

# REPORT FOR THE SECOND HALF OF 2023

28 February 2024



**VOW**

## HIGHLIGHTS

### Second half-year 2023

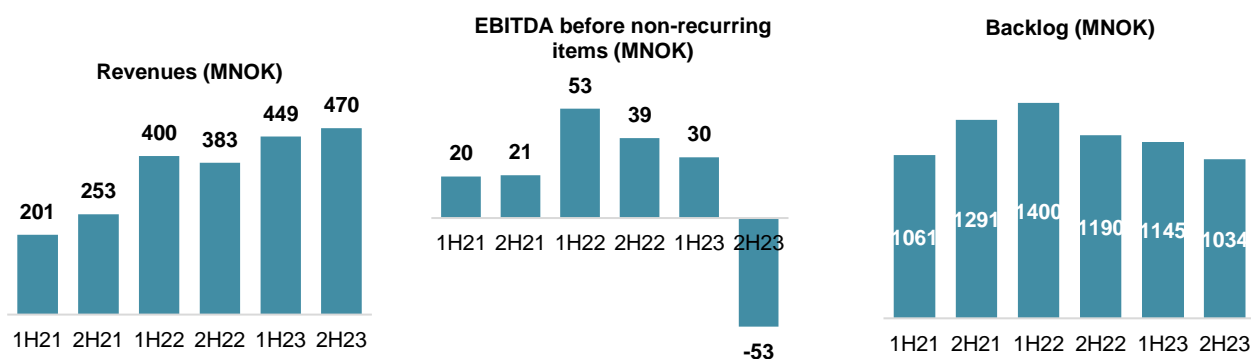
- **Revenues** for the second half-year reached **NOK 469.8 million**, an increase of 22.7 per cent from the level of NOK 382.9 million for the same period in 2022.
  - Revenue for **Maritime Solutions** year-over-year declined by 15.7 per cent to NOK 161.4 million from NOK 191.4 million the year before.
  - Rebound in **Aftersales**, revenues up 29.6 per cent compared with same six months in 2022. Full-year revenues increased by 49.9 per cent from 2022.
  - Revenues in **Industrial Solutions** increased by 79.6 per cent to NOK 216.9 million
- Group **EBITDA** before non-recurring items was negative **NOK 53.0 million mainly driven by change in project prognosis and higher cost of operations**. The margin is negative 11.3 per cent, compared with NOK 38.9 million and a margin of 10.2 per cent in the second half-year 2022.
  - NOK 28.0 million in non-recurring costs mainly related to balance sheet clean-up in contract accruals with no cash effect.
- **Robust order backlog** of NOK 1 034 million, compared with NOK 1 190 million from same period last year. The backlog is reassessed for cost following thorough project reviews and insights gained from all deliveries carried out in 2023, providing good visibility and revenues well into 2025/26. On top of this, Vow has a high pipeline of option agreements totalling NOK 921 million.

### Subsequent events

- Vow subsidiary Scanship AS was awarded a contract with a major European shipyard, for delivery of technology on what will be one of the world's largest cruise ships under construction. The combined value is EUR 19.3 million for delivery to the first ship in 2024 and the option to deliver to a second ship in 2025.
- Vow subsidiary C.H. Evensen was awarded three orders with a combined value of NOK 15 million.

### Consolidated key figures

Amounts in million NOK (except percentages)	2H 2023	2H 2022	2023	2022
Revenues	469.8	382.9	918.5	782.8
EBITDA before non-recurring items	-53.0	38.9	-23.4	92.2
EBITDA before non-recurring items margin %	-11.3%	10.1%	-2.5%	11.8%
EBITDA	-81.0	35.0	-54.7	85.5
EBIT	-112.4	16.4	-106.9	53.3
Project backlog	1 034	1 190	1 034	1 190
Total assets	1 544	1 452	1 544	1 452
Total equity	387	531	387	531



## FINANCIAL REVIEW

Vow ASA reports its operations in three segments: Maritime Solutions, Aftersales and Industrial Solutions. Further comments are provided under each of the business segments.

### Profit and loss

**Revenues** for Vow ASA amounted to NOK 469.8 million for the second half of 2023, compared with NOK 382.9 million for the corresponding period of 2022.

For the full year of 2023, Vow recorded revenues of NOK 918.5 million, compared with NOK 782.8 million in 2022.

**The gross margin** for the second half of 2023 ended at 18.2 per cent, compared to 37.8 per cent for the same period in 2022. For the full year, the gross margin came in at 28.1 per cent, compared to 37.8 per cent in 2022. The decrease in gross margin is related to inflation and cost increase leading to higher cost prognosis in the contract portfolio. Adjustments in forecasted cost prognosis for the contract portfolio's entire duration affect the reporting period by elevating costs and reversing revenue. While the adjustment led to a reduced margin in the current reporting period, Vow aims to establish a normalised margin for future periods.

**EBITDA before non-recurring items** amounted to negative NOK 53.0 million for the second half of 2023, representing a margin of negative 11.3 per cent, compared to NOK 38.9 million and a margin of 10.1 per cent for the corresponding period of 2022.

Vow recorded **non-recurring costs** of NOK 31.3 million for the full year 2023 compared to NOK 6.7 million in 2022. The increase is mainly related to balance sheet clean up in contract accruals (non-cash effect) at year-end 2023.

**EBITDA** came in at negative NOK 81.0 million for the second half of 2023, compared with NOK 35.0 million for the same period last year.

**Depreciation and amortisation** amounted to NOK 31.3 million for the last six months of 2023, compared to NOK 18.6 million for the same period in 2022.

For the full year, depreciation, and amortisation came in at NOK 51.2 million, compared with NOK 32.2 million in 2022. Increase in 2023 is due to new office rental agreement in Tønsberg, depreciation of ERP system and development projects.

This gave an **operating result** (EBIT) of negative NOK

112.4 million for the second half of 2023, compared with NOK 16.4 million for the same period last year.

For the full-year period, Vow reports an operating result of negative NOK 106.9 million in 2023, compared with NOK 53.3 million in 2022.

**Financial items** for the second half of 2023 include Vow ASA's share of net profit, and internal gains, from the associated company Vow Green Metals, recorded as a financial cost of NOK 18.3 million, compared with a financial cost of NOK 7.6 million in the same period of 2022.

Other financial items in the second half of 2023 were recorded with a financial cost of NOK 28.6 million, compared to NOK 2.1 million for the same period in 2022. The higher net cost level in 2023 is primarily due to increased interest payments.

Total net financial costs were NOK 45.4 million in the second half of 2023, compared with NOK 9.7 million for the same period in 2022.

For the full year 2023, net financial items were recorded with a cost of NOK 41.8 million, compared with a cost of NOK 31.1 million in 2022.

**The result before tax** for the period came in at negative NOK 157.8 million, compared with NOK 6.7 million for the same period last year. The result for the year 2023 was recorded with negative NOK 148.7 million, compared with NOK 22.7 million for the year 2022.

### Cash flow

**Operating activities** were high in the second half of 2023, continuing to build the organisation and to deliver on the ongoing projects. The cash flow from operations was NOK 14.6 million for the second half of 2023.

For the full year of 2023, operating cash flow ended at negative NOK 0.6 million, compared with negative NOK 72.2 million for 2022.

**Investing activities** in the last six months of 2023 generated a cash outflow of NOK 53.9 million, primarily related to ongoing R&D projects, investments in the Industrial Solutions segment and net proceeds following the sale of Ascodero.

For the full year 2023, investments amounted to NOK 99.9 million compared with NOK 142.1 million for the full year 2022.

**Financing activities** in the second half of 2023 generated a positive cash flow of NOK 81.0 million, compared with a positive NOK 138.2 million in the same

period of 2022. This is a combination of interest cost paid on debt financing, instalments made on long-term debt and changes in the drawn amount on the bank overdraft, trade finance and revolving credit facilities.

For the full year 2023, cash flow from financing activities was positive with NOK 115.2 million, compared with NOK 114.6 million in 2022.

### Financial position

As of 31 December 2023, Vow had total assets of NOK 1 544.1 million, compared with NOK 1 452.3 million at the end of 2022.

The increase in the total balance sheet of the group from the prior year is due to investments in R&D and technology for future growth. In addition, Vow entered into a new leasing agreement for the new office in Tønsberg.

At the end of December 2023, Vow had total equity of NOK 387.2 million, representing an equity share of 25.1 per cent, compared with NOK 530.6 million at the end of 2022.

## OPERATIONAL REVIEW

Vow ASA develops and delivers world leading technology and solutions that bring an end to waste, which is required in a truly sustainable circular economy.

Vow solutions purify wastewater and convert waste into valuable resources and clean energy for customers in cruise 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 decarbonisation include cruise, biogas, minerals, metallurgical, plastic to energy, end-of-life tires, power to heat, waste management, agricultural and food processing.

### Group events

In the **Maritime Solutions** segment, Scanship announced orders for a combined value of NOK 94 million during second half of 2023. One order entails the delivery of advanced wastewater purification systems for two cruise newbuilds, with delivery scheduled for 2025 and 2026, respectively.

The other order is for a significant retrofit with a major cruise line company, for supplying and installing its state-of-the-art wastewater purification systems. The delivery of process equipment and onboard installation is scheduled for 2024. These contracts signify the cruise

industry's commitment to embracing clean technology, both for newbuilds and for upgrading existing fleets.

In **Industrial Solutions**, C.H. Evensen announced three contracts worth a total of NOK 17 million, highlighting the demand for its cutting-edge technologies.

The larger of the three contracts is a NOK 10 million front-end-engineering design (FEED) agreement for a major international pyrolysis project, which could potentially pave the way for a process equipment contract that surpasses in size anything previously delivered by Vow. C.H. Evensen's large-scale pyrolysis solutions are now increasingly being embraced beyond the metal industry.

In addition, Vow received a modification order for a state-of-the-art hybrid heating system on a hot dip galvanising furnace, for LCC Group in Northern Ireland. The NOK 24 million furnace will become the largest of its kind in the world.

During the period, Vow completed the sale of **Ascodero**, a specialised robotics company owned by the French subsidiary ETIA. This transaction allowed Vow to free up management capacity, as well as financial and other resources, which are now being directed towards core markets in industrial decarbonisation and the circular economy, where there is a significant unmet demand for Vow's technology going forward. Net cash proceeds from the transaction were used to prepay debt in January 2024.

Vow received an order from **Vow Green Metals** (VGM) to enhance production capacity at its biocarbon production plant in Hønefoss, Norway. This extension to the order received in October 2021 brings the new total contract value to NOK 332 million. The expansion includes the addition of a new process line, effectively doubling the factory's capacity to up to 20,000 tons of biocarbon annually.

In November, the first biocarbon was successfully produced at the Hønefoss plant as part of the hot commissioning of the early production line. This marked an important milestone for the project. The plant is built around Biogreen pyrolysis reactors from Vow's subsidiary ETIA. Also important for Vow as shareholder was that VGM confirmed partnerships with and funding from energy producer Vardar and governmental enterprise Siva.

During the second half of the year, Vow has continued to demonstrate significant potential in industrial scale-up projects which have attracted the interest of several global industry players:

Vow signed a long-term cooperation agreement and equipment supply agreement and has been selected to be the exclusive provider for large-scale **Carbon Refinery** projects expected to break ground in the Caribbean in 2024.

The agreements are entered into with Circon Energy LLC and its sister company ReCO2 LLC, respectively. The first of multiple projects under development will deploy 19 lines of Vow's equipment, including the C.H. Evensen large-scale pyrolysis reactor, to process feedstocks into low-carbon fuels, biochar and recovered carbon black without any direct emissions. Subject to the completion of final engineering and design works, ReCO2 anticipates executing a purchase order with Vow in the first quarter of 2024.

The **End-of-Life** tires scale-up, in collaboration with ETEL subsidiary Murfitts Industries, is progressing as planned with design work ongoing for the first ELT plants, likely to be in the UK. The test facility in Lakenheath continues to produce recovered black for qualification with big tire manufacturers.

Vow's agreement with US-based **Quonset Soil Solutions**, LLC, an affiliate of Green Development, for delivery of a complete biochar and renewable energy system valued at USD 27 million, reached a major milestone in July 2023. This is the second largest single contract signed by Vow to date, and a significant breakthrough in circular biochar solutions.

All sub-suppliers are engaged with equipment deliveries scheduled to begin in third quarter 2024. Facility construction is scheduled for completion by end of second quarter 2024, and commissioning of plant is anticipated in early 2025.

In the third quarter, Vow secured NOK 620 million in **long-term funding** at attractive terms, to expand operations for large-scale industry projects. The debt package is being used to refinance existing loans and support the company's planned growth and working capital needs.

### Order backlog

At the end of 2023, Vow had a total order backlog of NOK 1 034 million, down from NOK 1 190 million at the start of the year. Of the total backlog, NOK 584 million relates to the Maritime Solutions segment, while the remaining NOK 450 million relate to the Industrial Solutions segment.

On top of the firm backlog, Vow ASA had secured option agreements related to the Maritime Solutions segment to a total value of 921 million as of 31 December 2023.

## SEGMENTS

Vow ASA has three operating segments: **Maritime Solutions**, **Aftersales and Industrial Solutions**. In addition, there is an accounting segment named Administration which represents costs that are not allocated to the business segments. The costs are mainly

related to headquarter and operating the publicly listed parent company.

### Maritime Solutions

*The segment Maritime Solutions includes sales of systems to shipyards for newbuild constructions or to ships in operations as retrofits for major Cruise lines.*

### Key financials

NOK million	2H-23	2H-22	2023	2022
Revenues	161.4	191.4	375.5	358.6
EBITDA*	-31.8	36.5	11.8	76.9
EBITDA* margin (%)	-19.7%	19.1%	3.1%	21.4%
Backlog	584	749	548	749

\* Before non-recurring items

**Revenues** from the Maritime Solutions segment amounted to NOK 161.4 million for the second half of 2023, compared to NOK 191.4 million for the same period in 2022, representing a decrease of 15.7 per cent. The revenue level within Maritime Solutions is primarily related to the phasing of the newbuilding and retrofit projects and the timing of equipment deliveries from Scanship. During the period, cost prognosis for the company's contract portfolio has been adjusted due to inflation and cost increase. Adjustments in cost prognosis for the contract portfolio's entire duration affect the reporting period by elevating costs and reversing revenue. While the adjustment led to a reduced margin in the current reporting period, it has established a normalised margin for future periods.

**EBITDA** before non-recurring items for the segment came in at negative NOK 31.8 million for the period, compared with NOK 36.5 million for the corresponding period of 2022. The EBITDA margin came in at negative 19.7 per cent, compared with a margin of 19.1 per cent in the same period in 2022.

For the year, the EBITDA before non-recurring items was NOK 11.8 million, a decrease from NOK 76.9 million in 2022.

**Order backlog** for the Maritime Solutions segment was NOK 584 million at the end of the year, compared with NOK 749 million at year-end 2022. In addition, there were options for a total of NOK 921 million.

**Operational activity** for Vow's subsidiary Scanship AS continued at a high level in the second half of 2023, with major system deliveries to eight cruise newbuilds. In addition, Scanship commissioned eight newbuild projects in the second half year.

## Aftersales

Aftersales are related to sale of spares and consumables, as well as service on delivered systems.

### Key financials

NOK million	2H-23	2H-22	2023	2022
Revenues	91.6	70.7	178.5	119.9
EBITDA*	9.2	9.6	22.2	14.0
EBITDA* margin (%)	10.0%	13.6%	12.5%	11.7%

\* Before non-recurring items

**Revenues** for the Aftersales segment came in at NOK 91.6 million for the period, up from NOK 70.7 million for the same period in 2022.

**EBITDA before non-recurring items** for the segment was positive at NOK 9.2 million for the second half of the year, compared to an EBITDA of NOK 9.6 million in the second half of 2022. This gave a positive EBITDA margin of 10.0 per cent for the period, down from 13.6 per cent in the corresponding prior-year period.

For the full year, the EBITDA before non-recurring items from Aftersales was NOK 22.2 million, compared with NOK 14.0 million for 2022.

## Industrial Solutions

The Industrial Solutions segment designs and provides systems to valorise biomass residues and waste into renewable products, chemicals, and fossil free energy through pyrolysis solutions.

### Key financials

NOK million	2H-23	2H-22	2023	2022
Revenues	216.9	120.8	364.5	304.3
EBITDA*	-12.1	12.9	-12.5	37.7
EBITDA* margin (%)	-5.6%	10.7%	-3.4%	12.4%

Backlog	450	441	450	441
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\* Before non-recurring items

**Revenues** for the Industrial Solutions segment amounted to NOK 216.9 million for the second half of 2023, compared with NOK 120.8 million in the second half of 2022.

**EBITDA before non-recurring items** for the segment came in at negative NOK 12.1 million for the second half of the year, compared with NOK 12.9 million for the same period in 2022.

For the full year, EBITDA before non-recurring items for Industrial Solutions was negative NOK 12.5 million,

compared with NOK 37.7 million in 2022. The segment's overall profit was impacted by costs related to tendering, project development and building capacity in anticipation of orders in new industry verticals.

**Order backlog** for the Industrial Solutions segment amounted to NOK 450 million at the end of 2023, compared with NOK 441 million at the end of 2022.

During the second half of the year, the C.H. Evensen operations have been awarded three contracts with a combined value of NOK 17 million. In addition, Vow received an order from VGM to enhance production capacity at its biocarbon production plant in Hønefoss, Norway. This extension of the order received in October 2021 brings the new total contract value to NOK 332 million.

## Administration cost

Administration costs are costs that are not allocated to the segments, as the costs are mainly related to headquarter and to listing of the group rather than to a specific segment.

The costs for this segment amounted to NOK 18.3 million for the second half of 2023, compared with NOK 28.6 million for the first half of 2023 and NOK 20.2 million in the second half of 2022.

## ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Vow's business is built on the fundamental belief that we need to take better care of the world. Vow takes a holistic view on our business and its impact on environmental, social and governance (ESG) topics.

Vow reports annually on material ESG-topics using the respected standard Global Reporting Initiative (GRI). Some key insights on sustainability performance are described below.

### Environmental information

Vow's ambition is to play a significant part in the green transition with the company's solutions. Vow acknowledges the importance of reducing the environmental footprint from both own operations and the value chain. In accordance with the Greenhouse Gas (GHG) Protocol, Vow annually discloses its carbon footprint accounts. Scope 1 and 2 emissions accounted for 258.0 in 2023, compared to 227.3 in 2022. This corresponds to an emission intensity of 0.28 in 2023 and 0.29 in 2022. Scope 3 emissions will be disclosed in Vow's Annual and Sustainability Report 2023.

## Social information

Key social sustainability topics for Vow include fostering a diversified and skilled workforce within a positive and safe working environment. A diversified workforce promotes new perspectives, innovation, and resilience. A central KPI in this respect is female ratio. As of 31 December 2023, Vow had 240 employees, of which 25 per cent were women. Women in leadership positions accounted for 21 per cent, compared to the target of 25 per cent by 2025.

## Governance information

Key sustainability governance topics for Vow are a responsible value chain and partnerships to increase positive sustainability impact. Vow promotes responsible business conduct throughout the value chain focusing on the environment, human rights, labour rights and anti-corruption. During 2023, anti-corruption training has been completed by 84 per cent of Vow's employees.

## SHARE INFORMATION

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

The issued share capital of Vow ASA is NOK 10 737 621 consisting of 114 840 871 fully paid shares, each with a par value of NOK 0.0935.

During the second half of 2023, the Vow share traded between NOK 9.52 and NOK 17.30 per share, with a closing price of NOK 11.64 per share at 29 December 2023. A total of 18.4 million shares were traded during the second half of 2023, representing 16.0 per cent of the total number of shares outstanding. The average volume traded daily was approximately 143 676 shares, compared to an average of 202 087 shares per day in the previous reporting period.

## General meetings

Vow ASA's annual general meeting will be held 23 May 2024.

## RISKS AND UNCERTAINTIES

The Vow group is subject to several risks, including operational and financial risks. For a more detailed description of the risk factors, please see an overview in the annual report for 2022.

Vow's operations have continued according to plan in the second half of 2023, without significant changes in delivery schedules. The geopolitical situation has however caused macroeconomic uncertainty and

inflationary pressure, which may impact short term demand.

Vow does not have any operations in Russia or Ukraine, however development relating to Russia's invasion of Ukraine could adversely affect global and regional economic conditions and trigger volatility in the prices of energy. These effects may indirectly affect Vow's operations.

## OUTLOOK

During the past year, significant new signals have been heard and seen from leading industrial players, which confirm the rationale behind the decisions and investments made to position Vow for the future.

Large players in the metals industry, such as Outokumpu and Elkem, have committed to extensive use of biocarbon for replacing fossil carbon in their production processes.

With high energy costs and increasing climate gas emission costs, heat-intensive industries are intensifying the search for low-carbon solutions, which in most cases mean electrification of their heating processes. As a result, demand for C.H. Evensen technology has grown substantially and is likely to continue growing.

Leading cruise companies, widely recognised for having adopted pioneering clean ship solutions, have already taken further steps to valorise waste and to generate renewable energy - by introducing advanced pyrolysis technology from Vow on board their ships.

In other industry verticals, leading companies are forging ahead with plans to roll out multiple end-of-life tire plants for recovery of carbon black, large-scale carbon refineries and sophisticated plants for safe treatment of sewage sludge and contagious PFAS components therein. Pyrolysis technology from Vow plays a key role in all the above, and concrete projects are being lined up.

All in all, Vow has identified a pipeline of some 80 large projects, with total investments exceeding NOK 25 billion, that can drive future growth and value creation.

Vow is well positioned, and the company is currently adapting and streamlining its operations to ensure that it can capture as many of these opportunities as possible. Even if growth opportunities are significant, the company is now executing on a comprehensive cost saving program.

This in turn will create value for Vow's customers, profitable and meaningful job opportunities and return on investments for shareholders. 2023 and 2024 will be years of transition, as the company gears up for "15 from

25": achieving a sustainable EBITDA margin of 15 per cent from 2025 as a first goal.

Lysaker, Norway, 28 February 2024  
The Board of Directors and CEO  
Vow ASA

Narve Reiten  
Chairman

Bård Brath Ingerø  
Director

Egil Haugsdal  
Director

Susanne Schneider  
Director

Cecilie Lind  
Director

Henrik Badin  
CEO



## DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

<b>EBITDA before non-recurring items</b>	Normalised earnings before interest, tax depreciation and amortisation. Non-recurring items are unusual and not expected during the regular business operations. Normalised EBITDA is presented to improve comparability of the underlying business performance between periods.
<b>EBITDA margin (%) before non-recurring items</b>	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.
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation. EBITDA is a key performance indicator that the company considers relevant for understanding the generation of profit before investments in fixed assets.
<b>EBIT</b>	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.
<b>EBIT margin (%)</b>	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.
<b>Equity ratio (%)</b>	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.
<b>Backlog</b>	The group's order backlog consists of future value of remaining revenue on ongoing projects and projects signed but not started
<b>Aftersales</b>	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 2H 2023	Unaudited 2H 2022	Unaudited 2023	Audited 2022
Revenue	2	469.8	382.9	918.5	782.8
<b>Total operating revenue</b>		<b>469.8</b>	<b>382.9</b>	<b>918.5</b>	<b>782.8</b>
Cost of goods sold		-384.3	-238.1	-660.2	-487.2
<b>Gross Profit</b>		<b>85.5</b>	<b>144.8</b>	<b>258.3</b>	<b>295.6</b>
<i>Gross Margin</i>		18.2%	37.8%	28.1%	37.8%
Employee expenses		-97.9	-68.2	-184.2	-126.6
Other operating expenses		-40.6	-37.8	-97.4	-76.8
<b>EBITDA before non-recurring items</b>		<b>-53.0</b>	<b>38.9</b>	<b>-23.4</b>	<b>92.2</b>
<i>EBITDA margin before non-recurring items</i>		-11.3%	10.1%	-2.5%	11.8%
Non-recurring items		-28.0	-3.8	-31.3	-6.7
<b>EBITDA</b>	2	<b>-81.0</b>	<b>35.0</b>	<b>-54.7</b>	<b>85.5</b>
Depreciation and amortisation		-31.3	-18.6	-52.2	-32.2
<b>Operating result (EBIT)</b>		<b>-112.4</b>	<b>16.4</b>	<b>-106.9</b>	<b>53.3</b>
Sum financial items		-28.6	-2.1	-22.1	-8.9
Share of net profit from associated company		-18.3	-7.6	-21.2	-22.1
Profit from sale of subsidiary		1.5	-	1.5	-
<b>Net financial items</b>		<b>-45.4</b>	<b>-9.7</b>	<b>-41.8</b>	<b>-31.1</b>
<b>Result before tax</b>		<b>-157.8</b>	<b>6.7</b>	<b>-148.7</b>	<b>22.3</b>
Income tax revenue (+) / expense (-)		-0.4	-6.8	-3.3	-7.9
<b>Result for the period</b>		<b>-158.2</b>	<b>-0.1</b>	<b>-151.9</b>	<b>14.4</b>
<b>Other comprehensive income</b>					
<i>Exchange differences or trans. of foreign op.</i>		-13.2	0.6	18.1	9.2
<b>Total comprehensive income, net of tax</b>		<b>-171.4</b>	<b>0.5</b>	<b>-133.9</b>	<b>23.6</b>
<b>Attributable to</b>					
Owners of the parent		-173.5	0.4	-137.6	23.5
Non-controlling interest		2.2	0.1	3.7	0.1
		<b>-171.4</b>	<b>0.5</b>	<b>-133.9</b>	<b>23.6</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK million)	Note	Unaudited 2023	Audited 2022
Deferred tax asset		9.0	9.2
Property, plant and equipment		40.5	43.9
Intangible assets		416.5	332.8
Goodwill		171.6	179.3
Right-of-use assets		80.7	36.1
Investment in associated company		99.3	120.5
Long-term receivables		1.2	0.9
<b>Total non-current assets</b>		<b>818.8</b>	<b>722.5</b>
Inventories		36.1	54.6
Trade receivables		241.0	192.1
Contracts in progress	2	270.3	339.2
Other receivables		120.4	101.5
Cash and cash equivalents		57.5	42.5
<b>Total current assets</b>		<b>725.3</b>	<b>729.9</b>
<b>Total assets</b>		<b>1 544.1</b>	<b>1 452.4</b>
Share capital		10.7	10.7
Treasury shares		-0.1	-0.1
Share premium		498.0	498.0
Other capital reserves		0.1	8.3
Translation differences		25.6	8.2
Retained earnings		-150.9	3.9
<b>Equity attributable to owners of the parent</b>		<b>383.4</b>	<b>529.5</b>
<i>Attributable to non-controlling interest</i>		3.8	1.1
<i>Attributable to owners of the parent</i>		383.4	529.5
<b>Total equity</b>		<b>387.2</b>	<b>530.6</b>
Deferred tax liabilities		47.3	46.8
Long term borrowings	3	345.8	192.9
Non-current lease liabilities		68.1	25.3
<b>Total non-current liabilities</b>		<b>461.2</b>	<b>265.0</b>
Current borrowings	3	81.8	191.0
Trade creditors		155.9	177.8
Convertible loan		-	28.5
Contract accruals	2	171.0	141.0
Bank overdraft / Trade finance facility	3	211.6	61.4
Current lease liabilities		14.6	12.2
Other current liabilities		60.9	44.9
<b>Total current liabilities</b>		<b>695.7</b>	<b>656.7</b>
<b>Total liabilities</b>		<b>1 156.9</b>	<b>921.8</b>
<b>Total equity and liabilities</b>		<b>1 544.1</b>	<b>1452.4</b>

## CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Unaudited

(NOK million)	Share capital	Treasury Shares	Share premium	Other cap. reserves	Trans. diff.	Retained earnings	Total	Non-contr. interests	Total Equity
<b>31.12.23</b>									
Equity at 1 January 2023	10.7	-0.1	498.0	8.6	8.3	3.9	<b>529.5</b>	1.1	<b>530.6</b>
Result for the period	-	-	-	-	-	-154.9	-154.9	2.9	-151.9
Other comprehensive income	-	-	-	-	17.3	-	17.3	0.8	18.1
<b>Total comprehensive income</b>	-	-	-	-	<b>17.3</b>	<b>-154.9</b>	<b>-137.6</b>	<b>3.7</b>	<b>-133.9</b>
Effect from sale of Ascodero	-	-	-	-9.2	-	-	-9.2	-1.0	-10.2
Stock options	-	-	-	0.7	-	-	0.7	-	0.7
<b>Equity at end of period</b>	<b>10.7</b>	<b>-0.1</b>	<b>498.0</b>	<b>0.1</b>	<b>25.6</b>	<b>-151.0</b>	<b>383.4</b>	<b>3.8</b>	<b>387.2</b>

Unaudited

(NOK million)	Share capital	Treasury Shares	Share premium	Other cap. reserves	Trans. diff.	Retained earnings	Total	Non-contr. interests	Total Equity
<b>31.12.22</b>									
Equity at 1 January 2022	10.7	-	516.4	6.9	-0.9	-10.5	<b>522.7</b>	1.1	<b>523.7</b>
Result for the period	-	-	-	-	-	14.3	14.3	0.1	14.4
Other comprehensive income	-	-	-	-	9.2	-	9.2	-	9.2
<b>Total comprehensive income</b>	-	-	-	-	<b>9.2</b>	<b>14.3</b>	<b>23.5</b>	<b>0.1</b>	<b>23.6</b>
Share buy-back programme*	-	-0.1	-21.7	-	-	-	-21.8	-	-21.8
Increase through share-based payment	0.0	-	3.3	-	-	-	3.4	-	3.4
Stock options	-	-	-	1.7	-	-	1.7	-	1.7
<b>Equity at end of period</b>	<b>10.7</b>	<b>-0.1</b>	<b>498.0</b>	<b>8.6</b>	<b>8.3</b>	<b>3.9</b>	<b>529.5</b>	<b>1.1</b>	<b>530.6</b>

\* On 30 March 2022, Vow ASA finalised the repurchase of shares under the share buy-back programme announced on 15 March 2022. The total programme comprised 1 000 000 shares repurchased in the market for a total consideration of NOK 21 765 251.

## CONSOLIDATED STATEMENT OF CASH FLOW

(NOK million)	Unaudited 2H 2023	Unaudited 2H 2022	Unaudited 2023	Audited 2022
<i>Result before tax</i>	-157.8	6.7	-148.7	22.3
Net cash flow from operating activities	14.6	-78.6	-0.6	-72.2
Net cash flow from investing activities	-53.9	-56.3	-99.9	-142.1
Net cash flow from financing activities	81.0	138.2	115.2	114.6
<b>Net change in cash and cash equivalents</b>	<b>41.6</b>	<b>3.2</b>	<b>14.6</b>	<b>-99.7</b>
<i>Effect of exchange rate changes on cash and cash equivalents</i>	-1.1	0.1	0.4	1.1
Cash and cash equivalents at start of period	17.0	39.2	42.5	141.1
<b>Cash and cash equivalents at end of period</b>	<b>57.5</b>	<b>42.5</b>	<b>57.5</b>	<b>42.5</b>

## NOTES TO THE ACCOUNTS

### Note 1 General information

This interim financial information for the Second Half Year 2023 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 2022, 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 2022. The Board of Directors approved this Interim report February 28, 2024.

### Note 2 Revenue, contracts in progress and segment

(NOK million)	Unaudited 2H 2023	Unaudited 2H 2022	Unaudited 2023	Audited 2022
Maritime	161.4	191.4	375.5	358.6
Aftersales	91.6	70.7	178.5	119.9
Industrial Solutions	216.9	120.8	364.5	304.3
<b>Revenue</b>	<b>469.8</b>	<b>382.9</b>	<b>918.5</b>	<b>782.8</b>

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.

### Assets related to contracts with customers

(NOK million)	Unaudited 2023	Audited 2022
Trade receivables	241.0	192.1
Contracts in progress	270.3	339.2
Contract accruals	171.0	141.0

## Segment information:

<b>2H 2023</b>					
(NOK million)	Projects	Aftersales	Industrial Solutions	Admin.	Total
Revenue	161.4	91.6	216.9	-	469.8
<b>Total revenue</b>	<b>161.4</b>	<b>91.6</b>	<b>216.9</b>	<b>-</b>	<b>469.8</b>
Cost of sales	-170.7	-65.9	-147.7	-	-384.3
<b>Gross profit</b>	<b>-9.3</b>	<b>25.6</b>	<b>69.2</b>	<b>-</b>	<b>85.5</b>
<i>Gross margin</i>	<i>-5.8%</i>	<i>28.0%</i>	<i>31.9%</i>		<i>18.2%</i>
Employee expenses	-17.4	-12.1	-61.5	-6.9	-97.9
Other operating expenses	-5.0	-4.3	-19.8	-11.5	-40.6
<b>EBITDA before non-recurring items</b>	<b>-31.8</b>	<b>9.2</b>	<b>-12.1</b>	<b>-18.3</b>	<b>-53.0</b>
<i>EBITDA before non-recurring items margin %</i>	<i>-19.7%</i>	<i>10.0%</i>	<i>-5.6%</i>		<i>-11.3%</i>
Non-recurring items	-14.6	-	-11.7	-1.7	-28.0
<b>EBITDA</b>	<b>-46.4</b>	<b>9.2</b>	<b>-23.8</b>	<b>-20.1</b>	<b>-81.0</b>
Depreciation and amortisation	-9.5	-2.8	-19.2	-	-31.5
Impairment	-	0.1	-	-	0.1
<b>Operating profit</b>	<b>-55.9</b>	<b>6.5</b>	<b>-43.0</b>	<b>-20.1</b>	<b>-112.4</b>

<b>2H 2022</b>					
(NOK million)	Projects	Aftersales	Industrial Solutions	Admin.	Total
Revenue	191.4	70.7	120.8	-	382.9
<b>Total revenue</b>	<b>191.4</b>	<b>70.7</b>	<b>120.8</b>	<b>-</b>	<b>382.9</b>
Cost of sales	-124.3	-44.9	-69.0	-	-238.1
<b>Gross profit</b>	<b>67.2</b>	<b>25.8</b>	<b>51.8</b>	<b>-</b>	<b>144.8</b>
<i>Gross margin</i>	<i>35.1%</i>	<i>36.5%</i>	<i>42.9%</i>		<i>37.8%</i>
Employee expenses	-23.5	-13.5	-27.2	-3.9	-68.2
Other operating expenses	-7.1	-2.7	-11.7	-16.2	-37.8
<b>EBITDA before non-recurring items</b>	<b>36.5</b>	<b>9.6</b>	<b>12.9</b>	<b>-20.2</b>	<b>38.9</b>
<i>EBITDA before non-recurring items margin %</i>	<i>19.1%</i>	<i>13.6%</i>	<i>10.7%</i>		<i>10.1%</i>
Non-recurring items	-	-	-1.6	-2.2	-3.8
<b>EBITDA</b>	<b>36.5</b>	<b>9.6</b>	<b>11.3</b>	<b>-22.4</b>	<b>35.0</b>
Depreciation and amortisation	-11.6	-0.8	-5.5	-	-17.9
Impairment	-0.1	-0.6	-	-	-0.7
<b>Operating profit</b>	<b>24.8</b>	<b>8.2</b>	<b>5.8</b>	<b>-22.4</b>	<b>16.4</b>

<b>2023</b>					
(NOK million)	Projects	Aftersales	Industrial Solutions	Admin.	Total
Revenue	375.5	178.5	364.5	-	918.5
<b>Total revenue</b>	<b>375.5</b>	<b>178.5</b>	<b>364.5</b>	<b>-</b>	<b>918.5</b>
Cost of sales	-309.9	-122.7	-227.7	-	-660.2
<b>Gross profit</b>	<b>65.6</b>	<b>55.8</b>	<b>136.9</b>	<b>-</b>	<b>258.3</b>
<i>Gross margin</i>	17.5%	31.3%	37.6%		28.1%
Employee expenses	-37.9	-24.3	-108.7	-13.5	-184.2
Other operating expenses	-15.9	-9.3	-40.8	-31.5	-97.4
<b>EBITDA before non-recurring items</b>	<b>11.8</b>	<b>22.2</b>	<b>-12.5</b>	<b>-44.9</b>	<b>-23.4</b>
<i>EBITDA before non-recurring items margin %</i>	3.1%	12.5%	-3.4%		-2.5%
Non-recurring items	14.6	-	-13.0	-3.7	-31.3
<b>EBITDA</b>	<b>-2.8</b>	<b>22.2</b>	<b>-25.6</b>	<b>-48.6</b>	<b>-54.7</b>
Depreciation and amortisation	-22.6	-3.6	-25.7	-	-51.9
Impairment	-0.3	-	-	-	-0.3
<b>Operating profit</b>	<b>-25.7</b>	<b>18.7</b>	<b>-51.2</b>	<b>-48.6</b>	<b>-106.9</b>

<b>2022</b>					
(NOK million)	Projects	Aftersales	Industrial Solutions	Admin.	Total
Revenue	358.6	119.9	304.3	-	782.8
<b>Total revenue</b>	<b>358.6</b>	<b>119.9</b>	<b>304.3</b>	<b>-</b>	<b>782.8</b>
Cost of sales	-235.8	-76.4	-175.0	-	-487.2
<b>Gross profit</b>	<b>122.7</b>	<b>43.5</b>	<b>129.4</b>	<b>-</b>	<b>295.6</b>
<i>Gross margin</i>	34.2%	36.3%	42.5%		37.8%
Employee expenses	-37.0	-24.3	-58.5	-6.7	-126.6
Other operating expenses	-8.8	-5.2	-33.2	-29.6	-76.8
<b>EBITDA before non-recurring items</b>	<b>76.9</b>	<b>14.0</b>	<b>37.7</b>	<b>-36.4</b>	<b>92.2</b>
<i>EBITDA before non-recurring items margin %</i>	21.4%	11.7%	12.4%		11.8%
Non-recurring items	-	-	-4.5	-2.2	-6.7
<b>EBITDA</b>	<b>76.9</b>	<b>14.0</b>	<b>33.2</b>	<b>-38.6</b>	<b>85.5</b>
Depreciation and amortisation	-19.2	-1.4	-10.9	-	-31.5
Impairment	-0.1	-0.6	-	-	-0.7
<b>Operating profit</b>	<b>57.6</b>	<b>12.1</b>	<b>22.3</b>	<b>-38.6</b>	<b>53.3</b>

### Note 3 Borrowing

#### Long term borrowings:

(NOK million)	Unaudited 31.12.2023	Audited 31.12.2022
Other long term interest-bearing debt	340.1	186.2
Conditional loans related to R&D (ETIA)	5.7	6.8
	345.8	192.9

#### Short term borrowings:

(NOK million)	Unaudited 31.12.2023	Audited 31.12.2022
Other short term interest-bearing debt	81.8	191.0
Convertible loan	-	28.5
	81.8	219.5

#### Bank overdraft / Trade finance facility:

(NOK million)	Unaudited 31.12.2023	Audited 31.12.2022
Bank overdraft facility	132.8	26.1
Trade finance facility	78.8	35.3
	211.6	61.4

In August 2023, Vow secured NOK 620 million long-term financing with DNB. The debt package consists of a NOK 380 million term loan, a NOK 160 million overdraft facility and a NOK 80 million trade finance facility. The facilities have been amended with updated covenants.

In addition to the above, C.H. Evensen has a bank overdraft facility with a limit of NOK 25 million.

The NOK 380 million term loan with DNB is drawn up as per 31 December 2023.



## 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 July to 31 December 2023 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 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, 28 February 2024  
The Board of Directors and CEO  
Vow ASA

Narve Reiten  
Chairman

Bård Brath Ingerø  
Director

Egil Haugsdal  
Director

Susanne Schneider  
Director

Cecilie Lind  
Director

Henrik Badin  
CEO