



VOW

Report for the first half of 2023

HIGHLIGHTS

First half year

- All time high revenues of NOK 449 million, up 12.2 per cent from the same period in 2022 despite delayed confirmation and commencement of projects in Industrial Solutions
- EBITDA before non-recurring items was NOK 29.6 million, representing a margin of 6.6 per cent, compared with 13.3 per cent in the prior-year period
 - Maritime Solutions delivered solid top line growth with a 20.4 per cent EBITDA margin
 - Aftersales delivered record high revenue and profit, and an EBITDA margin of 15.0 per cent
 - Although good progress in the C.H. Evensen subsidiary, revenues in Industrial Solutions declined and the EBITDA margin was negative 0.3 per cent, reflecting capacity build-up for future growth
- The order backlog remains solid, providing good visibility for revenues and cash generation medium term. On top of this, Vow has a solid pipeline of option agreements and high tender activity.

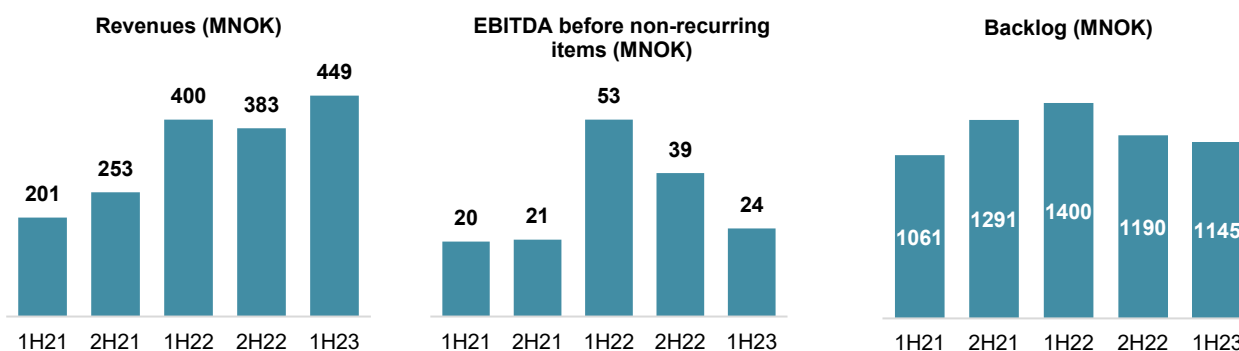
Subsequent events

- Significant milestone reached in July for USD 27 million project, a breakthrough in the US. The project has entered the procurement and construction phase
- In July, Vow secured NOK 620 million in long-term financing from DNB, providing a strong financial foundation for expanding operations to support large-scale industry projects

Consolidated key figures

Amounts in million NOK (except percentages)

| | 1H 2023 | 1H 2022 | 2022 |
|--|---------|---------|-------|
| Revenues | 448.7 | 399.9 | 782.8 |
| EBITDA before non-recurring items | 29.6 | 53.3 | 92.2 |
| EBITDA before non-recurring items margin % | 6.6% | 13.3% | 11.8% |
| EBITDA | 26.3 | 50.5 | 85.5 |
| EBIT | 5.5 | 36.9 | 53.3 |
| Project backlog | 1 145 | 1 400 | 1 190 |
| Total assets | 1 605 | 1 254 | 1 452 |
| Total equity | 569 | 527 | 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 448.7 million for the first six months of 2023, compared with NOK 399.9 million for the same period in 2022. This corresponds to a year-over-year growth of 12.2 per cent.

The gross margin for the first six months of 2023 came in at 38.5 per cent, compared with 37.8 per cent for the same period of 2022.

EBITDA before non-recurring items amounted to NOK 29.6 million for the first half of 2023, representing a margin of 6.6 per cent, compared with NOK 53.3 million and a margin of 13.3 per cent for the corresponding period of 2022.

Vow recorded **non-recurring costs** of NOK 3.3 million for the first six months of this year. These costs are related to one Industrial Solutions project which did not materialise, implementation of ERP system and administrative costs. The non-recurring costs for the same period of 2022 were NOK 2.9 million, related to the acquisition of C.H. Evensen.

EBITDA came in at NOK 26.3 million for the first half of 2023, compared with NOK 50.5 million for the same period last year.

Depreciation and amortisation amounted to NOK 20.4 million for the first six months of 2023, compared to NOK 13.6 million for the same period last year. The increase is related to inclusion of CH Evensen Industriovner AS for the full period, new rental agreement for Vow House in Tønsberg, and depreciation of ERP system and development projects.

This gave an **operating result** (EBIT) of NOK 5.5 million for the first half of 2023, compared with NOK 36.9 million for the same period last year.

Net financial items for the first half of 2023 include net interest, gain on convertible loan and Vow ASA's share of net profit from the associated company Vow Green Metals (VGM). In total, net financial items were recorded with a financial gain of NOK 3.6 million in the first half of 2023, compared with a financial cost of NOK 21.3 million for the same period in 2022.

The result before tax for the period came in at NOK 9.1 million, compared to NOK 15.6 million for the same period last year.

Cash flow

Operating activities generated a negative cash flow of NOK 15.2 million for the first half of 2023, compared with a positive cash flow of NOK 6.5 million for the same period of 2022. The negative operating cash flow is due to high activity and increase in working capital during the period.

Investing activities in the first six months of 2023 generated a cash outflow of NOK 46.0 million, primarily related to ongoing R&D projects and investments in the Industrial Solutions segment. For the same period of 2022, the cash outflow was NOK 60.8 million.

Financing activities in the first half of 2023 generated a positive cash flow of NOK 34.2 million. This comes from a combination of increase in debt, leasing and interest payments, in addition to repayment of the convertible loan related to the acquisition of CH Evensen.

Financial position

As of 30 June 2023, Vow had total assets of NOK 1 605.3 million, compared to NOK 1 452.4 million at the end of 2022 and NOK 1 253.5 million at 30 June 2022.

The increase in the total balance sheet of the group from the prior year relates mainly to investments in R&D and technology for future growth, currency effects and increased working capital due to high activity level. In addition, Vow entered into a new leasing agreement for the new office in Tønsberg.

At the end of June 2023, Vow had total equity of

NOK 568.5 million, representing an equity share of 35.4 per cent, compared with NOK 530.6 million at the end of 2022 and NOK 526.5 million at the end of June 2022.

See the consolidated statement of change in equity for further details.

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 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, waste to energy, waste management, agricultural and food processing.

Group events

During the first half year, Vow has demonstrated significant potential in three industry verticals. These scale-up projects have attracted the interest of several global industry players.

VGM is building one of Europe's largest biocarbon production facilities at Follum, Norway. The company will produce biocarbon at an industrial scale from an early production line already in the third quarter this year. The early production line will be followed by a large-scale production facility with an annual production capacity of 10,000 tonnes in the first phase. Operation of the large-scale facility is expected to commence medio 2024. A second phase, doubling the annual production capacity to 20,000 tonnes of biocarbon, is already under development.

The End-of-Life tires scale-up, in collaboration with ETEL subsidiary Murfitts Industries, is progressing

as planned. Vow is having good discussions with manufacturing companies for off-take of recovered carbon black, and the blueprint for the first commercial plant is nearly complete. The next major milestone will be a final investment decision by ETEL.

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. All required permits have been obtained, detailed engineering of major equipment is largely complete, and the project has entered the procurement and construction phase. Equipment delivery will begin in the fourth quarter of 2023, and commissioning of the up to 6,000 tonnes per year biochar production plant is anticipated in early 2025. This is the largest single contract signed by Vow to date and a significant breakthrough in circular biochar solutions.

In May, Vow welcomed its new CFO, Tina Tønnessen. At the annual general meeting the following month, the board was expanded from four to five directors, with the addition of Egil Haugsdal who has broad industrial experience.

In March, the company moved into its new office building in Tønsberg. Built in collaboration with Miljø Bygg, the building received a sustainability award from Tønsberg.

Vow was present at Arendalsuka, Norway's leading political festival, together with VGM. The two companies co-hosted a mini-seminar on how Norway and Europe can achieve a successful scale-up of green technology and industry.

Order backlog

Vow's business model is robust and the demand for the company's technology continues to benefit from the growing demand for solutions that mitigate climate change and protect the environment.

Halfway into 2023, Vow had a total order backlog of NOK 1 145 million, compared with NOK 1 190 million at the start of the year. Of the total backlog,

NOK 509 million relates to the Industrial Solutions segment, while the remaining NOK 636 million relate to the Maritime 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 NOK 999 million as at 30 June 2023.

SEGMENTS

Vow ASA has three operating segments; **Maritime Solutions, Aftersales and Industrial Solutions.**

As of first quarter 2023, Vow changed the names of two of its business segments from Cruise Projects and Landbased to Maritime Solutions and Industrial Solutions, respectively. The name of the third segment, Aftersales, remains unchanged.

In addition, there is an accounting segment named Administration which represents costs that are not allocated to the business segments, as the costs are mainly related to headquarter and listing of the Vow group.

Maritime Solutions

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

Key financials

| NOK million | 1H 2023 | 1H 2022 | 2022 |
|-------------------|--------------|---------|-------|
| Revenues | 214.1 | 167.1 | 358.6 |
| EBITDA | 43.6 | 40.3 | 76.9 |
| EBITDA margin (%) | 20.4% | 24.1% | 21.4% |
| Backlog | 636 | 888 | 749 |

Maritime Solutions delivered all-time high revenues of NOK 214.1 million for the first half of 2023, compared to NOK 167.1 million for the same period in 2022, representing an increase of 28.1 per cent. The revenue increase was primarily driven by equipment deliveries to cruise newbuilds.

EBITDA for the segment was NOK 43.6 million for the period, representing a margin of 20.4 per cent, and slight increase from NOK 40.3 million for the corresponding period of 2022, equivalent to a margin of 24.1 per cent.

Operational activity for Vow's subsidiary Scanship AS continued on a high level in the first half of

2023, with major system deliveries to 14 cruise newbuilds and two retrofit projects. In addition, Scanship commissioned six newbuild projects in the first half year.

Among them, Royal Caribbean Group's Icon of the Seas, marketed as a first of its kind blockbuster product, featuring a first microwave assisted pyrolysis (MAP) solution for waste-to-energy at sea.

Order backlog for segment Maritime Solutions at 30 June was NOK 636 million, with confirmed contracts into 2029 (options into 2031) providing visibility for future revenues and cashflows, and high tender activity.

Aftersales

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

Key financials

| NOK million | 1H 2023 | 1H 2022 | 2022 |
|-------------------|--------------|---------|-------|
| Revenues | 86.9 | 49.2 | 119.9 |
| EBITDA | 13.1 | 4.4 | 14.0 |
| EBITDA margin (%) | 15.0% | 9.0% | 11.7% |

Revenues for the Aftersales segment came in at NOK 86.9 million for the period, an increase of 76.5 per cent from NOK 49.2 million in the first half 2022. Activity is now firmly back at pre-pandemic level, and the addressable market is growing as more cruise newbuilds with Vow systems are being delivered.

EBITDA for the segment was positive at NOK 13.1 million for the first half of the year, compared to an EBITDA of NOK 4.4 million in the first half of 2022. This gave a positive EBITDA margin of 15.0 per cent for the period, up from 9.0 per cent in the corresponding period the previous year.

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 | 1H 2023 | 1H 2022 | 2022 |
|--------------------|--------------|---------|-------|
| Revenues | 147.7 | 183.5 | 304.3 |
| EBITDA* | -0.5 | 24.8 | 37.7 |
| EBITDA* margin (%) | -0.3% | 13.5% | 12.4% |
| Backlog | 509 | 512 | 441 |

*Before non-recurring items

Revenues for the Industrial Solutions segment amounted to NOK 147.7 million for the first half of 2023, compared with NOK 183.5 million in the first half of 2022. Despite good progress in subsidiary C.H. Evensen and a strong start to the year, revenues in the second quarter were affected by delays in confirmation and commencement of new projects.

EBITDA before non-recurring items for the segment came in at negative NOK 0.5 million for the first half of the year, compared to an EBITDA of NOK 24.8 million for the same period in 2022.

C.H. Evensen delivered strong margins, but the segment's overall profit was impacted by costs

related to tendering and project development, and building capacity in anticipation of orders in new industry verticals.

The business segment had non-recurring costs of NOK 1.3 million in the first half of 2023, which were related to industrial solutions project not materialised.

Order backlog for the Industrial Solutions segment amounted to NOK 509 million at the end of the first half of 2023, down from NOK 512 million one year earlier and up from NOK 441 million at the end of 2022.

Main events

C.H. Evensen was awarded several contracts in the first quarter, including contracts for a leading Swedish metals manufacturer, for Elkem Iceland and for a Norwegian supplier of automotive parts. The value of these three amounted to NOK 39 million.

ETIA's Biogreen technology achieved an important breakthrough in the Japanese market. Two purchase orders, with a combined value of EUR 2.9 million, for pyrolysis equipment for treatment of sewage sludge, signified a major milestone in the collaboration with its Japanese partner stretching back to 2019.

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 28.6 million for the first half of 2023, of which NOK 2.0 million are non-recurring costs related to implementation of ERP system and admin related costs. For comparison the segment reported costs of NOK 16.2 million for the first half of 2022.

The increase in cost level compared to 2022 reflects the investments made in the organisation to facilitate further growth in all three operating business segments in the coming years.

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 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 insights on sustainability performance are described below.

Environment and climate action

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 own operations. In accordance with the Greenhouse Gas (GHG) Protocol, Vow annually accounts for scope 1 and 2 emissions, and are continuously working to include additional scope 3 categories into its accounts, aiming for full scope 3 reporting in 2025.

People and society

A diversified workforce is important for Vow as it promotes new perspectives, innovation, and resilience. A central KPI in this respect is female ratio. As of June 30th, 2023, Vow had 256 employees, of which 22 per cent were women.

In June 2023, the first employee-engagement questionnaire was sent out. Vow-employees will receive the questionnaire every quarter and answer questions relating to topics such as relationship to leader and colleagues, personal development, autonomy, communication, and harassment. This will provide understanding of the overall satisfaction and challenges experienced by the employees and give direction to where measures need to be implemented.

Sustainability governance

Vow published its first account on the Norwegian Transparency Act in June 2023. The act requires businesses to conduct due diligence in accordance with the OECD Guidelines for Multinational Enterprises with regard to fundamental human rights and decent working conditions in their own operations and supply chains. The account is available at www.vowasa.com.

SHARE INFORMATION

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

The issued share capital of Vow ASA is NOK 10 737 621.4385 consisting of 114 840 871 fully paid shares, each with a par value of NOK 0.09350.

During the first half of 2023, the Vow share traded between NOK 10.80 and NOK 21.18 per share, with a closing price of NOK 13.02 per share at 30 June 2023. The average volume traded daily was approximately 202 087, compared to an average of 120 700 shares per day in the previous reporting period.

Annual general meeting

On 22 May 2023, 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. For a more detailed description of the risk factors, please see an overview in the annual report for 2022.

Vow's business has continued mostly as planned in the first half of 2023, without significant changes in delivery schedules to the cruise industry. The geopolitical situation has however caused macroeconomic uncertainty and inflationary pressure, which may impact consumer preferences and demand for vacations going forward.

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.

OUTLOOK

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

In 2023, cruise passenger volume is estimated to exceed 2019 levels, and cruise capacity is forecasted to grow by 19 per cent from 2022 to 2028 (source: CLIA).

More newbuild and retrofit projects are the key demand drivers for the Maritime Solutions segment, and as more cruise newbuilds are delivered with Vow systems, the addressable market for Aftersales will increase.

For Industrial Solutions, there is strong demand across several industry verticals and high bidding activity, with new opportunities emerging in biochar for soil improvement, permanent carbon storage, and sewage treatment.

With the Vow Green Metals Follum project and the large scale pyrolysis reactor now being built by C.H. Evensen, Vow is positioned as a supplier of large capacity pyrolysis systems to industries. As a result of this positioning, Vow is now experiencing increased demand for large industrial scale pyrolysis projects.

In July, Vow secured new financing and credit lines, providing solid financial platform for continued growth.

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

Lysaker, Norway, 22 August 2023
The Board of Directors and CEO
Vow ASA

Narve Reiten
Chairman

Bård Brath Ingerø
Director

Egil Haugsdal
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 2023 | Unaudited 1H 2022 | Audited 2022 |
|--|------|----------------------|----------------------|-----------------|
| Revenue | 2 | 448.7 | 399.9 | 782.8 |
| Total operating revenue | | 448.7 | 399.9 | 782.8 |
| Cost of goods sold | | -275.9 | -249.0 | -487.2 |
| Gross Profit | | 172.8 | 150.8 | 295.6 |
| <i>Gross Margin</i> | | 38.5% | 37.7% | 37.8% |
| Employee expenses | | -86.4 | -58.5 | -126.6 |
| Other operating expenses | | -56.8 | -39.0 | -76.8 |
| EBITDA before non-recurring items | | 29.6 | 53.3 | 92.2 |
| <i>- EBITDA margin before non-recurring items</i> | | 6.6% | 13.3% | 11.8% |
| Cost for transactions, listing and strategic processes | | -3.3 | -2.9 | -6.7 |
| EBITDA | 2 | 26.3 | 50.5 | 85.5 |
| Depreciation and amortisation | | -20.8 | -13.6 | -32.2 |
| Operating result (EBIT) | | 5.5 | 36.9 | 53.3 |
| Sum financial items | | 3.6 | -21.3 | -31.1 |
| Net financial items | | 3.6 | -21.3 | -31.1 |
| Result before tax | | 9.1 | 15.6 | 22.3 |
| Income tax revenue (+) / expense (-) | | -2.9 | -1.1 | -7.9 |
| Result for the period | | 6.3 | 14.5 | 14.4 |
| Other comprehensive income | | | | |
| <i>Exchange differences or trans. of foreign op.</i> | | 31.2 | 8.6 | 9.2 |
| Total comprehensive income, net of tax | | 37.5 | 23.1 | 23.6 |
| Attributable to | | | | |
| Owners of the parent | | 36.0 | 23.1 | 23.5 |
| Non-controlling interest | | 1.5 | - | 0.1 |
| | | 37.5 | 23.1 | 23.6 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (NOK million) | Note | Unaudited 1H 2023 | Unaudited 1H 2022 | Audited 2022 |
|--|------|----------------------|----------------------|-----------------|
| Deferred tax asset | | 9.2 | 9.2 | 9.2 |
| Property, plant and equipment | | 50.0 | 39.8 | 43.9 |
| Intangible assets | | 368.2 | 278.4 | 332.8 |
| Goodwill | | 195.7 | 181.5 | 179.3 |
| Right-of-use assets | | 85.3 | 37.6 | 36.1 |
| Investment in affiliated companies | | 117.6 | 128.1 | 120.5 |
| Long-term receivables | | 1.4 | 0.9 | 0.9 |
| Total non-current assets | | 827.4 | 675.5 | 722.5 |
| Inventories | | 43.8 | 34.9 | 54.6 |
| Trade receivables | | 148.8 | 137.0 | 192.1 |
| Contracts in progress | 2 | 428.9 | 295.6 | 339.2 |
| Other receivables and prepayments | | 139.3 | 71.4 | 101.5 |
| Cash and cash equivalents | | 17.0 | 39.2 | 42.5 |
| Total current assets | | 777.9 | 578.0 | 729.9 |
| Total assets | | 1 605.3 | 1 253.5 | 1452.4 |
| Share capital | | 10.7 | 10.7 | 10.7 |
| Treasury shares | | -0.1 | -0.1 | -0.1 |
| Share premium | | 498.0 | 494.7 | 498.0 |
| Other capital reserves | | 9.0 | 8.4 | 8.6 |
| Translation differences | | 38.6 | 7.7 | 8.3 |
| Retained earnings | | 9.5 | 3.9 | 3.9 |
| Equity attributable to owners of the parent | | 565.8 | 525.4 | 529.5 |
| <i>Attributable to non-controlling interest</i> | | 2.7 | 1.1 | 1.1 |
| <i>Attributable to owners of the parent</i> | | 565.8 | 525.4 | 529.5 |
| Total equity | | 568.5 | 526.5 | 530.6 |
| Deferred tax liabilities | | 50.5 | 36.2 | 46.8 |
| Long term borrowings | 3 | 337.6 | 219.3 | 192.9 |
| Non-current lease liabilities | | 72.5 | 21.8 | 25.3 |
| Total non-current liabilities | | 460.6 | 277.3 | 265.0 |
| Current borrowings | 3 | 34.7 | 53.4 | 191.0 |
| Trade creditors | | 151.6 | 100.8 | 177.8 |
| Convertible loan | 4 | - | 25.0 | 28.5 |
| Contract accruals | 2 | 151.9 | 168.4 | 141.0 |
| Unrealised change fair value FX derivatives | | - | 0.4 | - |
| Income tax payable | | 0.1 | 0.1 | - |
| Bank overdraft / trade finance facility | 3 | 159.7 | 27.1 | 61.4 |
| Current lease liabilities | | 15.1 | 16.3 | 12.2 |
| Other current liabilities | | 63.2 | 58.1 | 44.9 |
| Total current liabilities | | 576.2 | 449.7 | 656.7 |
| Total liabilities | | 1 036.8 | 724.2 | 921.8 |
| Total equity and liabilities | | 1 605.3 | 1 038.9 | 1452.4 |

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

| <i>Unaudited</i> (NOK million) | Share capital | Treasury Shares | Share premium | Other cap. reserves | Trans. diff. | Retained earnings | Total |
|---|------------------|--------------------|------------------|---------------------------|-----------------|----------------------|--------------|
| 30.06.23 | | | | | | | |
| Equity at 31.12.2022 | 10.7 | -0.1 | 498.0 | 8.6 | 8.3 | 5.0 | 530.6 |
| Result for the period | - | - | - | - | - | 6.3 | 6.3 |
| Other comprehensive income | - | - | - | - | 31.2 | - | 31.2 |
| Total comprehensive income | - | - | - | - | 31.2 | 6.3 | 37.5 |
| Stock option | - | - | - | 0.4 | - | - | 0.4 |
| Equity at end of period | 10.7 | -0.1 | 498.0 | 9.0 | 39.5 | 11.3 | 568.5 |
| <i>Attributable to non-controlling interest</i> | | | | | | | 2.7 |
| <i>Attributable to owners of the parent</i> | | | | | | | 565.8 |
| | | | | | | | 568.5 |

| <i>Unaudited</i> (NOK million) | Share Capital | Treasury Shares | Share premium | Other cap. reserves | Trans. diff. | Retained earnings | Total |
|---|------------------|--------------------|------------------|---------------------------|-----------------|----------------------|--------------|
| 30.06.22 | | | | | | | |
| Equity at 31.12.2021 | 10.7 | - | 516.4 | 6.9 | -0.9 | -9.5 | 523.7 |
| Result for the period | - | - | - | - | - | 14.5 | 14.5 |
| Other comprehensive income | - | - | - | - | 8.6 | - | 8.6 |
| Total comprehensive income | - | - | - | - | 8.6 | 14.5 | 23.1 |
| Share buy-back March 2022 * | - | -0.1 | -21.7 | - | - | - | -21.8 |
| Stock option | - | - | - | 1.5 | - | - | 1.5 |
| Equity at end of period | 10.7 | -0.1 | 494.7 | 8.4 | 7.7 | 5.0 | 526.5 |
| <i>Attributable to non-controlling interest</i> | | | | | | | 1.1 |
| <i>Attributable to owners of the parent</i> | | | | | | | 525.4 |
| | | | | | | | 526.5 |

* 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 1H 2023 | Unaudited 1H 2022 | Audited 2022 |
|---|----------------------|----------------------|-----------------|
| <i>Result before tax</i> | 9.1 | 15.6 | 22.3 |
| Net cash flow from operating activities | -15.2 | 6.5 | -72.2 |
| Investment in intangible and fixed assets | -46.0 | -60.8 | -117.2 |
| Acquisition of C.H. Evensen Industriovner AS | - | -25.0 | -25.0 |
| Purchase of own shares | - | -21.8 | -21.8 |
| Cash flow from other financing activities | 34.2 | -1.7 | 136.4 |
| Net change in cash and cash equivalents | -27.0 | -102.9 | -99.7 |
| <i>Effect of exchange rate changes on cash and cash equivalents</i> | 1.6 | 1.0 | 1.1 |
| Cash and cash equivalents at start of period | 42.5 | 141.1 | 141.1 |
| Cash and cash equivalents at end of period | 17.0 | 39.2 | 42.5 |

NOTES TO THE ACCOUNTS

Note 1 General information

This interim financial information for the First 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 August 22, 2023.

Note 2 Revenue, contracts in progress and segment

| (NOK million) | Unaudited 1H 2023 | Unaudited 1H 2022 | Audited 2022 |
|----------------------|----------------------|----------------------|-----------------|
| Maritime Solutions | 214.1 | 167.1 | 358.6 |
| Aftersales | 86.9 | 49.2 | 119.9 |
| Industrial Solutions | 147.7 | 183.5 | 304.3 |
| Revenue | 448.7 | 399.9 | 782.8 |

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 2023 | Unaudited 1H 2022 | Audited 2022 |
|-----------------------------|----------------------|----------------------|-----------------|
| Contracts in progress | 428.9 | 295.6 | 339.2 |
| Contract accruals | -151.9 | -168.4 | -141.0 |
| Net work in progress | 277.0 | 127.2 | 198.2 |

Segment information:

1H 2023

| (NOK million) | Maritime Solutions | Aftersales | Industrial Solutions | Admin. | Total |
|---|-----------------------|-------------|-------------------------|--------------|--------------|
| Revenue | 214.1 | 86.9 | 147.7 | - | 448.7 |
| Total revenue | 214.1 | 86.9 | 147.7 | - | 448.7 |
| Cost of sales | -139.2 | -56.7 | -80.0 | - | -275.9 |
| Gross profit | 74.9 | 30.2 | 67.7 | - | 172.8 |
| Gross margin | 35.0% | 34.7% | 45.9% | - | 38.5% |
| Employee expenses | -20.4 | -12.1 | -47.2 | -6.6 | -86.4 |
| Other operating expenses | -10.8 | -5.0 | -21.0 | -20.0 | -56.8 |
| EBITDA before non-recurring items | 43.6 | 13.1 | -0.5 | -26.6 | 29.6 |
| <i>EBITDA before non-recurring items margin %</i> | 20.4% | 15.0% | -0.3% | - | 6.6% |
| Non-recurring items | - | - | -1.3 | -2.0 | -3.3 |
| EBITDA | 43.6 | 13.1 | -1.8 | -28.6 | 26.3 |
| Depreciation and amortisation | -13.2 | -0.8 | -6.5 | - | -20.4 |
| Impairment | -0.3 | -0.1 | - | - | -0.4 |
| Operating profit | 30.2 | 12.2 | -8.3 | -28.6 | 5.5 |

1H 2022

| (NOK million) | Maritime Solutions | Aftersales | Industrial Solutions | Admin. | Total |
|---|-----------------------|-------------|-------------------------|--------------|--------------|
| Revenue | 167.1 | 49.2 | 183.5 | - | 399.9 |
| Total revenue | 167.1 | 49.2 | 183.5 | - | 399.9 |
| Cost of sales | -111.6 | -31.5 | -106.0 | - | -249.0 |
| Gross profit | 55.6 | 17.7 | 77.5 | - | 150.8 |
| Gross margin | 33.3% | 36.0% | 42.2% | - | 37.7% |
| Employee expenses | -13.5 | -10.9 | -31.3 | -2.8 | -58.5 |
| Other operating expenses | -1.7 | -2.4 | -21.5 | -13.4 | -39.0 |
| EBITDA before non-recurring items | 40.3 | 4.4 | 24.8 | -16.2 | 53.3 |
| <i>EBITDA before non-recurring items margin %</i> | 24.1% | 9.0% | 13.5% | - | 13.3% |
| Non-recurring items | - | - | -2.9 | - | -2.9 |
| EBITDA | 40.3 | 4.4 | 21.9 | -16.2 | 50.5 |
| Depreciation and amortisation | -7.6 | -0.5 | -5.4 | - | -13.6 |
| Impairment | - | - | - | - | - |
| Operating profit | 32.7 | 3.9 | 16.4 | -16.2 | 36.9 |

| 2022 | Maritime Solutions | Aftersales | Industrial Solutions | Admin. | Total |
|---|--------------------|--------------|----------------------|--------------|--------------|
| (NOK million) | | | | | |
| Revenue | 358.6 | 119.9 | 304.3 | - | 782.8 |
| Total revenue | 358.6 | 119.9 | 304.3 | - | 782.8 |
| Cost of sales | -235.8 | -76.4 | -175.0 | - | -487.2 |
| Gross profit | 122.7 | 43.5 | 129.4 | - | 295.6 |
| Gross margin | 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 |
| EBITDA before non-recurring items | 76.9 | 14.0 | 37.7 | -36.4 | 92.2 |
| <i>EBITDA before non-recurring items margin %</i> | <i>21.4%</i> | <i>11.7%</i> | <i>12.4%</i> | | <i>11.8%</i> |
| Non-recurring items | - | - | -4.5 | -2.2 | -6.7 |
| EBITDA | 76.9 | 14.0 | 33.2 | -38.6 | 85.5 |
| Depreciation and amortisation | -19.2 | -1.4 | -10.9 | - | -31.5 |
| Impairment | -0.1 | -0.6 | - | - | -0.7 |
| Operating profit | 57.6 | 12.1 | 22.3 | -38.6 | 53.3 |

Note 3 Borrowing

Long term borrowing:

| (NOK million) | Unaudited 30.06.2023 | Unaudited 30.06.2022 | Audited 31.12.2022 |
|---|-------------------------|-------------------------|-----------------------|
| Other long term interest-bearing debt | 331.6 | 212.4 | 186.1 |
| Conditional loans related to R&D (ETIA) | 6.0 | 6.9 | 6.8 |
| Balance | 337.6 | 219.3 | 192.9 |

Short term borrowing:

| (NOK million) | Unaudited 30.06.2023 | Unaudited 30.06.2022 | Audited 31.12.2022 |
|--|-------------------------|-------------------------|-----------------------|
| Other short term interest-bearing debt | 34.7 | 53.4 | 191.0 |
| | 34.7 | 53.4 | 191.0 |

Bank overdraft / trade finance facility:

| (NOK million) | Unaudited 30.06.2022 | Unaudited 30.06.2022 | Audited 31.12.2022 |
|-------------------------|-------------------------|-------------------------|-----------------------|
| Bank overdraft facility | 120.0 | 12.2 | 26.1 |
| Trade finance facility | 39.7 | 15.0 | 35.3 |
| | 159.7 | 27.1 | 61.4 |

In August 2023, Vow secured NOK 620 million long-term financing with DNB, Norway's largest financial services group, providing a strong financial foundation and support to Vow's planned growth.

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. It will be used to refinance existing loans and support the company's planned growth and working capital needs. The financing facilities are at attractive terms, similar to those offered in 2021.

The term loan will be classified as "green financing" 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).

Scanship AS has a bank overdraft facility with a limit of NOK 160 million, as well as a trade finance facility with limit of NOK 80 million, in total NOK 240 million. 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 4 August 2023.

Note 4 Vow acquisition of C.H. Evensen Industriovner AS

On 30 March 2022, Vow ASA entered into an agreement through its subsidiary Scanship AS to acquire all shares in C.H. Evensen Industriovner AS (C.H. Evensen). The agreed purchase price was NOK 50 million.

As part of the closing, Scanship AS issued a Vendor Note (seller's credit) for NOK 25 million which was paid on May 2023 as final settlement.

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 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 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, 22 August 2023
The Board of Directors and CEO
Vow ASA

Narve Reiten
Chairman

Bård Brath Ingerø
Director

Egil Haugsdal
Director

Susanne Schneider
Director

Hanne Refsholt
Director

Henrik Badin
CEO