ANNUAL AND SUSTAINABILITIY REPORT 2021





In Vow and our subsidiaries Scanship, Etia and C.H. Evensen we are passionate about preventing pollution and reducing use of fossil carbon and energy. With our world leading technologies and solutions our customers in cruise and landbased industries convert waste, biomass, plastics and polymers into recycled and valuable advanced carbon materials, low carbon fuels, chemicals, and climate neutral gas.

PASSIONATE ABOUT PREVENTING POLLUTION AND DECARBONISING INDUSTRY

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 carbon neutral energy. With our technology and solutions, a wide range of landbased industries decarbonise and create new business models.

The name is also a reminder of our promise, our vow to customers, to investors, and to the world. Preventing pollution and decarbonising industrial processes are key to a better climate and cleaner world.

VOW

CONTENTS

About Vow 4

Highlights 5

Letter from the CEO 6

Business segments 8

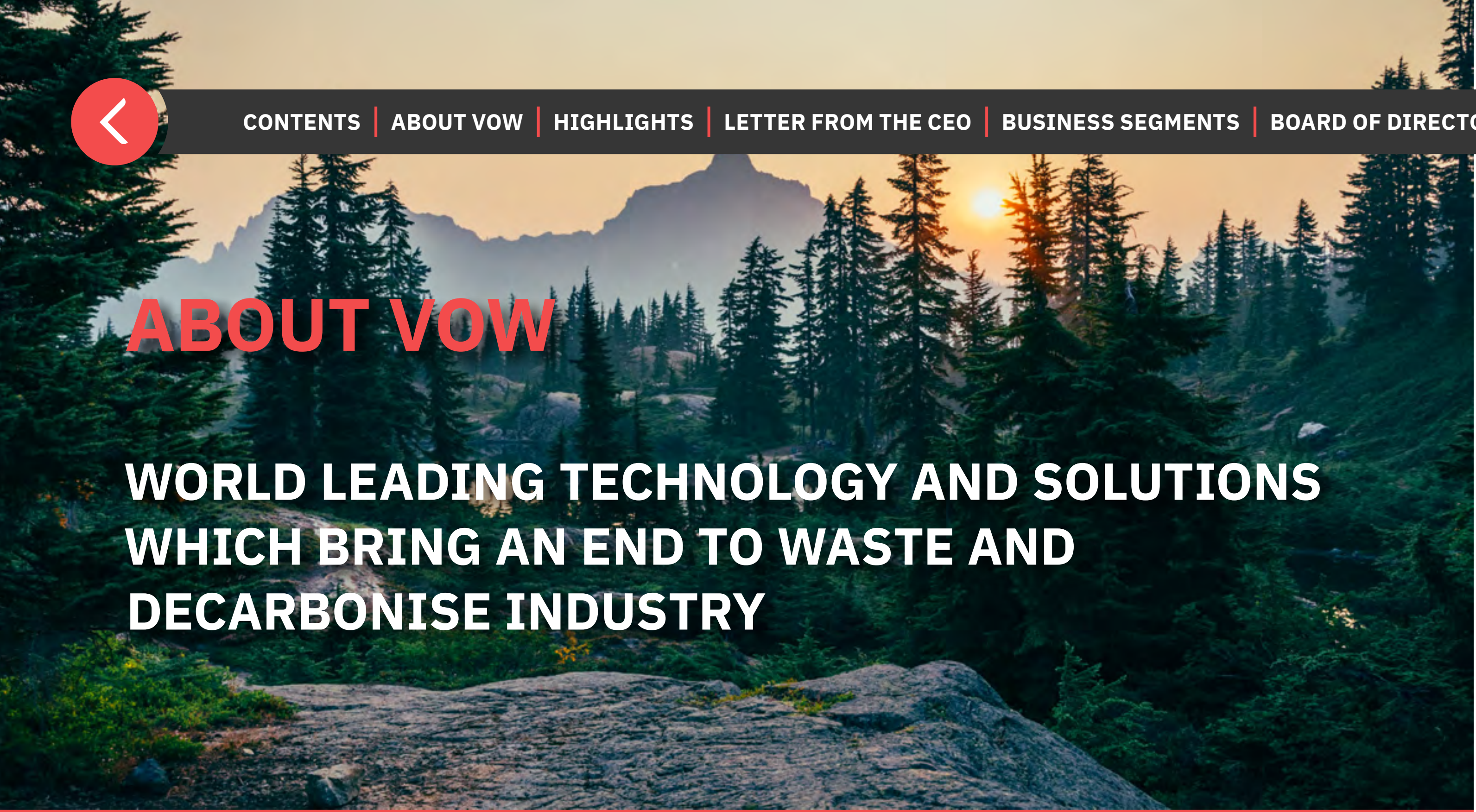
Board of directors' report 10

Sustainability report 24
Sustainability in Vow 25
Stakeholders and materiality 26
Environment and climate action 29
People and society 39
Sustainability governance 45
Communication on progress 50

Corporate governance 52

Financial statements 60
Financial statements – Vow group 62
Notes to the financial statements – Vow group 66
Financial statements – Vow ASA 95
Notes to the financial statements – Vow ASA 99
Auditor's report 108
Definitions of alternative performance measures not defined by IFRS 112

Contact 114



ABOUT VOW

WORLD LEADING TECHNOLOGY AND SOLUTIONS WHICH BRING AN END TO WASTE AND DECARBONISE INDUSTRY

Vow is passionate about preventing pollution. The group develops and delivers world leading technology and solutions which bring an end to waste and decarbonise industry. Solutions which are required to combat climate change and create a cleaner world.

Vow's solutions purify wastewater and convert biomass and waste into valuable resources, generating CO_2-neutral energy, biocarbon, and other advanced carbon materials that decarbonise industrial processes. Its proprietary technologies have already been chosen by a wide range of customers within cruise, aquaculture, and landbased 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 (ticker: VOW), with subsidiaries in Norway, France, Poland, and the US.

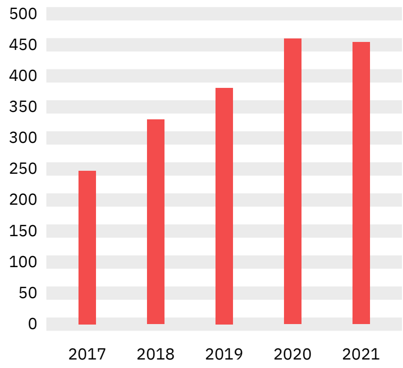
HIGHLIGHTS 2021

- All-time high order backlog, supported by a significant increase in order intake for Projects Cruise and an equally strong progress for Landbased, provides good visibility and revenues well into 2025/2026
- Continued high activity level and performance in cruise newbuild and retrofit projects
- Aftersales returning as the cruise industry is recovering from the Covid-19 pandemic
- Milestone order secured with Vow Green Metals AS (VGM) to deliver process equipment, engineering and project support to Europe's largest biocarbon production plant, which at 10 000 tonnes per year capacity would be Europe's largest to date
- Fair value gain from demerger of VGM operations from Vow ASA recorded under financial items with an income of NOK 341.6 million. VGM listed on Oslo Stock Exchange 12 July 2021
- Strengthened partnerships with leading industry players like Repsol, ArcelorMittal and Elkem, using ETIA pyrolysis technology

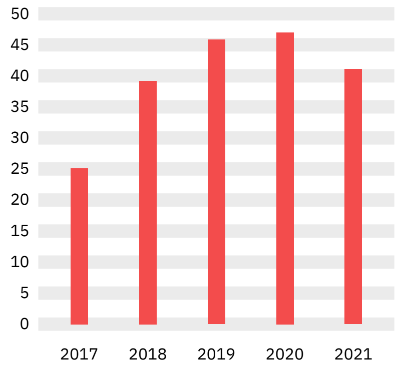
SUBSEQUENT EVENTS

- Production start of a demo plant built to confirm that CO_2-neutral pyrolysis gas can replace fossil gas in the European gas grid
- Signed letter of intent which could lead to equipment delivery to a 50 000-tonnes per year biocarbon plant
- Acquisition of C.H. Evensen, a supplier of technology and solutions for high-temperature industrial processes

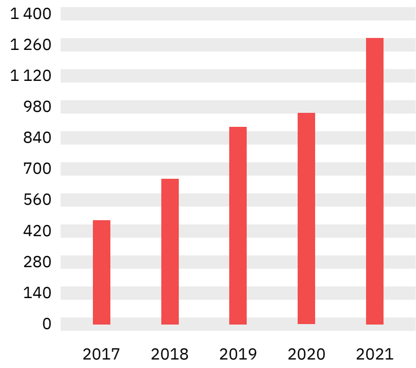
REVENUES
NOK million



EBITDA (before non-recurring items)
NOK million



BACKLOG (at the end of the year)
NOK million



LETTER FROM THE CEO

We are living in extraordinary times. The world is struggling with new waves of Covid-19 outbreaks that affect global trade and supply chains for most industries. In Europe, industry and consumers are facing an emerging energy crisis, which became even more acute with the Russian invasion of Ukraine and sanctions imposed on Russia. As I write this letter, the war is still ongoing, and we learn about new tragedies and atrocities every day.

Even long before the Russian invasion, Vow had started to feel the impact of a new world order. The near universal understanding that urgent measures are needed to combat climate change has been a strong underlying driver for new technology, new solutions, and new business models. Clean, secure, and affordable energy is in high and increasing demand.

Across most industry verticals, our customers tell us that they are looking for ways to decarbonise. They are responding to calls for a more circular economy. They are responding to political and regulatory forces, and to economic realities. The cost of energy and climate emissions is rising steeply.

With industry looking for solutions, our technology has caught the attention of many leading and global industrial firms. During the past year, we have developed close relationships with metals producers Elkem and ArcelorMittal, with energy company Repsol, and with the consumer product company Phillip Morris International.

With the successful creation and launch of Vow Green Metals, we also introduced to our customers a new business model. Vow Green Metals will build, own, and operate processing plants that converts forestry waste and waste wood into CO_2-neutral energy and advanced biocarbon that replaces fossil carbon as reduction agent in metal-making processes.

We also introduced Vow Green Metals to new investors. In 2021, the company was demerged, spun off and listed as a separate company. We created a new customer for Vow, a new partner for the industry, and we created shareholder value.

The contract awarded by Vow Green Metals last year for delivering technology and process equipment to its Follum plant in Norway serves as a reminder of the potential of our offering to landbased industries. Valued at more than NOK 200 million, this was Vow's largest contract to date, and an important reason for the near doubling of revenues we expect this year.

A letter of intent signed by Vow, Vow Green Metals and an undisclosed global metals producer serves as further evidence of the relevance of our solutions. Initially, the parties will undertake a joint feasibility study to develop an advanced and commercially competitive biocarbon product for production of non-ferrous metals. As a potential next step, the parties will consider building a plant with capacity to produce 50 000 tonnes per year of biocarbon by 2025.

Also very promising, Europe's second largest gas distributor GRTgaz and Vow subsidiary ETIA announced that they will accelerate work to demonstrate that syngas from our pyrolysis solutions can be converted to methane and replace fossil natural gas in the European gas grid. If successful, this would be a game-changer in the European energy market, and another significant step for Vow.

Motivated by these and other feedback that indicate an unprecedented demand for Vow technology and solutions going forward, we decided to acquire C.H. Evensen Industriovner, a leader in its field and trusted partner and supplier of technology and solutions for high-temperature industrial processes. The transaction was completed in March 2022.

With C.H. Evensen as part of Vow, we have a bigger toolbox. Vow will in effect have three complementary pyrolysis technologies on offer. They can be used separately or in combination, depending on available feedstock and desired product. With the addition of the Evensen reactor, we are also able to offer industrial plants at a much higher capacity than before.

As a first step, we have decided to build a large pyrolysis reactor for production of biocarbon and syngas. The new large-scale reactor will produce yearly up to 100 GWh of syngas and 10 000 tonnes of Biocarbon in an application based on forestry residues. This amount of biocarbon enables a possibility to capture up to 30 000 tonnes of CO_2 which otherwise would have been released to the atmosphere.

For production of larger volumes of advanced biocarbon, we are currently designing a two-step process with several Biogreen pyrolysis units connected to each Evensen reactor. This would further multiply output from our systems.

Looking back at Vow's history, it is almost surreal to be writing this much of a letter to our shareholders without even having mentioned our cruise business. As I am sure you will appreciate, we are highly enthusiastic about the many opportunities we see in landbased, but cruise will still be the backbone of our business for many years.

Together with our friends and customers in the cruise industry, we are happy to see that the many magnificent cruise ships that we know so well are back at sea. Many of them have been retrofitted with more sophisticated environmental Scanship systems, and in the coming years several new ships will sail their maiden voyage with 'Scanship inside'. For Vow this is reflected in a record high order backlog at the beginning of 2022, with orders well into 2025.

Going back to where I started this letter, times are certainly extraordinary and challenging, but they also represent opportunities for us all to demonstrate resolve, commitment, and drive for a different and better future. Our contribution should be evident in the technology and products we deliver, but we are also mindful that our corporate responsibility must be reflected in the way we work, and in the values that guide our day-to-day behaviour, values that we sum up as follows:

Trust is a key building block of the Vow culture. Responsible business conduct is fundamental for all we do. We are inclusive towards each other, partners, and all stakeholders, and we are passionate about preventing pollution, valorising waste, and mitigating climate change.

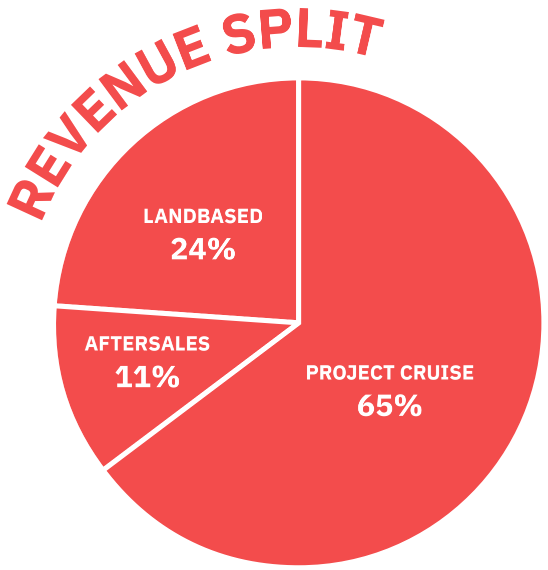
Our commitment to corporate responsibility is further demonstrated through our membership of UN Global Compact, which we joined in 2020, and for the second time in as many years, we have prepared a detailed report of our achievements and ambitions in environmental, social and governance factors. Our sustainability report 2021 is included in this annual report from page 24 onwards. We hope you find it useful and interesting.

In Vow, we believe in solving the big challenges together. We will do our part and thank all of you, our customers, employees, suppliers and other industry partners, science and research institutions, governmental agencies and not least, our shareholders, for your support.

Henrik Badin
CEO of Vow ASA

BUSINESS SEGMENTS

The operations of Vow are organised across three business segments: Projects Cruise, Aftersales and Landbased.



PROJECTS CRUISE

The Projects Cruise segment is mainly based on Scanship operations and includes the sale of wastewater purification, garbage handling, food waste treatment and sludge processing solutions for the cruise and aquaculture industry.

Systems are sold either to shipyards for newbuild constructions or as retrofits to operating ships. When delivering to shipyards, the yard installs the systems with supervision from Vow, through the Scanship operations.

When systems are delivered to shipowners for operating ships, they are delivered as turn-key solutions, where Scanship is responsible for installation. All systems delivered are commissioned by Scanship personnel undergoing full complete compliance testing. Production of Scanship systems is outsourced to subcontractors.

AFTERSALES

The Aftersales segment is mainly related to the Projects Cruise segment and the Scanship operations, and comprises all activities related to the 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 the recurring revenue stream from the Aftersales segment.

Scanship offers service and operational assistance on board cruise ships through its service department with experienced engineers and senior personnel, covering the complete lifecycle of its systems and assisting cruise owners in achieving cost efficient operations.

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 based on the ETIA operations and specific landbased operations in Norway, and designs and provides systems to valorise biomass residues and waste into renewable products, chemicals and fossil free energy through pyrolysis solutions.

The segment offers proven solutions for turning waste into valuable green products and climate friendly energy, solutions for food sterilisation and debacterisation, and systems for mineral processing.

Vow seeks to develop close and long-lasting relationships with its customers and could also engage in the development of new business ventures, alone or together with partners. With the launch of Vow Green Metals in 2021, Vow created a new and standalone entity, which already has become an important customer and partner for potential further projects. Vow Green Metals will build, own and operate plants built with Vow technology, and will accelerate the green shift by producing biocarbon for the metallurgic industry, CO_2-neutral gas for heating, and biofuel for the petrochemical industry.

BOARD OF DIRECTORS' REPORT 2021

In 2021, Vow continued to deliver on its promise to prevent pollution and decarbonise industries, and reinforced itself as a pioneering provider of solutions to convert biomass and waste into valuable resources. Activity was picking up in all parts of Vow during the second half of the year, with the cruise industry gaining speed. Overall, hard work and dedication have led to an all-time high order backlog of NOK 1.3 billion, placing Vow at the forefront of green technology and the green transition.

Vow achieved revenues of NOK 454.1 million for 2021, compared with NOK 459.8 million in 2020. EBITDA before non-recurring items came in at NOK 41.1 million, down from NOK 46.6 million in the previous year. This gave an EBITDA margin of nine per cent, which is relatively on par with previous year's level. The group recorded a strong close of the year, with both revenues and profits improving during the second half of the year.

The successful demerger and stock exchange listing process for the Vow Green Metals (VGM) operations resulted in a fair value gain recorded under financial items with an income of NOK 341.6 million. VGM was listed on Euronext Growth 12 July 2021.

The cruise industry is bouncing back as cruise operators continue to renew and upgrade their fleets, and the demand for aftersales continues to increase as more ships are returning to sea following better control over the Covid-19 pandemic. In 2021, the group's technology was demonstrated through successful start-up and commissioning at several sites.

At year-end 2021, the group recorded an all-time high order backlog of NOK 1.3 billion, supported by a 40 per cent increase in order intake for Projects Cruise and an equally strong progress for Landbased, providing good visibility of revenues well into 2025/26.

OVERVIEW OF THE BUSINESS

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

Business and location

Vow develops and delivers world-leading technology and solutions to bring an end to waste and help industries decarbonise—solutions that are required to combat climate change and create a cleaner world.

Vow's solutions purify wastewater and convert biomass and waste into valuable resources, generating CO_2-neutral energy and biocarbon that decarbonise industrial processes. Customers are represented in cruise, aquaculture, and a wide range of landbased 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 in Lysaker, just outside Oslo, Norway. The parent company, Vow ASA, is a Norwegian public limited liability company listed on the Oslo Stock Exchange (ticker: VOW), with employees in Norway, France, Poland, the US, Canada and Italy. 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 group's main activities are R&D, sales & marketing, engineering, procurement, and project management. The group is organised across three operating segments: Projects Cruise, Aftersales and Landbased.

Projects Cruise and Aftersales are mainly based on Scanship operations, while segment Landbased is based on ETIA operations and specific landbased operations in Norway.

Projects Cruise includes the sale of wastewater purification, garbage handling, food waste treatment and sludge processing solutions for the cruise and aquaculture industry. Systems are sold either to shipyards for newbuild constructions or as retrofits for operating ships. When delivering to shipyards, the yard installs the systems with supervision from Vow through the Scanship operations. When systems are delivered to shipowners for ships in operation, they are delivered as turn-key solutions, where Scanship is responsible for installation. All delivered systems are commissioned by Scanship personnel undergoing complete compliance testing. Production of Scanship systems is outsourced to subcontractors.

Segment Aftersales is related to the sale of spare parts and consumables as well as service on delivered systems. As the number of delivered systems increases, the market for Aftersales grows.

Segment Landbased is based on the ETIA operations and specific landbased operations in Norway, and designs and provides systems to valorise biomass residues and waste into renewable products, chemicals and fossil free energy through pyrolysis solutions.
In addition, the segment offers proven solutions for turning waste into valuable green products and climate-friendly energy, food sterilisation and debacterisation, and plants for mineral processing, which are used throughout the industry.

In 2020, Vow launched Vow Industries as an incubator for business development as part of its Landbased segment, which marked a significant strategic shift for Vow. Vow Green Metals was launched in 2021 as a new company that will offer materials and energy enabling their customers to decarbonise. Vow Green Metals was demerged from Vow and the shares distributed to Vow shareholders, and listed on Euronext Growth in July 2021.

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:

- *Trust is a key building block of the Vow culture*
- *Responsible business conduct is fundamental for all we do*
- *Inclusive towards each other, partners and stakeholders*
- *Passionate about preventing pollution, giving waste value, and mitigating climate change*

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 to decarbonise energy, capture carbon, valorise waste and create end-of-waste solutions.

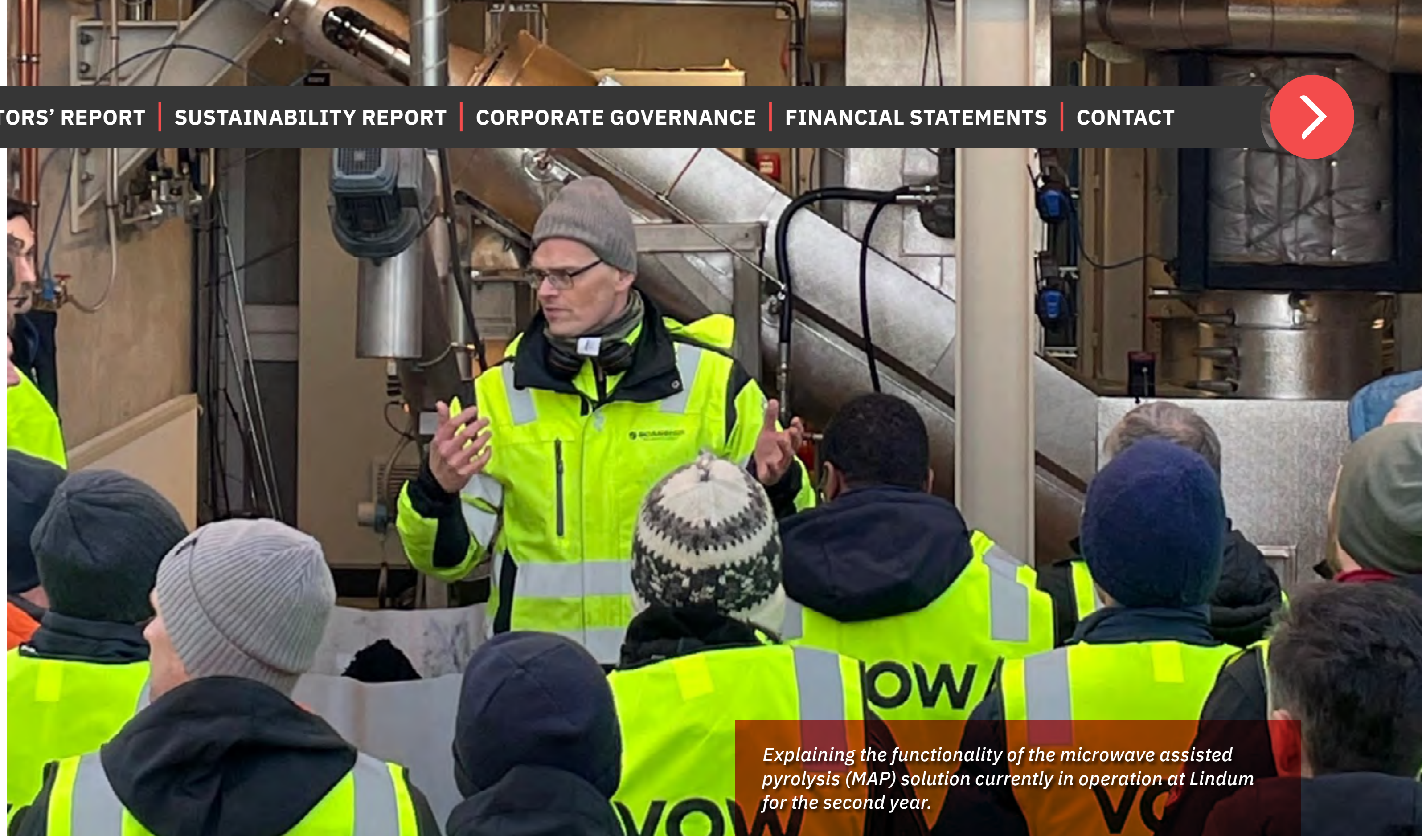
IMPORTANT EVENTS

Increased demand for green and clean solutions
In 2021, the group continued to navigate hurdles caused by the global pandemic whilst ensuring the continuation of its vital work to prevent pollution and turning waste into valuable resources. During 2021, cruise ships have gradually resumed operations after the Covid-19 pandemic and at year-end 2021, approximately 60 per cent of the world's cruise fleet was back in normal operations. As a consequence, market growth recovered in the second half of the year, supported by increased activity and performance in cruise newbuild and retrofit projects.

A significant increase in order intake for Projects Cruise and an equally strong progress for Landbased resulted in an all-time high order backlog of NOK 1.3 billion at year-end, providing good visibility and revenues well into 2025/26.

Key contracts
The group reaffirmed its position as a world-leading technology provider aimed at eliminating pollution by signing significant new contracts across its three key business segments Projects Cruise, Aftersales, and Landbased:

Projects Cruise
Throughout 2021, Vow's subsidiary, Scanship AS, was awarded several major cruise newbuild and retrofit projects. Amongst some of the key contracts was a serial newbuild contract signed with a significant European shipyard for the value of EUR 22.2 million in July. Scanship will deliver its state-of-the-art technology to process garbage, food waste, and wastewater of up to ten cruise ships as part of the agreement. In October, Scanship also secured a serial cruise newbuild contract



Explaining the functionality of the microwave assisted pyrolysis (MAP) solution currently in operation at Lindum for the second year.

valued at up to EUR 13.8 million with another significant European shipyard. Equipment for both contracts will be delivered in Q1 and Q3 2022, respectively.

Scanship also signed several significant retrofit contracts, one of which was signed with Carnival Cruise Line, the international cruise line headquartered in Florida, US. This agreement represents the thirty-first wastewater purification system installed on operating ships and one of the most significant retrofit projects within this segment to date. Overall, the Scanship subsidiary delivered systems to 12 cruise newbuilds and two retrofit projects in 2021.

Vow also signed a contract with the French shipyard, Chantiers de l'Atlantique, to deliver wastewater purification systems to be installed on the seventh newbuild for the Royal Caribbean International Oasis ships. This newbuild is planned to be the largest cruise ship in the world when it launches in 2026. Following this agreement, Scanship secured another retrofit contract with Royal Caribbean Group valued at USD 1.6 million.

Landbased
The Landbased segment also experienced significant activity in 2021.

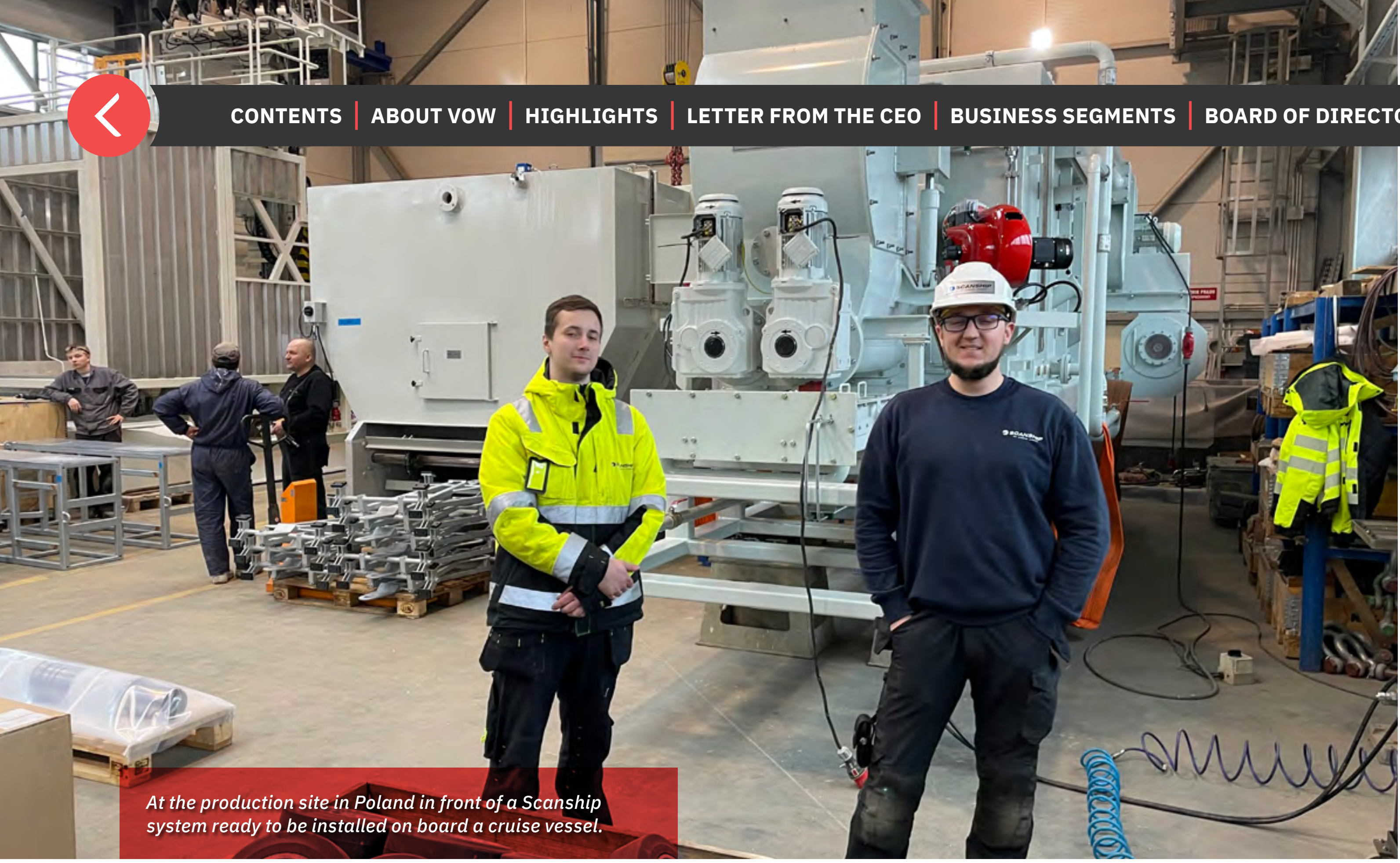
The first half of the year was marked by the significant work done to establish the Vow Green Metals operations and to prepare for the demerger and stock exchange listing. The successful demerger and listing resulted in a fair value gain recorded under financial items with an income of NOK 341.6 million.

In addition, the group experienced increased demand for its Safesteril® equipment. In April 2021, ETIA secured two new contracts worth EUR 1.7 million. Under the terms of the agreements, ETIA will deliver a Safesteril® unit to a global and leading food supplier to sterilise food spices, ensuring it is safe for human consumption.

In June, Vow signed a breakthrough contract with Wakefield Biochar to transform its biomass and bio-residues into high-quality biochar. In addition, Vow will contribute to Wakefield's Advanced Materials and Soil Health divisions, addressing the fast-growing biochar market in the US. The contract is valued at USD 5.15 million.

In September, Vow secured an agreement with PAPREC and Bianna Recycling, a leading French-based recycling company. ETIA will deliver a robotic recycling system powered by artificial intelligence as part of the agreement. The project is not financially significant but paves the way for Vow to deliver more AI-powered solutions in the future.

New partnerships
At the start of the year, ETIA signed a strategic memorandum of understanding with ArcelorMittal, the world's leading steel and mining company, to build a biogas production plant to reduce CO_2 emissions as



At the production site in Poland in front of a Scanship system ready to be installed on board a cruise vessel.

part of the steelmaking process. Using ETIA's pyrolysis technology, the plant is expected to be operational in 2023.

Before the end of a busy year, ETIA strengthened its partnership with the Spanish-based Repsol by signing an agreement to deliver a pilot plant using its pyrolysis technology.

Key corporate and financial events

In March, the group strengthened its financial position through a successful NOK 218.5 million private placement. Part of the proceeds were used as initial funding of Vow Green Metals, a pioneering biomass recycling and biocoal production company. Vow Green Metals was demerged and listed on Euronext Growth Oslo with the 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.

In 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.

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.

In addition to the private placement, Vow secured NOK 320 million in long-term financing from DNB to strengthen its financial foundation and foster innovation through R&D initiatives across land-based industries. This financing is classified as "green financing" at attractive terms, and within the DNB Sustainable Product Framework.

EVENTS AFTER THE BALANCE SHEET DATE

In February 2022, Vow ASA and Vow Green Metals AS announced that they are joining forces with a global non-ferrous metal producer in a move which could eventually lead to the construction of large biocarbon production facilities, where technology will be supplied by Vow ASA, and Vow Green Metals will be the owner and have operational responsibility. As a first step outlined in a letter of intent, the non-ferrous metals producer, Vow Green Metals, and Vow have agreed to undertake a joint feasibility study to evaluate the potential of developing an advanced and commercially competitive biocarbon product for the undisclosed client.

In February 2022, the French company and Europe's second largest gas distributor, GRTgaz, and Vow subsidiary ETIA marked production start of a demo plant built to confirm that CO_2-neutral pyrolysis gas can replace fossil gas in the European gas grid. The start of the test campaign marks an important achievement in Synthane, a technology programme launched by GRTgaz and ETIA in 2016, and one of several programmes aimed at demonstrating that CO_2-neutral pyrolysis gas produced at large scale from biomass and biogenic waste can replace fossil natural gas in the European gas grid. The programme features well-proven technology from ETIA, Vow's technology and equipment manufacturing subsidiary.

In March 2022, Scanship AS, a wholly owned subsidiary of Vow ASA, entered into an agreement to acquire 100 per cent of the shares in C. H. Evensen Industriovner AS ("C. H. Evensen"). The agreed purchase price is NOK 50 million.

C. H. Evensen's product range encompasses heat treatment furnaces and ovens, hot-dip galvanising solutions, and green technology based on pyrolysis for industries to lower emissions and improve operational efficiencies. Lately, the company has also developed solutions within a growing market for battery production and recycling. This makes it an excellent match with Vow's pyrolysis-based circular carbon and CO_2 neutral energy solutions.

NOK 25 million in cash was paid to the seller at closing 30 March. Another NOK 25 million in seller's credit ("vendor note") will be payable by Scanship 14 months after closing. During the last month before the vendor note's settlement date, the seller will have the right to decide having the vendor note (fully or partially) settled by receiving Vow shares at a price of NOK 25 per Vow share.

On 15 March, Vow ASA decided to initiate a share buy-back programme for own shares for up to NOK 25 million. Up to 1 000 000 shares may be acquired in a period from 15.03.2022 to 16.05.2022. The purpose of the programme is to (i) fulfil its obligations arising from employee share option programmes and (ii) if required, deliver consideration shares to C. H. Evensen Holding AS in respect of Scanship AS' acquisition of the shares in C. H. Evensen Industriovner AS. On 30 March 2022, Vow finalised the repurchase of shares under this share buy-back programme. The weighted average price per share was NOK 21.8.

PROJECT ORDER BACKLOG

Vow had a total order backlog of NOK 1 291 million at 31 December 2021, compared with NOK 1 061 million at the end of the first half of the year and NOK 952 million at the end of 2020. Of the total backlog, NOK 1 012 million relates to the Projects Cruise segment, while the remainder, NOK 279 million, relates to the Landbased segment.

In addition to the backlog, Vow had secured option agreements to a total value of NOK 826 million in future revenues.

GOING CONCERN

The annual financial statements for 2021 have been prepared on the assumption that Vow is a going concern under section 3-3a of the Norwegian Accounting Act. Regarding the group's results, financial position, backlog, and forecasts for the years ahead, the conditions required for continuation as a going concern are hereby confirmed to exist. In the board's opinion, 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 the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with 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 sufficient information about the operations, financial results and position of the group and the parent company at 31 December 2021.

Vow reports its operations in three segments; Projects Cruise, Aftersales and Landbased. Further comments are provided under each of the business segments.

Consolidated statement of income

Revenues for the group amounted to NOK 454.1 million for 2021, relatively in line with the NOK 459.8 million recorded for 2020. The revenue development is further described under the description for each of the business segments below.

Gross margin was recorded at 37.8 per cent for 2021, up from 35.7 per cent for 2020. In 2021, all three business segments reported gross margins on par with or higher than the levels achieved in 2020, contributing to the long-term positive development.

The Vow Group has seen significant revenue growth over the past few 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 improved its operational efficiency considerably over the same years, maintaining a satisfactory EBITDA margin.

EBITDA before non-recurring items amounted to NOK 41.1 million for 2021, representing a margin of nine per cent, compared with NOK 46.6 million and a margin of 10 per cent for 2020.

Vow had non-recurring costs of NOK 9.8 million in 2021. The non-recurring costs are related to the demerger and stock exchange listing process for Vow Green Metals AS and costs related to strategy processes and organisational build-up in the preparation for future growth.

Depreciation and amortisation amounted to NOK 24.3 million for the full year of 2021, compared with NOK 21.9 million for 2020. Both depreciation and amortisation were recorded at a slightly higher level in 2021 compared to 2020, following the increased activity and higher investment level.

Net financial items for 2021 were recorded with a net financial income of NOK 315.3 million, compared with a net financial income of NOK 11.5 million for 2020. Net financial items for 2021 include a gain from the demerger of the Vow Green Metals operations from Vow ASA with an income of NOK 341.6 million. This gain reflects the fair value adjustment and value creation of the demerger and stock exchange listing process of Vow Green Metals. The net financial items also include Vow ASA's share of net profit from the associated company VGM excluding internal gain effects, recorded as a financial cost of NOK 7.4 million.

In 2020, the fair value adjustment of the conversion rights on the convertible loan related to the ETIA transaction was recorded with a financial income of NOK 25.0 million. These fair value adjustments do not have any direct cash effects for the group.

The net other financial items in 2021 were recorded with a financial cost of NOK 18.9 million, compared with a financial cost of NOK 13.5 million for the same period in 2020. The increase in 2021 is related to loan interest costs and certain currency effects.

The result before tax for the Vow Group came in at NOK 322.3 million for 2021 compared with NOK 28.1 million for 2020.

The group had income tax revenues of NOK 1.0 million for 2021, compared with an expense of NOK 0.2 million for 2020. In sum, this provided the group with a profit for the year of NOK 323.4 million, compared to a profit for the year of NOK 27.9 million in 2020.

Cash flow

Operating activities generated a net cash inflow of NOK 18.0 million for 2021, compared with an outflow of NOK 5.3 million for 2020. The gradual return to more normal cruise operations in 2021 had a positive effect on the cash flow from operations as the Aftersales business segment requires significantly less net working capital than cruise newbuilding.

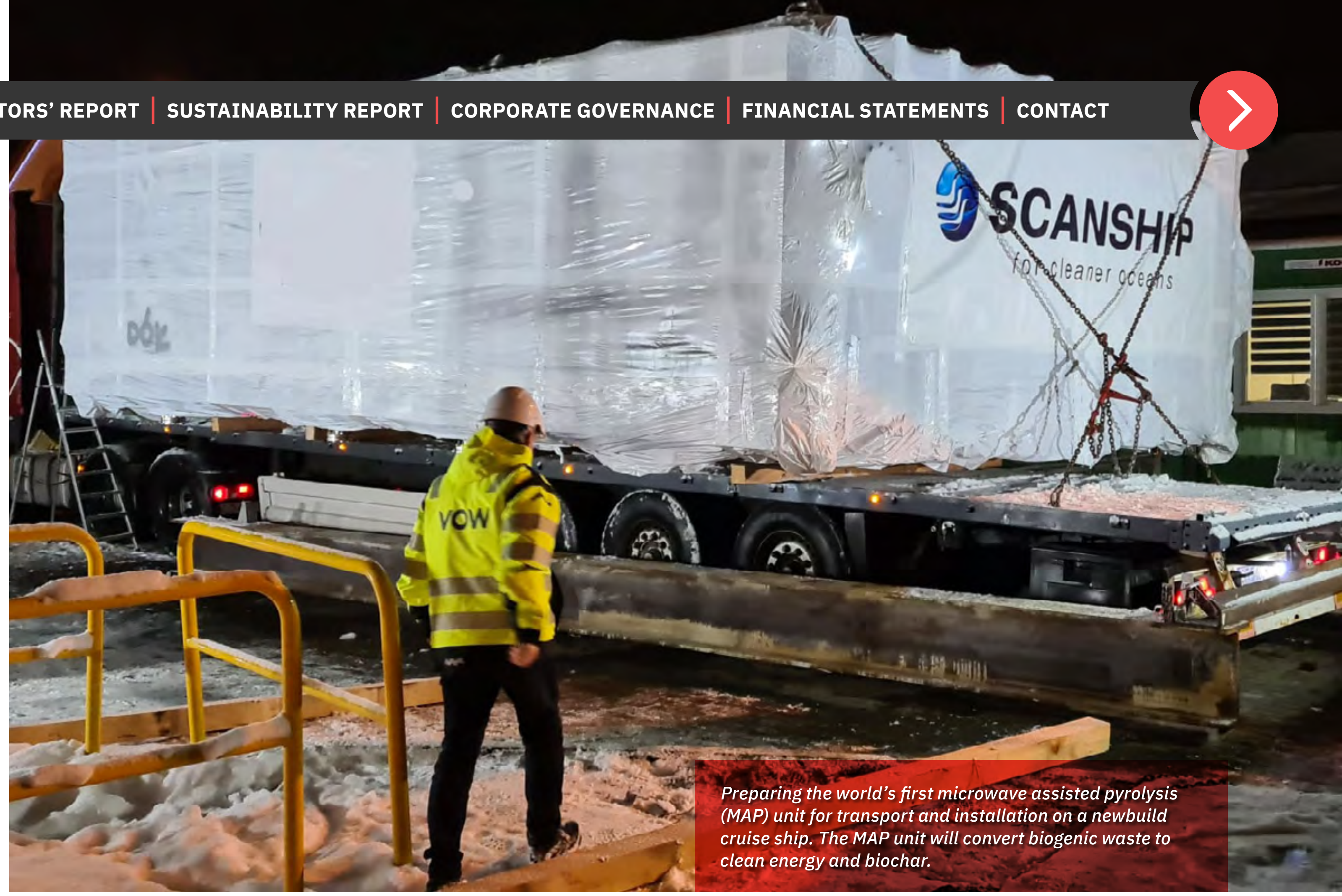
Investing activities in 2021 generated a cash outflow of NOK 246.1 million and are primarily related to the investment made through the cash injection of NOK 150 million in Vow Green Metals AS in preparation for the demerger and stock exchange listing process. In addition, investments have been made in R&D and intangible assets to further strengthen and develop the Landbased segment.

Financing activities in 2021 generated a positive cash flow of NOK 341.1 million, following both the equity financing in March and the new long-term financing drawn up in June. In 2020, financing activities generated a positive cash flow of NOK 11.0 million.

Financial position

At 31 December 2021, Vow had total assets of NOK 1 106.6 million, compared with NOK 709.7 million at the end of 2020. The increase in the total assets and balance sheet of the group is driven both by the increased project activity in Projects Cruise segment and the continued investments made within R&D to lay the foundation for further growth. The investments made within R&D and intangible assets are primarily towards the Landbased segment to significantly strengthen and further develop this business segment. The increase in project activities will increase contracts in progress balance sheet items as well as the trade receivables and trade creditors.

The increase in the total assets, liabilities and equity in the group also follows the new equity and long-term debt financing, preparing for future growth. The new NOK 170 million term loan with DNB was drawn up as per 30 June 2021. The new Revolving Credit Facility (RCF) of NOK 150 million was undrawn as per 31 December 2021.



Preparing the world's first microwave assisted pyrolysis (MAP) unit for transport and installation on a newbuild cruise ship. The MAP unit will convert biogenic waste to clean energy and biochar.

Total assets in the group are also affected by Vow Green Metals AS now being recorded as an associated company of Vow ASA, with the 30.4 per cent ownership share.

In March 2021, Vow completed a private placement through the allocation of 5 000 000 new shares at an offer price of NOK 46, raising net proceeds to the company of NOK 218.5 million. The majority of the proceeds were allocated as initial funding of Vow Green Metals.

At the end of 2021, Vow had total equity of NOK 523.7 million, representing an equity share of 47 per cent, up from NOK 320.8 million at the end of 2020, representing an equity share of 45 per cent.

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

Segments

The Vow Group is organised across three operating segments; Projects Cruise, Aftersales and Landbased.

The segment Projects Cruise includes sales of systems to shipyards and the aquaculture industry for newbuild constructions or to ships in operations as retrofits, while Aftersales are related to the sale of spares and consumables, as well as service on delivered systems.

Projects Cruise

NOK million	**2021**	2020
Revenues	**294.2**	309.2
EBITDA before non-recurring items	**67.9**	70.8
EBITDA before non-recurring items margin (%)	**23.1%**	22.9%
Backlog	**1 012**	924

Revenues in the Projects Cruise segment amounted to NOK 294.2 million for 2021, compared to NOK 309.2 million in 2020. Revenues from Projects Cruise continue to grow on a long-term basis as the cruise industry is regaining speed and cruise liners place new orders for Vow to deliver solutions for cleaner oceans. At year-end 2021, Vow had a total backlog of NOK 1 291 million, of which NOK 1 012 million was related to the Projects Cruise segment, supported by a strong order intake in 2021.

EBITDA for the segment came in at NOK 67.9 million for the year, representing a margin of 23.1 per cent, compared with NOK 70.8 million for 2020, equivalent to a margin of 22.9 per cent.

Aftersales

NOK million	**2021**	2020
Revenues	**51.9**	53.3
EBITDA before non-recurring items	**0.4**	(0.2)
EBITDA before non-recurring items margin (%)	**0.7%**	(0.4%)

Revenues for the Aftersales segment came in at NOK 51.9 million for 2021, down from the NOK 53.3 million reported for 2020. There was a significant shift in activity levels in this segment in the last six months of the year. Since March 2020, the Aftersales segment has been affected by the Covid-19 pandemic, but throughout 2021 travel restrictions have been eased and cruise ships have gradually resumed operations. At year-end 2021, approximately 60 per cent of the world's cruise fleet was back in normal operations.

With more newbuilds being delivered to the market with Vow systems, the market for sales of spares, consumables and service grows.

EBITDA for the segment showed an improvement from last year's loss of NOK 0.2 million to a profit of NOK 0.4 million for 2021. The improvement was driven by the higher revenue base in the second half of the year combined with increased gross profit for the period.

Landbased

NOK million	**2021**	2020
Revenues	**108.0**	97.2
EBITDA before non-recurring items	**(7.1)**	(10.2)
EBITDA before non-recurring items margin (%)	**(6.5%)**	(10.4%)
Backlog	**279**	28

Revenues for the Landbased segment amounted to NOK 108.0 million for 2021, up from NOK 97.2 million for 2020. The progress is driven by the order with Vow Green Metals for delivery of equipment and engineering to the Follum plant. Vow has invested significantly in the ETIA operations and the Landbased segment, both through operating expenses and R&D investments. This to further develop the revenue base and profitability of this business segment.

EBITDA for the segment came in at a negative NOK 7.1 million, compared with a negative of NOK 10.2 for 2020. The EBITDA performance improved during the year, and the Landbased segment reported an EBITDA margin of 12.7 per cent for the last three months of the year 2021.

The business segment had non-recurring costs of NOK 3.0 million in 2021, representing the segment's share of the nonrecurring costs incurred for the group. Non-recurring items related to the acquisition of ETIA amounted to NOK 8.2 million for 2020. EBITDA after non-recurring items was negative by NOK 10.1 million for 2021 and negative by NOK 18.3 million for 2020.

At year-end 2021, the Landbased segment had a backlog of NOK 279 million, driven by a strong order intake for the Landbased segment in 2021 of NOK 340.5 million.

Parent company and allocation of net profit

The parent company, Vow ASA, primarily has administrative costs related to the listing at Oslo Stock Exchange, audit and legal fees, remuneration of the board and certain operating costs related to the development of the Landbased business segment. The operating result for 2021 was recorded at a loss of NOK 22.6 million compared with a loss of NOK 12.1 million for 2020. The main reasons for the higher operating costs in 2021 are the non-recurring costs related to the demerger and stock exchange listing process for the Vow Green Metals operations and the costs incurred to further strengthen and develop the landbased operations.

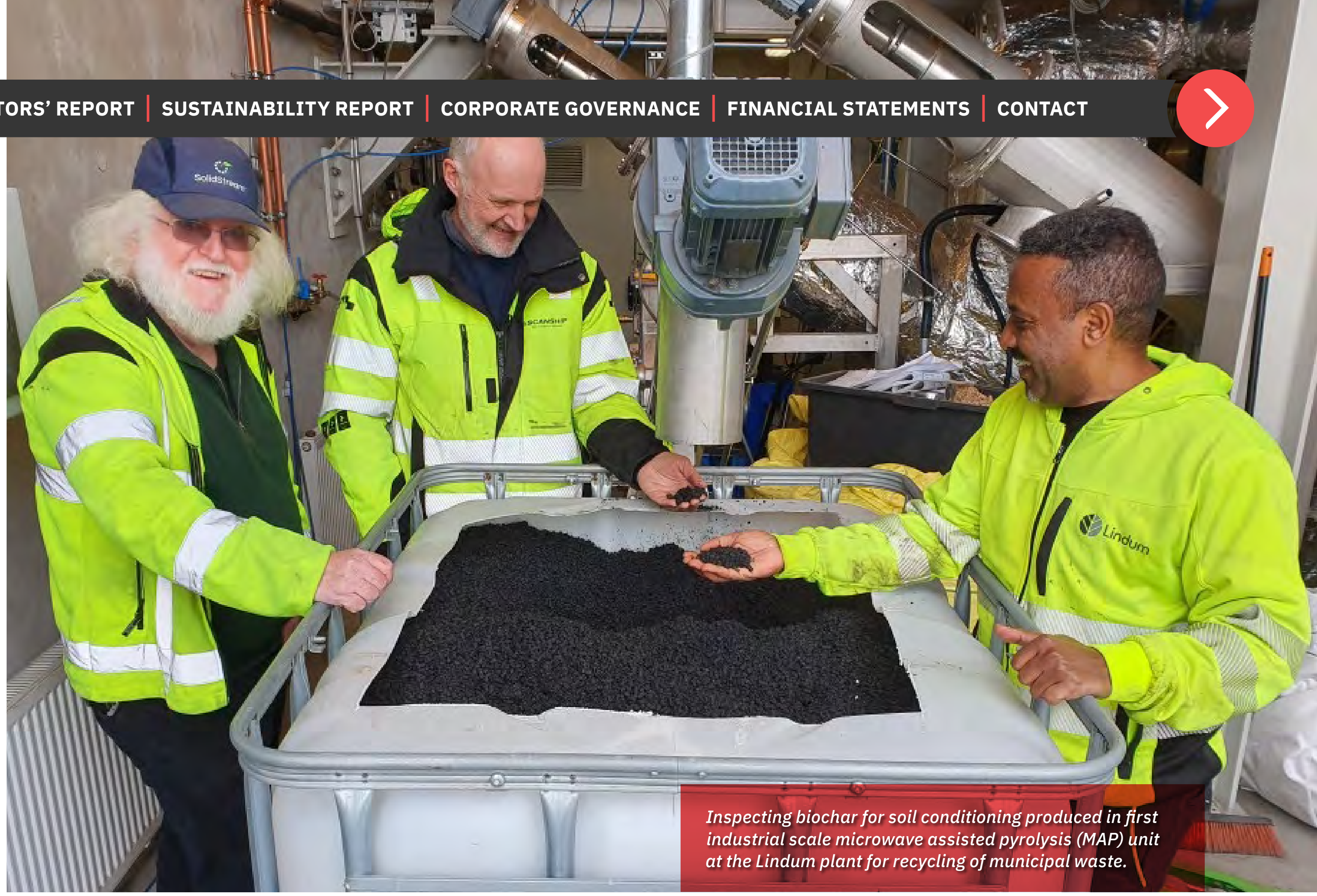
Net financial items for 2021 were recorded with a net financial income of NOK 336.3 million, compared with a net financial income of NOK 28.4 million for 2020. Net financial items for 2021 include the gain from the demerger of the Vow Green Metals operations from Vow ASA with an income of NOK 341.6 million, reflecting the fair value adjustment and value creation of this demerger and stock exchange listing process. In 2020, the fair value adjustment of the conversion rights on the convertible loan related to the ETIA transaction was recorded with a financial income of NOK 25.0 million. These fair value adjustments do not have any direct cash effects for the group.

The result for the year ended at NOK 319.2 million for 2021, compared with NOK 18.2 million for 2020.

The parent company had total assets booked at a value of NOK 823.3 million at 31 December 2021, compared with NOK 445.6 at the end of 2020. The parent company had total equity of NOK 649.1 million at 31 December 2021, representing an equity ratio of 78.8 per cent.

The Board proposes the following allocation of the net result of NOK 319.2 million for the parent company (Vow ASA):

Retained earnings: NOK 319.2 million.



Inspecting biochar for soil conditioning produced in first industrial scale microwave assisted pyrolysis (MAP) unit at the Lindum plant for recycling of municipal waste.

RESEARCH AND DEVELOPMENT (R&D)

The majority of Vow's development work in 2021 have been projects and investments made to further strengthen and develop the Landbased segment. These are investments made towards several industry verticals – the metallurgical industry, end of life tyres, the plastics area, and industry decarbonisation in general. The development work done is also a significant value for the best configuration of the process equipment which is now in preparation to be delivered to Vow Green Metals plant at Follum. Vow has also made significant R&D investments towards the cruise industry in 2021, most notably for the continued development of the Microwave Assisted Pyrolysis ("MAP") Waste to Energy system.

During 2021, Vow invested NOK 86.7 million on its product development activities, compared with NOK 64.7 million in 2020. Intangible assets from product development activities were as of 31 December 2021 booked at NOK 232.6 million, up from NOK 158.8 million at the end of 2020, the increase primarily being a result of the investments made within the Landbased segment.

RISKS AND RISK MANAGEMENT

The Vow Group is subject to a number of risks, including operational and financial risks. The board and executive management are 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.

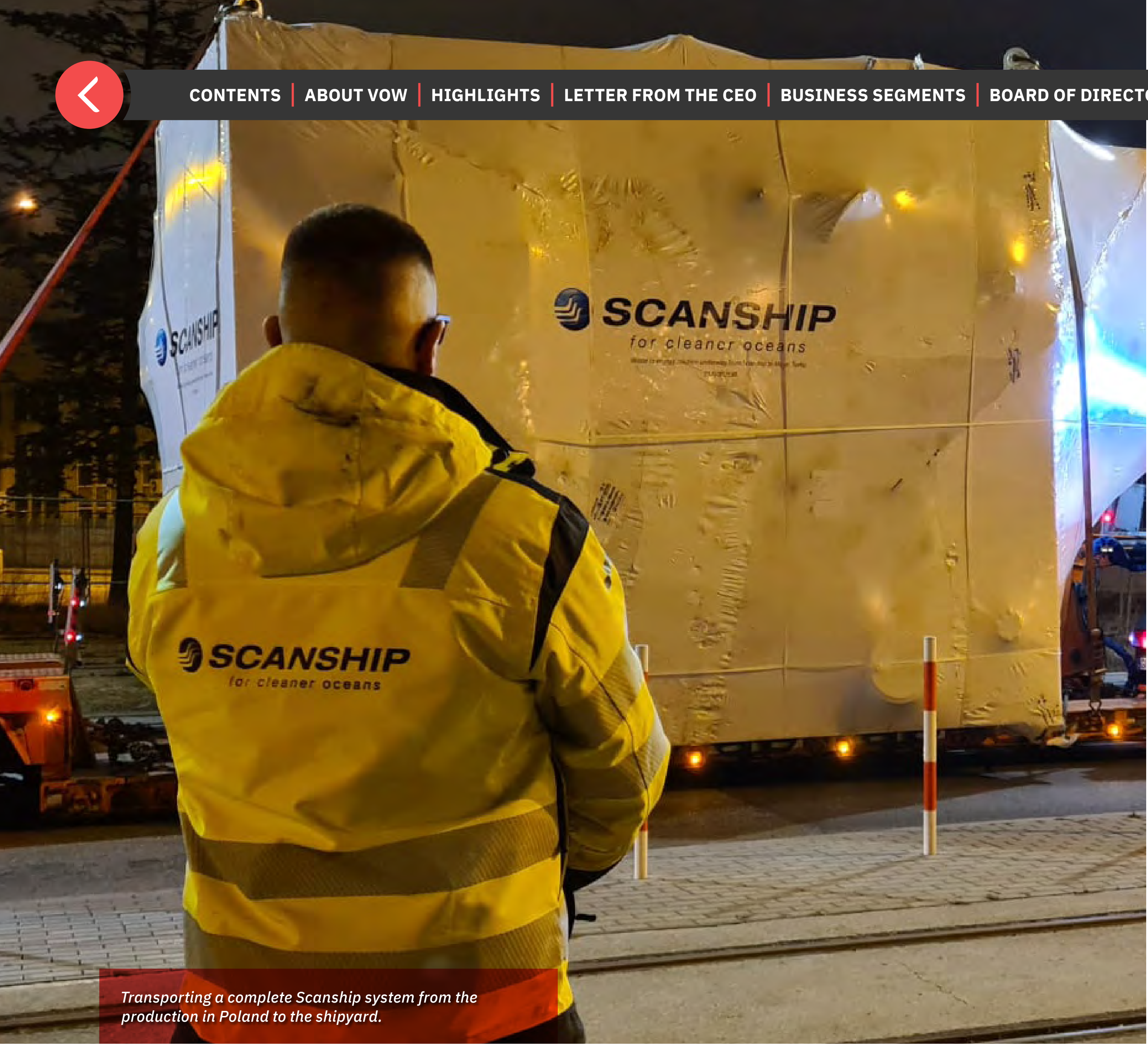
Financial risks

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

During 2021, the Covid-19 pandemic continued to create 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 advanced wastewater purification and waste management systems may have a negative effect on future revenues. If the cruise industry experiences overcapacity and pressure on consumer pricing, newbuild activities may slow down. If the overall



Transporting a complete Scanship system from the production in Poland to the shipyard.

financial markets would slow down, shipowners 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 shipowners, shipyards in Europe, and industrial customers for the ETIA systems. Due to the nature of the business and the size of its customers, the group is predominantly working with customers with a satisfactory credit history. The credit risk is mainly related to newbuilding contracts where a few yards are counterparts. This is increasing the credit risk. However, due to the 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 in the period 2020-2021. 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 shipyards exercise longer payment terms than others. For many years, Vow has had close and regular contact with all of its shipyard customers. 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. Though payments from shipyards have been delayed beyond the agreed credit term during specific periods, they have historically always paid their liabilities. Vow also has a certain flexibility in its own supplier base and longer payment terms are sometimes agreed upon with suppliers in periods where customer payments are delayed. The Vow management considers the management of liquidity risk a priority.

Compared to retrofit projects, for which payments are received after meeting certain milestones, newbuild projects for which the group receives payments late in the process give the group a different structure of liquidity risk. Given the shorter time cycle on retrofit projects from when the contract is signed to the initiation, the supplier payments incur earlier. Therefore, although the milestones are set up to enable a positive net cash flow on the projects, a delay in the retrofit projects will naturally also increase liquidity risk.

Estimation risk

The preparation of the financial statements in accordance with IFRS requires the 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 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 that benefit 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. Oslo Rule Book II - Issuer Rules section 4.4 under Continuing obligations for Issuers of Shares. 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 14 October 2021, may be found at www.nues.no.

The annual statement on corporate governance for 2021 has been approved by the board and can be found on page 52 of this annual report.

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Vow is subject to corporate responsibility reporting requirements under section 3-3a and 3-3c of the Norwegian Accounting Act. The detailed reporting on all relevant topics can be found in the Sustainability Report, which is included on page 24 of this annual report and on www.vowasa.com. The Sustainability Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards.

Responsible business practices

Since 2020 Vow has been a member of UN Global Compact. By participating in the UN Global Compact, Vow is committed to the UN Global Compact's ten principles in the areas of human rights, labour, environment, and anti-corruption.

Vow's business depends on the trust of customers, contractual parties, the authorities, shareholders, employees and society in general. To gain trust, the group is dependent upon professionalism, expertise, and high ethical standards in all aspects of the group's work.

Vow's Employee Code of Conduct sets forth the basic principles for business practices and personal behaviour for employees and persons/entities holding a position of trust with the group and hired consultants acting on behalf of the group.

Vow is promoting responsible business practices in the supply chain and sets ethical standards for its suppliers and business partners through Vow's Supplier Code of Conduct. Environmental, social and governance (ESG) criteria are integrated in supplier due diligence processes.

Both the Employee and Supplier Code of Conduct are available on www.vowasa.com.

Environment and climate action

The entire business of Vow is built on the fundamental belief that we need to take better care of the world. Vow's technology and solutions enable our customers to manage their waste and energy challenges in a sustainable manner. Our waste to energy carbon capture technology reduces the use of fossil fuels and lower CO_2 emissions.

Vow has calculated the group's scope 1 and 2 emissions in accordance with the Greenhouse Gas (GHG) Protocol, and started to prepare climate disclosures after the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The climate accounts are included in the Sustainability Report on page 24 of this annual report.

Diversity and equal opportunities

At 31 December 2021, the group had 169 employees, of which 31 were women. The board of Vow ASA consists of four persons, of which two are women.

Vow is committed to promoting equality and equal treatment at all stages of the organisation and other relationships. A statement on equality and non-discrimination in accordance with the Norwegian Equality and Anti-Discrimination Act will be published in May 2022. Numbers on equality and diversity are presented in the Sustainabiltiy Report on page 24.

Working environment, sickness absence, incidents and injuries

The group has a relatively low absence due to illness with 1.4 per cent in 2021 and 1.8 per cent in 2020.

The group has a strong focus on HSEQ (Health, Safety, Environment and Quality) and adheres to strict HSEQ-routines. No injuries or accidents causing material damages or personal injuries were reported during the year. Vow has a vision of zero harm to people and is continuously working to improve HSEQ procedures.

SHARE AND SHAREHOLDER MATTERS

Vow ASA is listed on Oslo Stock Exchange (ticker: VOW). 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 emphasises equal treatment of its shareholders and the shares are freely negotiable. No restriction on negotiability is included in the Articles of Association.

In March 2021 Vow completed a private placement through the allocation of 5 000 000 new shares at an offer price of NOK 46, raising net proceeds to the company of NOK 218.5 million. The majority of the proceeds were allocated as initial funding of Vow Green Metals.

In October 2021, 380 000 new shares were issued at NOK 16.74 per share following the exercise of employee stock options. Following registration of the new share capital, the share capital of Vow ASA was NOK 10 718 827 divided into 114 639 870 shares at year-end 2021.

During 2021, the Vow share traded between NOK 20.84 and NOK 55.17 per share, with a closing price of NOK 23.46 per share at 31 December 2021.

At 31 December 2021, the company had a total of 7 333 shareholders, of which the 20 largest shareholders held a total of 76.1 per cent of the shares.

OUTLOOK

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

The cruise industry continues to grow as cruise liners place new orders. 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.

It is expected that the global cruise ship fleet will return to normal operations in 2022. As an increasing share of cruise ships are delivered with Vow systems, the aftersales market is growing.

Converting wood waste and other biogenic materials to climate neutral syngas and biochar, a key to understanding Vow's value proposition and contribution to a more sustainable future.

Vow is currently in the process of producing and assembling equipment for Vow Green Metals' first biocarbon plant at Follum in Eastern Norway based on Vow's advanced pyrolysis technology. Vow continues to make investments in the Landbased segment to support growth and profitability going forward.

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

Activity was picking up in all parts of Vow in the second half and fourth quarter of 2021, and order backlog reached another record high. This provides good visibility for revenues in 2022, which is estimated to nearly double from the level in 2021.To support a sustainable growth strategy and based on the 2021 financial results, the board proposes not to pay dividends at the next annual general meeting.

Lysaker, Norway, 26 April 2022

The board of directors and CEO – Vow ASA

Narve Reiten	**Bård Brath Ingerø**	**Hanne Refsholt**	**Susanne L. R. Schneider**	**Henrik Badin**
Chair	*Director*	*Director*	*Director*	*CEO*

SUSTAINABILITY REPORT 2021

SUSTAINABILITY IN VOW

Sustainability is the entire reason for Vow being in business. Vow's solutions purify wastewater, convert biomass and waste into valuable resources, and generate CO_2-neutral energy and biocarbon that decarbonise industrial processes for customers in cruise, aquaculture and a wide range of landbased industries.

These solutions emerge from the group's mission to maximise environmental sustainability impact, both on land and at sea, creating long-term value for customers, shareholders, society, and the environment. In the daily work to pursue the group's purpose and deliver on the group's mission, Vow is directed by a set of core values:

T — **Trust is a key building block of the Vow culture**

R — **Responsible business conduct is fundamental for all we do**

I — **Inclusive towards each other, partners, and stakeholders**

P — **Passionate about preventing pollution, valorising waste, and mitigating climate change**

Vow helps customers on their pathway to a net-zero emission future aligned with the Paris Agreement. Net-zero ambitions and the UN Sustainable Development Goals (SDGs) play a key role in the group's strategy development. The green transition involves a great opportunity for Vow with industry demanding technology to decarbonise and prevent pollution. Consequently, Vow sees a great potential for continued profitable growth for all business activities in its key markets.

GEOGRAPHY

Operations in **6** countries: Norway, France, Poland, the US, Canada, and Italy

EMPLOYEES

169 employees of which **30** are women and in which **22** nationalities are represented per 31.12.21. (219 employees at March 2022)

TECHNOLOGY

117 patents
35 proprietary technologies

EQUALITY

Gender equality target of **≥25 per cent women** in management positions by 2025, compared to 14 per cent in 2021

REVENUES

NOK 454.1 million revenues in 2021. International customer base with 91 per cent of revenue from customers outside Norway

EMISSIONS

209.3 tCO_2e in scope 1 and 2, net **zero** ambition by 2025

SYSTEMS

450+ systems of which 290 are installed on 130 cruise ships, 60 are installed within landbased waste and biomass valorisation, and 100 are installed within food processing

SICK LEAVE

1.4% sick leave
Zero serious injuries

STAKEHOLDERS AND MATERIALITY

This report has been prepared in accordance with the GRI Standards: Core option. In accordance with GRI, Vow has identified material topics for the group and its stakeholders, which this report is structured upon. The information in this report covers all consolidated subsidiaries within the Vow group unless otherwise specified.

STAKEHOLDERS

Vow has identified the stakeholders listed below:

Customers	Authorities	Local communities
Employees	Board of directors	Media
Shareholders and investors	Business and research partners	NGOs
	Classification society	Unions
	Competitors	Policy makers
	Corporate management	Public funding agencies
	Lenders	Suppliers and workshops

Key stakeholder groups for Vow are customers, employees, and shareholders/investors. Vow's customers are paramount for driving sales of its solutions. Furthermore, achieving the ambition of preventing pollution and mitigating climate change depends on Vow having successful customer relationships. The employees are essential in the day-to-day operations of the group, as well as for the progress of the group. Finally, shareholders/investors are key in providing funding for operations, as well as incentivising innovation and driving sustainability.

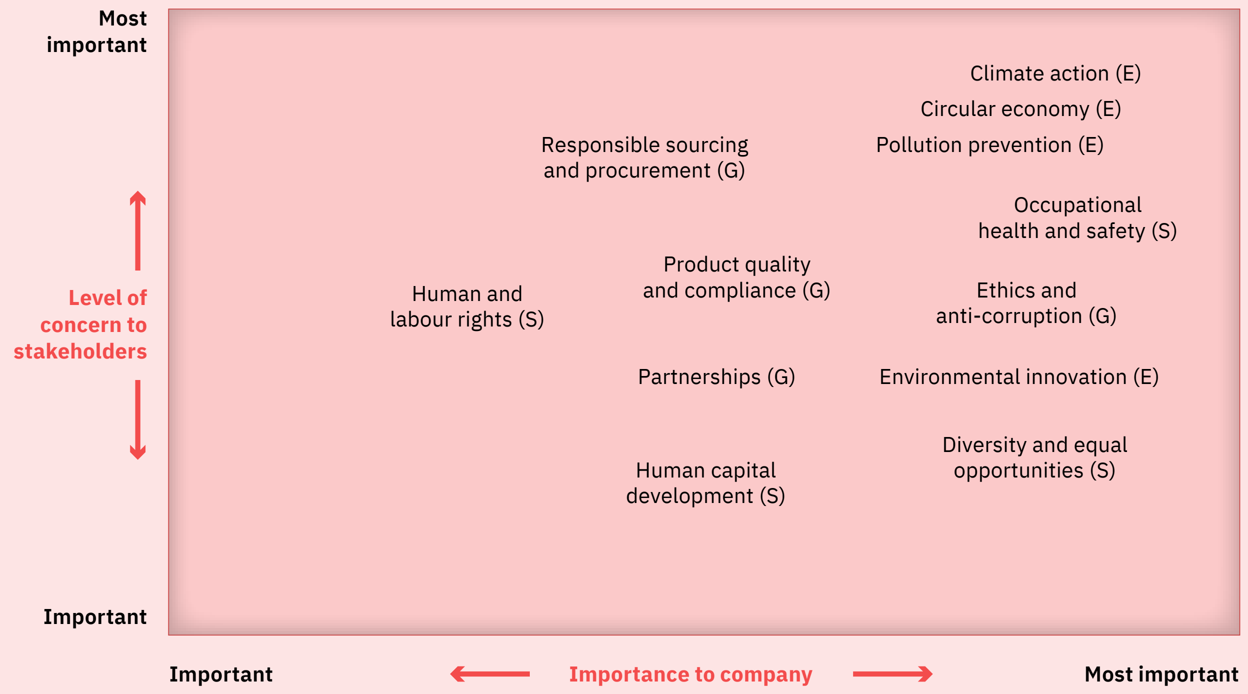
STAKEHOLDER	TYPE OF DIALOGUE	TYPE OF INTEREST
Customers	Conferences, e-mail, physical/digital meetings, podcast, social media, telephone, web page	Circular economy, climate action, pollution prevention, environmental innovation, ethics and anti-corruption, product quality and compliance, responsible sourcing and procurement, partnerships
Employees	E-mail, intranet, physical/digital meetings, performance and development dialogue, podcast, Teams/WhatsApp, telephone, web page, webcast	Circular economy, climate action, pollution prevention, environmental innovation, occupational health and safety, diversity and equal opportunities, human capital development
Shareholders and investors	Corporate reporting, e-mail, podcast, presentations, roadshows, telephone, webcast	Circular economy, climate action, pollution prevention, environmental innovation, ethics and anti-corruption, human and labour rights and shareholder return

The most frequently used channels for stakeholder dialogue are email, telephone, and meetings. However, Vow also finds it valuable and efficient to communicate widely with stakeholders through the Vow website and social media. The group aims to continuously improve stakeholder dialogue as Vow grows and develops as a company.

MATERIALITY MATRIX

Material topics are those that reflect an organisation's significant economic, environmental and social impacts, which substantively influence the assessments and decisions of stakeholders. Material topics for Vow and its stakeholders have been identified through discussions in the management and board, and through stakeholder engagement. The most important topics are listed in the materiality matrix.

MATERIALITY MATRIX



As Vow is providing a wide range of environmental solutions, a natural consequence is that the most material topics are closely linked to the environment. Through careful analysis, Vow believes that climate action, circular economy and pollution prevention are at the top of the list. The materiality matrix is re-evaluated on a yearly basis by the management and board. Material topics are discussed on management and board meetings on a regular basis. Each material topic has targets and KPIs to measure and manage performance.

ENVIRONMENT AND CLIMATE ACTION	PEOPLE AND SOCIETY	SUSTAINABILITY GOVERNANCE
Climate action Mitigating climate change through industry decarbonisation and taking responsibility for Vow's direct and indirect emissions.	**Occupational health and safety** Ensuring good health and safety for employees through having strict requirements for health and safety. Vow strives to achieve a vision of zero harm to people.	**Responsible sourcing and procurement** Taking responsibility for environmental, social, and governance issues throughout the supply chain.
Circular economy Enabling customers to turn waste into valuable resources and clean energy, and in addition, having a circularity mindset in Vow's own operations.	**Human capital development** Developing people while developing business. Vow's employees are the group's most important resources.	**Ethics and anti-corruption** Ethics is important in all we do. Vow recognises its responsibility as an international business actor to continuously work on anti-corruption.
Pollution prevention Providing customers with solutions that eliminate pollution and working to prevent pollution in the value chain.	**Diversity and equal opportunities** A diversified workforce helps Vow succeed with its mission. Increased diversity and equal opportunities are increasingly important priorities.	**Product quality and compliance** Vow's products and services are subject to strict requirements in terms of quality and compliance, ensuring strong customer relationships.
Environmental innovation Behind Vow's solutions are environmental innovations contributing to climate change mitigation, circular economy, and pollution prevention.	**Human and labour rights** Vow is committed to respecting fundamental human and labour rights, both in its own business and throughout the value chain.	**Partnerships** Partnerships enable Vow to pursue its mission to maximise environmental sustainability impact, as well as social impact.

ENVIRONMENT AND CLIMATE ACTION

As a provider of technologies that reduce CO_2 emissions and valorise waste, Vow considers megatrends as decarbonisation and circular economy to be in the group's favour. Over the last year, Vow has increased its efforts to manage the group's own environmental footprint. For the first time, Vow has undertaken climate accounting in accordance with the Greenhouse Gas (GHG) Protocol.

KEY HIGHLIGHTS AND INSIGHTS
Demonstrated attractiveness of Vows solutions for decarbonisation, waste valorisation and pollution prevention
Established climate accounting on scope 1 and 2 emissions
Implemented environmental criteria in selection and review of suppliers
Initiated climate awareness campaign for employees

KEY AMBITIONS AND TARGETS GOING FORWARD
Be a leading provider of technology and solutions, and a partner of choice for decarbonising of industrial processes, production of CO_2 neutral energy, and for cleaner oceans
Achieve net zero for scope 1 and 2 emissions by 2025
Report on all scope 3 emissions by 2025
Have innovation rate of 3–5 per cent (R&D investments as percentage of revenue)
Develop green purchasing strategy

PRIORITISED SDGS – GREATEST AREA OF IMPACT

Delivering solutions that convert biomass, organic waste, polymers, and plastics into CO_2 neutral energy

Develop and deliver technologies that inspire and enable industries and society to develop climate friendly and sustainable business models

Powering the circular economy with solutions for valorisation of waste and promoting corporate responsibility in own value chain

Enabling industry to reduce use of fossil fuels, lower emissions and capture CO_2, and taking climate action in own operations

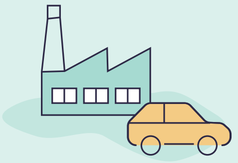
Preventing pollution with technologies for wastewater purification and waste valorisation onboard cruise ships

CLIMATE ACCOUNTS

The climate accounts encompasses scope 1 and 2 greenhouse gas (GHG) emissions, in addition to waste as the only scope 3 category. With an activity-based approach, Vow will expand its scope 3 emissions reporting each year and aim for full scope 3 reporting by 2025 at the latest. Vow has performed a scope 3 screening and identified 12 material emissions categories in scope 3.

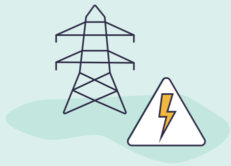
Scope 1

177.6 tCO_2e



Scope 2

31.7 tCO_2e



Scope 3

12 material categories

- Purchased goods and services
- Capital goods
- Fuel- and energy-related activities
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Upstream leased assets
- Downstream transportation and distribution
- Processing of sold products
- Use of sold products
- End-of-life treatment of sold products

Definition of scope 1, 2 and 3

SCOPE 1:	SCOPE 2:	SCOPE 3:
Direct GHG emissions from sources owned or controlled by the company	**Indirect GHG emissions from purchased electricity, steam, heat, and cooling**	**All other GHG indirect emissions that occurs in the company's value chain**

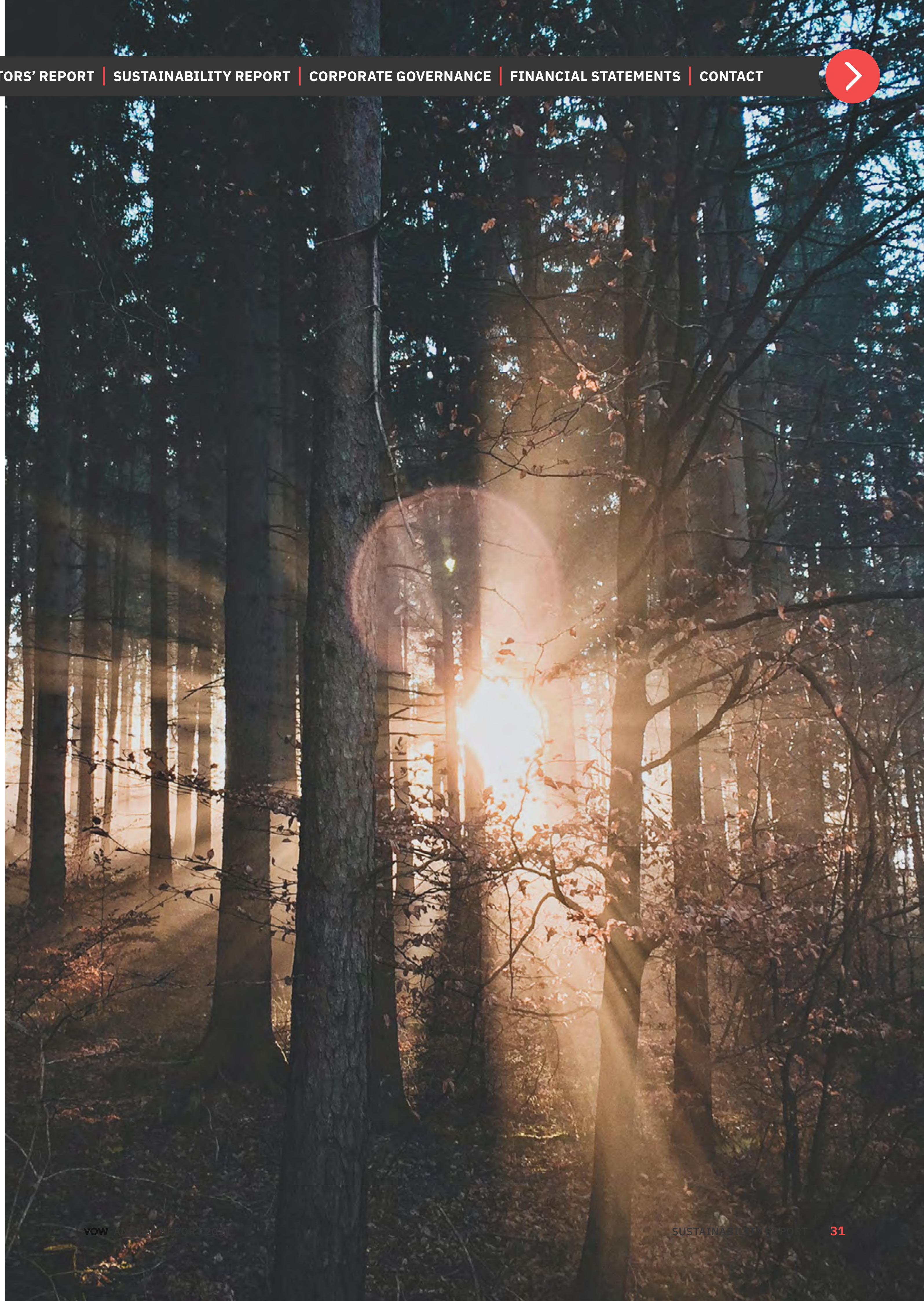
(tCO_2e)	**2021**	2020
Scope 1		
Propane	**3.4**	1.4
Diesel	**39.7**	15.4
LPG	**3.8**	8.1
Natural gas	**7.2**	11.9
Stationary combustion	**54.1**	36.3
Diesel	**81.7**	69.6
Petrol	**41.7**	30.3
Transportation	**123.4**	99.9
Scope 1 total	**177.6**	136.6

	2021	2020
Scope 2		
Electricity buildings	**31.1**	31.4
Electricity cars	**0.6**	0.4
Electricity	**31.7**	31.8
Scope 2 total	**31.7**	31.8
Scope 1 and 2 total	**209.3**	168.4

(tCO_2e per employee)	**2021**	2020
Emissions intensity (scope 1 and 2)	**1.24**	1.22

Scope 3*	**2021**	2020
Waste	**7.2**	5.7

** More categories to be included*



The group's emissions stem from company cars (diesel, petrol and electric), stationary combustion on R&D test sites and electricity from buildings. Most of the emissions are from the group's fossil fueled cars. The emissions have increased from 2020 to 2021 because of increased activity in a growing company.

EMISSIONS REDUCTION TARGET

To reach net zero in scope 1 and 2 within 2025, Vow will:

1. replace fossil fueled cars with electric cars
2. replace fossil fuels in R&D testing with biofuels
3. obtain certificates of origin for electricity
4. offset the rest of the emissions to reach net zero

Vow will work to reduce its emissions before offsetting the remaining number of emissions. The group has already started to replace fossil fuels in R&D testing with biofuels. With the planned initiatives, the group finds it possible to reach the target before 2025.

VOW CLIMATE CHALLENGE

In November 2021, Vow arranged Vow Climate Challenge, a two-week campaign for employees to reduce their CO_2 emissions through everyday activities. To track the process, Vow used the Ducky platform. With a participation rate of 79 per cent, 134 employees managed to save over 10 tonnes carbon dioxide through the campaign period. The main purpose of the campaign was to increase climate awareness among employees, but also to strengthen culture for passion about climate change mitigation. The campaign led to increased knowledge about the climate effect of everyday activities, and several of the climate friendly activities also promoted good health. Climate action, human capital development, and employee health are all priority areas for which goals were set for 2021. Vow is planning to perform the same type of campaign in 2022.

CLIMATE RISK AND OPPORTUNITIES

To be able to pursue Vow's mission about mitigating climate change and preventing pollution, the group needs to develop an increased understanding of how risks linked to climate change affects Vow. That is why Vow has started to prepare reporting on climate risks and opportunities after the framework of Task Force on Climate-related Financial Disclosures (TCFD). Vow recognises that reporting according to the TCFD recommendations can enhance both internal and external understanding and capabilities that support the green transition, promote transparency, and contribute to climate action.

EU TAXONOMY

Vow is currently assessing its eligibility for the EU Taxonomy and will publish a separate EU Taxonomy Statement. The statement will describe the proportion of Vow's turnover, capital expenditure and operating expenditure associated with taxonomy-defined sustainable economic activities. Vow is already committed to comply with the minimum safeguards, OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the International Bill of Human Rights.

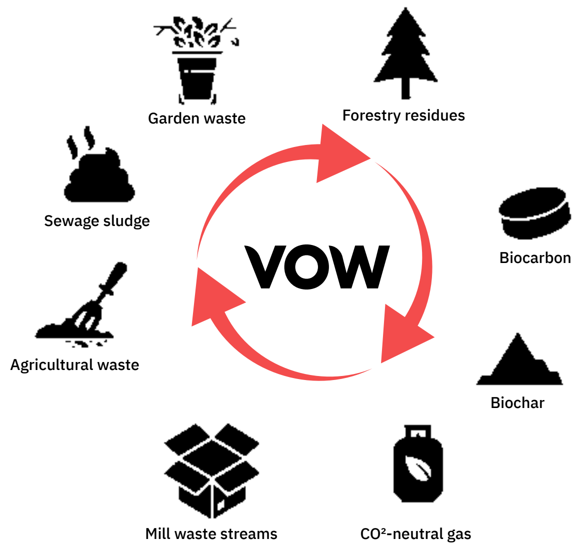
SUSTAINABLE SOLUTIONS

Vow's approach to the world's sustainability challenges are solutions for decarbonisation to mitigate climate change, waste valorisation and recycling to enhance circular economy, clean ship solutions to prevent pollution, and food sterilisation to ensure safe and sustainable food. With these sustainable solutions, Vow is contributing to several of the UN Sustainable Development Goals.

SUSTAINABILITY CHALLENGE	VOW'S SOLUTION	CONTRIBUTION TO THE UN SDGS
Climate change	**Decarbonisation technologies** – to mitigate climate change	7, 9, 12, 13
Resource scarcity	**Waste valorisation and recycling** – to enhance circular economy	7, 9, 12, 13
Marine pollution	**Clean ship solutions** – to prevent pollution	7, 9, 12, 13, 14
Food safety	**Food sterilisation** – to ensure safe and sustainable food	2, 9, 12, 13

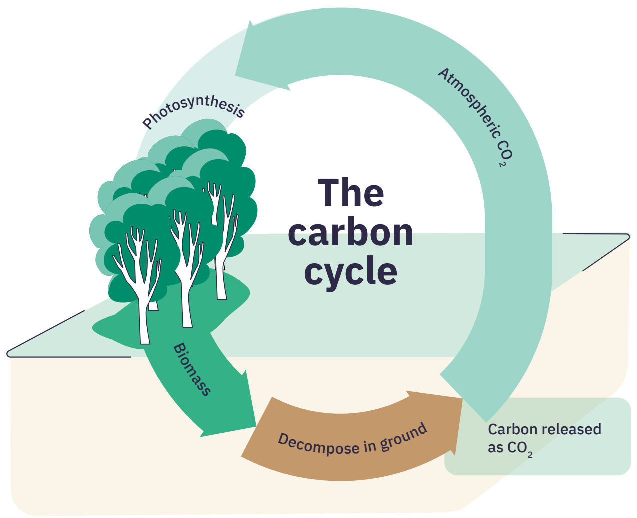
SOLUTIONS FOR DECARBONISATION THROUGH WASTE VALORISATION

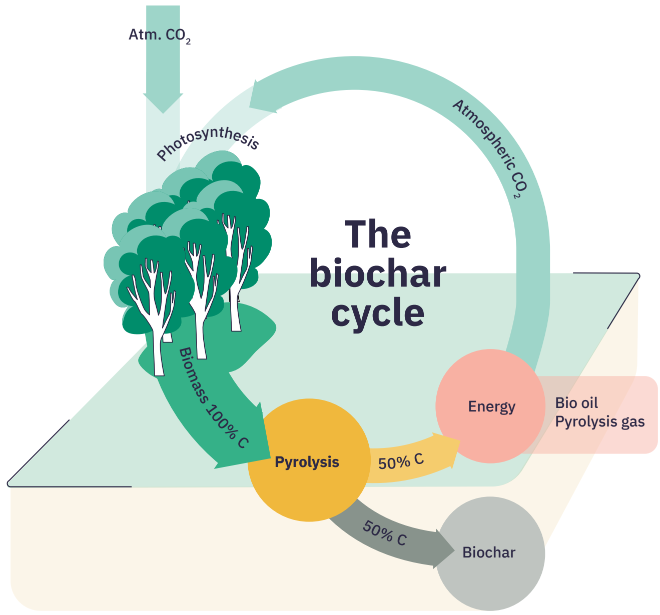
Vow provides technologies that can help industries decarbonise and reduce their CO_2 emissions from fossil sources. Feedstock processed by Vow pyrolysis technology will produce two main products, biochar and pyrolysis gas. Biochar can be further valorised in several applications' contributing to long-time carbon storage (Pyrogenic Carbon Capture and Storage) or fossil carbon substitution. The pyrolysis gas that can be converted to renewable heat or replace natural gas.



Pyrogenic Carbon Capture and Storage (PyCCS)

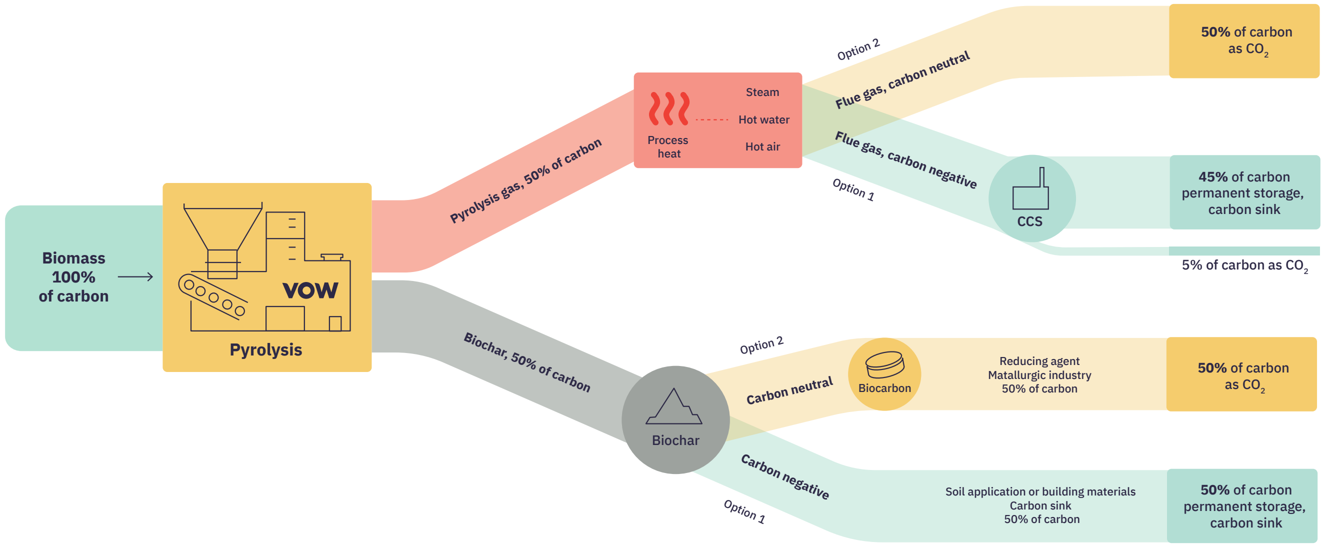
Trees and plants have the capacity to capture CO_2 from the air and store it through the process of photosynthesis. Therefore, biomasses contain a large fraction of carbon. When biomass decays or is burned for energy production, almost all carbon is converted into CO_2 and emitted to the atmosphere again, as a part of what we call the traditional carbon circle. Decay or burning of biomass is considered carbon neutral and will not further increase the concentration of CO_2 in the atmosphere nor will it reduce it. Pyrogenic Carbon Capture and Storage, by contrast, is considered a carbon negative technology, contributing to reduce the CO_2 concentration in the atmosphere. By applying Vow pyrolysis technology, around half of the carbon in the biomass will be captured in the produced biochar, taking the carbon out of the traditional carbon circle. The carbon rich biochar can then be stored safely for decades if incorporated in soil or building materials acting as a carbon sink. To capture the remaining carbon from the biomass, a CO_2 capture plant can be installed on the exhaust gas, increasing the carbon capture up to 100 per cent.





Fossil carbon substitution

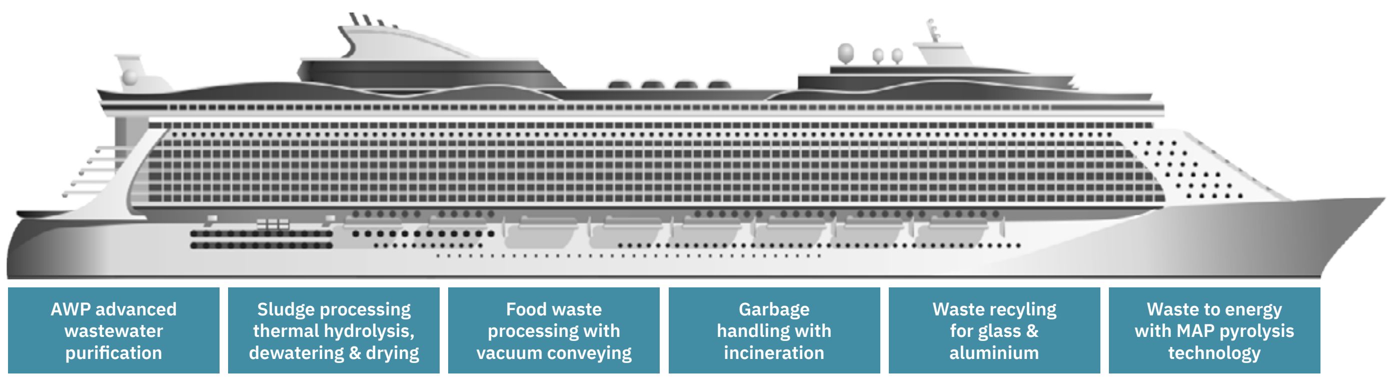
Many carbon-intensive industries are looking for ways to decarbonise and replace their fossil carbon with biogenic carbon. An example is the metallurgical industry in Europe, chasing net zero by 2050. Players in this industry use fossil carbon as a reducing agent and in 2021, the metallurgical coal consumption in the EU was around 56 million tonnes. The biochar produced in the Vow pyrolysis process can be further processed into a biocarbon that can be used for this purpose, replacing fossil coal, and giving the industry a carbon neutral option.



SOLUTIONS FOR CLEANER OCEANS

Vow provides advanced technologies for processing waste and purifying water for cruise ships and aquaculture. Vow's systems convert all waste and wastewater into clean energy and purified water which meets the highest international discharge standards. Any residuals from the processes can be recovered, recycled or reused.

For ships that are in operations, Vow provides retrofit solutions. Through the lifetime of the systems, Vow offers tailor-made service and maintenance to ensure reliability, efficiency and longevity of the systems. Spare parts and chemicals are supplied to both new and existing installations. The installations are designed for optimal process performance with limited use of chemicals.



GloLitter Partnerships Project

As a provider of waste management technology, Vow participates in the Global Industry Alliance (GIA) of the GloLitter Partnerships Project, led by UN Global Compact. The project aims to help the shipping and fisheries sectors to move to a low-plastics future. Its core activities focus on assisting developing countries to identify opportunities to prevent and reduce marine plastic litter from within the maritime transport and fisheries sector. The project mainly focuses on SDG 14 Life Below Water. Vow's contribution to SDG 14 is through its technologies for wastewater purification, food waste and garbage handling on board cruise ships, that improve resource efficiency and prevent marine pollution.

SOLUTIONS FOR FOOD SAFETY

The food industry market is constantly developing and the need for technology and specialized solutions is growing. Demand for sustainable products and food safety has never been greater, and customers world-wide require technology and solutions which are both highly sustainable and widely proven. Safesteril is Vow's leading steam sterilisation process, making the product safer for the customer, while maintaining high quality. It only uses heat to safely and gently reduce the microbial load of sensitive raw materials, without compromising on important characteristics like flavour, taste, colour or moisture.

ENVIRONMENTAL INNOVATION

Behind Vow's solutions are environmental innovations contributing to climate change mitigation, circular economy, and pollution prevention. Innovation plays a key role in business development. To have an appropriate ratio between R&D expenditure and revenues, Vow has set a target for innovation with an innovation rate of 3–5 per cent. Vow has developed a solid R&D department to drive innovation in the organisation. The target innovation rate for 2021 was 19.1 per cent. The target innovation rate is lower than the actual innovation over the past years. With increased revenue estimates and prioritised innovations with high likelihood for commercialisation and revenue streams, Vow believes that the target innovation rate will work as a guidance to reach other company goals.

	2021
Patents	117
Patent families	17
Proprietary technologies	35
Proprietary technologies applications	25

	2021	2020
R&D investments *(NOK million)*	86.7	64.7
Innovation rate*	19.1%	14.1%
Funding of environmental technology *(NOK million)*	16.2	13.1

**R&D investments as percentage of revenue*

PEOPLE AND SOCIETY

Vow's employees are the group's most important resources. A diversified workforce helps Vow succeed with its mission. Vow is working to develop people while developing business. With a vision of zero harm to people, the group has strict requirements for health and safety. A cornerstone of social responsibility is human rights. Vow is committed to respecting fundamental human and labour rights, both in its own operations and throughout the value chain.

To manage the increased ambitions on both HR (human resources) and HSEQ (health, safety, environment and quality), Vow has established key functions in both areas. Vow met its target of zero incidents of serious injuries in 2021 and continues to have this as a key target in its operations. Key HR ambitions are related to gender equality and human capital development. In supply chain management, human and labour rights have received increased priority in due diligence processes, and the group will look for further improvement in its processes.

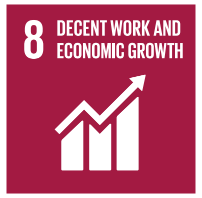
KEY HIGHLIGHTS AND INSIGHTS
Appointed first HR director to strengthen HR development
Established HSEQ department to strengthen HSEQ efforts
Met target of zero incidents of serious injuries
Developed human rights due diligence process

KEY AMBITIONS AND TARGETS GOING FORWARD
Achieve at least 25 per cent female representation in management positions by 2025
100 per cent of employees to have regular performance and development dialogue
Zero incidents of serious injuries
Further improve human rights due diligence process

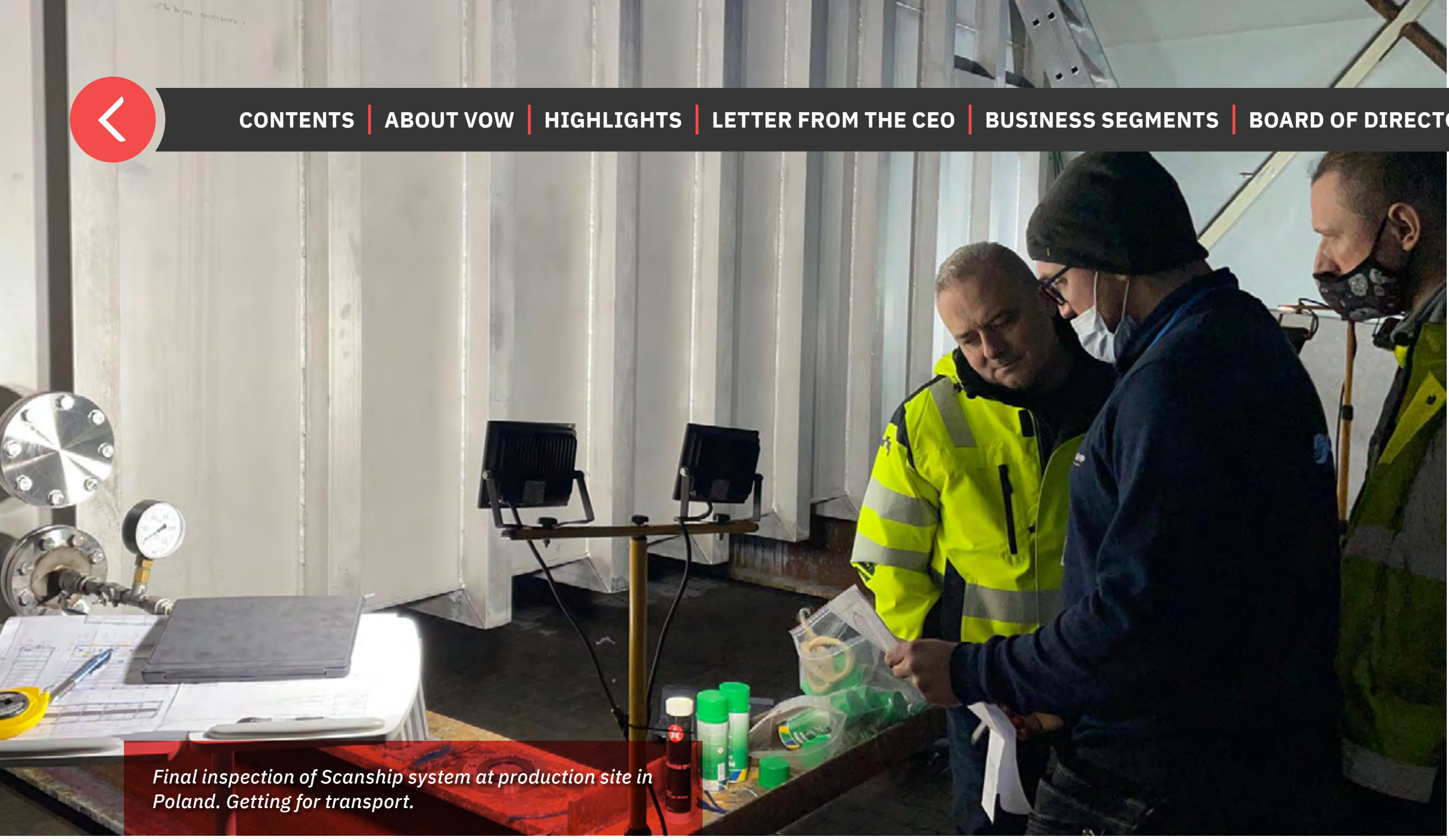
PRIORITISED SDGS

Occupational health and safety for employees and throughout the value chain

Diversity and equal opportunities among employees and management



Positive and inclusive working environment with a skilled and growing workforce



Final inspection of Scanship system at production site in Poland. Getting for transport.

EMPLOYEES, DIVERSITY AND EQUAL OPPORTUNITIES

Vow defines equality as equal opportunities for all regardless of gender, age, ethnicity, religion, belief, disability, pregnancy, maternity leave, care responsibility, sexual orientation, gender identity, gender expression, or combinations of these. A key diversity priority for Vow is gender equality. Vow has therefore set a target of at least 25 per cent women in leadership positions by 2025.

Employment 2021

	Women	Men	Total
Permanent	30	139	**169**
Temporary	3	2	**5**
Full time	31	138	**169**
Part time	2	3	**5**
New hires (permanent)	2	28	**30**
Turnover	3	3	**6**
Parental leave	0	4	**4**

Employees by region 2021

	Women	Men	Total
Norway	17 (17%)	83 (83%)	**100**
France	9 (19%)	38 (81%)	**47**
USA	3 (21%)	11 (79%)	**14**
Poland	1 (20%)	4 (80%)	**5**
Italy	0 (0%)	2 (100%)	**2**
Canada	0 (0%)	1 (100%)	**1**

Employees by age group 2021

	Women	Men	Total
Under 30	2 (13%)	14 (88%)	**16**
30-50	25 (24%)	81 (76%)	**106**
Over 50	3 (6%)	44 (94%)	**47**
Total	30 (18%)	139 (82%)	**169**

Employees by employee category 2021

	Women	Men	Total
C-level	0 (0%)	9 (100%)	**9**
Directors	3 (23%)	10 (77%)	**13**
Managers	5 (14%)	32 (86%)	**37**
Staff	22 (20%)	88 (80%)	**110**
Total	30 (18%)	139 (82%)	**169**

25 per cent by 2025

In 2021, men had 86 per cent of the management positions in Vow. With management position, Vow refers to the following employment categories: C-level, director and manager. Vow aims to increase the proportion of women in management positions from 14 per cent in 2021 to 25 per cent by 2025. The target is to be reached through:

- employer branding towards women
- promotion of gender equality in recruitment processes, and
- development of female talents already employed in the company

The process is starting with employer branding to attract female employees. Vow will cooperate with universities to reach female talents early and communicate in a way that attracts women. In recruitment processes, work will be done to eliminate gender bias and promote gender equality. To develop female talents already employed in the group, Vow will identify these talents and develop them to take on management positions. With these actions, Vow seeks to not only increase the proportion of women in management positions, but also increase the group's total proportion of women and close the pay gap between genders.

Pay equality

	2021	2020
Average salary for women as a percentage of average salary for all employees	**89%**	87%
Average salary for men as a percentage of average salary for all employees	**102%**	103%

Nationalities among employees

	2021	2020
Number of nationalities among employees	**22**	18

Non-discrimination

	2021	2020
Detected incidents of discrimination	**0**	0

There have been no detected incidents of discrimination in 2021, nor in 2020. Prevention of discrimination is an important part of the diversity and equality work. The group seeks to prevent all types of discrimination and harassment in the workplace. Employees can and is encouraged to report incidents of discrimination and other concerns through the whistleblowing channel for employees. Employees raising genuine concerns relating to malpractice or impropriety through whistleblowing is acting responsibly and appropriately.

Board of directors

The Vow ASA board of directors has a 50 per cent gender balance, and all directors are over 50 years old. The constitution of the board balances specific industry experience with a combination of financial background, management experience and industrial experience.

Board of directors:

Women	2 (50%)
Men	2 (50%)
Over 50 years old	4 (100%)

HUMAN CAPITAL DEVELOPMENT

With the appointment of the group's first ever HR director in 2021, efforts are increased related to both diversity performance and human capital development. Vow wants its employees to thrive and engage in lifelong learning. To ensure that employees regularly have performance and development dialogues is a key priority.

Key figures

	2021	Target 2022
Percentage of employees that have completed regular performance and development dialogue	**50%**	100%
Average hours of training that employees have undertaken	**27**	30
Employees that conducted leadership development program	**5**	na

Hours of training in the table above is training defined in GRI 404-1. These training hours include topics as HSE, dangerous goods, sustainable supplier management and GRI reporting.

Several initiatives are considered to contribute to human capital development, although it is not defined as training. Vow has a lot of on-the-job training, where the employees are learning from colleagues. On-the-job training is considered an important topic of HR management. Another example is the Vow Climate Challenge provided to all employees in 2021 and described on page 31. Some planned training initiatives in 2022 include anti-corruption training to all employees and participation in the UN Global Compact's Climate Ambition Accelerator by 2 employees. Vow is in these days implementing several management systems. To succeed with implementation of such systems, training and support is essential.

Collaboration with academia

Vow values collaboration and partnerships with academia and students. The new generation is encouraged to make research on the vast opportunities linked to Vow's technical solutions. Vow has partnered with students on several levels across different universities in Norway, including four master students and one Industrial PhD student.

Vow is also entering a partnership with the University of South-Eastern Norway about an Industry Master program. The students that participate in this programme will work at Vow while studying for a master's degree.

OCCUPATIONAL HEALTH AND SAFETY

Responsible operations require vigilance and the exercise of good judgement on the part of both management and employees. A key contributor to occupational health and safety is a strong corporate culture. Vow strives to promote an open corporate culture that fosters interaction and reflects its core values.

Vow is about to implement an occupational health and safety system, which is expected to be in place and fully functioning by the end of 2022. The system is being implemented both due to recognised risk management, guidelines and law requirements. Both employees of Vow and external workers working on Vow's sites will be covered by the new occupational health and safety system.

As required by Norwegian law, Vow has safety representatives and a working environment committee, representing both employer and employees. The safety representatives complete mandatory occupational health and safety training. Vow has occupational health and safety services in Norway through an external service provider.

Key figures

	2021	Target 2022
Fatalities as a result of work-related injury	**0**	0
High-consequence work-related injuries	**0**	0
Recordable work-related injuries	**2** (7 per mill. work hours)	<5 (12.5 per mill. work hour)
Hours worked	**280 000**	400 000
High-potential work-related incidents identified	**5**	<10
Close calls identified	**124**	>200
Sick leave	**1.4%**	<3%

Vow is continuously working to improve reporting routines and has therefore set a target of more than 200 close calls identified, compared to 124 identified close calls in 2021. The target of zero fatal or high-consequence work-related injuries was met in 2021.

There were identified two recordable work-related injuries linked to bruises, cuts and inhalation during 2021. This equals an incident rate of seven per million work hours. The target for 2022 is less than five bruises/cuts. There were identified 5 high-potential work-related injuries in 2021, and the target for 2022 is less than 10. Vow has a relatively low absence due to illness with 1.4 per cent in 2021 (1.8 per cent in 2020) and a target of less than three per cent.

HUMAN AND LABOUR RIGHTS

Vow is committed to respecting fundamental human and labour rights, both in its own operations and throughout the value chain. The group respects fundamental human rights as described in international human and labour rights conventions.

Vow has assessed its processes against the Norwegian Transparency Act and updated its procedures to comply with the required human rights due diligence procedures. Human rights are an evaluation criterion in both the selection and review of suppliers, and it is integrated in risk assessments of suppliers. Vow's supplier code of conduct and employee code of conduct consist of requirements related to human rights.

Key figures

	2021	Target 2022
Collective bargaining agreements	**14%**	na
Number and percentage of employees that the employee code of conduct is communicated to	**169 (100%)**	100%
Detected negative impacts on human and labour rights	**0**	0

Commitments and frameworks

- UN Global Compact Principles
- OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business and Human Rights
- The International Bill of Human Rights
- International Labour Organization (ILO) Core Conventions

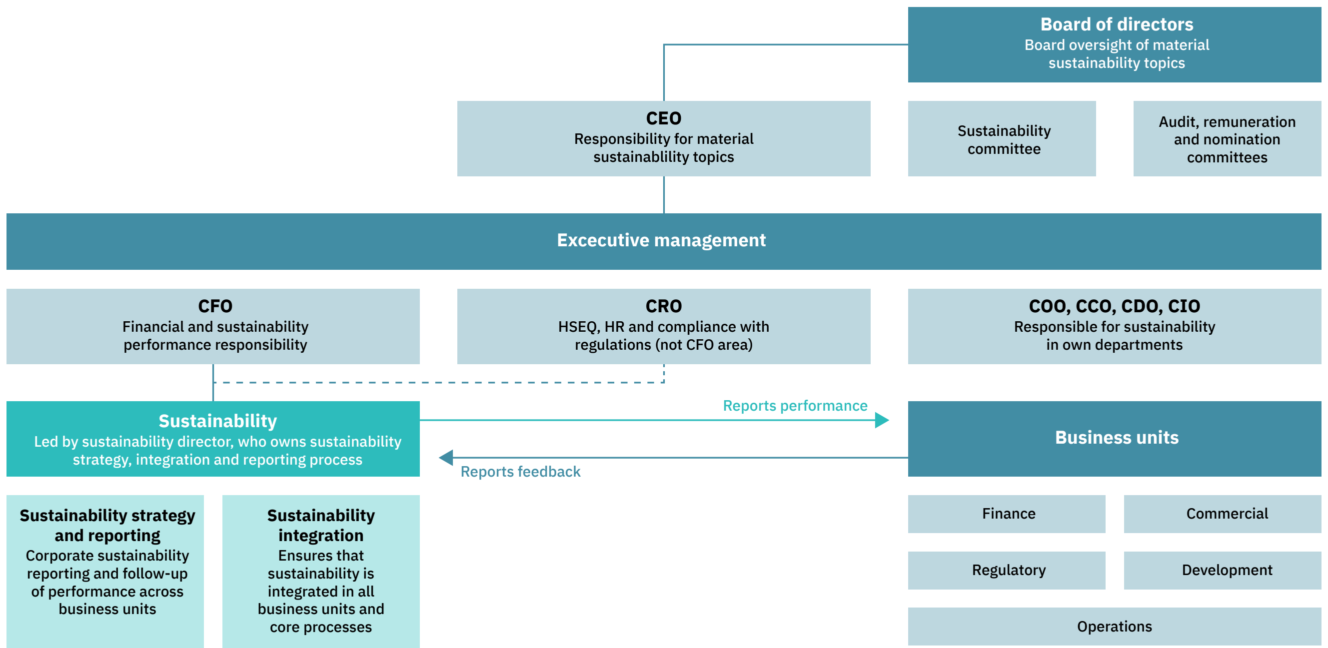
Conveyor system for transport of feedstock to a silo before entering the pyrolysis system at customer site

SUSTAINABILITY GOVERNANCE

Vow recognises its responsibility for supply chain sustainability and for fighting corruption both in its own operations and throughout the value chain. To maintain good customer relationships, Vow is committed to ensuring product quality and compliance. Partnerships are key to solve sustainability challenges, and the group has multiple partnerships to solve these transboundary challenges.

The highest level of responsibility for sustainability belongs to the board of directors. Both the board and the CEO are responsible for material sustainability topics. The CFO is responsible for both financial and sustainability performance, and all C-level positions are responsible for sustainability on their respective areas. The sustainability work is led by the sustainability director, who reports to the CFO and is responsible for the sustainability strategy and reporting. Vow is working to integrate sustainability in all business units, where the different business units report performance and are provided with feedback on their sustainability performance.

Actions that are taken to ensure responsible supply chain management is to implement ESG criteria in selection and review of suppliers, and to provide an external whistleblower channel where violations of Vow's supplier code of conduct can be reported, as well as other concerns. All supplier reviews in 2021 were conducted on the basis of ESG criteria. Ambitions for 2022 is to increase the number of reviews and to increase stakeholder engagement. Other ambitions and targets going forward are 100 per cent participation rate in anti-corruption training, to avoid major negative incidents related to product quality and compliance, and to obtain external assurance of the sustainability report for 2022.



KEY HIGHLIGHTS AND INSIGHTS
Implemented external whistleblowing channel (grievance mechanism)
ESG criteria implemented in selection and review of suppliers
100 per cent of 2021 supplier reviews conducted with ESG criteria (three reviews)
Appointed first sustainability director to strengthen sustainability management and performance
Established sustainability committee in the board of directors to strengthen board oversight on sustainability issues

KEY AMBITIONS AND TARGETS GOING FORWARD
Conduct at least five supplier reviews in 2022, all with ESG criteria
100 per cent participation in anti-corruption training
Obtain external assurance of sustainability reporting for 2022
No major negative incidents related to product quality and compliance
Increase stakeholder engagement

PRIORITISED SDGS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Taking responsibility for social and environmental impact in sourcing and procurement

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Complying with laws and regulations, behaving with integrity and being transparent in communications

17 PARTNERSHIPS FOR THE GOALS

Engaging in partnerships with businesses, organisations, and academia to maximise sustainability impact

RESPONSIBLE SOURCING AND PROCUREMENT

Vow asks all its suppliers to agree and comply with Vow's supplier code of conduct, that specifies the minimum standards expected of all suppliers of Vow. Vow also encourages suppliers to apply these minimum standards to their subcontractors and sub-suppliers. Furthermore, Vow encourages suppliers to strive to live up to both international and industry best practices.

All three supplier reviews performed in 2021 included ESG criteria. The suppliers reviewed were identified through risk assessments. The target for 2022 is to conduct at least five supplier reviews, all with ESG criteria focused on environment, human rights, labour and anti-corruption. As described on page 42, Vow has assessed its processes against the Norwegian Transparency Act and updated its procedures to comply with the required human rights due diligence procedures.

Key figures

	2021	Target 2022
Number of supplier reviews conducted	**3**	5
Number of suppliers assessed for environmental impacts	**3 (100%)**	5 (100%)
Number of suppliers assessed for social impacts	**3 (100%)**	5 (100%)
Ratio of supplier reviews conducted*	**5%**	na
Detected violations of Vow's Supplier Code of Conduct	**0**	0

* *amount purchased in 2021 from the suppliers reviewed as percentage of cost of goods sold in 2021*

Vow's projects consist of seven phases from sales to service, each of which has been evaluated for sustainability performance.

Supplier engagement has been identified as a priority to ensure a responsible supply chain.

SALES → DESIGN → PRODUCTION (outsourced) → TRANSPORT → INSTALLATION → COMISSIONING → SERVICE

Geographic location of main suppliers

Norway, Poland, Denmark, Sweden, Germany, Italy, the United Kingdom, USA, France, the Netherlands

ETHICS AND ANTI-CORRUPTION

Vow has established ethical guidelines for both its employees and suppliers, including its business partners. The guidelines are available on the group's web site and is communicated to both employees and suppliers on a regular basis.

The code of conduct for employees has been communicated to all employees of Vow through intranet. Vow will in addition attach the ethical guidelines to all future employee contracts. Main areas of the employee code of conduct are human and labour rights, environment, health and safety, anti-corruption, money laundering, responsible sourcing, responsible marketing practices, whistleblowing, as well as compliance with legislation and regulation. In 2022, Vow is planning to roll-out an anti-corruption program to learn employees more about anti-corruption and ethical dilemmas they can meet on work. A target is that 100 per cent of employees complete the anti-corruption training. Vow has not detected any incidents of corruption but wants to prepare employees for challenging situations and equip them to make good decisions.

The code of conduct for suppliers is, as a minimum, attached to all new supplier contracts and referenced to in all purchase orders. Main areas of the supplier code of conduct are compliance with laws, human and labour rights, health and safety, environment, anti-corruption and ethics, as well as management commitment. The code covers all ten principles of UN Global Compact. Vow does reviews and onsite audits of elements in the code of conduct, where the ESG focus is on human rights, labour, environment and anti-corruption.

Whistleblowing

Vow has established both an internal and an external whistleblowing channel. Every employee has a role to play in protecting the integrity of the company and is encouraged to report any suspected malpractice or impropriety through the group's internal whistleblowing channel. All external parties are encouraged to report any violations to the code of conduct and other concerns through the external whistleblowing channel (grievance mechanism).

Key figures

	2021	Target 2022
Number and percentage of employees that the organisation's anti-corruption policies have been communicated to	**169 (100%)**	100%
Confirmed incidents of corruption	**0**	0
Number of grievances	**0**	na

PRODUCT QUALITY AND COMPLIANCE

Vow is in these days introducing a Product Lifecycle Management system throughout the group, a system to standardise and handle a large amount of products, documentation, structures and processes. Standardisation and streamlining gives significant efficiency improvements and makes the organisation more flexible and able to scale fast. The Vow subsidiary, Scanship, has a management system that has been ISO 9001 certified since 2016. Vow is using this standard as a guidance also for other companies in the group to prepare these for ISO 9001 certification.

Scanship's waste and wastewater handling systems are built to the IMO-MARPOL pollution regulations and certified after the EU Marine Equipment Directive (MED). Moreover, Scanship was one of the first suppliers of Advanced Wastewater Purification (AWP) Plants to obtain the ultra-strict Alaska-discharge approval back in 2003, and first to obtain approval for the IMO MARPOL 227(64) sec. 4.2 for extensive nitrogen-removal in Special Areas/Baltic Sea in 2013. All Scanship systems are certified to IMO MEPC 269(68) and EU regulation 1257/2013 working against the use of hazardous materials and promoting safe and environmentally sound ship recycling.

Vow's deliveries to land based operations follow the legislation of Machinery Directive 2006/42/EC in the EU, and of Underwriters Laboratories Inc. (UL) in the USA.

Commitments and frameworks

- ISO 9001
- MO-MARPOL pollution regulations
- EU Marine Equipment Directive (MED)
- EU Machinery Directive
- Standards of Underwriters Laboratories Inc. (UL)
- IMO Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (HKC)
- Regulation (EU) No. 1257/2013 of the European Parliament and of the Council of 20 November 2013 on Ship Recycling (EU SRR)

PARTNERSHIPS

Partnerships are key to reach sustainability goals and enable Vow to pursue its mission to maximise environmental sustainability impact, as well as social impact.

STRATEGIC BUSINESS PARTNERSHIPS	
ArcelorMittal	Strategic memorandum of understanding with ArcelorMittal, the world's leading steel and mining company, to build a biogas production plant to reduce CO_2 emissions produced as part of the steelmaking process.
Repsol	Strengthened partnership with Spanish-based Repsol by signing an agreement to deliver a pilot plant using pyrolysis technology.
Imtech Steri	Safesteril by Vow has partnered up with Imtech Steri's Biosteam to offer a full range of ingredient sterilisation solutions and services. Both brands are pioneers within solutions of steam sterilisation and complement each other for both similar and different sterilisation requirements.

MEMBERSHIPS AND PARTNERSHIPS	
UN Global Compact	unglobalcompact.org
Bellona	bellona.org
European Biochar Industry Consortium	biochar-industry.com
International Biochar Initiative	biochar-international.org
Norwegian Biochar Network	biokull.info
No Waste!	nowaste.no/en
Asta	astaspice.org
Team2	team2.fr
Orgalim	orgalim.eu
IAR	iar-pole.com
ATEE	atee.fr
BluHope	bluhope.org
Klima- og energinettverket i Vestfold og Telemark	vtfk.no/meny/tjenester/klima/klima--og-energinettverk
Klimapartnere	klimapartnere.no

COMMUNICATION ON PROGRESS

Vow has been a member of UN Global Compact since 2020. This demonstrates the group's commitment to make the UN Global Compact and its ten principles an integral part of Vow's strategy, culture, and day-to-day operations. By participating in the UN Global Compact, Vow has committed to submitting a Communication of Progress report annually that describes the company's efforts to implement the ten principles in the areas of human rights, labour, environment and anti-corruption. The information in this report as well as sustainability information found on Vow's web page, serve as Vow's yearly Communication on Progress.

WE SUPPORT
UN GLOBAL COMPACT

AREA	PRINCIPLE	PAGE	VOW POLICIES
Human rights	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights	42	Employee code of conduct Supplier code of conduct
	Principle 2: make sure that they are not complicit in human rights abuses.		
Labour	**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	40-42	Employee code of conduct Supplier code of conduct
	Principle 4: the elimination of all forms of forced and compulsory labour		
	Principle 5: the effective abolition of child labour		
	Principle 6: the elimination of discrimination in respect of employment and occupation		
Environment	**Principle 7:** Businesses should support a precautionary approach to environmental challenges	29-37	Employee code of conduct Supplier code of conduct
	Principle 8: undertake initiatives to promote greater environmental responsibility		
	Principle 9: encourage the development and diffusion of environmentally friendly technologies		
Anti-corruption	**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery	47	Employee code of conduct Supplier code of conduct

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 is 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 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 what 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 Børs' 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 https://www.euronext.com/en/markets/oslo.

Vow complies with the current code of practice, latest revised on 14 October 2021. 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 2021. The statement was approved by the board of Vow on 26 April 2022.

Deviations from the code: None

2. BUSINESS ACTIVITY

Vow's solutions purify wastewater and convert biomass and waste into valuable resources, generating CO_2 neutral energy and biocarbon and other advanced carbon materials that decarbonise industrial processes. Its proprietary technologies have already been chosen by a wide range of customers in cruise, aquaculture and landbased 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 (ticker: Vow), with offices in Norway, France, Poland and the US.

The company's business is clearly set out in article three of the company's articles of association:

"The objective of the company is production, delivery and maintenance of systems for processing and purifying wastewater, food waste, solid waste and bio sludge and other types of waste from vessels and offshore installations, including interests in other companies with similar business."

The board of Vow has defined clear objectives and strategies for the company's business activities, to secure a sustainable 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. In its work, the board takes into account economic, social and environmental conditions.

Purpose and values

- **Purpose:** We have a profound passion for climate change mitigation and the prevention of pollution
- **Mission:** We shall maximise environmental sustainability impact
- **Core values:** We shall be Trustworthy, Responsible, Inclusive and Passionate in our conduct

Deviations from the code: None

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

Vow's equity totalled NOK 525.6 million at 31 December 2021, which corresponds to an equity ratio of 47 per cent. The board considers Vow's capital structure to be appropriate to the company's objectives, strategy and risk profile.

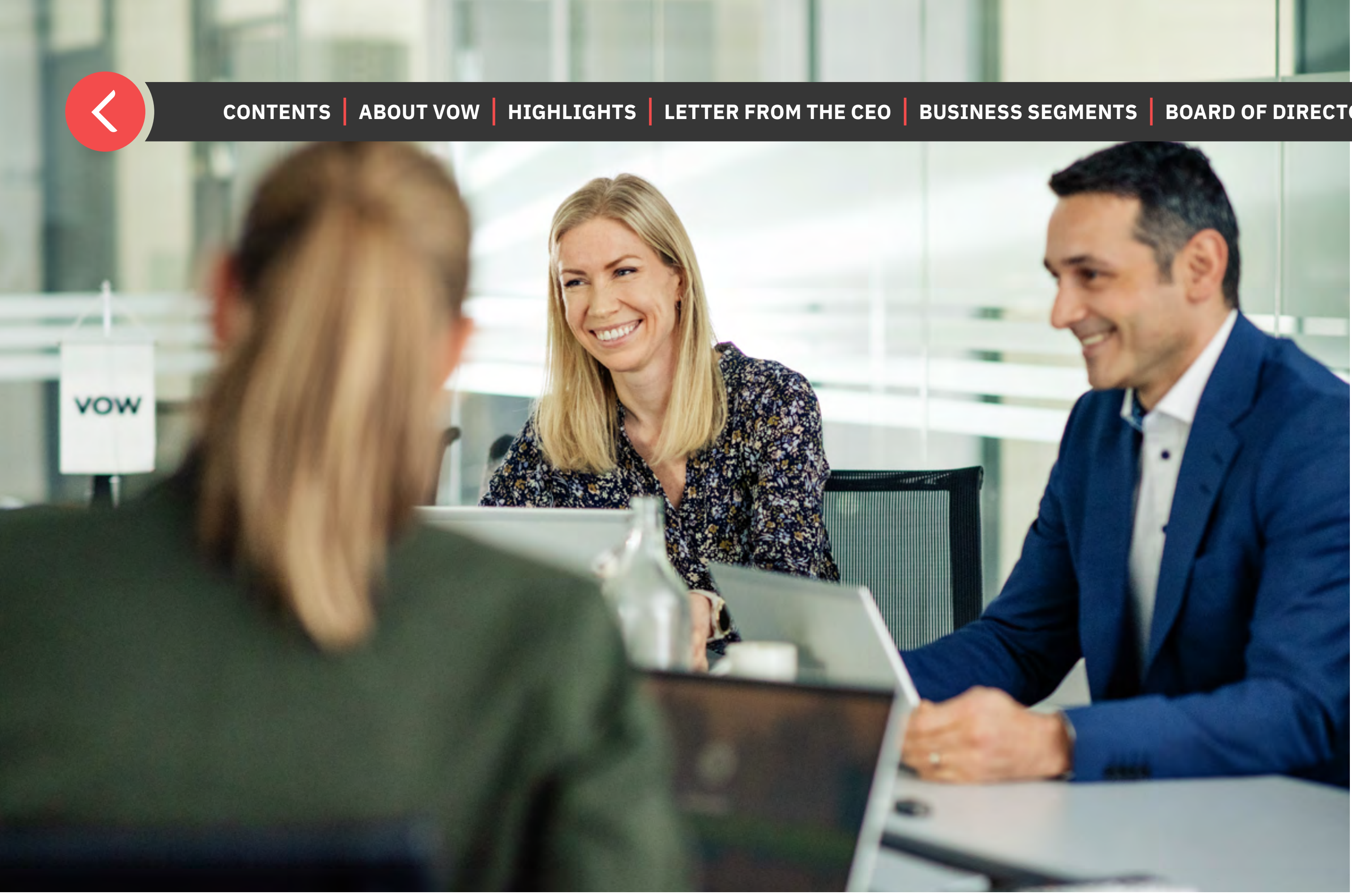
Dividends

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's financial position is not sufficiently solid. The background for any proposal to authorise the board to resolve distribution of dividends should be explained. Vow had solid financial results for 2021. However, to support a sustainable growth strategy, the board will not propose to the annual general meeting (AGM) to pay any dividend in 2022. The group did not pay out dividend in 2021 other than the dividend in form of consideration shares in VGM.

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 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 14 May 2021, the board was granted a total of three authorisations, all valid until the earlier of the AGM in 2022 and 30 June 2022:

i. The board was granted an authorisation to acquire the company's own shares with a total nominal value by up to NOK 1 068 330. Acquired shares can only be as part of incentive arrangements or as consideration in or as to finance acquisitions.

ii. The second authorisation allowed the board to increase the company's share capital by up to NOK 213 665. The authorisation may be used to finance the company's incentive programmes.

iii. In addition, the board was granted an authorisation to increase the company's share capital by up to NOK 1 068 3330 for 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.

Deviations from the code: None

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.

Any transactions in the company's own shares are carried out through the stock exchange or at prevailing market price.

Deviations from the code: None

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 emphasises equal treatment of its shareholders and the shares are freely tradable. No restriction on owning or voting for shares is included in the articles of association.

Deviations from the code: None

6. GENERAL MEETINGS

The general meeting is the company's ultimate decision-making body. All shareholders have the right to participate in the general meetings of the company and Vow encourages all of its shareholders to participate. The board shall facilitate for the general meeting to be an effective forum for communication between the board and the shareholders. Members of the board, the nomination committee chair, the CEO and the company's auditor are expected to participate in the AGM.

Pursuant to article eight 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. Shareholders who wish to participate in a general meeting, shall notify the company of this within a deadline which is set out in the notice of the general meeting. The registration deadline shall be set as close to the meeting as practically possible.

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 follows 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.

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

Deviations from the code: None

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 chair, shall be elected by the general meeting. Unless otherwise resolved by the general meeting, the elections shall be held every two years.

The members of the nomination committee should be selected to consider the interests of shareholders in general, where the majority of the committee members are independent of the board and the executive management team.

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

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 14 May 2021 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 director of Vow and represents the company's major shareholder. Both were elected for the period up to the AGM in 2022.

Except for the nomination committee composition, there are no deviations from the code.

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 ten 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 five of Vow's article of association, the company's board shall consist of three to seven members, according to the decision of the general meeting.

The directors are elected by the general meeting for a term of two years unless otherwise determined by the general meeting. The AGM held on 14 May 2021 re-elected Narve Reiten as chair of the board, as well as Susanne Schneider, Hanne Refsholt and Bård Brath Ingerø as directors. 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 directors 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 Mr Ingerø represent the company's largest shareholder. No members of the executive management team are members of the board.

The board held a total of 16 meetings in 2021 and the attendance rate was 100 per cent. A description of the competence and background of the individual directors can be found on www.vowasa.com.. The directors are encouraged to hold shares in the company.

Deviations from the code: None

9. THE WORK OF THE BOARD OF DIRECTORS

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 chair 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.

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 the notes to the financial statements.

The board shall provide details in the annual report of any board committees appointed. The board has appointed an audit committee, consisting of Narve Reiten as chair of the committee and Hanne Refsholt

as committee member, and a sustainability committee consisting of Bård Brath Ingerø as chair of the committee and Hanne Refsholt as committee member.

The board evaluates its own performance and expertise once a year. Vow ASA has a board liability insurance with Tryg insurance company for the group, including the parent company and its subsidiaries. The insurance comprises personal legal liabilities, including defense- and legal costs.

Deviations from the code: None

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 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, where the findings are presented annually in a board meeting. Once a year, the board carries out reviews of the company's most important areas of exposure to risk and its internal control arrangements.

Deviations from the code: None

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 reflect the board's responsibilities, expertise, time invested and the complexity of the business, and be designed to attract and retain an optimal board structure in a competitive environment. The remuneration of the board is not linked to the company's performance, and no share options have been granted 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 has adopted clear and understandable guidelines for the remuneration of executive management team which contribute to the company's business strategy, long-term interests and financial sustainability. These guidelines will, in line with the said statutory provision, be laid before the company's AGM each year.

The schemes for salaries and other remuneration should contribute to coincidence interests between shareholders and senior executives and be simple. 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 that Vow needs to succeed. There is no performance-related remuneration in Vow.

Pursuant to Section 6-16b of the Public Limited Companies Act, the board annually prepares to the general meeting a Remuneration Report which includes information on remuneration paid to the executive management team in accordance with the guidelines.

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 are available in the 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. This share option programme has a three-year vesting period.

Deviations from the code: None

13. INFORMATION AND COMMUNICATION

Investor relations

Communication with shareholders, investors and analysts has 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, www.newsweb.no.

The board has established guidelines for the company's reporting of financial and other information, based on openness and equal treatment. The CEO and CFO are responsible for communications with shareholders in the period between general meetings. 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.

Deviations from the code: None

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 ten 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.

Deviations from the code: None

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's 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 chair of the board. The board shall receive an annual statement from the external auditor of services other than auditing provided to Vow. The auditor's 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.

Deviations from the code: None

FINANCIAL STATEMENTS

VOW GROUP

Consolidated statement of income 62
Consolidated statement of other comprehensive income 62
Consolidated statement of financial position 63
Consolidated statement of changes in equity 64
Consolidated statement of cash flow 65
Notes to the consolidated financial statements 66

Note 01 General information 66
Note 02 Summary of significant accounting policies 66
Note 03 Critical accounting estimates and assumptions 70
Note 04 Segments and revenue 71
Note 05 Employee expense, remuneration to management and board of directors and share option plan 74
Note 06 Other operating expenses, remuneration to auditor and costs for demerger, listing and strategic processes 77
Note 07 Inventories 77
Note 08 Trade receivables 77
Note 09 Other receivables 78
Note 10 Cash and cash equivalents 78
Note 11 Share capital and shareholder information 79
Note 12 Borrowing 80
Note 13 Convertible loan and fair value adjustment of conversion rights 81
Note 14 Other current liabilities 82
Note 15 Earnings per share 82
Note 16 Transactions with related parties 82
Note 17 Investment in associate company 84
Note 18 Tax 85
Note 19 Property, plant and equipment 86
Note 20 Intangible assets 86
Note 21 Finance income and costs 88
Note 22 Financial instruments 89
Note 23 Unrealised change fair value FX derivatives 91
Note 24 Leases 91
Note 25 Contingent liabilities 92
Note 26 Events after the reporting period 92

FINANCIAL STATEMENTS

VOW ASA

Statement of income – Vow ASA 94
Statement of other comprehensive income – Vow ASA 94
Statement of financial position – Vow ASA 95
Statement of changes in equity – Vow ASA 96
Statement of cash flow – Vow ASA 97
Notes to the financial statements – Vow ASA 98

Note 01 General information 98
Note 02 Summary of significant accounting policies 98
Note 03 Critical accounting estimates and assumptions 99
Note 04 Other operating expenses, remuneration and cost for demerger, listing and strategic processes 100
Note 05 Finance income and costs 100
Note 06 Tax 101
Note 07 Investment in subsidiaries 101
Note 08 Investment in associate company 102
Note 09 Other receivables 102
Note 10 Cash and cash equivalents 102
Note 11 Intercompany balances and transactions 103
Note 12 Share capital and shareholder information 103
Note 13 Borrowing 103
Note 14 Other current liabilities 104
Note 15 Convertible loan and fair value adjustment of conversion rights 104
Note 16 Earnings per share 104
Note 17 Financial instruments 105
Note 18 Contingent liabilities 106
Note 19 Events after the reporting period 106

Statement by the board of directors and CEO 106
Auditor's report 108
Definitions of alternative performance measures not defined by IFRS 112

CONSOLIDATED STATEMENT OF INCOME

(Amounts in NOK million)	Note	**2021**	2020
Revenues	*4*	**454.1**	459.8
Total operating revenues		**454.1**	459.8
Cost of goods sold	*4, 16*	**(282.5)**	(295.6)
Employee expenses	*5*	**(90.8)**	(80.2)
Other operating expenses	*6*	**(39.6)**	(37.3)
EBITDA before non-recurring items		**41.1**	46.6
Cost for demerger, listing and strategic processes	*6*	**(9.8)**	(8.2)
EBITDA		**31.3**	38.4
Depreciation	*19, 24*	**(13.5)**	(9.7)
Amortisation	*20*	**(10.2)**	(11.3)
Impairment	*20*	**(0.6)**	(0.9)
Operating profit (EBIT)		**7.1**	16.6
Sum financial items	*21, 23*	**(18.9)**	(13.5)
Share of net profit from associated company	*17*	**(7.4)**	-
Gain from demerger of Vow Green Metals AS operations	*17*	**341.6**	-
Fair value adjustments conversion rights	*13, 21*	**-**	25.0
Net financial items		**315.3**	11.5
Result before tax		**322.3**	28.1
Income tax expenses	*18*	**1.0**	(0.2)
Result for the year		**323.4**	27.9
Attributable to:			
Owners of the parent		**323.3**	27.9
Non-controlling interests		**0.1**	-
Total		**323.4**	27.9
Earnings per share (NOK):			
- Basic	*15*	**2.86**	0.26
- Diluted	*15*	**2.80**	0.26

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(Amounts in NOK million)	Note	**2021**	2020
Result for the year		**323.4**	27.9
Other comprehensive income			
Exchange differences on translation of foreign operations		**(6.1)**	7.2
Total other comprehensive income, net of tax		**(6.1)**	7.2
Total comprehensive income for the year		**317.2**	35.1
Attributable to:			
Owners of the parent		**317.1**	35.1
Non-controlling interests		**0.1**	-
Total		**317.2**	35.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK million)	Note	**31 Dec 2021**	31 Dec 2020
ASSETS			
Non-current assets			
Deferred tax asset	*18*	**9.2**	7.2
Property, plant and equipment	*19*	**22.3**	19.2
Intangible assets	*20*	**232.6**	158.8
Goodwill	*20*	**137.8**	144.5
Right-of-use assets	*24*	**24.9**	17.9
Investment in associated company	*17*	**142.6**	-
Long term receivables		**0.9**	0.5
Total non-current assets		**570.2**	348.1
Current assets			
Inventories	*7*	**18.0**	10.0
Trade receivables	*8*	**122.3**	148.5
Contracts in progress	*4*	**195.0**	122.5
Other receivables	*9*	**60.0**	53.9
Cash and cash equivalents	*10*	**141.1**	26.6
Total current assets		**536.3**	361.5
Total assets		**1 106.6**	709.7
EQUITY AND LIABILITIES			
Equity			
Share capital	*5, 11*	**10.7**	11.0
Share premium	*5, 11*	**516.4**	292.1
Other capital reserves	*5, 17*	**6.9**	3.7
Translation differences		**(0.9)**	5.2
Retained earnings		**(10.5)**	8.0
Equity attributable to owners of the parent		**522.6**	320.0
Attributable to:			
Non-controlling interest	*16*	**1.1**	0.9
Owners of the parent	*16*	**522.6**	320.0
Total equity		**523.7**	320.8
Liabilities			
Non-current liabilities			
Deferred tax liability	*18*	**33.2**	32.3
Long term borrowings	*12*	**240.4**	110.7
Non-current lease liabilities	*24*	**11.0**	14.1
Total non-current liabilities		**284.6**	157.1
Current liabilities			
Current borrowings	*12*	**39.8**	21.6
Trade creditors	*22*	**72.9**	108.1
Contract accruals	*4*	**96.4**	55.6
Unrealised change fair value FX derivatives	*21, 22, 23*	**-**	1.9
Bank overdraft / trade finance overdraft	*12*	**2.1**	14.8
Current lease liabilities	*24*	**14.1**	3.7
Other current liabilities	*14*	**72.9**	25.9
Total current liabilities		**298.2**	231.8
Total liabilities		**582.8**	388.8
TOTAL EQUITY AND LIABILITIES		**1 106.6**	709.7

Lysaker, Norway, 26 April 2022

The board of directors and CEO – Vow ASA

Narve Reiten	**Bård Brath Ingerø**	**Hanne Refsholt**	**Susanne L. R. Schneider**	**Henrik Badin**
Chair	*Director*	*Director*	*Director*	*CEO*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity statement 31 December 2021 *(Amounts in NOK million)*	Share capital	Share premium	Other capital reserves	Trans-lation dif-ferences	Retained earnings	Total
Equity at 1 January 2021	10.9	292.0	3.7	5.2	8.8	**320.8**
Result for the year	-	-	-	-	323.4	**323.4**
Other comprehensive income	-	-	-	(6.1)	-	**(6.1)**
Total comprehensive income	-	-	-	(6.1)	323.4	**317.2**
Issue of capital	0.5	218.0	-	-	-	**218.5**
Nominal value reduction	(0.7)	-	0.7	-	-	**-**
Increase through share-based payment	-	6.3	-	-	-	**6.4**
Stock options	-	-	2.4	-	-	**2.4**
Distribution of assets as dividend	-	-	-	-	(341.6)	**(341.6)**
Equity at 31 December 2021	10.7	516.4	6.9	(0.9)	(9.5)	**523.7**
Attributable to non-controlling interest						**1.1**
Attributable to owners of the parent						**522.6**
Total						**523.7**

Equity statement 31 December 2020 *(Amounts in NOK million)*	Share capital	Share premium	Other capital reserves	Trans-lation dif-ferences	Retained earnings	Total
Equity at 1 January 2020	10.7	240.7	1.0	(2.0)	(19.1)	**231.7**
Result for the year	-	-	-	-	27.9	**27.9**
Other comprehensive income	-	-	-	7.2	-	**7.2**
Total comprehensive income	-	-	-	7.2	27.9	**35.1**
Issue of capital	0.2	44.9	-	-	-	**45.2**
Increase through share-based payment	-	6.4	-	-	-	**6.4**
Stock options	-	-	2.7	-	-	**2.7**
Equity at 31 December 2020	10.9	292.0	3.7	5.2	8.8	**320.8**
Attributable to non-controlling interest						**0.9**
Attributable to owners of the parent						**320.0**
Total						**320.8**

CONSOLIDATED STATEMENT OF CASH FLOW

(Amounts in NOK million)	*Note*	**2021**	2020
Cash flow from operating activities			
Result before income tax		**322.3**	28.1
Adjustments:			
Depreciation, amortisation and impairment	*19, 20, 24*	**24.3**	21.8
Stock option	*5*	**2.4**	2.7
Fair value adjustments conversion rights	*13*	**-**	(25.0)
Changes in fair value FX derivatives	*21, 22, 23*	**(1.9)**	1.9
Gain from demerger of Vow Green Metals AS	*17*	**(341.6)**	-
Share of net profit from associated company	*17*	**7.4**	-
Net interest cost	*21*	**10.8**	7.8
Income tax paid	*18*	**-**	(1.2)
Changes in work in progress	*4*	**(31.7)**	(42.8)
Changes in inventories, trade receivables and trade creditors	*7, 8, 9*	**(16.9)**	25.3
Changes in other accruals	*9, 14*	**42.8**	(23.9)
Net cash flow from operating activities		**18.0**	(5.3)
Cash flow from investing activities			
Investment/sale of associates	*17*	**(150.0)**	-
Purchase of property, plant and equipment	*19*	**(9.4)**	(3.2)
Investment in intangible assets	*20*	**(86.7)**	(61.5)
Net cash flow from investing activities		**(246.1)**	(64.7)
Cash flow from financing activities			
Proceeds from issuing stock	*5, 11*	**224.9**	6.4
Proceeds from non-current borrowings	*12*	**155.8**	23.2
Proceeds from current borrowings	*12*	**18.2**	5.1
Interest paid	*21*	**(10.3)**	(9.0)
Leasing obligations	*24*	**(8.6)**	(3.6)
Bank overdraft/Trade finance facility	*12*	**(12.8)**	(5.8)
Repayment of loans	*12*	**(26.0)**	(5.3)
Net cash flow from financing activities		**341.1**	11.0
Net change in cash and cash equivalents		**113.0**	(58.9)
Effect of exchange rate changes on cash and cash equivalents		**1.5**	-
Cash and cash equivalents at start of period		**26.6**	85.5
Cash and cash equivalents at end of period		**141.1**	26.6
Non-restricted cash		**137.8**	24.0
Restricted cash		**3.3**	2.6
Cash and cash equivalents at end of period	*10*	**141.1**	26.6

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, NO-1366 Lysaker.

The group delivers advanced technologies for processing waste and purifying wastewater in cruise, aquaculture and landbased 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 broaden the group's technology portfolio and products for landbased 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.

Vow Green Metals AS was demerged from Vow ASA on 9 July 2021 and listed on Euronext Growth 12 July 2021.
Vow ASA made an investment through the cash injection of NOK 150 million in Vow Green Metals AS, which resulted in an ownership of 30.4%.

The financial statements were approved by the company's board on 26 April 2022.

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.

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 to produce new or substantially improved products and processes. The cost related to the projects 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 2021 received refundable tax credits ("Skattefunn"). This is recognised in the financial statement as a reduction of book value in the intangible assets and as a current receivable.

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 4.

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 5. 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 Leases
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 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 several 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.

2.23 Investment in associates
The Group has investments in an associate. Associates are entities over which the Group has significant influence, but not control or joint control over the financial and operating management. The considerations made in determining whether the Group has significant influence over an entity are similar to those necessary to determine control over subsidiaries. Associates are accounted for using the equity method from the date when significant influence is achieved until such influence ceases.

Investments in associates are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. If there are indication of that the investment in the associate is impaired, the Group will perform an impairment test of the carrying amount of the investment. Any impairment losses are recognised as share of profit of an associate in the statement of profit or loss. Upon loss of significant influence over the associate, and as such the equity method ceases, the Group measures and recognises any retained investment at its fair value.

2.24 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.

2.25 Changes in accounting policy and disclosures
The group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2

In August 2020, the IASB issued Phase 2 of its project which amends IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and

IFRS 16 Leases. Phase 2 finalises the Board's response to the ongoing reform of interbank offer rates (IBOR) and other interest rate benchmarks.

The amendments complement Phase 1 issued in 2019 and focus on the effects ofn financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform.

The Phase 2 amendments mainly consist of the following:

- Practical expedient for particular changes to contractual cash flows
- Relief from specific hedge accounting requirements
- Disclosure requirements

These amendments have no impact on the consolidated financial statements of the group.

Amendment to IFRS 16 - Covid-19-Related Rent Concessions
In March 2021, the IASB issued Covid-19-Related Rent Concessions beyond 30 June 2021 to extend the relief period by another year. The International Accounting Standards Board amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not affect lessors.

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before 30 June 2022. Lessees must apply the practical amendment retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the amendment is first applied.

The extension of the amendment is effective for annual periods beginning on or after 30 June 2021, but earlier application is permitted.

These amendments had no impact on the consolidated financial statements of the group as it does not have any Covid-19 related rent concessions

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 related 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 4 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 related 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 31.12.21, an impairment expense of NOK 0.6 million (NOK 0.9 million) was recognised related to intangible assets.

Investment in associate company
The investment in Vow Green Metals AS is recognised at fair value at the point of the demerger. Several estimates and judgments are made to consider the fair value. These estimates and judgments have a direct influence over the recognised value.

The uncertainty is highest related to the following estimates:

- Expected objectives and strategy of the associate will be achieved within reasonable timeframe
- Market risk

NOTE 04 SEGMENTS AND REVENUE

The group has identified three reportable operating segments as of December 31, 2021; Projects Cruise, Landbased and Aftersales. The group's 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 Cruise
Products under the projects cruise 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 are systems and solutions provided by the group through its subsidiary ETIA and through the Norwegian operations. The segment designs and provides systems to valorise biomass residues and waste into renewable products, chemicals and fossil free energy through pyrolysis solutions.

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

Financial information operating segments:

2021 *(Amounts in NOK million)*	Projects Cruise	Aftersales	Landbased	Admin.	**Total**
Revenue	294.2	51.9	108.0	-	**454.1**
Total revenue	294.2	51.9	108.0	-	**454.1**
Cost of sales	(195.3)	(31.4)	(55.9)	-	**(282.5)**
Employee expenses	(27.5)	(19.3)	(39.5)	(4.4)	**(90.8)**
Other operating expenses	(3.4)	(0.9)	(19.7)	(15.6)	**(39.6)**
EBITDA before non-recurring items	67.9	0.4	(7.1)	(20.1)	**41.1**
EBITDA before non-recurring items margin	*23.1%*	*0.7%*	*(6.5%)*	-	***9.1%***
Non-recurring items	(1.1)	-	(3.0)	(5.7)	**(9.8)**
EBITDA	66.8	0.4	(10.1)	(25.8)	**31.3**
Depreciation and amortisation	(7.9)	(1.2)	(14.5)	-	**(23.7)**
Impairment	(0.6)	-	-	-	**(0.6)**
Operating profit	58.3	(0.9)	(24.6)	(25.8)	**7.1**

2020 *(Amounts in NOK million)*	Projects Cruise	Aftersales	Landbased	Admin.	**Total**
Revenue	309.2	53.3	97.2	-	**459.8**
Total revenue	309.2	53.3	97.2	-	**459.8**
Cost of sales	(204.0)	(32.1)	(59.5)	-	**(295.6)**
Employee expenses	(27.1)	(15.0)	(33.7)	(4.4)	**(80.2)**
Other operating expenses	(7.2)	(6.5)	(14.2)	(9.4)	**(37.3)**
EBITDA before non-recurring items	70.8	(0.2)	(10.2)	(13.9)	**46.6**
EBITDA before non-recurring items margin	*22.9%*	*(0.4%)*	*(10.4%)*	-	***10.1%***
Non-recurring items	-	-	(8.2)	-	**(8.2)**
EBITDA	70.8	(0.2)	(18.3)	(13.9)	**38.4**
Depreciation and amortisation	(8.0)	(1.5)	(11.4)	-	**(21.0)**
Impairment	(0.9)	-	-	-	**(0.9)**
Operating profit	62.0	(1.8)	(29.8)	(13.9)	**16.6**

Disaggregation of revenue from contracts with customers:

2021 *(Amounts in NOK million)*	Projects Cruise	Aftersales	Landbased	**Total**
Major product groups				
Newbuilding cruise	263.0	-	-	**263.0**
Retrofit	31.2	-	-	**31.2**
Aquaculture	-	-	-	**-**
Biogreen	-	-	64.5	**64.5**
Safesteril	-	-	23.8	**23.8**
Robotics	-	-	19.8	**19.8**
Spareparts	-	25.2	-	**25.2**
Chemicals	-	14.4	-	**14.4**
Work orders	-	12.3	-	**12.3**
Total revenue	294.2	51.9	108.0	**454.1**
Primary geographical markets [1]				
Norway	2.1	3.8	35.8	**41.6**
Europe	259.1	9.1	37.8	**306.0**
Outside of Europe	33.0	33.8	39.7	**106.4**
Total revenue	294.2	51.9	108.0	**454.1**
Timing of revenue recognition				
Services and goods transferred over time	294.2	12.3	108.0	**414.5**
Goods transferred at a point of time	-	39.6	-	**39.6**
Total revenue	294.2	51.9	108.0	**454.1**

1) Based on customer location.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Projects Cruise 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, including the MAP system.

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 sterilisation 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.

Revenue from sales under Projects Cruise and Landbased segments are construction contracts that typically contain the following elements: Design and engineering, production and delivery, 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 are 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% at contract signing, 80-90% at delivery of the equipment and 5-10% at commissioning/compliance. In certain projects there could be a payment term of between 1-5% 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%. This is also the case for the landbased projects through ETIA, which also normally has a 40% 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 direct 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.

2020 *(Amounts in NOK million)*	Projects Cruise	Aftersales	Landbased	**Total**
Major product groups				
Newbuilding cruise	287.8	-	-	**287.8**
Retrofit	20.1	-	-	**20.1**
Aquaculture	1.4	-	-	**1.4**
Biogreen	-	-	64.9	**64.9**
Safesteril	-	-	17.8	**17.8**
Robotics	-	-	14.5	**14.5**
Spareparts	-	24.4	-	**24.4**
Chemicals	-	22.9	-	**22.9**
Work orders	-	6.1	-	**6.1**
Total revenue	309.2	53.3	97.2	**459.8**
Primary geographical markets [1]				
Norway	2.3	4.2	-	**6.5**
Europe	244.2	6.1	53.2	**303.5**
Outside of Europe	62.8	43.1	44.0	**149.8**
Total revenue	309.2	53.3	97.2	**459.8**
Timing of revenue recognition				
Services and goods transferred over time	309.2	6.1	97.2	**412.5**
Goods transferred at a point of time	-	47.2	-	**47.2**
Total revenue	309.2	53.3	97.2	**459.8**

1) Based on customer location.

The group has 2 customers in 2021 and 3 customers in 2020 where the revenue individually is more than 10 per cent of group revenues.

Revenue in per cent of total group revenues

	2021	2020
Company 1	**27.0%**	27.9%
Company 2	**13.9%**	13.6%
Company 3	**-**	10.6%

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 1 291 million at year end 2021.

This is consistent with the order backlog of NOK 1 291 million. The backlog will be recognised as revenue of 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)	2021	2020
Trade receivables	**122.3**	148.5
Contract assets	**195.0**	122.5

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

NOTE 05 EMPLOYEE EXPENSE, REMUNERATION TO MANAGEMENT AND BOARD OF DIRECTORS AND SHARE OPTION PLAN

(Amounts in NOK million)	2021	2020
Salaries	**105.9**	94.1
Social security tax	**15.0**	12.8
Pension costs	**5.2**	4.1
Other benefits	**4.5**	1.9
Option program	**2.4**	2.7
Total employee expenses	**133.0**	115.5
Employee expenses recognised within cost of goods sold	**(24.1)**	(22.5)
Employee expenses capitalised as R&D	**(18.2)**	(12.8)
Total costs recognised as employee expenses	**90.8**	80.2
Full time equivalents	**158.2**	128.4

Remuneration to management and board of directors in 2021:

(Amounts in NOK thousand)	Title	Salaries	Pension	Other[1]	Options	Total
Management						
Henrik Badin	Chief executive officer	2 480	70	245	117	**2 913**
Erik Magelssen	Chief financial officer	1 598	70	144	117	**1 930**
Henning Mohn	Chief regulatory officer	1 420	70	11	96	**1 597**
Asgeir Wien	Chief development officer	1 565	70	145	85	**1 866**
Bjørn Abraham Bache	Chief commercial officer	1 463	70	237	85	**1 856**
Jonny Hansen	Chief operating officer	1 598	70	251	85	**2 004**
Board of directors						
Narve Reiten	Chair	370	-	-	-	**370**
Susanne L. R. Schneider	Director	235	-	-	-	**235**
Bård Brath Ingerø	Director	240	-	-	-	**240**
Hanne Refsholt	Director	235	-	-	-	**235**
Total		11 204	423	1 033	587	**13 246**

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.
The remuneration to the board of directors in 2021 and 2020 includes remuneration for committee work.

Remuneration to management and board of directors in 2020:

(Amounts in NOK thousand)	Title	Salaries	Pension	Other[1]	Options	Total
Management						
Henrik Badin	Chief executive officer	2 428	71	311	204	**3 014**
Erik Magelssen	Chief financial officer	1 468	71	144	204	**1 887**
Henning Mohn	Chief technology officer	1 296	71	56	167	**1 590**
Asgeir Wien	Chief development officer	1 464	71	144	149	**1 828**
Bjørn Abraham Bache	Chief commercial officer	1 363	71	130	149	**1 713**
Jonny Hansen	Chief operating officer	1 467	71	271	149	**1 958**
Board of directors						
Narve Reiten	Chair	360	-	-	-	**360**
Susanne L. R. Schneider	Director	235	-	-	-	**235**
Bård Brath Ingerø	Director	265	-	-	-	**265**
Benedicte Agerup[2]	Director	206	-	-	-	**206**
Hanne Refsholt[2]	Director	19	-	-	-	**19**
Total		10 571	426	1 057	1 022	**13 076**

1) Includes company car if applicable, insurances, electronic communication etc.
2) Hanne Refsholt replaced Benedicte Agerup as director in December 2020.

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 as 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)	**2021**	2020
Service cost	**4.8**	3.6
Social security tax	**0.4**	0.5
Net pension costs	**5.2**	4.1

Share option plan
The group has a share option plan covering certain employees in senior positions. As of 31.12.2021, 28 employees in the group were included in the option programme, and due to the demerger of Vow Green Metals AS(VGM), 2 employees within VGM have options with Vow ASA, respectively the CEO and CFO. The options vests yearly over three years. Following the demerger, the employees in the group who are included in the option programme also have options to acquire shares in VGM. This scheme is described in the Annual Report 2021 for VGM.

In relation to the option programme, a total of 1 470 000 options were granted in 2019, and a total of 450 000 options were granted in 2021. 360 001 options from this programme were exercised in 2020, and 380 000 options were exercised in 2021.

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, 1/3 on the second anniversary of the grant date and 1/3 on the third anniversary of the grant date. 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 the expiry date, shall terminate without any compensation being payable to the option holder.

Overview of outstanding options:

	2021	2020
Outstanding options 1 January	**1 096 666**	1 470 000
Options granted	**450 000**	-
Options forfeited	**-**	(13 333)
Options exercised	**(380 000)**	(360 001)
Options expired	**-**	-
Outstanding options 31 December	**1 166 666**	1 096 666
Of which are exercisable	**1 166 666**	1 096 666

Equity transaction
During 2020, 360 001 of the outstanding options were exercised. The transactions was settled by issuing 360 001 new shares, by a capital increase of NOK 36 000, at the exercise price of NOK 17.90. Following the issuance of new shares, the issued share capital of Vow ASA was 10 925 987. Consisting of 109 259 870 shares, each with a par value of NOK 0.10.

During 2021, 380 000 of the outstanding options were exercised. The transactions was settled by issuing 380 000 new shares, by a capital increase of NOK 35 530, at the exercise price of NOK 16.74. Following the issuance of new shares, the issued share capital of Vow ASA was NOK 10 718 827. Consisting of 114 639 870 shares, each with a par value of NOK 0.0935.

The outstanding options are subject to the following conditions:

Expiry date	Average strike price	Number of share options
28.09.2022	16.74	716 666
28.09.2023	29.55	100 000
30.06.2024	33.79	350 000
		1 166 666

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 31.12.20 expires 28.09.2022.
100 000 granted options in 2021 expires 28.09.2023.
350 000 granted options in 2021 expires 30.06.2024.

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 0.594 per cent at year-end 2021.

NOTE 06 OTHER OPERATING EXPENSES, REMUNERATION TO AUDITOR AND COSTS FOR DEMERGER, LISTING AND STRATEGIC PROCESSES

Other operating expenses include:

(Amounts in NOK million)	**2021**	2020
Travel expenses	**5.8**	2.2
Lease expenses	**7.2**	4.4
Consultants and other fees, expenses	**17.5**	24.5
Other office expenses	**6.0**	4.1
Insurance fees	**3.2**	2.1
Total	**39.6**	37.3

Remuneration to auditor is allocated as specified below:

(Amounts in NOK million)	**2021**	2020
Statutory audits	**1.6**	1.3
Other assurance services	**0.5**	-
Total excl. VAT	**2.1**	1.3

Costs for demerger, listing and strategic processes.
Non-recurring items
The group has incurred costs of a non-recurring nature of NOK 9.8 million in 2021. These are costs related to the demerger and stock exchange listing process for Vow Green Metals AS and costs related to strategy processes and organisational build-up in the preparation for future growth. In 2020 the group incurred costs of NOK 8.2 million related to the standardisation and industrialisation of the ETIA systems.

NOTE 07 INVENTORIES

Inventories include:

(Amounts in NOK million)	**31 Dec 2021**	31 Dec 2020
Cost of goods (at cost)[1)]	**18.0**	10.0
Total inventories at cost	**18.0**	10.0

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

NOTE 08 TRADE RECEIVABLES

(Amounts in NOK million)	**31 Dec 2021**	31 Dec 2020
Gross trade receivables	**124.8**	151.1
Allowance for doubtful debts	**(2.5)**	(2.6)
Net trade receivables	**122.3**	148.5

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 2021. The group 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:

(Amounts in NOK million)	Total	Neither past due nor impaired	Past due but not impaired <30 days	30-60 days	61-90 days	> 90 days
31 December 2021	**122.3**	27.1	33.1	19.4	5.5	37.2
31 December 2020	**148.5**	67.0	12.9	19.1	11.9	37.5

There are no disputes on the total amounts past due 60 days, but as noted above, for 2020 the group has an allowance for doubtful debts primarily related to the opening balance sheet for the ETIA group.

The group has a credit risk insurance agreement ("kredittforsikring") related to trade receivables, that reduces the ultimate credit risk, with both Tryg Garanti and Coface GK.

NOK 63.7 million of the past due balance per 31.12.21 has been paid down subsequent to 31.12.21.

NOTE 09 OTHER RECEIVABLES

Other receivables include:

(Amounts in NOK million)	**31 Dec 2021**	31 Dec 2020
VAT receivable	**10.5**	12.6
Prepaid expenses and other items	**26.5**	19.2
Receivables "Skattefunn"/tax benefits	**10.3**	7.9
Subsidies [1)]	**3.7**	4.0
Other items	**9.0**	10.1
Total	**60.0**	53.9

1) Subsidies relate 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 10 CASH AND CASH EQUIVALENTS

(Amounts in NOK million)	**31 Dec 2021**	31 Dec 2020
Bank deposits	**141.1**	26.6
Total cash and cash equivalents	**141.1**	26.6
Of this:		
Restricted cash for withheld taxes from employees salaries	**3.3**	2.6

NOTE 11 SHARE CAPITAL AND SHAREHOLDER INFORMATION

	31 Dec 2021	31 Dec 2020
Number of outstanding shares at 1 January	**109 259 870**	106 563 566
Number of outstanding shares at 31 December	**114 639 870**	109 259 870
Nominal value NOK per share at 31 December	**0.0935**	0.1000
Share capital NOK at 31 December	**10 718 828**	10 925 987

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

Share issue in 2021
In March 2021, Vow completed a private placement through the allocation of 5 000 000 new shares at an offer price of NOK 46, raising net proceeds to the company of NOK 218.5 million. The majority of the proceeds were allocated as as initial funding of Vow Green Metals AS (VGM). The share issue resulted in a total increase in the share capital of NOK 500 000 and an increase of NOK 218 million in share premium. The share capital was registered in the Companies' register ("Brønnøysund") on 31st March 2021.

A total number of 380 000 employee stock options were exercised at NOK 16.74 per share in September 2021. The exercised employee stock options generated net proceeds of NOK 6.4 million. The new share capital was registered in the company register on 6th October 2021, and the total number of outstanding shares following the issue was 114 639 870 shares.

Dividend
The group did not pay out dividend in 2021 other than the dividend in form of consideration shares in VGM.

Largest shareholders of Vow ASA > 1%: 31 December 2021

Name	Number	% Share
Ingerø Reiten Investment Company AS	31 145 000	27.2%
Daler Inn Limited	10 000 000	8.7%
Exproco Limited	9 960 000	8.7%
Badin Invest Limited	9 900 000	8.6%
Clearstream Banking S.A.	4 985 527	4.3%
Trethom AS [1)]	3 362 222	2.9%
Citibank, N.A.	3 141 450	2.7%
Fondsavanse AS	3 000 000	2.6%
BNP Paribas Securities Services	1 902 088	1.7%
CACEIS Bank	1 722 871	1.5%
State Street Bank and Trust Comp	1 501 131	1.3%
Avanza Bank AB	1 284 764	1.1%
Total	81 905 053	71.4%

1) Eigel Ingvar Thom has full ownership of Trethom AS, and holds a total ownership, direct and indirect, of 3.5% 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)]	31 145 000	27.17%
Henrik Badin (CEO) [2)]	9 973 333	8.70%
Asgeir Wien (CDO) [3)]	10 000 000	8.72%
Jonny Hansen (COO) [4)]	10 013 333	8.73%
Henning Mohn (CRO)	145 000	0.13%
Erik Magelssen (CFO)	73 334	0.06%
Bjørn Abraham Bache (CCO)	25 217	0.02%
Total	61 375 217	53.54%

1) Ingerø Reiten Investment Company AS is owned directly and indirectly by the chair of the board Narve Reiten (61%), and director Bård Brath Ingerø (33.8%).
2) Henrik Badin owns shares privately and through his holding company Badin Invest Limited.
3) Asgeir Wien owns shares through his holding company Dalier Inn Limited.
4) Jonny Hansen owns shares privately and through his holding company Exproco Limited.

NOTE 12 BORROWING

Long-term borrowing

(Amounts in NOK million)	31 Dec 2021	31 Dec 2020
Other long-term interest-bearing debt	**233.1**	101.6
Conditional loans related to R&D (ETIA)	**7.4**	9.1
Balance 31 December	**240.4**	110.7

Short-term borrowing

(Amounts in NOK million)	31 Dec 2021	31 Dec 2020
Other short term interest-bearing debt	**39.8**	21.6
Balance 31 December	**39.8**	21.6

In June, Vow secured NOK 320 million in long-term facilities from DNB ASA, establishing a strong financial foundation for further innovation and project development in landbased industries. The financing arrangement consists of a NOK 170 million term loan facility and a NOK 150 million revolving credit facility (RCF), both classified as "green financing" at attractive terms, and within the DNB Sustainable Product Framework. This framework includes a verification by DNV, the assurance and risk management company, and is based on the international Green Loan Principles (GLP).

The NOK 170 million term loan with DNB is drawn up as per 31 December 2021. The RCF facility is undrawn as per 31 December 2021.

The group has loans with DNB with a total balance of NOK 228.4 million. Scanship has loan with Innovasjon Norge with a balance of NOK 5.8 million. The group has NOK 39.8 million classified as short-term borrowing as of 31 December 2021.

Bank overdraft / trade finance facility:

(Amounts in NOK million)	31 Dec 2021	31 Dec 2020
Bank overdraft facility	**(9.2)**	1.5
Trade finance facility	**11.2**	13.3
Balance 31 December	**2.1**	14.8

The bank overdraft facility has a limit of NOK 50 million. The trade finance facility has a limit of NOK 15 million, in total NOK 65 million. The interest rate for the bank overdraft facility is currently NIBOR 1M + 2.2% p.a.

Covenants
Vow ASA has the following covenants for loans, bank overdraft and trade finance facility in DNB ASA, which are relevant to measure as of 31 December 2021:

- Debt Service Coverage Ratio (DSCR) to be > 1.3x (1.5x per 31 December 2021)
- Minimum equity ratio of 35 per cent of total assets (47 per cent at 31 December 2021)
- NIBD/EBITDA ratio not to exceed 4x (2.3x per 31 December 2021)
- Any additional loans raised in the Group to be approved by DNB ASA

The Vow group is not in breach with the covenants as of 31 December 2021.

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

(Amounts in NOK million)	31 Dec 2021	31 Dec 2020
Property, plant and equipment	**22.3**	19.2
Inventory	**18.0**	10.0
Trade receivables	**122.3**	148.5
Total value of assets pledged	**162.6**	177.8

Reconciliation of liabilities from financing activities

(Amounts in NOK million)	Borrowings	Bank overdraft and trade finance facility	Leasing lialilities	Total
At 1 January 2021	132.3	14.8	17.8	**165.0**
Proceeds from borrowings	174.0	-	-	**174.0**
Repayment of borrowings	(26.0)	-	-	**(26.0)**
Payment of lease liabilities	-	-	(8.6)	**(8.6)**
Net use of bank overdraft and trade finance facility	-	(12.7)	-	**(12.7)**
Interests paid	-	(0.1)	-	**(0.1)**
Total	280.3	2.1	9.2	**291.5**
Non-cash changes				
New leasing contracts	-	-	16.2	**16.2**
Effect of exchange differences	-	-	(0.2)	**(0.2)**
Total non-cash changes	-	-	16.0	**16.0**
At 31 December 2021	280.3	2.1	25.1	**307.5**

(Amounts in NOK million)	Borrowings	Bank overdraft and trade finance facility	Leasing lialilities	Total
At 1 January 2020	109.3	20.6	19.3	**151.4**
Proceeds from borrowings	28.3	-	-	**28.3**
Repayment of borrowings	(5.3)	-	-	**(5.3)**
Payment of lease liabilities	-	-	(3.6)	**(3.6)**
Net use of bank overdraft and trade finance facility	-	(5.7)	-	**(5.7)**
Interests paid	-	(0.1)	-	**(0.1)**
Total	132.3	14.8	15.7	**165.0**
Non-cash changes				
Business combination	-	-	2.1	**2.1**
Effect of exchange differences	-	-	-	**-**
Total non-cash changes	-	-	2.1	**2.1**
At 31 December 2020	132.3	14.8	17.8	**167.1**

NOTE 13 CONVERTIBLE LOAN AND FAIR VALUE ADJUSTMENT OF CONVERSION RIGHTS

A part of the settlement of the purchase price for ETIA in 2019 was a sellers' credit of EUR 4.2 million (vendor notes) payable nine months after closing. The vendor notes were non-interest bearing and had 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 were recognised at fair value at the transaction date, for both the principal and the conversion right. Subsequently, the principal was measured at amortised cost and the conversion rights were measured at fair value as follows:

- The vendor notes were discounted using an applied market interest rate to reflect the net present value. When converted in July 2020, the book value of the debt was recognised as paid in equity.
- The conversion rights were measured at fair value using an option pricing model. The change in the fair value of the conversion rights has been recognised in the P&L under financial items.

The total Fair value adjustment conversion rights, from 31 December 2019 up until the date of the conversion in July 2020 , was a financial income of NOK 25.0 million. The change in the fair value of the conversion rights has no cash effect for the group.

Related to the vendor notes, the change in the amortised cost is due to the accrued interest expense and the EUR - NOK foreign exchange adjustments. The total change in amortised cost recognised in the P&L for 2020 is an interest cost of NOK 1.2 million and a net foreign exchange loss of NOK 3.9 million. These two items are included under sum financial items in the income statement.
In July 2020, the vendor notes were converted to shares

with the issuance of 2 336 303 new shares. The share issue resulted in a total increase in the share capital of NOK 233 630 and an increase of NOK 44 927 107 in share premium. The share capital was registered in the Companies' register ("Brønnøysund") on 22 July 2020 and the total number of outstanding shares following the issue was 108 899 869 shares.

NOTE 14 OTHER CURRENT LIABILITIES

(Amounts in NOK million)	**31 Dec 2021**	31 Dec 2020
Public duties payable	**8.7**	6.6
Prepayments from customers	**53.3**	10.1
Accrued holiday pay and remuneration	**9.9**	7.8
Short term loan – related parties (ETIA) [1]	**0.3**	0.3
Other payables and accruals for incurred costs	**0.7**	1.1
Total	**72.9**	25.9

1) See note 16.

NOTE 15 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:

	2021	2020
Profit for the year *(NOK million)*	**323.4**	27.9
Weighted average number of shares outstanding	**113 238 936**	107 685 067
Earnings per share *(NOK per share)*:		
- Basic	**2.86**	0.26
- Diluted	**2.80**	0.26

NOTE 16 TRANSACTIONS WITH RELATED PARTIES

The Consolidated Financial Statement is prepared for Vow ASA as 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., Vow Industries AS 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.

LCFI S.A.S, SCFI S.A.S and LSI S.A.S are owned by key personnel in the group, therefore considered as related parties.

VOW ASA has an ownership of 30.4% in Vow Green Metals AS (VGM), where VGM is considered a related party.

(a) Purchases:

(Amounts in NOK million)			**2021**	2020
By	**Purchase of services from**	**Description of services**		
ETIA Ecotechnologies S.A.S	LCFI S.A.S[1)]	Management/consultancy	**2.9**	3.1
ETIA Ecotechnologies S.A.S	SCFI S.A.S[2)]	Management/consultancy	**2.6**	2.7
ETIA Ecotechnologies S.A.S	LSI S.A.S[3)]	Property rental/lease	**1.2**	1.3
Total			**6.7**	7.2

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 IFRS 16. See further information regarding IFRS 16 in note 24 Leases.

(b) Sales:

(Amounts in NOK million)			**2021**	2020
By	**Sale to**	**Description**		
Scanship AS	Vow Green Metals AS [1)]	Consultancy service	**0.1**	-
Vow ASA	Vow Green Metals AS [1)]	Intangible assets	**1.0**	-
Vow ASA	Vow Green Metals AS [1)]	Process equipment	**35.8**	-
Total			**36.9**	-

1) Vow Green Metals AS is an associated to Vow ASA with a shareholding of 30.4% in the company.

The group have entered into a contract with Vow Green Metals AS for delivery of process equipment for the Follum project. According to which the group will deliver process equipment and engineering support to Vow Green Metals' biocarbon plant at Follum in Norway.

The group also delivers consultancy service to Vow Green Metals AS. The servises comprise accounting, IT and administration services.

(c) Balance with related parties:

(Amounts in NOK million)		**31 Dec 2021**	31 Dec 2020
Receivable in			
Scanship AS	Vow Green Metals AS	**0.1**	-
Vow ASA	Vow Green Metals AS	**38.9**	-
Total receivables from related parties		**39.0**	-
Liabilities in			
ETIA Ecotechnologies S.A.S	LSI S.A.S	**0.3**	0.3
Total liabilities to related parties		**0.3**	0.3

Liabilities toward related parties are not interest bearing.

(d) Overview of subsidiaries:
The following subsidaries 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	15.10.2019	France	100%
Ascodero Productique S.A.S	15.10.2019	France	93%
Biogreen Africa S.A.S	15.10.2019	France	57%
Vow Industries AS	07.11.2019	Norway	100%

1) The company is under liquididation.
2) The company's main objective is to develop an exhaust gas management system.

Remuneration to management and board of directors: See note 5.

NOTE 17 INVESTMENT IN ASSOCIATE COMPANY

The concept, design and business plan for developing a plant producing biocarbon using pyrolysis technology was demerged from Vow ASA into VGM. Shares in VGM was distributed to the shareholders of Vow ASA. The transaction is considered as distribution of assets other than cash as dividends to its owners (IFRIC 17). Fair value of VGM at the point of demerger was NOK 492 million and carrying value set at NOK 150 million, giving a fair value gain of the consideration shares distributed to the shareholders in Vow ASA at NOK 341.6 million.

Following the demerger on 9 July 2021, Vow ASA holds 30.4% of the shares in VGM and recognises it as an associate company which is accounted for using the equity method in the consolidated financial statements. The investment was recognised at fair value at inception and are subsequently adjusted for share of profits and potential dividends from VGM. The group's share of profit or loss from the associate company is included in profit or loss under financial items.

The following table illustrates the summarised financial information of the group's investment in Vow Green Metals:

(Amounts in NOK million)	2021
Current assets	69.4
Non-current assets	74.9
Current liabilities	(3.0)
Non-current liabilities	(0.1)
Equity	141.2
Group's share in equity – 30.4%	43.0
Goodwill	99.6
Group's carrying amount of the investment	142.6
Administrative expenses	(10.7)
Finance costs	-
Profit before tax	(10.7)
Income tax expense	-
Profit for the year	(10.7)
Total comprehensive income for the year	(10.7)
Group's share of profit for the year, incl. eliminated internal gain effects	(7.4)

VGM was listed on Oslo Stock Exchange 12 July 2021.

NOTE 18 TAX

Specification of income tax:

(Amounts in NOK million)	**2021**	2020
Income tax payable	**-**	-
Change in deferred tax	**(1.0)**	0.2
Total income tax expenses	**(1.0)**	0.2

Specification of temporary differences and deferred tax:

(Amounts in NOK million)	**31 Dec 2021**	31 Dec 2020
Property, plant and equipment	**(14.4)**	(8.9)
Construction contracts	**339.8**	219.6
Inventories	**-**	(0.3)
Other items	**(0.1)**	(0.1)
Financial instruments and other receivables	**-**	(1.9)
Receivables	**(0.3)**	(0.3)
Leasing	**2.8**	0.1
Tax loss carryforward	**(227.1)**	(99.7)
Total temporary differences	**100.8**	108.5
Not recognised tax loss carry forward	**8.4**	5.4
Total basis for deferred tax	**109.2**	113.9
Net deferred tax liability (22%)	**24.0**	25.1

Reconciliation of effective tax rate:

(Amounts in NOK million)	**2021**	2020
Profit before income tax	**322.3**	28.1
Expected income tax assessed at the tax rate for the parent company (22%)	**70.9**	6.2
Adjusted for tax effect of the following items:		
Permanent differences	**(72.6)**	(5.0)
Unrecognised deferred tax assets	**0.7**	(1.0)
Total income tax expenses	**(1.0)**	0.2

NOTE 19 PROPERTY, PLANT AND EQUIPMENT

2021:

(Amounts in NOK million)	Office furniture and equipment
Cost:	
At 1 January 2021	34.5
Additions	9.4
Disposals	-
Translation difference	(0.7)
At 31 December 2021	43.3
Depreciation and impairment:	
At 1 January 2021	(15.3)
Depreciation this year	(5.7)
At 31 December 2021	(21.0)
Carrying amount at 31 December 2021	22.3
Useful life	3-10 years
Depreciation method	Linear

2020

(Amounts in NOK million)	Office furniture and equipment
Cost:	
At 1 January 2020	31.6
Additions	1.6
Disposals	-
Translation difference	1.3
At 31 December 2020	34.5
Depreciation and impairment:	
At 1 January 2020	(11.1)
Depreciation this year	(4.2)
At 31 December 2020	(15.3)
Carrying amount at 31 December 2020	19.2
Useful life	3-10 years
Depreciation method	Linear

NOTE 20 INTANGIBLE ASSETS

Research and development
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.

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

2021:

(Amounts in NOK million)	R&D	Technology	Goodwill
Cost:			
At 1 January 2021	146.3	34.5	144.5
Additions	85.8	0.9	-
Impairment	(0.6)	-	-
Translation difference	(0.7)	(1.3)	(6.7)
At 31 December 2021	230.8	34.1	137.8
Amortisation and impairment:			
At 1 January 2021	(17.8)	(4.3)	-
Amortisation	(6.7)	(3.5)	-
At 31 December 2021	(24.4)	(7.8)	-
Carrying amount at 31 December 2021	206.3	26.3	137.8
Useful life	3-15 years	10 years	
Depreciation method	Linear	Linear	

2020:

(Amounts in NOK million)	R&D	Technology	Goodwill
Cost:			
At 1 January 2020	78.8	32.5	136.1
Business combination	64.7	-	-
Additions	(0.9)	-	-
Translation difference	3.7	2.0	8.4
At 31 December 2020	146.3	34.5	144.5
Depreciation and impairment:			
At 1 January 2020	(10.0)	(0.8)	-
Amortisation	(7.8)	(3.5)	-
At 31 December 2020	(17.8)	(4.3)	-
Carrying amount at 31 December 2020	128.6	30.2	144.5
Useful life	3-15 years	10 years	
Depreciation method	Linear	Linear	

Additions consist of internally developed intangible assets and purchase of goods and services related to the internally developed intangibly assets. As of 31 December 2021, NOK 97.5 million of carrying amount are still under development, while NOK 61.0 million is related to finalised projects which are subject to amortisation. Funding from "Skattefunn" has reduced the total cost with NOK 9.4 million, while funding from "Innovasjon Norge" and EU have both reduced the total cost with NOK 6.8 million (NOK 16.2 million combined).

Goodwill and intangible assets with indefinite useful lives
Goodwill of 137.8 million acquired through business combination is included in the Landbased CGU for impairment testing purposes. Landbased is also an operating segment.

The group performs a test for impairment in January each year. Each quarter the group assesses whether there are any indications of impairment. The relationship between the group market capitalisation and its book value is among the factors considered when reviewing for indicators of impairment. In 2021 the market capitalization of the group exceeded the book value of its equity.

The overall market conditions also improved during the period by among other factors discontinuing pandemic restrictions and increased focus on sustainable solutions.

The recoverable amount of the CGUs as at 31 December 2021 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering five years. The projected cash flows have been updated to reflect the current development of demand for products and services provided by the CGU.

The recoverable amount of the Landbased CGU is 463 million as at 31 December 2021. The pre-tax discount rate applied to cash flow projections is 19.5% (2020: 20.0%) and cash flows beyond the five-year period are extrapolated using an exit multiple of 10x (2020: 10x). It was concluded that the value in use exceeds the carrying amount and management did not identify an impairment for this CGU.

One project has been recorded for impairment in 2021, and one was impaired in 2020. The Covid-19 pandemic has not had any direct impact on the calculations.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions
The calculation of value in use for both electronic and fire prevention equipment units is most sensitive to the following assumptions:

- Unit sales, sales price, and gross margin
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

Climate-related matters – The group constantly monitors the latest government legislation in relation to matters related to climate. No such legislation has currently been passed that will have a negative impact on the group. The group will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions should a change be required.

Unit sales, sales price, and gross margin – Both unit sales, sales price, and gross margin are affected by demand and market circumstances. The combination of managements' in-depth knowledge of the current development in these factors and calculated average values achieved over preceding periods are used as the basis for the value in use calculation.
The gross margins for the Landbased CGU applied in the forecast model do not exceed 40 per cent. Decreased demand can lead to a decline in the gross margin.

Discount rates – The discount rate is derived from the group's internal rate of return (IRR) and corresponds to WACC. The discount rate represents the current market assessment of the risks identified, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on specific circumstances of the group and its operating segments.

The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the group's investors. The cost of debt is based on the interest-bearing borrowings the group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth estimate – The growth rate is based on industry knowledge and external and internal factors. Management expects strong growth but recognises that the speed of technological change and the possibility of new entrants can have an impact on growth rate assumptions.

A sensitivity analysis has been performed to determine if a reasonable change in key assumptions would cause the carrying amount to exceed the recoverable amount. The group has not identified the need for impairment, as the recoverable amount exceeds the carrying amount by significant margins. With an increased discount rate by 5 percentage points and/or a reduction in the EBITDA terminal value by 10 per cent, the recoverable amount still exceeds the carrying amount with a significant margin. A decrease in the gross margin by 5.0% would not result in impairment in the Landbased CGU.

The Covid-19 pandemic has not had any direct impact on the calculations.

NOTE 21 FINANCE INCOME AND COSTS

Finance income:

(Amounts in NOK million)	**2021**	2020
Interest income	**0.1**	0.1
Foreign exchange gain	**11.3**	32.1
Gain from demerger of Vow Green Metals AS operations [1]	**341.6**	-
Gain on FX derivatives	**1.9**	-
Fair value adjustment conversion rights [2]	**-**	25.0
Total finance income	**355.0**	57.2
Finance costs		
Interest expense	**10.9**	8.0
Foreign exchange loss	**20.8**	35.0
Interest expense - leasing [3]	**0.4**	0.7
Loss on FX derivatives	**-**	1.5
Other financial cost	**0.2**	0.6
Share of net loss from associated company [1]	**7.4**	-
Total finance costs	**39.7**	45.7
Net financial items	**315.3**	11.5

1) Gain on demerger of Vow Green metals AS and share of net profit from associate, see further information in note 17 Investment in associated.
2) Fair value adjustment conversion rights, see further information in note 13 Convertible loan and fair value adjustment of conversion rights.
3) 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 Dec 2021**	31 Dec 2020
Financial assets:			
Trade receivables	Fair Value through profit and loss	**122.3**	148.5
Other receivables [1]	Fair Value through profit and loss	**60.0**	53.9
Cash and cash equivalents	Fair Value through profit and loss	**141.1**	26.6
Total financial assets		**323.4**	229.0
Financial liabilities:			
Long term borrowings	Financial liabilities measured at amortised cost	**240.4**	110.7
Non-current lease liabilities	Financial liabilities measured at amortised cost	**11.0**	14.1
Current borrowings	Financial liabilities measured at amortised cost	**39.8**	21.6
Financial instruments (derivates)	Fair value through profit and loss	**-**	1.9
Trade creditors	Financial liabilities measured at amortised cost	**72.9**	108.1
Bank overdraft facility	Financial liabilities measured at amortised cost	**(9.2)**	1.5
Trade finance facility	Financial liabilities measured at amortised cost	**11.2**	13.3
Current lease liabilities	Financial liabilities measured at amortised cost	**14.1**	3.7
Other current liabilities [2]	Financial liabilities measured at amortised cost	**72.9**	25.9
Total financial liabilities		**453.3**	300.9

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 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 2020 and 2021, 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 entered into a credit risk insurance agreements ("kredittforsikring") on its trade receivables with two different Nordic insurance companies, Tryg Garanti and Coface GK. These agreements 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 8 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 payment 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 ASA has through Scanship AS 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 Vow in the daily management of its liquidity risk. Historically, Vow 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 the 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 2021:

(Amounts in NOK million)	0-6 months	6-12 months	1-5 years
Payments on long term borrowings	-	-	240.4
Current borrowings	19.9	19.9	-
Trade creditors	72.9	-	-
Bank overdraft facility	-	(9.2)	-
Trade credit facility	11.2	-	-
Leases [1)]	3.9	3.9	17.4
Other current liabilities	72.9	-	-
Total	180.8	14.6	257.8

1) See note 24

31 December 2020:

(Amounts in NOK million)	0-6 months	6-12 months	1-5 years
Payments on long term borrowings	-	-	110.7
Current borrowings	10.8	10.8	-
Trade creditors	108.1	-	-
Bank overdraft facility	-	1.5	-
Trade credit facility	13.3	-	-
Leases [1)]	1.9	1.9	14.1
Other current liabilities	25.9	1.9	-
Total	160.0	16.1	124.8

1) See note 24

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 16) 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 23, 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.

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

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)	**2021**	2020
Forward currency contracts	**-**	1.9

The forward currency contracts 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 its derivative contracts, hence the contracts are measured at fair value through profit and loss. In total, these contracts have a nominal value of EUR 1.6 million as of 31.12.21, where EUR 1.6 million matures 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 December 2021	-	-	-
Derivative financial assets/(liabilities)	31 December 2020	-	1.9	-

NOTE 24 LEASES

Right of use assets 2021:

(Amounts in NOK million)	Properties	Equipment	Cars	**Total**
At 1 January 2021	14.0	1.3	2.6	**17.9**
Additions	12.3	2.7	1.2	**16.2**
Depreciation	(6.7)	(0.4)	(0.9)	**(7.9)**
Effect of currency exchange differences	(1.2)	-	-	**(1.2)**
Carrying amount at 31 December 2021	18.4	3.6	2.9	**24.9**

Right of use assets 2020:

(Amounts in NOK million)	Properties	Equipment	Cars	**Total**
At 1 January 2020	18.8	1.3	1.1	**21.2**
Additions	-	0.2	1.9	**2.1**
Depreciation	(5.0)	(0.7)	(0.4)	**(6.1)**
Effect of currency exchange differences	0.2	0.5	-	**0.7**
Carrying amount at 31 December 2020	14.0	1.3	2.6	**17.9**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

(Amounts in NOK million)	**31 Dec 2021**	31 Dec 2020
As at 1 January	**17.8**	21.5
Additions	**15.5**	3.7
Accretion of interest	**0.8**	0.4
Payments	**(8.6)**	(8.0)
Currency effects	**(0.3)**	0.2
As at 31 December	**25.1**	17.8
Current lease liabilities	**14.1**	3.7
Non-current lease liabilities	**11.0**	14.1
Total	**25.1**	17.8

Lease liabilities are discounted with an interest rate of 4.5 per cent.

Maturity analysis – contractual undiscounted cash flows

(Amounts in NOK million)	
2022	14.1
2023	5.5
2024	3.3
After 2024	2.2

Other effects in the statement of profit and loss

(Amounts in NOK million)	**2021**	2020
Interest expense	**0.4**	0.7
Expense relating to short-term leases	**0.6**	0.6
Expense relating to low value leases	**0.2**	0.2

Leases with a lease term less than 12 months are accounted for as short-term leases. Low-value assets are also not capitalised.

NOTE 25 CONTINGENT LIABILITIES

Contingent liabilities:
The group has not received any claims nor is it involved in any legal or financial disputes in 2021.

Guarantees:
For late delivieres the customers can give Vow penalties according to contract.
All customer contracts for system deliveries include 1-2 years limited guarantee against product failure.
There are no separate and other guarantees issued at December 31, 2021.

NOTE 26 EVENTS AFTER THE REPORTING PERIOD

Vow signs LOI with possibility for technology supply to a 50 000 tonnes per year biocarbon plant
In the beginning of the year 2022, Vow ASA and Vow Green Metals AS announced that they are joining forces with a global non-ferrous metal producer in a move which could eventually lead to the construction of large biocarbon production facilities, where technology will be supplied by Vow ASA, and owned and operated by Vow Green Metals. As a first step outlined in a letter of intent, the non-ferrous metals producer, Vow Green Metals, and Vow have agreed to undertake a joint feasibility study to evaluate the potential of developing an advanced and commercially competitive biocarbon product for the undisclosed client.

Aiming for large scale decarbonising of European gas grid with pyrolysis gas
In February 2022, Europe's second largest gas distributor, GRTgaz of France, and Vow subsidiary ETIA marked production start of a demo plant built to confirm that CO_2 neutral pyrolysis gas can replace fossil gas in the European gas grid. The start of the test campaign marks an important achievement in Synthane, a technology programme launched by GRTgaz and ETIA in 2016, and one of several programmes aimed at demonstrating that CO_2 neutral pyrolysis gas produced at large scale from biomass and biogenic waste can replace fossil natural gas in the European gas grid. The programme features well-proven technology from ETIA, Vow's technology and equipment manufacturing subsidiary.

Vow acquires C.H. Evensen Industriovner AS to further position for growth
In March 2022, Scanship AS, a wholly owned subsidiary of Vow ASA, entered into an agreement to acquire 100 per cent of the shares in C. H. Evensen Industriovner AS ("C. H. Evensen"). The agreed purchase price is NOK 50 million.

C. H. Evensen's product range comprises heat treatment furnaces and ovens, hot-dip galvanising solutions, and green technology based on pyrolysis for industries to lower emissions and improve operational efficiencies. Lately, the company has also developed solutions within a growing market for battery production and recycling. This makes it an excellent match with Vow's pyrolysis-based circular carbon and CO_2 neutral energy solutions.

NOK 25 million in cash was paid to the seller at closing 30th March. Another NOK 25 million in seller's credit ("vendor note") will be payable by Scanship 14 months after closing. During the last month before the vendor note's settlement date, the seller will have the right to elect to have the vendor note (fully or partially) settled by receiving Vow shares at a price of NOK 25 per Vow share.

Vow ASA finalises share buy-back programme
On 15 March, Vow ASA ("VOW") decided to initiate a share buy-back programme for own shares for up to NOK 25 million. Up to 1 000 000 shares may be acquired in a period from 15.03.2022 to 16.05.2022. The purpose of the programme is to (i) fulfil its obligations arising from employee share option programs and (ii) if required, deliver consideration shares to C. H. Evensen Holding AS in respect of Scanship AS' acquisition of the shares in C. H. Evensen Industriovner AS.

On 30 March 2022, VOW finalised the repurchase of shares under the share buy-back programme announced on 15 March 2022. The programme was carried out by SpareBank 1 Markets AS.

The total programme comprised 1 000 000 shares repurchased in the market for a total consideration of NOK 21 765 251.

Russia's invasion of Ukraine
Vow does not have any operations in Russia or Ukraine, however developments relating to Russia's invasion of Ukraine could adversely affect global and regional economic conditions and trigger volatility in the prices of energy generally. These effects may indirectly affect Vow's operations.

STATEMENT OF INCOME – VOW ASA

(Amounts in NOK million)	*Note*	**2021**	2020
Revenues		**-**	-
Total operating revenues		**-**	-
Employee expenses	*4*	**(1.3)**	(1.2)
Other operating expenses	*4*	**(16.3)**	(10.9)
Operating profit (EBIT) before non-recurring items		**(17.6)**	(12.1)
Cost for demerger, listing and strategic processes	*4*	**(5.0)**	-
Operating profit (EBIT)		**(22.6)**	(12.1)
Finance income	*5*	**5.9**	8.5
Finance cost	*5*	**(8.1)**	(5.1)
Share of net profit from associated company	*8*	**(3.2)**	-
Gain from demerger of Vow Green Metals AS operations	*8*	**341.6**	-
Fair value adjustments, conversion rights	*15*	**-**	25.0
Net financial items		**336.3**	28.4
Result before tax		**313.7**	16.3
Income tax (expense)/income	*6*	**5.5**	1.9
Result for the year		**319.2**	18.2
Earnings per share (NOK per share)			
- Basic	*16*	**2.82**	0.17
- Diluted	*16*	**2.76**	0.17

STATEMENT OF OTHER COMPREHENSIVE INCOME – VOW ASA

(Amounts in NOK million)	**2021**	2020
Result for the year	**319.2**	18.2
Other comprehensive income	**-**	-
Total other comprehensive income	**-**	-
Total comprehensive income for the year	**319.2**	18.2

STATEMENT OF FINANCIAL POSITION – VOW ASA

(Amounts in NOK million)	*Note*	**31 Dec 2021**	31 Dec 2020
ASSETS			
Non-current assets			
Deferred tax asset	*6*	**14.4**	9.0
Investment in subsidiaries	*7*	**232.2**	229.7
Investment in associated company	*8*	**146.8**	-
Subordinated intercompany loan	*11*	**119.0**	115.6
Total non-current assets		**512.5**	354.3
Current assets			
Other receivables	*9*	**3.0**	0.3
Receivables from group companies	*11*	**184.5**	88.6
Cash and cash equivalents	*10*	**123.2**	2.5
Total current assets		**310.8**	91.3
Total assets		**823.3**	445.6
EQUITY AND LIABILITIES			
Equity			
Share capital	*12*	**10.7**	10.9
Share premium	*12*	**616.9**	392.5
Retained earnings		**21.5**	40.8
Total equity		**649.1**	444.3
Liabilities			
Non-current liabilities			
Long term borrowing	*13*	**151.8**	-
Total non-current liabilities		**151.8**	-
Current liabilities			
Current borrowing	*13*	**18.2**	-
Trade payables	*14*	**3.2**	0.2
Other current liabilities	*14*	**1.0**	1.1
Total current liabilities		**22.4**	1.3
Total liabilities		**174.2**	1.3
Total equity and liabilities		**823.3**	445.6

Lysaker, Norway, 26 April 2022
The board of directors and CEO – Vow ASA

Narve Reiten	**Bård Brath Ingerø**	**Hanne Refsholt**	**Susanne L. R. Schneider**	**Henrik Badin**
Chair	*Director*	*Director*	*Director*	*CEO*

STATEMENT OF CHANGES IN EQUITY – VOW ASA

2021

(Amounts in NOK thousand)	*Note*	Share capital	Share premium	Retained earnings	**Total equity**
Equity at 31 December 2020		10 925	392 531	40 830	**444 287**
Result for the year		-	-	319 153	**319 153**
Other comprehensive income		-	-	-	**-**
Total comprehensive income		-	-	319 153	**319 153**
Issue of capital	*12*	500	218 000	-	**218 500**
Nominal value reduction		(743)	-	743	**-**
Increase through share-based payment	*12*	36	6 326	-	**6 361**
Stock options		-	-	2 447	**2 447**
Distribution of assets as dividend		-	-	(341 637)	**(341 637)**
Equity at 31 December 2021		10 719	616 857	21 535	**649 111**

2020

(Amounts in NOK thousand)	*Note*	Share capital	Share premium	Retained earnings	**Total equity**
Equity at 31 December 2019		10 656	341 196	19 940	**371 792**
Result for the year		-	-	18 191	**18 191**
Other comprehensive income		-	-	-	**-**
Total comprehensive income		-	-	18 191	**18 191**
Share capital increase - vendor notes converted to shares July 2020	*12*	233	44 927	-	**45 160**
Share capital increase - employee stock options, October 2020	*12*	36	6 408	-	**6 444**
Stock options		-	-	2 699	**2 699**
Dividends		-	-	-	**-**
Equity at 31 December 2020		10 925	392 531	40 830	**444 287**

STATEMENT OF CASH FLOW – VOW ASA

(Amounts in NOK thousand)	*Note*	**2021**	2020
Cash flow from operating activities			
Result before income tax		**313 695**	16 286
Adjustments:			
Interest income	*5*	**(5 885)**	(5 774)
Interest cost	*5*	**5 768**	1 260
Fair value adjustments, conversion rights	*15*	**-**	(24 971)
Currency translation effects		**2 301**	1 203
Gain from demerger of Vow Green Metals AS	*8*	**(341 637)**	-
Share of net profit from associated company	*8*	**3 166**	-
Change in trade payables		**2 981**	(1 220)
Changes in other accruals		**(2 780)**	151
Net cash flow from operating activities		**(22 392)**	(13 065)
Cash flow from investing activities			
Investment in associates	*8*	**(150 000)**	-
Net cash flow from investing activities		**(150 000)**	-
Cash flow from financing activities			
Proceeds from issuing stock	*12*	**224 862**	6 444
Proceeds from non-current borrowings	*13*	**151 786**	-
Proceeds from current borrowings	*13*	**18 214**	-
Intercompany receivables	*11*	**(95 980)**	(43 291)
Interest paid	*5*	**(5 768)**	-
Net cash flow from financing activities		**293 113**	(36 847)
Net change in cash and cash equivalents		**120 722**	(49 912)
Cash and cash equivalents at 1 January		**2 485**	52 397
Cash and cash equivalents at 31 December	*10*	**123 207**	2 485
Non restricted cash		**123 207**	2 485
Restricted cash		**-**	-
Cash and cash equivalents at 31 December		**123 207**	2 485

NOTES TO THE FINANCIAL STATEMENTS – VOW ASA

NOTE 01 GENERAL INFORMATION

Vow ASA is a limited liability company incorporated and domiciled in Norway, with its head office at Lysaker Torg 12, NO-1366 Lysaker. The company's business activity relates to ownership of shares in Scanship AS and Vow Green Metals AS.

The company's board approved the financial statements on 26 April 2022.

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 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 amortised 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% income tax in accordance with the Norwegian tax legislation. 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 based on 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 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.

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 company 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 Investment in associates
The company has investments in an associate. Associates are entities over which the company has significant influence, but not control or joint control over the financial and operating management. The considerations made in determining whether the company has significant influence over an entity are similar to those necessary to determine control over subsidiaries. Associates are accounted for using the equity method from the date when significant influence is achieved until such influence ceases.

Investments in associates are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the company's share of the results of operations of the associate. Unrealised gains and losses resulting from transactions between the company and the associate are eliminated to the extent of the interest in the associate. If there are indication of that the investment in the associate is impaired, the company will perform an impairment test of the carrying amount of the investment. Any impairment losses are recognised as share of profit of an associate in the statement of profit or loss. Upon loss of significant influence over the associate, and as such the equity method ceases, the company measures and recognises any retained investment at its fair value.

2.14 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.

2.15 Changes in accounting policy and disclosures
New and amended standards and interpretations that has been effective for accounting periods starting on 1st January 2021 does not have any impact on the company's financial statements. Information regarding new and amended standards and interpretations are provided in note 2 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.

Investment in associate company
The investment in Vow Green Metals AS is recognised at fair value at the point of the demerger. Several estimates and judgments are made to consider the fair value. These estimates and judgments have a direct influence over the recognised value.

The uncertainty is highest related to the following estimates:

- Expected objectives and strategy of the associate will be achieved within reasonable timeframe
- Market risk

NOTE 04 OTHER OPERATING EXPENSES, REMUNERATION AND COST FOR DEMERGER, LISTING AND STRATEGIC PROCESSES

Board remuneration:

(Amounts in NOK thousand)	**2021**	2020
Board remuneration	**1 125**	1 075
Social tax, expenses	**159**	118
Total	**1 284**	1 193

Other operating expenses include:

(Amounts in NOK thousand)	**2021**	2020
Auditor remuneration	**731**	584
Consultancy	**8 684**	5 630
Cost related to own shares	**1 438**	900
Other operating expenses	**5 468**	3 800
Total	**16 321**	10 914

The increase in consultancy costs is investment made in resources, systems and procedures to further develop our Landbased business segment.

Remuneration to auditor is allocated as specified below:

(Amounts in NOK thousand)	**2021**	2020
Statutory audits	**534**	525
Other assurance services	**196**	59
Total, excl. VAT	**731**	584

Costs for demerger, listing and strategic processes.
Non-recurring items
The company has incurred costs of a non-recurring nature of NOK 5.0 million in 2021. These are costs related to the demerger and stock exchange listing process for Vow Green Metals AS and costs related to strategy processes and organisational build-up in the preparation for future growth.

NOTE 05 FINANCE INCOME AND COSTS

Finance income:

(Amounts in NOK thousand)	**2021**	2020
Interest income	**118**	116
Intercompany interest income	**5 767**	5 774
Foreign exchange gain	**8**	2 635
Gain from demerger of Vow Green Metals AS operations	**341 637**	-
Fair value adjustments, conversion rights	**-**	24 971
Total finance income	**347 531**	33 495

Finance costs:

(Amounts in NOK thousand)	**2021**	2020
Interest expense	**5 769**	1 263
Foreign exchange loss	**2 301**	3 838
Share of net profit from associated company	**3 166**	-
Total finance costs	**11 236**	5 101

NOTE 06 TAX

Specification of income tax:

(Amounts in NOK thousand)	**2021**	2020
Change in deferred tax	**(5 458)**	(1 905)
Total income tax expense/(income)	**(5 458)**	(1 905)

Specification of temporary differences and deferred tax asset:

(Amounts in NOK thousand)	**2021**	2020
Tax loss carry forward	**(65 650)**	(40 843)
Total basis for deferred tax	**(65 650)**	(40 843)
Deferred tax asset 22%	**(14 443)**	(8 985)

Specification of temporary differences and deferred tax liability:
There are no temporary differences as of 31 December 2021 or 2020.

Reconciliation of effective tax rate:

(Amounts in NOK thousand)	**2021**	2020
Result before income tax	**313 695**	16 286
Expected income tax	**69 013**	3 583
Adjusted for tax effect of the following items:		
Permanent differences	**(74 470)**	(5 488)
Total income tax expense/(income)	**(5 458)**	(1 905)

NOTE 07 INVESTMENT IN SUBSIDIARIES

(Amounts in NOK thousand)	Country of incorporation	% equity and voting share	Equity at 31 Dec 2021	Result for the year 2021
Company:				
Scanship AS	Tønsberg, Norway	100%	149 537	37 944

(Amounts in NOK thousand)	Country of incorporation	% equity and voting share	Equity at 31 Dec 2020	Result for the year 2020
Company:				
Scanship AS	Tønsberg, Norway	100%	118 197	36 059

NOTE 08 INVESTMENT IN ASSOCIATE COMPANY

Gain from demerger of Vow Green Metals AS (VGM) operations from Vow ASA is recorded under financial items with an income of NOK 341.6 million.

The concept, design and business plan for developing a plant producing biocarbon using pyrolysis technology was demerged from Vow ASA into VGM. Shares in VGM was distributed to the shareholders of Vow ASA. The transaction is considered as distribution of assets other than cash as dividends to its owners (IFRIC 17). Fair value of VGM at the point of demerger was NOK 492 million and carrying value set at NOK 150 million, giving a fair value gain of the consideration shares distributed to the shareholders in Vow ASA at NOK 342 million.

Following the demerger on 9 July 2021, Vow ASA holds 30.4% of the shares in VGM and recognises it as an associate company which is accounted for using the equity method in the consolidated financial statements. The investment was recognised at fair value at inception and are subsequently adjusted for share of profits and potential dividends from VGM. The company's share of profit or loss from the associate company is included in profit or loss under financial items.

The following table illustrates the summarised financial information of the group's investment in VGM:

(Amounts in NOK thousand)	2021
Current assets	69 441
Non-current assets	74 857
Current liabilities	(3 041)
Non-current liabilities	(93)
Equity	141 164
Company's share in equity – 30.4%	42 953
Goodwill	103 881
Company's carrying amount of the investment	146 834

(Amounts in NOK thousand)	2021
Administrative expenses	(10 688)
Finance costs	(4)
Profit before tax	(10 692)
Income tax expense	-
Profit for the year	(10 692)
Total comprehensive income for the year	(10 692)
Company's share of profit for the year	(3 166)

VGM was listed on Oslo Stock Exchange 12 July 2021.

NOTE 09 OTHER RECEIVABLES

Other receivables include:

(Amounts in NOK thousand)	**31 Dec 2021**	31 Dec 2020
VAT receivable	**623**	234
Prepaid expenses and other items	**1 449**	30
Receivable from assoiciate company	**969**	-
Total	**3 041**	264

NOTE 10 CASH AND CASH EQUIVALENTS

(Amounts in NOK thousand)	**31 Dec 2021**	31 Dec 2020
Bank deposits	**123 207**	2 486
Total cash and cash equivalents	**123 207**	2 486

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

NOTE 11 INTERCOMPANY BALANCES AND TRANSACTIONS

Long-term loans to subsidiares:

(Amounts in NOK thousand)	**31 Dec 2021**	31 Dec 2020
Scanship AS	**119 045**	115 576

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 thousand)	**31 Dec 2021**	31 Dec 2020
Scanship AS	**184 531**	88 550

Intercompany interest income:

(Amounts in NOK thousand)	**31 Dec 2021**	31 Dec 2020
Scanship AS	**5 767**	5 774

NOTE 12 SHARE CAPITAL AND SHAREHOLDER INFORMATION

See note 11 to the consolidated financial statements.

NOTE 13 BORROWING

Long-term borrowing

(Amounts in NOK million)	**31 Dec 2021**	31 Dec 2020
Other long-term interest-bearing debt	**151.8**	-
Balance 31 December	**151.8**	-

Short-term borrowing

(Amounts in NOK million)	**31 Dec 2021**	31 Dec 2020
Other short term interest-bearing debt	**18.2**	-
Balance 31 December	**18.2**	-

In June, Vow secured NOK 320 million in long-term facilities from DNB ASA, establishing a strong financial foundation for further innovation and project development in landbased industries. The financing arrangement consists of a NOK 170 million term loan facility and a NOK 150 million revolving credit facility (RCF), both classified as "green financing" at attractive terms, and within the DNB Sustainable Product Framework. This framework includes a verification by DNV, the assurance and risk management company, and is based on the international Green Loan Principles (GLP).

The NOK 170 million term loan with DNB is drawn up as per 31 December 2021. The RCF facility is undrawn as per 31 December 2021.

Covenants
Vow ASA has the following covenants for loans, bank overdraft and trade finance facility in DNB ASA, which are relevant to measure as of 31 December 2021:

- Debt Service Coverage Ratio (DSCR) to be > 1.3x (1.5x per 31 December 2021)
- Minimum equity ratio of 35 per cent of total assets (47 per cent at 31 December 2021)
- NIBD/EBITDA ratio not to exceed 4x (2.3x per 31 December 2021)
- Any additional loans raised in the Group to be approved by DNB ASA

The Vow group is not in breach with the covenants as of 31 December 2021.

For additional information, see note 12 to the consolidated financial statements.

NOTE 14 OTHER CURRENT LIABILITIES

Trade payables

(Amounts in NOK thousand)	**31 Dec 2021**	31 Dec 2020
Trade payables	**3 152**	171
Total	**3 152**	171

Other current liabilities

(Amounts in NOK thousand)	**31 Dec 2021**	31 Dec 2020
Public duties payable	**-**	-
Other payables and accruals for incurred costs	**1 028**	1 145
Total	**1 028**	1 145

NOTE 15 CONVERTIBLE LOAN AND FAIR VALUE ADJUSTMENT OF CONVERSION RIGHTS

See note 13 to the consolidated financial statements.

NOTE 16 EARNINGS PER SHARE

	2021	2020
Profit for the year *(NOK thousand)*	**319 153**	18 191
Weighted average number of shares outstanding	**113 238 936**	107 685 067
Earnings per share *(NOK per share)***:**		
- Basic	**2.82**	0.17
- Diluted	**2.76**	0.17

NOTE 17 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

(Amounts in NOK thousand)	Category	**31 Dec 2021**	31 Dec 2020
Financial assets:			
Subordinated intercompany loans	Loans and receivables	**119 045**	115 576
Other receivables	Loans and receivables	**3 041**	264
Receivables intercompany	Loans and receivables	**184 531**	88 550
Cash and cash equivalents	Loans and receivables	**123 207**	2 486
Total financial assets		**429 824**	206 876
Financial liabilities:			
Trade payables	Financial liabilities at amortised cost	**3 152**	171
Other current liabilities	Financial liabilities at amortised cost	**1 028**	1 145
Long term borrowing	Financial liabilities at amortised cost	**151 786**	-
Current borrowing	Financial liabilities at amortised cost	**18 214**	-
Total financial liabilities		**174 179**	1 316

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 2021			
Trade payables	3 152	-	-
Other current liabilities	1 028	-	-
Long term borrowing	-	-	151 786
Current borrowing	6 071	12 143	-
Total	10 250	12 143	151 786

See note 22 in the consolidated financial statement for further information on the liquidity risk.

f) Foreign exchange rate risk:
The company has a loan to its subsidiary Scanship AS which is nominated in euro. Related currency translation loss was 2.3 million for 2021. Any other major expense, liability or asset is nominated in NOK and not directly exposed to currency risk.

The company own shares directly and indirectly which are exposed to currency risk related to their cash inflows. See note 22 in the consolidated financial statement for further information on the foreign exchange rate risk.

NOTE 18 CONTINGENT LIABILITIES

See note 25 to the consolidated financial statements.

NOTE 19 EVENTS AFTER THE REPORTING PERIOD

See note 26 to the consolidated financial statements.

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 2021 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 2021 have been prepared in accordance with IFRS, as adopted by the EU and in accordance with the additional requirements following the Norwegian Accounting Act
- 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, 26 April 2022
The board of directors and CEO – Vow ASA

Narve Reiten	**Bård Brath Ingerø**	**Hanne Refsholt**	**Susanne L. R. Schneider**	**Henrik Badin**
Chair	*Director*	*Director*	*Director*	*CEO*

AUDITOR'S REPORT

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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 (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the statement of financial position as at 31 December 2021 and the statement of income, statement of other comprehensive income, statement of cash flow and statement of 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 comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with 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 requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 11 years from the accounting year 2011.

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 2021. 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.

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Recognition of revenue from customer contracts over time

Basis for the key audit matter
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.

Our audit response
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 4 in the consolidated financial statements regarding revenue from contracts with customers.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer) is 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 board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and 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 or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

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 and the Group'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 the Group, 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 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 and the Group'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 and the Group'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 and the Group 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 the board of directors 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 the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 the board of directors, 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

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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 requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of our audit of the financial statements of Vow ASA we have performed an assurance engagement to obtain reasonable assurance whether the financial statements included in the annual report, with the file name vowasa-2021-12-31-en, has been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation given with legal basis in Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements included in the annual report have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of an annual report and iXBRL tagging of the consolidated financial statements that complies with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary to enable the preparation of an annual report and iXBRL tagging of the consolidated financial statements that is compliant with the ESEF Regulation.

Auditor's responsibilities

Our responsibility is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 29 April 2022
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Leiv Aschehoug
State Authorised Public Accountant (Norway)

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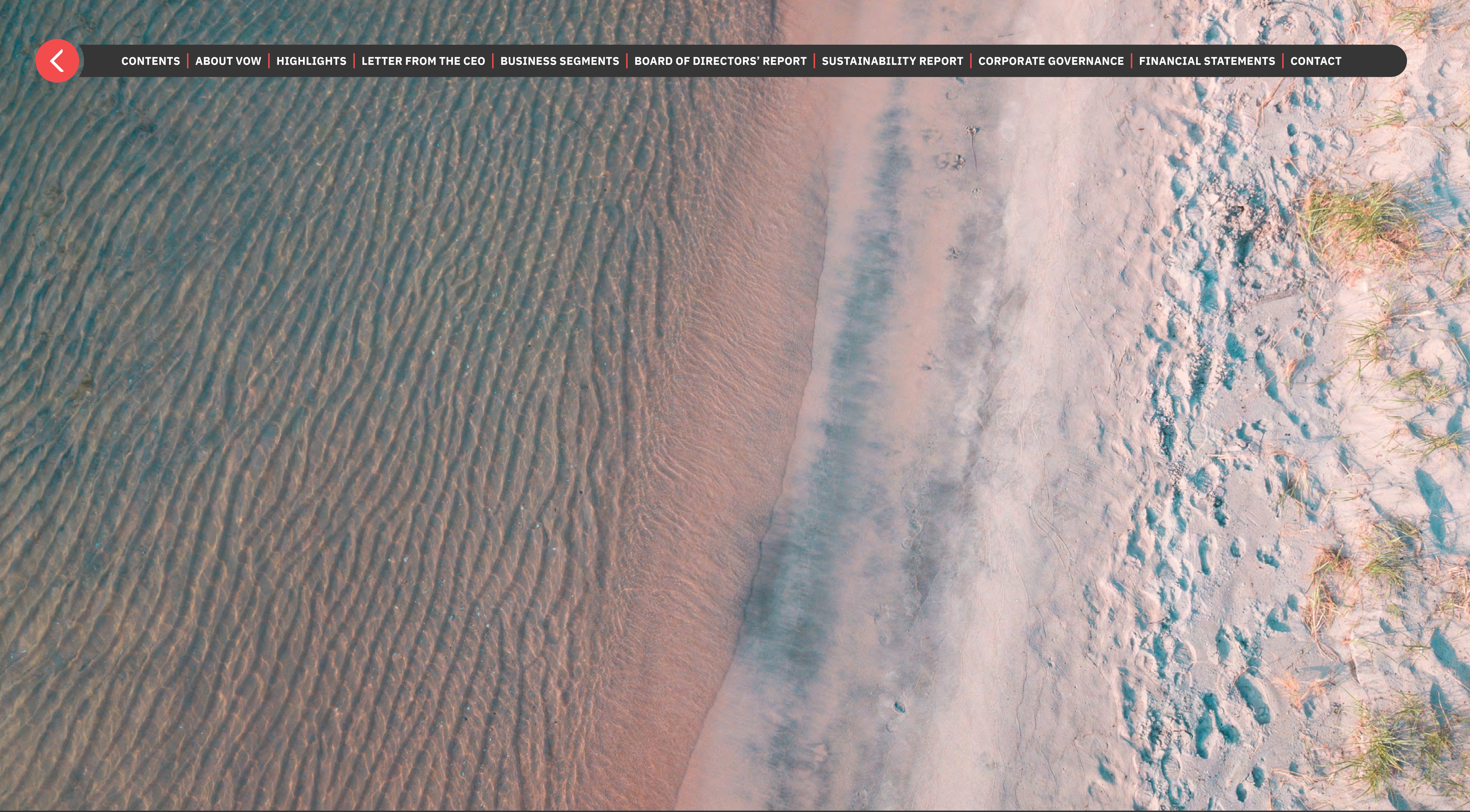
DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

EBITDA before non-recurring items	Normalised earnings before interest, tax depreciation and amortisation.. 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 amortisation. 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.



VOW

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