DELIVERING SOLUTIONS FOR A CLEANER FUTURE

ANNUAL REPORT 2019

TURNING WASTE INTO VALUE

Vow is not only a company name. It also reflects who we are, what we believe in and what we do. We develop and deliver world leading technology and solutions that purify wastewater and convert waste into valuable resources and clean energy. The name is also a reminder of our promise, our vow to customers, to investors and to the world. Giving waste value is crucial for a truly sustainable circular economy.

VOW

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ABOUT VOW

IN VOW AND OUR SUBSIDIARIES SCANSHIP AND ETIA WE ARE PASSIONATE ABOUT PREVENTING POLLUTION AND GIVING WASTE VALUE

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

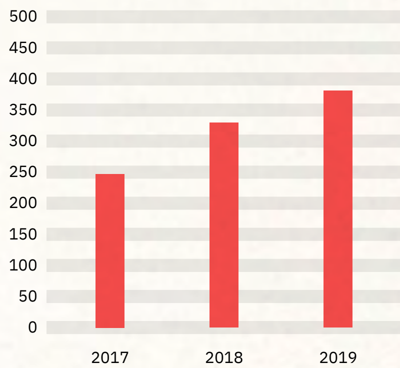
Vow's solutions purify wastewater and convert waste into valuable resources and clean energy for customers in cruise, aquaculture and a wide range of land-based industries and utilities. Vow's solutions are scalable and standardised, and the company has proven its delivery capabilities.

Located in Oslo, Norway, the parent company Vow ASA is listed on the Oslo Stock Exchange (symbol: VOW), with subsidiaries in Norway, France, Poland and the US.

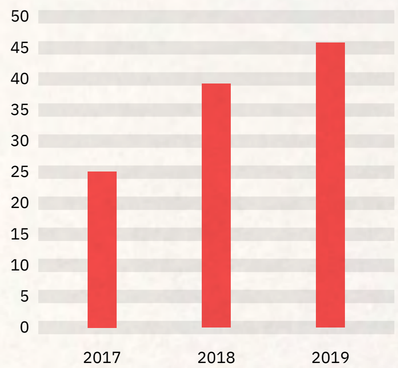
HIGHLIGHTS 2019 AND KEY FIGURES

- **Continued profitable growth and record high order backlog** supported by strong demand in cruise and increased presence in land-based industry verticals
- **Strategic and accretive acquisition of ETIA ecotechnologies**, a French engineering group with unique technology, paving the way for further expansion on land
- **Launched new company name and brand** to reflect the company's revised strategy and expanded offering
- **Underlying growing demand** for cleaner solutions and greener energy drive demand for Vow's products and technologies
- **Listing of shares transferred to Oslo Børs** from Oslo Axess with great interest from investors seeking future proof investments in the environment, social and governance (ESG) space

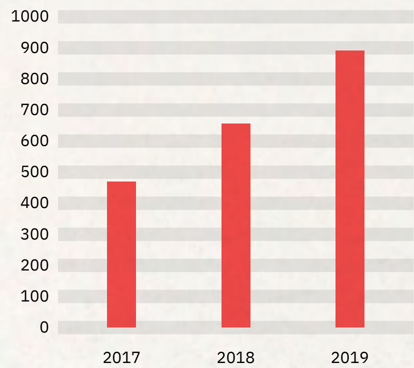
REVENUES
NOK million



EBITDA (before non-recurring items)
NOK million



BACKLOG (at the end of the year)*
NOK million



* *In addition to the firm backlog, shipowners have placed firm orders and options with shipyards on "Scanship equipped" sisterships amounting to NOK 590 million in future revenues.*

LETTER FROM THE CEO

DEAR FELLOW SHAREHOLDERS AND OTHER FRIENDS OF VOW

The year 2019 was a truly remarkable year for Vow, and worthy of many great celebrations. Let me start this letter by mentioning a few.

We secured several new contracts within our traditional cruise segment. We expanded our offering for land-based applications through the acquisition of ETIA Ecotechnologies. And we came together under a new brand and name.

Our new name, approved by shareholder in January this year, is not only a company name. It is also a vow to our customers, and a vow to the world.

In Vow, we have a profound passion for climate change mitigation and the prevention of pollution. Our mission is to provide world leading technology and solutions that purify wastewater, convert biomass and waste into valuable resources and general clean energy for a wide range of industries. I will come back to that shortly.

PROFITABLE GROWTH

Let me first take you through some key financials for the year. Our track record of uninterrupted profitable growth continued throughout the year, bringing total revenues for 2019 to NOK 381 million, up 16 per cent from the year before.

Operating profit – or EBITDA – before non-recurring items mainly related to the ETIA acquisition and a subsequent share issue which strengthened our balance sheet, improved by 17 per cent to NOK 46 million. This corresponds to a margin of 12 per cent.

Order backlog at the end of 2019 was record high NOK 890 million, up from NOK 656 million at the end of 2018.

CONTINUED SUCCESS IN CRUISE

As you know, our success is built on cost efficient and flexible solutions for wastewater purification and waste management for cruise ships. We continue to market these under the Scanship brand, which is highly respected and so familiar to our customers in cruise.

In 2019, Scanship confirmed its leading position with several milestone awards, including a fourth contract with Virgin Voyages, a retrofit order with Norwegian Cruise Lines, a multi-series order with Chantiers de l'Atlantique, an advanced wastewater purification system which will be installed at a cruise ship built in China, and four total clean ship systems for two unnamed customers.

Early in the year we also signed breakthrough contracts for delivery of our microwave assisted pyrolysis technology. Two mega-sized cruise newbuilds are to be equipped with this waste to energy technology.

In total we now have firm orders to deliver no less than 125 Scanship systems to 38 ships currently on order worldwide. As these are added to our installed base, our opportunities in the aftersales segment will increase.

Here are some important numbers in this respect. Of total revenues in 2019, aftersales was 33 per cent and the aftersales EBITDA margin was 18 per cent. Sale of spare parts, chemicals and service is a growing and profitable business.

LAND-BASED EXPANSION

With the acquisition of ETIA, an increasing share of our activities will be land-based, as we expand into new geographies and industry verticals.

Let me mention three recent examples. In the UK, we are building a pilot plant for production of recycled carbon black from end-of-life tires. In Sweden, we will deliver a Biogreen system to a leading recycling company, for production of biochar from biomass residues. And in Switzerland, an international consumer goods company has ordered a Biogreen system which will convert waste to biochar and syngas, which will replace natural gas as energy source at the plant.

As these examples suggest, our unique technology portfolio is relevant for a broad range of industries and applications. The most immediate potential seems to be within European biogas production, reduction agents for metallurgical industries and for transformation of plastic waste into reusable molecules and energy.

All of this makes perfect business sense. But it also makes sense in a much wider perspective. A common feature of all our work is to give waste value. We think this is the key to building a sustainable and green world economy.

UNCERTAINTY

As I write these lines, the world is experiencing an unprecedented pandemic. Across all continents, people, businesses and governments are struggling to cope with the immediate crisis and to come to grips with the longer-term effects.

Right now, I think it is fair to say that nobody really knows how this will play out. We do know however, that so far, none of our colleagues have been seriously ill and business continues largely unaffected.

Even our customers in the cruise industry, which have decided to dock many of their ships to slow down the spread of the corona virus, are cautiously optimistic. The cruise industry has rebounded and continued to grow after earlier geopolitical crises, health emergencies and financial turmoil, and the operators continue to be committed to their pledge to offer even more sophisticated, climate and environmentally friendly cruise experiences in the future.

For Vow this means, that as of end of April, all current newbuild cruise projects are continuing with only minimal adjustments in the plans, our deliveries are in progress and our supply chain remains intact. Vow's current projects and deliveries during 2020 are all for cruise newbuilds scheduled to enter operations from 2022 and deliveries are being planned and prepared according to plan.

We are also experiencing continuing demand for our technology and solutions in land-based markets, and we remain optimistic about our plans for growth within several industry verticals.

We thank you all for your support as we continue this mission.

Henrik Badin
CEO, Vow ASA

BUSINESS SEGMENTS

PROJECTS

The Projects segment includes all major newbuild and retrofit projects for customers in the cruise industry and aquaculture, which are known in the market under the Scanship brand.

Cruise ships on every ocean have Scanship technology inside which processes waste and purifies wastewater. Fish farmers are adopting similar solutions, and public utilities and industries use the solutions for sludge processing, waste and plastic management and biogas production on land.

The Scanship solutions are scalable, standardised and thoroughly documented, and the company's capability to deliver is well proven. The solutions are key to bring an end to waste and stop pollution in a truly sustainable circular economy.

In the cruise industry, Scanship's systems are either sold to shipyards for newbuild constructions or to ships in operation as retrofits. When delivered to shipyards, the yard is installing the systems with supervision from Scanship, while systems delivered to shipowners are delivered as turn-key solutions where Scanship also is responsible for installation. Scanship uses subcontractors for the manufacturing of the systems, providing a foundation for scalabilty.

At the end of 2019, Vow had delivered 253 systems and 125 more were on order.

AFTERSALES

The Aftersales segment is mainly related to the Projects segment and the Scanship operations, and comprises all activities related to sale of spares and consumables as well as service on systems delivered.

Scanship has an increasing base of systems installed on the fleet of cruise vessels worldwide, which in turn strengthens and builds up the recurring revenue stream from the Aftersales segment.

Scanship offers service and operational assistance onboard cruise ships through its service department with experienced engineers and senior personnel, covering the complete lifecycle of its systems.

The Aftersales and Service department is handled both through the operations in Norway and through Scanship Americas Inc. in Fort Lauderdale, USA.

LANDBASED

The Landbased segment is mainly based on the operations of ETIA, a French engineering company which was acquired by Vow and integrated with effect from 1 October 2019. In addition, certain land-based projects in Norway and Sweden are included here.

ETIA designs and provides plants to valorise biomass residues and waste into renewable products, chemicals and fossil free energy through pyrolysis solutions. ETIA offers proven solutions for turning waste into valuable green products and climate friendly energy, solutions for food sterilisation and de-bacterization, and plants for mineral processing.

The acquisition of ETIA has given Vow access to both expertise and technology, and at the same time accelerated the access to new geographies and verticals. Vow sees significant market opportunities within for example the metallurgical industry and land-based biogas plants, where there is a rising concern around microplastics in its residues for fertilizer use.

BOARD OF DIRECTORS' REPORT 2019

At the end of 2019, Vow had a record high backlog of NOK 890 million and could close a year of many milestones and great wins. The group secured several new contracts within its traditional core cruise segment, Scanship, and expanded its offering through the acquisition of ETIA.

Vow recorded revenues of NOK 381 million, representing a growth of 16 per cent over the previous year, and an EBITDA before non-recurring items of NOK 46 million.

Going into 2020, the corona pandemic (covid-19) has created increased uncertainty and disruption to the global economy. The objective of the board of Vow is to make sure the group is taking all necessary measures to protect its people and operations, and to make sure Vow is prepared to handle the potential operational and financial consequences of the situation.

OVERVIEW OF THE BUSINESS

The board of directors' report for the Vow group ("Vow" or "the group") comprises Vow ASA ("the parent company") and all subsidiaries and associated companies.

Business and location

Vow 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's 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's solutions are scalable and standardised, and the company has proven its delivery capabilities. Many of the group's solutions are also patented.

The Vow group is headquartered at Lysaker, Norway and the parent company Vow ASA is a Norwegian public limited liability company listed on the Oslo Børs (Oslo Stock Exchange) (symbol: VOW), with employees in Norway, France, Poland and the US. The group has offices in Tønsberg (Norway), Davie in Florida (USA), Gdynia (Poland), Compiegne (France) and Bray sur Somme (France), and warehouse facilities in Tønsberg and Davie.

The Vow group's main activities are R&D, sales & marketing, engineering, procurement, and project management. The group is organised in three operating segments: Projects, Aftersales and Landbased.

The segments Projects and Aftersales are mainly based on the Scanship operations, while segment Landbased includes the ETIA operations as well as certain land-based operations in Norway and Sweden.

Segment Projects includes sales of wastewater purification, garbage handling, foodwaste treatment and sludge processing solutions for the cruise and aquaculture industry. Systems are either sold to shipyards for newbuild constructions or to ships in operations as retrofits. When delivering to shipyards, the yard is installing the systems with supervision from Vow, through the Scanship operations. When systems are delivered to shipowners on ships in operations, these are delivered as turn-key solutions, where Scanship also is responsible for installation. All systems delivered are commissioned by Scanship personnel undergoing full compliance testing. Production of Scanship systems is outsourced to subcontractors. At the end of 2019, the company had delivered 253 systems and 125 more were on order.

Segment Aftersales are related to sale of spares and consumables, as well as service on delivered systems. As the number of delivered systems is increasing, so are the market for Aftersales.

Segment Landbased is mainly based on the business of ETIA, that was acquired by Vow in 2019. ETIA designs and provides plants to valorise biomass residues and waste into renewable products, chemicals and fossil free energy through pyrolysis solutions. ETIA offers proven solutions for turning waste into valuable green products and climate friendly energy, provides solutions for food sterilisation and de-bacterization, and delivers plants for mineral processing, which are used throughout the industry.

Vision, values and target markets

Vow has a profound passion for climate change mitigation and the prevention of pollution.

The group has strong values as guidelines for its business conduct:

We shall be passionate, honest, responsible and trustworthy in our conduct.

The subsidiaries in the Vow group jointly target all markets where pyrolysis can be deployed to convert organic waste, biomass, plastic and polymers into energy, fuels, biogenic materials or molecules for the purpose of decarbonising energy, capturing carbon, valorising waste and creating end-of-waste solutions.

IMPORTANT EVENTS

Acquisition of ETIA

In August 2019, Vow (then Scanship Holding) announced the acquisition of ETIA Ecotechnologies, to broaden the technology portfolio and strengthen the access to land-based markets.

The total purchase price for 100 per cent of the shares of ETIA was EUR 19.7 million. The transaction was completed with accounting effect from 1 October. Since mid-October, there has been an ongoing process to integrate ETIA into the organisation, to identify best practises and potential synergies for the organisation going forward.

Important contracts
In March, Vow announced that the company had entered into a contract with a European shipyard to deliver its new waste to energy carbon capture technology for two mega sized cruise ships. The contract included options for deliveries to another two vessels in the same series.

Early April, the group was awarded a contract to deliver the first full scale land-based industrial MAP as part of a research program on valorisation of biochar from pyrolysis of organic waste. The primary objective for the project was to create a sustainable and valuable biochar sorbent product for soil, air and waste treatment from pyrolyzed organic waste fractions. The project consortium with Scanship, a subsidiary of Vow, as MAP technology provider consisted further of the waste and sewage companies Lindum and Veas together with NGI and Sintef.

In November, Vow announced that it had been awarded an AWP retrofit contract by Norwegian Cruise Line Holdings (NCL). The contract included delivery of a Scanship AWP system on NCL's Nautica vessel operated under their Oceania Cruises brand. The system processes all grey wastewater sources and black water to the industry's highest environmental standard. The installation is planned to be done during the spring of 2020 and enables NCL and its subsidiary Oceania Cruises to continue their efforts to enhance UN's Sustainable Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Also, Vow entered into an industry decarbonizing contract with unique ETIA pyrolysis technology in November. The subsidiary ETIA was then awarded an equipment delivery contract by a major international corporation of consumer goods, who operates multiple production facilities worldwide. The contract included delivery and installation of the first ETIA Biogreen system in one of the customer's more than 40 production facilities worldwide. The customer is targeting to increase its share of renewable energy used for its activities. The installation is planned to be completed during the fall of 2020.

In December, Vow was awarded a contract for a clean ship system for the fourth Virgin Voyages cruise newbuild with Fincantieri. The cruise newbuild will be fully equipped with Scanship technology for advanced

wastewater purification, waste management and food waste processing.

Listing of shares transferred to Oslo Børs
In June 2019, Vow's shares (then Scanship Holding) were transferred from the Oslo Axess to Oslo Børs. Listing on Oslo Børs represents a full stock exchange listing that complies with all EU requirements, while Oslo Axess gives companies access to an authorised and fully regulated marketplace.

Share issue
Following the ETIA transaction in October, Vow successfully completed a private placement in November, generating net proceeds of NOK 100.9 million. In the placement, 6 500 000 new shares were issued at a price of NOK 16.50 per share. For more information on the transaction, see Share and shareholder matters below.

Events after the reporting period (in 2020)
Corona pandemic
On 20 March, Vow announced an operational update in response to the corona outbreak (covid-19). The group confirmed that its business was continuing mostly uninterrupted.

Existing newbuild projects were continuing with only minimal adjustments in the plans. Vow could confirm that its supply chain remained intact and that deliveries were prepared according to plan. Vow's current projects and deliveries during 2020 are all for cruise newbuilds scheduled to enter operations from 2022.

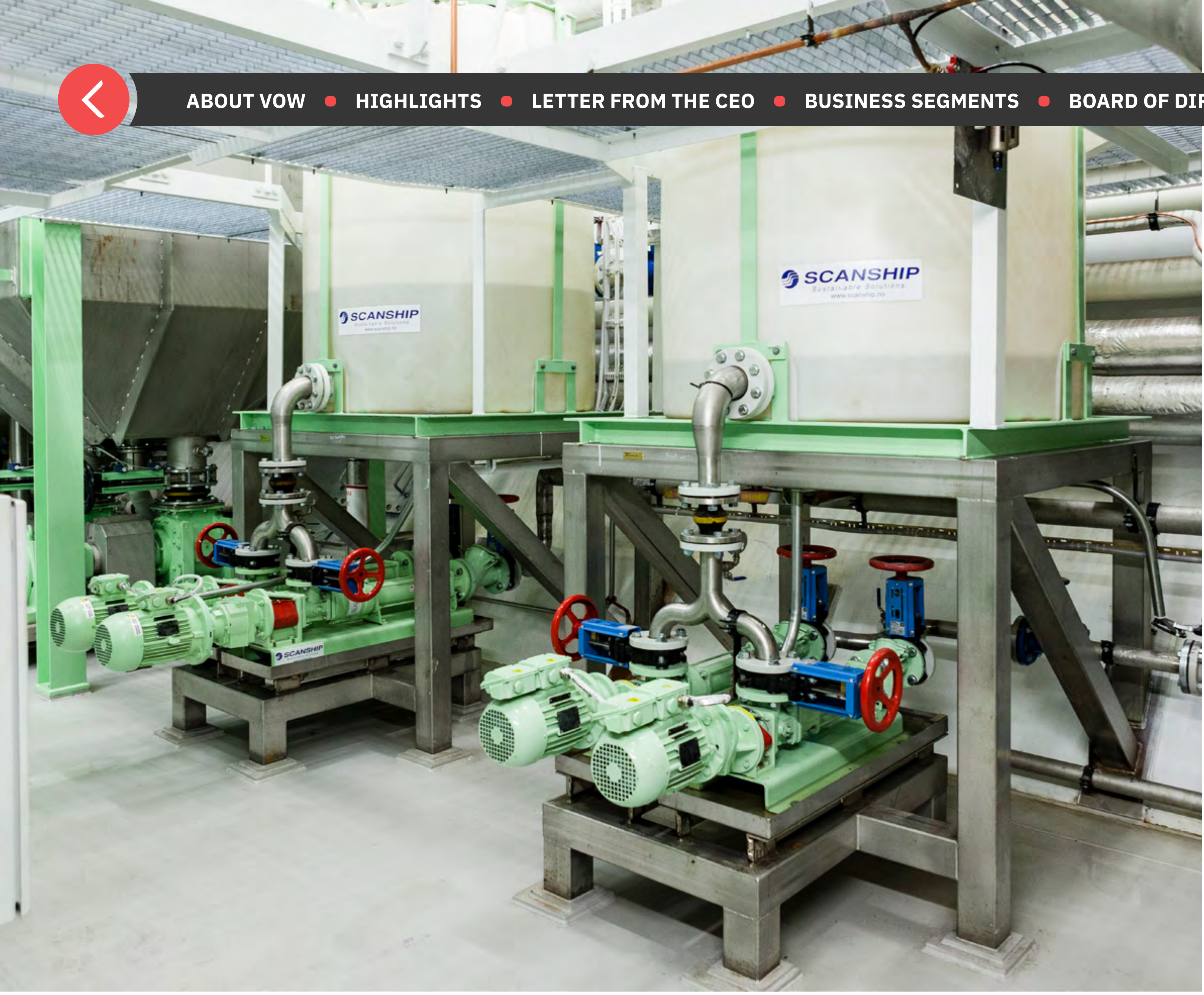
The group also announced that it was not expecting confirmation of any large newbuild contracts in the current situation, but that new orders were placed with its Aftersales business.

New agreements and partnerships
On 9 March, Vow announced that it had, through its subsidiary ETIA, been awarded a contract to supply Unipetrol Group with its patented Biogreen process for plastic waste valorization technology. The technology will be used on Unipetrol's R&D project for plastics recycling.

On 4 March, Vow was awarded a cruise contract with CSSC for the delivery of its waste management system including garbage handling and foodwaste processing to a cruise vessel that is planned to enter service in 2022. The vessel will service under the new brand CSSC Carnival; a joint venture between American cruise line Carnival Corporation & plc, Chinese sovereign wealth fund China Investment Corporation and the shipyard CSSC.

On 25 February, Vow established a strategic partnership through an agreement between its French subsidiary ETIA and the Spanish company PICVISA. The purpose of the partnership was to jointly develop robotics solutions for waste sorting onboard cruise ships as well as land applications.

On 15 January, Vow expanded its presence on land-based markets in Scandinavia through a new biochar project in Helsingborg. The subsidiary Scanship was awarded a contract to provide a Biogreen system for biochar production in the NSR (Nordvästra Skånes Renhållnings AB) facilities in Helsingborg. NSR is a leading recycling company in Sweden whose objective is to handle and recycle waste in the best possible way. The project will be first of its kind example of the sustainable management of biomass residues and demonstrates a great perspective for the biochar as a carbon neutral and climate friendly commodity. The total project value was SEK 21 million and the plant is intended to be installed within 12 months from the contract signature.



PROJECT ORDER BACKLOG

Vow had a total order backlog of NOK 890.4 million as per 31 December 2019, up from NOK 700.0 million at the end of the first half and from NOK 656.0 million at the end of 2018. The backlog is the highest backlog in the company's history. Of the total backlog, NOK 812.5 million relates to the Projects segment, while the remainder, NOK 77.9 million relates to the Landbased segment.

In addition to the firm backlog, shipowners have placed firm orders and options with shipyards on "Scanship equipped" sisterships amounting to NOK 590 million in future revenues.

GOING CONCERN

The annual financial statements for 2019 have been prepared on the assumption that Vow is a going concern pursuant to section 3-3a of the Norwegian Accounting Act. With reference to the group's results, financial position, backlog, as well as forecasts for the years ahead, the conditions required for continuation as a going concern are hereby confirmed to exist. In the opinion of the board, the group's financial position is good.

FINANCIAL REVIEW

The following financial review is based on the consolidated financial statements of Vow ASA and its subsidiaries. The statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with the additional requirements following the Norwegian Accounting Act.

In the view of the board, the income statement, the statements of comprehensive income, changes in equity and cash flow, the statement of financial position and the accompanying notes provide satisfactory information about the operations, financial results and position of the group and the parent company at 31 December 2019.

In August 2019, Vow ASA, then Scanship Holding ASA, signed an agreement to acquire ETIA Ecotechnologies (ETIA). As a result, Vow reported its operations in three segments from the second half of 2019: Projects (Norway), Aftersales and Landbased (ETIA, and certain operations in Norway). The ETIA transaction was completed on 15 October and consolidated into the accounts from 1 October 2019. Comparable numbers for 2018 have not been restated accordingly.

The IFRS 16 accounting principle has been implemented in 2019 based on the modified retrospective approach. The comparable numbers for 2018 have not been restated accordingly. For further information, please refer to notes to the financial statements.

Consolidated statement of income

Revenues for the Vow group amounted to NOK 380.8 million for 2019, an increase of 16 per cent from the NOK 329.6 million reported for 2018. ETIA was included in the consolidated accounts from 1 October 2019 and contributed with NOK 19.1 million in revenue for 2019.

Further comments are provided under each of the business segments.

Gross Margin for Vow was recorded at 31.9 per cent for 2019, up from 30.3 per cent for 2018. The increase is related both to the inclusion of ETIA at a 40 per cent gross margin level and higher margins both for Projects and Aftersales.

The Vow group has seen a significant increase in revenues over the last couple of years. This has resulted in a general increase in the operating expenses, following a larger and more complex organisation, as well as investments in future growth. At the same time, Vow has increased its operational efficiency considerably over the same years, resulting in a positive development in the EBITDA[1] margin.

EBITDA before non-recurring items amounted to NOK 45.8 million for 2019, representing a margin of 12.0 per cent, compared to NOK 39.2 million and a margin of 11.9 per cent for 2018.

Vow had non-recurring costs related to the ETIA transaction in 2019 of NOK 18.6 million. This includes acquisition cost, costs related to the integration process and cost related to strategic evaluation of business opportunities for ETIA. In addition, the group recorded NOK 0.6 million in the first half of 2019 related to the transfer of the listing from Oslo Axess to Oslo Børs. After non-recurring items, EBITDA was recorded at NOK 26.6 million for 2019. The group did not record any non-recurring items for 2018. For further information about the non-recurring items, see the notes to the financial statements.

Depreciation and amortisation amounted to NOK 10.9 million for the full year of 2019, compared to NOK 3.4 million for 2018. The increase is primarily a result of the inclusion of ETIA and the implementation of IFRS16 regarding right-of-use assets.

Net financial items for 2019 came in at a net cost of NOK 23.0 million, compared to a net cost of NOK 2.4 million for 2018. This includes a fair value adjustment (with no cash effect) of the conversion rights on the convertible loan related to the ETIA transaction at a cost of NOK 20.3 million.

The result before tax for the Vow group came in at a loss of NOK 7.3 million for 2019 compared to a profit of NOK 33.4 million for 2018, whereas the reduction mainly can be explained by non-recurring costs related to ETIA, as well as the fair value adjustment mentioned above. The group had an income tax expense of NOK 6.2 million for 2019, compared to NOK 7.1 million for 2018, which provided the group with a loss for the year of NOK 13.5 million, down from a profit of NOK 26.3 million for the previous year.

Cash flow

Operating activities generated a net cash outflow of NOK 16.9 million, compared to NOK 31.1 million for 2018. The cash flow for 2019 is affected by non-recurring costs of NOK 19.2 million and the higher revenue level gives a certain increase in the net working capital for the group.

Investing activities in 2019 generated a cash outflow of NOK 95.4 million, of which the acquisition of ETIA was NOK 85.4 million and the remaining primarily related to ongoing R&D projects. For the full year of 2018, investing activities amounted to NOK 11.3 million.

[1] *Please refer to the definitions of alternative performance measures on page 74.*

Financing activities in 2019 generated a positive cash flow of NOK 190.8 million, compared to a negative cash flow of NOK 18.5 million generated in 2018. The cash flow for 2019 primarily consists of the debt financing raised in connection with the acquisition of ETIA and the private placement completed in November, generating net proceeds of NOK 100.9 million. For more information on the capital raise, see Share and shareholder matters below.

Financial position

As of 31 December 2019, Vow had total assets of NOK 602.1 million, compared to NOK 194.1 million at the end of 2018. The main reason for the increase is the acquisition of ETIA. In addition to the effect of the inclusion of ETIA, the increase in operational activities also results in an increase in certain balance sheet items, such as the trade receivables from NOK 62.6 million at the end of 2018, to NOK 135.6 million at the end of 2019.

At the end of 2019, Vow had a total equity of NOK 230.7 million, representing an equity share of 38 per cent, up from NOK 93.3 million at the end of 2018, representing an equity share of 48 per cent. The increase in book value of equity is attributable to the private placement completed in November 2019, contributing with net proceeds of NOK 100.9 million.

As of 31 December 2019, the group had a NOK 85.0 million loan with DNB ASA which was used as financing for the cash consideration in the purchase of ETIA. Of this, NOK 5.3 million was classified as short-term. The group also had a bank overdraft facility with a limit of NOK 50.0 million with DNB and a trade finance facility with a limit of NOK 15.0 million which was utilised with NOK 18.0 million and NOK 4.3 million respectively at the end of the year. The overdraft facility is subject to annual renewal and has been renewed. The operations of Scanship Americas in the US are financed through their own bank accounts, and their own net positive cash flow operations.

The board is of the opinion that the group has adequate funds in order to meet Vow's financing needs for further growth in the next 12 months.

Segments

The Vow group is organised in three operating segments; Projects, Aftersales and Landbased. Projects and Aftersales are the same as the two previously reported segments and based on the business of Scanship, while Landbased includes the ETIA operations as well as certain land-based operations in Norway and Sweden.

Projects

NOK million	**2019**	2018
Revenues	**236.0**	229.8
EBITDA	**37.0**	34.6
EBITDA margin (%)	**15.7%**	15.1%
Backlog	**812.5**	656.0

Revenues in the Projects segment amounted to 236.0 million for 2019, compared to NOK 229.8 million for 2018. The revenues in Projects will vary between the periods based on the timing of system deliveries.

Vow had a total backlog of NOK 890.4 million at year-end 2019, of which NOK 812.5 million was related to the Projects segment.

EBITDA for the segment came in at NOK 37.0 million for the year, representing a margin of 15.7 per cent, compared to NOK 34.6 million for 2018, equivalent to a margin of 15.1 per cent.

Aftersales

NOK million	**2019**	2018
Revenues	**125.7**	99.8
EBITDA	**22.5**	15.5
EBITDA margin (%)	**17.9%**	15.5%

Revenues for the Aftersales segment came in at NOK 125.7 million for 2019, an increase of 26 per cent from the NOK 99.8 million reported for 2018. With more ships being delivered to the market with Scanship systems, the market for sales of spares, consumables and service is growing.

EBITDA for the segment was NOK 22.5 for the year, representing a margin of 17.9 per cent, up from an EBITDA of NOK 15.5 million for 2018, equivalent to a margin of 15.5 per cent. The margin varies based on the mix of products and services sold in the period.

Landbased – Q4 only

NOK million	**2019**	2018
Revenues	**19.1**	
EBITDA before non-recurring items	**(1.5)**	
EBITDA before non-recurring items margin (%)	**(7.8%)**	
Backlog	**77.9**	

Revenues for the Landbased segment amounted to NOK 19.1 million for 2019, as the ETIA business was consolidated into the accounts only for the fourth quarter of the year, from 1 October to 31 December. For further

information on the ETIA transaction, see notes to the accounts.

EBITDA for the segment came in at a negative NOK 20.1 million. This includes non-recurring items of NOK 18.6 million related to the acquisition of ETIA. The segment therefore had an EBITDA before non-recurring items of a negative NOK 1.5 million.

At year-end 2019, the Landbased segment had a backlog of NOK 77.9 million.

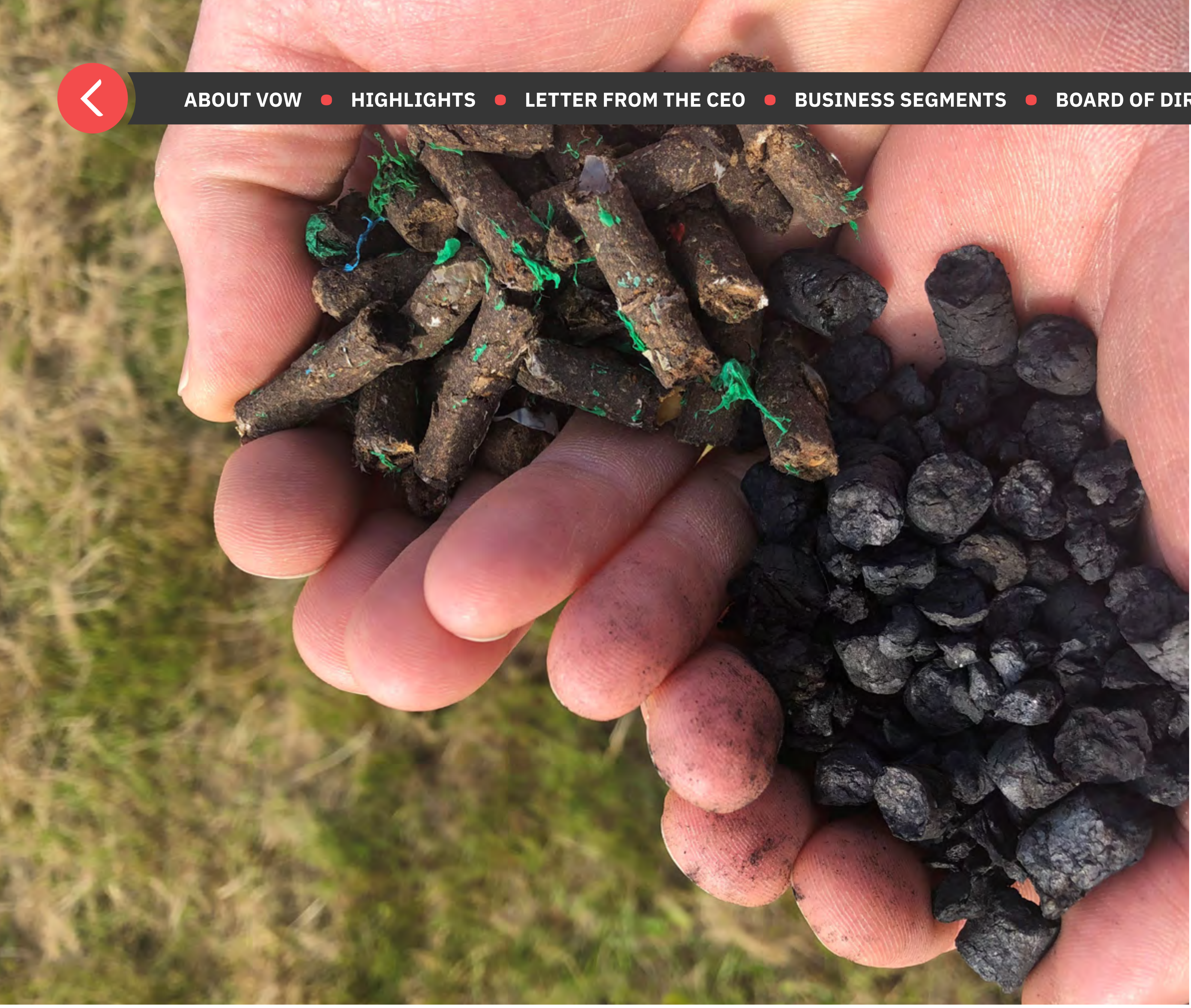
Parent company and allocation of net profit

The parent company Vow ASA primarily has administrative costs related to the listing at Oslo Børs, audit and legal fees and remuneration of the board. The operating result for 2019 was recorded as a loss at NOK 4.2 million compared to a loss of NOK 2.8 million for 2018. The result for the year ended at a loss of NOK 22.7 million for 2019, compared to a loss of NOK 2.3 million for 2018. The net loss for 2019 includes the fair value adjustment (with no cash effect) of the conversion rights on the convertible loan related to the ETIA transaction at a cost of NOK 20.3 million. The convertible loan is issued to the ETIA management.

The parent company had total assets booked at a value of NOK 439.2 million at 31 December 2019, compared to NOK 240.4 at the end of 2018. The assets mainly consisted of shares in subsidiaries, and the increase mainly reflects the acquisition of ETIA. The parent company had total equity of NOK 371.8 million as of 31 December 2019, representing an equity ratio of 85 per cent.

The board proposes the following allocation of the net loss of NOK 22.7 million for the parent company (Vow ASA):

Retained earnings: NOK -22.7 million



RESEARCH AND DEVELOPMENT

Vow's main development projects during 2019 have been the Microwave Assisted Pyrolysis ("MAP") Waste to Energy project and the DryFiciency (EUH2020) project. Vow is one of the chosen participants in this DryF project coordinated by EU, and Vow will primarily work to develop an innovative dryer that can work with all the systems and technologies developed within the project.

During 2019, Vow invested NOK 18.2 million on its product development activities, compared to NOK 9.5 million in 2018. The difference is primarily related to a higher investment level on the MAP system. The MAP system has now been commercialised through the contract in March 2019 to deliver the technology to two mega sized cruise ships, and the contract in the beginning of April 2019 to deliver the first full scale land-based industrial MAP as part of a research program on valorisation of biochar from pyrolysis of organic waste, as noted above.

In 2019, Vow worked on a portfolio of 11 product development projects, which are included as intangible assets in the balance sheet. All of these projects are ongoing into 2020.

Intangible assets from product development activities were as of 31 December 2019 booked at NOK 68.8 million, up from NOK 38.3 million at the end of 2018. The increase is also related to the inclusion of ETIA. A significant part of the product development cost consists of working hours performed by Vow's own employees.

RISKS AND RISK MANAGEMENT

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. Below is a summary of the key financial risks for the group. More details on the risk factors are included in the notes to the financial statements.

Financial risks

The group is exposed to financial risks in various areas. Among these, the key risks being related to market, currency, credit and liquidity risks.

During the first quarter of 2020, the corona pandemic (covid-19) created a major disruption to the global economy and significantly increased the uncertainty related to the market outlook for the short- to medium term. The situation also impacts the various risk factors that the Vow group is exposed to, including, but not limited to, the market risk and liquidity risk.

Market risk

There is a risk for Vow that increased competition in the market space for supplies of AWP and Waste Management systems may have a negative effect on future revenues.

If the cruise industry will experience overcapacity and pressure on consumer pricing, including the effects from the corona pandemic, the newbuiling activity may slow down. If the overall financial markets would slow down, ship-owners may have reduced capacity to finance newbuilds with the effect of lowering newbuild constructions.

Currency risk

The group has earnings mainly in NOK, EUR and USD. The operating- and administration expenses are mainly in NOK, EUR and USD. The group is reducing the currency exposure by applying instruments for hedging the net foreign currency exposure in connection with major projects. The group has bank deposits, receivables and short-term liabilities in foreign currencies.

Credit risk

The group is mainly exposed to credit risk related to trade receivables. The customers are primarily large cruise ship owners, shipyards in Europe and industrial customers for the ETIA systems. Due to the nature of the business and the size of our customers, the group is predominately working with customers with a satisfactory credit history. The credit risk is mainly related to newbuilding contracts where a few yards are counterpart. This is increasing the credit risk. However due to nature of newbuilding financing the management considers the overall risk of loss on receivables to be relatively low. The group has not provided any guarantees for third parties' liabilities. The actual losses on trade receivables have historically been very low, and no losses were incurred on trade receivables either in 2017, 2018 or in 2019.

The group has a credit risk insurance agreement ("kredittforsikring") on its trade receivables. This agreement with a Nordic insurance company covers the potential losses incurred by Scanship AS on its trade receivables, subject to certain restrictions, and reduces the ultimate credit risk for the group substantially. This insurance agreement is entered into as an additional risk-mitigating factor.

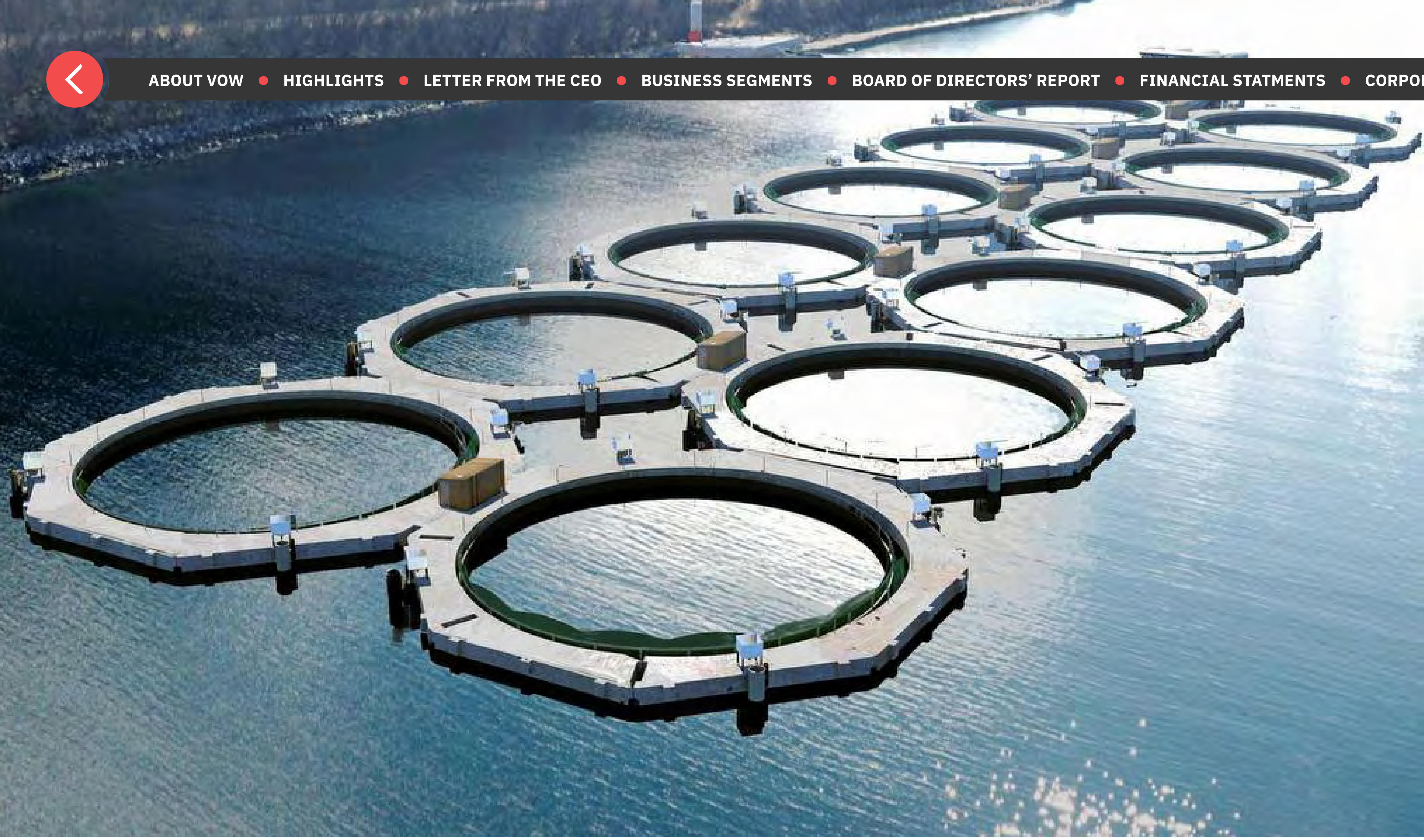
Liquidity risk

Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. The liquidity risk for the group is primarily related to the timing of the payments on its trade receivables from the shipyards in Europe on the Newbuild projects. Certain of the shipyards exercises longer payment terms than other shipyards. Vow has a close and on-going contact with all its shipyard customers and have had so for many years. Managing this relationship is one of the key factors for the group in the daily management of its liquidity risk. Historically the group has had very limited losses on its accounts receivable. So even though the payments from the shipyards in certain periods have been delayed beyond the agreed credit term, they have historically always paid their liabilities. Vow also has a certain flexibility in its own supplier base, whereby longer payment terms sometimes are agreed with suppliers in periods were the payments are delayed from the customers. Management of the liquidity risk is a prioritised task by Vow management.

The group also has a different structure of liquidity risk on newbuild projects as the group receives payments late in the projects, as compared to retrofit projects, where payments are received after meeting certain milestones. Given the shorter time cycle on the retrofit projects from the contract is signed and initiated, the supplier payments are however also being incurred relatively earlier on retrofit projects. Although the milestones are setup to enable a positive net cash flow on the projects, a delay in the retrofit projects will naturally also increase the liquidity risk. The retrofit activity has increased the last couple of years.

Estimation risk

The preparation of the financial statements in accordance with IFRS requires management to make judgements, use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses.



The uncertainty is highest in relation to the project evaluations and the following factors:

- Total hours estimated
- Total estimated costs
- Technical complexity that may impact on the total costs

These estimates have a direct influence over the amount of revenue recognised.

CORPORATE GOVERNANCE

Good corporate governance provides the foundation for long-term value creation, to the benefit of shareholders, employees and other stakeholders. The board of Vow has established a set of governance principles in order to ensure a clear division of roles between the board, the executive management and the shareholders. The principles are based on the Norwegian Code of Practice for Corporate Governance.

Vow is subject to annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 7 on the continuing obligations of stock exchange listed companies. The Accounting Act may be found (in Norwegian) at www.lovdata.no. The Norwegian Code of Practice for Corporate Governance, which was last revised on 17 October 2018, may be found at www.nues.no.

The annual statement on corporate governance for 2019 has been approved by the board and can be found in a separate section of this annual report.

CORPORATE SOCIAL RESPONSIBILITY

Vow is subject to corporate responsibility reporting requirements under section 3-3c of the Norwegian Accounting Act.

Vow defines corporate responsibility as achieving commercial profitability in a way that is consistent with fundamental ethical values and with respect for individuals, the environment and society. The Vow group shall respect human and labour rights, establish good environmental, health and safety (EHS) standards, facilitate good dialogue with stakeholders and generally operate in accordance with applicable regulatory frameworks and good business practice.

The group's business depends on the trust of consumers, contractual parties, the authorities, shareholders, employees and society in general. In order to gain trust, the group is dependent upon professionalism, expertise and high ethical standards in all aspects of the group's work. The board has established ethical and corporate social responsibility guidelines (the CSR Guidelines) that set forth the basic principles for business practices and personal behaviour that apply for all employees of the group, as well as persons/entities holding a position of trust with the group, and hired consultants acting on behalf of the group. Vow has developed separate conduct principles that apply to its suppliers.

The CSR Guidelines are included in a separate section of this annual report.

Sustainable development goals

Vow's entire business is built on the fundamental belief that we need to take better care of the world. Vow provides technology and solutions that enable its customers to manage their waste and energy challenges in a sustainable manner. The United Nations' Sustainable Development Goals (SDG) guide is a collection of 17 goals set by the United Nations. The SDGs are a global call of action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Vow works to meet several of these goals, in particular the following:

SDG 7:
AFFORDABLE AND CLEAN ENERGY

SDG 9:
INDUSTRY, INNOVATION AND INFRASTRUCTURE

SDG 13:
CLIMATE ACTION

SDG 14:
LIFE BELOW WATER

HEALTH, SAFETY AND WORKING ENVIRONMENT

Working environment, sickness absence, incidents and injuries

The group has a relatively low absence due to illness with 2.3 per cent in 2019 and 2.0 per cent in 2018.

The group has a strong focus on HSE (Health, Security and Environment) and is subject to strict HSE-routines from its customers. No injuries or accidents causing material damages or personal injuries were reported during the year.

Equal opportunities

As of 1 April 2020, the group had 121 employees, of which 17 women. The board of Vow ASA consists of 4 persons, of which two are women.

The group is committed to promoting equality and equal treatment at all stages of the organisation and other relationships.

The group is an organisation with a diversified working environment in which employment, promotions, responsibility and job enrichment are based on qualifications and abilities, and not on gender, age, race and political or religious views. Vow believes in equal opportunity for men and women in the workplace.

Environmental issues

The group's activities are causing a minimum of pollution or waste that can be harmful to the environment. The group's products are rather contributing to increased recycling and reduced pollution on a global scale.

The Vow group does not have operations that require special discharge permits or cleaning measures. Waste is sorted according to the requirements applicable at the various locations.

SHARE AND SHAREHOLDER MATTERS

In June 2019, the shares of Vow ASA, then Scanship Holding ASA, were transferred from the Oslo Axess to Oslo Børs. Listing on Oslo Børs represents a full stock exchange listing that complies with all EU requirements.

Following completion of the ETIA transaction in October, Vow successfully completed a private placement in November, generating net proceeds of NOK 100.9 million. In the placement, 6 500 000 new shares were issued at a price of NOK 16.50 per share. The net proceeds from the private placement will be used to accelerate the company's growth within landbased products and services, with a focus on plastic waste handling, the European biogas market, and metallurgic applications of biocoke from pyrolysis.

During 2019, the Vow share traded between NOK 4.50 and NOK 31.50 per share, with a closing price of NOK 30.00 per share at 30 December 2019, representing an increase of 554 per cent from the closing price of 2018 of NOK 4.59.

As of 31 December 2019, the company had a total of 106 563 566 outstanding shares, divided between 3 087 shareholders. The 20 largest shareholders held a total of 81.4 per cent of the shares.

On 9 January 2020, the extraordinary general meeting of the parent company resolved to change the company's name from Scanship Holding ASA to Vow ASA. The Scanship and ETIA names, as well as the brands within Scanship and ETIA product families are continued, either as names of subsidiaries or product lines, or both.

The annual general meeting for 2020 is planned to be held at Vow's headquarter at Lysaker on 25 May 2020.

MARKET OUTLOOK

Vow expects to benefit from the environmental megatrend in the cruise and aquaculture industry. With the acquisition of ETIA, the company is now also increasingly relevant towards a wide range of land-based industries.

As of 27 April 2020, the corona pandemic (covid-19) has caused dramatic consequences for the world economy, including a massive drop in the oil price and high uncertainty with regards to the magnitude of the implications going forward. The board of Vow is closely monitoring the situation with the objective of making sure necessary measures are taken to protect the people and operations, and to make sure Vow is prepared to handle the potential operational and financial consequences of the situation. On 20 March 2020, Vow announced that its business was continuing mostly uninterrupted, with only minimal adjustments. The board and management is monitoring the situation closely.

Cruise market

The cruise industry has continued to grow as cruise liners place new orders at European yards and now also Chinese yards. The total industry orderbook as of 27 April 2020 is 125 cruise ships to be delivered until 2027. Vow has firm orders on 38 newbuilds, additional options for 9 vessels and sister vessels, and is currently tendering for a significant number of newbuilds and retrofits.

The cruise market measured in number of passengers has tripled in size the last twenty years, translating into the continued growth in the industry orderbook. If the industry continues its growth pattern with an 5-6 per cent CAGR, according to Vow's estimates, there will be a need to further build approximately 100 cruise ships for deliveries to the market from 2023 until 2030.

Cruise industry shipowners are becoming ever more concerned about the environmental impact of their business. This continues to drive demand for Vow's systems both for newbuilds and ship retrofits. CLIA, Cruise Line International Association, the world's largest cruise industry association, has announced that 53 per cent of the global fleet of cruise ships is equipped with AWP systems and only 7 per cent is equipped with the new IMO standard for special area Baltic Sea.

The commercialisation of Vow's Waste to Energy (MAP) technology had its breakthrough in March 2019 through the contract for two mega sized cruise ships, and the contract to deliver the first full scale land-based industrial MAP. The MAP technology has a large potential in the cruise industry as it will substantially contribute to decarbonise ship operations. The maritime industry targets to reduce CO_2 emissions with 50 per cent by 2050, and the cruise industry aims to reach this level already by 2030.

As a result of the corona pandemic, most cruise ships worldwide were docked during March. As per 27 April, Vow has not experienced any significant changes in the delivery schedule of its systems to the cruise industry. However, the uncertainty has increased and it is hard to predict the outcome of the corona situation.

Acquaculture

Attention to sustainability and cleaner oceans will also continue to create opportunities for the company within the aquaculture industry, where Vow delivers technology for sustainable fish farming and circular economy.

Aftersales

Vow has an increasing base of systems installed on the fleet of cruise vessels worldwide, which in turn strengthens and builds up the recurring revenue stream within the Aftersales segment. The revenue for this business segment increased with 26 per cent from 2018 to 2019, building on the growth of 22 per cent achieved from 2017 to 2018.

The company expects that its Aftersales segment will be increasingly affected by the covid-19 situation going forward, since most cruise ships have been docked since March.

Landbased

The acquisition of ETIA in October has given Vow access to expertise and technology within land-based markets, enabling strengthened access to new geographies and entry into new verticals. The metallurgical industry is one example where Vow see significant market opportunities. Another example is land-based biogas plants, where there is a rising concern around microplastics in its residues for fertilizer use. There are today more than 17 000 biogas plants in Europe, and a substantial number of these are processing sewage sludge and food waste, that are faced with microplastic challenges.

To support a sustainable growth strategy and as a precautious measure, based on the increased uncertainty resulting from the corona outbreak, the board will not propose to the annual general meeting to pay dividends based on the 2019 financial results.

Lysaker, Norway, 27 April 2020

The board of directors and CEO – Vow ASA

Narve Reiten	Bård Brath Ingerø	Benedicte Bakke Agerup	Susanne L. R. Schneider	Henrik Badin
Chairman	*Board member*	*Board member*	*Board member*	*Chief executive officer*

FINANCIAL STATEMENTS

VOW GROUP

FINANCIAL STATEMENTS

VOW ASA

CONSOLIDATED STATEMENT OF INCOME

(Amounts in NOK million)	Note	**2019**	2018
Revenues	5	**380.8**	329.6
Total operating revenues		**380.8**	329.6
Cost of goods sold	5, 17	**(259.3)**	(229.8)
Employee expenses	6	**(47.8)**	(37.3)
Other operating expenses	7	**(27.8)**	(23.3)
EBITDA before non-recurring cost		**45.8**	39.2
Transaction- and integration cost	7	**(19.2)**	-
EBITDA		**26.6**	39.2
Depreciation	19, 24	**(7.3)**	(1.0)
Amortisation	20	**(3.6)**	(2.4)
Operating profit (EBIT)		**15.7**	35.8
Finance income	21	**8.6**	3.9
Fair value change FX derivatives	23	**3.0**	(1.9)
Finance costs	21	**(14.3)**	(4.5)
Fair value adjustments, conversion rights	4, 14, 21	**(20.3)**	-
Net financial items		**(23.0)**	(2.4)
Result before tax		**(7.3)**	33.4
Income tax expenses	18	**(6.2)**	(7.1)
Result for the year		**(13.5)**	26.3
Attributable to:			
Owners of the parent		**(13.5)**	26.3
Earnings per share (NOK 1 000 per share)			
- Basic	16	**(0.14)**	0.28
- Diluted	16	**(0.14)**	0.28

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(Amounts in NOK million)	Note	**2019**	2018
Result for the year		**(13.5)**	26.3
Other comprehensive income:			
Exchange differences on translation of foreign operations		**(3.7)**	0.9
Total other comprehensive income, net of tax		**(3.7)**	0.9
Total comprehensive income for the year		**(17.2)**	27.2
Attributable to:			
Owners of the parent	4	**(17.2)**	27.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK million)	Note	**31.12.2019**	31.12.2018
ASSETS			
Non-current assets			
Property, plant and equipment	19	**20.5**	3.2
Intangible assets	20	**100.5**	38.3
Goodwill	4, 20	**136.1**	-
Right-of-use assets	24	**21.2**	-
Total non-current assets		**278.2**	41.5
Current assets			
Inventories	8	**9.3**	4.5
Trade receivables	9, 13	**135.6**	62.6
Contracts in progress	5	**60.8**	62.5
Other receivables	10	**32.6**	16.0
Cash and cash equivalents	11	**85.5**	7.0
Total current assets		**323.8**	152.6
Total assets		**602.1**	194.1
EQUITY AND LIABILITIES			
Equity			
Share capital	6, 12	**10.7**	9.6
Share premium	6, 12	**240.7**	77.9
Other capital reserves	6	**1.0**	0.3
Translation differences		**(2.0)**	1.7
Retained earnings		**(19.7)**	3.9
Equity attributable to owners of the parent		**230.7**	93.3
Attributable to:			
Non-controlling interest	4, 17	**1.0**	-
Owners of the parent	4, 17	**230.7**	93.3
Total equity		**231.7**	93.3
Liabilities			
Non-current liabilities			
Deferred tax liability	18	**25.7**	14.0
Long term borrowings	13	**92.7**	0.9
Non-current lease liabilities	24	**14.9**	-
Total non-current liabilities		**133.3**	14.9
Current liabilities			
Current borrowings	13	**16.5**	-
Trade creditors		**69.2**	44.3
Convertible loan	4, 14	**65.0**	-
Contract accruals	5	**36.8**	25.7
Unrealised change fair value FX derivatives	21, 22, 23	**(0.1)**	3.4
Income tax payable	18	**1.7**	(0.3)
Bank overdraft	13	**20.6**	2.1
Current lease liabilities	24	**6.6**	-
Other current liabilities	15	**20.7**	10.7
Total current liabilities		**237.0**	85.9
Total liabilities		**370.4**	100.8
TOTAL EQUITY AND LIABILITIES		**602.1**	194.1

Lysaker, Norway, 27 April 2020
The board of directors and CEO – Vow ASA

Narve Reiten	**Bård Bråth Ingerø**	**Benedicte Bakke Agerup**	**Susanne L. R. Schneider**	**Henrik Badin**
Chairman	*Board member*	*Board member*	*Board member*	*Chief executive officer*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31.12.2019 *(Amounts in NOK million)*	*Note*	Share capital	Share premium	Other capital reserves	Trans-lation dif-ferences	Retained earnings	Total
Equity at 1 January 2019		9.6	77.9	0.3	1.7	4.0	**93.3**
Result for the year		-	-	-	-	(13.5)	**(13.5)**
Other comprehensive income		-	-	-	0.1	-	**0.1**
Total comprehensive income		-	-	-	0.1	(13.5)	**(13.4)**
Share capital increase - stock option excersise, March 2019	*6, 12*	0.1	1.7	-	-	-	**1.8**
Share capital increase - Business combination Oct. 2019	*4, 12*	0.4	61.0	-	-	-	**61.4**
Share capital increase, private placement Nov. 2019	*12*	0.7	106.6	-	-	-	**107.3**
Transaction cost, share capital increase private placement Nov. 2019	*4, 12*	-	(6.4)	-	-	-	**(6.4)**
Business Combination	*4*	-	-	-	(3.8)	-	**(3.8)**
Stock options	*6*	-	-	0.7	-	-	**0.7**
Dividends paid		-	-	-	-	(9.6)	**(9.6)**
Equity at 31 December 2019		10.7	240.7	1.0	(2.0)	(20.4)	**230.0**
Attributable to non-controlling interest							**1.0**
Attributable to owners of the parent							**229.0**
							230.0

31.12.2018 *(Amounts in NOK million)*	*Note*	Share capital	Share premium	Other capital reserves	Trans-lation dif-ferences	Retained earnings	Total
Equity at 31 December 2017		9.6	77.5	0.3	0.8	(30.1)	**57.9**
IFRS 15 - Transition		-	-	-	-	6.8	**6.8**
Equity at 1 Janury 2018, adjusted		9.6	77.5	0.3	0.8	(23.3)	**64.7**
Result for the year		-	-	-	-	26.3	**26.3**
Other comprehensive income		-	-	-	0.9	1.0	**1.9**
Total comprehensive income		-	-	-	0.9	34.1	**35.0**
Share capital increase Paid in cash 11 December 2018		-	0.4	-	-	-	**0.4**
Equity at 31 December 2018		9.6	77.9	0.3	1.7	4.0	**93.3**
Attributable to non-controlling interest							**-**
Attributable to owners of the parent							**93.3**
							93.3

CONSOLIDATED STATEMENT OF CASH FLOW

(Amounts in NOK million)	*Note*	**2019**	2018
Cash flow from operating activities			
Result before income tax		**(7.3)**	33.4
Adjustments:			
Stock option	*6*	**1.0**	-
Income tax paid	*18*	**(1.0)**	(1.3)
Changes in work in progress	*5*	**12.7**	0.2
Depreciation, amortisation and impairment	*19, 20*	**10.9**	3.4
Changes in Fair value FX derivatives	*22, 23*	**(3.4)**	1.9
Changes in inventories, trade receivables and trade creditors	*8, 9, 10*	**(50.6)**	(5.6)
Interest paid to trade creditors		**(0.1)**	(0.1)
Changes in other accruals	*10, 15*	**21.0**	(0.9)
Net cash flow from operating activities		**(16.9)**	31.1
Cash flow from investing activities			
Investment/sale of subsidiaries	*4*	**(72.6)**	-
Purchase of property, plant and equipment	*19*	**(4.6)**	(1.9)
Investment in intangible assets	*4, 20*	**(18.2)**	(9.4)
Net cash flow from investing activities		**(95.4)**	(11.3)
Cash flow from financing activities			
Proceeds from issuing stock	*4, 6, 12*	**102.5**	0.4
Proceeds from non-current borrowings	*13*	**75.5**	(0.1)
Proceeds from current borrowings	*13*	**10.1**	-
Leasing obligations		**(4.7)**	-
Bank Overdraft facility	*13*	**19.5**	(17.9)
Interest paid		**(0.9)**	(0.9)
Repayment of loans	*13*	**(0.1)**	(0.1)
Dividends paid		**(9.6)**	-
Net cash flow from financing activities		**190.8**	(18.5)
Net change in cash and cash equivalents		**78.4**	1.2
Effect of exchange rate changes on cash and cash equivalents		**0.1**	(0.2)
Cash and cash equivalents at 1 January		**7.0**	5.6
Cash and cash equivalents at 31 December		**85.5**	7.0
Non restricted cash, 31 December		**83.1**	5.3
Restricted cash, 31 December		**2.4**	1.7
Cash 31 December	*11*	**85.5**	7.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 01 GENERAL INFORMATION

Vow ASA, which is the parent company of the Vow group (the group), is a limited liability company incorporated and domiciled in Norway, with its Head Office at Lysaker Torg 12, 1366 Lysaker – Norway

The group delivers advanced technologies for processing waste and purifying wastewater in cruise, aquaculture and land-based industries. Owners operating the group´s systems have the solution to convert all waste and wastewater into clean energy and purified water which meets the highest international discharge standards. The acquisition of ETIA has broadened the group's technology portfolio and products for land-based industries. This includes patented solutions for pyrolysis process for converting biomass, plastics and waste into energy and useful products. Valuable residuals and nutrients from the processes can be recovered for reuse. The group provides life cycle services in terms of parts, consumables, and operational assistance to the installed base worldwide.

The financial statements were approved by the company's board on 27 April 2020.

NOTE 02 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 Basis for preparation
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with the additional requirements following the Norwegian Accounting Act.

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and debt with conversion rights (embedded derivative) in relation to the acquisition of ETIA S.A.S, that have been measured at fair value.

2.2 Basis of consolidation
Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet, respectively.

If the group loses control over a subsidiary it derecognises the assets, liabilities and non-controlling interest, and reclassify to profit or loss, or transfers directly to retained earnings as appropriate, the amounts recognised in other comprehensive income in relation to the subsidiary.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests, and any consideration paid or received, is recognised in a separate reserve within equity attributable to owners.

2.3 Business combination
The acquisition method of accounting is used to account for business combinations.

The consideration comprises: fair value of the assets transferred, liabilities incurred to the former owners of acquired business, equity interests issued by the group, fair value of any assets or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests proportionate share of the acquired entity's net identifiable assets.

Acquisition related costs are expensed as incurred.

The excess of the sum of consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets required, is recorded as goodwill. If, after reassessment, the group's interest in the net fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities exceeds the total consideration of the business combination, the excess is recognised in the income statement immediately.

Where settlement of any part of cash consideration is deferred, the future amounts payable are discounted to their present value as the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, which changes in fair value recognised in profit or loss.

2.4 Foreign currency
Functional currency, presentation currency and consolidation: The group's presentation currency is Norwegian kroner (NOK). This is also the Parent company's functional currency. For consolidation purposes, the balance sheet figures for subsidiaries with a different functional currency, are translated into the presentation currency (NOK) at the rate applicable at the balance sheet date and their income statements are translated at the exchange rate prevailing at the date of transaction. As an approximation, average exchange rates for each quarter are applied in translating the income statements. If the exchange rates do not change much, an average rate for the year is used. A shorter period is used if the exchange rate fluctuates much. Exchange differences are recognised in other comprehensive income.

Transactions in foreign currency
Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Monetary balances in foreign currencies are translated into the functional currency at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised under financial items in the income statement.

2.5 Property, plant and equipment
Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment charges. Depreciations are calculated on a straight-line basis over the assets expected useful life and adjusted for any impairment charges. Expected useful lives of long-lived assets are reviewed annually and where they differ significantly from previous estimates, depreciation periods are changed accordingly. Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in operating profit.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. Assessment is made at least once a year. The difference between the assets` carrying amount and its recoverable amount is recognised in the income statement as impairment.

2.6 Intangible assets
Intangible assets acquired separately that have a finite useful life, are carried at cost less accumulated amortisation and any impairment charges. Amortisation is calculated on a straight-line basis over the assets` expected useful life and adjusted for any impairment charges.

Internally generated intangible assets
Expenditures on research activities, undertaken with the prospects of gaining new technical knowledge and understanding, are recognised in profit or loss as incurred.

The group is constantly working with activities to optimise our portfolio of systems and technology. Development projects involve a plan or design for the production of new or substantially improved products and processes. The cost related to the project will be capitalised if the criteria for capitalisation is met. If costs for development shall be capitalised, the group must demonstrate, amongst others, that the technical feasibility is available, that the group has the intention to complete the asset and its ability to sell it. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. The intangible assets are amortised from the time it is available for use.

At each year end, the group assess whether there is any indication that the asset may be impaired. If there is any indication of impairment, an impairment test is performed, and the assets or the cash generating unit's recoverable amount is calculated. When the recoverable amount is less than the carrying amount, an impairment loss is recognised in the income statement.

The company has in the period 2013 to 2019 received refundable tax credits ("Skattefunn"). This is a government grant that is recognised in the financial statement as a reduction of book value in the intangible assets and as a current receivable. The grant is recognised in profit or loss as a reduction of amortisation of the expected life of the asset to which it relates.

Goodwill
Goodwill does not generate cash flows independently of other assets or groups of assets and is allocated to the cash-generating units expected to benefit from the synergies of the combination that gave rise to the goodwill. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

An impairment is recognised if the recoverable amount (the higher of fair value, less cost to sell, and value in use) of the cash-generating unit is less than the carrying amount of the cash-generating unit

2.7 Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current location. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.8 Trade receivables and other current receivables
Trade receivables and other current receivables are initially recognised at fair value plus any transaction costs. The receivables are subsequently measured at amortised cost using the effective interest method, if the amortisation effect is material, less provision for impairment. Other current receivables include prepayments and receivables from any related parties.

2.9 Cash and cash equivalents
Cash and the equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts and trade finance facilities are shown within borrowings in current liabilities in the balance sheet.

2.10 Trade creditors
Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, if the amortisation effect is material.

2.11 Taxes
Income tax expense for the period comprises current tax expense and deferred tax expense.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated on the basis of existing temporary differences between the carrying amounts of assets and liabilities in the financial statement and their tax basis, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realised or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that the deferred tax asset can be utilised. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

The companies included in the consolidated financial statement are subject to income tax in the countries where they are domiciled.

2.12 Revenue recognition
The accounting policies for the group´s revenue from contracts with customers are explained in note 5

2.13 Derivative financial instruments
Derivative financial instruments are classified in category at fair value through profit or loss. These instruments are measured at fair value with changes in fair value charged to the income statement. The group does not apply hedge accounting. For more information see note 21, 22 and 23.

2.14 Pension plans
The group has a defined contribution plan for its employees. The group's payments are recognised in the income statement as employee benefits expense for the year to which the contribution applies.

2.15 Provisions
A provision is recognised when the group has a present legal or constructive obligation as a result of past events, it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as finance cost.

2.16 Share-based payments
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The company has a share-based option plan covering certain employees in senior positions. The method of settlement is at the discretion of the company, and which is described in more detail in note 6. The share option plan is recognised as equity settled share-based payments as the practice of the group is to settle in shares and not in cash.

2.17 Contingent liabilities
Contingent liabilities are not recognised in the financial statements. Significant contingent liabilities are disclosed, except for contingent liabilities where the probability of the liability occurring is remote.

2.18 Earnings per Share
The calculation of basic earnings per share is based on the profit attributable to ordinary shares using the weighted average number of ordinary shares outstanding during the year after deduction of the average number of treasury shares held over the period.

The calculation of diluted earnings per share is consistent with the calculation of the basic earnings per share, but gives at the same time effect to all dilutive potential ordinary shares that were outstanding during the period, by adjusting the profit/loss and the weighted average number of shares outstanding for the effects of all dilutive potential shares, i.e.:

- The profit/loss for the period attributable to ordinary shares is adjusted for changes in profit/loss that would result from the conversion of the dilutive potential ordinary shares.
- The weighted average number of ordinary shares is increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary.

2.19 Reserves
Exchange differences relating to the translation of the net assets of the group's foreign operations from their functional currency to the group's presentation currency is recognised directly in other comprehensive income and presented as "translation differences" in the statement of financial position and statement of changes in equity.

2.20 Cost of equity transactions
Transaction costs directly attributable to an equity transaction are recognised directly in equity, net after deducting tax.

2.21 Cash flow statement
The cash flow statement is prepared by using the indirect method.

2.22 Events after the balance sheet date
The financial statements are adjusted to reflect events after the balance sheet date that provides evidence of conditions that existed at the date of the balance sheet (adjusting events). The financial statements are not adjusted to reflect events after the balance sheet date that are indicative of conditions that arose after the date of the balance sheet (non-adjusting events). Non-adjusting events are disclosed if significant.

2.23 Changes in accounting policy and disclosures
IFRS 16 Leases
The group has adopted IFRS 16 retrospectively from 1 January 2019 but has not restated comparative information for the 2018 reporting period, following the modified retrospective approach. The reclassification and adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on January 1. The effect from implementing the new standard is disclosed in note 24.

The group leases various offices, equipment and cars. Rental contracts are typically made for fixed periods of two to nine years but may have extension options.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The group determines the incremental borrowing rate based on the group's recent third-party financing in connection with the group's operations, together with an assessment of the nature of the asset

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Variable lease payments
Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations.

NOTE 03 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in accordance with IFRS requires management to make judgements, use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are considered reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Estimates and assumptions which represent a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities are presented below.

Revenue recognition for contracts under the cost-to-cost method (IFRS 15)
Revenue is recognised based on estimated progress for each contract. Several estimates are made to calculate the stage of completion. These estimates have a direct influence over the amount of revenue that has been recognised. The uncertainty is highest to these factors:

Project – sales:
- Total estimated costs
- Percentage of completion estimates

Projects are reviewed periodically to reduce the risk of material deviations in the estimates between periods. See note 5 for accounting policies for revenue from customers and contracts in progress.

Intangible assets
At year end the group assesses whether there is any indication that the asset may be impaired. The assessment is performed for each individual asset. To estimate the recoverable amount, the group prepare a discounted cash flow analysis for each intangible asset which is either under development or in use. The cash flow analysis contains the expected increase in revenue and expected cost to develop the asset. This cash flow is discounted, and the discounted value is compared with the booked value.

The uncertainty is highest to the following estimates:
- Expected increase in revenue
- Expected total cost to complete the development of the intangible asset
- Expected date of completion of the intangible asset

As of 31.12.2019, there were no intangible assets that were evaluated to be impaired.

Deferred tax assets
Deferred tax assets are recognised when it is likely that the company will have sufficient profit for tax purposes in subsequent periods that will enable the company to utilize the tax asset. Similarly, the group will reduce the deferred tax assets to the extent the company no longer regards it as being likely that it can utilize the deferred tax asset. At each year end the group assesses whether there are any indications that the asset may be impaired. To estimate the recoverable, the group prepares a discounted cash flow analysis for taxable revenue.

The uncertainty is highest to the following estimates:
- Expected taxable revenue

NOTE 04 BUSINESS COMBINATION

ACQUISITION OF ETIA S.A.S (ETIA)
On 15 October 2019 the group acquired 100 per cent of the shares in ETIA Ecotechnologies S.A.S (ETIA). ETIA is a French company that designs and provides plants for processing biomass, food products and industry residues. ETIA delivers products and technology for the valorization of waste and residues, that contributes to sustainable development and circular economy.

Details of the purchase consideration, net assets acquired and goodwill:

(Amounts in NOK million)	**On acqusition**
Cash	85.4
Share issued	61.4
Vendor notes	45.2
Total consideration	192.1

The cash consideration was paid on the transaction date. The share consideration was settled with an issue of 3 888 041 shares at a fair value of NOK 15.8 on closing. Vendor notes are payable 9 months after closing. The vendor notes are nominally interest free and include an option to convert (conversion rights) to Vow ASA ordinary shares. The vendor notes including the conversion rights were measured at fair value at transaction date. See note 14 regarding subsequent measurement.

The assets and liabilities recognised as a result of the acquisition are:

(Amounts in NOK million)	**Fair value**
Intangible assets	48.5
Right-of-use assets	11.4
Property, plant and equipment	16.6
Inventories	13.5
Financial instruments	0.5
Cash and cash equivalents	12.8
Receivables	33.1
Long-term liabilities	(31.1)
Deferred tax liabilities	(9.4)
Trade creditors and other payables	(26.0)
Other current liabilities	(15.7)
Net identifiable assets acquired	54.1
Non-controlling interest	(1.0)
Goodwill	138.9
Total	192.1

The group has chosen to recognise the non-controlling interest at its fair value for this acquisition.

The fair value of acquired trade receivables included in receivables is NOK 13.3 million. The gross contractual amount is NOK 15.9 million, with a loss allowance of NOK 2.6 million recognised in the balance sheet per 1 October 2019.

The goodwill is attributable to the significant future market potential for the ETIA products, including identified market prospects. The market opportunities are driven by multiple global mega trends, driving demand for the ETIA products that can create value from biomass and waste. The goodwill is not expected to be deductible for tax purposes.

The purchase price allocation is not final, there is however no indication of any adjustments to be made at the reporting date.

Revenue and profit contribution
The business combination contributes with revenues of NOK 19.1 million and an EBITDA of NOK 1.4 million from the date of the acquisition. EBIT incurred a loss of NOK 0.6 million and a net loss of NOK 0.8 million for the period.

The group has incurred non-recurring costs of NOK 18.6 million in the second half of 2019. This is costs related to the acquisition of ETIA. This is a combination of transaction costs for the acquisition process and costs for the further investments in and integration with ETIA. These costs are primarily related to strategic analyses and review work by an external party on the significant market opportunities. See also information in note 7.

NOTE 05 SEGMENTS AND REVENUE

The group has identified three reportable operating segments as of 31 December 2019; Projects, Landbased and Aftersales. The Landbased segment was used starting from the fourth quarter in 2019 as a result of the acquisition of ETIA. The groups management uses the operating profit for each segment for assessments of the segment´s performance and for allocating resources. All transactions between operating segments are based on market terms.

Projects
Products under the Projects segment are systems delivered from Vow ASA through its subsidiary Scanship AS where we provide advanced systems with technologies for processing waste and purifying wastewater for cruise ships and aquaculture. Production of Scanship systems is outsourced to subcontractors as the main activities in the subsidiary are R&D, engineering, sales and marketing, project management and service.

Landbased
Sales within the Landbased segment in 2019 are systems and solutions provided by the group through its subsidiary ETIA. The acquisition of ETIA which closed in October 2019 was done to broaden the technology portfolio and strengthen the land-based market access. Future land-based sales made by the Norwegian operations will also be recorded in this segment going forward.

Aftersales
Revenue in the Aftersales segment are sales of spare parts, consumables and services towards shipowners. The recurring revenue base within Aftersales is increasing with the increasing number of cruise ships with the groups systems installed.

Financial information operating segments:

FY 2019

(Amounts in NOK million)	Projects	Aftersales	Landbased	Admin.	**Total**
Revenue	236.0	125.7	19.1	-	**380.8**
Total revenue	236.0	125.7	19.1	-	**380.8**
Cost of sales	(165.5)	(82.3)	(11.5)	-	**(259.3)**
Employee expenses	(20.6)	(13.2)	(7.2)	(6.8)	**(47.8)**
Other Operating expenses	(12.9)	(7.7)	(1.9)	(5.3)	**(27.8)**
EBITDA (before non-recurring items)	37.0	22.5	(1.5)	(12.2)	**45.8**
Ebitda Margin	15.7%	17.9%	(7.8%)	-	12.0%
Non-recurring items	-	-	(18.6)	(0.6)	**(19.2)**
EBITDA	37.0	22.5	(20.1)	(12.8)	**26.6**
Depreciation and amortisation	(6.9)	(1.3)	(2.7)	-	**(10.9)**
Operating profit	30.1	21.2	(22.8)	(12.8)	**15.7**

Elimination includes all intercompany transactions during the period and is elimnated against the Aftersals segment. Eliminated transactions for the period is in 2019 (2018) as following: Revenue 7.2 million (5.7), Cost of Sales 5.3 million (1.9) and Other operating expenses 3.1 million (3.6)

FY 2018

(Amounts in NOK million)	Projects	Aftersales	Admin.	**Total**
Revenue	229.8	99.8	-	**329.6**
Total revenue	229.8	99.8	-	**329.6**
Cost of sales	(163.4)	(66.4)	-	**(229.8)**
Employee expenses	(19.1)	(12.2)	(6.1)	**(37.3)**
Other Operating expenses	(12.7)	(5.7)	(5.0)	**(23.3)**
EBITDA	34.6	15.5	(11.1)	**39.2**
Ebitda Margin	15.1%	15.5%	-	11.9%
Depreciation and amortisation	(3.4)	-	-	**(3.4)**
Operating profit	31.2	15.7	(11.1)	**35.8**

REVENUE FROM CONTRACTS WITH CUSTOMERS
Projects segment – products and services
Newbuilding cruise
The group delivers clean ship systems to shipyards for newbuild constructions which includes advanced wastewater purification, waste management and food waste processing.

Retrofit
Retrofit are deliveries of the groups advanced systems to shipowners for ships that are in operations.

Aquaculture
The group provides systems for aquaculture sludge treatment where the bio residue may be used for agricultural soil enhancement, heat and energy recovery, or as a valuable feedstock in other industrial applications.

Landbased segment – products and services
Biogreen
Biogreen is a patented pyrolysis process for converting biomass, plastics and waste into energy and useful products. The valorisation of waste is done with conversion into high value products such as biofuel, biochar and with conversion of plastics to electricity.

Safesteril
Safesteril is a patented sterilization process for food and pharmaceutical ingredients.

Robotics
The group, through the ETIA subsidiary Ascodero, provide industrial robotics solutions including robotic systems for waste recycling processes

Principles – Projects and Landbased segments
Revenue from sales under Project and Landbased segments are construction contracts that typically contain the following elements: Design and engineering, production, delivery and commissioning. Based on evaluation done by management, these elements are not considered as to be accounted for separately but as one performance obligation. The construction typically consists of a design-phase (2-6 months), a procurement-phase (2-6months), an installation phase (1-2 months) and a commission phase (1-2 months). The construction process for newbuilding cruise vessels at the shipyards will normally be performed in phases over a 3-year period, meaning that our projects also will have a 3-year time span in total. For retrofit cruise projects the projects are normally completed within 9-12 months after the contract signing.

The sales in new building cruise to shipyards often include a series of contract for systems to be delivered for separate vessels. In these cases, assessments are made on if the contracts should be accounted for as a single contract, with a combined measure of progress. Contracts may also include options for additional deliveries, the transaction price for the optional deliveries tends to be similar with the price for the firm deliveries. Hence, no adjustments are made for the transaction price.

In determining the transaction price there may be certain variable elements in the customer contracts related to time of delivery and specification of products that are assessed. These contractual elements have, based on historic prior deliveries, been considered as highly unlikely to occur or have effect on the consideration and have not affected the transaction price.

The payment terms for newbuilding cruise contracts are normally between 5-10 per cent at contract signing, 80-90 per cent at delivery of the equipment and 5-10 per cent at commissioning/ compliance. In certain projects there could be a payment term of between 1-5 per cent to be paid after two years when the warranty period expires. The financing components in contracts that this represents are not considered as significant. The assessments done by management on the variable elements in the consideration leads to that the transaction price is determined by the price set in the contracts.

The payment terms for retrofit cruise contracts has a higher share of payments at the time of contract signing, normally around 40 per cent. This is also the case for the land-based projects through ETIA, which also normally has a 40 per cent payment term at contract signing.

Revenue from sales under Project and Landbased segments are construction contracts that are recognised over time, as the deliveries are without alternative use, and the group has an enforceable right to payment for performance completed to date.

Revenue is recognised in accordance with percentage of completion where incurred costs to date is used as the input method. The use of incurred cost is considered by management to be the most useful measure of completion on the construction contracts.

Aftersales segment – products and services
Spare parts
All new installations come with an extensive list of recommended spare parts and critical spares where the group, through our head office supply spares and consumables both to new and existing installations.

Chemicals
The group offer chemicals in our product lines which have been developed over years to ensure optimal process performance and cost-efficient operations of the systems delivered. Products are delivered directly to vessels sailing world-wide. Today the group provides chemicals to most of the groups systems in the cruise industry.

Work Orders
Work orders are typically service – and maintenance performed by the service department in the group subsidiary Scanship Americas Inc based in the US. The group offers tailor-made service and maintenance programs to ensure the reliability and efficiency of the systems.

Revenue from the sale of goods (chemicals and spare parts) is recognised at a point in time which is at delivery to the customer.

Revenue reported as work orders is recognised in accordance with percentage of completion where incurred costs to date is used as the input method – following the principles as described for construction contracts.

Payment for spare parts and consumables are typically due within 30 days, work orders between 30 and 60 days.

Disaggregation of revenue from contracts with customers:

FY 2019

(Amounts in NOK million)	Projects	Aftersales	Landbased	Total
Major product groups				
Newbuilding cruise	203.1	-	-	203.1
Retrofit	29.0	-	-	29.0
Aquaculture	3.9	-	-	3.9
Biogreen	-	-	9.2	9.2
Safesteril	-	-	6.3	6.3
Robotics	-	-	3.6	3.6
Spareparts	-	54.7	-	54.7
Chemicals	-	55.2	-	55.2
Work Orders	-	15.7	-	15.7
Total revenue	236.0	125.7	19.1	380.8
Primary geographical markets [1]				
Norway	26.2	8.0	-	34.2
Europe	209.3	29.5	12.5	251.9
Outside of Europe	0.6	88.2	6.6	94.8
Total revenue	236.0	125.7	19.1	380.8
Timing of revenue recognition				
Services and goods transferred over time	236.0	15.7	19.1	270.9
Goods transferred at a point of time	-	109.9	-	109.9
Total revenue	236.0	125.7	19.1	380.8

1) Based on customer location.

FY 2018

(Amounts in NOK million)	Projects	Aftersales	Total
Major product groups			
Newbuilding cruise*	170.9	-	170.9
Retrofit	31.1	-	31.1
Aquaculture	27.8	-	27.8
Spareparts	-	45.1	45.1
Chemicals	-	39.8	39.8
Work Orders	-	14.8	14.8
Total revenue	229.8	99.8	329.6
Primary geographical markets [1)]			Total
Norway	52.2	4.3	56.5
Europe	160.8	21.1	198.7
Outside of Europe	16.8	74.4	74.4
Total revenue	229.8	99.8	329.6
Timing of revenue recognition			
Services and goods transferred over time	229.8	14.8	244.6
Goods transferred at a point of time	-	85.0	85.0
Total revenue	229.8	99.8	329.6

1) based on customer location

The group has two customers in 2019 and 2018 where the revenue individually is more than 10 per cent of total group revenues.

Revenue in Per cent of total group revenues

	2019	2018
Company 1	**34.9%**	22.3%
Company 2	**12.2%**	15.5%

Aftersales and Landbased segment does not have any customers where the revenue level exceeds 10 per cent of the group's revenue.

Aggregated amount of the transaction price allocated to the performance obligation that are partially or fully unsatisfied is NOK 890 million at year end 2019.

This is consistent with the order backlog of NOK 890 million. The backlog will be recognised as revenue over the next six years, where the most significant revenue recognition will occur over the next three years.

Assets related to contracts with customers

(Amounts in NOK million)	**2019**	2018
Trade receivables	**135.6**	62.6
Contract assets	**60.8**	62.5

Contract assets consists of recognised revenue less payment received from customers.

NOTE 06 EMPLOYEE EXPENSE, REMUNERATION TO MANAGEMENT AND BOARD OF DIRECTORS AND SHARE OPTION PLAN

(Amounts in NOK million)	**2019**	2018
Salaries	**62.5**	47.0
Social security tax	**8.5**	5.6
Pension costs	**2.2**	1.6
Other benefits	**1.1**	1.3
Option Program	**1.0**	-
Total employee expenses	**75.3**	55.5
Employee expenses recognised within cost of goods sold	**(17.9)**	(13.8)
Employee expenses capitalised as R&D	**(9.5)**	(4.4)
Total costs recognised as employee expenses	**47.8**	37.3
Full Time Equivalents	**106**	59

Remuneration to management and board of directors in 2019:

(Amounts in NOK thousand)	Title	Salaries	Pension	Other[1)]	Options	**Total**
Management						
Henrik Badin	Chief executive officer	2 291	71	309	78.0	**2 748.9**
Erik Magelssen	Chief financial officer	1 565	71	102	78.0	**1 815.9**
Henning Mohn	Chief technology officer	1 399	71	11	63.8	**1 544.7**
Asgeir Wien	Chief development officer	1 563	71	141	56.8	**1 831.7**
Bjørn Abraham Bache	Chief commercial officer	1 427	71	10	56.8	**1 564.7**
Jonny Hansen	Chief operating officer	1 561	71	270	56.8	**1 958.7**
Board of directors						
Narve Reiten	Chairman	360	-	-	-	**360**
Susanne L.R. Schneider	Board member	235	-	-	-	**235**
Bård Brath Ingerø	Board member	240	-	-	-	**240**
Benedicte Agerup	Board member	225	-	-	-	**225**
Total		10 866.0	425.6	843.0	390.2	**12 524.8**

1) Includes: Company car if applicable, insurances, electronic communication, etc.

Management and board of directors have no agreements covering severance payment or bonus.
No loans have been granted or guarantees pledged to management or board of directors.
The management team is included in a share-based option plan, see further information in this note 6.

Remuneration to management and board of directors in 2018:

(Amounts in NOK thousand)	Title	Salaries	Pension	Other[1]	**Total**
Management					
Henrik Badin	Chief executive officer	1 798.3	68.8	314.3	**2 181.4**
Erik Magelssen	Chief financial officer	1 367.9	66.7	136.5	**1 571.1**
Henning Mohn	Chief technology officer	1 281.3	67.4	20.0	**1 368.7**
Asgeir Wien	Chief development officer	1 390.1	68.8	146.4	**1 605.3**
Bjørn Abraham Bache[2]	Chief commercial officer	925.8	49.8	13.7	**989.3**
Jonny Hansen	Chief operating officer	1 228.0	49.1	161.9	**1 439.0**
Board of directors					
Narve Reiten	Chairman	300.0	-	-	**300.0**
Susanne L.R. Schneider	Board member	200.0	-	-	**200.0**
Bård Brath Ingerø	Board member	200.0	-	-	**200.0**
Benedicte Agerup	Board member	200.0	-	-	**200.0**
Total		8 891.3	370.5	792.9	**10 054.7**

1) Includes: company car if applicable, insurances, electronic communication, etc.
2) Bjørn Abraham Bache was employed from 1 April 2018

Management and board of directors have no agreements covering severance payment or bonus.

No loans have been granted or guarantees pledged to management or Board of directors.

One member of the management has a share based option plan.

Pension
The companies in the group domiciled in Norway are required to have an occupational pension scheme in accordance with the Norwegian law of mandatory occupational pension (lov om obligatorisk tjenestepensjon). The group's pension scheme fulfils the requirements of that law.
The group's pension scheme covers all employees which are subject to these requirements. The scheme is based on a contribution plan.

The group has no other pension arrangements in place.

(Amounts in NOK million)	**2019**	2018
Service cost	**1.9**	1.5
Social security tax	**0.3**	0.2
Net pension costs	**2.2**	1.7

Share option plan
The group has a share option plan covering certain employees in senior positions. As of 31.12.2019, 25 employees in the group were included in the option programme. The option vests yearly over three years.

A total of 1 470 000 options were granted in 2019 in relation to a new option programme, and 535 000 options from the 2014 option programme were exercised

Method of settlement:
Options that have been exercised shall, in the discretion of the company, be settled by either:

(i) the issuance by the company of new shares to the option holder
(ii) the sale by the company of treasury shares to the option holder; or
(iii) the transfer to the option holder of a NOK amount for each exercised option equal to the market price of the shares in the company less the exercise price.

The method of settlement is at the discretion of the company. The share option plan is therefor accounted for as an equity settlement.

Vesting requirements:
The options granted shall vest with 1/3 on the first anniversary of the grant date (i.e. 31.08.2020), 1/3 on the second anniversary of the grant date (i.e. 31.08.2021) and 1/3 on the third anniversary of the grant date (i.e. 31.08.2022). Options held by an option holder do only vest if the option holder at the vesting date is employed by a company in the group and the employment is not in a notice period. The option programme has a term of three years plus a limited exercise period. Any option not exercised on or prior to 28.09.2022 shall terminate without any compensation being payable to the option holder.

Overview of outstanding options:

	2019	2018
Outstanding options 1.1	**535 000**	720 000
Options granted	**1 470 000**	-
Options forfeited	**-**	-
Options exercised	**(535 000)**	(185 000)
Options expired	**-**	-
Outstanding options 31.12	**1 470 000**	535 000
Of which exercisable	**1 470 000**	535 000

Equity transaction
During 2019, 535 000 of the outstanding options were exercised. The transactions was settled by issuing 535 000 new shares, by a capital increse of NOK 53 500, at the exercise price of NOK 3.20. Following the issuance of new shares, the issued share capital of Vow ASA was 9 617 552.5. Consisting of 96 175 525 shares, each with a par value of NOK 0.10.

The outstanding options are subject to the following conditions:

Expiry date	Average strike price	Number of share options
28.09.2022	17.90	1 470 000

The fair value of the options has been calculated using Black & Scholes option-pricing model.

The calculations are based on the following assumptions:
Share price on the grant date
The share price is set to the stock exchange price on the grant date.

The strike price per option
The strike price is the share price on the grant date.

Volatility
It is assumed that historic volatility of comparable shares is an indication of future volatility.

The expected volatility is therefore stipulated to be the same as the historic volatility, which equals a volatility of 40.0 per cent.

The term of the option
It is assumed that 100 per cent of the employees will exercise the options once they are exercisable.

Granted options as of 31.12.19 expires 28.09.2022

Dividend
The estimated dividend per share is NOK 0 per annum.

Risk-free interest rate
The risk-free interest rate is set equal to a weighted average calculation of interest rate on government bonds during the term of the option, and is set at 1.145 per cent at year-end 2019.

NOTE 07 OTHER OPERATING EXPENSES, REMUNERATION TO AUDITOR AND TRANSACTION- AND INTEGRATION COSTS

Other operating expenses include:

(Amounts in NOK million)	**2019**	2018
Travelling expenses	**7.8**	4.3
Lease expenses	**3.1**	5.3
Consultant's and other fees	**9.1**	7.5
Other office expenses	**4.0**	3.8
Insurance fees	**2.6**	1.8
Other expenses	**1.2**	0.5
Total	**27.8**	23.3

Remuneration to auditor is allocated as specified below:

(Amounts in NOK million)	**2019**	2018
Statutory audits	**1.3**	1.1
Other assurance services	**0.1**	-
Tax consultancy	**0.2**	0.3
Total, excl. VAT	**1.6**	1.4

Transaction-and integration cost, non – recurring items.
The group has incurred costs of a non-recurring nature of NOK 18.6 million in the second half of 2019 following the acquisition of ETIA. This is a combination of transaction costs for the acquisition process and costs for the further investments in and integration with ETIA. These costs are related to strategic analyses and review work by an external party on the significant market opportunities. In addition the group incurred costs of NOK 0.6 million in the first half of 2019 in relation to transfer of listing from Oslo Axess to Oslo Børs. In total costs of NOK 19.2 million incurred in 2019.

NOTE 08 INVENTORIES

Inventories include:

(Amounts in NOK million)	**31.12.2019**	31.12.2018
Cost of goods (at cost)[1]	**6.3**	4.5
Business combination	**3.0**	-
Total inventories at cost	**9.3**	4.5

1) Inventory is used both for input in construction contracts (raw materials) and for Aftersales.

NOTE 09 TRADE RECEIVABLES

(Amounts in NOK million)	**31.12.2019**	31.12.2018
Gross trade receivables	**138.7**	62.6
Allowance for doubtful debts	**(3.1)**	-
Net trade receivables	**135.6**	62.6

Trade receivables are non-interest bearing and generally on 30-60 day terms.

The allowance for doubtful debts primarily relates to accruals made in the opening balance sheet for the ETIA group.

It is considered that there is no impairment on trade receivables in 2018 or additional in 2019. Scanship has close on-going contact with and good knowledge of the customers. The trade receivables are reviewed regularly and evaluated for possible impairment.

As of 31.12, the aging analysis of trade receivables is as follows:

			Past due but not impaired			
(Amounts in NOK million)	**Total**	Neither past due nor impaired	<30 days	30-60 days	61-90 days	> 90 days
31.December 2019	**133.5**	58.5	24.3	8.6	10.2	31.9
31.December 2018	**62.6**	33.3	7.2	6.1	1.7	14.2

There are no disputes on the total amounts past due 60 days, but as noted above the group has an allowance for doubtful debts primarily related to the opening balance sheet for the ETIA group.

NOK 71.5 million of the past due balance per 31 December 2019 has been paid down subsequent to 31 December 2019.

NOTE 10 OTHER RECEIVABLES

Other receivables include:

(Amounts in NOK million)	**31.12.2019**	31.12.2018
VAT receivable	**8.1**	5.5
Prepaid expenses and other items	**11.1**	5.6
Receivables "SkatteFUNN"/tax benefits	**5.8**	1.4
Subsidies [1]	**2.0**	-
Other items	**5.6**	3.5
Total	**32.6**	16.0

NOK 16.6 million of other receivables per 31 December 2019 relates to the ETIA business combination.

1) Subsidies relates to a R&D specific project delivered by the subsidiary Ascodero Robotics S.A.S in partnership with a French industrial player. The project involves the delivery of high-tech robotics to produce and create materials in need of enhanced qualities in regards to strength and weight. The project is subsidised by the French region Haut de France.

NOTE 11 CASH AND CASH EQUIVALENTS

(Amounts in NOK million)	**31.12.2019**	31.12.2018
Bank deposits	**85.5**	7.0
Total cash and cash equivalents	**85.5**	7.0
Of this:		
Restricted cash for withheld taxes from employees salaries	**2.4**	1.7

NOTE 12 SHARE CAPITAL AND SHAREHOLDER INFORMATION

	31.12.2019	31.12.2018
Number of outstanding shares at 1 January	**95 640 525**	95 505 525
Number of outstanding shares at 31 December	**106 563 566**	95 640 525
Nominal value NOK per share at 31 December	**0.10**	0.10
Share capital NOK at 31 December	**10 656 356**	9 564 053

Vow ASA has one class of shares with equal rights of all shares.

Share issue in 2019

In March 2019 the board resolved to issue 535 000 shares with a subscription price of NOK 3.2 in connection with stock options exercised in the group's employee stock option programme. The new share capital was registered in the company register 2 April 2019.

In October 2019, the board resolved to issue 3 888 041 shares to the sellers as part of the consideration in the acquisition of ETIA S.A.S. by the subsidiary Scanship AS. The shares had a fair value of NOK 15.8 per share on closing. The new share capital was registered 17 October 2019.

A private placement of 6 500 000 shares with a subscription price of NOK 16.50 was completed in November 2019. The private placement generated net proceeds of NOK 100.8 million. The new share capital was registered in the company register on 13 November 2019.

Dividend

The group paid a dividend of NOK 0.1 per share in June 2019, amounting to a total of NOK 9.6 million.

Largest shareholders of Vow ASA > 1% : 31.12.2019

Name	Number	% Share
Ingerø Reiten Inv. Company AS [1]	27 016 822	25.4%
Daler Inn Limited	10 600 000	9.9%
Exproco Limited	10 560 000	9.9%
Badin Invest Limited	10 500 000	9.9%
Sparebank 1 Markets As [1]	5 101 804	4.8%
Trethom AS [2]	4 111 111	3.9%
Citibank, N.A.	3 416 096	3.2%
Clearstream Banking S.A.	2 723 904	2.6%
Fondsavanse As	1 968 390	1.8%
Vicama AS	1 920 000	1.8%
Goldman Sachs International	1 763 148	1.7%
Simbas Investment Company AS	1 280 000	1.2%
Deutsche Bank Aktiengesellschaft	1 197 267	1.1%
Avanza Bank AB	1 189 861	1.1%
Total	83 348 403	78.2%

1) Chair of the Board, Narve Reiten, and board member Bård Brath Ingerø, has a total ownership of 32 345 000 shares in Vow ASA, corresponding to 30.4 per cent. 5 328 178 shares are owned through a forward contract, with maturity 15 May 2020.
2) Eigel Ingvar Thom has full ownership of Trethom AS, and holds a total ownership, direct and indirect, of 5.3 per cent of the shares.

Number of shares owned by group management and board of directors:

Name	Number of shares in	% Share
Ingerø Reiten Investment Company AS [1]	32 345 000	30.35%
Henrik Badin (CEO)	10 500 000	9.85%
Asgeir Wien (CDO)	10 600 000	9.95%
Johnny Hansen (COO)	10 560 000	9.91%
Total	64 005 000	60.1%

1) Ingerø Reiten Investment Company AS is owned by the chairman of the board Narve Reiten (65 per cent), andboard member Bård Brath Ingerø (35 per cent).

NOTE 13 BORROWING

Long-term borrowing

(Amounts in NOK million)	**31.12.2019**	31.12.2018
Other long term interest-bearing debt	**83.3**	0.9
Conditional loans related to R&D (ETIA)	**9.4**	-
Balance 31 December	**92.7**	0.9

The group has a NOK 85 million loan (DnB ASA) which was used as financing for the cash consideration in the purchase of ETIA (as described in the business combination note) NOK 75,6 million out of this is classified as long-term as of 31 December 2019, NOK 9.4 million is classified as short-term. The loan has an interest rate currently at NIBOR 3M + 4.5% p.a.

The group has long-term borrowing facility of NOK 0.5 million (DnB ASA), related to financing of company cars.

Short-term borrowing

(Amounts in NOK million)	**31.12.2019**	31.12.2018
Other short term interest-bearing debt	**16.5**	-
Balance 31 December	**16.5**	-

Bank overdraft / trade finance facility:

(Amounts in NOK million)	**31.12.2019**	31.12.2018
Bank overdraft facility	**16.3**	(0.5)
Trade finance facility	**4.3**	2.6
Balance 31 December	**20.6**	2.1

The group has a bank overdraft facility (DnB ASA) with a limit of NOK 50 million.
The interest rate for the bank overdraft facility is currently NIBOR 1M + 2.2% p.a.
The trade finance facility (DnB ASA) has a limit of NOK 15 million.

Covenants
The subsidiary Scanship AS has the following covenants for loans, bank overdraft and trade finance facility in DnB ASA, which are relevant to measure as of 31 December 2019:

- Utilisation of the bank overdraft and trade finance facility limits not to exceed 50 per cent of the sum of trade receivables and contracts in progress (13.2 per cent at 31 December 2019)
- Equity + subordinate loans minimum 30 per cent of the total capital (41.9 per cent at 31 December 2019)
- Minimum equity ratio of 8 per cent of the yearly gross sales (26.8 per cent at 31 December 2019)
- Any additional loan raised in Scanship AS to be approved by DNB ASA

Scanship AS, and the group, is not in breach with the covenants as of 31 December 2019.

Mortgages
Book value of assets securing the bank loan and overdraft facility:

(Amounts in NOK million)	**31.12.2019**	31.12.2018
Property, plant and equipment	**20.5**	3.2
Inventory	**9.3**	4.5
Trade receivables	**135.6**	62.6
Total value of assets pledged	**165.4**	70.3

Reconciliation of liabilities from financing activities

(Amounts in NOK million)	Borrowings	Bank overdraft and trade finance facility	Leasing lialities	**Total**
At 1.1.2019	0.9	2.1	12.5	**15.4**
Proceeds from borrowings	85.0	-	-	**85.0**
Repayment of borrowings	(1.1)	-	-	**(1.1)**
Payment of lease liabilities	-	-	(4.7)	**(4.7)**
Net use of bank overdraft and trade finance facility	-	19.5	-	**19.5**
Interests paid	-	(0.9)	-	**(0.9)**
Total	84.8	20.6	7.8	**113.3**
Non-cash changes				
Business combination	25.1	-	11.4	**36.5**
New leasing contracts	-	-	2.4	**2.4**
Effect of exchange differences	(0.6)	-	(0.2)	**(0.8)**
Total non-cash changes	24.5	-	13.6	**38.1**
At 31.12.2019	109.3	20.6	21.4	**151.4**

(Amounts in NOK million)	Borrowings	Bank overdraft and trade finance facility	Total
At 1.1.2018	1.1	20.8	**21.9**
Proceeds from borrowings	-	-	**-**
Repayment of borrowings	(0.2)	-	**(0.2)**
Net use of bank overdraft and trade finance facility	-	(17.9)	**(17.9)**
Interests paid	-	(0.9)	**(0.9)**
Total	0.9	2.1	**2.9**
At 31.12.2018	0.9	2.1	**2.9**

NOTE 14 CONVERTIBLE LOAN AND FAIR VALUE ADJUSTMENT OF CONVERSION RIGHTS

A part of the settlement (as further described in the business combination note) of the purchase price for ETIA is a sellers' credit of EUR 4.2 million (vendor notes) payable 9 months after closing. The vendor notes are interest free and have 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 are valued at fair value at transaction, for both principal and the conversion right. Subsequently the principal is measured to its amortised cost and the conversion right are measured at its fair value as described:

- The vendor notes are discounted using an applied interest rate to reflect the net present value. If converted, the debt will be recognised as paid in equity.
- The conversion rights are valued using an option pricing model – if converted the value will be recognised as paid in equity. Change in the calculated value of the conversion rights is recognised in the P&L under financial items.

The change in fair value of the conversion rights, from the transaction date to year end, was NOK 20.3 million, mainly due to the significant increase in the share price of Vow ASA in the period from closing on 15 October 2019 at 15.80 per share to NOK 30.00 per share as of 31 December 2019. The change is recognised in the P&L as a fair value change under financial items.

This fair value adjustment of the conversion rights is therefore a calculatory finance cost in accordance with IFRS 9 / IAS 32 and will not have any cash effect for the Vow ASA group.

Balance sheet value of convertible debt at 31.12.2019

(Amounts in NOK million)	31.12.2019
Amortised cost – vendor notes	40.1
Fair value – conversion rights	25.0
Total	65.0

NOTE 15 OTHER CURRENT LIABILITIES

(Amounts in NOK million)	**31.12.2019**	31.12.2018
Public duties payable	**7.5**	3.1
Short term loan – related parties (ETIA)	**0.3**	-
Other payables and accruals for incurred costs	**12.9**	7.6
Total	**20.7**	10.7

Approx. NOK 3.1 million of Public duties payable, NOK 2.3 million of Other payables and the total amount of short term loan from related party (see note 17 b)) originates from the business combination.

NOTE 16 EARNINGS PER SHARE

Basic EPS is calculated by dividing the profit for the year attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on exercise of the share options into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	2019	2018
Profit for the year *(NOK million)*	**(13.5)**	26.3
Weighted average number of shares outstanding	**97 724 946**	95 512 963
Earnings per share (NOK per share) :		
- Basic	**(0.14)**	0.28
- Diluted	**(0.14)**	0.28

NOTE 17 RELATED PARTY DISCLOSURES

The Consolidated Financial Statement is prepared for Vow ASA as is the ultimate parent. Vow ASA is the owner, direct or indirect, of 100 per cent of the shares in Scanship AS, Scanship Americas Inc., Scanship Poland Sp z o.o . and ETIA Ecotechnologies S.A.S. In addition, Scanship AS has 70 per cent ownership in CHX Maritime Inc. See section (c) for total overview.

(a) Purchases :

(Amounts in NOK million)			**2019**	2018
By	**Purchase of services from**	**Description of services**		
ETIA Ecotechnologies S.A.S	LCFI S.A.S [1)]	Mngmnt./Consultancy	**0.7**	-
ETIA Ecotechnologies S.A.S	SCFI S.A.S [2)]	Mngmnt./Consultancy	**0.7**	-
ETIA Ecotechnologies S.A.S	LSI S.A.S [3)]	Property rental/lease	**0.3**	-
Total			**1.7**	-

1) *LCFI S.A.S is wholly owned by Mr Olivier Lepez, co-founder of ETIA Ecotechnologies S.A.S.*
2) *SCFI S.A.S is wholly owned by Mr Philippe Sajet, co-founder of ETIA Ecotechnologies S.A.S.*
3) *LSI S.A.S is equally owned by Mr Olivier Lepez and and Mr Philippe Sajet.*

Transactions from LCFI S.A.S and SCFI S.A.S relates to work performed by co-founder and CEO of ETIA group Olivier Lepez and co-founder and CTO Philippe Sajet. The transactions are based on a fixed rate according to agreements, and allocated to "Salary expenses" in the P&L. LSI S.A.S is the owner of the office and warehouse facilities ETIA Ecotechnologies rents, and is recognised as an item under IFRS16. See further information regarding IFRS16 in note 24- Leasing.

(b) Balance with related parties:

(Amounts in NOK thousands)	**Liabilities**	**31.12.2019**	31.12.2018
Liabilities in			
ETIA Ecotechnologies S.A.S	LCFI S.A.S	**2.9**	-
ETIA Ecotechnologies S.A.S	SCFI S.A.S	**2.5**	-
ETIA Ecotechnologies S.A.S	LSI S.A.S	**1.1**	-
Biogreen Africa S.A.S [3]	Florent Bourgarel [1]	**0.3**	-
Total liabilities to related parties		**6.8**	-

Liabilities toward related parties are not interest bearing.

1) Mr Florent Bourgarel, owner of 31.16 per cent of the shares in Biogreen Africa S.A.S, has lent EUR 35 000 to the company.

(c) Overview of subsidiaries:
The following subsidiaries are included in the consolidated financial statements:

Company	Date of acquisition/ Incorporation	Country of incorporation	% equity and voting share
Scanship Americas Inc.	01.12.2008	USA	100%
Scanship Canada Inc. [1]	14.07.2011	Canada	100%
Scanship AS	01.03.2007	Norway	100%
Scanship Poland Sp z o.o.	12.08.2014	Poland	100%
CHX Maritime Inc. [2]	06.07.2015	USA	70%
ETIA Ecotechnologies S.A.S [3]	15.10.2019	France	100%
Ascodero Productique S.A.S [3]	15.10.2019	France	93%
VT Green S.A.S	15.10.2019	France	100%
Biogreen Africa S.A.S [3]	15.10.2019	France	57%

1) The company is under liquidation.
2) The company's main objective is to develop an exhaust gas management system.
3) The transaction in relation to the aquisition of Etia Ecotechnologies S.A.S was closed 15 October 2019. The ETIA transaction has accounting effect from 1 October 2019. For further information please see note 4.

Remuneration to management and Board of directors:
See note 6.

NOTE 18 TAX

Specification of income tax:

(Amounts in NOK million)	**2019**	2018
Income tax payable	**1.0**	0.3
Change in deferred tax	**5.2**	6.8
Total income tax expenses	**6.2**	7.1

Specification of temporary differences and deferred tax:

(Amounts in NOK million)	**31.12.2019**	31.12.2018
Property, plant and equipment	**21.3**	(11.6)
Construction contracts	**166.2**	142.3
Inventories	**(1.7)**	(1.8)
Financial instruments and other receivables	**0.1**	(3.4)
Receivables	**(0.5)**	-
Leasing	**(0.3)**	-
Tax loss carryforward	**(75.9)**	(69.1)
Total temporary differences	**109.2**	56.4
Not recognised tax loss carry forward	**4.9**	2.9
Not recognised temporary differences on Government funding ("Skattefunn")	**4.8**	4.3
Total basis for deferred tax	**118.9**	63.6
Net deferred tax liability 22%	**26.2**	14.0

Reconciliation of effective tax rate:

(Amounts in NOK million)	**2019**	2018
Profit before income tax	**(7.3)**	33.4
Expected income tax assessed at the tax rate for the parent company 22% (23%)	**(1.6)**	7.7
Adjusted for tax effect of the following items:		
Permanent differences	**6.2**	(0.3)
Effect of other tax rate in subsidiaries in the U.S and Canada	**1.0**	0.3
Effect of change of tax rate from 23% (24%)	**-**	(0.6)
Unrecognised deferred tax assets	**0.5**	-
Total income tax expenses	**6.2**	7.1

NOTE 19 PROPERTY, PLANT AND EQUIPMENT

2019:

(Amounts in NOK million)	Office furniture and equipment
Cost:	
At 1 January 2019	12.0
Business combination	16.6
Additions	4.6
Disposals	(1.2)
Translation difference	(0.3)
At 31 December 2019	31.6
Depreciation and impairment:	
At 1 January 2019	(8.7)
Depreciation this year	(2.4)
At 31 December 2019	(11.1)
Carrying amount at 31 December 2019	20.5
Useful life	3-10 years
Depreciation method	linear
Cost:	
At 1 January 2018	10.1
Additions	1.9
At 31 December 2018	12.0
Depreciation and impairment:	
At 1.1.2018	(7.7)
Depreciation this year	(1.0)
At 31 December 2018	(8.7)
Carrying amount at 31 December 2018	3.2

NOTE 20 INTANGIBLE ASSETS

The group has several different ongoing development projects developing waste to energy-, waste- and waste water solutions, in order to strengthen the competitiveness and meet the new and stricter requirements and new industry standards.

The group assesses yearly each project whether there is any indication that the asset may be impaird. A discounted cash-flow analysis is prepared for each on-going project and compared with the asset's booked value. No impairment for 2019 has been identified.

A significant part of the product development cost consists of working hours performed by Scanship's own employees.

2019:

(Amounts in NOK million)	R&D	Technology[1]	Goodwill[1]
Cost:			
At 1 January 2019	45.5	-	-
Business combination [1]	15.4	33.2	138.9
Additions [2]	18.2	-	-
Translation difference	(0.3)	(0.7)	(2.8)
At 31 December 2019	78.8	32.5	136.1
Amortisation and impairment:			
At 1 January 2019	(7.2)	-	-
Amortisation [2]	(2.8)	(0.8)	-
At 31 December 2019	(10.0)	(0.8)	-
Carrying amount at 31 December 2019	68.8	31.7	136.1
Useful life	3-15 years	10 years	
Depreciation method	linear	linear	

[1] See Note 4 Business combination for further information
[2] Useful life is expected to be 3 to 15 years for finalised R&D projects, dependent on the nature of the asset. Each asset/project is assessed individually.

Additions consist of internally developed intangible assets and purchase of goods and services related to the internally developed intangibly assets. As of 31 December 2019, NOK 66.9 million of carrying amount are still under development, while NOK 19.2 million is related to finalised projects which are subject to amortisation. NOK 13.9 million and NOK 5.2 million originates from the Business combination respectively. Funding from "Skattefunn" has reduced the total cost with NOK 7.8 million, while funding from "Innovasjon Norge" and EU have both reduced the total cost with NOK 1.4 million (NOK 2.8 million combined).

2018:

(Amounts in NOK million)	R&D
Cost:	
At 1 January 2018 [1]	36.1
Additions [2]	9.4
At 31 December 2018	45.5
Amortisation and impairment:	
At 1 January 2018	(4.8)
Amortisation [2]	(2.4)
At 31 December 2018	(7.2)
Carrying amount at 31 December 2018	38.3

1) This consists of 9 different projects focusing on energy generation, water reuse and optimizing waste management. Funding from "Skattefunn" and "Innovasjon Norge" has reduced the total cost with NOK 6.8m and NOK 1.4m respectively.
2) Useful life is expected to be 3 to 15 years.
3) The group impaired NOK 0.2m, related to one project, as it was assessed to have no future value. The project has not been part of any refund arrangements, such as e.g."Skattefunn".

Additions consist of internally developed intangible assets and purchase of goods and services related to the internally developed intangibly assets. No intangible assets are acquired through business combinations. As of 31 December 2018, approx. NOK 32.6 million of carrying amount are still under development, while NOK 7.8 million are related to finalised projects which are amortised.

NOTE 21 FINANCE INCOME AND COSTS

Finance income:

(Amounts in NOK million)	2019	2018
Interest income	0.1	-
Foreign exchange gain	8.5	3.9
Total finance income	**8.6**	3.9
Finance costs:		
Interest expense	3.4	1.1
Foreign exchange loss	9.1	3.4
Interest expense – leasing	0.6	-
Loss on FX derivatives	0.7	-
Other financial cost	0.5	-
Fair value adjustment conversion rights	20.3	-
Total finance costs	**34.5**	4.5

Interest expense – leasing, see further information in note 24 – Leases.

NOTE 22 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

(Amounts in NOK million)	Category	31.12.2019	31.12.2018
Financial assets:			
Trade receivables	Fair Value through profit and loss	135.6	62.6
Other receivables 1)	Fair Value through profit and loss	5.8	1.4
Cash and cash equivalents	Fair Value through profit and loss	85.5	7.0
Total financial assets		**225.9**	71.0
Financial liabilities:			
Non-current borrowings	Financial liabilities measured at amortised cost	92.7	0.9
Non-current lease liability	Financial liabilities measured at amortised cost	14.9	-
Current borrowings	Financial liabilities measured at amortised cost	16.5	-
Financial instruments (derivates)	Fair Value through profit and loss	(0.1)	3.4
Trade creditors	Financial liabilities measured at amortised cost	69.2	44.3
Share option plan 2)	Financial liabilities measured at amortised cost	1.0	0.3
Bank overdraft facility	Financial liabilities measured at amortised cost	16.3	(0.5)
Trade finance facility	Financial liabilities measured at amortised cost	4.3	2.6
Convertible loan 3)	Financial liabilities measured at amortised cost	40.1	-
Embedded derivative (Convertible loan) 3)	Fair Value through profit and loss	25.0	-
Other current liabilities 2)	Financial liabilities measured at amortised cost	20.7	10.7
Total financial liabilities		**299.9**	61.7

All amounts in the table are booked values.

1) VAT receivable and prepaid expenses are excluded since they are not defined as financial instruments.
2) See note 15
3) See note 14

(b) Fair value of financial instruments
The carrying amount of trade receivables, other receivables and cash and cash equivalents are approximately equal to fair value since these instruments have a short term maturity. Similarly, the carrying amount of trade creditors and other current liabilities are approximately equal to fair value since the effect of discounting is not significant. Fair value of the bank overdraft facility and Trade credit facility with DNB ASA is equal to the book value since a floating interest is agreed.

(c) Financial risk
The most significant financial risks which affect the group are listed below. The management performs a continuous evaluation of these risks and determines policies related to how these risks are to be handled within the group.

During the first quarter of 2020, the corona pandemic (covid-19) has created increased uncertainty and a disruption to the global economy. The situation also impacts the various risk factors that the Vow group is exposed to, including, but not limited to, the market risk and liquidity risk.

d) Credit risk:
Carrying amounts of financial assets presented above represents the maximum credit exposure. The group is mainly exposed to credit risk related to trade receivables. The customers are basically large cruise ship owners and shipyards in Europe with satisfactory credit history. The credit risk is mainly related to newbuilding contracts where a few yards are counterpart. This is increasing the credit risk. However due to nature of newbuilding financing the management considers the overall risk of loss on receivables to be relatively low. The group has not provided any guarantees for third parties' liabilities.

The group has with effect from 1.4.2017 also entered into a credit risk insurance agreement (kredittforsikring) on its trade receivables. This agreement with a Nordic insurance company covers the potential losses incurred by Scanship AS on its trade receivables, subject to certain restrictions, and reduces the ultimate credit risk for the group substantially. In addtion, the group entered into a NOK 15.0 million trade finance facility during 2018. The insurance agreement and trade finance facility is an additional risk mitigating factor.

See note 9 for information about the aging analysis of trade receivables.

e) Liquidity risk:
Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. The liquidity risk for the group is primarily related to the timing of the payments on its trade receivables from the shipyards in Europe on the Newbuild projects. Certain of the shipyards exercises longer ayment terms than other shipyards. Scanship has a close and on-going contact with all its shipyard customers, and have had so for many years. Managing this relationship is one of the key factors for Scanship in the daily management of its liquidity risk. Historically, Scanship has had very limited losses on its accounts receivable. So even though the payments from the shipyards in certain periods have been delayed beyond the agreed credit term, they have historically always paid their liabilities. Scanship also has a certain flexibility in its own supplier base, whereby longer payment terms sometimes are agreed with suppliers in periods were the payments are delayed from the customers. Management of the liquidity risk is a prioritised task by Scanship management.

The group also has relatively higher liquidity risk on Newbuild projects as the group receives payments late in the projects, as compared to Retrofit projects, where the group receives payments after meeting certain milestones. Although the milestones are setup to enable a positive net cashflow on the projects, a delay in the retrofit projects will naturally also increase the liquidity risk.

31 December 2019:

(Amounts in NOK million)	0-6 months	6-12 months	1-5 years
Payments on non-current borrowings	0.1	9.5	94.0
Current borrowings	16.5	-	-
Trade creditors	69.2	-	-
Bank overdraft facility	-	16.3	-
Trade credit facility	4.3	-	-
Leases 1)	3.3	3.3	14.9
Total	93.4	29.1	108.9

1) See note 24

31 December 2018:

(Amounts in NOK million)	0-6 months	6-12 months	1-5 years
Payments on long term borrowings	0.1	0.1	0.7
Trade creditors	44.3	-	-
Bank overdraft facility	-	(0.5)	-
Trade credit facility	2.6	-	-
Leases 1)	6.9	4.4	29.3
Total	53.9	4.0	30.0

f) Foreign exchange rate risk:
The group is exposed to foreign exchange rate risk related to the value of NOK relative to other currencies, both through ownership of foreign companies (see note 17 c)) and through sales in different currencies than the nominal currency (NOK) . Mitigation of exchange rate risk in cash flows nominated in other currencies than NOK is done through derivative instruments against specific construction contracts (see note 21, forward currency contracts), where the net exposure of revenue/purchase are secured.

Exchange rate risk related to the specific group company is assessed as low as the margin remains independent of currency fluctuations. See also note 2.4

1%-point change in the NOK/EUR exchange rate would had an effect of NOK 1.6 million in revenue, and NOK 1.1 million on result before tax.

g)) Interest rate risk:
The interest rate on the long term bank loan, overdraft and trade credit facilitues are floating. Hence, the group has an exposure to interest rate fluctuations. The group does not have any interest rate derivatives.

A change in interest rate of 1%-point would have an effect of NOK 0.3 million on the financial statement.

Capital Management
For the purpose of the group's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the group's capital management is to maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

NOTE 23 UNREALISED CHANGE FAIR VALUE FX DERIVATIVES

(Amounts in NOK million)	**2019**	2018
Forward Currency Contracts	**0.1**	(3.4)

The foreign currency options are mark to market, based on an external valuation provided by the contractual counterpart. The contracts are valued using option pricing techniques, which employ the use of various inputs including foreign exchange spot and forward rates, the time to maturity and volatility.

The group uses forward currency contracts to reduce the currency exposure on sales in EUR. See note 22 for discussion of currency risk. The group does not apply hedge accounting for it's derivative contracts, hence the contracts are measured at fair value through profit and loss. In total these contracts have a nominal value of EUR 8.4 million as of 31.12.19, where EUR 3.2 million matures in 2020, EUR 3.6 million matures in 2021 and EUR 1.6 million are due in 2022.

Fair value measurements recognised in the statement of financial position:
The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Amounts in NOK million)		Level 1	Level 2	Level 3
Derivative financial assets/(liabilities)	31.12.2019	-	0.1	-
Derivative financial assets/(liabilities)	31.12.2018	-	(3.4)	-

NOTE 24 LEASES

Adoption of IFRS 16
On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principle of IAS 17 leases. These liabilities were measured at the present value of the remaining lease payments, discounted with an interest rate of 3.26 per cent. Leases with a lease term less than 12 months are accounted for as short-term leases. Low-value leases are also not capitalized.

Adjustments recognised on adoption of IFRS 16:

(Amounts in NOK million)	1 January 2019
Operating lease commitments disclosed as at 31 December 2018	13.8
Short-term leases recognised as expenses	(0.8)
Low value leases recognised as expenses	(0.4)
Renewal options and other adjustment	0.3
Discounting effect	(0.4)
Lease liability recognised as at 1 January 2019	12.5

Lease liabilities recognised:

(Amounts in NOK million)	**31.12.2019**	01.01.2019
Current lease liabilities	**6.6**	3.9
Non-current lease liabilities	**14.9**	8.6
Total	**21.4**	12.5

Right-of-use assets were measured at the amount equal to the lease obligation.

Right of use assets in the balance sheet :

(Amounts in NOK million)	Properties	Equipment	Cars	**Total**
At 1.1.2019	11.1	-	1.4	**12.5**
Additions	1.0	1.2	0.3	**2.4**
Business combination	11.1	0.3	-	**11.4**
Depriciation	(4.2)	(0.2)	(0.5)	**(4.9)**
Effect of exchange differences	(0.2)	0.0	-	**(0.2)**
Carrying amount at 31.12.2019	18.8	1.3	1.1	**21.2**

Other effects in the statement of profit and loss

(Amounts in NOK million)	**2019**
Interest expense	**0.5**
Expense relating to short-term leases	**0.2**
Expense relating to low value leases	**0.3**

NOTE 25 CONTINGENT LIABILITIES

Contingent liabilities:
The group has not received any claims nor is it involved in any disputes.

Guarantees:
For late delivieres the customers can give Scanship penalties according to contract.
All customer contracts for system deliveries inclued 1-2 years limited guarantee against product failure.

NOTE 26 EVENTS AFTER THE REPORTING PERIOD

New contracts signed
The group has so far in 2020 further expanded its presence on land-based markets in Scandinavia through a new biochar project in Helsingborg. Through the subsidiary ETIA, the group has also been awarded a plastic to fuel deal with test plant in the oil refining and petrochemical industry. Further contracts has also been awarded within cruise newbuilding.

COVID-19 virus situation
After the reporting period the covid-19 virus situation has affected the world significantly. For the group at this point, all existing newbuild projects are continuing with only minimal adjustments in the plans. The shipyards ask for reassurance that Vow's deliveries are in progress and Vow has confirmed that its supply chain remains intact and that deliveries are being prepared according to plan. Vow's current projects and deliveries during 2020 are all for cruise newbuilds scheduled to enter operations in 2022 and later.

For the Aftersales business segment certain of the operations are likely to see a slow-down in the second quarter this year. At the same time most cruise ships are docked but kept warm, having its crew onboard awaiting to resume operations. Most Vow systems are therefore in operations.

With the acquisition of ETIA last year, Vow became diversified by delivering its technology also in several land-based markets. The group is experiencing continuing demand in this business segment and are in discussions with several clients for system deliveries.

STATEMENT OF INCOME – VOW ASA

(Amounts in NOK million)	*Note*	**2019**	2018
Revenues		**-**	-
Total operating revenue		**-**	-
Employee expenses	*4*	**(1.2)**	(0.9)
Other operating expenses	*4*	**(2.4)**	(1.9)
Operating profit (EBIT) before non-recurring items		**(3.6)**	(2.8)
Costs for transfer of listing to Oslo Børs	*4*	**(0.6)**	-
Operating profit (EBIT)		**(4.2)**	(2.8)
Finance income	*5, 10*	**2.3**	0.2
Finance expenses	*5*	**(1.3)**	-
Fair value adjustments, conversion rights	*5, 14*	**(20.3)**	-
Net financial items		**(19.2)**	0.2
Result before tax		**(23.4)**	(2.6)
Income tax (expense)/ income	*6*	**0.7**	0.3
Result for the year		**(22.7)**	(2.3)
Earnings per share (NOK per share)			
- Basic	*15*	**(0.23)**	(0.02)
- Diluted	*15*	**(0.23)**	(0.02)

STATEMENT OF OTHER COMPREHENSIVE INCOME – VOW ASA

(Amounts in NOK million)	**2019**	2018
Result for the year	**(22.7)**	(2.3)
Other comprehensive income	**-**	-
Total other comprehensive income	**-**	-
Total comprehensive income for the year	**(22.7)**	(2.3)

STATEMENT OF FINANCIAL POSITION – VOW ASA

(Amounts in NOK million)	*Note*	**31.12.2019**	31.12.2018
ASSETS			
Non-current assets			
Deferred tax asset	*6*	**7.1**	6.4
Investment in subsidiaries	*7*	**227.0**	226.0
Subordinated intercompany loans	*10*	**107.2**	-
Total non-current assets		**341.3**	232.4
Current assets			
Receivables intercompany	*10*	**45.5**	7.4
Cash and cash equivalents	*9*	**52.4**	0.5
Total current assets		**97.9**	8.0
Total assets		**439.2**	240.4
EQUITY AND LIABILITIES			
Equity			
Share capital	*11*	**10.7**	9.6
Share premium	*11*	**341.2**	178.3
Retained earnings		**19.9**	51.2
Total equity		**371.8**	239.1
Liabilities			
Current liabilities			
Convertible loan	*14*	**65.0**	-
Trade payables		**1.4**	0.1
Other current liabilities	*13*	**1.0**	1.2
Total current liabilities		**67.4**	1.3
Total liabilities		**67.4**	1.3
Total equity and liabilities		**439.2**	240.4

Lysaker, Norway, 27 April 2020
The board of directors and CEO – Vow ASA

Narve Reiten
Chairman

Bård Brath Ingerø
Board member

Benedicte Bakke Agerup
Board member

Susanne L. R. Schneider
Board member

Henrik Badin
Chief executive officer

STATEMENT OF CHANGES IN EQUITY – VOW ASA

2019

(Amounts in NOK thousand)	*Note*	Share capital	Share premium	Retained earnings	**Total**
Equity at 31.12.2018		9 564	178 331	51 235	**239 129**
Result for the year		-	-	(22 716)	**(22 716)**
Other comprehensive income		-	-	-	**-**
Total comprehensive income		-	-	(22 716)	**(22 716)**
Share capital increase - stock option excersise, March 2019	*11*	54	1 658	-	**1 712**
Share capital increase - business combination Oct. 2019	*11*	389	61 042	-	**61 431**
Share capital increase - private placement Nov. 2019	*11*	650	106 601	-	**100 816**
Options in subsidiaries		-	-	1 043	**1 043**
Transaction costs - private placement Nov. 2019		-	(6 435)	-	**(6 435)**
Dividends		-	-	(9 618)	**(9 618)**
Equity at 31 December 2019		10 656	341 196	19 944	**371 797**

2018

(Amounts in NOK thousand)	Share capital	Share premium	Retained earnings	**Total**
Equity at 31.12.2017	9 551	177 912	53 537	**241 000**
Result for the year	-	-	(2 303)	**(2 303)**
Other comprehensive income	-	-	-	**-**
Total comprehensive income	-	-	(2 303)	**(2 303)**
				-
Increase share capital, paid in cash	14	419	-	**432**
Equity at 31 December 2018	9 564	178 331	51 235	**239 129**

STATEMENT OF CASH FLOW – VOW ASA

(Amounts in NOK million)	*Note*	**2019**	2018
Cash flow from operating activities			
Result before income tax		**(23 407)**	(2 614)
Adjustments:			
Change in trade payables		**1 305**	(356)
Currency translation effects		**94**	-
Interest income	*5, 10*	**(1 433)**	-
Fair value adjustments, conversion rights	*14*	**20 257**	-
Changes in other accruals		**224**	1 179
Net cash flow from operating activities		**(2 960)**	(1 791)
Cash flow from investing activities			
Intercompany receivables	*10*	**(38 063)**	1 773
Net cash flow from investing activities		**(38 063)**	1 773
Cash flow from financing activities			
Proceeds from issuing stock	*11*	**102 527**	432
Dividends paid	*11*	**(9 618)**	-
Net cash flow from financing activities		**92 909**	432
Net change in cash and cash equivalents		**51 887**	414
Cash and cash equivalents at 1 January		**511**	97
Cash and cash equivalents at 31 December		**52 397**	511
Non restricted cash, 31 December		**52 397**	511
Restricted cash, 31 December		**-**	-
Cash 31 December	*9*	**52 397**	511

NOTES TO THE FINANCIAL STATEMENTS – VOW ASA

NOTE 01 GENERAL INFORMATION

Vow ASA is a limited company incorporated 11 April 2011 and is domiciled in Norway, with its Head Office at Lysaker Torg 12, 1366 Lysaker. Currently the company's only business is ownership of shares in Scanship AS.

The company's board approved the financial statements on 21 April 2020.

NOTE 02 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 Basis for preparation
The financial statements of Vow ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with the additional requirements following the Norwegian Accounting Act.

The financial statements have been prepared on a historical cost basis, except for debt with conversion rights (embedded derivative) in relation to the acquisition of ETIA Ecotechnologies S.A.S in the subsidiary Scanship AS, that have been measured at fair value.

2.2 Investment in subsidiaries
Investment in subsidiaries is recognised at cost, less any necessary impairment. Impairment to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Impairments are reversed when the cause and basis of the initial impairment is no longer present.

2.3 Transactions in foreign currency
The functional currency and the presentation of the company is Norske Kroner (NOK). Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Monetary balances in foreign currencies are translated into the functional currency at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.4 Cash and cash equivalents
Cash and the equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

2.5 Trade receivables and trade creditors
Trade receivables and trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, if the amortisation effect is material.

2.6 Financial assets
Non-current financial assets are initially measured at fair value. After initial recognition, these financial assets are measured at amortized cost using the effective interest method less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are impaired or derecognised. Interest effects from the application of the effective interest method and effects from currency translation are recognised through profit or loss.

2.7 Borrowings
All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction/issue costs associated with the borrowing. After initial recognition, interests-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the consideration received net of transaction/issue costs associated with the borrowing and the redemption value, is recognised in the income statement over the term of the loan.

2.8 Derivative financial instruments
Derivative financial instruments are classified in category at fair value through profit or loss. These instruments are measured at fair value with changes in fair value charged to the income statement. The company does not apply hedge accounting.

2.9 Taxes
Income tax expense for the period comprises current tax expense and deferred tax expense. The company is subject to 22 per cent income tax in accordance with the Norwegian company tax.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated on the basis of existing temporary differences between the carrying amounts of assets and liabilities in the financial statement and their tax bases, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realised or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the deferred tax asset can be utilised. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.10 Cost of equity transactions
Transaction costs directly attributable to an equity transaction are recognised directly in equity, net after deducting tax.

2.11 Cash flow statement
The cash flow statement is prepared by using the indirect method.

2.12 Share-based payments
The group has a share-based option plan covering certain employees in senior positions in the subsidiaries. Settlement in shares to employees is made in shares in Vow ASA where the plan is recognised as equity settled share-based payments and against value of shares in the subsidiaries.

2.13 Events after the balance sheet date
The financial statements are adjusted to reflect events after the balance sheet date that provide evidence of conditions that existed at the balance sheet date (adjusting events). The financial statements are not adjusted to reflect events after the balance sheet date that are indicative of conditions that arose after the balance sheet date (non-adjusting events). Non-adjusting events are disclosed if significant.

2.14 Changes in accounting policy and disclosures
New and amended standards and interpretations that has been effective for accounting periods starting on 1st January 2019 does not have any impact on the company's financial statements.

Information regarding new and amended standards and interpretations are provided in note 3 of the consolidated financial statements.

NOTE 03 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in accordance with IFRS requires management to make judgements, use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an on-going basis.

Estimates and assumptions which represent a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities relates mainly to the company's investments in subsidiaries and intercompany loans and receivables. The investment in subsidiaries is recognised at cost, less any necessary impairment. Each year the management apply judgement to assess if there are any indication that the carrying amount is higher than its recoverable amount. If there are any indications of impairment, the management calculate the recoverable amount which implies assessments regarding future cash flows from its subsidiaries. These assessments require substantial judgements.

NOTE 04 OTHER OPERATING EXPENSES, REMUNERATION AND NON-RECURRING COST

Board remuneration:

(Amounts in NOK thousand)	**2019**	2018
Board remuneration	**1 083**	900
Social tax, expenses	**118**	(29)
Total	**1 201**	871

Other operating expenses include:

(Amounts in NOK million)	**2019**	2018
Auditor remuneration	549	535
Consultancy	725	706
Cost related to own shares	1 210	494
Other operating expenses	482	211
Total	2 966	1 947

Remuneration to auditor is allocated as specified below:

(Amounts in NOK thousand)	**2019**	2018
Statutory audits	**480**	535
Other assurance services	**69**	-
Total, excl. VAT	**549**	535

Cost for transfer of listing to Oslo Børs
The company incurred costs of a non-recurring nature of NOK 0.6 million in 2019 related to the transfer of listing from Oslo Axess to Oslo Børs.

NOTE 05 FINANCE INCOME AND COSTS

Finance income:

(Amounts in NOK thousand)	**2019**	2018
Interest income	**64**	-
Intercompany interest income	**1 433**	202
Foreign exchange gain	**811**	4
Total finance income	**2 308**	205

Finance costs:

(Amounts in NOK thousand)	**2019**	2018
Interest expense	**380**	3
Foreign exchange loss	**905**	-
Fair value adjustments, conversion rights	**20 257**	-
Total finance costs	**21 542**	3

NOTE 06 TAX

Specification of income tax:

(Amounts in NOK thousand)	**2019**	2018
Change in deferred tax	**(691)**	(311)
Total income tax expense/(income)	**(691)**	(311)

Specification of temporary differences and deferred tax asset:

(Amounts in NOK thousand)	**2019**	2018
Tax loss carry forward	**(32 183)**	(29 042)
Total basis for deferred tax	**(32 183)**	(29 042)
Deferred tax asset 22%	**(7 080)**	(6 389)

Specification of temporary differences and deferred tax liability:
There are no temporary differences as of 31 December 2018.

Reconciliation of effective tax rate:

(Amounts in NOK thousand)	**2019**	2018
Result before income tax	**(23 407)**	(2 614)
Expected income tax	**(5 149)**	(601)
Adjusted for tax effect of the following items:		
Effect, 2018, of change of tax rate from 23% (24%)	**-**	290
Permanent differences	**4 458**	-
Total income tax expense/(income)	**(691)**	(311)

NOTE 07 INVESTMENT IN SUBSIDIARIES

(Amounts in NOK thousand)	Country of incorporation	% equity and voting share	Equity at 31.12.19	Result for the year 2019
Company:				
Scanship AS	Tønsberg, Norway	100%	77 775	4 715

(Amounts in NOK thousand)	Country of incorporation	% equity and voting share	Equity at 31.12.18	Result for the year 2018
Company:				
Scanship AS	Tønsberg, Norway	100%	72 636	25 132

NOTE 08 OTHER RECEIVABLES

Other receivables include:

(Amounts in NOK thousand)	**31.12.2019**	31.12.2018
VAT receivable	**16**	16
Prepaid expenses and other items	**23**	30
Total	**38**	46

NOTE 09 CASH AND CASH EQUIVALENTS

(Amounts in NOK thousand)	**31.12.2019**	31.12.2018
Bank deposits	**52 398**	511
Total cash and cash equivalents	**52 398**	511

See note 4, 11 and 12 in the consolidated financial statement for the group for more information.

NOTE 10 INTERCOMPANY BALANCES AND TRANSACTIONS

Long-term loans to subsidiaries:

(Amounts in NOK million)	**31.12.2019**	31.12.2018
Scanship AS	**107.2**	-

The long-term loan to the subsidiary Scanship AS is related to the acquisition of ETIA Ecotechnologies S.A.S completed on 15 October 2019. For more information see note 4 in the consolidated financial statement.

Part of the consideration for the shares in ETIA acquired by Scanship AS was settled with the issue of 3 888 041 shares in Vow ASA ordinary shares on the transaction date. Settlement also included a sellers credit (vendor notes) payable 9 months after closing with conversion rights to Vow ASA ordinary shares. Vow ASA granted Scanship AS long-term subordinated loans for these settlements agreed to be made in Vow ASA on behalf of it´s subsidiary.

Receivables from subsidiaries:

(Amounts in NOK million)	**31.12.2019**	31.12.2018
Scanship AS	**45.5**	7.4

Intercompany interest income:

(Amounts in NOK million)	**31.12.2019**	31.12.2018
Scanship AS	**1.4**	0.2

NOTE 11 SHARE CAPITAL AND SHAREHOLDER INFORMATION

	31.12.2019	31.12.2018
Number of outstanding shares at 1 January	95 640 525	95 505 525
Number of outstanding shares at 31 December	106 563 566	95 640 525
Nominal value NOK per share at 31.12.	0.10	0.10
Share capital NOK at 31.12.	10 656 356	9 564 053

Vow ASA has one class of shares with equal rights of all shares.

Share issue in 2019
In March 2019 the board resolved to issue 535 000 shares with a subscription price of NOK 3.2 in connection with stock options exercised in the group's employee stock option programme. The new share capital was registered in the company register 2 April 2019.

In October 2019, the board resolved to issue 3 888 041 shares to the sellers as part of the consideration in the acquisition of ETIA S.A.S. by the subsidiary Scanship AS. The shares had a fair value of NOK 15.8 per share on closing. The new share capital was registered 17 October 2019 .

A private placement of 6 500 000 shares with a subscription price of NOK 16.50 was completed in November 2019. The private placement generated net proceeds of NOK 100.8 million. The new share capital was registered in the company register on 13 November 2019.

Dividend
The group paid a dividend of NOK 0.1 per share in June 2019, amounting to a total of NOK 9.6 million.

Largest shareholders of Vow ASA > 1% : 31 December 2019

Name	Number of shares	% Share
Ingerø Reiten Inv. Company AS [1]	27 016 822	25.4%
Daler Inn Limited	10 600 000	9.9%
Exproco Limited	10 560 000	9.9%
Badin Invest Limited	10 500 000	9.9%
Sparebank 1 Markets As [1]	5 101 804	4.8%
Trethom AS [2]	4 111 111	3.9%
Citibank, N.A.	3 416 096	3.2%
Clearstream Banking S.A.	2 723 904	2.6%
Fondsavanse AS	1 968 390	1.8%
Vicama AS	1 920 000	1.8%
Goldman Sachs International	1 763 148	1.7%
Simbas Investment Company AS	1 280 000	1.2%
Deutsche Bank Aktiengesellschaft	1 197 267	1.1%
Avanza Bank AB	1 189 861	1.1%
Total	83 348 403	78.2%

1) Chair of the Board, Narve Reiten, and board member Bård Brath Ingerø, has a total ownership of 32 345 000 shares in Vow ASA, corresponding to 30.4 per cent. 5 328 178 shares are owned through a forward contract, with maturity 15 May 2020.
2) Eigel Ingvar Thom has full ownership of Trethom AS, and holds a total ownership, direct and indirect, of 5.3 per cent of the shares.

Number of shares owned by management and Board of directors:

Name	Number of shares	% Share
Ingerø Reiten Investment Company AS [1]	32 345 000	30.35%
Henrik Badin (CEO)	10 500 000	9.85%
Asgeir Wien (CDO)	10 600 000	9.95%
Johnny Hansen (COO)	10 560 000	9.91%
Total	64 005 000	60.1%

1) Ingerø Reiten Investment Company AS is owned by the chairman of the board Narve Reiten (65 per cent), and board member Bård Brath Ingerø (35 per cent).

NOTE 12 LONG TERM BORROWING

Vow ASA has per 31.12.19 no long-term loan agreements.

NOTE 13 OTHER CURRENT LIABILITIES

(Amounts in NOK thousand)	**31.12.2019**	31.12.2018
Other payables and accruals for incurred costs	**1 002**	1 166
Total	**1 002**	1 166

NOTE 14 CONVERTIBLE LOAN AND FAIR VALUE ADJUSTMENT OF CONVERSION RIGHTS

A part of the settlement (as further described in the business combination note) of the purchase price for ETIA is a sellers' credit of EUR 4.2 million (vendor notes) payable 9 months after closing. The vendor notes are interest free and have 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 are valued at fair value at transaction, for both principal and the conversion right. Subsequently the principal is measured to its amortised cost and the conversion right are measured at its fair value as described:

- The vendor notes are discounted using an applied interest rate to reflect the net present value. If converted, the debt will be recognised as paid in equity.
- The conversion rights are valued using an option pricing model - if converted the value will be recognised as paid in equity. Change in the calculated value of the conversion rights is recognised in the P&L under financial items.

The change in fair value of the conversion rights, from the transaction date to year end, was NOK 20.3 million, mainly due to the significant increase in the share price of Vow ASA in the period from closing on 15 October 2019 at 15.80 per share to NOK 30.00 per share as of 31 December 2019. The change is recognised in the P&L as a fair value change under financial items.

This fair value adjustment of the conversion rights is therefore a calculatory finance cost in accordance with IFRS 9 / IAS 32 and will not have any cash effect for the Vow ASA group.

Balance sheet value of convertible debt at 31 December 2019:

(Amounts in NOK million)	31.12.2019
Fair value - vendor notes	40.1
Fair value - conversion rights	25.0
	65.0

NOTE 15 EARNINGS PER SHARE

	2019	2018
Profit for the year (NOK thousand)	**(22 716)**	(2 303)
Weighted average number of shares outstanding	**97 724 946**	95 512 963
Earnings per share (NOK per share):		
- Basic	**(0.23)**	(0.02)
- Diluted	**(0.23)**	(0.02)

NOTE 16 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

(Amounts in NOK thousand)	Category	31.12.2019	31.12.2018
Financial assets:			
Subordinated intercompany loans	Loans and receivables	107 167	-
Other receivables	Loans and receivables	38	46
Receivables intercompany	Loans and receivables	45 493	7 430
Cash and cash equivalents	Loans and receivables	52 398	511
Total financial assets		205 096	7 987
Financial liabilities:			
Other current liabilities	Financial liabilities at amortised cost	1 002	1 166
Total financial liabilities		1 002	1 166

Accruals for incurred costs are excluded since they are not defined as financial instruments.

(b) Fair value of financial instruments
The carrying amount of other receivables, receivables intercompany and cash and cash equivalents is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of other current liabilities is approximately equal to fair value since the effect of discounting is not significant.

(c) Financial risk
The most significant financial risks which affect the company are listed below. The management performs a continuous evaluation of these risks and determines policies related to how these risks are to be handled.

(d) Credit risk:
Carrying amounts of financial assets presented above represents the maximum credit exposure. The credit risk related to cash and cash equivalents and other receivables is considered to be immaterial.

(e) Liquidity risk:
Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. The company's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its financial liabilities as they fall due, under normal as well as extraordinary circumstances, without incurring unacceptable losses or risking damage to the company's reputation. If the level of income from the subsidiaries is not sufficient, loans from group companies can be used to enable the company to pay financial liabilities as they fall due.

(Amounts in NOK thousand)	0-6 months	6 - 12 months	1-5 years
31 December 2019			
Other current liabilities	1 002	-	-
Total	1 002	-	-

See note 20 in the consolidated financial statement for further information of the liquidity risk.

f) Foreign exchange rate risk:
The company has no currency risk since all major expenses are nominated in NOK.

NOTE 17 CONTINGENT LIABILITIES

Contingent liabilities:
The company has not been involved in any legal or financial disputes in 2019.

Guarantees:
There are no guarantees issued at 31 December 2019.

NOTE 18 EVENTS AFTER THE REPORTING PERIOD

See note 26 in the consolidated financial statement.

STATEMENT BY THE BOARD OF DIRECTORS AND CEO

We confirm, to the best of our knowledge, that

- The group financial statements for the period from 1 January to 31 December 2019 have been prepared in accordance with IFRS, as adopted by the EU
- The financial statements of Vow ASA for the period from 1 January to 31 December 2019 have been prepared in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway
- The financial statements give a true and fair view of the group's and the company's consolidated assets, liabilities, financial position and results of operations
- The report from the board of directors provides a true and fair view of the development and performance of the business and the position of the group and the company, together with a description of the key risks and uncertainty factors that the group and the company is facing

Lysaker, Norway, 27 April 2020
The board of directors and CEO – Vow ASA

Narve Reiten	Bård Brath Ingerø	Benedicte Bakke Agerup	Susanne L. R. Schneider	Henrik Badin
Chairman	*Board member*	*Board member*	*Board member*	*Chief executive officer*

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Dronning Eufemias gate 6, NO-0191 Oslo
Postboks 1156 Sentrum, NO-0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of VoW ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of VoW ASA, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the statement of financial position as at 31 December 2019, income statement, statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Recognition of revenue from customer contracts over time

A significant part of the Group's revenues relates to customer contracts where revenues are recognized over time. The process of measuring the progress involves judgement and estimates by management related to allocation of the transaction price and estimation of the costs in fulfilling the contract. The duration of the contracts can be several years. The recognition of revenue from customer contracts over time has been a key audit matter due to the estimation uncertainty, the complexity of the contracts and the significance of the amounts involved.

We assessed the application of accounting principles, routines for monitoring the projects and tested controls related to project evaluations and accounting. We discussed the status of projects under construction with management, finance, and technical staff of the Group. We considered the accuracy of

management's prior year assumptions by comparing the actual outcome against prior period estimates. For all new contracts, we tested estimated revenues against contracts. We assessed and tested the Group's process to record contract costs, hours and contract revenues and recalculated the calculation of the stage of completion. We also performed test of details of costs against invoices and hours incurred to assess the status of the project.

We refer to the disclosures included in note 5 in the consolidated financial statements regarding revenues from contracts with customers.

Acquisition of ETIA

On 15 October 2019, the Group achieved control over ETIA Ecotechnologies S.A.S by acquiring 100 percent of the shares. The transaction is accounted for using the acquisition method in accordance with IFRS 3 and a provisional purchase price allocation ("PPA") was prepared with assistance of a third-party valuation specialist. The assessment of fair value of acquired assets and liabilities is judgmental and complex, and the acquisition and initial consolidation has a significant impact on the financial statements of the Group, hence we considered this as a key audit matter.

As part of our audit procedures, we obtained an understanding of the transaction through discussions with management and management's specialist, as well as reading the purchase agreement, due diligence reports and board minutes. We considered the competence and objectivity of management's specialist engaged to prepare the PPA. We assessed the valuation method used and tested the mathematical accuracy of the valuation model. Additionally, we assessed key assumptions used in the PPA and compared them against external market data and external reports. We also assessed the presentation and classification of the acquired assets and liabilities in the consolidated statement of financial position.

We refer to the disclosures included in note 4 in the consolidated financial statements regarding business combinations.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on corporate governance and corporate social responsibility concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than* Audits *or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 28 April 2020
ERNST & YOUNG AS

Leiv Aschehoug
State Authorised Public Accountant (Norway)

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

STATEMENT ON REMUNERATION TO EXECUTIVE MANAGEMENT

1. DETERMINATION OF SALARY AND OTHER REMUNERATION TO THE CEO AND OTHER SENIOR EXECUTIVES (PLLCA § 6-16A, 1ST PARAGRAPH)

The salary level for the CEO and other senior executives is set according to current employment contracts. Increases in salary and bonus payments to the CEO is determined by the board of directors, possibly by elected board members based on delegation from the board. The increase in salary and bonus payments to other senior executives is determined by the CEO.

All employees, including CEO and senior executives, are included in the company's collective pension scheme.

The management of Vow ASA has not received any remuneration or financial benefits from other companies in the group. There is no additional remuneration for special services outside of the normal function of a manager. Senior executives will normally be given benefits in kind in line with common market practice, such as mobile phone, laptop, broadband, newspapers, company car or car allowance, and parking. There are no specific restrictions on what other benefits may be agreed upon.

In principle, senior executives must serve a 6-month period of notice. The members of the executive management will not be entitled to any benefits upon termination of office.

The company's current share option program was approved by the annual general meeting held on 23 May 2019 and is valid until the annual general meeting in 2024. For 2019, share options were granted on 28 August with expiry on 28 September 2022. The options granted shall vest with 1/3 on the first anniversary of the grant date (i.e. 31 August 2020), 1/3 on the second anniversary of the grant date and 1/3 on the third anniversary of the grant date. The CEO, executive management and other key employees participate in the share option program.

2. GUIDELINES FOR THE DETERMINATION OF SALARY AND OTHER REMUNERATION FOR THE COMING FINANCIAL YEAR (PLLCA § 6-16A, 2ND PARAGRAPH)

Compensation to the CEO and senior management of Vow ASA in the form of salary and other remuneration shall be in accordance with the following principles:

- Compensation shall be competitive in relation to management remuneration in stock exchange listed industrial companies in Norway.
- The compensation must contain a fixed portion and may contain a variable part. The fixed part shall consist of basic salary and some standard additional benefits. If a variable part is given, it must consist of a bonus. Total compensation also includes pension schemes and participation in the option program in accordance with paragraph 1 above. Any bonus payments require that the Vow group achieves a certain profit and, as a general rule, shall not be paid if the audited EBITDA for the group is less than a set target for the current year. However, even if the group's revised EBITDA for the current year should be less than the stated target, a bonus may be paid for extraordinary efforts.

3. STATEMENT ON 2019, THE PREVIOUS FISCAL YEAR

Remuneration to the CEO and other senior executives for the 2019 financial year was based on the same general guidelines as described above for the coming financial year. The company's annual report for 2019, note 6 to the consolidated financial statements provide details of the remuneration received by members of the executive management in 2019, as well as give further details about the share-based payment (option program).

4. MANAGEMENT'S SHARE-BASED REMUNERATION (SHARE OPTION PLAN)

As of 31 December 2019, there were 1 470 000 outstanding share options in the group based on the 2019 share option programme, all of which has an exercise price of NOK 17.90. All members of the management team participate in the company's share option plan, in addition to certain other key employees.

CORPORATE GOVERNANCE

Vow aims to maintain a high standard of corporate governance. Good corporate governance strengthens the confidence in the company and contributes to long-term value creation by regulating the division of roles and responsibilities between shareholders, the board of directors and executive management more comprehensively than is required by legislation.

Corporate governance in Vow shall be based on the following main principles:

- All shareholders shall be treated equally
- Vow shall maintain an open, relevant and reliable communication with its stakeholders, including its shareholders, governmental bodies and the public about the company's activities
- Vow's board of directors shall be autonomous and independent of the company's management
- The company emphasises independence and integrity in all matters between the company and members of the board, management and shareholders
- Vow shall have a clear division of roles and responsibilities between shareholders, the board and management

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Compliance, objective and regulations

The board of directors (the board) of Vow ASA (the company) has the overall responsibility for ensuring that the company has sound corporate governance. The board has prepared a corporate governance policy document addressing the framework of guidelines and principles regulating the interaction between the shareholders, the board and the Chief Executive Officer (the CEO). The policy is based on the Norwegian Code of Practice (the Code) for Corporate Governance issued by the Norwegian Corporate Governance Board. The objective of the Code is that companies listed on regulated markets in Norway will practice corporate governance that regulates the division of roles between shareholders, the board of directors and executive management more comprehensively than is required by legislation.

The corporate governance policy in Vow shall establish a basis for good corporate governance, profitability and long-term value creation for the shareholders of the company. The manner in which the company is managed is vital to the development of the company's value over time.

The policy contains measures that are, and will be, implemented to ensure effective management and control over the company's activities. The primary objective is to have systems for communication, monitoring and allocation of responsibility, as well as appropriate incentives, which contribute to increasing the company's financial results, long-term success and returns to shareholders on their investments in the company. The company aims to have good control and governance procedures to ensure equal treatment of all shareholders, thereby providing a foundation for trust.

The development of, and improvements in, this policy is an on-going and important process that the board will focus on. The board and executive management perform an annual assessment of its principles for corporate governance.

Vow is a Norwegian public limited company. The company is listed on Oslo Børs (Oslo Stock Exchange) and is subject to Norwegian laws, including the section 3-3b of the Norwegian Accounting Act, which requires the company to disclose certain corporate governance related information annually. In addition, Oslo Stock Exchange's Continuing Obligations requires listed companies to publish an annual statement of its principles and practices with respect to corporate governance, covering every section of the latest version of the Code. The Continuing Obligations also sets out an overview of information required to be included in the statement. The Norwegian Accounting Act is available at www.lovdata.no (in Norwegian), while the Continuing Obligations is available at www.oslobors.no.

Vow complies with the current code of practice, latest revised on 17 October 2018. The Code is available at www.nues.no. Application of the Code is based on the 'comply or explain' principle, which means that the company must provide an explanation if it has chosen an alternative approach to specific recommendations.

Vow provides an annual statement of its adherence to corporate governance in its annual report, and this information is also available from www.vowasa.com. This statement describes how Vow has conducted itself with respect to the Code in 2019. The statement was approved by the board of Vow on 27 April 2020.

2. BUSINESS ACTIVITY

Vow 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.

Located in Oslo, Norway, the parent company Vow ASA is listed on the Oslo Stock Exchange (symbol: Vow), with subsidiaries in Norway, France, Poland and the US.

The board of Vow has defined clear objectives and strategies for the company's business activities, to secure long-term value creation for the shareholders of the company. The board normally has two scheduled meetings per year that deal with the company's strategy, where objectives and risk profiles are evaluated.

Purpose and values

- **Purpose:** We have a profound passion for climate change mitigation and the prevention of pollution
- **Mission:** We shall maximize environmental sustainability impact
- **Core values:** We shall be passionate, honest, responsible, and trustworthy in our conduct

3. EQUITY AND DIVIDENDS

The board and the management of Vow shall at all times aim at keeping the company's capital structure suitable for the company's objectives, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The board shall immediately take adequate steps should it be apparent at any time that the company's equity or liquidity is less than adequate.

Equity

As at 31 December 2019, Vow's equity totalled NOK 230.0 million, which corresponds to an equity ratio of 38 per cent. The board considers Vow's capital structure to be appropriate to the company's objectives, strategy and risk profile.

Dividends

The board of Vow has established a dividend policy stating that the company's goal is to provide shareholders with a high return over time through a combination of increasing value of the company's shares and payment of dividends.

The board will not propose any payment of dividend if the company is not in a sufficient financial position. The background for any proposal to authorise the board to resolve distribution of dividends should be explained.

Vow had solid financial results for 2019. However, to support a sustainable growth strategy, the board will not propose to the AGM to pay any dividend in 2020.

Board authorisations

Authorisations granted to the board to increase the company's share capital shall be restricted to defined purposes. If the general meeting is to consider authorisations to the board for the issue of shares for different purposes, the general meeting shall consider each authorisation separately. Authorisations granted to the board shall be limited in time to no longer than until the next annual general meeting (AGM). Authorisations granted to the board to purchase of the company's own shares shall be valid until the next AGM.

At the company's AGM on 23 May 2019, the board was granted a total of three authorisations, all valid until the earlier of the AGM in 2020 and 30 June 2020.

The board was granted an authorisation to acquire the company's own shares with a total nominal value by up to NOK 961 755.25. Acquired shares can only be as part of incentive arrangements or as consideration in or as to finance acquisitions.

The second authorisation allowed the board to increase the company's share capital by up to NOK 192,351. The authorisation may be used to finance the company's incentive programmes.

In addition, the board was granted an authorisation to increase the company's share capital by up to NOK 961 755.25 with the purpose of strengthening the company's equity/ liquidity.

It follows from the purpose of the authorisations that the board may need to waive existing shareholders' preference rights, which is permitted under the terms of the authorisations concerned.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

Any decision to deviate from the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital shall be justified. Where the board resolves to carry out an increase in share capital and deviate from the pre-emption rights of existing shareholders on the basis of an authorisation granted to the board, the justification shall be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital. If such transactions will occur, they will be carried out at market prices.

In the event of material transactions between the company and its shareholders, a shareholder's parent company, members of the board, executive personnel or close associates of any such parties, the board shall arrange for a valuation to be obtained from an independent third party. This will not apply if the transaction requires the approval of the general meeting pursuant to the requirements of the Norwegian Public Limited Liability Companies Act (the Companies Act). Independent valuations shall also be arranged in respect of transactions between companies in the same group where any of the companies involved have minority shareholders. Members of the board and executive personnel must notify the board if they have any significant, direct or indirect, interest in a transaction carried out by the company.

Any transactions with related parties will be conducted on market terms. Transactions with related parties will be enclosed in note to the Financial Statements.

5. SHARES AND NEGOTIABILITY

Vow has one class of shares and all shares carry equal rights. Each share has a face value of NOK 0.10 and carries one vote at the general meetings.

The company emphasise equal treatment of its shareholders and the shares are freely negotiable. No restriction on negotiability is included in the Articles of Association.

6. GENERAL MEETINGS

The general meeting is the company's ultimate decision-making body. The board shall facilitate that the general meeting shall be an effective forum for communication between the board and the shareholders. The chairman of the board, the CEO and the company's auditor shall be present at the AGM.

Pursuant to article 8 of the company's articles of associations, documents relating to matters to be considered at the general meeting, including documents which shall, according to law, be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if the documents are made available on the company's website. A shareholder may request to receive the documents concerning matters which are to be discussed at the general meeting.

The notice calling the AGM and any extraordinary general meetings, and all supporting documentation shall be made available on the company's website, www.vowasa.com. Notice and supporting documentation shall include the information necessary for shareholders to form a view of matters to be considered.

Each general meeting appoints a chairperson for the meeting. If significant and unusual topics is on the agenda an independent chairperson will be appointed.

The general meetings are open for all shareholders, and all shareholders not in attendance can give proxy to vote on his/her behalf. Forms of proxy are sent to the shareholders together with the notice of the meeting. The proceeding in the meeting follow the agenda outlined in the notice. Shareholders can raise a topic at the general meeting but must notify the board of this in writing and in reasonable time before the notice of the general meeting is dispatched. The general meeting cannot decide for a higher dividend than the board has proposed.

The AGM shall approve the company's annual accounts and annual report, including any proposed distribution of dividends. The AGM should also deal with the board's declaration regarding compensation to executive personnel and any other issues as required by law.

The AGM is held each year no later than six months after the closing of the preceding financial year. The 2020 AGM is planned to be held on 25 May 2020 at the company's head office at Lysaker, Norway.

7. NOMINATION COMMITTEE

Pursuant to article six of the company's article of association, the company shall have a nomination committee consisting of two or three members, according to the decision of the general meeting. The members of the committee, including the chairman, shall be elected by the general meeting. Unless otherwise resolved by the general meeting, the elections shall be held every two years.

The nomination committee makes proposals to the general meeting for the election – and remuneration of board members and proposes members to the nomination committee. The nomination committee shall justify its recommendations.

The remuneration of the members of the nomination committee shall be proposed by the board and resolved by the general meeting. The general meeting may establish guidelines for the nomination committee. The company shall provide information about the members of the nomination committee and any deadlines for submitting proposals to the committee.

The nomination committee shall have contact with shareholders, the board and the company's executive personnel as part of its work on proposing candidates for election to the board.

The AGM held on 23 May 2019 elected Bård Brath Ingerø as the leader of the nomination committee and Lars Martin Lunde as member of the committee. Mr Ingerø is also a board member of Vow and represents the company's major shareholder.

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The composition of the board shall ensure that the board can attend to the common interests of all shareholders and meet Vow's need for expertise, capacity and diversity. Attention shall be paid to ensuring that the board can function effectively as a collegiate body.

The composition of the board shall ensure that it can act independently of any special interests. The majority of the shareholder elected members of the board shall be independent of the company's executive personnel and material business connections. In addition, at least two of the members of the board must be independent of the company's major shareholder(s). For the purposes of this corporate governance policy, a major shareholder shall mean a shareholder that controls 10 per cent or more of the company's shares or votes, and independence shall entail that there are no circumstances or relations that may be expected to be able to influence independent assessments of the person in question.

According to article 5 of Vow's article of association, the company's board shall consist of 3 to 7 members, according to the decision of the general meeting.

The board members are elected by the general meeting for a term of two years unless otherwise determined by the general meeting. The AGM held on 23 May 2019 re-elected Narve Reiten as chairman of the board, as well as Susanne Schneider, Benedicte Bakke Agerup and Bård Brath Ingerø as board members. The constitution of the board reflects a strong background that balances specific industry experience with a combination of financial background, management experience and industrial experience.

All board members are deemed to be independent of the company's executive personnel and material business connections and two of the four members of the board are independent of major shareholders. Mr Reiten and Ingerø represents the company's largest shareholder.

9. THE WORK OF THE BOARD

The board's tasks include the overall management and supervision of the company. The board prepares an annual plan for its work, emphasising goals, strategies and execution. The board is also responsible for ensuring that the operation of the company is compliant with the company's values and ethical guidelines. The chairperson of the board is responsible for ensuring that the board's work is performed in an effective and correct manner.

The board shall ensure that the company has proper management with clear internal distribution of responsibilities and duties. A clear division of work has been established between the board and the executive personnel. The CEO is responsible for the executive management of the company.

The board normally schedules six regular meetings each year, but typically holds additional meetings as circumstances dictate. Two of the scheduled board meetings deal with strategic company issues and all the scheduled meetings deal with updates on financial results. The board operates according to applicable Norwegian law and adopts guidelines for the CEO's work and duties to the board.

The board shall provide details in the annual report of any board committees appointed. The board has not appointed an audit committee as smaller companies are exempted from the audit committee requirements of the Companies Act, and the company fulfils the requirements to be exempted. The board has appointed a remuneration committee.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The board shall ensure that Vow has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. The board monitors the company's risk exposure and the company constantly strives to maintain and improve its internal control processes. The

internal control and the systems shall also encompass the company's corporate values and ethical guidelines.

The objective of the risk management and internal control is to be to manage exposure to risks in order to ensure successful conduct of the company's business and to support the quality of its financial reporting.

On the finance and accounting side the company's internal control is also subject to an independent review by the external auditor EY, were the findings will be presented annually in a board meeting. The board will carry out reviews of the company's most important areas of exposure to risk and its internal control arrangements.

11. BOARD REMUNERATION

The remuneration payable to the members of the board is proposed by the nomination committee and determined by the shareholders at the AGM. The remuneration to the board should be designed to attract and retain an optimal board structure in a competitive environment. The remuneration of the board shall not be linked to the company's performance. The company shall not grant share options to members of the board. Details of the remuneration are disclosed in the notes to the financial statements.

Members of the board and/or companies with whom the members are associated shall not take on specific assignments for the company in addition to their appointments as members of the Board. If they, nonetheless, do take on such assignments this must be reported to the board and the remuneration for such additional duties must be approved by the board.

Any remuneration in addition to normal fees to the members of the board shall be specifically identified in the annual report.

12. REMUNERATION OF EXECUTIVE PERSONNEL

Pursuant to section 6-16a of the Companies Act, the board prepares an annual statement relating to the determination of salaries and other benefits payable to senior executives. This statement will, in line with the said statutory provision, be laid before the company's AGM each year.

The board shall determine the salary and other benefits payable to the CEO. The salary and benefits payable to other senior executives are determined by the CEO in accordance with the guidelines laid down in the statement. The CEO will normally propose the remuneration to senior executives in consultation with the board.

It is critical for Vow to attract and retain engaged executives with significant experience and strong drive for results. A competitive compensation package is an important tool to attract and retain the executive personnel as Vow needs to succeed.

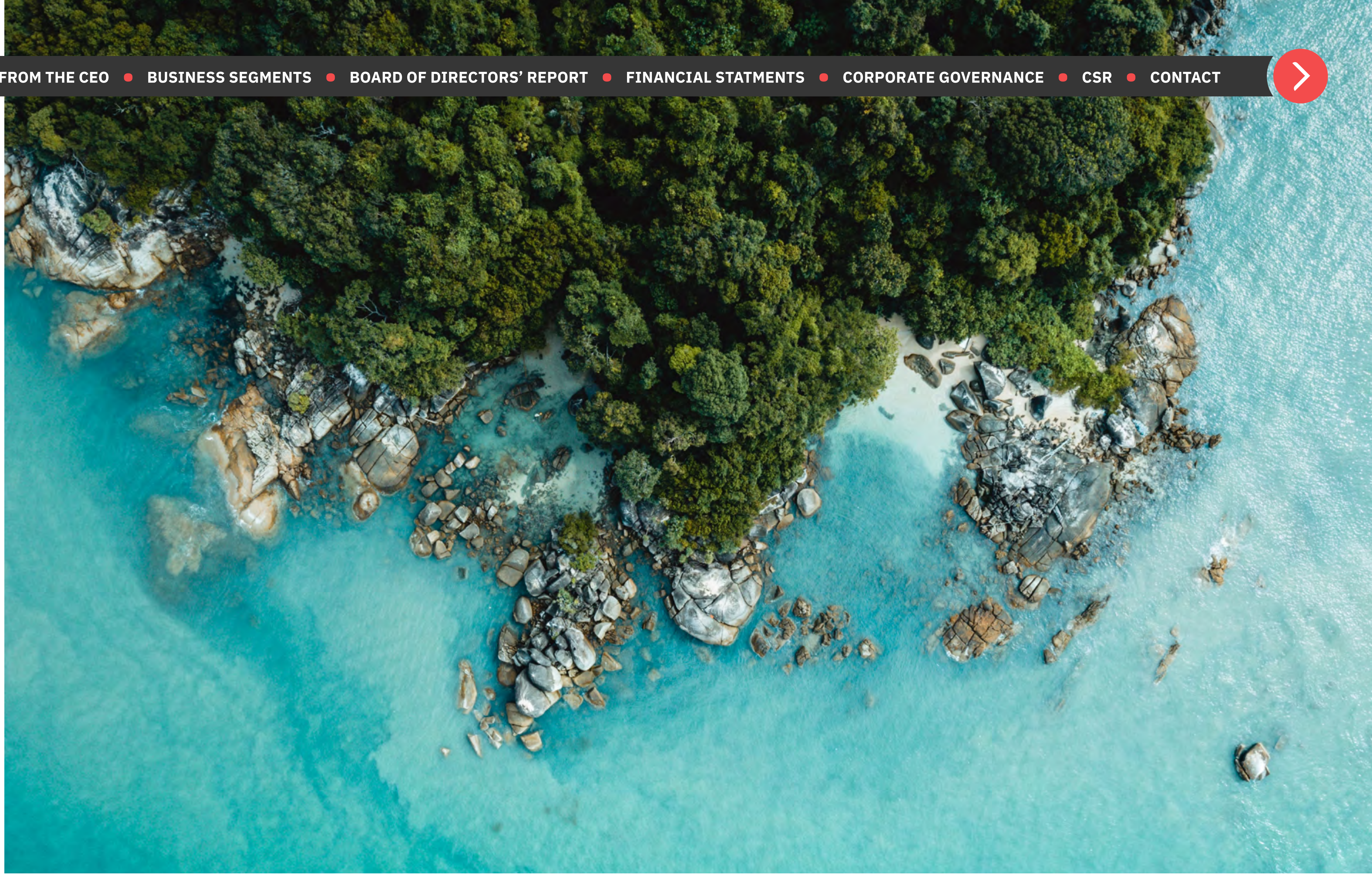
The board's statement is included in the annual report and further details relating to the salary and benefits payable to the CEO and other senior executives is available in notes to the financial statements.

The AGM held on 23 May 2019 approved a share option programme for the company's senior management and key personnel. Share options will be issued each year upon approval of an authorisation by the AGM. The number of options granted will be linked to the company's and the individual's performance. The option plan shall support the underlying long-term value creation of the company. The options will vest over three years, with the first 1/3 vesting after one year. The programme approved at the AGM in 2019 is valid until the AGM in 2024. However, authorisations to the Board to increase the share capital in connection with the incentive scheme, is only valid until the next AGM.

13. INFORMATION AND COMMUNICATION

Communication with shareholders, investors and analysts is a high priority for Vow. The objective is to ensure that the financial markets and shareholders receive correct and timely information, thus providing a sound foundation for a valuation of the company. All market players shall have access to the same information, and all information is published in English. All notices sent to the stock exchange are made available on the company's website and at Oslo Børs' news site.

The board shall establish guidelines for the company's reporting of financial and other information, based on openness and equal treatment. The company submits half yearly and annual financial reports to the Oslo Børs, and holds presentations of its financial results at least twice per year. These presentations are open to all and provide an overview of the company's operational and financial performance in the previous reporting period,



as well as an update on the company's future prospects. The presentations are also made available on the company's website, www.vowasa.com

14. TAKE-OVERS

The board has established guiding principles for how it will act in the event of a take-over bid received: During the course of a take-over process, the board and the management of both the party making the offer and the target company are held responsible to ensure that the shareholders in the target company are treated equally, the target company's business activities are not disrupted unnecessarily and that shareholders are given sufficient information and time to form a view of the offer.

The board shall not attempt to prevent or impede the take-over bid unless this has been decided by the general meeting in accordance with applicable laws. The main underlying principles shall be that the company's shares shall be kept freely transferable and that the company shall not establish any mechanisms which can prevent or deter take-over offers unless this has been decided by the general meeting in accordance with applicable law.

If an offer is made for the company's shares, the board shall issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the board finds itself unable to give a recommendation to the shareholders on whether or not to accept the offer, it should explain the reasons for this. The board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case, it shall explain the reasons why specific members of the board have excluded themselves from the statement.

The board shall consider whether to arrange a valuation from an independent expert. If any member of the board, or close associates of such member, or anyone who has recently held a position but has ceased to hold such a position as a member of the board, is either the bidder or has a particular personal interest in the bid, the board shall arrange an independent valuation. This shall also apply if the bidder is a major shareholder (as defined as shareholder that controls 10 per cent or more of the company's shares or votes). Any such valuation should either be enclosed with the board's statement or reproduced or referred to in the statement.

15. AUDITOR

The auditor is appointed by the AGM and is independent of Vow ASA. Each year the board shall receive written confirmation from the auditor that the requirements with respect to independence and objectivity have been met.

Each year, the auditor shall draw up a plan for the execution of their auditing activities, and the plan shall be made known to the board and the audit committee. The auditor will present to the board any significant internal control weaknesses and improvement opportunities.

The board has determined the procedures for the external auditor regular reporting to the board. The auditor attends at least one meeting each year with the board which the company's management is not represented.

Vow has established guidelines for the right of the management to use the external auditor for services other than auditing. According to the procedure, all assignments shall be approved by the CEO, and if there are significant assessments outside the normal scope of services, this shall also be discussed with the chairman of the board. The board shall receive an annual statement from the external auditor of services other than auditing provided to Vow. The auditors fee is determined at the AGM and disclosed in the company's financial statements.

The auditor shall be present at board meetings where the annual accounts are on the agenda. Whenever necessary, the board shall meet with the auditor to review the auditor's view on the company's accounting principles, risk areas, internal control routines, etc.

At the AGM the board shall present a review of the auditor's compensation as paid for auditory work required by law and remuneration associated with other specific assignments. The board shall arrange for the auditor to attend all general meetings.

CORPORATE SOCIAL RESPONSIBILITY GUIDELINES

These guidelines are approved by the board of directors of Vow ASA on 21 April 2020. The guidelines apply to all employees of the Vow group ("Vow" or "the group"), which comprises Vow ASA ("the parent company") and all subsidiaries and associated companies.

OBJECTIVE

Vow defines corporate social responsibility as achieving commercial profitability in a way that is consistent with fundamental ethical values and with respect for individuals, the environment and society. The Vow group shall respect human and labour rights, establish good environmental, health and safety (EHS) standards, facilitate good dialogue with stakeholders and generally operate in accordance with applicable regulatory frameworks and good business practice.

The group's business depends on the trust of consumers, contractual parties, the authorities, shareholders, employees and society in general. In order to gain trust, the group is dependent upon professionalism, expertise and high ethical standards in all aspects of the its work. These ethical and corporate social responsibility rules ("the CSR Guidelines") set forth the basic principles for business practices and personal behaviour, and apply to all employees of the Vow group, as well as persons/entities holding a position of trust with the group, and hired consultants acting on behalf of the group. The group has developed separate conduct principles that apply to its suppliers.

These CSR Guidelines do not give customers, suppliers, competitors, shareholders or other persons or entities any legal rights beyond those that follow from applicable legal regulatory frameworks.

MAIN PRINCIPLES OF CORPORATE RESPONSIBILITY

Vow has identified nine main corporate responsibility topics. The general principles underlying the group's approach to these topics are described below. Priorities shall be based on an assessment of the needs of both the business and its stakeholders, and as an integral part of day-to-day operations.

STRONG CORPORATE CULTURE

Vow shall strive to promote an open corporate culture that fosters interaction and is based on Vow's core values. In promoting Vow's principles for good business operations, we shall respect local values and norms, and achieve success by bridging the divide between different cultures and interests. Vow companies shall

always comply with local regulatory requirements in the countries in which we operate.

Responsible operations require vigilance and the exercise of good judgement on the part of management and employees.

RESPECT FOR HUMAN AND LABOR RIGHTS

Vow companies shall promote corporate conduct that reflects respect and consideration for others. In its operations, the group shall respect fundamental human rights as described in international human Rights conventions such as the UN Convention on Human Rights and the labour rights conventions of the International Labour Organization (ILO). Vow is committed to respecting fundamental human and labour rights, both in our own internal business and in our relations with business partners, suppliers, customers and others who are directly affected by the group's activities. The group shall work systematically with important issues as non-discrimination, the right to privacy, the right to negotiate, employment contracts, protection against harassment and management-employee collaboration.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

Vow shall strive to achieve a vision of zero harm to people, the environment and society, and work purposefully and systematically to reduce the environmental impact. The group's products and services shall always be subject to strict requirements in terms of quality, product safety and impacts on personal health and the environment.

ANTI-CORRUPTION

Corruption is the abuse of a position of trust to acquire personal or business benefits. Vow does not tolerate corruption and expects that all managers and procurement officers promote a strong anti-corruption culture in their department. The companies shall make active efforts to prevent undesirable conduct and ensure that their employees are capable of dealing with demanding situations.

RESPONSIBLE MARKETING PRACTICES

Vow gains business and builds long-term customer relationships by providing the best technical solutions at competitive prices as well as by demonstrating honesty and integrity in all our interactions. Our marketing and advertising materials and other representations we make to current or prospective customers must be accurate, truthful and in compliance with applicable laws.

Vow does not tolerate any agreement on price fixing, market sharing or other activities that limit free competition. Vow attaches great importance to product safety, good customer service and responsible marketing, and is committed to exercising due diligence with regard to consumer interests.

RESPONSIBLE SOURCING

Vow shall actively promote good work and standards in the supply chains. This means setting ethical standards for its suppliers, assessing the risk of potential supplier violations of these standards, and engaging in dialogue with risk suppliers concerning necessary improvements. Efforts to influence suppliers should be based on an ambition of continuous improvement, and should focus on the suppliers and product categories where the risk is deemed greatest.

MONEY LAUNDERING

Money laundering is the process of creating the appearance that assets obtained from criminal activity, originate from a legitimate source. Vow shall avoid any involvement with assets resulting from criminal activity.

WHISTLEBLOWING

Notification or whistleblowing is to pass information about a censurable or possible censurable incident to someone who is in a position to initiate corrective measures. A censurable incident is an illegal, dangerous or any other act in breach of the group's regulations. Anyone who becomes aware of an incident/situation that appears to contravene rules and guidelines that apply to the group's operations is encouraged to report this.

Every employee has the right to report possible censurable incidents. Each employee is encouraged to report on possible censurable incidents but is not normally obliged to do so. However, every employee has an obligation to report on criminal activity and on incidents that could endanger life or health, or the assets of the group.

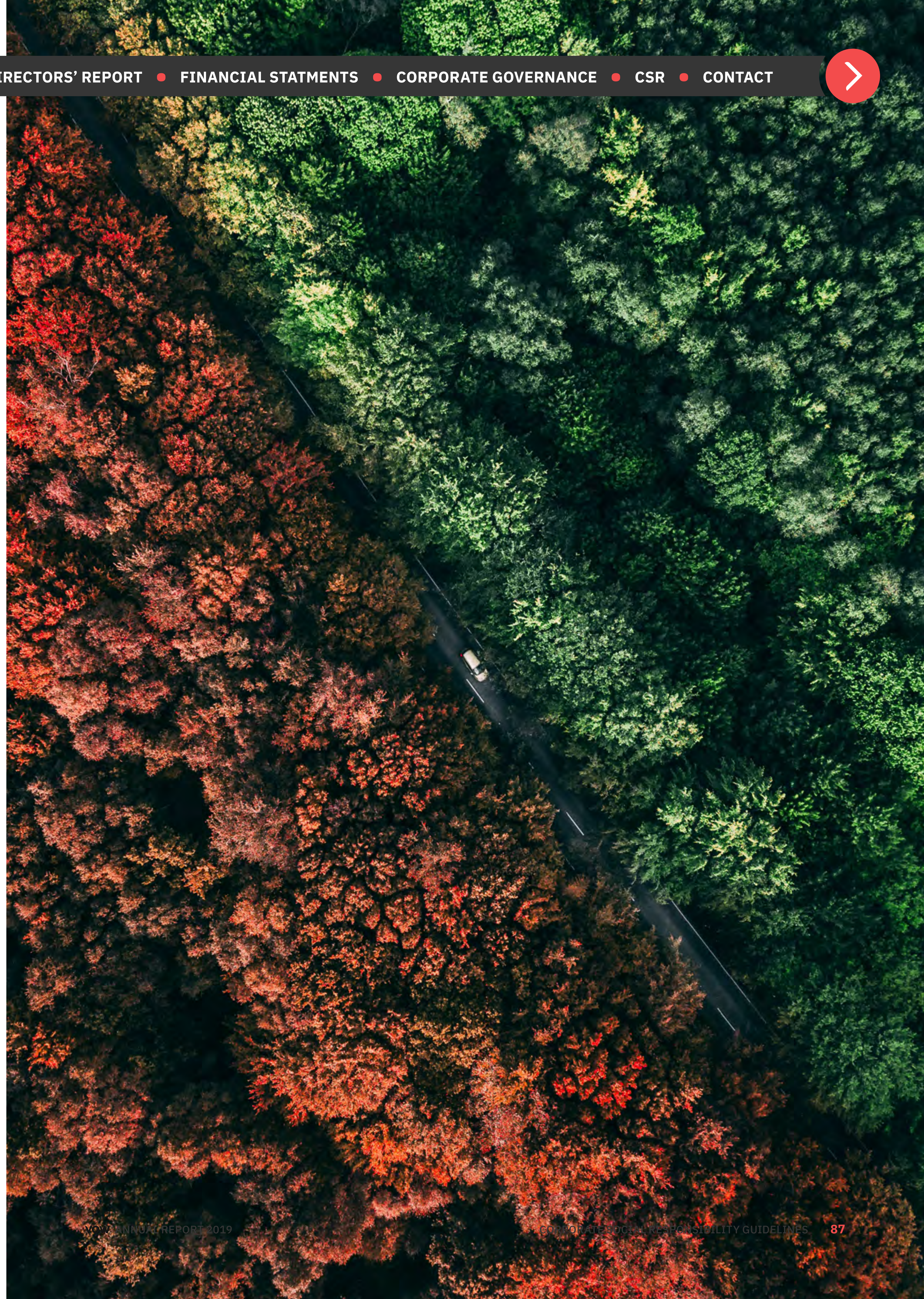
Notification is beneficiary for each employee, for the group and the society as a whole because it offers an opportunity to implement corrective action. A colleague willing to make a report is an important resource to the group.

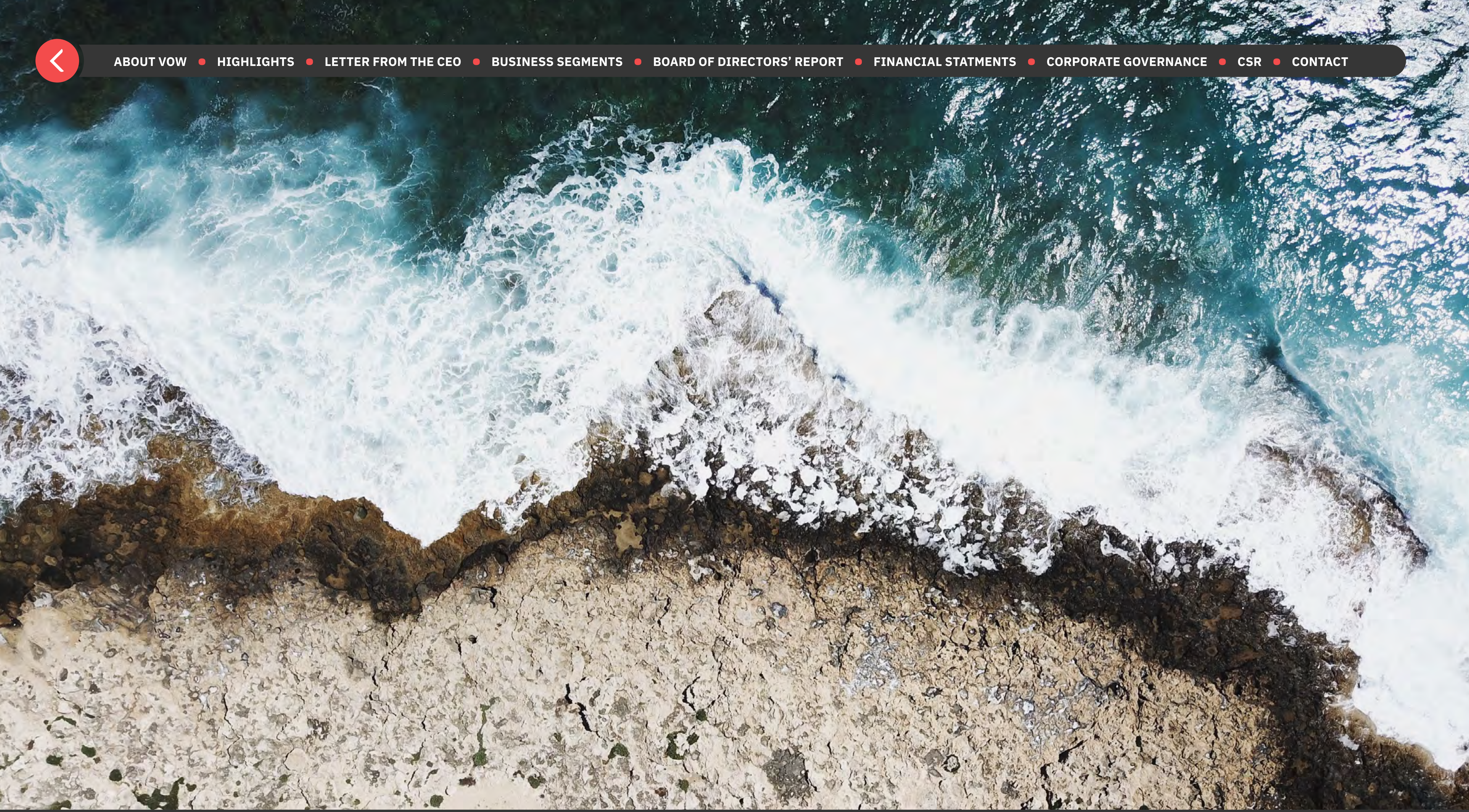
COMPLIANCE WITH LEGISLATION AND REGULATION

Vow is subject to Norwegian and international legislation and regulations. Some Norwegian legislation also applies outside the country's boarder, e.g. the provisions of the penal code that refer to corruption.

The group's employees, representatives and anyone who acts on behalf of the group must comply with all legislation and regulations that apply, directly or indirectly, to the work performed for the group.

External resources and references:
International Labour Organization: www.ilo.org
UN Convention on Human Rights: www.un.org





Vow ASA

Company address:
Lysaker Torg 12
1366 Lysaker NORWAY
info@vowasa.com

Business inquiries:
Henrik Badin (CEO)
+47 90 78 98 25
henrik.badin@vowasa.com

Erik Magelssen (CFO)
+ 47 92 88 87 28
erik.magelssen@vowasa.com

vowasa.com