



TRADING UPDATE AND H1 2023 REPORT

Henrik Badin, Chief Executive Officer
Tina Tønnessen, Chief Financial Officer

Oslo, 23 August 2023

VOW

*Plant for production of biochar and renewable energy in
Rhode Island, USA, featuring processing equipment from Vow
Source: Quonset Soil Solutions*

DISCLAIMER

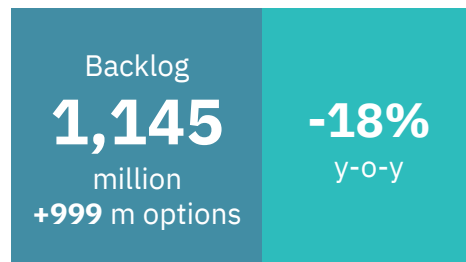
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H1 2023 | KEY TAKEAWAYS



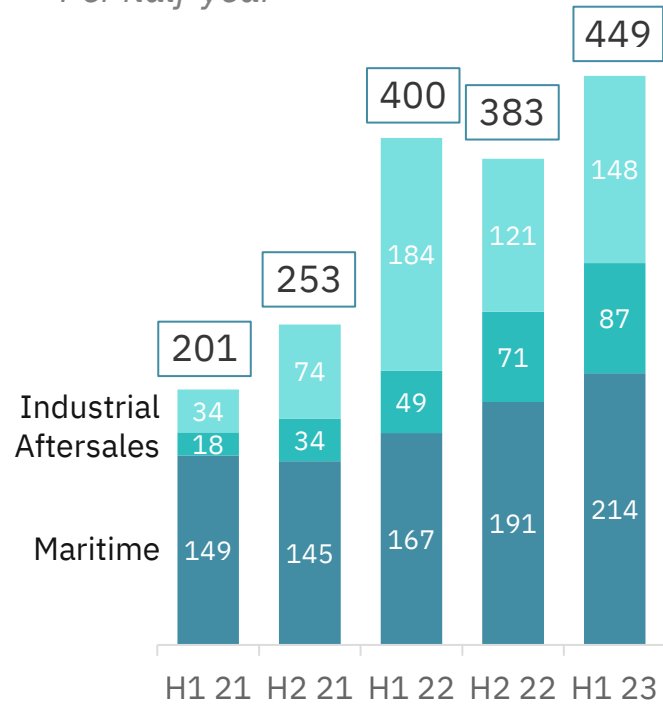
- Continued growth in revenues in H1 2023 with 12% increase year-over-year
- EBITDA reflects good performance in cruise and heat treatment and the cost of building pipeline in Industrial Solutions
- Aftersales delivered record high revenue and profit, well above pre-pandemic level, and continues to perform well
- Order backlog remains solid, providing good visibility for revenues and cash generation medium term. High tender activity
- New long-term financing agreement in place, providing financial support for continued growth

All amounts in NOK unless other currency stated

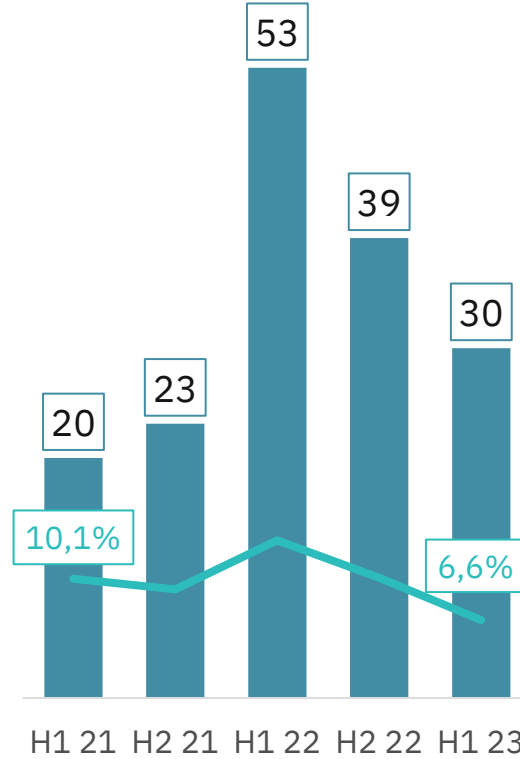
¹Before non-recurring items

KEY FINANCIALS | GROUP

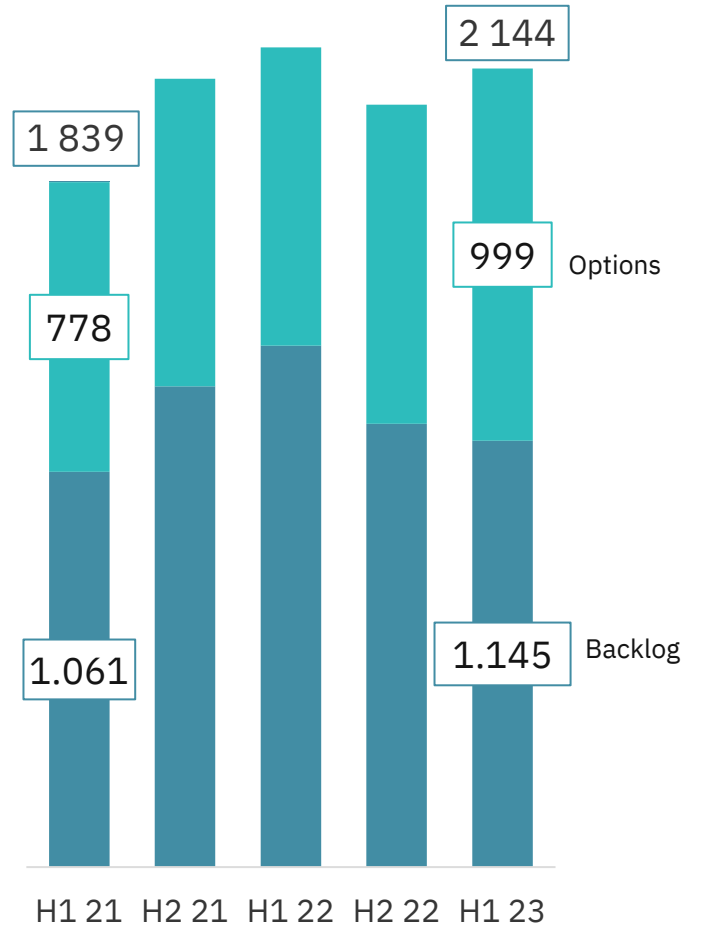
Per half-year



Revenues
In NOK million



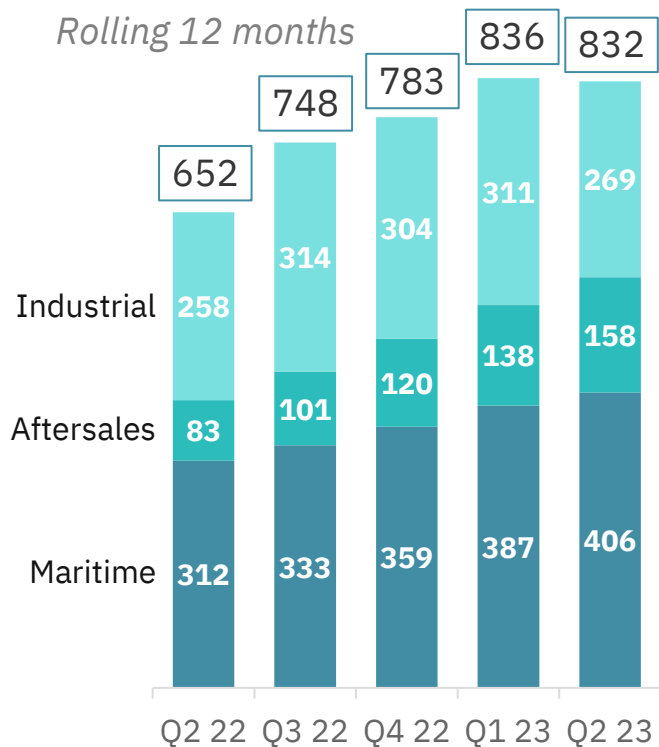
EBITDA and margin
In NOK million and %
before non-recurring items



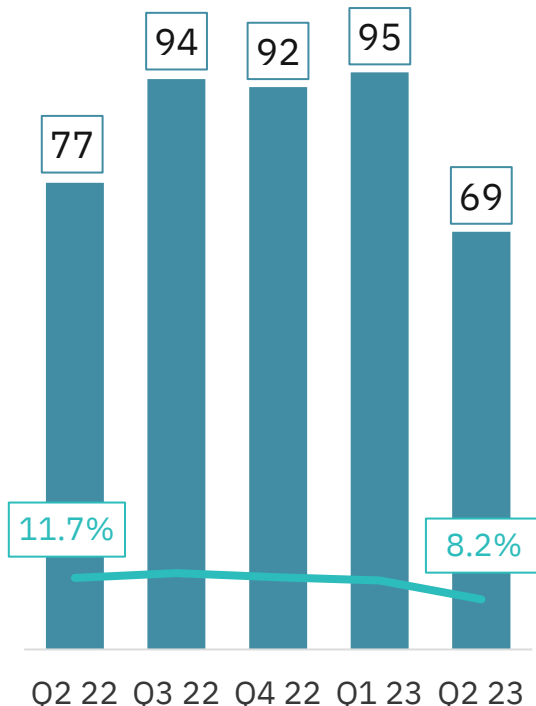
Order backlog and options
At end of period - In NOK million
Including contracts awarded to date

KEY FINANCIALS | GROUP

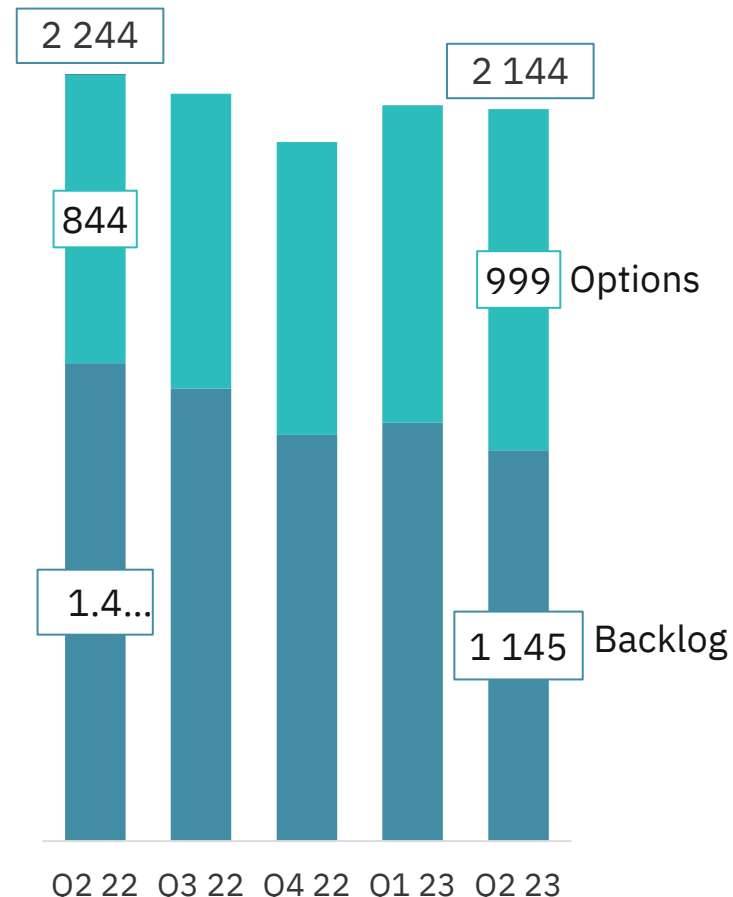
Rolling 12 months



Revenues
12-months rolling
In NOK million



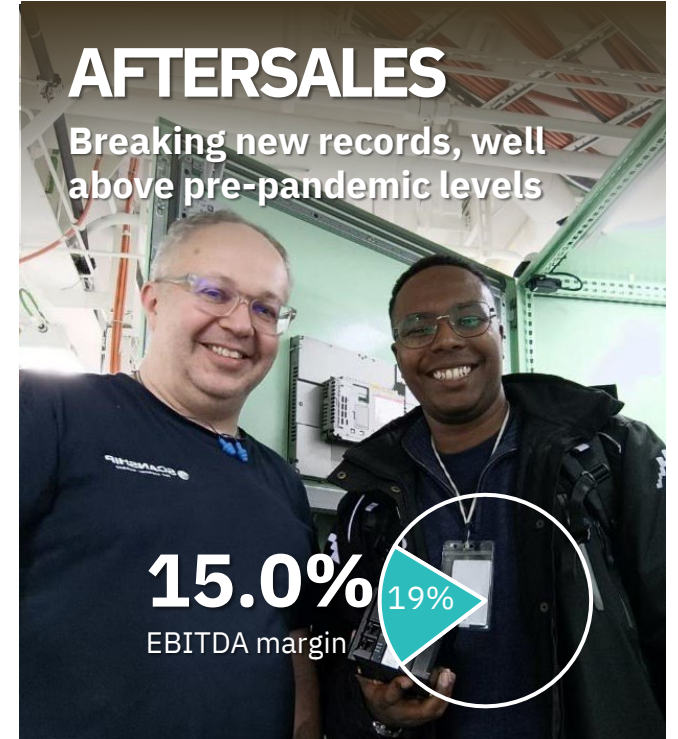
EBITDA and margin
12-months rolling
In NOK million and %
before non-recurring items



Order backlog and options
At end of period
In NOK million
Including contracts awarded to date

BUSINESS SEGMENTS

EBITDA margin and share of group revenue in H1 2023

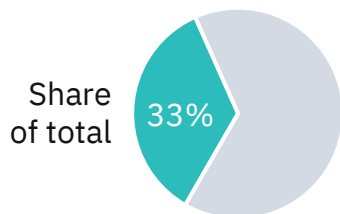


INDUSTRIAL SOLUTIONS

Formerly named Landbased

- Quonset Soil Solutions contract now confirmed
- C.H. Evensen (heat solutions) delivered growth and strong margins. Experiences strong demand and secured several significant new orders
- High tendering and project development activity drive costs
- Building capacity in anticipation of orders in new industry verticals

148 million
revenues in H1 2023



NOK million	1H 23	1H 22	FY2022
Revenues	147.7	183.5	304.3
EBITDA	-0.5	24.8	37.7
EBITDA margin	-0.3%	13.5%	12.4%
Backlog at end of period	509	512	441



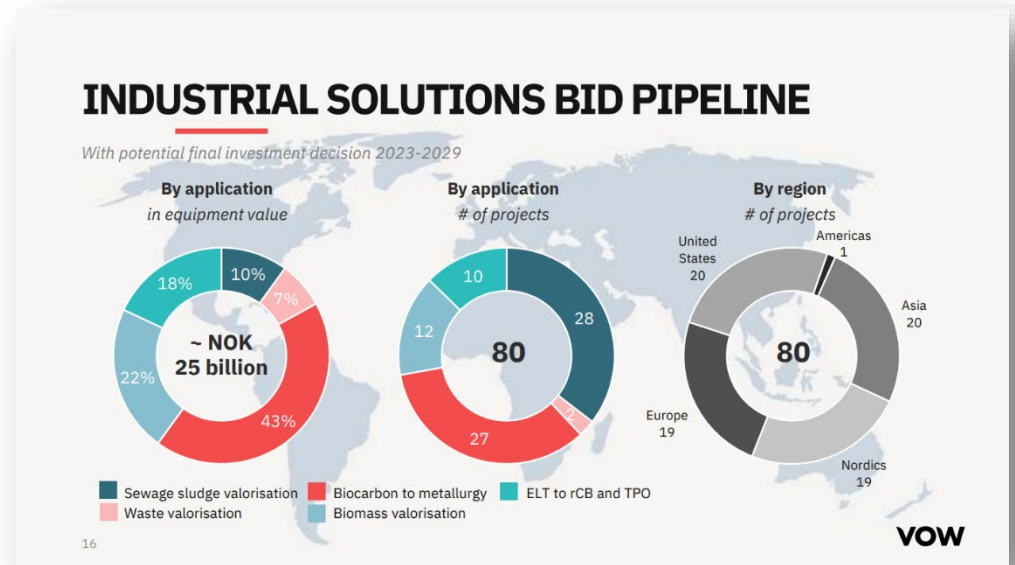
Busy days at C.H. Evensen's workshop in Fredrikstad, with strong order intake in industrial heating solutions



BUSY IN BUSINESS DEVELOPMENT

Industrial Solutions

- Several new industry majors are evaluating our technology
- Some customers are considering multiple projects
- Vow is currently developing and bidding for 33 projects, with contract award during the next 3-4 year period
- Industry size projects means much bigger tenders. Current tenders average EUR 40 million



Slide from Vow's Q1 trading update in May 2023

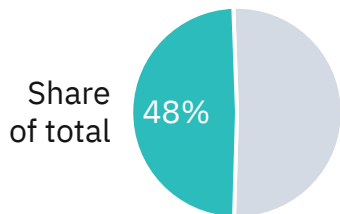
Of the total 80 projects identified then, Vow is current actively supporting or bidding for 33. One third of these are for customers in metallurgy.

MARITIME SOLUTIONS

Formerly named Cruise Projects

- Continued high revenues in H1, driven by equipment deliveries to cruise newbuilds
- Main equipment deliveries to 14 newbuilds and 2 retrofits in the first half of 2023
- Backlog with confirmed contracts into 2029 providing visibility for future revenues and cashflows, and high tender activity

214 million
revenues in H1 2023



NOK million	1H 23	1H 22	FY2022
Revenues	214.1	167.1	358.6
EBITDA	43.6	40.3	76.9
EBITDA margin	20.4%	24.1%	21.4%
Backlog at end of period	636	888	749



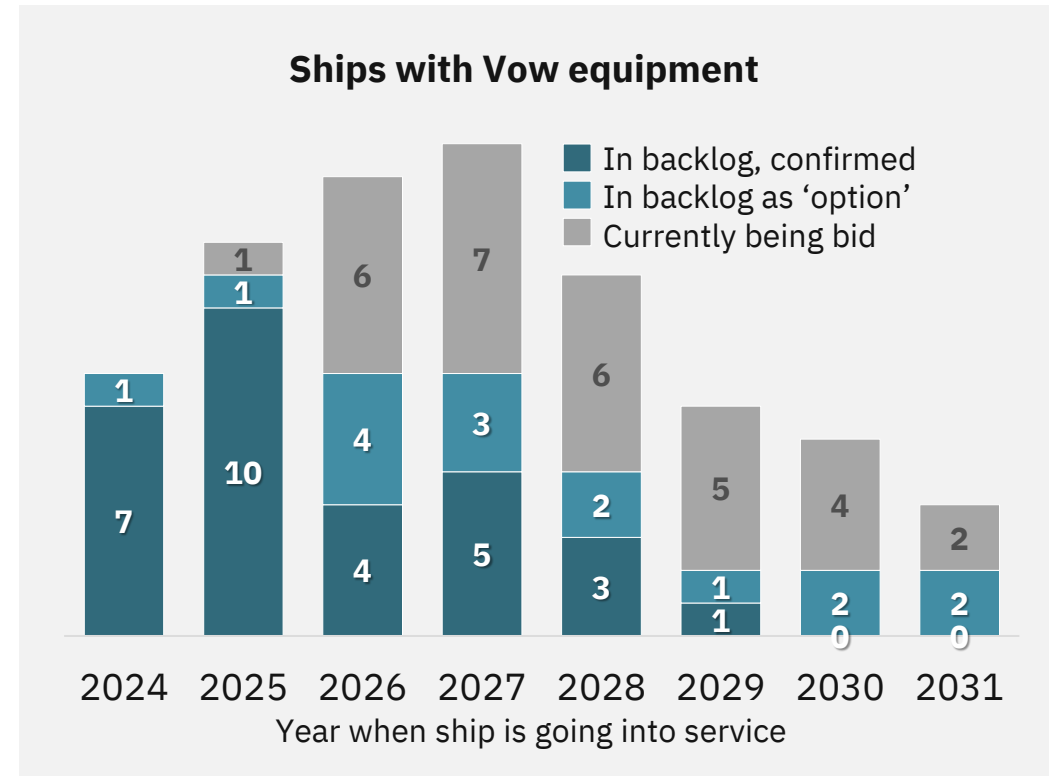
STRONG ORDER BACKLOG AND PIPELINE

Maritime Solutions

- Current backlog comprises 30 confirmed orders for cruise ships under construction
- Tendering is ongoing or underway for an additional 47 ships

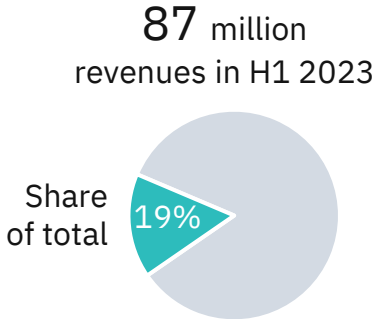
Shipowners show significant interest for pyrolysis solutions that could replace incinerators in both new and existing ships

- Pyrolysis has been confirmed or is being considered for 10 of the 47 ships currently being bid
- In addition to newbuilds, 3 AWP¹ retrofits are being considered

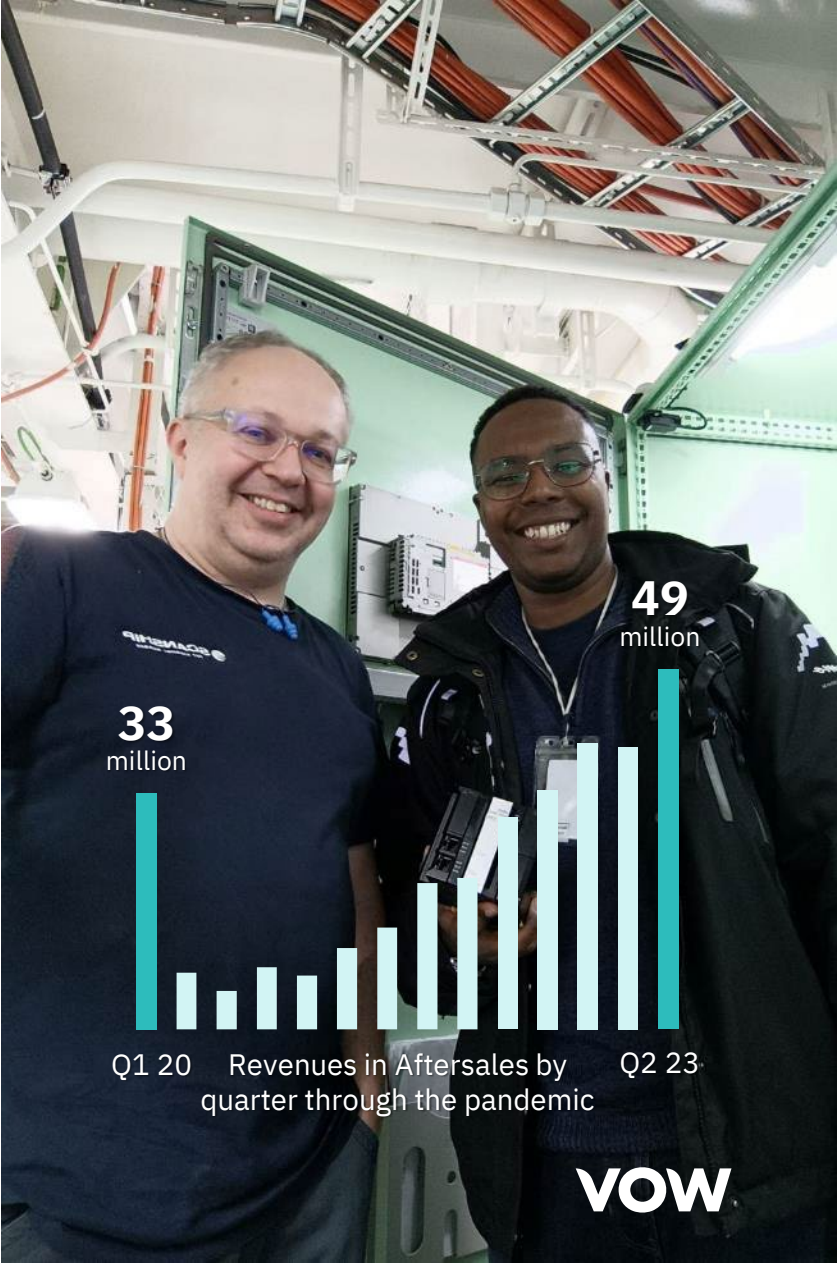


AFTERSALES

- Another quarter with record high revenues in Aftersales, with activity firmly back at pre-pandemic level
- Recurring revenues are increasing as installed base continues to grow
- Another 36 cruise newbuilds equipped with Scanship systems will be delivered until 2029, options not included



NOK million	1H 23	1H 22	FY2022
Revenues	86.9	49.2	119.9
EBITDA	13.1	4.4	14.0
EBITDA margin	15.0%	9.0%	11.7%



INCOME STATEMENT

Key figures

NOK million	1H 2023	1H 2022	FY 2022
Revenues	448.7	399.9	782.8
EBITDA before non-recurring costs	29.6	53.3	92.2
<i>Margin</i>	6.6%	13.3%	11.8%
EBIT	5.5	36.9	53.3
Net financial items	3.6	-21.3	-31.1
Result before tax	9.1	15.6	22.3

1H accounts are unaudited

- All time high revenues, mainly driven by high activity in Maritime Solutions and Aftersales offset by reduced activity for Industrial Solutions
- EBITDA mainly driven by capacity build-up for future growth possibilities in Industrial Solutions
- Net financial items include net interest, gain on convertible loan and Vow ASA's share of net profit from the associated company Vow Green Metals (VGM)

FINANCIAL POSITION

Balance sheet, Key figures

NOK million	30.06.23	31.12.22
Intangible assets and goodwill	563.9	512.1
Accounts receivable	288.2	293.6
Contracts in progress	428.9	339.2
Other assets	307.2	265.0
Cash and cash equivalents	17.0	42.5
Total assets	1 605.3	1 452.4
Total equity	568.5	530.6
Interest-bearing debt	532.0	445.3
Contract accruals	151.9	141.0
Accounts payable	151.6	177.8
Other liabilities	201.2	157.7
Total equity and liabilities	1 605.3	1 452.4

1H 2023 accounts are unaudited

- Increase in intangible assets and goodwill relate to investments in R&D and technology for future growth and currency effects
- Increase in working capital reflects high activity level
- In July, Vow secured NOK 620 million in long-term green financing, providing a strong financial foundation for expanding operations to support large-scale industry projects
- Equity ratio at 35.4 % at end of period, compared with 36.5% at year-end 2022

FINANCIAL POSITION

Cash flow

NOK million	1H 2023	1H 2022	FY 2022
Cash and cash equivalents at start of period	42.5	141.1	141.1
Cash from operations Net cash flow from operating activities	-15.2	6.5	-72.2
Investments intangible and fixed assets	-46.0	-60.8	-117.1
Acquisition of C.H. Evensen	-	-25.0	-25.0
Purchase of own shares	-	-21.8	-21.8
Net cash from financing	35.8	-0.7	137.5
Cash and cash equivalents at end of period	17.0	39.2	42.5

1H accounts are unaudited

- High activity and increase in working capital contribute to negative cash flow from operations in the period. NOK 70 million in single payment received in July
- Investments for the period mainly related to R&D and technology
- Cash flow from financing activities mainly relate to increase in debt, leasing and interest payments
- Convertible loan of NOK 25 million related to the acquisition of C.H. Evensen repaid in May



BUSINESS DEEP-DIVE AND OUTLOOK

Henrik Badin, Chief Executive Officer
Per Carlsson, Chief Development Officer
Pål Jahre Nilsen, Vice President Innovation

VOW

VOW CIRCULAR SOLUTION MARKETS

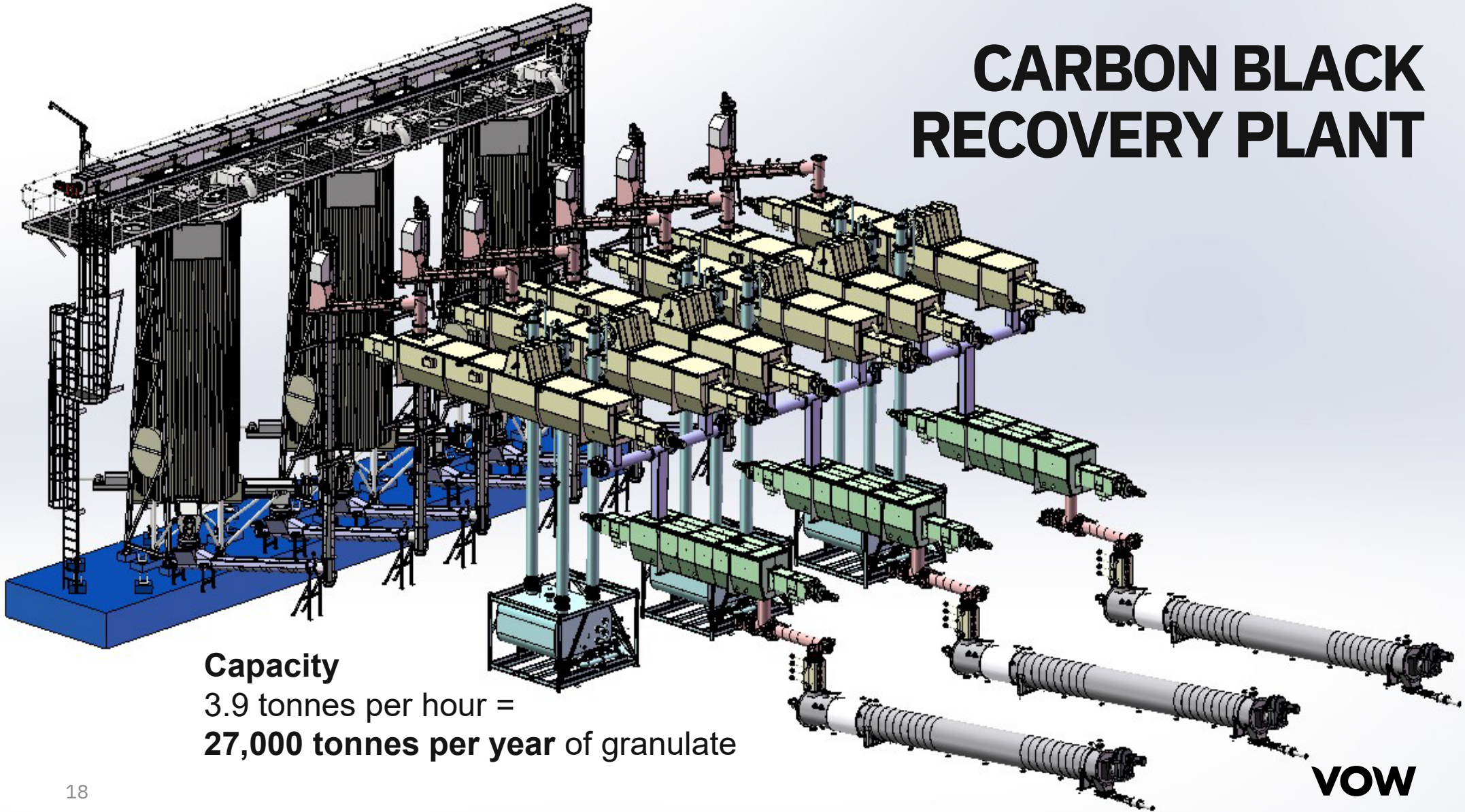
Energy	Metallurgy	End-of-life tire	Waste valorisation
Renewable Energy Production	Reducing CO2 emissions in Metal Production	Circular Economy in tire manufacturing	Sewage Sludge and Valorisation of Organic Waste
Replacing fossil energy by producing biocarbon, biogas and biofuels	Replacing fossil reducing agents with biocarbon	Replacing fossil-based carbon black with recycled carbon black from end-of-life tires	CCS, improving soil fertility, replacing synthetic fertilizers, eliminating PFAS

END OF LIFE TIRES

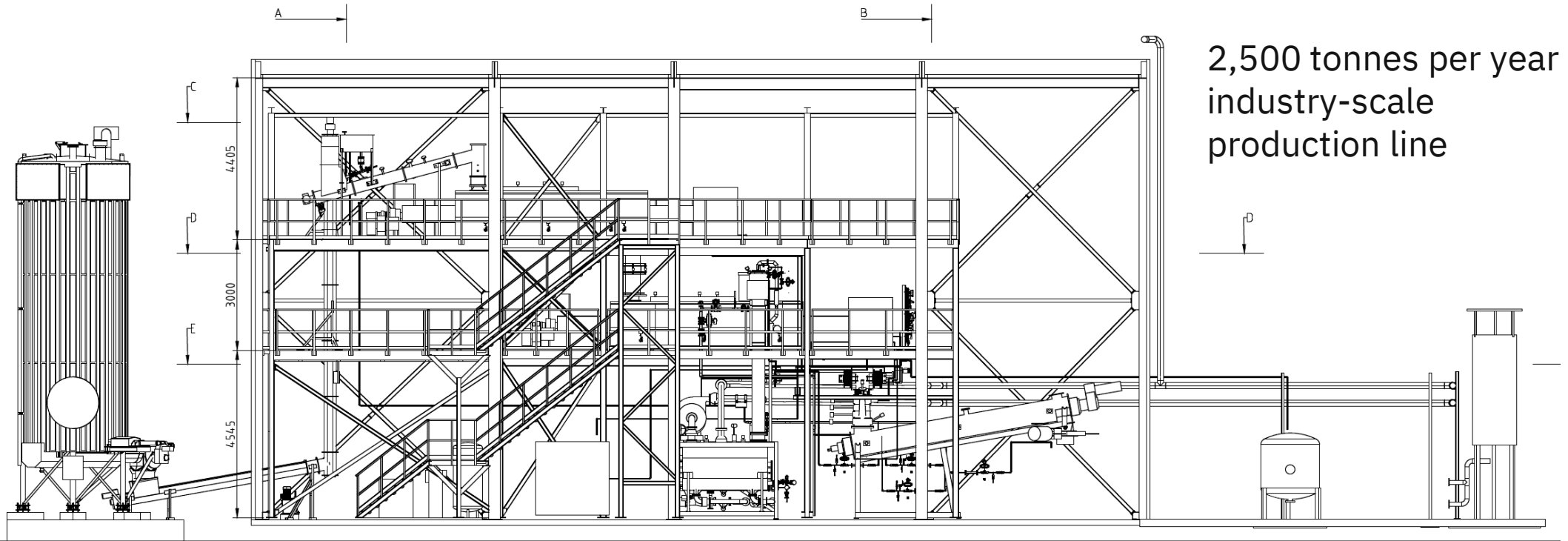
- ELT Circular industrial solution supported by more than three years pilot testing
- Optimizing recovered carbon black and tire pyrolysis oil
- Scale up concept study near completion
 - Modularity
 - Scalability
 - Standardisation



CARBON BLACK RECOVERY PLANT

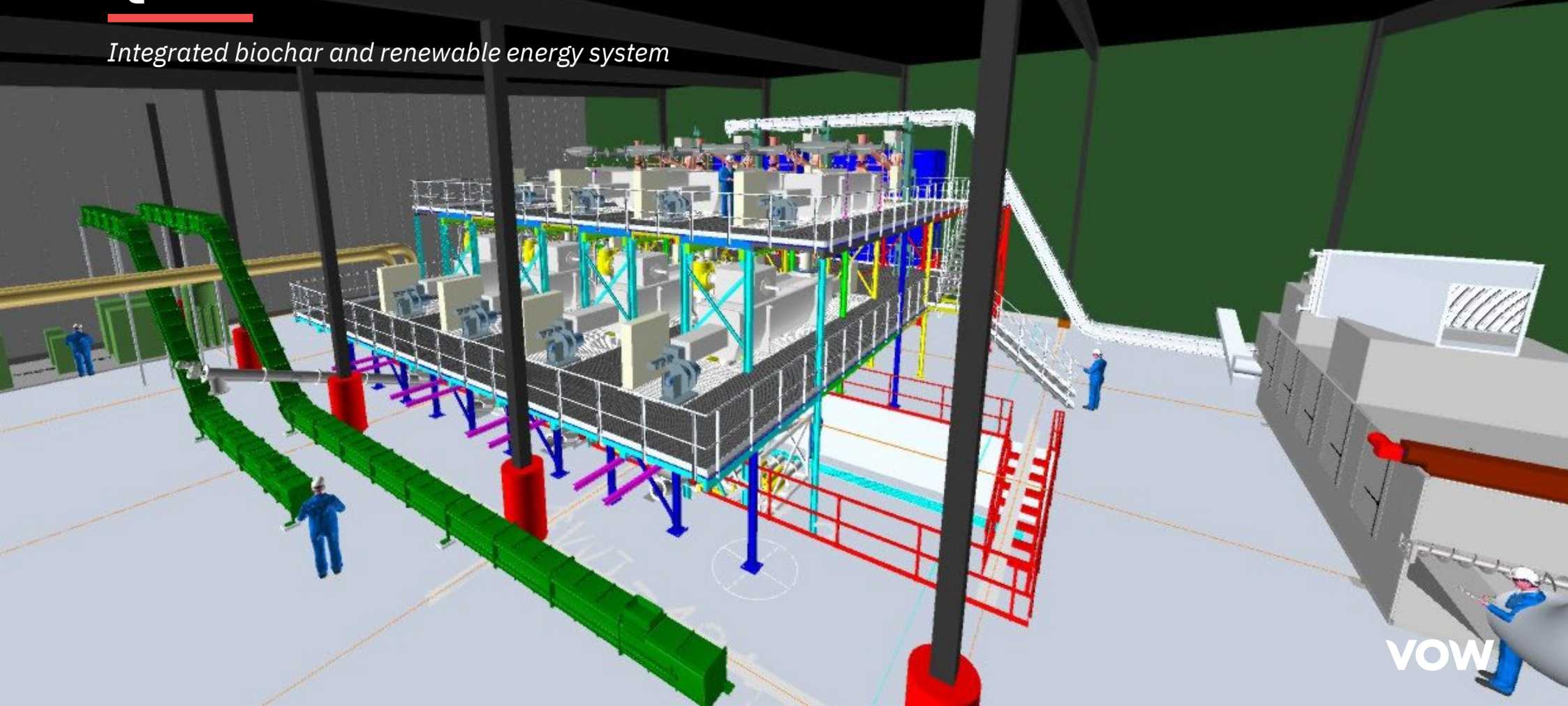


Capacity
3.9 tonnes per hour =
27,000 tonnes per year of granulate



QUONSET SOIL SOLUTIONS

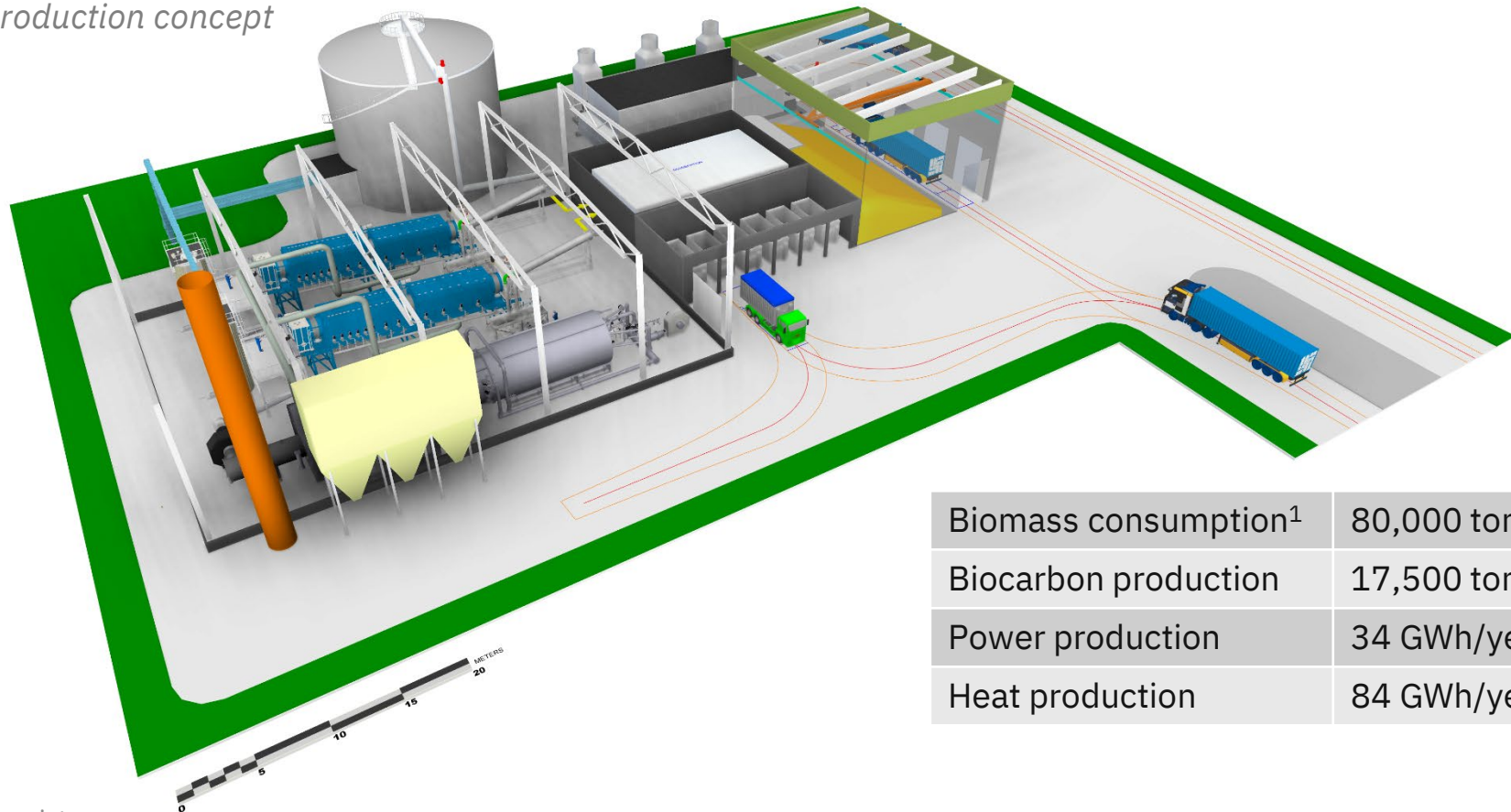
Integrated biochar and renewable energy system



VOW

SCALING UP

Example production concept



Biomass consumption ¹	80,000 tonne/year
Biocarbon production	17,500 tonne/year
Power production	34 GWh/year
Heat production	84 GWh/year

50 000 TONNE BIOCARBON PER YEAR

- › LOI established with a world leading non-ferrous metal producer in February 2022
- › Since then, work has been ongoing to materialize their productions needs, quality of product and by product management
- › Have now reached agreement in scope of supply
- › Firm bid for six parallel CHE lines delivered to owner in early August

“FOREVER CHEMICALS” PFAS

A big threat to our food and drinking water

- PFAS are persistent, mobile and toxic (PMT) chemicals
- 12 000 compounds (!)
 - only 56 regularly analysed
 - only 4 regulated
- Used in fire fighting foam, surface coatings, personal care products, building materials, clothing, ski wax

New Hollywood film ‘Dark Waters’ highlights the shocking reality of PFAS pollution

February 4, 2020 By Eleanor Hawke

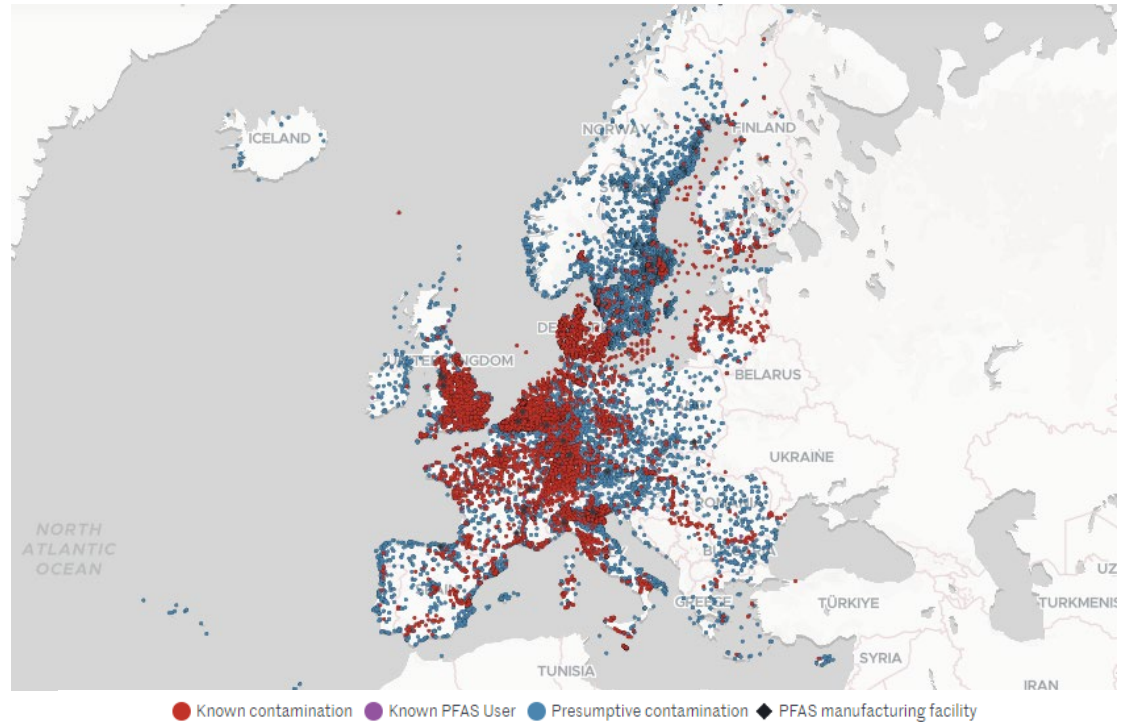


REMEDIATION OF PFAS CONTAMINATED SITES NEEDED

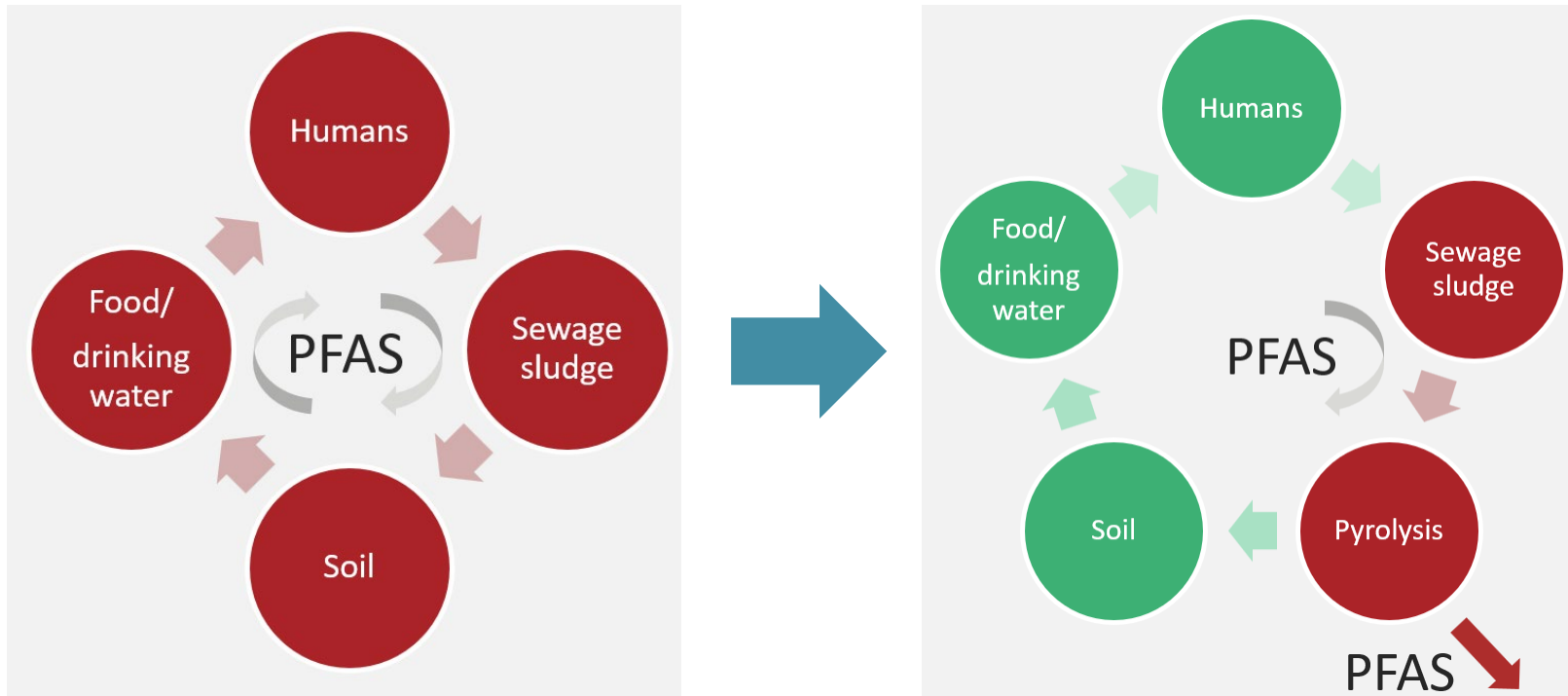
- Groundwater and surface water affected for several centuries without remediation
- Recycling will just circulate the PFAS
- Sorbents are a promising alternative

Le Monde

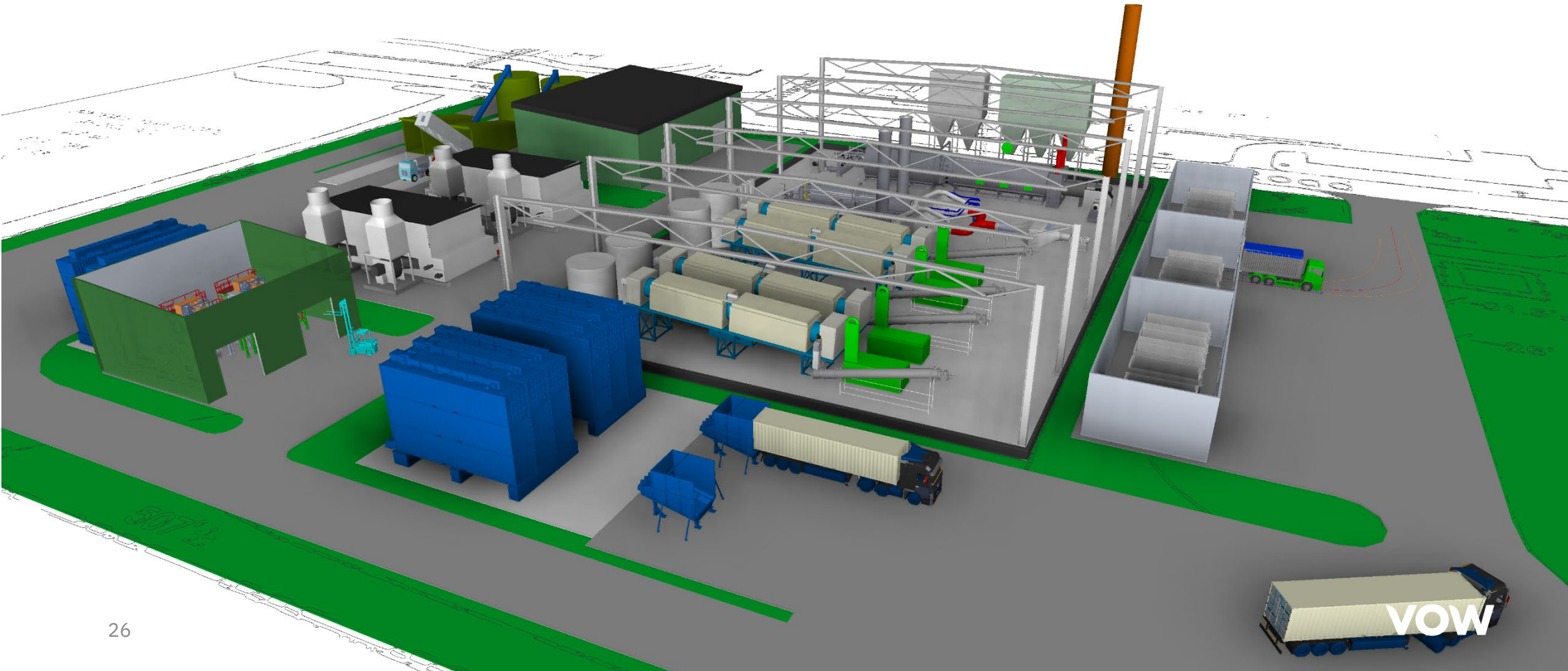
Source: [Le Monde](#)



STRONG PULL FOR ELIMINATING PFAS IN SLUDGE

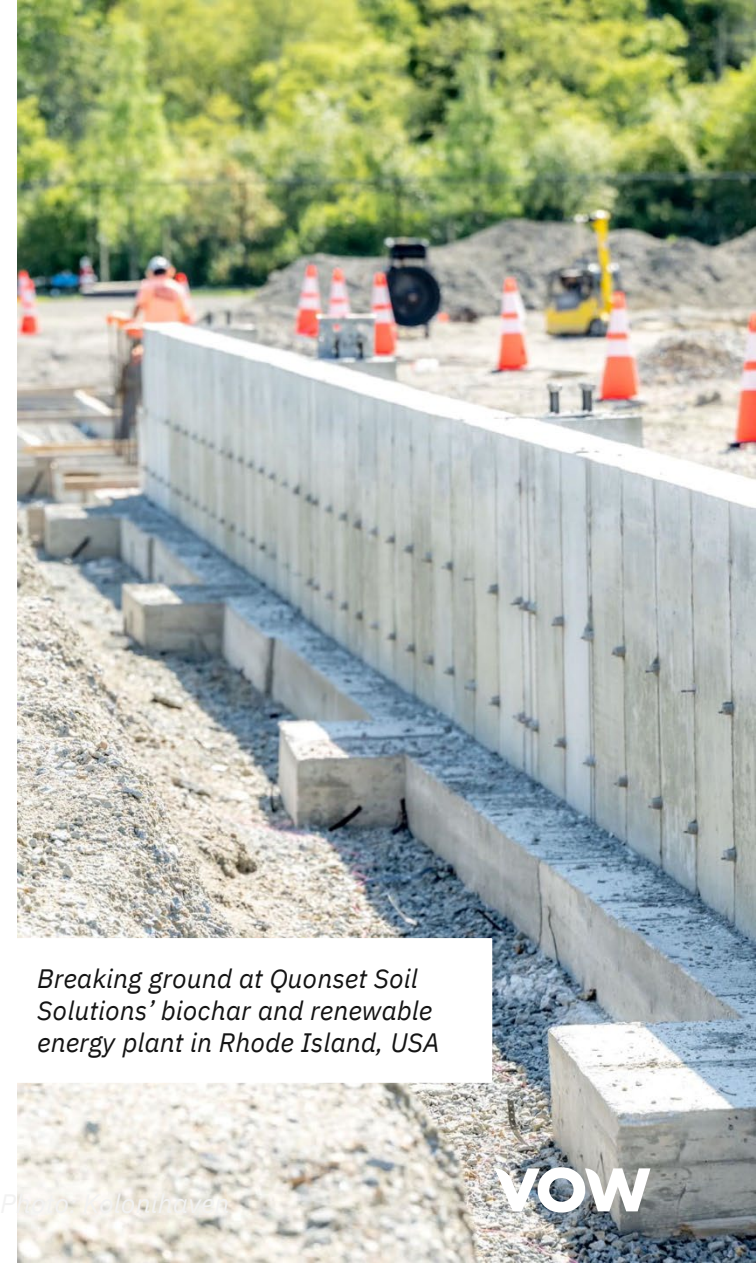


STRONG PULL FOR ELIMINATING PFAS IN SLUDGE



SUMMARY

- › Continued growth in revenues in H1 2023 with 12% increase year-over-year
- › EBITDA reflects good performance in cruise and heat treatment, build-up of capacity in anticipation of new orders, and allocation of resources building pipeline in Industrial Solutions
- › Order backlog remains solid, providing good visibility for revenues and cash generation medium term. High tender activity
- › New long-term financing agreement in place, providing financial support for continued growth
- › Continued high activity in developing pipeline in biocarbon and recovered carbon black, prospects emerging in biochar for soil improvement, permanent carbon storage, and sewage treatment



Breaking ground at Quonset Soil Solutions' biochar and renewable energy plant in Rhode Island, USA



**BELIEVING IN A FUTURE WHERE
INDUSTRY IS HARMONIZED
WITH NATURE**

VOW