



TRADING UPDATE Q1 2024

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VOW

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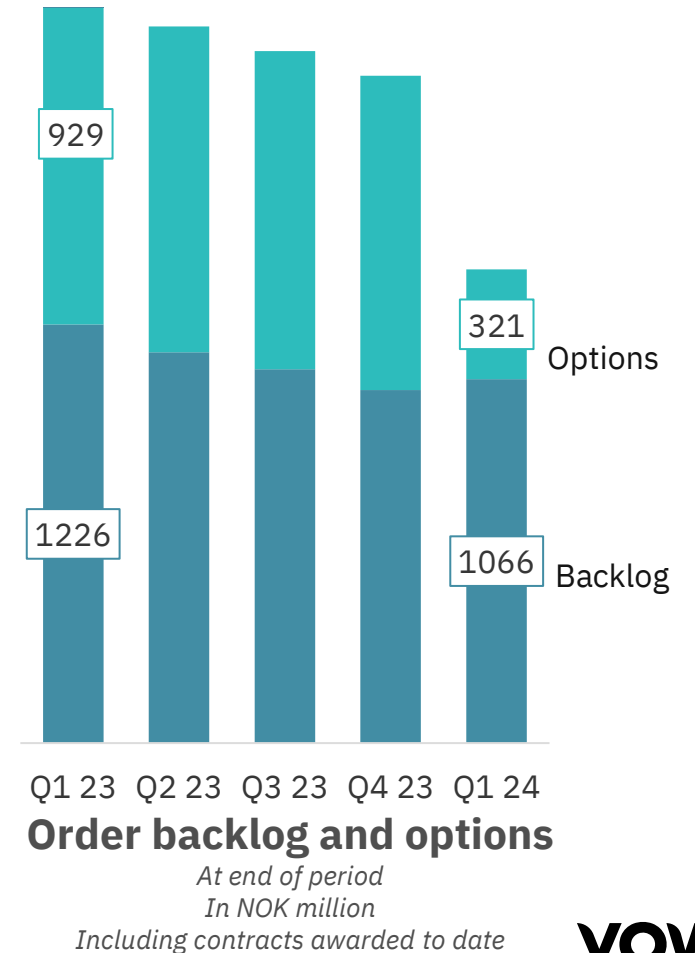
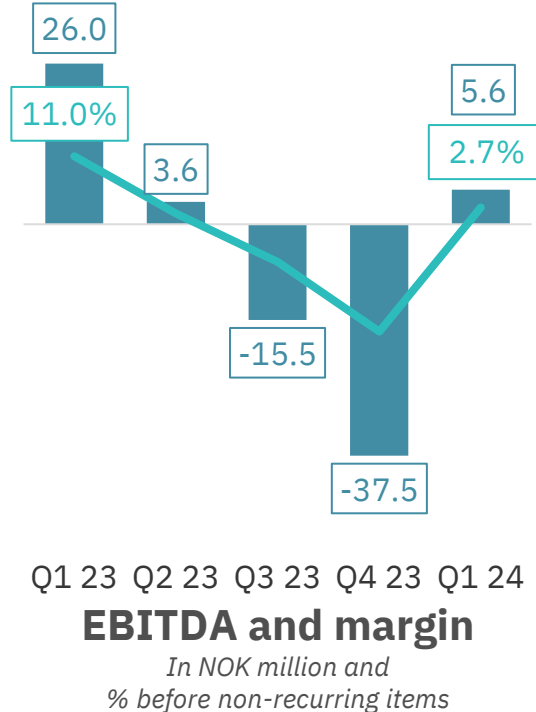
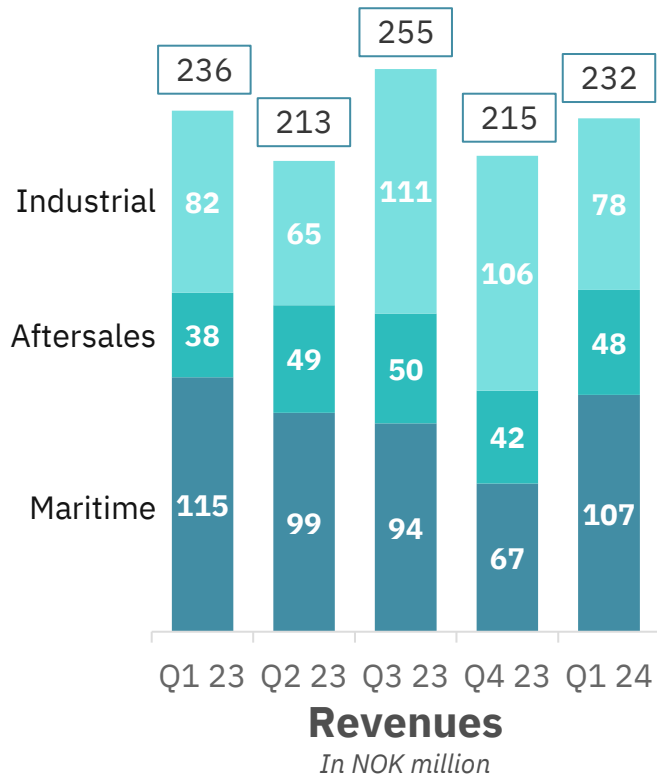
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ON STEADY COURSE

- › **Revenues** in line with Q1 last year
- › **Maritime** Solutions and **Aftersales** delivered double digit EBITDA margins. **Industrial** Solutions still impacted by costs related to capacity build-up and delayed order intake
- › Comprehensive **cost savings** initiated and more underway
- › Several R&D and business development and improvement projects **successfully concluded** strengthening Vow's market positions and allowing for leaner operations
- › Cruise operators are renewing their fleets and preparing to place **new orders at yard** for ships with **bigger and more advanced systems**, replacing options with lower margins that have now expired
- › **Encouraging feedback** from customers in circular solutions with **three large industry projects** nearing final investment decision, and significant pipeline of projects for which Vow technology remains highly relevant

KEY FINANCIALS | GROUP

By quarter



BUSINESS SEGMENTS

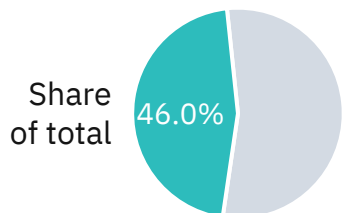
EBITDA margin and share of group revenue Q1 2024



MARITIME SOLUTIONS

- Numerous options at shipyards have expired, **freeing up slots** for a new series of ships being tendered by Scanship
- New tenders are being negotiated, indicating updated cost levels and **enhanced margins**
- Industry is transitioning towards larger ships equipped with **increasingly sophisticated clean ship technology** onboard
- Recent R&D endeavors within waste valorization have reinforced Scanship's **technology leadership**, leading to **significantly larger deliveries**

107 million
revenues in Q1 2024



NOK million	Q1 24	Q1 23	2023
Revenues	107.1	115.1	375.5
EBITDA before non-recurring	14.2	22.7	11.8
EBITDA margin	13.2%	19.7%	3.1%
Backlog	641	709	584



State of the art clean ship equipment onboard Icon of the Seas

IMPORTANT Q1 WINS IN CRUISE



Cruise newbuild contracts awarded | total value EUR 19.3 million

February 2024
EUR 19.3 million 1+1

- › Wastewater purification, food waste processing and garbage handling systems
- › Solids handling to prevent discharge overboard, including dewatering, thermal hydrolysis, drying, and pyrolysis
- › Delivery scheduled for 2024 and 2025
- › Baltic Sea and Alaska standard



A BUSY 2024 FOR VOW AT EUROPEAN YARDS

- Scanship’s scheduled activities in 2024
 - Commissioning on 9 ships 
 - Main system deliveries for 16 ships 
- A trusted technology provider and supplier to leading cruise operators and their preferred shipyards



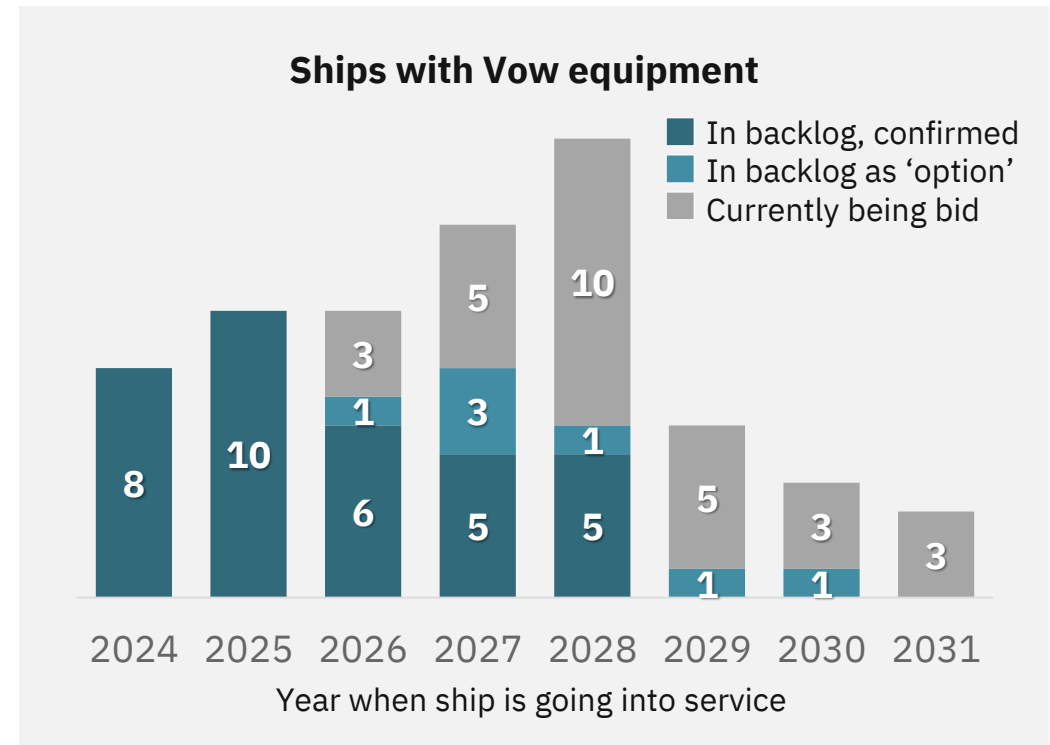
	   
Royal Caribbean Group	   
	   
VIKING	
	   
NORWEGIAN CRUISE LINE	
	   
MSC CRUISES	

	
NYK LINE NIPPON Yusen Kaisha	
	 
THE RITZ-CARLTON YACHT COLLECTION	
	 
CARNIVAL CORPORATION & PLC	(retrofits)

STRONG BACKLOG AND PIPELINE IN CRUISE

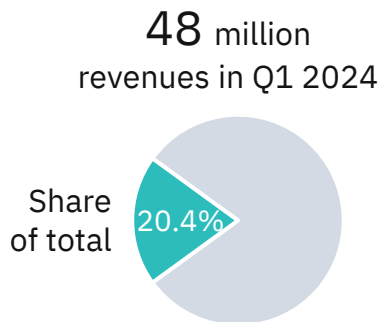
Significant tendering activity with promising growth opportunities

- Current backlog comprises 34 confirmed orders for cruise ships under construction
- Number of options reduced to 7 as owners are renewing their fleets with bigger and more sophisticated ships
- Orders signed to date this year amount to EUR 20 million
- Currently tendering for 29 newbuilds



AFTERSALES

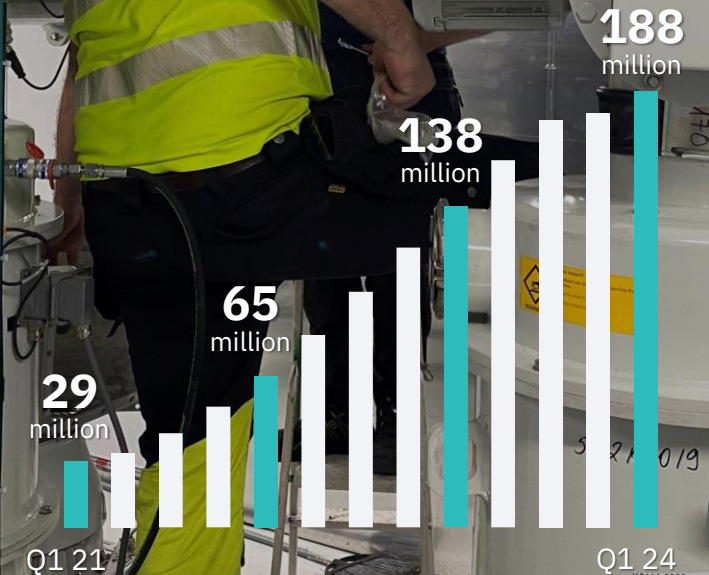
- › Stable, steady business built on service and technology leadership
- › Approaching the NOK 200 million mark on an annualised basis
- › Activity growing steadily with increased number of ships in operation
- › Double digit EBITDA margins, and ambitions of further improvements underway



NOK million	Q1 24	Q1 23	2023
Revenues	47.6	38.2	178.5
EBITDA before non-recurring	5.8	5.7	22.2
EBITDA margin	12.3%	14.9%	12.5%

After-sales revenues

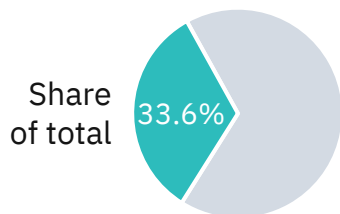
in NOK million
12-month rolling



INDUSTRIAL SOLUTIONS

- Segment still impacted by costs related to building of market position and capacity costs in anticipation of new contracts
- Heat treatment solutions continue to perform well, with good margins and strong order intake, enjoying a long-standing relationships with leading industrial players in Europe
- Comprehensive cost savings and operational improvement programmes are being implemented
- Several large projects nearing final investment decision

78 million
revenues in Q1 2024



NOK million	Q1 24	Q1 23	2023
Revenues	77.6	82.4	364.5
EBITDA before non-recurring	-6.2	9.7	-12.5
EBITDA margin	-8.0%	11.8%	-3.4%
Backlog	425	516	450



Photo: Kolonihaven

VOW

PROJECT STATUS: HØNEFOSS AND VGM

Key customer Vow Green Metals (VGM) secures financing

Early Production Line payment secured

- › Onstream in November 2023. Production currently being ramped up
- › VGM enters lease agreement with bank. Releasing in excess of NOK 40 million in cash to Vow in Q2

Status Phase I and Phase II

- › Secured indicative financing for Phase I. The remaining financing for Phase II is expected to be secured during H2 2024

Strategic process for VGM

- › To ensure speed and scale in expediting global project pipeline realisation



Early Production Line during commissioning

PROJECT STATUS: RHODE ISLAND

- USD 27 million contract to deliver complete biochar and renewable energy system
- Detailed engineering including process equipment, piping and electrical is wrapping up with major deliverables is well underway
- Main equipment deliveries to site expected to start during fall 2024
- Commissioning of the biochar production plant is anticipated in early 2026



*Management site visit
in Rhode Island*

REFERENCES IN CIRCULAR SOLUTIONS

Examples from Vow's extensive reference list which has opened doors to significant project opportunities

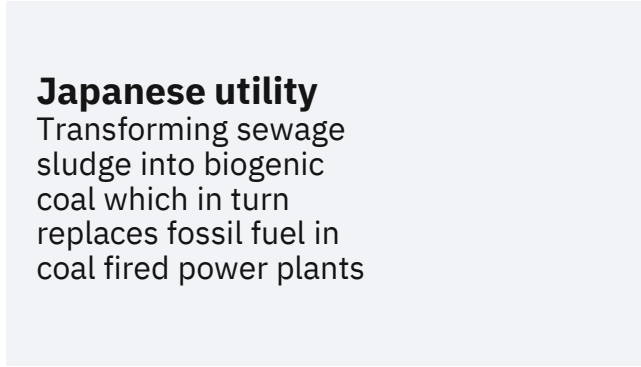
Envigas

System deliveries to Sweden's leading producer of BioCarbon, BioCoke, BioOil and syngas



Japanese utility

Transforming sewage sludge into biogenic coal which in turn replaces fossil fuel in coal fired power plants



NSR

Biochar from garden waste for soil enrichment and carbon capture and sequestration



Repsol

Circular plastic waste solutions in petrochemical plants and refineries



Phillip Morris

Energy recovery from biomass waste streams, decarbonising industrial plant



Murfitts

Test plant for production of recovered carbon black, synthetic fuels and energy products from ELT



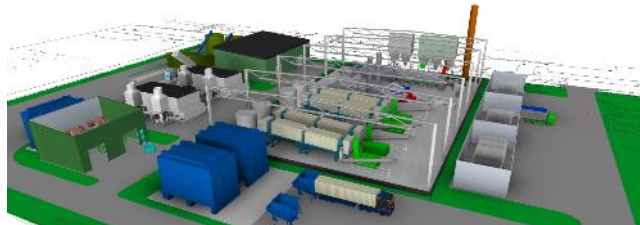
FOCUSED ON CONCRETE OPPORTUNITIES

Closer to investment decisions with combined contract value for Vow of EUR 120 million



End-of-life tires

- Currently designing first ELT plants, located in the UK
- Test facility in Lakenheath continues to qualify recovered carbon black for the big tire manufacturers



Sewage plant FEED

- Paid FEED study for a major project, deploying pyrolysis for treatment of sewage sludge and PFAS elimination
- Engineering and design of plant is underway, providing basis for customer's investment decision



Caribbean Carbon Refinery®

- Co-operation agreement signed with CirCon Energy in November 2023
- Full scale plant would deploy 19 lines of Vow equipment

FINANCIALS



INCOME STATEMENT

Key figures

NOK million	Q1 2024	Q1 2023	FY 2023
Revenue	232.3	235.7	918.5
Gross profit	73.1	94.9	231.1
<i>Gross margin %</i>	31.5%	40.2%	25.3%
EBITDA	5.6	26.0	-54.7
<i>EBITDA margin %</i>	2.4%	11.0%	-6.0%

Q1 figures unaudited

- › Revenue in line with Q1 last year
- › Gross margin for the quarter improved to 31.5% during Q1 2024, up from 25.3% for FY 2023, following cost increases in ongoing projects recorded during 2023 which led to temporarily reduced margin levels
- › EBITDA for the first quarter positive, however still impacted by costs related to building of market position and lower efficiency in Industrial Solutions
- › Continue to execute on cost improvement program. Will likely result in one-off costs in Q2

INCOME STATEMENT

Key figures

NOK million	Q1 2024	Q1 2023	FY 2023
Revenue	232.3	235.7	918.5
EBITDA	5.6	26.0	-54.7
Depreciation and amortisation	-10.3	-9.1	-52.2
Operating profit (EBIT)	-4.7	16.9	-106.9
Net financial items	-12.3	6.6	-51.3
Result before tax	-17.0	23.5	-158.2

- › Depreciation increased driven by finalised development projects
- › Net financial items for Q1 2024 include net interest (-NOK 10.1m) and Vow ASA's share of net profit from the associated company Vow Green Metals (-NOK 2.2m)

Q1 figures unaudited

BALANCE SHEET

Key figures

NOK million	31.03.24	31.12.23
Intangible assets and goodwill	605.3	588.1
Accounts receivable	213.2	241.0
Contracts in progress	309.2	270.3
Other assets	373.0	378.2
Cash and cash equivalents	19.6	57.5
Total assets	1,520.3	1,535.1
Total equity	396.1	396.4
Interest-bearing debt	638.9	639.1
Contract accruals	199.3	171.0
Accounts payable	119.6	155.9
Other liabilities	166.4	172.7
Total equity and liabilities	1,520.3	1,535.1

- Increase in intangible assets relate to investments in new technology and currency effects
- Increased net working capital during the quarter
- Equity ratio at 26.1% at end Q1 2024, compared with 25.8% at year-end 2023
- As of Q1 2024 the company is in compliance with bank covenants

Q1 2024 figures unaudited

CASH FLOW

Key figures

NOK million	Q1 2024	FY 2023
Cash and cash equivalents at start of period	57.5	42.5
Net cash flow from operating activities	(8.8)	(0.6)
Net cash flow from investing activities	(11.2)	(99.9)
Net cash flow from financing activities	(19.2)	115.2
Cash and cash equivalents at end of period	19.6	57.5

- Negative operating cash flow of NOK 8.8m driven by build up in working capital
- Investments for the period amounted to NOK 11.2m
- Cash flow from financing activities was negative NOK 19.2m and relate to changes in debt, leasing and interest payments
- Proactively managing liquidity situation. Available liquidity as of end of March was NOK 44m
- Payment from VGM related to Early Production Line in excess of NOK 40m expected to be received during second quarter

Q1 figures unaudited

IMPROVING FINANCIAL PERFORMANCE

Combination of securing new contracts, improved margins and increased efficiency

Cost savings and cash discipline

- › Improving margins in existing contracts
- › Cost reduction programme to reduce overhead and other operating expenses
- › Focus on working capital (payment terms), in both new and existing contracts
- › Disciplined investments in new technology

... and secure new contracts

- › Remaining order backlog amounting to NOK 1,066 million
- › Actively supporting and bidding for projects with around EUR 200 million in potential order intake
- › Imperative to win and execute contracts in pipeline in 2024

CONCLUDING REMARKS

ON STEADY COURSE

- Stable revenues, double digit EBITDA in two of three business segments
- Further cost saving underway
- Improving financial performance by a combination of securing new contracts, improved margins and increased efficiency
- Cruise operators are renewing their fleets, ordering new and bigger ships, and asking for more advanced solutions from Scanship
- Actively supporting and bidding for projects with around EUR 200 million in potential order intake
- Reiterating 15% EBITDA target from year-end





**BELIEVING IN A FUTURE WHERE
INDUSTRY IS HARMONIZED
WITH NATURE**

VOW