deliver state of the art pyrolysis technology and solutions to the industry.

Industrial

For Industrial Solutions, the group has over time invested in and developed several potential projects presently being reviewed by our customers.

Within circular solutions, leading companies are forging ahead with plans to roll out multiple end-of-life tire plants and plants for safe treatment of sewage sludge and PFAS

components therein. Pyrolysis technology from Vow plays a key role in all the above, and concrete projects are being lined up.

Vow Green Metals has successfully secured financing Phase I for its large-scale production at Follum. Additionally, a demonstration plant delivered by Vow is currently generating biocarbon to meet the requirements of potential clients. The company anticipates a surge in demand for its technology among metallurgical companies.

Vow is making significant progress on the FEED contract for an undisclosed client, with ambitious plans to establish large-scale plants for the valorisation of sewage sludge, including PFAS removal. The growing awareness and concerns surrounding PFAS have sparked keen interest in this market.

Within heat treatment, C.H. Evensen has delivered strong results and order intake. Demand for heat-intensive technology has grown substantially and is likely to continue growing as a consequence of high energy costs and increasing climate gas emission costs.

Group

In the year-to-date period, the group has completed cost reduction programmes, which have generated results and expected to contribute to a EBITDA improvement going forward.

2024 will continue to be a transition year for the company. The combination of optimised cost structure and signing of new contracts will contribute to achieving our target of 15 per cent EBITDA margin going forward.

Oslo, Norway, 29 August 2024

The Board of Directors and CEO
Vow ASA

Narve Reiten
Chairman

Susanne Schneider
Director

Cecilie Lind
Director

Egil Haugsdal
Director

Thomas F. Borgen
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 amortisation. Non-recurring items are unusual and not expected during the regular business operations. Normalised EBITDA is presented to improve comparability of the underlying business performance between periods.
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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	Unaudited 1H 2024	Unaudited 1H 2023	Audited 2023
Revenue	2	485.0	448.7	918.5
Total operating revenue		485.0	448.7	918.5
Cost of goods sold		-335.2	-275.9	-686.4
Gross Profit		149.9	172.8	232.1
<i>Gross Margin</i>		30.9%	38.5%	25.3%
Employee expenses		-77.0	-86.4	-184.2
Other operating expenses		-46.8	-56.8	-102.5
EBITDA before non-recurring items		26.1	29.6	-54.7
<i>EBITDA margin before non-recurring items</i>		5.4%	6.6%	-23.6%
Non-recurring items *		-5.4	-3.3	-
EBITDA	2	20.6	26.3	-54.7
Depreciation and amortisation		-22.5	-20.8	-52.2
Operating result (EBIT)		-1.9	5.5	-106.9
Sum financial items		-30.1	6.5	-22.1
Share of net profit from associated company		-5.6	-2.9	-21.2
Net financial items		-35.7	3.6	-51.3
Result before tax		-37.6	9.1	-158.2
Income tax revenue (+) / expense (-)		2.4	-2.9	6.0
Result for the period		-35.1	6.3	-152.3
Other comprehensive income				
<i>Exchange differences or trans. of foreign op.</i>		5.9	31.2	18.4
Total comprehensive income, net of tax		-29.2	37.5	-133.8
Attributable to				
Owners of the parent		-30.5	36.0	-137.5
Non-controlling interest		1.3	1.5	3.7
		-29.2	37.5	-133.8

*Non-recurring items in 1H 2023 were reclassified to cost before non-recurring items in the annual report 2023. The 1H 2023 report was not restated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK million)	Note	Unaudited 1H 2024	Unaudited 1H 2023	Audited 2023
Deferred tax asset		-	9.2	-
Property, plant and equipment		36.5	50.0	40.5
Intangible assets		437.3	368.2	416.5
Goodwill		174.1	195.7	171.6
Right-of-use assets		75.4	85.3	80.7
Investment in associated company		93.7	117.6	99.3
Long-term receivables		1.0	1.4	1.2
Total non-current assets		818.0	827.4	809.8
Inventories		39.3	43.8	36.1
Trade receivables		202.2	148.8	241.0
Contracts in progress	2	305.2	428.9	270.3
Other receivables		129.0	139.3	120.4
Cash and cash equivalents		42.5	17.0	57.5
Total current assets		718.2	777.9	725.3
Total assets		1 536.2	1 605.3	1 535.1
Share capital		10.7	10.7	10.7
Treasury shares		-0.1	-0.1	-0.1
Share premium		498.0	498.0	498.0
Other capital reserves		9.4	9.0	9.3
Translation differences		31.8	38.6	25.9
Retained earnings		-187.7	9.5	-151.3
Equity attributable to owners of the parent		362.2	565.8	392.6
<i>Attributable to non-controlling interest</i>		<i>5.1</i>	<i>2.7</i>	<i>3.8</i>
<i>Attributable to owners of the parent</i>		<i>362.2</i>	<i>565.8</i>	<i>392.6</i>
Total equity		367.4	568.5	396.4
Deferred tax liabilities		26.4	50.5	29.1
Long term borrowings	3	265.1	337.6	345.8
Non-current lease liabilities		63.7	72.5	68.1
Total non-current liabilities		355.2	460.6	443.0
Current borrowings	3	111.7	34.7	81.8
Trade creditors		144.9	151.6	155.9
Contract accruals	2	244.2	151.9	171.0
Income tax payable		-	0.1	-
Bank overdraft / Trade finance facility	3	243.9	159.7	211.6
Current lease liabilities		14.3	15.1	14.6
Other current liabilities		54.6	63.2	60.9
Total current liabilities		813.6	576.2	695.7
Total liabilities		1 168.8	1 036.8	1 138.7
Total equity and liabilities		1 536.2	1 605.3	1 535.1

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Unaudited

(NOK million)	Share capital	Treasury Shares	Share premium	Other cap. reserves	Trans. diff.	Retained earnings	Total	Non-contr. interests	Total Equity
30.06.2024									
Equity at 1 January 2024	10.7	-0.1	498.0	9.3	25.9	-151.3	392.6	3.8	396.4
Result for the period	-	-	-	-	-	-36.5	-36.5	1.3	-35.1
Other comprehensive income	-	-	-	-	5.9	-	5.9	-	5.9
Total comprehensive income	-	-	-	-	5.9	-36.5	-30.5	1.3	-29.2
Stock options	-	-	-	0.2	-	-	0.2	-	0.2
Equity at end of period	10.7	-0.1	498.0	9.5	31.8	-187.7	362.2	5.1	367.4

Unaudited

(NOK million)	Share capital	Treasury Shares	Share premium	Other cap. reserves	Trans. diff.	Retained earnings	Total	Non-contr. interests	Total Equity
30.06.2023									
Equity at 1 January 2023	10.7	-0.1	498.0	8.6	8.3	3.9	529.5	1.1	530.6
Result for the period	-	-	-	-	-	5.7	5.7	0.6	6.3
Other comprehensive income	-	-	-	-	30.3	-	30.3	0.9	31.2
Total comprehensive income	-	-	-	-	30.3	5.7	36.0	1.5	37.5
Stock options	-	-	-	0.4	-	-	0.4	-	0.4
Equity at end of period	10.7	-0.1	498.0	9.0	38.6	9.5	565.9	2.7	568.5

CONSOLIDATED STATEMENT OF CASH FLOW

(NOK million)	Note	Unaudited 1H 2024	Unaudited 1H 2023	Audited 2023
<i>Result before tax</i>		-37.6	9.1	-158.2
Adjustments:				
Depreciation, amortisation and impairment		22.5	20.8	52.2
Stock option		0.2	0.4	0.7
Gain from demerger of subsidiary		-	-	8.0
Share of net profit from associated company		5.6	2.9	21.2
Net interest cost		30.0	15.8	38.7
Income tax paid		-0.3	-	-0.7
Changes in work in progress		38.8	-66.9	108.2
Changes in inventories, trade receivables and trade creditors		25.5	27.7	-58.5
Changes in other accruals		-15.3	-25.1	-12.2
Net cash flow from operating activities		69.4	-15.2	-0.6
Cash flow from investing activities				
Investment/sale of subsidiaries		-	-	20.4
Purchase of property, plant and equipment		-0.8	-6.3	-16.2
Investment in intangible assets		-28.7	-39.7	-104.1
Net cash flow from investing activities		-29.5	-46.0	-99.9
Cash flow from financing activities				
Proceeds from non-current borrowings		1.6	15.4	395.4
Interest paid		-29.7	-16.8	-40.8
Leasing obligations		-4.0	-7.1	-13.0
Bank overdraft/Trade finance facility		32.3	98.3	150.2
Repayment of loans		-56.2	-55.6	-376.7
Net cash flow from financing activities		-56.0	34.2	115.2
Net change in cash and cash equivalents		-16.1	-27.0	14.6
<i>Effect of exchange rate changes on cash and cash equivalents</i>		1.1	1.6	0.4
Cash and cash equivalents at start of period		57.5	42.5	42.5
Cash and cash equivalents at end of period		42.5	17.0	57.5

NOTES TO THE ACCOUNTS

Note 1 General information

This interim financial information for the First Half Year 2024 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 2023, 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 2023. The Board of Directors approved this Interim report August 28, 2024.

Note 2 Revenue, contracts in progress and segment

(NOK million)	Unaudited 1H 2024	Unaudited 1H 2023	Audited 2023
Maritime	219.1	214.1	375.5
Aftersales	102.2	86.9	178.5
Industrial Solutions	163.8	147.7	364.5
Revenue	485.0	448.7	918.5

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.

Assets related to contracts with customers

(NOK million)	Unaudited 1H 2024	Unaudited 1H 2023	Audited 2023
Trade receivables	202.2	148.8	241.0
Contracts in progress	305.2	428.9	270.3
Contract accruals	-244.2	-151.9	-171.0

Segment information:

1H 2024 (NOK million)	Maritime Solutions	Aftersales	Industrial Solutions	Admin.	Total
Revenue	219.1	102.2	163.8	-	485.0
Total revenue	219.1	102.2	163.8	-	485.0
Cost of sales	-172.8	-74.9	-87.5	-	-335.2
Gross profit	46.3	27.3	76.3	-	149.9
<i>Gross margin</i>	21.1 %	26.7 %	46.6 %		30.9%
Employee expenses	-14.2	-11.5	-45.4	-5.9	-77.0
Other operating expenses	-7.1	-5.4	-22.1	-12.3	-46.8
EBITDA before non-recurring items	25.0	10.4	8.8	-18.1	26.1
<i>EBITDA before non-recurring items margin %</i>	11.4%	10.2%	5.4%		5.4%
Non-recurring items	-	-2.0	-3.4	-	-5.4
EBITDA	25.0	8.4	5.4	-18.1	20.6
Depreciation and amortisation	-12.9	-0.7	-8.7	-	-22.4
Impairment	-0.2	-	-	-	-0.2
Operating profit	11.9	7.6	-3.3	-18.1	-1.9

1H 2023 (NOK million)	Maritime Solutions	Aftersales	Industrial Solutions	Admin.	Total
Revenue	214.1	86.9	147.7	-	448.7
Total revenue	214.1	86.9	147.7	-	448.7
Cost of sales	-139.2	-56.7	-80.0	-	-275.9
Gross profit	74.9	30.2	67.7	-	172.8
<i>Gross margin</i>	35.0 %	34.7 %	45.9 %		38.5 %
Employee expenses	-20.4	-12.1	-47.2	-6.6	-86.4
Other operating expenses	-10.8	-5.0	-21.0	-20.0	-56.8
EBITDA before non-recurring items	43.6	13.1	-0.5	-26.6	29.6
<i>EBITDA before non-recurring items margin %</i>	20.4%	15.0%	-0.3%		6.6%
Non-recurring items	-	-	-1.3	-2.0	-3.3
EBITDA	43.6	13.1	-1.8	-28.6	26.3
Depreciation and amortisation	-13.2	-0.8	-6.5	-	-20.4
Impairment	-0.3	-0.1	-	-	-0.4
Operating profit	30.2	12.2	-8.3	-28.6	5.5

2023 (NOK million)	Maritime Solutions	Aftersales	Industrial Solutions	Admin.	Total
Revenue	375.5	178.5	364.5	-	918.5
Total revenue	375.5	178.5	364.5	-	918.5
Cost of sales	-309.9	-122.7	-227.7	-	-660.2
Gross profit	65.6	55.8	136.9	-	258.3
<i>Gross margin</i>	17.5%	31.3 %	37.6%		28.1 %
Employee expenses	-37.9	-24.3	-108.7	-13.5	-184.2
Other operating expenses	-15.9	-9.3	-40.8	-31.5	-97.4
EBITDA before non-recurring items	11.8	22.2	-12.5	-45.0	-23.4
<i>EBITDA before non-recurring items margin %</i>	3.1%	12.5%	-3.4%		-2.5%
Non-recurring items *	-14.6	-	-13.0	-3.7	-31.3
EBITDA	-2.8	22.2	-25.6	-48.7	-54.7
Depreciation and amortisation	-22.6	-3.6	-25.7	-	-51.9
Impairment	-0.3	-	-	-	-0.3
Operating profit	-25.7	18.7	-51.2	-48.7	-106.9

* The group has incurred costs of a non-recurring nature of NOK 31.3 million in 2023. NOK 22.3 million of these costs are related to contract accruals with a non-recurring nature, of which NOK 10.7 million is related to projects in the maritime segment and NOK 11.6 million is related to projects in the industrial segment. Of the remaining NOK 9 million, NOK 5.2 million are non-recurring project costs in the industrial and maritime segment, and NOK 3.8 million are non-recurring costs mainly related to the sale of Ascodero Productique S.A.S and implementation of a new ERP system.

Note 3 Borrowing

Long term borrowings:

(NOK million)	Unaudited 30.06.2024	Unaudited 30.06.2023	Audited 31.12.2023
Other long term interest-bearing borrowings	259.5	331.6	340.1
Conditional loans related to R&D (ETIA)	5.6	6.0	5.7
	265.1	337.6	345.8

Short term borrowings:

(NOK million)	Unaudited 30.06.2024	Unaudited 30.06.2023	Audited 31.12.2023
Other short term interest-bearing borrowings	111.7	34.7	81.8
	111.7	34.7	81.8

Bank overdraft / Trade finance facility:

(NOK million)	Unaudited 30.06.2024	Unaudited 30.06.2023	Audited 31.12.2023
Bank overdraft facility	164.6	120.0	132.8
Trade finance facility	79.3	39.7	78.8
	243.9	159.7	211.6

Vow's financing with DNB consists of a NOK 335.2 million term loan, NOK 160 million overdraft facility and a NOK 80 million trade finance facility. In addition, C.H. Evensen has a bank overdraft facility with a limit of NOK 30 million with Nordea. Undrawn credit facilities as of June 30 amounted NOK 34.3 million.

Of the NOK 335.2m term loan facility with DNB, NOK 232.6 million is classified as long-term and NOK 102.6 million is classified as short-term.

In addition, the Group has other long-term borrowings of NOK 32.4 million and other short-term borrowings of NOK 9.1 million.

The Group is compliant with all covenant requirements as of 30 June 2024.

Note 4 Subsequent events

Amended covenants and efforts to strengthen the balance sheet

The Company has agreed with DNB Bank ASA certain amendments to existing covenants under the Company's NOK 575 million bank facilities agreement in order to avoid a covenant breach in Q3 or Q4 2024.

The amended bank facilities agreement is credit approved by DNB Bank ASA, but is subject to (i) final documentation and (ii) strengthening of the group's balance sheet with an equity improvement of NOK 125 million, and the Company is scheduled to repay NOK 42.5 million for the remaining part of 2024.

The financing facilities agreement will have the following amended covenants:

- NIBD / EBITDA (LTM) covenant: 5.75x for Q4 2024, 4.75x for Q1 2025, 4.00x for Q2 and Q3 2025, and 3.00x for Q4 2025
- Minimum debt-service-cover-ratio: Not applicable for Q4 2024, 1.00x for Q1 and Q2 2025, 1.30x for Q3 and Q4 2025
- Equity ratio: 20% for Q3 2024 and 25% from YE 2024 and onwards
- Minimum adjusted EBITDA for Q3 2024

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 January to 30 June 2024 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 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.

Oslo, Norway, 29 August 2024

The Board of Directors and CEO
Vow ASA

Narve Reiten
Chairman

Susanne Schneider
Director

Cecilie Lind
Director

Egil Haugsdal
Director

Thomas F. Borgen
Director

Henrik Badin
CEO