



2H 2019 presentation

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VOW

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About Vow

- Deliver world leading technology that bring an end to waste and prevents pollution
- Provider of solutions to replace fossil fuel, producing renewables and clean energy
- Customers in cruise, aquaculture and a wide range of land-based industries
- Headquartered in Norway, with subsidiaries in US, France and Poland
- Listed on the Oslo Stock Exchange since 2014 under ticker VOW



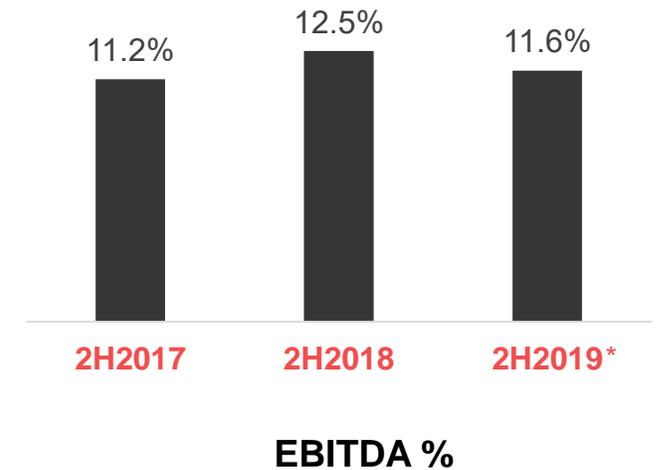
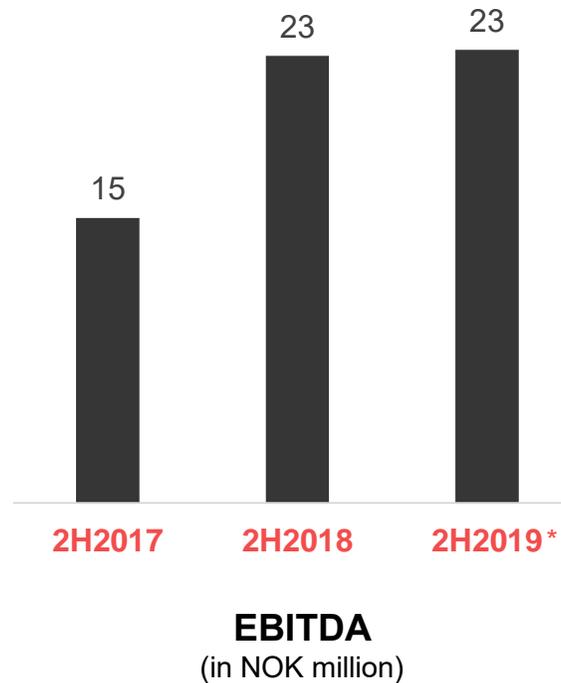
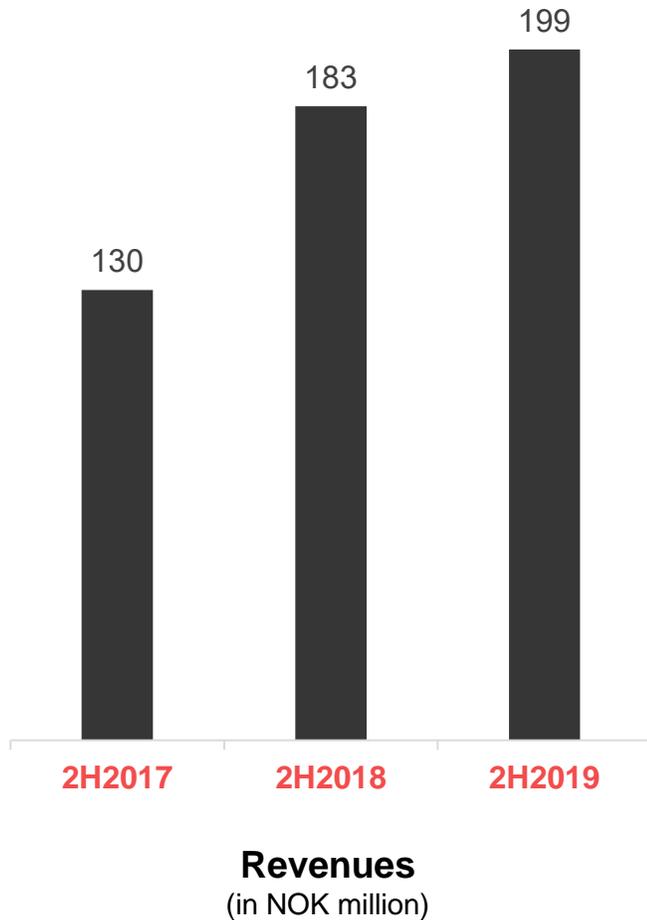
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Highlights 2H 2019

- Record high order backlog with approx. NOK 1.5 billion including options
- Strong backlog will drive growth in 1H 2020
- Acquisition of ETIA: access to new verticals with four break-through contracts already signed since takeover in October 2019
- Private placement in November raising capital for forward growth
- Extensive mapping of new verticals conducted by strategy consulting firm
- Customer relations established on landbased with large demand

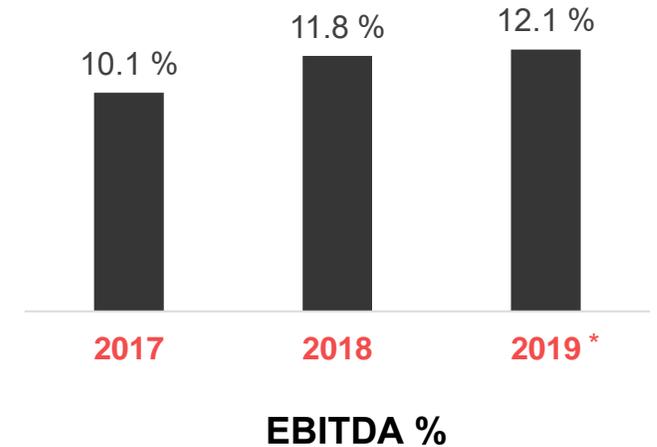
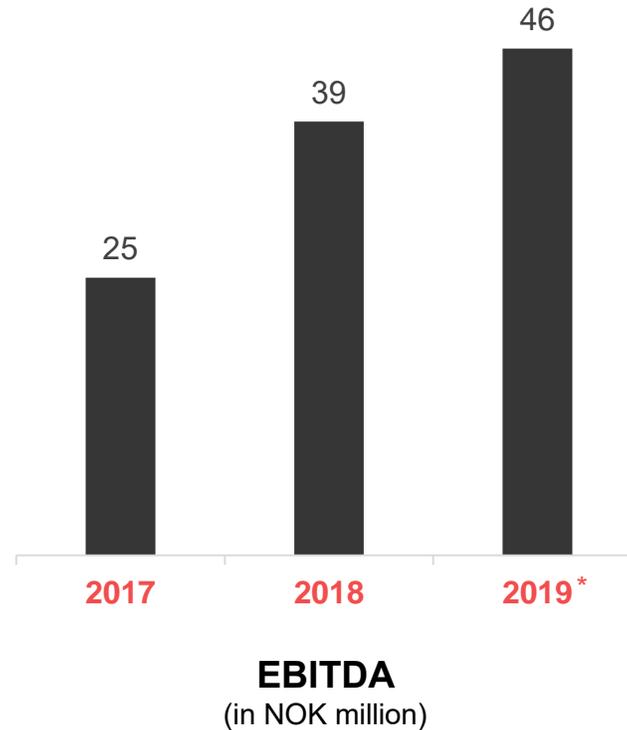
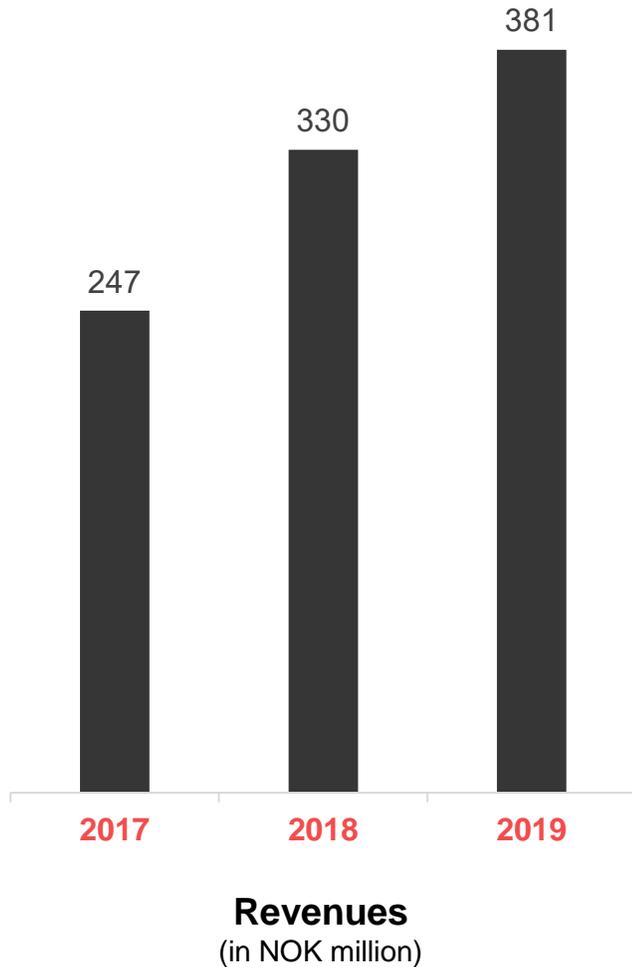


Profitable growth continued in 2H2019



* Adjusted for non-recurring costs of NOK 18.6 mill

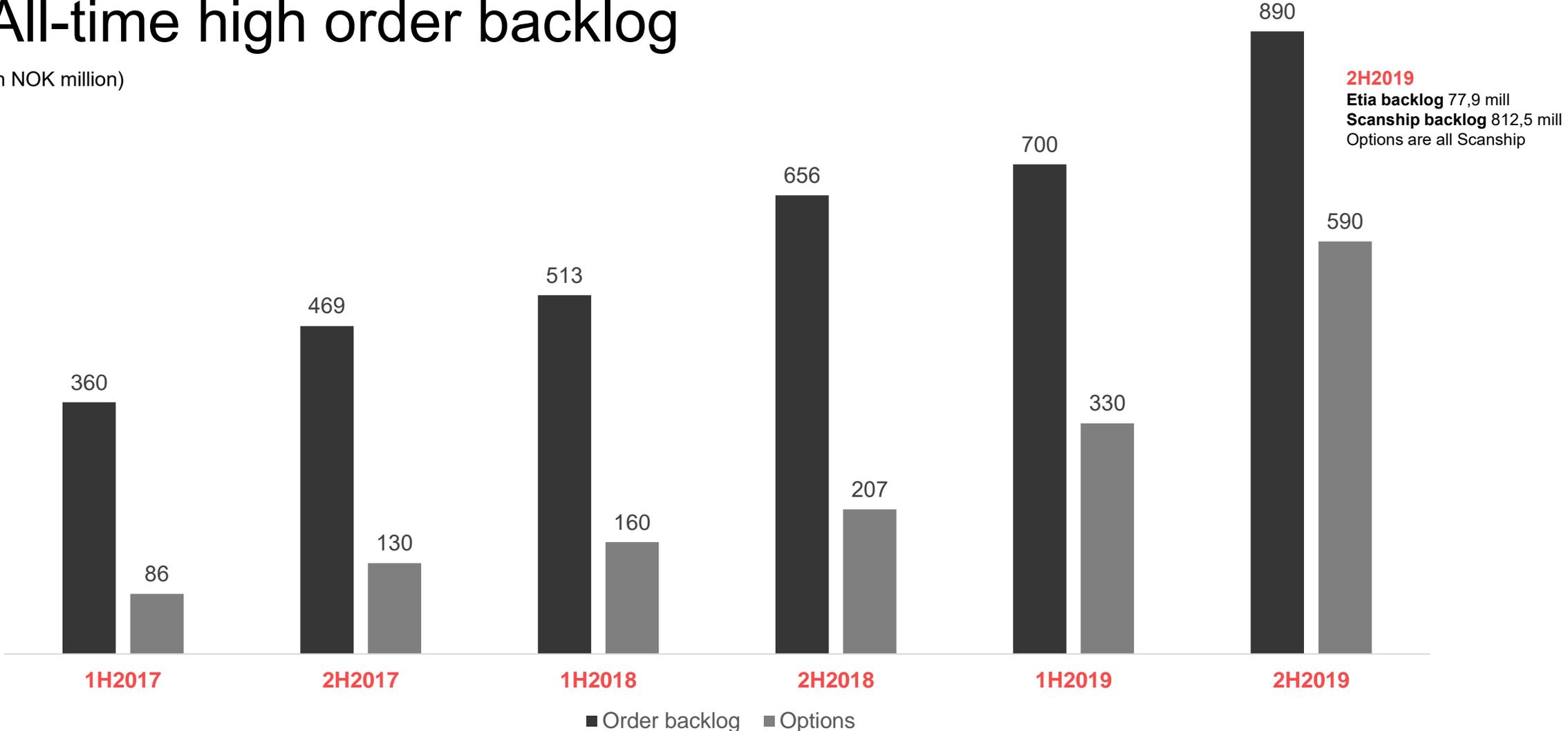
Strong full year 2019 performance



* Adjusted for non-recurring costs of NOK 19.2 mill

All-time high order backlog

(in NOK million)



Projects

Cruise & Aquaculture

	Second half year		Full year	
<i>NOK Million</i>	2019	2018	2019	2018
Revenues	114.4	130.7	236.0	229.8
EBITDA	20.8	21.6	37.0	34.6
EBITDA margin (%)	18.2%	16.5%	15.7%	15.1%
Backlog	812.5	656.0	812.5	656.0

- Increase of margin yoy
- Revenues will vary between periods based on timing of deliveries
- Increased growth from orderbook in 1H 2020
- Total backlog increased with 23% yoy



Landbased

<i>NOK Million</i>	Second half year		Full year	
	2019	2018	2019	2018
Revenues	19.1		19.1	
EBITDA before non-recurring items	-1.5		-1.5	
EBITDA before non-recurring items margin(%)	-7.8%		-7.8%	
Backlog	77.9		77.9	

- ETIA revenues of NOK 19.1 million only for the fourth quarter of the year
- EBITDA for ETIA amounts to NOK 1.7 million (8,9%).
- EBITDA for the segment came in at NOK -20.1 million including non-recurring items of NOK 18.6 million related to acquisition cost and strategic process
- Segment includes certain activities and costs in Norway



Aftersales (Life cycle Services)

	Second half year		Full year	
<i>NOK Million</i>	2019	2018	2019	2018
Revenues	65.9	52.4	125.7	99.8
EBITDA	10.4	7.5	22.5	15.5
EBITDA margin (%)	15.7%	14.3%	17.9%	15.5%

- Revenues for segment increased 26% yoy
- Segment represents 33% of total FY revenues
- Sales of spares, consumables and service is growing with larger installed base
- EBITDA margin varies based on the mix of products and services sold



Profit and loss

(in NOK million)

- Improvements in Gross Margin from all Segments
- Increase in employee expenses following inclusion of ETIA, but also prepared for future growth
- Non-recurring costs related to direct transactions costs for ETIA transaction and market mapping by strategy consulting firm
- Finance cost from fair value adjustment of conversion rights, due to increase in share price, but no cash effect

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Unaudited</i> 2H 2019	<i>Unaudited</i> 2H 2018	<i>Unaudited</i> FY 2019	<i>Audited</i> FY 2018
Revenue	199.4	183.1	380.8	329.6
Total operating revenue	199.4	183.1	380.8	329.6
Cost of goods sold	-131.0	-128.5	-259.3	-229.8
Gross Profit	68.5	54.6	121.5	99.8
- <i>Gross Margin</i>	34.3 %	29.8 %	31.9 %	30.3 %
Employee expenses	-29.3	-19.6	-47.8	-37.3
Other operating expenses	-16.0	-12.0	-27.8	-23.3
EBITDA before non-recurring items	23.2	22.9	45.8	39.2
- <i>EBITDA margin</i>	11.6 %	12.5 %	12.0 %	11.9 %
Non-recurring items	-18.6		-19.2	
EBITDA	4.6	22.9	26.6	39.2
Depreciation and amortisation	-7.4	-2.2	-11.0	-3.4
Operating result (EBIT)	-2.8	20.7	15.6	35.8
Net Financial items	-6.2	-3.0	-4.5	-2.4
Fair value adjustment conversion rights	-20.3		-20.3	
Net Financial items	-26.4	-3.0	-24.8	-2.4
Result before tax	-29.3	17.7	-9.2	33.4

Balance sheet

(in NOK million)

- Increase in intangible assets and goodwill from ETIA acquisition
- Net interest-bearing debt at NOK 36.6 million at year-end 2019 with equity ratio at 38 %
- ETIA payment terms positive on net working capital position
- Convertible loan related to the ETIA transaction

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL STATEMENT

	<i>Unaudited</i> 31.12.19	<i>Audited</i> 31.12.18		<i>Unaudited</i> 31.12.19	<i>Audited</i> 31.12.18
ASSETS:			EQUITY AND LIABILITIES		
Property, plant and equipment	20.5	3.2	Total equity	229.8	93.3
Intangible assets	100.5	38.3	Deferred tax liabilities	25.7	14.0
Goodwill	136.1	-	Long term borrowings	92.7	0.9
Right-of-use-assets	21.2	-	Non-current lease liabilities	14.9	-
Total non-current assets	278.2	41.5	Total non-current liabilities	133.3	14.9
Current assets:			Current borrowings	16.5	0.0
Inventories	18.2	4.5	Trade creditors	67.2	44.3
Trade receivables	133.5	62.6	Convertible loan	65.0	-
Contracts in progress	51.9	62.5	Contract accruals	36.8	25.7
Other receivables	32.6	16.0	Financial instruments	-0.1	3.4
Cash and cash equivalents	85.5	7.0	Income tax payable	1.7	-0.3
Total current assets	321.8	152.6	Bank overdraft / Credit facility	22.4	2.1
Total assets	600.0	194.1	Current lease liabilities	6.6	-
			Other current liabilities	20.7	10.7
			Total current liabilities	236.8	85.9
			Total equity and liabilities	600.0	194.1

Cashflow

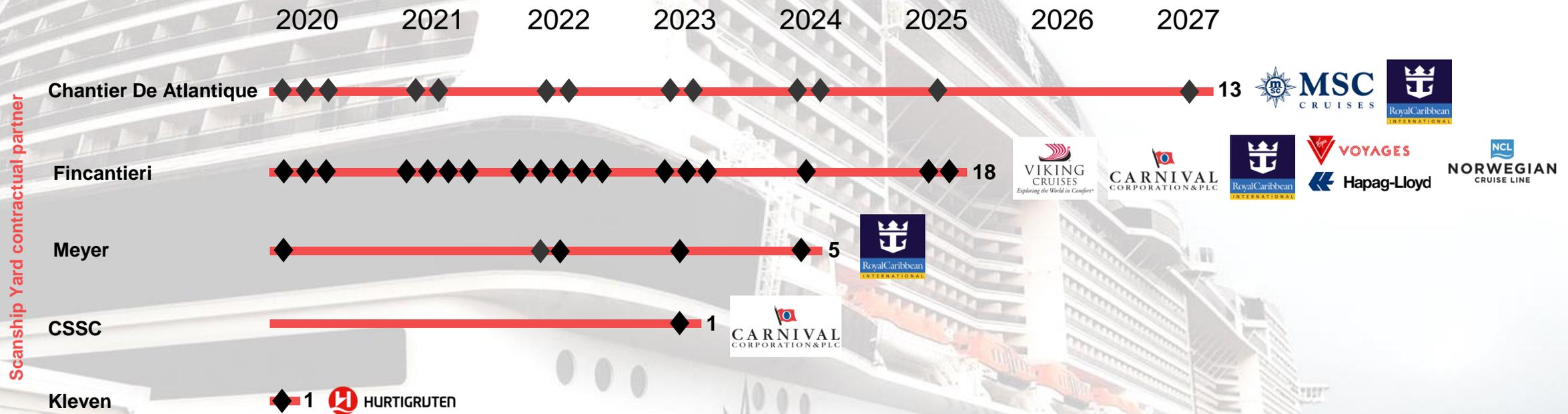
(in NOK million)

- Net cash flow from operations NOK 16.8 million in 2H 2019 excluding non-recurring costs.
- Investing activities in 2H 2019 primarily related to the acquisition of ETIA, in addition to NOK 11.7 million made on R&D projects
- Private placement of net NOK 100.9 million in November, in addition to debt financing for the ETIA transaction affecting financing cash flow.

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

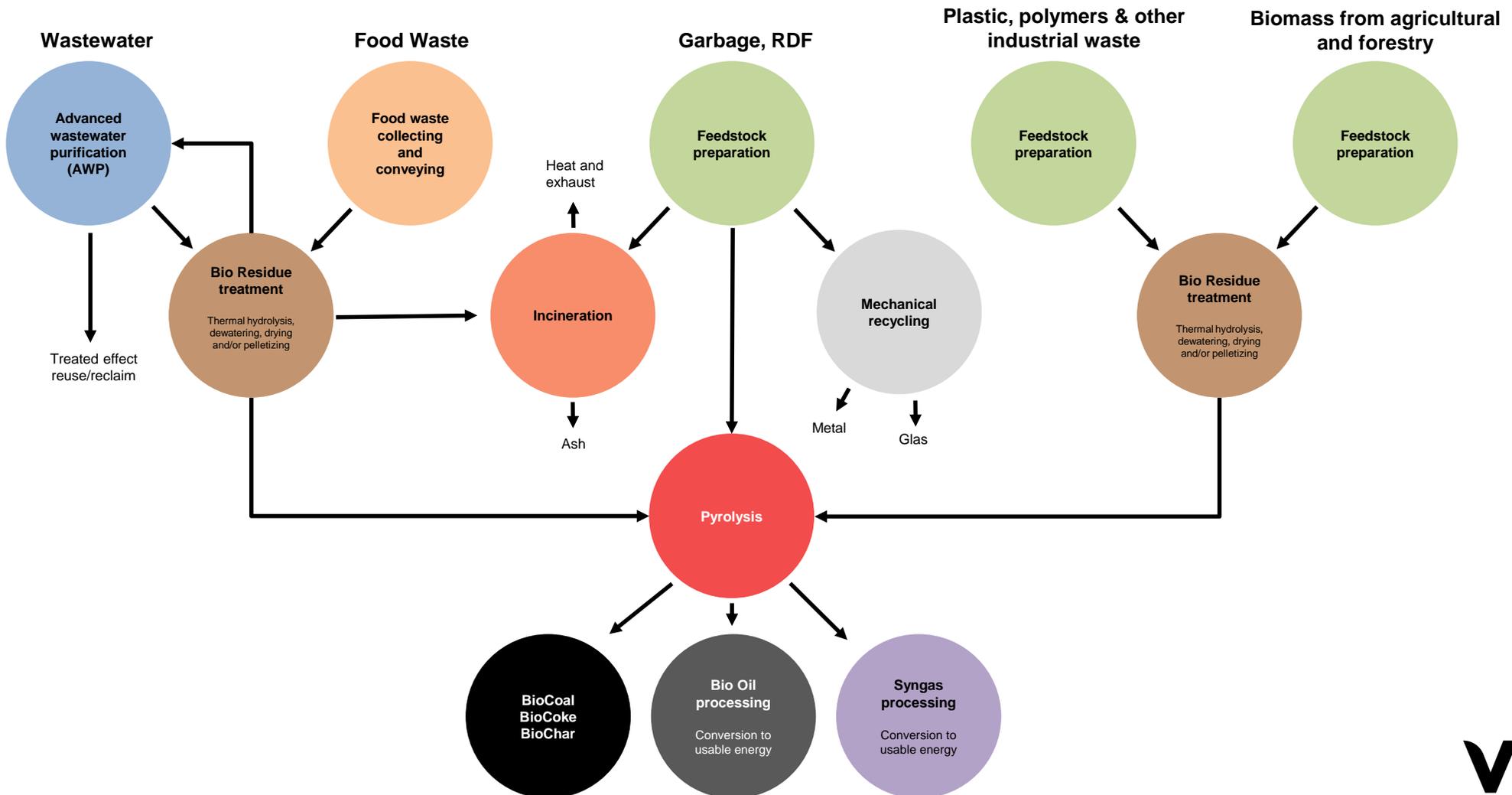
	<i>Unaudited</i>	<i>Audited</i>
	2H 2019	2H 2018
<i>Result before tax</i>	-29,3	17,7
Net cash flow from operating activities	-1,8	5,9
Net cash flow from investing activities	-103,0	-5,7
<u>Net cash flow from financing activities</u>	<u>180,7</u>	<u>0,5</u>
<u>Net change in cash and cash equivalents</u>	<u>75,9</u>	<u>0,7</u>
Effect of exchange rate changes on cash	-0,1	-
<u>Cash and cash equivalents at start of period</u>	<u>9,7</u>	<u>6,3</u>
<u>Cash and cash equivalents at end of period</u>	<u>85,5</u>	<u>7,0</u>

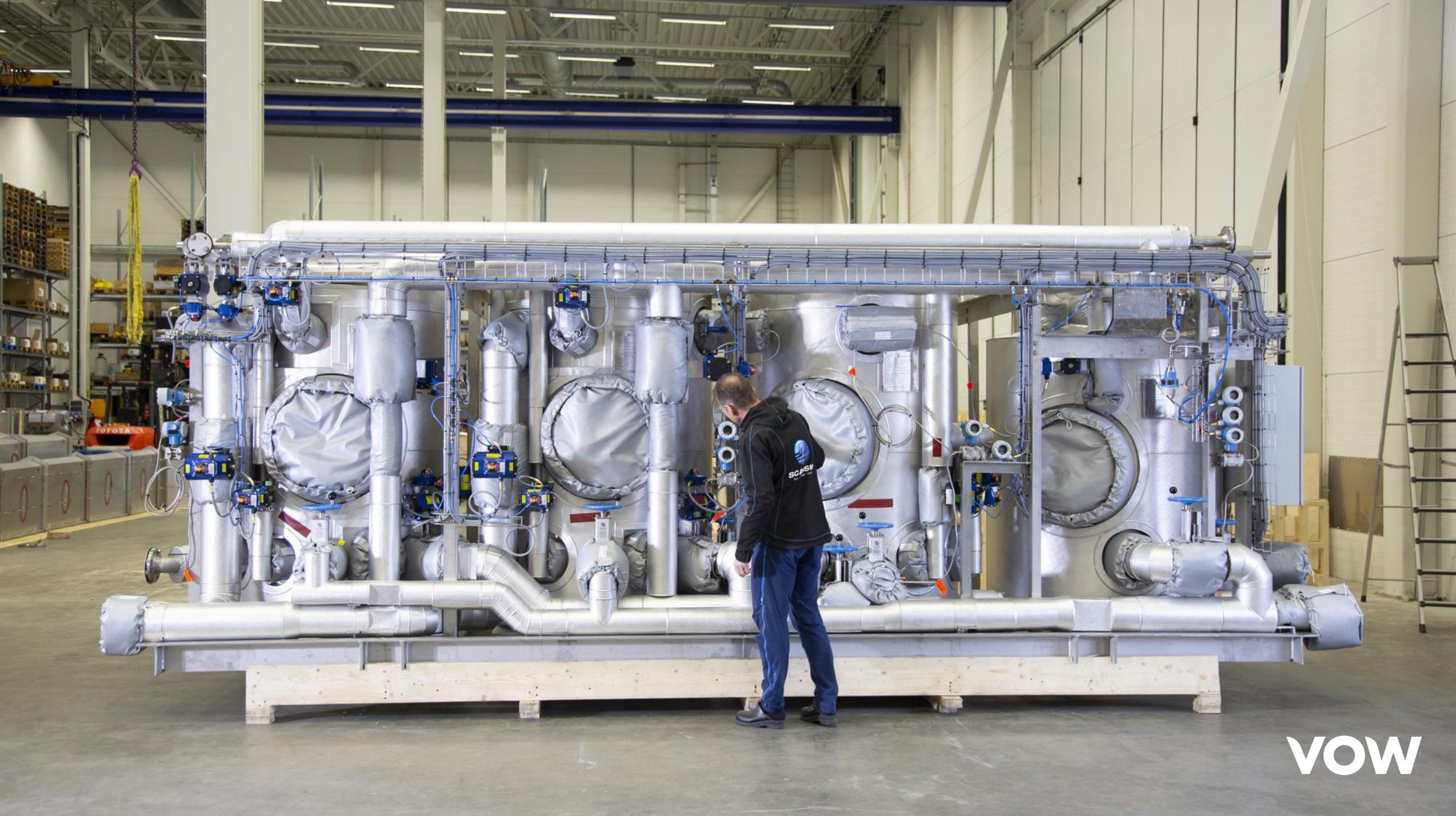
Strong order backlog foundation for further growth in the cruise market



◆ Vessel deliveries with Scanship systems inside
 Total of 38 newbuilds and 125 Scanship systems

Well proven and complimentary technology



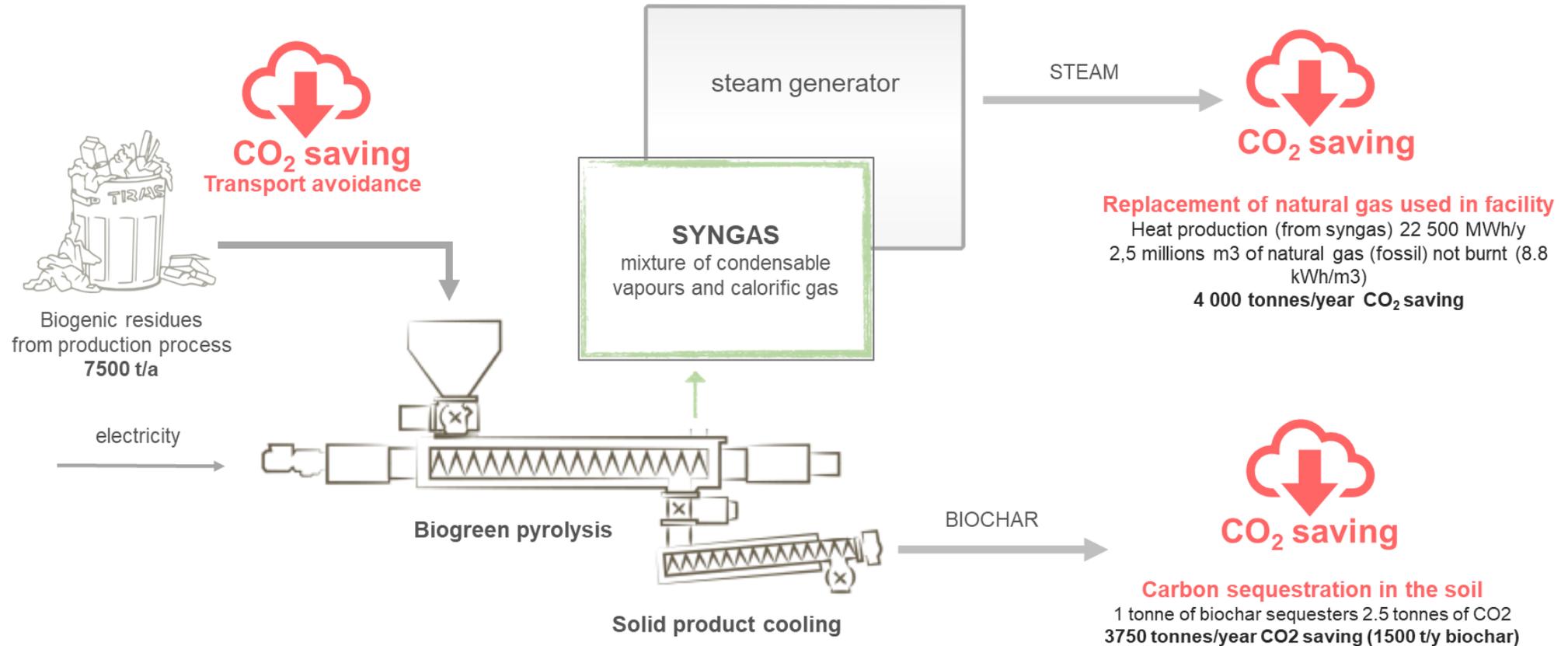


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Increasing carbon tax is the dominant market driver



Carbon negative process



Solutions to replace fossil fuel, producing renewables and clean energy





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Example projects within new strategic verticals

The vertical	Example project	Description and status
<ul style="list-style-type: none"> • EU green deal to decarbonize the European gas grid drives growth in both existing infrastructure and new • Target market is composed of 500 plants with a full potential of EUR 900 Million of revenues 		<ul style="list-style-type: none"> • Scanship selected as technology partner in Vow project at Lindum to demonstrate technology to convert waste digestate into products for soil enrichment, remediation and sorbents • Strong value proposition for increasing energy production and to eliminate digestate disposal cost
<ul style="list-style-type: none"> • Solution for chemical recycling of plastic waste in a European 17Mt-year market projected to grow single digits in the next year • Addressable market for Scanship is a sizable subset of what today goes to WtE plants for incineration equal to 7Mt-year with an estimated cost of disposal EUR 650-850 Million per year 		<ul style="list-style-type: none"> • ETIA have delivered full scale plastic waste to electricity in Vernon, France • ETIA selected as technology partner for CITEO in a three year project to demonstrate high temperature pyrolysis of plastic to hydrogen and pyro carbon • Largest refining and petrochemical group in the Czech Republic will develop application for plastic to fuel technology based on ETIA Biogreen pyrolysis technology
<ul style="list-style-type: none"> • Collecting services and recyclers • Manufacturers searching for new products • Estimated 1.0 Mt-year granulate produced from ELT (end-of-life-tires) in Europe 		<ul style="list-style-type: none"> • Production of reCB from ELT granulate increases product value, improves environmental performance and produces energy • First pilot in UK under commissioning

Example projects within new strategic verticals

The vertical	Example project	Description and status
<ul style="list-style-type: none"> • Metallurgic industry consuming fossil coal and under strong CO2 emissions scrutiny • Search for carbon neutral fuels to replace the conventional coal 		<ul style="list-style-type: none"> • Production of carbon-neutral fuels for metallurgic industry • Ongoing project in Sweden, full scale plant to be operational this year
<ul style="list-style-type: none"> • Industrial facilities producing the consumer goods • Need to be independent from fossil – derived natural gas and prove the business sustainability 		<ul style="list-style-type: none"> • Industry decarbonization in consumer goods production. Offsetting natural gas and carbon sequestration. • Ongoing project in Switzerland for major consumer goods manufacturer, plant to be operational this year
<ul style="list-style-type: none"> • Waste management providing the collection and recycling services for industry and communities • Need for turning collected waste to added value resources • Conversion of biomass and waste into renewable products; biocoal and biochar 		<ul style="list-style-type: none"> • Turning urban garden waste into value. NSR project for processing the wood residues into biochar for agronomic applications. • Ongoing project in Sweden (Helsingborg), plant to be operational early next year • Contract to deliver a first Biogreen system in Germany



Concluding remarks

- Profitable growth continues
- Record high backlog
- Expanding into new verticals already in 2020
- Customer relations established on landbased with large demand

