



2024 half-year report
STATUS AND OUTLOOK

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Oslo, 29 August 2024

VOW

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DELIVERING ACCORDING TO PLAN

Robust business. Margins back on track

- › Significant turnaround showcasing **enhanced operational efficiency** moving forward
- › Three **robust and expanding business divisions** that maintain partnerships with highly esteemed and recurring clients
- › With a **solid order backlog**, increasing revenues, and improving margins across all business segments, Vow demonstrates a **positive financial outlook**

Positioned to drive growth

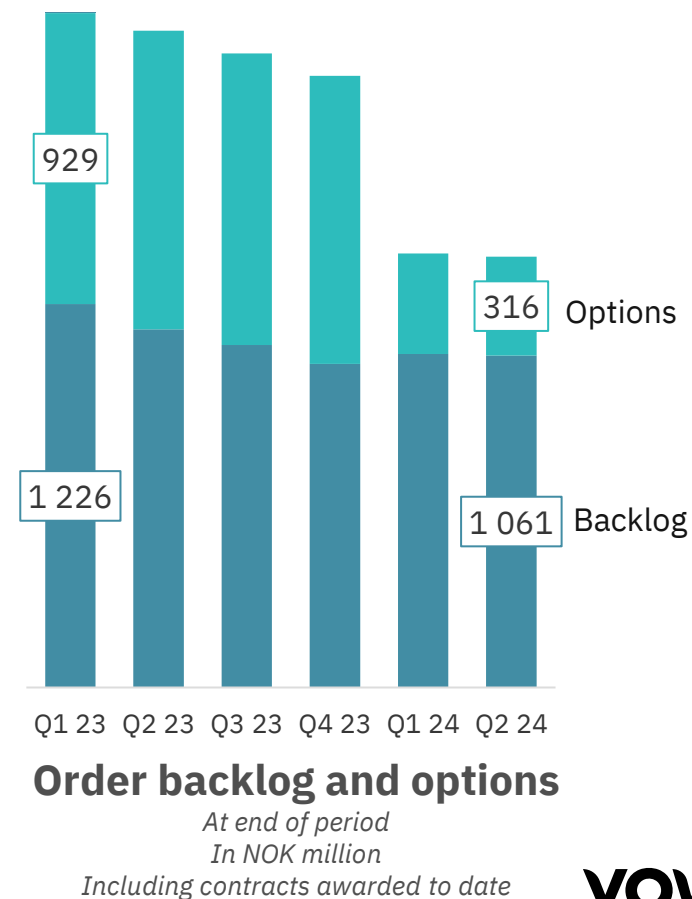
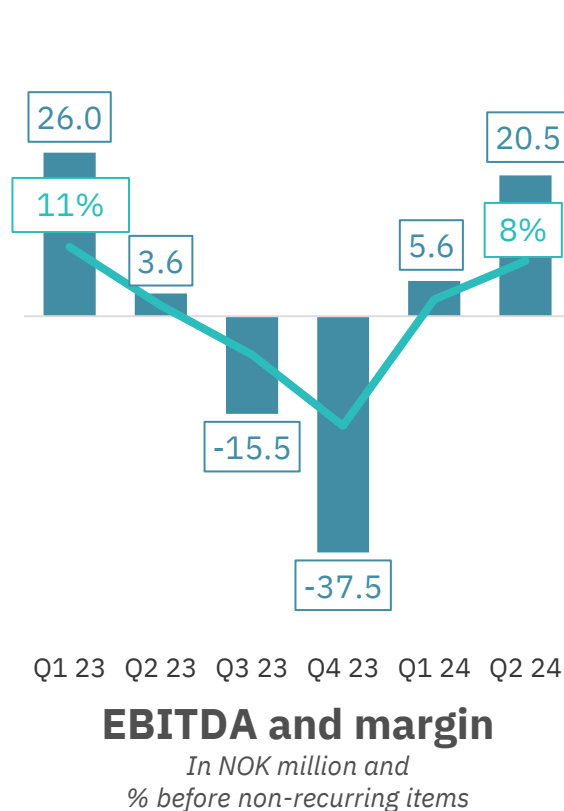
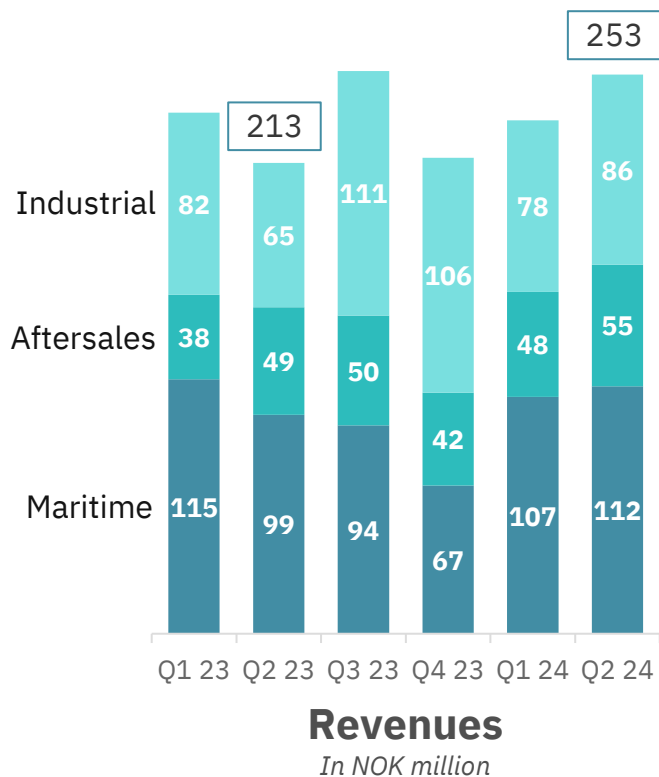
- › **Substantial investments** in technology, acquisitions and market accessibility
- › Upcoming larger contracts with **improved conditions**, enhancing the company's financial prospects
- › The successful awards and ongoing delivery of two major «scale up» projects in new markets has garnered widespread recognition, resulting in a **record-high demand for Vow's services**

Concrete actions taken to strengthen balance sheet and improve liquidity

- › Has negotiated new banking agreement which will provide with **improved covenant headroom** to further strengthens Vow's financial stability
- › **Agreement is subject** to a strengthening of Vow's balance sheet either through an equity issue or by other means available
- › Vow has undertaken preliminary soundings in the market and **continues to explore** the possibility of carrying out a share issue

GETTING BACK ON THE RIGHT TRACK

Key financials by quarter



STATUS AND OUTLOOK



I

Cruise projects: Strong order backlog. Valued by key cruise operators and yards. *Steadily growing* revenues, and *margins are improving*

II

Aftersales: Highly recurring business with *stable* margins. Addressable *market increases* for each new ship delivered

III

Heat treatment: Historically, stable revenues and margins, now *quickly growing* as heat intensive industries turn electric

IV

Successful scale-ups: Two large projects underway *demonstrating relevance* of Vow solutions for landbased industry

V

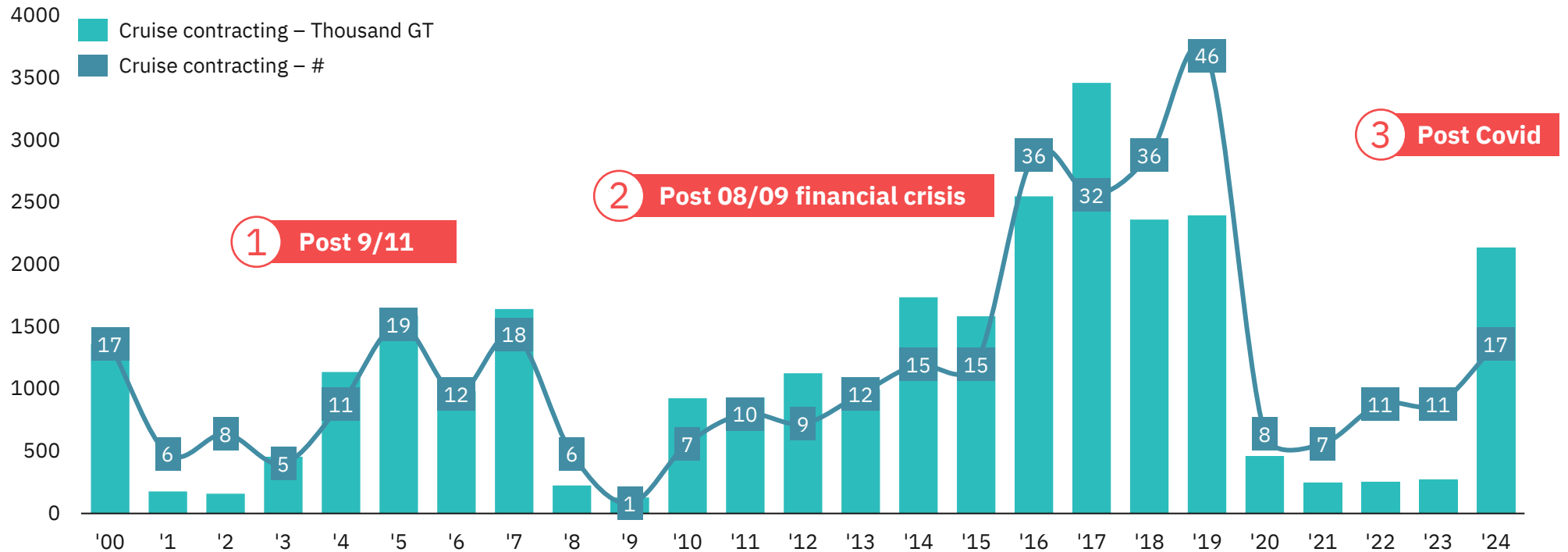
Rich pipeline: Circular solution opportunities developed and ready, now *only pending final project sanction* and customers' investment decision

Three
robust and
expanding
business
divisions

Rich pipeline of
opportunities
with **two**
successful
scale-ups
underway

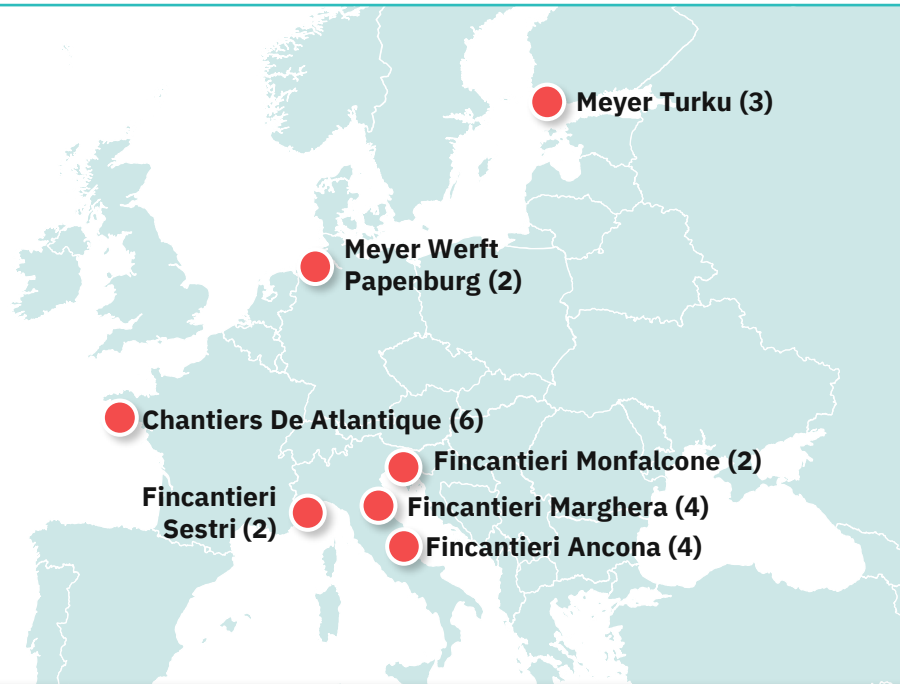
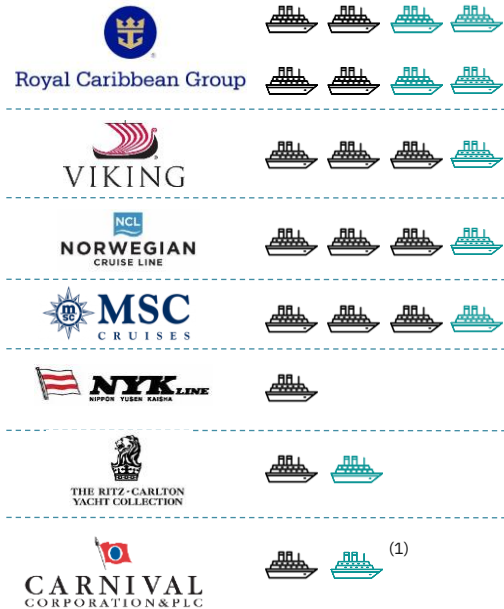
RIDING THIRD WAVE OF RECOVERY IN CRUISE

Cruise market to be “fully recovered” this year and cruise ships ordering is picking up¹



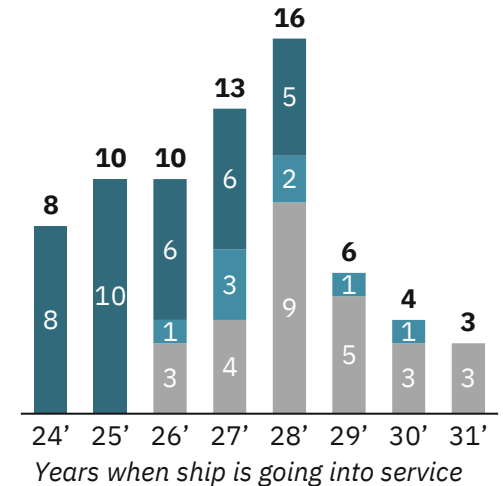
PREFERRED AND TRUSTED PARTNER

9 ships commissioned and main system deliveries for 16 ships scheduled for 2024



Ships with Vow equipment

- In backlog, confirmed
- In backlog, as "option"
- Currently being bid



With decades of experience, Vow hold a leading position, set to equip over 60% of new large cruise ships in the next four years²

¹Retrofits with shipowner

²In Vow's core market with > 300 passengers

CONTRACTS ARE BECOMING LARGER AND MORE INTEGRATED

Cruise newbuild contracts awarded in H1 2024 | Total value EUR 47.7 million




4th Excel Class Ship
incl. option




EUR 28.4m
1+1

May 2024

- 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 2025 and 2026
- Wastewater purification according to Baltic Sea and Alaska standards
- Biochar for landing and net energy for steam production



3rd Icon Class Ship
incl. option



EUR 19.3m
1+1

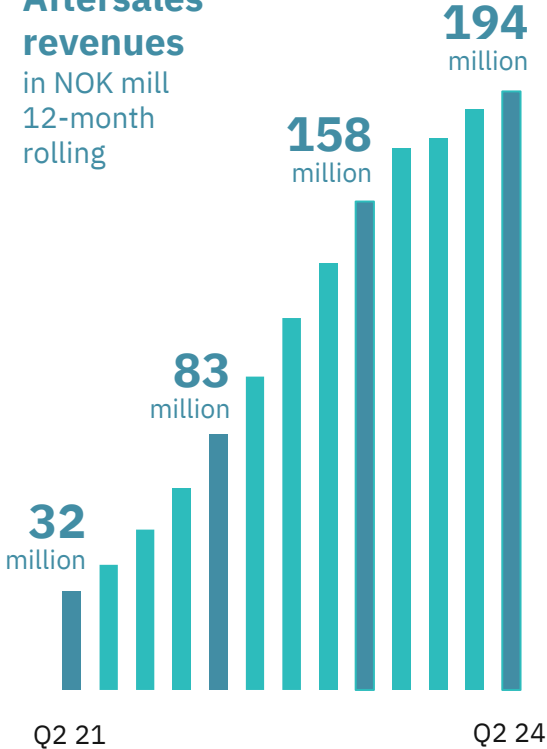
February 2024

- Wastewater purification, food waste processing and garbage handling systems
- Solids handling to prevent discharge overboard, including dewatering, thermal hydrolysis, drying, and a combination of pyrolysis and incineration
- Delivery scheduled for 2024 and 2025
- Baltic Sea and Alaska standard
- Biochar for landing and net energy for steam production

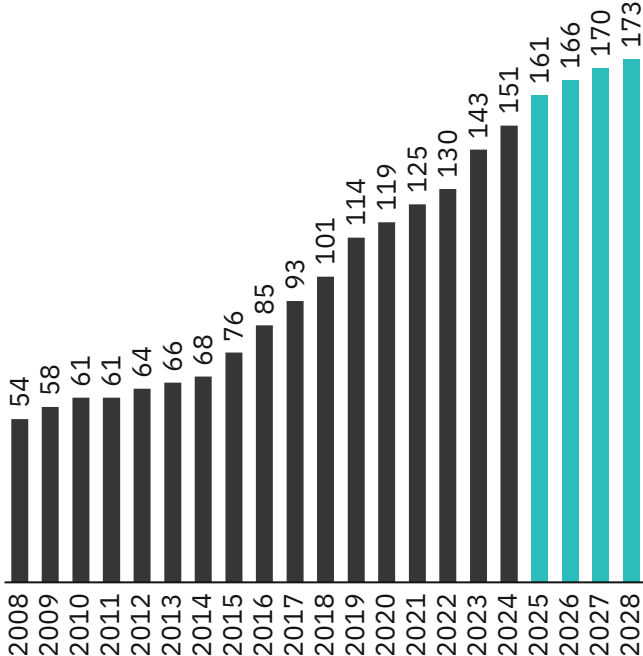
RECURRING AND GROWING

After-sales revenues

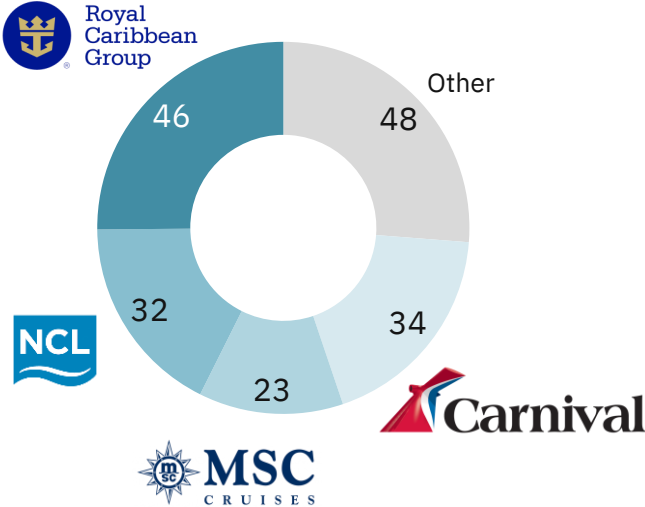
in NOK mill
12-month rolling



Cruise ships with Scanship equipment onboard (accumulated)

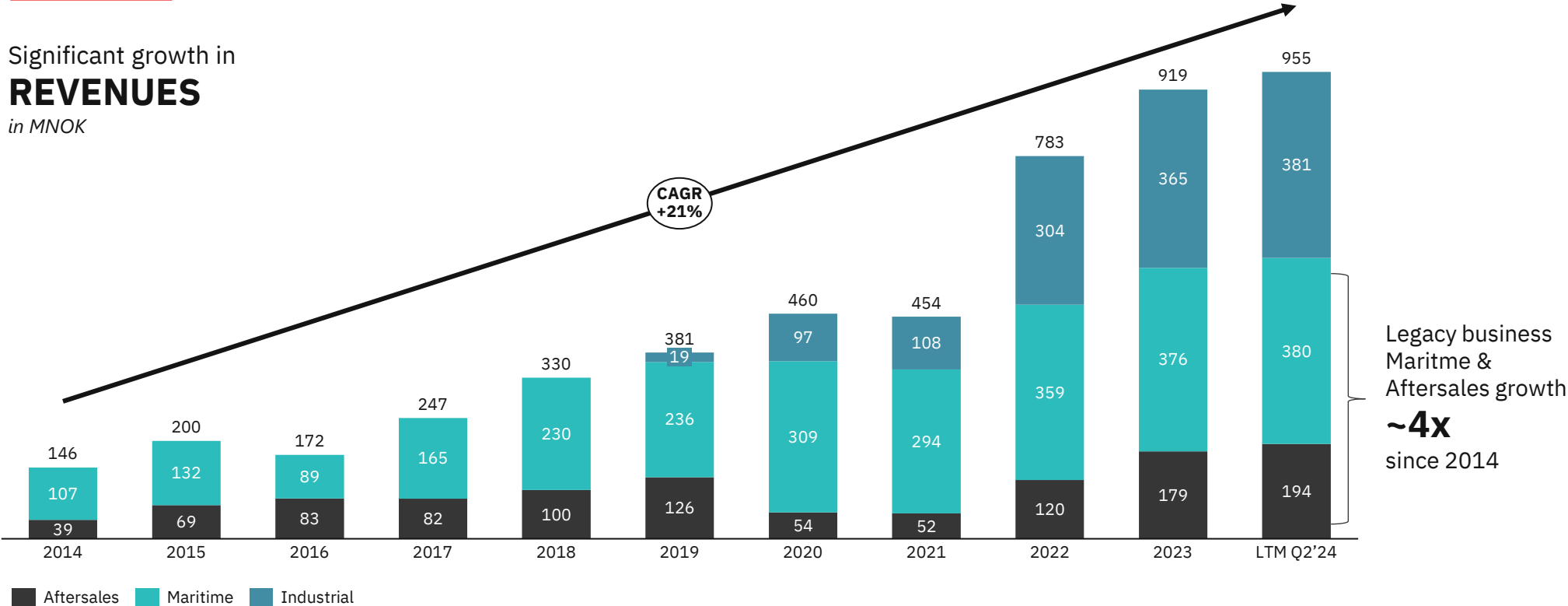


Cruise ships by shipowners equipped with Scanship tech



GROWTH STORY SINCE IPO

Significant growth in
REVENUES
in MNOK



DOMINANCE IN A GROWING SECTOR

Leading the Biocarbon Market

- › Vow Green Metals aims to be the **top Biocarbon provider** for the Metallurgic industry, using Vow's cutting-edge technology

First Factory Launch

- › Elkem is the first client, with the Follum factory launching soon, **backed by funding** from Enova, DNB, and Eksfin

Expanding Demand

- › Vow's 335 million NOK contract with VGM **sparks interest** in the US and Europe, with production set for late 2025

Boosting Innovation

- › Vow completed a 56 million NOK **demonstration plant** earlier this year to advance VGM's biocarbon line



LANDMARK BIOCHAR PROJECT



Major Contract Win

- Vow secured a **USD 27 million contract** with Quonset Soil Solution in Rhode Island to produce biochar for soil health using Vow technology

Green Development Backing

- Quonset Soil Solution is owned by Green Development, a **leader** in large-scale renewable energy projects in the Northeastern U.S.

Project Progress

- Vow is advancing engineering work, with the facility set to be **one of the largest** biochar production sites in the U.S. by 2025

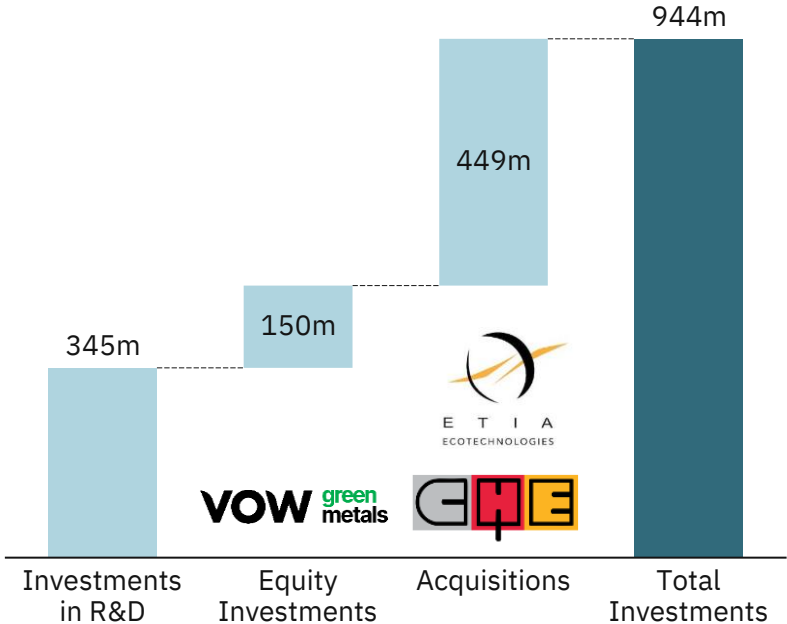
Equipment Delivery

- Equipment deliveries have **started**, with ongoing shipments to the Providence, Rhode Island site

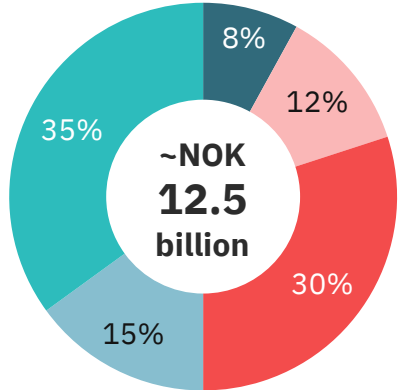
BUILDING A PIPELINE OF OPPORTUNITIES

Invested NOK 900+ million over five years...

...leveraging on the largest ever window of opportunity



Bid pipeline - By application
in equipment value as of 2027¹



- 
End-of-life Tyres
 Converting end-of-life tyres into sustainable raw materials and liquid fuels
- 
Sewage Sludge PFAS Removal
 Industry-scale sewage sludge treatment and energy generation plant
- 
Waste-to-Liquid Fuels
 Converting feedstocks into low-carbon fuels and other products
- 
Biochar Carbon Removal & Soil Health
 Produce biochar and renewable energy using Vow's advanced technology
- 
Metallurgical Biocarbon
 Converting wood waste to biocarbon that replaces fossil coal products

Significant revenue potential lies ahead with our technology for sustainable carbon solutions and waste elimination

13 ¹Blue-chip, well-established and start-up companies makes up 66%, 20% and 14%, respectively, of the customer base. Equipment value estimated to be NOK 25 billion as of 2029. Source: Vow ASA, Note: Numbers in NOK



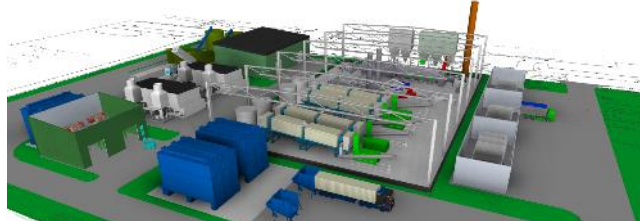
FOCUSING ON NEAR-TERM OPPORTUNITIES

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



End-of-life tires

- › Test facility in Lakenheath **continues to qualify recovered carbon black** for the big tire manufacturers
- › **Advanced studies** for the first 30,000 tonnes ELT production site utilizing Vow technology in UK are **currently underway**



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 with CirCon Energy in place, covering **up to 19 lines** of Vow equipment
- › As of August 2024, **Circon has secured significant equity funding and government support**, advancing project delivery and preparations for construction

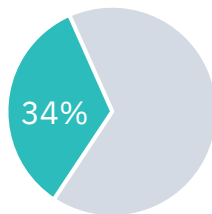
FINANCIALS



SEGMENT INFORMATION

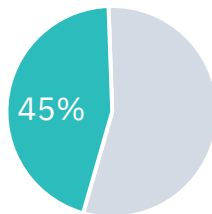
INDUSTRIAL SOLUTIONS

Share of total revenues



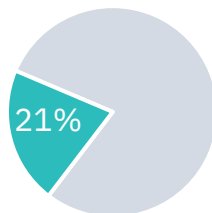
MARITIME SOLUTIONS

Share of total revenues



AFTERSALES

Share of total revenues



NOK million	1H 24	1H 23	FY 23
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
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
Options	316	999	921
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%

INCOME STATEMENT

NOK million	1H 2024	1H 2023	FY 2023
Revenue	485.0	448.7	918.5
Gross profit	149.9	172.8	232.1
<i>Gross margin %</i>	30.9%	38.5%	25.3%
Operating expenses	123.8	143.2	286.8
EBITDA before non-recurring	26.1	29.6	-54.7
<i>EBITDA margin %</i>	5.4%	6.6%	-6.0%
Non-recurring cost	5.4	3.3	0.0
EBITDA	20.6	26.3	-54.7
EBIT	-1.9	5.5	-106.9
Net financial items	-35.7	3.6	-51.3
Result before tax	-37.6	9.1	-158.2

Comments

- Revenue increased by 8.1% compared with same period last year, mainly driven by increased revenues in Aftersales (+17.6%) and Industrials (+10.9%). Maritime delivering in line with same period last year (+2.3%)
- Gross margin for FY 2023 impacted by increased cost prognosis and inflation in projects leading to a temporarily reduced margin. Gross margin for H1 2024 increased to 30.9%
- EBITDA margin of 5.4% for H1 2024
- Company continue to execute on cost improvement program

BALANCE SHEET

NOK million	30.06.24	31.12.23
Intangible assets and goodwill	611.4	588.1
Accounts receivable	202.2	241.0
Contracts in progress	305.2	270.3
Other assets	374.9	378.2
Cash and cash equivalents	42.5	57.5
Total assets	1 536.2	1 535.1
Total equity	367.4	396.4
Interest-bearing debt	620.7	639.1
Contract accruals	244.2	171.0
Accounts payable	144.9	155.9
Other liabilities	159.1	172.7
Total equity and liabilities	1 536.2	1 535.1

Comments

- › Increase in intangible assets relate to investments in new technology and currency effects
- › Decrease in net working capital compared with year end 2023
- › Change in interest bearing debt during the period relates to repayment on term loan and changes in drawn amount on the bank overdraft and trade finance facilities
- › Equity ratio of 24% as of H1 2024
- › As of Q2 the company was compliant with bank covenants

CASH FLOW

NOK million	1H 2024	1H 2023	FY 2023
Cash and cash equivalents at start of period	57.5	42.5	42.5
Net cash flow from operating activities	69.4	(15.2)	(0.6)
Net cash flow from investing activities	(29.5)	(46.0)	(99.9)
Net cash flow from financing activities	(56.0)	34.2	115.2
Cash and cash equivalents at end of period	42.5	17.0	57.5

Comments

- › Working capital release during Q2 2024
- › Investments for the first half of 2024 amounted to NOK 29.5m, reduced compared with historical levels as several R&D projects are successfully completed
- › Cash flow from financing relates to repayment on term loan, changes in bank overdraft/trade finance facilities, leasing and interest payments
- › Available liquidity as of end June amounted to NOK 77m

CONCLUDING REMARKS

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

VOW