

An aerial photograph of a tropical beach. The water is a vibrant turquoise color, transitioning to a lighter, milky white as it meets the shore. The waves are gentle and white. The beach is a wide expanse of light-colored sand, dotted with small figures of people and colorful umbrellas. The overall scene is bright and sunny.

# Q3 TRADING UPDATE

Henrik Badin, CEO Vow ASA  
Oslo, 27 October 2020



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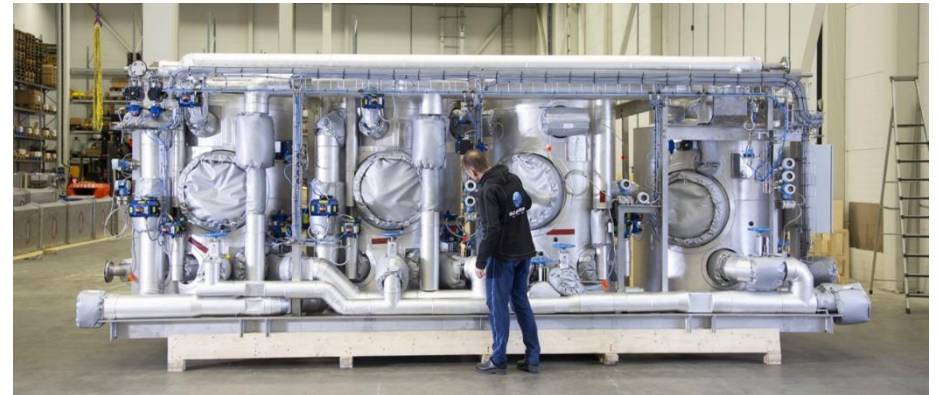
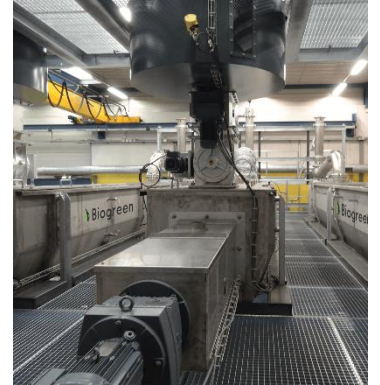
# VOW AT A GLANCE

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- › Technologies and solutions that prevent pollution, enhance circular economy and mitigate climate change
- › Converting biomass and waste into valuable resources, renewables and clean energy
- › Customers in cruise and a wide range of land-based industries
- › Headquartered in Norway, with subsidiaries in US, France and Poland
- › Listed on the Oslo Stock Exchange under ticker VOW

**VOW**

Passionate about  
preventing pollution and  
giving waste value



**VOW**

# Q3 HEADLINES

Revenues <b>NOK 98</b> million	<b>+11%<sup>1</sup></b>
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EBITDA <b>NOK 10.7</b> million	<b>11%</b> EBITDA margin
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Backlog <b>NOK</b> <b>1,082</b> million	<b>+68%<sup>1</sup></b>
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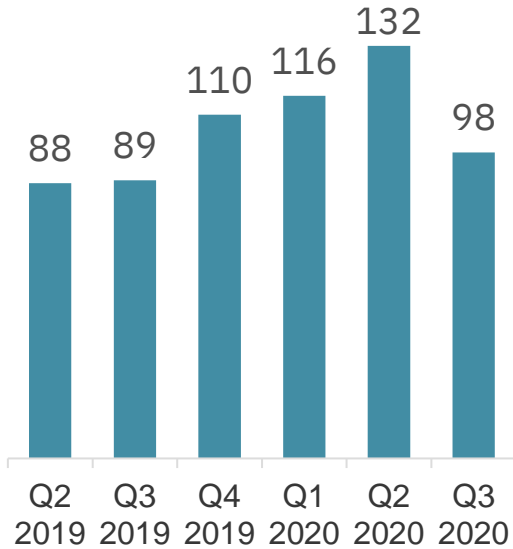
## Strong performance with EBITDA doubling in Cruise Projects. Interest for landbased solutions firms up

- Group revenues was up 11 % from last year to NOK 98 million, of which Cruise Projects delivered NOK 70 million
- Cruise Projects more than doubled EBITDA to NOK 19.4 million in Q3 and NOK 54.4 million YTD. Negative EBITDA in Aftersales and Landbased
- Aftersales continues to be affected by pandemic restrictions. Revenues expected to increase when cruise traffic resumes.
- Interest from landbased customers continues to increase and pipeline of potential projects is firming up
- Order backlog at the end of Q3 was NOK 1.7 billion including options, providing a strong foundation and visibility long into 2023/24.

<sup>1</sup> y-o-y

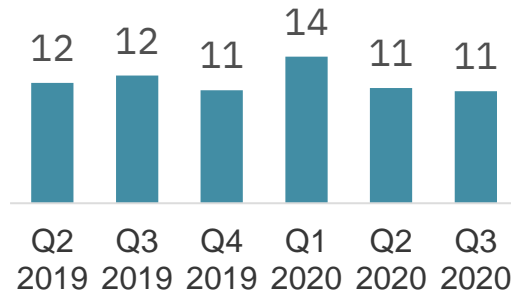
# KEY FINANCIALS | GROUP

 **+11 %**  
y-o-y



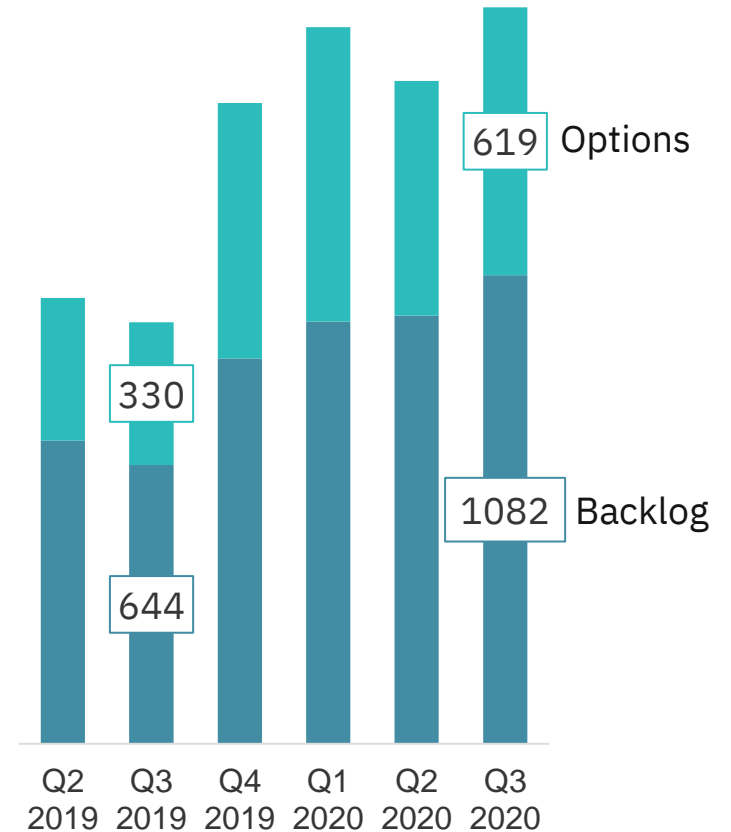
**Revenues**  
(in NOK million)

 **-12 %**  
y-o-y



**EBITDA**  
(in NOK million)

 **+68 %**  
y-o-y



**Order backlog and options**  
(in NOK million)



An aerial photograph of a tropical beach. The left side of the image shows clear, turquoise water with gentle waves washing onto a wide, white sandy beach. Several people are scattered across the beach, some sitting on towels or blankets. The right side of the image shows a continuation of the beach leading to some greenery and a small structure. The overall scene is bright and sunny.

# MARKET AND BUSINESS UPDATE

Q3 Trading Update

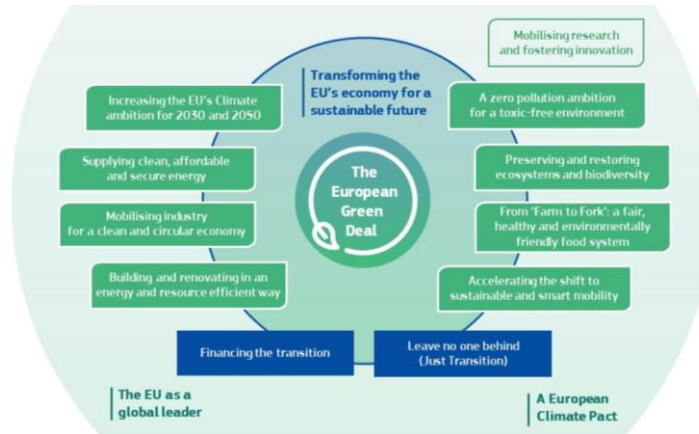
# MAIN DRIVERS

## ECONOMICAL



Cost of capital, carbon tax and rising consumer concerns drives business towards sustainable solutions

## POLICIES



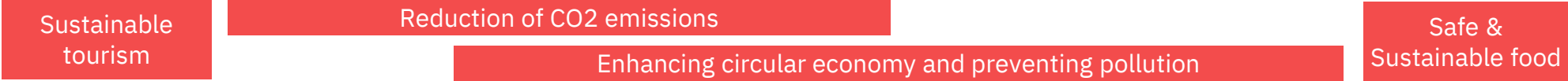
National and international law makers and governments are pushing for new legislation and regulation

## TECHNOLOGY



Engineers, entrepreneurs and industrialists are bringing down the cost of technology in new solutions

# STRONG PULL FOR OUR SOLUTIONS



Clean Ship Solutions

Industry De-carbonization

Biomass & Waste Valorization

Plastic Waste Valorization

End of Life Tires

Waste Sorting Robotics (AI)

Food safety

Garbage, sludge, wastewater



Zero discharge and clean energy

Waste and biomass



Renewable energy, syngas, methane, hydrogen, sustainable carbon & CCS

Waste and biomass



Higher-value products, renewables, sorbents, soil enrichment & CCS

Plastic waste



Electricity, Liquid Fuel or decarbonized fuel: Hydrogen

Tire granulates



Pyrolytic Oils, Carbon Black and Syngas

Mixed waste streams



Specific waste fractions for further value enhancement

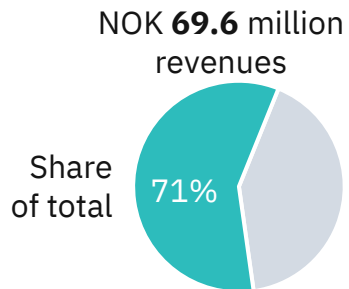
Drying, roasting, sterilization, reduction of mycotoxins and pesticides. Valorization of food derived biomass



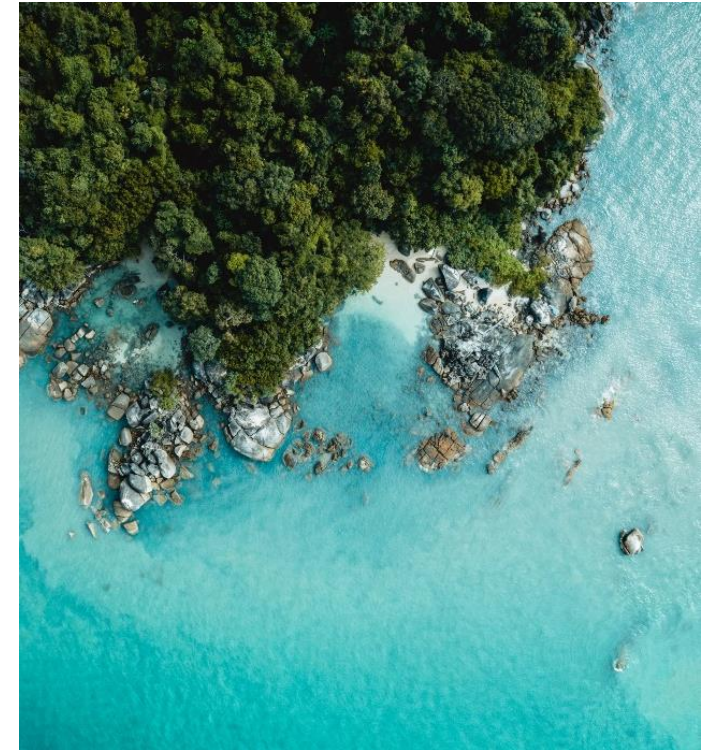


# PROJECTS | CRUISE

- › Newbuild projects continue at full speed at yards, relatively unaffected by the Covid-19 pandemic
- › YTD revenues increased by 29.6 % year-on-year, supported by strong backlog and several system deliveries in the period
- › Strong operational performance resulted in record-high EBITDA margin of 27.8 %, an increase of 73% year-on-year
- › Order backlog secures revenues well into 2024/25



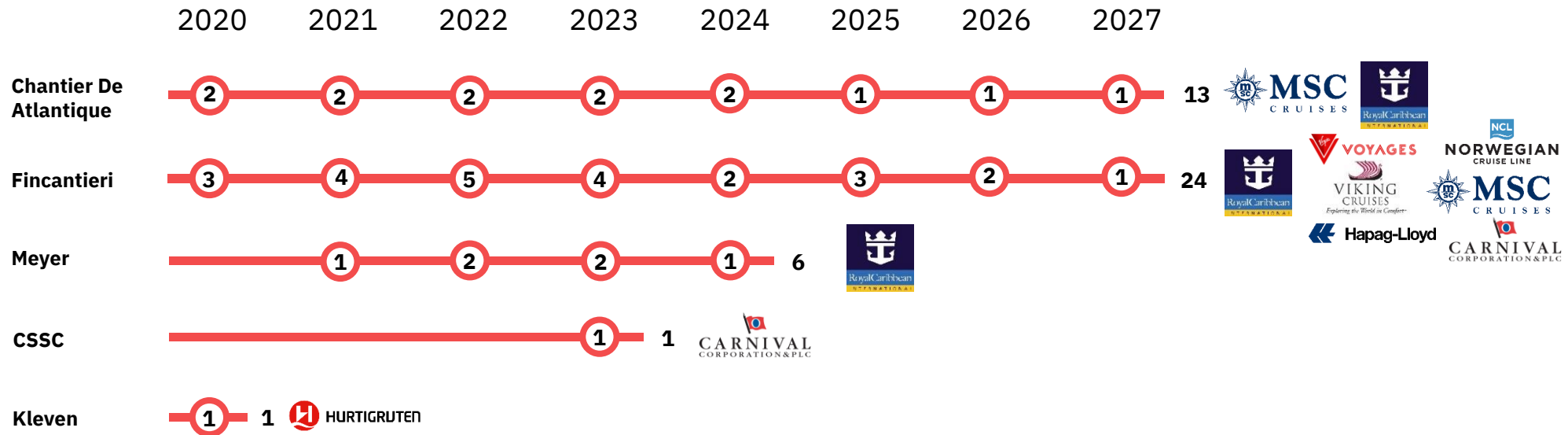
NOK million	Q3 2020	Q3 2019	YTD Q3 2020	YTD Q3 2019	2019
Revenues	69.6	55.8	230.0	177.5	236.0
EBITDA	19.4	9.0	54.4	26.8	37.0
EBITDA margin (%)	27.8%	16.1%	23.7%	15.1%	15.7%
Backlog			1 045	644	813



# BACKLOG FOR THE LONGER TERM

Foundation for continued growth in the cruise market (8 newbuild supply awards YTD)

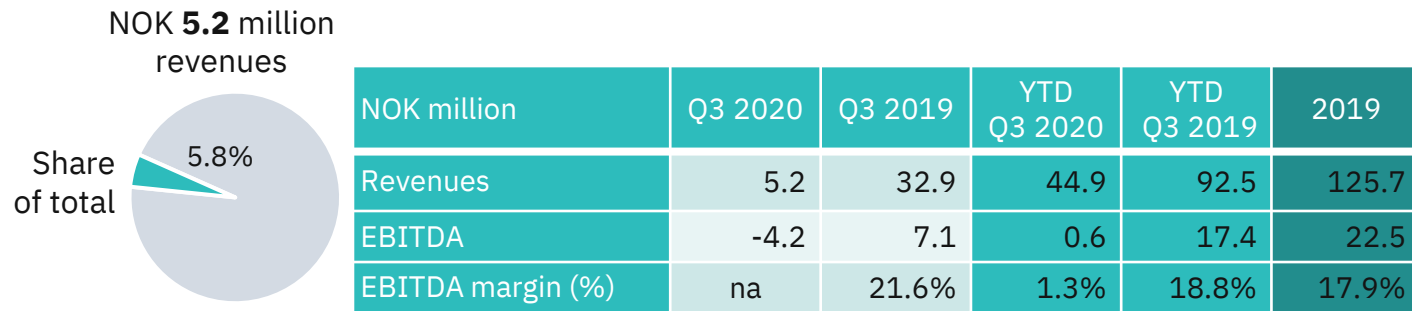
Scanship yard contractual partner



Number of vessel deliveries with Scanship systems inside. A total of **45** newbuilds and **143** Scanship systems.

# AFTERSALES | CRUISE

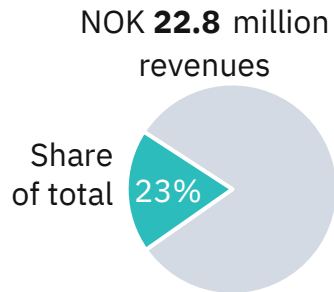
- › Covid-19 pandemic has rendered most cruise ships inactive, resulting in low demand for spares and chemicals in Aftersales
- › Aftersales is recurring business. In a normal year, year-to-date EBITDA would have been around NOK 19 million higher.
- › Large installed base represent a solid base, and there are some early signs of recovery. A significant rebound is not likely until well into 2021





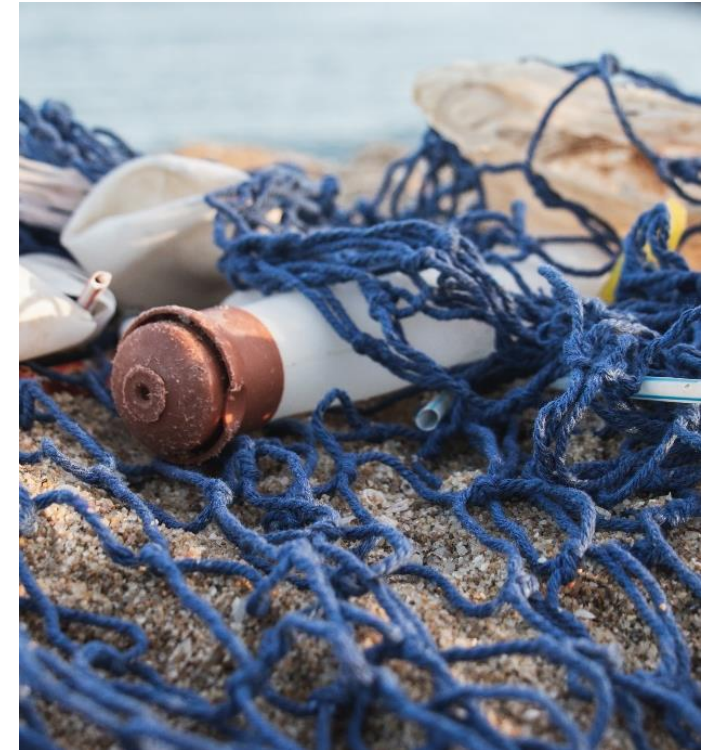
# LANDBASED

- › Landbased revenues were in line with previous quarters and EBITDA continues to gradually improve
- › Continues to build capacity within commercial, engineering and R&D to respond to new opportunities and requests, and pipeline of prospective clients and projects is firming up
- › In October, Vow and Tinfos teamed up to market and distribute ETIA's plastic-to-electricity solution
- › Key milestones reached on important reference projects



NOK million	Q3 2020	Q3 2019	YTD Q3 2020	YTD Q3 2019	2019
Revenues	22.8	-	70.8	-	19.1
EBITDA	-2.1	-	-9.2	-	-1.5
EBITDA margin (%)	na	na	na	na	na
Backlog			37.4	-	

*Landbased activities in ETIA acquired in 2019, in accounts from October. No comparable numbers for Q3 2019 available*



# LANDBASED PROJECT MILESTONES IN Q3

Biomass and waste valorization	<b>Lindum</b> <b>Start-up</b> of MAP and Biogreen pyrolysis units and <b>delivery</b> of new dryer system	Industry de-carbonization	<b>Envigas</b> <b>Installing</b> Biogreen equipment, which will convert forestry waste into renewable coke
Biomass and waste valorization	<b>Switzerland</b> (customer undisclosed) <b>Installation</b> of Biogreen pyrolysis which will generate biochar and syngas from waste	Industry de-carbonization	<b>Circular Carbon</b> Biogreen equipment <b>in production</b> for biomass valorization and energy production
Biomass and waste valorization	<b>NSR</b> Nordvästra Skånes Renhållnings Biogreen equipment <b>in production</b> for waste-to-energy and biochar system	Industry de-carbonization	<b>Murfitts</b> Biogreen system <b>commissioning</b> underway at UK's largest tire recycling operation
Plastic waste valorization	<b>Unipetrol</b> Biogreen equipment <b>in production</b> for Czech plastic-to-liquid fuel facility		



*Biogreen is the brand name for various solutions based on ETIA's pyrolysis technology*

# SOLID FOUNDATION FOR CONTINUED GROWTH

- › Strong operational and financial performance in Cruise Projects, Aftersales marked by Covid-19
- › Order backlog above the one-billion mark provides visibility well into 2023/24
- › Sufficiently capitalized for further organic growth with positive cashflows from projects in delivery stage
- › Some early signs of recovery for Cruise Aftersales, significant rebound for this recurring business not expected until well into 2021
- › Attractive market opportunities with substantial “pull” for circular economy solutions and industry decarbonization





# THANK YOU FOR YOUR ATTENTION

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**VOW**

