



Q3 2024
STATUS AND OUTLOOK

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VOW

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Q3 IN BRIEF: WORKING OUR WAY BACK



Maritime Solutions and Aftersales

Large and growing pipeline of potential newbuild and retrofit contracts as cruise companies renew and expand their fleets



Industrial Solutions

Good progress in FEEDs as project owners work to secure necessary permits and financing. Continued solid performance in heat solutions



Business improvement

Efforts to improve gross margins through better delivery terms in contracts and operational improvements are showing results. Annual cost savings for 2024 estimated at NOK 40-50 million

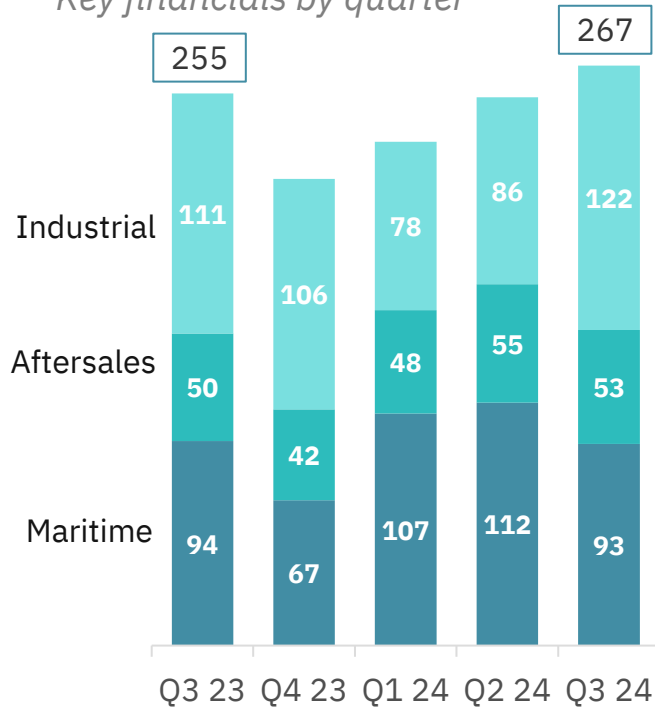


Strengthening balance sheet

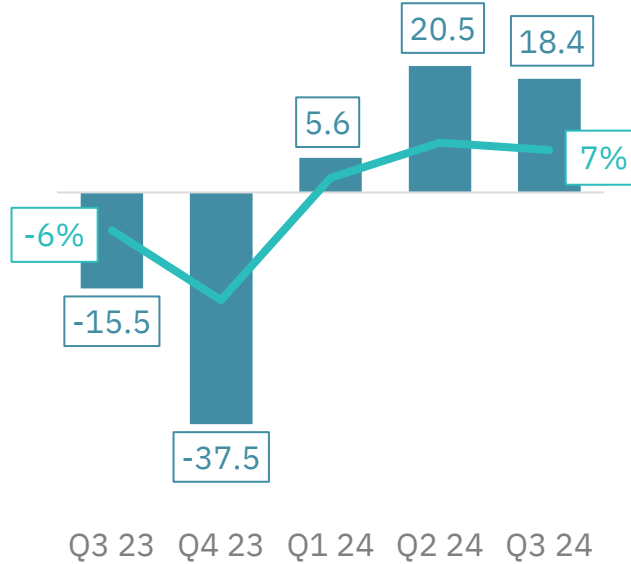
Fully underwritten rights issue confirmed. Investors have committed NOK 250 millions of new equity, significantly strengthening company's balance sheet

Q3: KEY FINANCIALS | GROUP

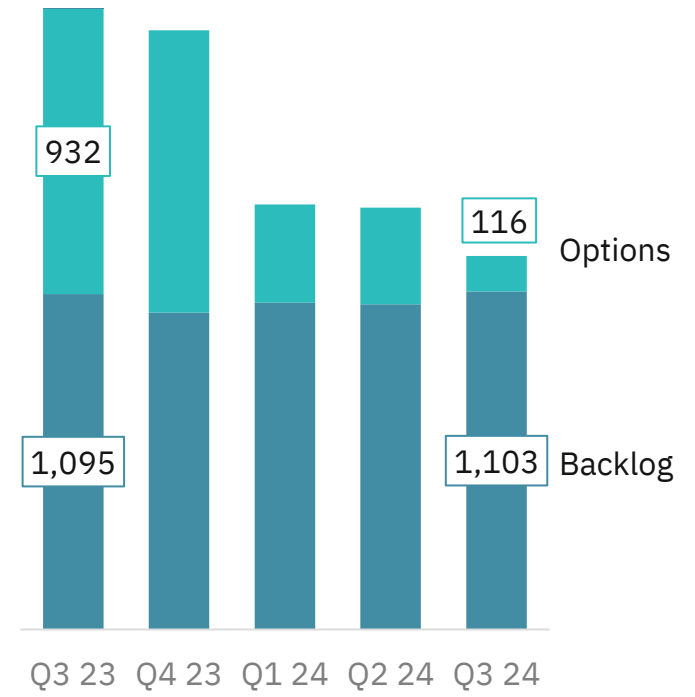
Key financials by quarter



Revenues
In NOK million



EBITDA and margin
In NOK million and
% before non-recurring items



Order backlog and options
At end of period
In NOK million
Including contracts announced to date in Q4

A photograph of a cruise ship's deck and funnel against a blue sky and ocean. The ship's white radar dome and red funnel are prominent on the left. The ocean is a deep blue with white-capped waves. The sky is clear and blue. The text 'MARKET AND BUSINESS UPDATE' is overlaid in the center in a bold, white, sans-serif font. A white L-shaped graphic element is positioned in the top-left corner, and another white L-shaped graphic element is in the bottom-right corner.

MARKET AND BUSINESS UPDATE

VOW

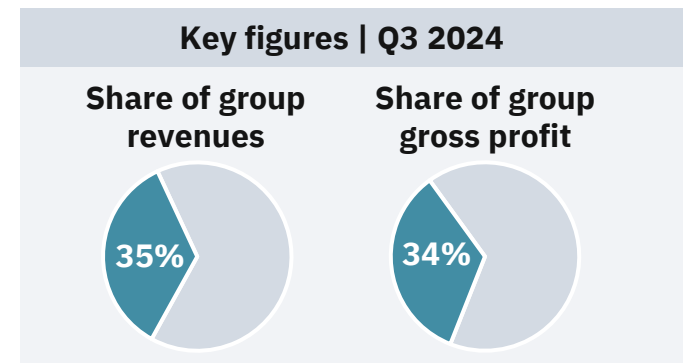
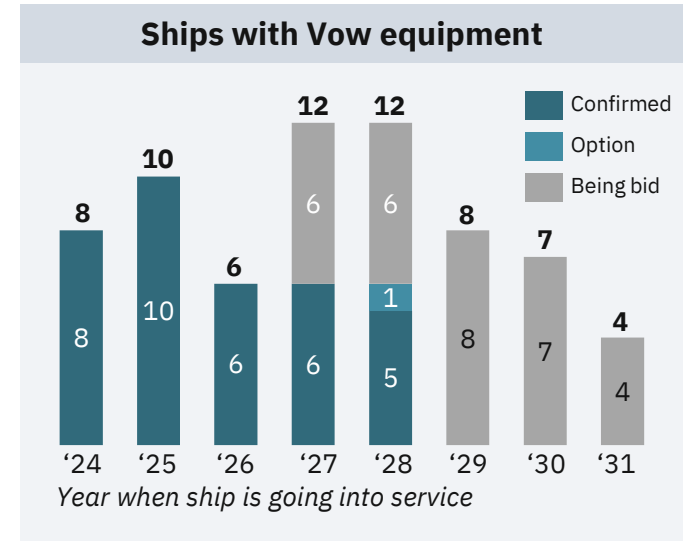
MARITIME SOLUTIONS

- Option converted for second EUR 14.5 million newbuild contract¹, confirming trend towards more complex and more advanced equipment.
- Year-to-date order intake for Maritime Solutions exceeds NOK 600 million
- Cruise operators continue to pursue fleet renewal and expansion programmes, with several large orders recently placed with European shipyards for which Scanship is currently positioning
- As market leader, Vow is well positioned to deliver pyrolysis technology and solutions that valorise waste and generate renewable energy onboard

¹ Announced in October, included as confirmed order in backlog as of Q3 2024

Maritime Solutions Key figures Q3 2024				
Backlog	Revenues	Gross profit	EBITDA	EBITDA %
828m	93.0m	24.8m	13.0m	14%
+268m change yoy	-1.3m change yoy	+19.4m change yoy	+28.1m change yoy	-16% Q3'23

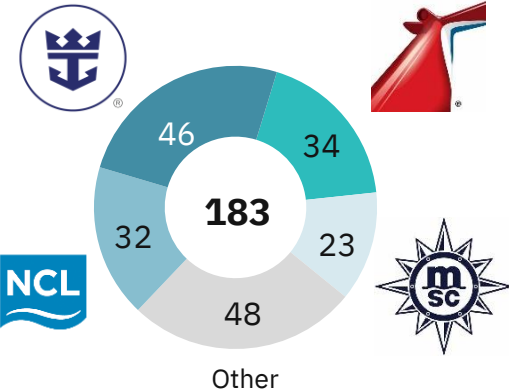
All amounts in NOK unless otherwise stated. Comparison with same period prior year



AFTERSALES

- Stable, steady business built on service and technology leadership
- Activity growing with increased number of ships in operation, and increased attention to environmentally compliant operations
- Double digit EBITDA margins, and ambitions of further improvement

Cruise ships with Scanship technology inside (by operator)



After-sales revenues in NOK million 12-month rolling

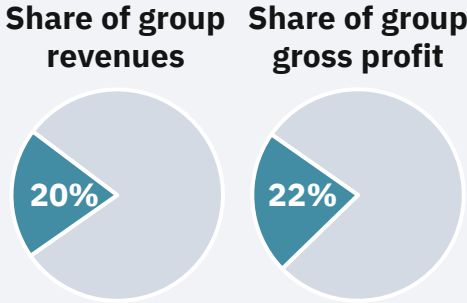


After sales | Key figures | Q3 2024

Revenues	Gross profit	EBITDA	EBITDA %
52.5m	15.6m	6.4m	12.2%
+2.9m change yoy	-1.4m change yoy	+0.7m change yoy	11.5% Q3'23

All amounts in NOK. Comparison with same period prior year

Key figures | Q3 2024



INDUSTRIAL SOLUTIONS

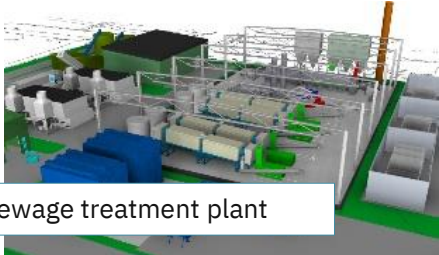
- Cost saving initiatives are yielding results, leading to improved EBITDA despite lower gross margin in Q3
- Continued high activity and solid performance in heat treatment business C.H. Evensen
- FEED¹ work continues and permitting underway for end-of-life tyre project in the UK, Caribbean Carbon Refinery and sewage treatment plant in the US
- Order backlog reduced. Carefully monitoring capacity with potential new orders



End-of-life tyre plant in UK



Rhode Island biochar plant



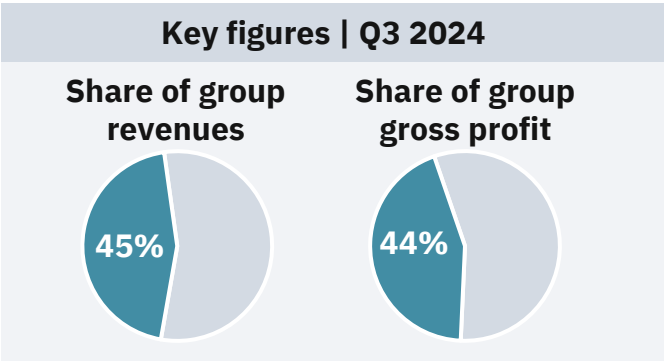
Sewage treatment plant



Caribbean Carbon Refinery

Industrial Solutions Key figures Q3 2024				
Backlog	Revenues	Gross profit	EBITDA	EBITDA %
276m	121.9m	32.0m	5.6m	4.6%
-259m change yoy	+11.2m change yoy	-10.3m change yoy	+2.9m change yoy	2.4% Q3'23

All amounts in NOK unless otherwise stated. Comparison with same period prior year



¹ FEED = Front End Engineering Design

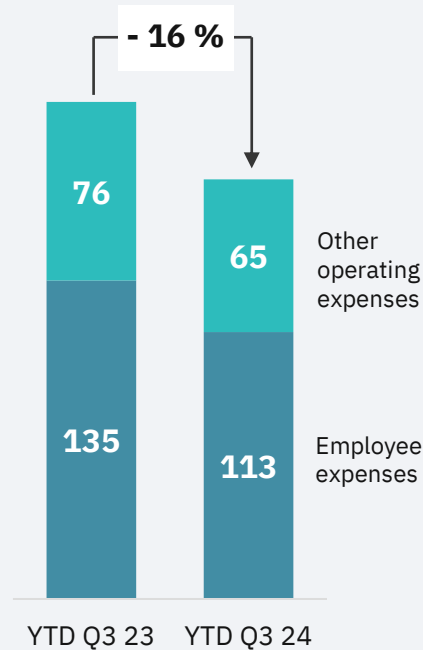
OPERATIONAL IMPROVEMENTS

Cost reductions

Vow continued to deliver on cost reduction programmes with estimated annual cost savings in the range of

NOK 40-50 million

for FY 2024 compared with FY 2023



Norway



Temporary layoffs from March 2024 in Tønsberg (Scanship), gradually reversed through the year as projects activity picked up

Other actions taken

- Improving margins when tendering new contracts
- Strengthening sourcing and procurement activities
- Focus on working capital (payment terms), in both new and existing contracts
- Disciplined investments in new technology

France



Business reconciliation and staff reduction in Compiègne.

Non-recurring items

Non-recurring costs amounted to NOK 5.3 million in Q3 24 (0 in Q3 23) mainly related to the restructuring of the French subsidiary ETIA

A photograph of a cruise ship's deck and railing, viewed from the side, sailing on a deep blue ocean under a clear sky. The ship's structure is white with blue accents. A prominent white spherical radar scanner is visible on the upper deck. The text 'FINANCIALS' is overlaid in large, bold, white letters with a slight shadow effect. Two white L-shaped corner brackets are positioned in the top-left and bottom-right corners of the image.

FINANCIALS

VOW

SEGMENT INFORMATION

MARITIME SOLUTIONS

NOK million	Q3 24	Q3 23	YTD Q3 24	YTD Q3 23	FY 23
Revenues	93.0	94.3	312.1	308.4	375.5
Gross profit	24.8	-4.6	71.1	70.3	65.6
Gross margin %	26.7%	-4.8%	22.8%	22.8%	17.5%
EBITDA before non-recurring	13.0	-15.1	38.0	28.5	11.8
EBITDA margin	13.9%	-16.0%	12.2%	9.2%	3.1%
Backlog (end of period)			828	560	584

- › **Maritime** maintained strong momentum in 2024
- › Margin expected to continue to improve
- › **YTD gross margin of 23%, up from 21% H1 2024**

AFTERSALES

Revenues	52.5	49.6	154.7	136.6	178.5
Gross profit	15.6	14.2	42.9	44.4	55.8
Gross margin %	29.8%	28.6%	27.7%	32.5%	31.3%
EBITDA before non-recurring	6.4	5.7	16.8	18.7	22.2
EBITDA margin	12.2%	11.4%	10.9%	13.7%	12.5%

- › **Aftersales** continue to grow
- › Measures taken to improve margins
- › **YTD gross margin of 28%, up from 27% H1 2024**

INDUSTRIAL SOLUTIONS

Revenues	121.9	110.7	285.7	258.4	364.5
Gross profit	32.0	42.3	108.3	110.0	136.9
Gross margin %	26.3%	38.2%	37.9%	42.6%	37.6%
EBITDA before non-recurring	5.6	2.7	14.4	2.2	-12.5
EBITDA margin	4.6%	2.4%	5.1%	0.9%	-3.4%
Backlog (end of period)			276	534	450

- › Adjusted cost forecast in one project in **Industrials** resulted in NOK 12m impact on gross margin
- › Good progress on FEEDS, key to secure new contracts

INCOME STATEMENT

NOK million	Q3 24	Q3 23	YTD Q3 24	YTD Q3 23	FY 2023
Revenue	267.4	254.6	752.5	703.3	918.5
Gross profit	72.5	52.0	222.3	224.8	232.1
<i>Gross margin %</i>	27.1%	20.4%	29.5%	32.0%	25.3%
Operating expenses	54.0	67.5	177.9	210.7	286.8
EBITDA before non-recurring	18.4	-15.5	44.4	14.1	-54.7
<i>EBITDA margin %</i>	6.9%	-6.1%	5.9%	2.0%	-6.0%
Non-recurring cost	5.3	0.0	10.7	3.3	0.0
EBITDA	13.1	-15.5	33.8	10.8	-54.7
EBIT	-0.8	-27.9	-2.7	-22.4	-106.9
Net financial items	-19.9	-25.5	-55.6	-21.9	-51.3
Result before tax	-20.7	-53.4	-58.3	-44.3	-158.2

Comments

- Revenue increase driven by Industrials and Aftersales segment
- Gross margin for the quarter impacted by adjusted cost forecast within Industrial Solutions in the quarter
- Continue to deliver on cost improvement program
- Net financial items driven by increased interest cost and share of net profit from associated company Vow Green Metals

BALANCE SHEET

NOK million	30.09.24	30.06.24	31.12.23
Intangible assets and goodwill	623.5	611.5	588.1
Accounts receivable	196.3	202.2	241.0
Contracts in progress	347.3	305.2	270.3
Other assets	351.1	374.9	378.2
Cash and cash equivalents	15.2	42.5	57.5
Total assets	1 533.4	1536.2	1 535.1
Total equity	358.1	367.4	396.4
Interest-bearing debt	617.5	620.7	639.1
Contract accruals	244.1	244.2	171.0
Accounts payable	164.7	144.9	155.9
Other liabilities	148.9	159.1	172.7
Total equity and liabilities	1 533.4	1536.2	1 535.1

Comments

- Increase in intangibles relate to investments in new technology
- Net working capital decreased from YE 2023, however slightly increased compared with H1 2024
- Changes in interest bearing debt related to repayment of term loan and changes in drawn amount on the liquidity bridge, overdraft and trade finance facilities
- The company is compliant with revised bank covenants

CASH FLOW

NOK million	Q3 24	Q3 23	YTD Q3 24	YTD Q3 23	FY 2023
Cash and cash equivalents at start of period	42.5	17.0	57.5	42.5	42.5
Net cash flow from operating activities	7.5	-77.0	76.9	-92.2	-0.6
Net cash flow from investing activities	-11.0	-20.2	-40.6	-66.2	-99.9
Net cash flow from financing activities	-24.3	109.3	-80.3	143.5	115.2
Cash and cash equivalents at end of period	15.2	28.7	15.2	28.7	57.5

Comments

- **Investments reduced** compared with historical levels as several R&D projects are successfully completed
- **Cash flow from financing** relates to repayment on term loans, drawn amount of liquidity bridge, changes in overdraft/trade finance facilities, leasing and interest payments
- **NOK 94.4m in available undrawn credit lines** on our liquidity bridge and overdraft/ trade finance facilities at the end of Q3



CONCLUDING REMARKS

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STRENGTHENING BALANCE SHEET

Rights issue Key dates and important milestones	Use of proceeds equity issue
August Obtained amended bank facilities subject to NOK 125 million new equity	Net proceeds from the Rights Issue will be used to
August Testing the market for a NOK 150 million private placement	(i) improve the liquidity position for the Company to be able to execute on the current orderbook and on new opportunities , and
27 Sep Announcing fully underwritten NOK 250 million rights issue	(ii) strengthen the balance sheet by way of debt repayment to facilitate an amended bank facility agreement with improved covenant headroom
19 Nov EGM approved issuing 166,666,666 new shares	
20 Nov Last day of trading of shares including subscription rights	
25 Nov Start of subscription period at 09:00 hours CET	
3 Dec Last day of trading in subscription rights	
9 Dec End of subscription period at 16:30 CET	
10 Dec Notification of allocation of shares	
12 Dec Due date for the payment of offer shares	
19 Dec Delivery of offer shares and start trading in the offer shares	
Important note: Please see prospectus dated 22 November and available on NewsWeb for complete list of key dates and facts pertaining to the rights issue	

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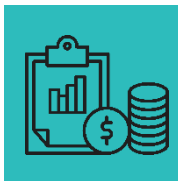
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**BELIEVING IN A FUTURE WHERE
INDUSTRY IS HARMONIZED
WITH NATURE**

VOW