

Robust and ready

Oslo, 27 October 2021 – Vow ASA reported stable revenues of NOK 97.8 million (NOK 299.4 year-to-date) in the third quarter, and an EBITDA margin of 8.3 per cent (9.5 per cent YTD). Restrictions relating to the Covid-19 pandemic were gradually lifted during the quarter and resulted in increased activity in the cruise industry and growth in the aftersales business. Vow has secured several milestone contracts in recent months, resulting in an all-time high current order backlog of NOK 2.1 billion including options.

“At the same time, we have consistently built capacity. Since early 2020, we have increased our workforce with more than 30 per cent, invested time and resources to develop our business and strategic partnership, and increased our financial strength. Vow is robust and ready for the upturn,” said Henrik Badin, CEO of Vow ASA.

Vow ASA reported stable revenues of NOK 97.8 million for the Group in the third quarter of 2021, compared with NOK 97.9 million in the third quarter last year. Cruise ships have gradually resumed operations during the quarter which has led to significant progress for the Aftersales segment. The revenue for Projects Cruise was recorded lower in the third quarter of 2021 compared to last year, following timing of new orders and deliveries of cruise projects, but with a record high EBITDA level for the first nine months of the year. The Landbased segment recorded a revenue level in line with the same period last year.

EBITDA before non-recurring items was recorded at NOK 8.1 million in the third quarter 2021, compared with NOK 10.7 million in the same period last year. The Landbased segment is in an investment phase for further growth, reflecting the negative EBITDA contribution of NOK -4.6 million to the Group’s results in the third quarter of 2021.

The order backlog currently stands at NOK 1 284 million, up from NOK 952 million at the start of the year. Vow recently received confirmation of a purchase order for delivery of process equipment and engineering support to Vow Green Metals. The contract value totals NOK 215 million, which makes this the largest contract so far in the history of the Vow Group. In addition to the firm backlog, shipowners have placed options on the newbuild series being equipped with Scanship systems amounting to a record-high NOK 849 million in likely future revenues related to the Projects Cruise segment.

“As predicted, the cruise industry is bouncing back after the pandemic, welcoming guests back on their ships, and with that comes increased demand for our Aftersales services. Meanwhile, ship upgrades and fleet renewals continue to provide a sound platform for our Cruise Project business,” said Badin.

“We are also eyeing a new normal for Vow with increased activity in our Landbased business. The third quarter this year will be remembered for the listing of Vow Green Metals, and Vow’s

start of construction of equipment that will go into Vow Green Metals biocarbon production plant in Norway, the largest of its kind in Europe,” Badin added.

Vow Green Metals was demerged, and the shares distributed to Vow shareholders and listed on Euronext Growth Oslo with first day of trading 12 July 2021. Following this listing, Vow retained a 30.5 per cent ownership share in Vow Green Metals, thereby maintaining a significant ownership stake in this new industrial company.

From Q3 2021 onwards, Vow Green Metals is treated for accounting purposes as an associated company, reflecting the 30.5 percent ownership share following the demerger and listing, and the share of the net results is recorded under financial items.

Key figures – Vow Group

<i>Amounts in NOK million</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Revenues	97.8	97.9	299.4	345.7	459.8
EBITDA before non-recurring items	8.1	10.7	28.4	35.3	46.6
<i>EBITDA margin %</i>	8.3 %	10.9 %	9.5 %	10.2 %	10.1%
Order backlog			1 283.8*	1 082.3	951.6

* The order backlog per 30 September 2021 includes NOK 70.1 mill formally announced 1 October for Projects Cruise, and NOK 214.7 mill formally announced 22 October for Landbased, in total NOK 284.8 mill formally announced in October, excluding options.

Segments and operational update

Vow ASA is organised and reports in three operating segments: Projects Cruise, Aftersales and Landbased. In addition, there is an accounting segment named Administration, which represents costs that are not allocated to the business segments, as the costs are more related to general administration and listing of the Vow Group.

Projects Cruise

<i>Amounts in NOK million</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Revenues	61.7	69.9	211.1	230.0	309.2
EBITDA before non-recurring items	16.7	19.4	55.0	54.4	70.9
<i>EBITDA margin %</i>	27.1 %	27.8 %	26.1 %	23.7 %	22.9%
Order backlog			993.1	1 044.9	924.0

The EBITDA for the segment is recorded at a record-high nine-month level of NOK 55.0 million YTD Q3 2021. The revenue level for Projects Cruise was recorded at NOK 61.7 million in Q3 2021, compared to NOK 69.9 million in the same quarter last year. The variance is the effect of

timing of new orders and deliveries of cruise projects. EBITDA before non-recurring items came in at NOK 16.7 million in Q3 2021, compared to NOK 19.4 million in Q3 2020. For the first nine months in 2021 the segment has recorded an EBITDA margin of 26.1 %, compared to 23.7 % in the same period last year.

In July, Vow was awarded serial cruise newbuild contracts for up to EUR 22.2 million by a major European shipyard. Through its subsidiary Scanship AS, Vow was awarded ten contracts for its clean ship systems, of which four contracts are firm orders at a total value of EUR 8.9 million and six contracts are optional contracts at a total value of EUR 13.3 million.

After the end of the quarter, Vow was awarded a new serial cruise newbuild contract valued at up to EUR 13.8 million (NOK 140 million) by a major European shipyard. The contract includes Scanship's clean ship systems for up to four cruise ships, of which two orders are firm at a total value of EUR 6.9 million and two are optional at a total value of EUR 6.9 million. Equipment for the first ship will be delivered from Scanship to the yard in Q3 2022.

With this new award, Vow has entered cruise contracts for nearly NOK 500 million including options in 2021.

These and other smaller contracts lifted the firm order backlog to a record high NOK 993 million at the end of third quarter 2021, in addition to NOK 849 million in options and likely deliveries to sister ships, included contracts and options awarded in October.

Aftersales

<i>Amounts in NOK million</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Revenues	13.8	5.2	32.1	44.9	53.3
EBITDA before non-recurring items	0.0	-4.2	-0.6	0.6	-0.3
<i>EBITDA margin %</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.3 %</i>	<i>n.a.</i>

During the third quarter, restrictions related to the Covid-19 pandemic were eased, and cruise ships have gradually resumed operations.

Following higher activity in the cruise industry, the Aftersales segment started the return to more normal operations in the third quarter. Revenues amounted to NOK 13.8 million in the quarter, corresponding to an increase of NOK 8.6 million from the same period last year.

After posting a negative EBITDA of NOK 4.2 million in the third quarter of 2020, EBITDA before non-recurring items was zero in the third quarter of 2021. As the cruise industry continues to rebound, Vow expects that the Aftersales business will return to revenue and margin levels reported before the pandemic. With more newbuilds being delivered to the market with Vow systems, the market for sales of spares, consumables and service is also growing.

Landbased

<i>Amounts in NOK million</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Revenues	22.3	22.8	56.2	70.8	97.2
EBITDA before non-recurring items	-4.6	-2.1	-13.7	-9.2	-10.2
<i>EBITDA margin %</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Order backlog			290.7	37.4	27.6

In the third quarter of 2021, the Landbased segment reported revenues of NOK 22.3 million, which is on par with last year's level. EBITDA before non-recurring items came in at a negative of NOK 4.6 million, reflecting high activity in sales and marketing, business development and process optimisation in ongoing projects to further develop the revenue base and profitability of this business segment.

During the quarter, Vow subsidiary ETIA was awarded an order to provide a robotic sorting system powered by artificial intelligence (AI) to the French leader in recycling, PAPREC and Bianna Recycling. The AI powered robot will be sorting demolition material, mainly wood and concrete. The order is valued at EUR 0.3 million. Despite being a small contract on a stand-alone basis, it represents a breakthrough for Vow's landbased robotic technology for waste sorting, and an important move towards building a circular economy for valorisation of waste in France.

On the 22 October, Vow received confirmation of a purchase order for delivery of process equipment and engineering support to Vow Green Metals' planned biocarbon plant at Follum in Norway. The contract is valued at NOK 215 million, the largest contract so far in the history of the Vow Group.

The plant at Follum will be built, owned, and operated by Vow Green Metals AS. Vow ASA is a significant shareholder in Vow Green Metals, owning 30.5 percent of its shares.

Including this recent order from Vow Green Metals, the order backlog for the Landbased segment is at NOK 291 million, compared to NOK 28 million at the start of the year and NOK 37 million at the same time last year.

In February 2021, Vow announced an agreement with Betula Energy which, subject to financing, could lead to an order for delivery of various process equipment. The potential order was not included in Vow's order intake or backlog. At the time of reporting, Betula Energy has not confirmed financing, and Vow understands that the company is contemplating a scaled-down plant without equipment from Vow.

Administration costs and other financials

Administration costs are costs that are not allocated to the business segments, as the costs are more related to general administration and listing of the Vow Group. The costs for this segment

for the first nine months of 2021 is NOK 12.4 mill, compared to NOK 9.2 million for the same period last year and NOK 13.8 million for the full year 2020. For the three months in Q3 2021 the costs were recorded at NOK 4.1 million, compared to NOK 2.4 million in Q3 2020.

The increase in cost level compared to 2020 reflects the investments made in the organisation to facilitate further growth in all the three operating business segments in the coming years.

In addition to the costs above the group has recorded non-recurring costs of NOK 6.3 million for the first nine months of 2021, primarily related to the demerger and stock exchange listing process for Vow Green Metals, as well as the financing processes. NOK 2.2 million of the non-recurring costs is recorded in Q3 2021.

During the third quarter, 380 000 new shares were issued at NOK 16.74 per share following the exercise of employee stock options. Following the registration of the new share capital on 8 October, the share capital of Vow ASA is NOK 10 718 827 divided into 114 639 870 shares.

Outlook

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

Activity in the cruise industry is increasing as society opens up. Vow secured several key contracts in the third quarter which resulted in an all-time high order backlog which ensures good visibility into 2025/26. Vow remains confident about the long-term market outlook for its cruise related operations, and these growth prospects are supported by increasing demand for solutions for cleaner oceans.

Segment Aftersales started the return to growth in the third quarter as more and more cruise ships are returning to normal operations with restrictions related to Covid-19 gradually being lifted. As an increasing share of cruise ships are delivered with Vow systems, the aftersales market is growing, and Vow remains positive about the long-term market opportunities for Aftersales.

Vow continues to make investments in the Landbased segment to support growth and profitability going forward and is working closely with its valued customers and partners to refine technology and solutions.

The launch of Vow Industries and Vow Green Metals marked a significant strategic shift for Vow, and while Vow Green Metals has been demerged and listed, Vow Industries will remain a subsidiary of Vow as an incubator for other potential spin-offs in the future.

As a provider of world leading technologies that can eliminate pollution, enhance circular economy, and mitigate climate change, and a proven ability to deliver reliable technology at a competitive price, Vow is well positioned to meet the global trends of replacing fossil carbon

and turning waste into valuable resources. Vow has capacity and capital in place to deliver on projected growth.

For further queries, please contact:

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About Vow ASA

In Vow and our subsidiaries Scanship and Etia we are passionate about preventing pollution and giving waste value. Our world leading solutions convert biomass and waste into valuable resources and generate clean energy for a wide range of industries.

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

Our ambitions go further than this. With our advanced technologies and solutions, we turn waste into biogenetic fuels to help decarbonise industry and convert plastic waste into fuel, clean energy, and high-value pyro carbon.

Our solutions are scalable, standardized, patented, and thoroughly documented, and our capability to deliver is well proven. They are key to end waste and stop pollution.

Located in Oslo, the parent company Vow ASA is listed on the Oslo Stock Exchange (ticker VOW).