



VOW

Report for the first half of 2021

Vow ASA

HIGHLIGHTS

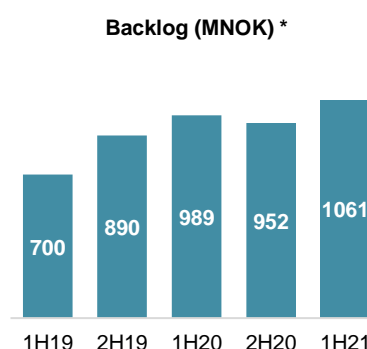
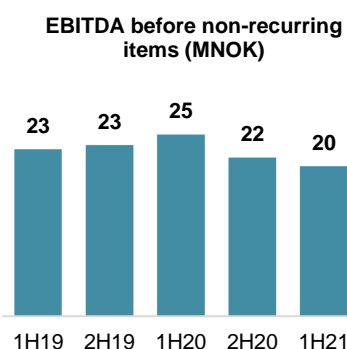
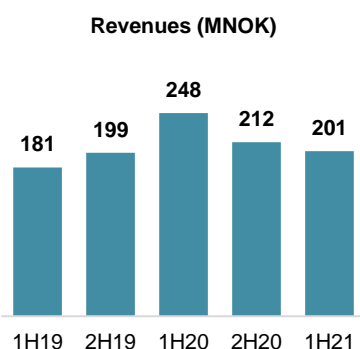
First half year

- **Robust order backlog** of NOK 1.1 billion*, providing good visibility and revenues well into 2024/25. On top of this, Vow has an all time high pipeline of option agreements totalling NOK 778.3 million.
- During the first half-year, Vow successfully completed a **private placement** raising net proceeds of NOK 218.5 million. Parts of the net proceeds were used as initial funding of its subsidiary **Vow Green Metals**, which was demerged and the shares distributed to Vow shareholders and listed on the Oslo Stock Exchange 12 July 2021.
- Vow is working closely with Vow Green Metals on the preparation for delivery of process equipment to Vow Green Metals' planned Follum plant.
- **New financing of NOK 320 million** secured with DNB, based on the international Green Loan Principles, consist of a NOK 170 million term loan and a NOK 150 million Revolving Credit Facility.
- **Revenues** for the first half-year amounted to NOK 201.4 million, compared with NOK 247.8 million for the same period in 2020. The lower revenue level primarily related to Aftersales and Landbased.
- **EBITDA** before non-recurring items was NOK 20.3 million, representing a margin of 10.1 per cent for the period
 - **Projects Cruise** improved its EBITDA result by 9.4 per cent year-over-year to NOK 38.3 million, giving an EBITDA margin of 25.7 per cent compared with 21.9 per cent in H1 2020.
 - Activity in **Aftersales** is still reduced as a consequence of cruise ships being docked during the pandemic, but showed some recovery during the first half-year.
 - Vow continues to make investments in the **Landbased** segment to enable growth and profitability. Several new contracts secured towards the end of the half-year period, which will have positive impact on future revenues. Agreements with Arcelor Mittal and Elkem announced in start of year.

Consolidated key figures

Amounts in million NOK (except percentages)

	1H 2021	1H 2020	2020
Revenues	201.4	247.8	459.8
EBITDA before non-recurring items	20.3	24.6	46.6
EBITDA before non-recurring items margin %	10.1%	9.9%	10.1%
EBITDA	16.2	24.3	38.4
EBITDA margin %	8.0%	9.8%	8.4%
Operating result (EBIT)	6.6	14.1	16.6
Project backlog	1 061	989	952
Total assets	1 039	696	710
Total equity	537	261	321



*The backlog per 1H21 includes NOK 90 million formally announced in July

FINANCIAL REVIEW

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

Financial results

Profit and loss

Revenues for Vow ASA amounted to NOK 201.4 million for the first six months of 2021, compared with NOK 247.8 million for the corresponding period of 2020. The reduction in revenue is primarily an effect of the Aftersales segment continuing to be negatively affected by the Covid-19 pandemic, and lower revenue in the Landbased segment.

The gross margin for the first six months of 2021 ended at 36.8 per cent, compared to 32.8 per cent for the same period of 2020. The increase is related to higher gross margin levels for all three business segments.

EBITDA before non-recurring items amounted to NOK 20.3 million for the first half of 2021, representing a margin of 10.1 per cent, compared to NOK 24.6 million and a margin of 9.9 per cent for the corresponding period of 2020. The Aftersales segment recorded an EBITDA which was NOK 5.4 mill lower in the first half of 2021 compared to the same period in 2020, as the revenue base in Aftersales was mainly unaffected by Covid-19 in the first quarter 2020.

Vow recorded non-recurring costs of NOK 4.1 million for the first six months of this year. These costs are primarily related to the demerger and stock exchange listing process for Vow Green Metals AS, as well as the financing processes.

EBITDA came in at NOK 16.2 million for the first half of 2021, compared with NOK 24.3 million for the same period last year.

Depreciation and amortisation amounted to NOK 9.6 million for the first six months of 2021, compared to NOK 10.1 million for the same period last year.

This gave an **operating result** (EBIT) of NOK 6.6 million for the first half of 2021, compared with NOK 14.1 million for the same period last year and NOK 16.6 million for the financial year 2020.

Net financial items for the first half of 2020 were affected by the income recording of NOK 18.2 million related to the fair value adjustment of the conversion rights, which is not relevant in 2021. The difference between the other financial items in the first half of 2020 representing an income of NOK 2.5 million, and the net financial cost of NOK 6.6 million recorded in the first half of 2021 is primarily related to unrealised currency effects and fees related to new bank financing.

The result for the period came in at a negative of NOK 0.4 million, compared to NOK 27.1 million for the same period last year.

Cash flow

Operating activities generated a negative cash flow of NOK 35.9 million for the first half of 2021, compared with a negative cash flow of NOK 23.1 million for the same period of 2020. The lower cash flow in the first six months of 2021 compared to the first half of 2020 is primarily related to the lower EBITDA level.

The negative cash flow from operations in both the first half-year 2021 and 2020 relates to the timing of payments from customers and payments to suppliers, and net working capital.

Compared to cruise newbuilding the Aftersales business segment also requires significantly less net working capital. The expected return to more normal cruise operations in the second half of this year will therefore also have a positive effect on the cash flow from operations.

Investing activities in the first six months of 2021 generated a cash outflow of NOK 51.5 million, primarily related to ongoing R&D projects and investments in the Landbased segment. For the same period of 2020, the cash outflow was NOK 40.8 million.

Financing activities in the first half of 2021 generated a positive cash flow of NOK 363.1 million following both the equity financing and the long-term loan financing. For the comparable period of 2020, financing activities generated a positive cash flow of NOK 29.5 million.

Financial position

As of 30 June 2021, Vow had total assets of NOK 1 038.9 million, compared to NOK 709.7 million at the end of 2020 and NOK 695.9 million at 30 June 2020.

The increase in the total balance sheet of the group follows the new equity and long-term debt financing, preparing for future growth. The new NOK 170 million term loan with DNB is drawn up as per 30.06.21. The new Revolving Credit Facility (RCF) of NOK 150 million is undrawn as per 30.06.21.

In March 2021 Vow completed a private placement through the allocation of 5 000 000 new shares at an offer price of NOK 46, raising net proceeds to the company of NOK 218.5 million. Parts of the proceeds are allocated as initial funding of Vow Green Metals.

At the end of June 2021, Vow had total equity of NOK 537.3 million, representing an equity share of 51.7 per cent, compared with NOK 320.8 million at the end of 2020 and NOK 260.9 million at the end of June 2020.

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.

Vow solutions purify wastewater and convert waste into valuable resources and clean energy for customers in cruise, aquaculture 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.

The Vow group's key markets for waste valorisation, prevention of pollution and decarbonization include cruise, biogas, minerals,

metallurgical, plastic to energy, end-of-life tires, power to heat, waste management, agricultural, aquaculture and food processing.

Key events

In January, Vow signed a strategic memorandum of understanding with ArcelorMittal, the world's leading steel and mining company, to cooperate on a project to build a biogas production plant that will reduce CO₂-emissions produced during the steelmaking process. The two companies aim to have the biogas plant operational in 2022.

In February, Vow and Elkem, one of the world's leading suppliers of silicon-based advanced materials, signed a Letter of Intent (LoI) to join forces with the aim of reducing fossil CO₂-emissions from the production of silicon and ferrosilicon products for the global market.

The two companies will join competence and technology solutions to develop and manufacture biocarbon and other products for Elkem's production processes at Vow Green Metal's planned plant at Follum, outside Oslo in Norway.

In February, Vow and Betula Energy entered into an agreement whereby Vow will supply technology and equipment to produce biocarbon to a new plant that Betula Energy will establish in Bamble, a municipality in South-East Norway.

In June, Vow secured NOK 320 million long-term financing, providing a solid financial foundation for further innovation and project development in landbased industries.

The financing arrangement consists of a NOK 170 million term loan and a NOK 150 million revolving credit facility, 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 board views this as an indication that the EU taxonomy for sustainable activities is working in Vow's favour.

During the first half-year, Vow successfully completed a private placement, raising net proceeds to the company of NOK 218.5 million. Parts of the proceeds are used as initial funding of Vow Green Metals, which was demerged and listed at the Euronext Growth Oslo in July. This company will produce high-value biocarbon for metal industries and CO₂ neutral gas for different energy purposes.

The aforementioned planned biocarbon plant at Follum, will be the first plant built, owned and operated by Vow Green Metals. It is scheduled for completion in 2022. In May, Enova confirmed a grant of up to NOK 80.7 million to support Vow's project for industrial production of biocoal for metallurgical industry at Follum.

Similar plants are being considered at other locations in the Nordic and elsewhere in Europe.

Vow Industries will remain part of Vow as an incubator for other potential spin-offs in the future.

Order backlog

Vow has secured a number of new contracts year to date, despite the challenging market conditions in cruise caused by the Covid-19 pandemic.

This proves that Vow's business model is robust and that the demand for the company's technology continues to benefit from the growing concern for climate and the environment.

Halfway into 2021, Vow had a total order backlog of NOK 1 061 million, including orders formally announced in July, up from NOK 952 million at the start of the year. Of the total backlog, NOK 974 million relates to the Projects Cruise segment, while the remaining NOK 87 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 778 million as at 30 June 2021, which is an all-time high level.

Segments

Vow ASA is organized 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 more related to headquarter and listing of the Vow group.

The segment Projects Cruise includes sales of systems to shipyards and the aquaculture industry 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.

Projects Cruise

<i>NOK million</i>	1H 2021	1H 2020	2020
Revenues	149.3	160.1	309.2
EBITDA	38.3	35.0	70.9
<i>EBITDA margin (%)</i>	25.7%	21.8%	22.9%
Backlog	974	933	924

Revenues from the Projects Cruise segment amounted to NOK 149.3 million for the first half of 2021, compared to NOK 160.1 million for the same period in 2020. The reduction is related to timing of new orders and deliveries of cruise projects.

EBITDA for the segment came in at a record-high NOK 38.3 million for the period, representing a margin of 25.7 per cent, up from NOK 35.0 million for the corresponding period of 2020, equivalent to a margin of 21.9 per cent. The group is continuously working to improve operational efficiency, contributing to the positive development in the EBITDA margin over time.

Order backlog for segment Projects Cruise after the first six months of the year was NOK 974 million, including orders formally announced in mid-July.

During the first half-year, Vow has announced contracts for delivery of wastewater purification systems to three cruise newbuilding projects and one retrofit project.

In February, Vow was awarded a Euro 5.7 million contract with a major European shipyard for the delivery of two advanced wastewater purification systems. The Scanship systems will be installed on two cruise ships to enter service in 2024 and 2026. Scanship has previously equipped six cruise ships under the same European brand. The

technology to be delivered by Scanship will purify all wastewater generated from 6,500 people onboard to the highest international discharge regulations, in line with newly enforced Baltic sea standard and according to continuous Alaskan water discharge requirements. The contract includes a Euro 5.7 million option contract for two additional vessels.

In April, Vow was awarded a retrofit contract with Carnival Cruise Line to deliver its advanced wastewater purification system to Carnival Dream. For Scanship, this will be the thirty-first wastewater purification system installed on existing ships in operation, and one of the largest retrofit projects within this business area for the company to date.

In June, Vow was awarded a contract with the French shipyard Chantiers de l'Atlantique for the delivery of advanced wastewater purification system to be installed on the seventh newbuild for Royal Caribbean International Oasis class of ships. This newbuild is planned to be the largest cruise ship in the world when it launches in 2026.

Operational activity for the Scanship subsidiary continued on a high level in the first half of 2021, with system deliveries to 12 cruise newbuilds and two retrofit projects. In addition, Scanship commissioned five newbuild projects in the first half of 2021.

Aftersales

<i>NOK million</i>	1H 2021	1H 2020	2020
Revenues	18.3	39.7	53.3
EBITDA	(0.6)	4.8	(0.3)
EBITDA margin (%)	(3.3%)	12.1%	(0.6%)

Revenues for the Aftersales segment came in at NOK 18.3 million for the period, down from NOK 39.7 million for the same period in 2020. The revenue base for Aftersales for the first quarter in 2020 was mostly unaffected by the Covid-19 virus.

Since the second quarter 2020, the Aftersales segment has been affected by the Covid-19 pandemic. Many cruise ships have been docked since March 2020 and measures to control the spread of the pandemic have restricted travel and access to the ships. Some cruise ships have

gradually resumed operations, and activity has started to pick up during the first half-year.

EBITDA for the segment was negative by NOK 0.6 million for the first half of the year, compared to an EBITDA of NOK 4.8 million in the first half of 2020. The positive EBITDA level recorded in the first half 2020 relates to the first quarter.

Landbased

<i>NOK million</i>	1H 2021	1H 2020	2020
Revenues	33.8	48.0	97.2
EBITDA*	(9.1)	(7.1)	(10.2)
EBITDA* margin (%)	(26.9%)	(14.8%)	(10.4%)
Backlog	87	56	28

*Before non-recurring items

Revenues for the Landbased segment amounted to NOK 33.8 million for the first half of 2021, compared with NOK 48.0 million in the first half of 2020. Several new contracts were secured towards the end of the half-year period, which will have positive impact on future revenues.

Vow has invested significantly in the ETIA operations and the Landbased segment, both through operating expenses and R&D investments. This to further develop the revenue base and profitability of this business segment.

EBITDA before non-recurring items for the segment came in at a negative of NOK 9.1 million for the first half of the year, compared to a negative EBITDA of NOK 7.1 million for the same period in 2020. The lower EBITDA level is driven by the operating expenses incurred, preparing for future growth.

Order backlog for the Landbased segment amounted to NOK 87 million at the end of the first half of 2021, up from NOK 28 million at the start of the year.

During the first half-year, the Landbased segment secured several contracts to deliver Safesteril® equipment for food safety to a total value of EUR 1.4 million. Vow is currently experiencing strong demand for this technology.

In June, Vow secured a breakthrough contract with Wakefield Biochar to install an industry-scale

Biogreen system at Wakefield's facility in Valdosta, Georgia, USA. The contract has a total value of USD 5.15 million for delivery in 2022.

The Biogreen system will transform biomass and bio-residues into high-quality biochar and contribute to Wakefield's Advanced Materials and Soil Health divisions, which are addressing the fast-growing market for high quality biochar in the ever more environmentally concerned USA.

Administration cost

Administration costs are costs that are not allocated to the segments, as the costs are more related to headquarter and to listing of the Group rather than to a specific segment. The costs for this segment amounted to NOK 8.3 million for the first half of 2021, compared to NOK 8.1 million for the first half of 2020. In addition the segment includes non-recurring costs related to the demerger and stock exchange listing process for Vow Green Metals AS, as well as the financing processes.

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 provides technology and solutions that enable our customers to manage their waste and energy challenges in a sustainable manner.

In June 2021, Vow released its Sustainability Report for 2020 showing important progress in key areas.

The report was prepared in accordance with the respected Global Reporting Initiative (GRI). It highlights and provides insight into the group's performance and priorities in environmental, social and governance (ESG) factors.

In Vow, we take a holistic view on our business and its impact on environment, social and governance topics. As part of our strategy, we have considered what impact initiatives such as The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and the new EU Taxonomy for sustainable activity

could have on our business. With the implementation of the EU Taxonomy, Vow is well positioned to be categorised as a green company. We have already committed to complying with the minimum safeguards within the EU Taxonomy; OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the International Bill of Human Rights.

SHARE INFORMATION

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

Following the successful completion in March 2021 of a private placement comprising 5 000 000 new shares, Vow ASA had a total of 114 259 870 outstanding shares at the end of June 2021.

During the first half of 2021, the Vow share traded between NOK 53.01 and NOK 30.86 per share, with a closing price of NOK 37.68 per share at 30 June 2021.

A total of 78.4 million shares were traded during the first half of 2021, representing 68.6 per cent of the total number of shares outstanding. The average volume traded daily was approximately 642 500, compared to an average of 614 400 shares per day in the previous reporting period.

General meetings

On 14 May 2021, Vow ASA held its annual general meeting. All resolutions were adopted in accordance with the Board's proposal and the Nomination Committee's recommendations.

RISKS AND UNCERTAINTIES

The Vow group is subject to a number of risks, including operational and financial risks. The board and executive management is continuously monitoring the group's risk exposure and the group constantly strives to improve its internal control processes. The key risk for the next reporting period is any possible continued effect of Covid-19 on the global economy and the cruise industry, as further described below. For a more

detailed description of the risk factors, please see an overview in the annual report for 2020.

Covid-19 has created disruption to the global economy. Vow's business has continued mostly as planned in the first half of 2021, without significant changes in delivery schedules to the cruise industry. However, the company's Aftersales segment has been and will continue to be affected until the world's cruise fleet is fully back in operation. The cruise owners have started a gradual return to normal operations in the third quarter. In addition, some delivery schedules to cruise newbuilding could be delayed going forward as a result of the pandemic. Although vaccination programs are being rolled out in most markets and travel restrictions ease, it remains uncertain when the market situation will normalise. A prolonged period of downturn thus represents a risk to the company's revenues and cash flow.

RECENT EVENTS

In July, Vow was awarded serial cruise newbuild contracts for up to EUR 22.2 million by a major European shipyard. Through its subsidiary Scanship AS, Vow was awarded ten contracts for its clean ship systems, of which four contracts are firm orders at a total value of EUR 8.9 million and six contracts are optional contracts at a total value of EUR 13.3 million.

In July, Vow Green Metals was demerged and the shares distributed to Vow shareholders and listed on Euronext Growth Oslo with first day of trading 12 July 2021. Following this listing, Vow has retained a 30.5 per cent ownership share in Vow Green Metals, thereby maintaining a significant ownership stake in this new industrial company. For accounting purposes Vow Green Metals AS will therefore at the time of the listing change from being a 100 per cent owned subsidiary to become an associated company owned 30.5 per cent.

Vow is working closely with Vow Green Metals on the preparation for delivery of process equipment to Vow Green Metals' planned Follum plant.

OUTLOOK

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

The cruise industry continues to grow as cruise liners place new orders, although some newbuild programmes could still be delayed as a consequence of the current market situation. Vow remains confident about the long-term market outlook for its cruise related operations, and these growth prospects are supported by increasing demand for solutions for cleaner oceans.

It is expected that more and more cruise ships will return to normal operations in the second half of this year. As an increasing share of cruise ships are delivered with Vow systems, the aftersales market is growing, and Vow remains positive about the long-term market opportunities for Aftersales.

The launch of Vow Industries and Vow Green Metals marks a significant strategic shift for Vow.

Vow Green Metals has been demerged, while Vow Industries will remain a subsidiary of Vow as an incubator for other potential spin-offs in the future.

Vow continues to make investments in the Landbased segment to support growth and profitability going forward and is working closely with its valued customers and partners to refine technology and solutions.

As a provider of world leading technologies that can eliminate pollution, enhance circular economy and mitigate climate change, and a proven ability to deliver reliable technology at a competitive price, Vow is well positioned to meet the global trends of replacing fossil carbon and turning waste into valuable resources.

Lysaker, Norway, 25 August 2021
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 1H 2021	Unaudited 1H 2020	Audited 2020
Revenue	2	201.4	247.8	459.8
Total operating revenue		201.4	247.8	459.8
Cost of goods sold		-127.4	-166.6	-295.6
Gross Profit		74.1	81.3	164.1
<i>Gross Margin</i>		36.8%	32.8 %	35.7%
Employee expenses		-39.6	-39.5	-80.2
Other operating expenses		-14.2	-17.2	-37.3
EBITDA before non-recurring items		20.3	24.6	46.6
<i>- EBITDA margin before non-recurring items</i>		10.1%	9.9 %	10.1%
Non-recurring items		-4.1	-0.3	-8.2
EBITDA	2	16.2	24.3	38.4
Depreciation and amortisation		-9.6	-10.1	-21.8
Operating result (EBIT)		6.6	14.1	16.6
Sum financial items		-6.6	2.5	-13.5
Fair value adjustment conversion rights	4	-	18.2	25.0
Net financial items		-6.6	20.7	11.5
Result before tax		0	34.8	28.1
Income tax revenue (+) / expense (-)		-0.4	-7.6	-0.2
Result for the period		-0.4	27.1	27.9
Other comprehensive income				
<i>Exchange differences or trans. of foreign op.</i>		-2.5	4.6	7.2
Total comprehensive income, net of tax		-2.9	31.7	35.1
Attributable to				
Owners of the parent		-2.9	31.7	35.1
Non-controlling interest		-	-	-
		-2.9	31.7	35.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK million)	Note	Unaudited 1H 2021	Unaudited 1H 2020	Audited 2020
Property, plant and equipment		29.6	23.6	19.2
Intangible assets		193.3	131.9	158.8
Goodwill		140.4	136.1	144.5
Right-of-use assets		20.7	20.6	17.9
Deferred tax asset		9.1	10.5	7.2
Long-term receivables		0.9	-	0.5
Total non-current assets		394.0	322.7	348.1
Inventories		12.1	10.7	10.0
Trade receivables		125.7	129.5	148.5
Contracts in progress	2	156.9	147.9	122.5
Other receivables		47.2	30.7	53.9
Cash and cash equivalents		303.0	54.4	26.6
Total current assets		644.9	373.2	361.5
Total assets		1038.9	695.9	709.7
Share capital		11.5	10.7	11.0
Share premium		510.1	240.7	292.1
Other capital reserves		4.7	2.3	3.7
Translation differences		2.7	2.6	5.2
Retained earnings		8.4	4.6	8.8
Equity attributable to owners of the parent		537.3	260.9	320.8
<i>Attributable to non-controlling interest</i>		1.0	1.0	0.8
<i>Attributable to owners of the parent</i>		536.3	259.9	320.0
Total equity		537.3	260.9	320.8
Deferred tax liabilities		34.2	38.8	32.3
Long term borrowings	3	269.4	126.4	110.7
Non-current lease liabilities		16.1	14.5	14.1
Total non-current liabilities		319.7	179.7	157.1
Current borrowings	3	21.6	5.3	21.6
Trade creditors		67.8	68.5	108.1
Convertible loan	4	-	52.3	-
Contract accruals	2	59.2	62.6	55.6
Unrealised change fair value FX derivatives		0.5	5.6	1.9
Income tax payable		-	-0.3	
Bank overdraft / trade finance facility	3	2.4	37.9	14.8
Current lease liabilities		4.8	6.5	3.7
Other current liabilities		25.7	17.0	25.9
Total current liabilities		181.9	255.4	231.7
Total liabilities		501.6	435.1	388.8
Total equity and liabilities		1038.9	695.9	709.7

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

<i>Unaudited</i> (NOK million)	Share capital	Share premium	Other cap. reserves	Trans. diff.	Retained earnings	Total
30.06.21						
Equity at 31.12.2020	11.0	292.0	3.7	5.2	8.8	320.8
Result for the period	-	-	-	-	-0.4	-0.4
Other comprehensive income	-	-	-	-2.5	-	-2.5
Total comprehensive income	0.0	0.0	0.0	-2.5	-0.4	-2.9
Share capital increase March 2021	0.5	218.0	-	-	-	218.5
Stock option	-	-	0.9	-	-	0.9
Equity at end of period	11.5	510.0	4.7	2.7	8.4	537.3
<i>Attributable to non-controlling interest</i>						1.0
<i>Attributable to owners of the parent</i>						536.3
						537.3

<i>Unaudited</i> (NOK million)	Share capital	Share premium	Other cap. reserves	Trans. diff.	Retained earnings	Total
30.06.20						
Equity at 31.12.2019	10.7	240.7	1.0	-2.0	-18.7	231.7
Result for the period	-	-	-	-	27.1	27.1
Other comprehensive income	-	-	-	4.6	-	4.6
Translation difference, non-current assets adj.	-	-	-	-	-3.7	-3.7
Total comprehensive income	0.0	0.0	0.0	4.6	23.4	28.0
Stock option			1.3			1.3
Equity at end of period	10.7	240.7	2.3	2.6	4.6	260.9
<i>Attributable to non-controlling interest</i>						1.0
<i>Attributable to owners of the parent</i>						259.9
						260.9

CONSOLIDATED STATEMENT OF CASH FLOW

(NOK million)	Unaudited 1H 2021	Unaudited 1H 2020	Audited 2020
<i>Result before tax</i>	0	34.8	28.1
Net cash flow from operating activities	-35.9	-23.1	-5.4
Net cash flow from investing activities	-51.5	-40.8	-64.7
Net cash flow from financing activities	363.1	29.5	11.1
Net change in cash and cash equivalents	275.6	-34.4	-58.9
<i>Effect of exchange rate changes on cash and cash equivalents</i>	0.8	3.3	0
Cash and cash equivalents at start of period	26.6	85.5	85.5
Cash and cash equivalents at end of period	303.0	54.4	26.6

NOTES TO THE ACCOUNTS

Note 1 General information

This interim financial information for the First Half Year 2021 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 2020, 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 2020. The Board of Directors approved this Interim report August 25, 2021.

Note 2 Revenue, contracts in progress and segment

(NOK million)	Unaudited 1H 2021	Unaudited 1H 2020	Audited 2020
Project revenue	149.3	160.1	309.2
Aftersales	18.3	39.7	53.3
Land-based	33.8	48.0	97.2
Revenue	201.4	247.8	459.8

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 1H 2021	Unaudited 1H 2020	Audited 2020
Contracts in progress	156.9	147.9	122.5
Contract accruals	-59.2	-62.6	-55.6
Net work in progress	97.7	85.3	66.9

Segment information:

1H 2021

(NOK million)	Projects	Aftersales	Landbased	Admin.	Total
Revenue	149.3	18.3	33.8	-	201.4
Total revenue	149.3	18.3	33.6	-	201.4
Cost of sales	-95.8	-11.0	-20.7	-	-127.4
Employee expenses	-13.5	-9.3	-16.2	-0.6	-39.6
Other operating expenses	-1.8	1.3	-6.1	-7.7	-14.2
EBITDA before non-recurring items	38.3	-0.6	-9.1	-8.3	20.3
<i>EBITDA before non-recurring items margin %</i>	<i>25.7%</i>	<i>-3.3%</i>	<i>-26.9%</i>		<i>10.1%</i>
Non-recurring items	-	-	-1.3	-2.8	-4.1
EBITDA	38.3	-0.6	-10.4	-11.1	16.2
Depreciation and amortisation	-3.5	-0.5	-5.6	-	-9.6
Impairment	-	-	-	-	-
Operating profit	34.8	-1.1	-16.0	-11.1	6.6

1H 2020

(NOK million)	Projects	Aftersales	Landbased	Admin.	Total
Revenue	160.1	39.7	48.0	-	247.8
Total revenue	160.1	39.7	48.0	-	247.8
Cost of sales	-109.6	-24.3	-32.6	-	-166.6
Employee expenses	-12.9	-7.3	-16.2	-3.2	-39.5
Other operating expenses	-2.7	-3.3	-6.3	-4.9	-17.2
EBITDA before non-recurring items	35.0	4.8	-7.1	-8.1	24.6
<i>EBITDA before non-recurring items margin %</i>	<i>21.8%</i>	<i>12.1%</i>	<i>-14.8%</i>		<i>9.9%</i>
Non-recurring items	-	-	-0.3	-	-0.3
EBITDA	35.0	4.8	-7.4	-8.1	24.3
Depreciation and amortisation	-3.3	-1.0	-5.0	-	-9.3
Impairment	-0.9	-	-	-	-0.9
Operating profit	30.8	3.8	-12.5	-8.1	14.1

2020

(NOK million)	Projects	Aftersales	Landbased	Admin.	Total
Revenue	309.2	53.3	97.2	-	459.8
Total revenue	309.2	53.3	97.2	-	459.8
Cost of sales	-204.0	-32.1	-59.5	-	-295.6
Employee expenses	-27.1	-15.0	-33.7	-4.4	-80.2
Other operating expenses	-7.2	-6.5	-14.2	-9.4	-37.3
EBITDA before non-recurring items	70.8	-0.2	-10.2	-13.9	46.6
<i>EBITDA before non-recurring items margin %</i>	<i>22.9%</i>	<i>-0.4%</i>	<i>-10.4%</i>		<i>10.1%</i>
Non-recurring items	-	-	-8.2	-	-8.2
EBITDA	70.8	-0.2	-18.3	-13.9	38.4
Depreciation and amortisation	-8.9	-1.5	-11.4	-	-21.8
Impairment	-	-	-	-	-
Operating profit	62.0	-1.8	-29.8	-13.9	16.6

Note 3 Borrowing

Long term borrowing:

(NOK million)	Unaudited 30.06.2021	Unaudited 30.06.2020	Audited 31.12.2020
Other long term interest-bearing debt	261.8	116.0	101.6
Conditional loans related to R&D (ETIA)	7.6	10.4	9.1
Balance	269.4	126.4	110.7

Short term borrowing:

(NOK million)	Unaudited 30.06.2021	Unaudited 30.06.2020	Audited 31.12.2020
Other short term interest-bearing debt	21.6	5.3	21.6
	21.6	5.3	21.6

Bank overdraft / trade finance facility:

(NOK million)	Unaudited 30.06.2021	Unaudited 30.06.2020	Audited 31.12.2020
Bank overdraft facility	-6.8	22.9	1.5
Trade finance facility	9.3	15.0	13.3
	2.4	37.9	14.8

The bank overdraft facility has a limit of NOK 50 million. The trade finance facility has a limit of NOK 15 million, in total NOK 65 million.

In June 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 30 June 2021. The RCF facility is undrawn as per 30 June 2021.

Note 4 Convertible loan and fair value adjustment of conversion rights, effect in 2020

A part of the settlement of the purchase price for ETIA in 2019 was a sellers’ credit of EUR 4.2 million (vendor notes) payable nine months after closing. The vendor notes were non-interest bearing and had an option to convert (conversion right) to Vow ASA’s ordinary shares, at a conversion price of NOK 19.33 per share.

The vendor notes were recognised at fair value at the transaction date, for both the principal and the conversion right. Subsequently, the principal was measured at amortised cost and the conversion rights were measured at fair value.

The total fair value adjustment of conversion rights, from 31 December 2019 up until the date of the conversion in July 2020, was a financial income of NOK 25.0 million. The financial income recorded in the first half of 2020 related to this fair value adjustment was NOK 18.2 million. This financial income has no cash effect. In July 2020, the vendor notes were converted to shares with the issuance of 2 336 303 new shares.

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 2021 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, 25 August 2021
The Board of Directors and CEO
Vow ASA

Narve Reiten
Chairman

Bård Brath Ingerø
Director

Susanne Schneider
Director

Hanne Refsholt
Director

Henrik Badin
CEO