

HALF-YEAR REPORT

Second Half of 2024

Vow Green Metals



Content

Vow Green Metals AS, and its subsidiaries, ("**Vow Green Metals**" or "**the Company**") is on a mission to accelerate the world's transition to renewable materials by offering viable green alternatives to replace fossil materials in the metallurgical industry.

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1.

ABOUT VOW GREEN METALS



Spearheading the development of a rapidly growing biocarbon industry.

Vow Green Metals' strategy is to be a leading producer of biocarbon and other carbon neutral products that enables the green transitions in hard-to-abate industries. We are on a mission to accelerate the world's transition to renewable materials by offering green alternatives to replace fossil reduction agents in the metallurgical industry. The core of the business is to build, own and operate biocarbon production plants using state-of-the-art pyrolysis technology to turn biomass and biomass waste-streams into our core product, biocarbon. With our standardized solutions, unique access to proprietary technology and key large-scale projects progressing, we are upholding our first mover position in a growing market.

Building a profitable business while meaningfully reducing emissions

Leading producer of advanced biocarbon and other green products enabling industrial emissions reductions at scale

Market leader in a rapidly growing market

First-mover advantage in a growing market with 100 percent offtake secured from first large-scale facility

Proven technology and standardized factory modules in place

Secured IP rights to standardized plant architecture and biocarbon factory modules and unique access to proprietary technology

Vow Green Metals at a glance

Effective CO₂ reduction

5 tons of CO₂ reduced per ton biocarbon used¹



Production ongoing

Industrial scale production with 2,500 ton capacity²

Key projects portfolio

Ongoing projects with production capacity of >80,000 tons of biocarbon

Ambition

Realizing projects with 200,000 tons pa. total production capacity

Abatement potential

~1 million tons of fossil CO₂¹. Equivalent to 2 percent of Norway's annual emissions¹

Investment highlights



Massive addressable market in Europe with demand for 56 million tons of fossil coal annually³ – high willingness to pay for sustainable reduction materials.



Opportunity to realize more than 200,000 tons biocarbon production capacity with FIDs by 2028 requiring ~7 bn NOK in gross investment⁴.



Industrial-scale production and R&D facility in place to deliver initial volumes of biocarbon to established partners and produce samples and develop recipes to mature new markets and new offtake partners.



Unique access to proven and proprietary technology and IP – Vow Green Metals' large-scale process concept passed 3rd party technology verification conducted by Afry.



Vow Green Metals' production facilities offers surplus energy and is not heavily dependent on grid capacity, making the concept a welcomed addition to any industrial hub seeking energy symbiosis.



Investment case thoroughly scrutinized by expert panel of governmental enterprises Siva and Eksfin and industrial and financial partners DNB, Skagerak and Vardar.



100% offtake secured from the large-scale Hønefoss production facility with long-term supply agreements signed with Elkem, one of the world's leading providers of advanced silicon-based materials, and Outokumpu, a global leader in sustainable stainless steel.



Commercially de-risked market with metallurgical producers racing to secure access to biocarbon as first-movers have already signed long-term biocarbon offtake agreements in the Nordics.

2.

HIGHLIGHTS – SECOND HALF 2024

2- HIGHLIGHTS – SECOND HALF 2024

Second half-year 2024 – Green financing of MNOK 344 secured

- First shipment of product delivered to customer for qualification
- Loan agreement for the Hønefoss facility (“VGM Operatør AS”) with DNB, 50 percent guaranteed by Eksfin, of NOK 344 million signed
- Vow Green Metals announced the Eiktyr project, a large-scale 30,000 tons project as part of a circular green industry cluster at Orkland, central Norway
- Vardar acquired an additional 8 percent stake in the large-scale Hønefoss facility, holding a total of 33 percent of the shares in the project with Vow Green Metals holding the remaining 67 percent of the shares.
- The Company is in the process of securing long-term financing, as announced in 1H 2024

Subsequent events:

- 100 percent offtake secured from the Hønefoss facility with biocarbon supply agreement for the remaining 25 percent production capacity signed with Finnish stainless steel giant, Outokumpu
- As announced on February 18, 2025, the Company secured bridge financing with a short-term loan of NOK 15 million with DNB ASA and the extension of the duration of a 5 MNOK revolving credit facility with Sparebank 1 Sør-Norge ASA



Installation of process equipment at the large-scale Hønefoss facility commenced in October 2024.

Development highlights

Operations and R&D

- First shipment of product delivered to customer for qualification
- Accelerating product development efforts at the newly established lab facility at Hønefoss, optimizing biocarbon products and maturing bio-oil products for industrial applications
- Ramping up production while implementing key improvements providing significant synergies to the large-scale Hønefoss Facility

Key projects

- **Hønefoss:**

- Construction work progressed throughout the second half of 2024
- The 10,000 tons first phase of the facility, including buildings and civil works for the 20,000 tons phase 2 is financed
- Installation of process equipment commenced in October following the handover of areas between the civil works and process installation project scopes
- Mechanical completion of several larger installations, including pyrolysis reactors, during Q4, 2024



The large-scale Hønefoss project shaping up with buildings and infrastructure largely in place.

- **Viken park:**
 - Pre-study for core technology completed together with technology partner, Vow ASA
 - Pre-study with Carbon Centric for CCU and energy offtake is ongoing
 - Zoning plan approved by the city council in December 2024. A minority of the city council have notified that they will appeal against the decision. Processing of such appeal is expected to be completed by the end of Q2 2025
 - The pre-study for process solutions and civil works for a plant at Viken park is expected to proceed in 2025

- **Eiktyr:**
 - Feasibility study for a plant with 30,000 tons of biocarbon production capacity completed
 - Pre-study phase for 30,000 tons of production capacity initiated
 - Signed collaboration agreement for joint green industry development and energy and residual products utilization
 - Initial studies on the potential industrial symbiosis at Eiktyr Industrial Park completed, indicating significant synergies



Close collaboration with partners on site at Hønefoss.

3.

FINANCIAL REVIEW



3 – FINANCIAL REVIEW

Key Figures

Profit and Loss (Amounts in MNOK)	Unaudited H2-2024	Unaudited H2-2023	Unaudited 2024	Audited 2023
<i>Statement of income</i>				
EBITDA	(17.7)	(14.5)	(31.6)	(23.9)
Profit for the period	(24.2)	(16.4)	(39.9)	(26.0)
<i>Balance sheet</i> (Amounts in MNOK)				
Total non-current assets			353.2	136.8
Total current assets			83.1	46.4
Total assets			436.4	183.2
Total equity			188.0	100.0
Total non-current liabilities			175.5	50.6
Total current liabilities			72.9	32.6
Total equity and liabilities			436.4	183.2



All four pyrolysis reactors successfully installed inside the pyrolysis hall of the large-scale Hønefoss facility.

Financial review second of half 2024

- Vow Green Metals recorded an operating loss (EBITDA) for the second half 2024 of NOK 17.7 million. The operating loss is related to employee- and other operating expenses.
- Expenses for salary, social security tax, and pension cost for second half of 2024 amounted to NOK 15.7 million, of which NOK 8.7 million of employee expenses was capitalized or been reclassified as internal projects.
- Other operating expenses for the second half of 2024 amounted to NOK 10.8 million and consists of legal, audit, consulting fees, internal project costs and other general expenses.
- Profit before tax for the last six months of 2024 was a net loss of NOK 24.2 million.
- Total non-current assets as of 31 December 2024 were NOK 353.2 million and consist mainly of the development of the Hønefoss project and recognized lease contract for the production equipment (the “early production line”).
- Total assets were NOK 436.4 million with cash and cash equivalents of NOK 70.5 million.
- Total equity of NOK 188.0 million (Equity ratio of 43%).

Cash and cash equivalents as of December 31, was NOK 12.6 million in Vow Green Metals AS, unconsolidated. To bridge its short-term working capital funding while working to secure longer-term liquidity, the Company obtained a loan of NOK 15 million from DNB ASA and extended the duration of NOK 5 million on its revolving credit facility with Sparebank 1 Sør-Norge ASA. The financing was guaranteed by the Company’s three largest shareholders, Vow ASA, R Investment Company AS and Vardar AS. The guarantors received a 10 percent commission fee payable in cash.

In April 2024, the Company announced a strategic process to raise capital. Since then, Vardar and Skagerak Energi have invested NOK 70 million in Vow Green Metals AS. The Company is pursuing strategic and financial options with promising dialogues, which are expected to conclude in May, in line with current bridge financing.

If longer-term liquidity or financing is not obtained by May, 2025, additional capital or a renewed bridge financing is required.

4.

OPERATIONAL REVIEW AND OUTLOOK



4 – OPERATIONAL REVIEW AND OUTLOOK

The second half of 2024 was marked by industrial and financial progress with NOK 344 million green loan debt financing secured, and the large-scale biocarbon facility at Hønefoss progressing well. The Company also progressed its product development efforts at the newly established lab facility at Hønefoss, optimizing biocarbon products and maturing its bio-oil products for industrial applications. Subsequently, in January 2025, Vow Green Metals signed a supply agreement for the remaining available production capacity at the large-scale Hønefoss facility with Finnish stainless steel giant, Outokumpu. Complementing the supply agreement signed with Elkem in 2024, 100 percent offtake from the plant is secured for the coming years.



Vow Green Metals' industrial-scale early production line at Hønefoss in operation

Early Production Line

Vow Green Metals' early production line at Hønefoss has a production capacity of 2,500 tons of biocarbon, and serves several key purposes for the Company, including accelerating the Company's product development and commercial efforts, and de-risking the development and operations of future large-scale projects.

The production facility employs a Biogreen pyrolysis reactor, which

operates solely on electric power. This is the same technology that will be installed in the first phase of the Company's large-scale plant at Hønefoss.

In the second half of 2024, Vow Green Metals has focused on utilizing the capabilities of the early production line to identify key learnings and improvements to de-risk the large-scale facility at Hønefoss and other future large-scale projects. In addition, the early production line has enabled the production of product samples to mature new markets and mature relationships with industrial offtakers. Products from the plant are tested and developed at the Company's newly established lab facility at Hønefoss.



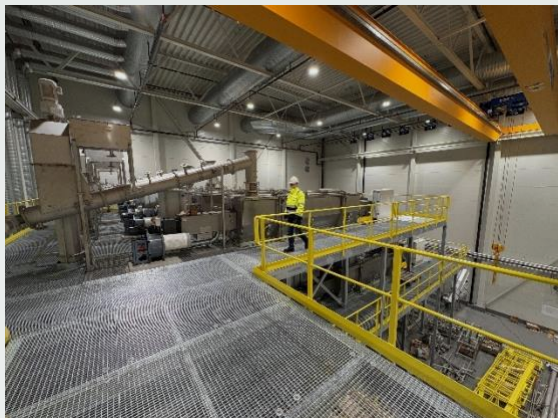
Product development ongoing at the lab facility at Hønefoss

Hønefoss first phase (10,000 tons of production capacity)

Set to become one of Europe's largest biocarbon production facilities, the large-scale Hønefoss facility has gained wide attention, and the project is forging ahead, with key industrial, financial, and governmental partners onboard.

The first phase of the biocarbon production facility is financed with a green loan from DNB, 50 percent guaranteed by Eksfin, and will have an annual production capacity of 10,000 tons of biocarbon.

Buildings and infrastructure are largely in place, and installation of process equipment commenced in October 2024. A milestone was reached in the project when all pyrolysis reactors were successfully installed in December 2024.



Pyrolysis reactors were successfully installed inside the pyrolysis hall in December 2024

Hønefoss second phase (20,000 tons of production capacity)

Vow Green Metals is planning to do a phased development of the large-scale facility at Hønefoss, with a doubling of the production capacity from 10,000 to 20,000 tons. In the second phase, the Company plans to use a large-scale pyrolysis reactor from Vow ASA and its subsidiary, C.H. Evensen. This technology is well-suited for large-scale production of biocarbon. The technology offers a hybrid-energy solution, providing additional flexibility as it can run on both gas and electricity. In addition, the C.H. Evensen reactor is largely self-sufficient with power as it can run on the bioenergy it produces in the process of producing biocarbon. Consequently, the second phase expansion of the Hønefoss project does not depend on an expansion in the power grid capacity in the area.

The financing of the first phase of the development also covers buildings and infrastructure for the second phased expansion. The Company is currently

working on securing the remaining financing to cover the process equipment for the second phase.



The construction of the large-scale facility at Hønefoss progressing well

Hundred percent offtake from the large-scale Hønefoss facility secured

Both phases of the development of the large-scale facility at Hønefoss are commercially de-risked with a hundred percent offtake of the facility's production capacity secured with two of the world's most reputed metallurgical companies, Elkem and Outokumpu.

Furthermore, an agreement for energy offtake is signed with Vardar Varme, and surplus heat from the plant will be utilized in the regional district heating network, making the project a showcase for industrial symbiosis and circularity.



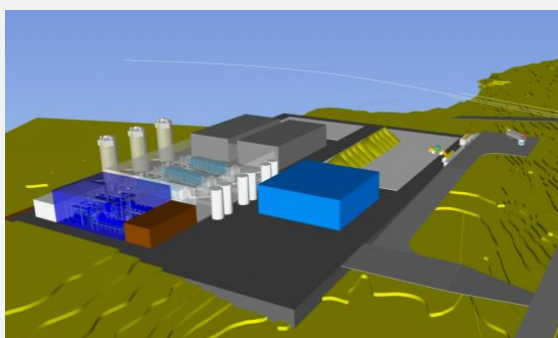
Viken Park (30,000 tons of production capacity)

The Viken Park project will supply the Viken Park industrial area with bioenergy while producing biocarbon and bio-oil for industrial use, making it a key project in ensuring sustainable industries.



Illustration of the Viken Park Concept

Following a successful feasibility study of the project, a pre-study for a plant with annual production capacity of 30,000 tons of biocarbon is ongoing and has evolved also to include studies for a CCU concept together with Carbon Centric.



Viken Park: Preliminary 3D layout of the plot

As an important step to further mature the project, Vow Green Metals has entered into several strategic partnerships with the signing of Letter of Intent for feedstock, CCU and energy offtake for the large-scale production facility at Viken Park.

The regulatory plan for the area was approved by the city council of Fredrikstad in December 2024, after a few months delay. A minority of the city council have notified that they will appeal the decision. The processing of the appeal is expected to be completed by the end of Q2 2025.

Eiktyr

In September 2024, Vow Green Metals announced a new large-scale project with a production capacity of 30,000 tons of biocarbon located at Eiktyr Industrial Park at Orkland, central Norway.



Illustration of the Eiktyr project

The pre-study phase is initiated following the completion of a feasibility study for a 30,000 tons plant. The project is part of a circular green industry cluster together with several other industrial companies. Collaboration agreements for joint green industry development and energy and residual product utilization are signed.

Initial studies on the potential industrial symbiosis at Eiktyr Industrial Park is completed, indicating significant synergies.

Risk and uncertainties

Vow Green Metals is exposed to several risks, and the Board and executive management are continuously monitoring the Company's risk exposure, working to improve its internal control processes and mitigation efforts. With reference to liquidity risk, please see financial review in this report. For a further description of the risk factors, please see an overview in the annual report for 2023, published on 25 April 2024. The report can be found here: www.vowgreenmetals.com/investors/results-and-presentations

Outlook

Vow Green Metals is in an important phase of scaling up its business, building new projects, and increasing its biocarbon production capacity, with a target of reaching 200,000 tons of biocarbon production capacity over the coming years. The Company has already matured its key projects portfolio with clear paths to realizing production volumes exceeding 80,000 tons of production capacity.

The Company's first large-scale facility is moving forward with a 100 percent offtake secured for years to come with global leaders in the metallurgical industry, Elkem and Outokumpu. Furthermore, the Company welcomed Vardar as a 33 percent owner in the large-scale Hønefoss project SPV (held in VGM Operatør Holding AS) and secured NOK 344 million green loan financing with DNB and Eksfin. The Company is working structured and strategically in close collaboration with the Board of Directors, and strategic and financial advisors to ensure that long-term funding does not become a bottleneck for accelerated growth, in addition to securing longer-term liquidity.

Regulatory and macroeconomic developments are supporting the projected growing demands for sustainable metals, and biocarbon. With a growing global population, and a growing middle-class in emerging markets – set to double over the next decade according to Oxford Economics, one will see continued demand for basic materials like steel and critical materials like silicons. According to the Norwegian Environment Agency, the energy transition alone will require vast amounts of metals, preferably sustainably produced. Around 7,5 tons of silicone is

used for every MW of solar PV. A 50 MW wind farm requires around 6000 tons of steel, and the EU might need as much as 500 000 MW of wind power towards 2040. The Norwegian Environment Agency also recently announced biocarbon as a reduction agent in the metallurgical industry as one of the key levers to cut emissions for the upcoming five to ten years, estimating more than 1,4 million tons of reduced fossil CO2 emissions in Norway by 2030.

Since the launch of the European Green Deal in 2019, the metallurgical industry has been widely recognized as one of the most important strategic capacities of Europe, but at the same time as one of the most challenging sectors to decarbonize. The EU passed its Critical Raw Material Act (CRMA) in 2024 to ensure access to those materials along all stages of the value chain, including silicon metal, manganese and more. In addition, biocarbon is recently recognized as a permanent carbon removal under the EU Carbon Removals and Carbon Farming regulation (CRCF) which aims to facilitate investments in innovative carbon removal technologies. The EU ETS has continued to be volatile in 2024, but has risen to levels circling around 80 EUR per ton in the beginning of 2025, and is projected to increase significantly over the coming years. In its EU ETS market outlook, BloombergNEF expects a nominal price of 194 EUR per ton in 2035. The EU recently launched a Competitiveness Compass – a plan to revive Europe's competitiveness. Linking decarbonization and competitiveness is part of the compass, and launching a new Clean Industrial Deal and an industrial decarbonization accelerator act to promote circular business models.

5.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE



5 – ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Vow Green Metals' business is climate friendly at the core, as the Company paves the way for increased biocarbon supply to the metallurgical industry, enabling large-scale decarbonization of this critical hard-to-abate industry. The company is also producing bio-oil and bioenergy which can replace fossil alternatives in many industries. Alongside progressing its core activities, Vow Green Metals promotes responsible business practices with respect to the environment, people, and society. This means that the company works systematically on issues such as HSE (Health, safety and environment), non-discrimination, human and labour rights, anti-corruption, responsible sourcing, and responsible marketing practices. The Company respects fundamental human rights as described in international human rights conventions such as the UN Convention on Human Rights and the labour rights conventions of the International Labour Organization (ILO). To promote responsible business practices throughout the value chain, Vow Green Metals is facilitating good dialogue with its stakeholders.



Accelerating the green shift

Vow Green Metals is on a mission to accelerate the world's transition to renewable materials by offering viable green alternatives to replace fossil materials in the metallurgical industry. This industry accounts for close to ten percent of global CO₂ emissions and is

recognized as a hard-to-abate industry. Sourcing biocarbon is one of few viable solutions to decarbonize this industry. In some industry verticals, biocarbon is the only available and viable option to decarbonize. Vow Green Metals enables the metallurgical industry to join the green transition and achieve CO₂ neutrality by replacing fossil carbon with biocarbon derived from biomass and biomass waste streams such as wood waste and demolition wood.



UN Sustainable Development Goals

The United Nations' Sustainable Development Goals (SDGs) are a global call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Vow Green Metals recognizes the importance of all 17 SDGs and aspires to contribute to all of them. Anchored in the Company's core business and corporate strategy, Vow Green Metals naturally prioritizes and puts special emphasis on the following four SDGs:



SDG 7 Affordable and clean energy

Vow Green Metals' circular biocarbon process produces significant amounts of clean energy, which can help decarbonize several industries, or be re-used in the Company's biocarbon production process.



SDG 9 Industry, innovation, and infrastructure

Vow Green Metals is leading the way in building a biocarbon industry which enables the metallurgical industry to replace fossil reduction materials with valuable biocarbon in their metal making processes



SDG 12 Responsible consumption and production

With our environmentally friendly and circular biocarbon production process, we add value to the biomass life cycle, and thus we are enhancing circular economy. We also use SDG 12 as guidance in our procurement practices.



SDG 13 Climate action

We are producing biocarbon and other green products to combat climate change by enabling hard-to-abate industries to decarbonize their production processes

Health, safety and environment (HSE)

Vow Green Metals works actively with health, safety, and environment (HSE). Vow Green Metals is committed to comply with strict health and safety standards and is focusing on building a strong HSE culture within the organization to ensure the highest quality and safety standards. Vow Green Metals aims to be an attractive workplace, where the individual employee can use their skills and abilities.

The Company's target is to ensure that no serious accidents occur. All employees shall have a good physical, psychosocial and organizational working environment, which is better or at least as good as other companies within the same industry.

Vow Green Metals aspires to be among the leaders in the industry when it comes to ensuring the least possible negative impact on the environment.

The Company has good internal controls with a systematic, well-documented and targeted approach to HSE with the purpose of preventing undesirable incidents and ensuring a good working environment, low absence due to illness rate, good profitability, and keeping emissions to a minimum. The Company has strict requirements for HSE in selecting various suppliers. In 2024, absence due to illness was 0.1 percent. Which is well below the Company's 5 percent target.



Vow Green Metals has established clear targets for its HSE efforts, laid down in the Company's HSE handbook:

- No injuries or accidents of any kind
 - Injuries with absence = 0 per calendar year

GENDER COMPOSITION

As of 31 December 2024, the Company had 19 employees, of which 4 women.

The board of directors of Vow Green Metals AS consists of 5 persons, of which 3 are women.

OUR APPROACH TO SUSTAINABILITY

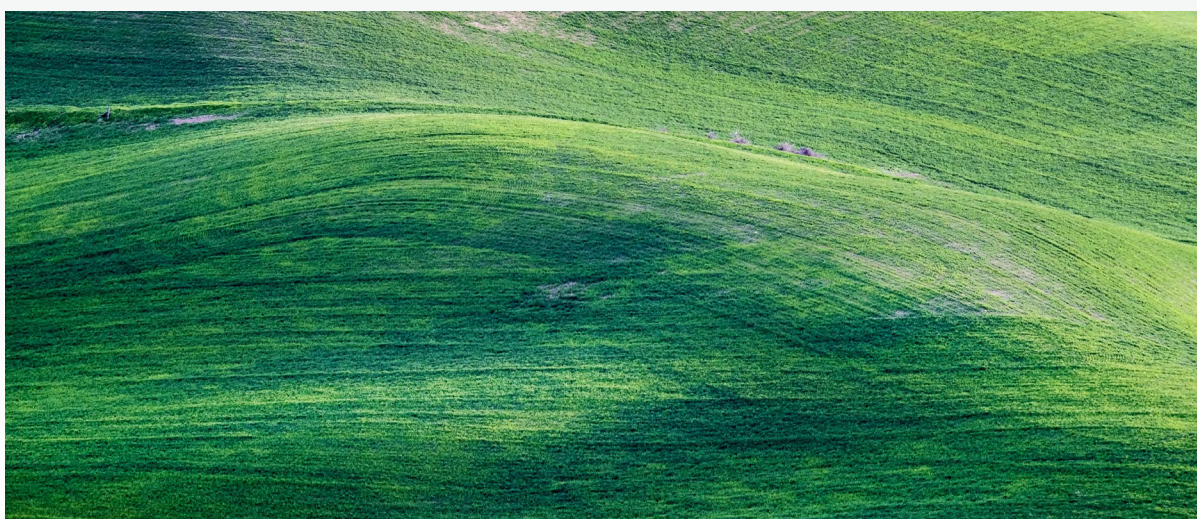
With high ambitions within the area of sustainability, Vow Green Metals is committed to develop its approach to this important area as the business grows.

- Injuries without absence < 5 per calendar year
- Sickness leaves below 5 percent
- The work tasks shall be meaningful, and we must have a productive working environment
- Processing of deviation reports and improvement proposals shall be completed within 30 days
- Waste sorting rate > 80 percent

Diversity and equal opportunities

The Company is working to ensure equal opportunities for its employees regardless of gender, age, ethnicity, religion, belief, disability, pregnancy, parental leave, care responsibility, sexual orientation, gender identity, gender expression, or combinations of these grounds.

The Company will continue its efforts to get its policy framework in place to ensure that the sustainability work is implemented widely in the business.



6.

FINANCIAL STATEMENTS SECOND HALF 2024

6 – FINANCIAL STATEMENTS SECOND HALF 2024

(unaudited)

Profit and loss

CONSOLIDATED STATEMENT OF INCOME

<i>(Amounts in 1000 NOK)</i>	<i>Note</i>	Unaudited H2 2024	Unaudited H2 2023	Unaudited 2024	Audited 2023
Revenue		215	-	215	-
Employee expenses	2	(7 073)	(7 007)	(12 203)	(9 442)
Other operating expenses	3	(10 844)	(7 518)	(19 655)	(14 464)
EBITDA		(17 703)	(14 525)	(31 643)	(23 906)
Depreciation and amortisation	4, 5, 6, 7	(4 419)	(640)	(5 644)	(785)
EBIT		(22 122)	(15 165)	(37 288)	(24 691)
Finance income		105	1	110	1
Finance expense	7	(2 178)	(1 260)	(2 675)	(1 277)
Net financial items		(2 073)	(1 259)	(2 565)	(1 276)
Profit before tax		(24 195)	(16 423)	(39 853)	(25 967)
Income tax expenses		-	-	-	-
Profit for the period		(24 195)	(16 423)	(39 853)	(25 967)
<i>Attributable to:</i>					
Owners of the parent		(24 050)	-	(39 665)	-
Non-controlling interests		(145)	-	(188)	-
		(24 195)	-	(39 853)	-

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>(Amounts in 1000 NOK)</i>	<i>Note</i>	Unaudited H2 2024	Unaudited H2 2023	Unaudited 2024	Audited 2023
Profit for the period		(24 195)	(16 423)	(39 853)	(25 967)
Other Comprehensive Income		-	-	-	-
Total comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		(24 195)	(16 423)	(39 853)	(25 967)
Earnings per share (NOK):					
- Basic				(0.19)	(0.16)
- Diluted				(0.19)	(0.13)

Balance sheet

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(Amounts in 1000 NOK)</i>	<i>Note</i>	Unaudited 31.12.2024	Audited 31.12.2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	315	196
Intangible assets	5	19 438	9 674
Assets under construction	6	285 272	126 153
Right-of-use assets	7	48 215	793
Total non-current assets		353 239	136 817
Current assets			
Inventories		0	65
Trade receivables		993	
Other receivables		11 644	4 966
Cash and cash equivalents	8	70 493	41 323
Total current assets		83 130	46 354
Total assets		436 369	183 171
EQUITY AND LIABILITIES			
Equity			
Share capital	9	1 318	1 074
Share premium		217 552	149 872
Other reserves		63 094	3 094
Retained earnings		(93 971)	(54 067)
Equity attributable to owners of the parent		187 994	99 974
<i>Attributable to:</i>			
Non-controlling interest		56 358	0
Owners of the parent		131 635	0
Total equity		187 994	0
Liabilities			
Non-current liabilities			
Long term borrowings	10,11	141 000	50 000
Non-current lease liabilities	7	34 476	575
Total non-current liabilities		175 476	50 575
Current liabilities			
Trade creditors	11	30 227	8 696
Current borrowings from associates	11	969	20 568
Public duties payable	12	1 929	1 466
Current lease liabilities	7	5 990	231
Other current liabilities	12	33 784	1 662
Total current liabilities		72 899	32 623
Total liabilities		248 376	83 197
Total equity and liabilities		436 369	183 171

Board of Directors

Lysaker, Norway, 27 February 2025
The Board of Directors and CEO
Vow Green Metals AS



Narve Reiten
Chairman



Kari Stine Tærum
Board member



Line Tønnessen
Board member



Trude Sundset
Board member



Geir Kulås
Board member



Cecilie Jonassen
Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY

31.12.2024

(Amounts in 1000 NOK)	Share capital	Share premium	Other reserves	Other paid in capital	Retained earnings	Total	Non-controlling interest	Total equity
Equity at 31.12.2023	1 074	149 872	3 094	0	(54 067)	99 974	0	99 974
Profit for the period	0	0	0	0	(39 665)	(39 665)	(188)	(39 853)
Incorporation costs					(38)	(38)	(13)	(51)
Share capital increase ^{1, 2)}	244	67 680	0	3 454	0	71 378	56 546	127 924
Equity at 31.12.2024	1 318	217 552	3 094	3 454	(93 770)	131 648	56 345	187 994

31.12.2023

(Amounts in 1000 NOK)	Share capital	Share premium	Other reserves	Other paid in capital	Retained earnings	Total	Non-controlling interest	Total equity
Equity at 31.12.2022	1 074	149 872	3 043	0	(28 099)	125 889	0	125 889
Profit for the period	0	0	0	0	(25 967)	(25 967)	0	(25 967)
Share capital increase	0	0	0	0	0	0	0	0
Stock options ³⁾	0	0	52	0	0	52	0	52
Equity at 31.12.2023	1 074	149 872	3 094	0	(54 067)	99 974	0	99 974

¹⁾ Share capital increase relates to the NOK 50 million and NOK 20 million investment in VGM AS from Vardar AS and Skagerak Energi AS, respectively, and the NOK 50 million investment from Vardar AS in VGM Operatør AS. Please see note 9.

²⁾ Share capital increase relates to the establishment of Vow Green Metals Follum AS and VGM Operatør AS.

³⁾ Stock options were exercised in September 2022 in connection with employee stock option program.

CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT

<i>(Amounts in 1000 NOK)</i>	<i>Note</i>	Unaudited H2 2024	Unaudited H2 2023	Unaudited 2024	Audited 2023
Cash flow from operating activities					
Result before income tax		(24 246)	(16 423)	(39 904)	(25 967)
Adjustments:					
Depreciation and amortisation	4, 5, 6, 7	4 419	640	5 644	785
Valuation outstanding options		-	52	-	52
Changes in inventories		65	(65)	65	(65)
Changes in trade receivables		(993)	-	(993)	-
Changes in other receivables		(4 649)	(2 645)	(6 678)	(3 955)
Change in current liabilities		39 409	21 791	34 517	21 290
Net cash flow from operating activities		14 005	3 349	(7 348)	(7 860)
Cash flow from investing activities					
Investments in tangible assets	4	-	(149)	(232)	(191)
Investments in intangible assets	5	(7 647)	(1 619)	(10 346)	(4 932)
Investments in assets under construction	6	(118 008)	(28 221)	(159 118)	(45 790)
Investment in subsidiaries		-	-	-	-
Net cash flow from investing activities		(125 735)	(29 989)	(169 697)	(50 912)
Cash flow from financing activities					
Proceeds from issuing stock		-	-	17 924	-
Proceeds from sale of interest in subsidiary without loss of control		10 000	-	60 000	-
Leasing obligations		(2 589)	(179)	(12 709)	(297)
Long term borrowings	10	137 500	50 000	141 000	50 000
Proceeds from Enova Grant	6	-	7 842	-	7 842
Net cash flow from financing activities		144 911	57 663	206 215	57 544
Net change in cash and cash equivalents		33 180	(31 023)	29 170	(1 228)
Cash and cash equivalents at start of period		37 312	10 300	41 323	42 551
Cash and cash equivalents at end of period		70 493	41 323	70 493	41 323
Non-restricted cash		69 480	40 580	69 480	40 580
Restricted cash		1 013	743	1 013	743
Cash and cash equivalents at end of period		70 493	41 323	70 493	41 323

NOTES



NOTES

NOTE 1 GENERAL INFORMATION

This interim financial information for the Second Half Year 2024 has been prepared pursuant to IAS 34 «interim financial reporting». The interim Financial Reporting should be read in conjunction with the annual Financial Statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS, as adopted by European Union. The accounting policies implemented are consistent with those of the annual financial statements for the year ended December 2023.

VGM Operatør Holding AS, a 67 percent owned subsidiary of Vow Green Metals AS, was established in July 2024, to build and operate Vow Green Metals AS' production plant through the subsidiaries VGM Operatør AS and Vow Green Metals AS at Hønefoss, Norway.

NOTE 2 EMPLOYEE EXPENSES

<i>(Amounts in 1000 NOK)</i>	H2 2024	H2 2023	2024	2023
Salaries	13 191	8 359	21 035	13 437
Social security tax	1 841	1 661	3 126	2 355
Pension cost	586	413	1 053	721
Other benefits	127	1 584	1 320	1 636
Total employee expenses	15 746	12 017	26 534	18 148
Employee expenses capitalised to investment projects or classified as project cost	(8 673)	(5 010)	(14 331)	(8 706)
Total costs recognised as employee expenses	7 073	7 007	12 203	9 442

NOTE 3 OTHER OPERATING EXPENSES

<i>(Amounts in 1000 NOK)</i>	H2 2024	H2 2023	2024	2023
Legal	908	855	1 444	1 320
Audit fees	105	90	510	465
Consultant fees	4 254	4 474	8 343	8 796
Listing fees	197	118	499	450
Recruitment	90		742	
Licences	368	326	710	657
Internal projects	3 684	12	4 065	12
Other expenses	1 239	1 644	3 343	2 764
Total other operating expenses	10 844	7 518	19 655	14 464

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

31.12.2024

(Amounts in 1000 NOK)

Office, furniture and equipment

Cost:

At 1 January 2024	267
Additions	246
Disposals	(14)
At 31 December 2024	499

Depreciation and impairment:

At 1 January 2024	(71)
Depreciation this year	(113)
At 31 December 2024	(184)

Carrying amount 31 December 2024	315
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Useful life	3 years
Depreciation method	Linear

31.12.2023

(Amounts in 1000 NOK)

Office, furniture and equipment

Cost:

At 1 January 2023	76
Additions	191
At 31 December 2023	267

Depreciation and impairment:

At 1 January 2023	(22)
Depreciation this year	(48)
At 31 December 2023	(71)

Carrying amount at 31 December 2023	196
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Useful life	3 years
Depreciation method	Linear

NOTE 5 INTANGIBLE ASSETS

The company has acquired the value of the development cost for the new planned biocarbon plant at Hønefoss. Depreciation will start once the Hønefoss plant is starting production. The technical and system solutions know-how developed in the R&D project was acquired from Vow ASA with effect from 1 April 2021.

Additions to proof of concept are primarily internal manhours. Carrying amount of the Factory Module consist of both internal and external services to develop a standardized factory the Company will build at Hønefoss and in future projects. Depreciation on both items will be initiated upon completion of the project at Hønefoss.

31.12.2024

<i>(Amounts in 1000 NOK)</i>	Proof of Concept	Factory module	Computer software	Total
Cost:				
At 1 January 2024	2 833	3 194	3 647	9 674
Additions	10 422	(76)	-	10 346
At 31 December 2024	13 255	3 118	3 647	20 020
Depreciation and impairment:				
At 1 January 2024	-	-	(431)	(431)
Depreciation this year	-	-	(583)	(583)
At 31 December 2024	-	-	(1 014)	(1 014)
Carrying amount at 31 December 2024	13 255	3 118	3 065	19 438
Useful life	10 years	10 years	7 years	
Depreciation method	Linear	Linear	Linear	

31.12.2023

<i>(Amounts in 1000 NOK)</i>	Proof of Concept	Factory module	Computer software	Total
Cost:				
At 1 January 2023	743	969	3 462	5 174
Additions	2 090	2 225	617	4 932
At 31 December 2023	2 833	3 194	4 078	10 106
Depreciation and impairment:				
At 1 January 2023	-	-	-	-
Depreciation this year	0	0	(431)	(431)
At 31 December 2023	0	0	(431)	(431)
Carrying amount at 31 December 2023	2 833	3 194	3 647	9 675
Useful life	10 years	10 years	7 years	
Depreciation method	Linear	Linear	Linear	

NOTE 6 ASSETS UNDER CONSTRUCTION

Vow Green Metals is currently building its first biocarbon plant at Hønefoss, Norway.

31.12.2024

(Amounts in 1000 NOK)

	Assets under construction
Cost:	
At 1 January 2024	126 153
Additions	159 118
Enova Grant	0
At 31 December 2024	285 272
Carrying amount at 31 December 2024	285 272

31.12.2023

(Amounts in 1000 NOK)

	Assets under construction
Cost:	
At 1 January 2023	82 406
Additions	51 589
Enova Grant	(7 842)
At 31 December 2023	126 153
Carrying amount at 31 December 2023	126 153

Government grants

Government grants are recognised when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognised systematically during the grant period. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalised and recognised systematically over the asset's useful life. Investment grants are recognised either as deferred income or as a deduction of the asset's carrying amount.

Enova has confirmed a government grant to support the Company's project for industrial production of biocarbon for metallurgical industry at Follum. The grant is for 40 % of the total approved project cost but limited to MNOK 80.7. Grants will be paid in arrears based on agreed progress milestones in the project. 20% of the grant will be withheld until the final report has been submitted and approved by Enova. Grants of MNOK 38.5 has been received in June 2022 and grants of MNOK 7.8 has been received July 2023. This sums up to total grants of MNOK 46.3. No grants were withdrawn in 2024.

NOTE 7 ASSET LEASE

Right of use assets

31.12.2024

<i>(Amounts in 1000 NOK)</i>	Cars	Properties	Process equipment
At 1 January 2024	142	651	0
Additions	275	5 338	46 756
Depreciation	(142)	(911)	(3 896)
Carrying amount at 31 December 2024	276	5 079	42 860

Lease liabilities for cars are discounted with an interest rate of 3.3 per cent.

Lease liabilities for properties are discounted with an interest rate of 5.9 per cent.

In May 2024, Vow Green Metals AS secured leasing financing for the production equipment included in the "Early Production Line" at Hønefoss. The leasing financing is with SpareBank 1 SR-Bank.

Lease liabilities for process equipment are discounted with an interest rate of 8.1 per cent.

Lease liabilities recognised

<i>(Amounts in 1000 NOK)</i>	Cars	Properties	Process equipment
Current lease liabilities	133	918	4 939
Non-current lease liabilities	144	4 285	30 047
Total	277	5 203	34 987

Maturity analysis - contractual undiscounted cash flows

<i>(Amounts in 1000 NOK)</i>	Cars	Properties	Process equipment
Within 1 year	133	918	4 939
1-2 years	133	918	4 939
2-3 years	11	918	4 939
After 3 years		2 450	20 169

Leases with a lease term less than 12 months are accounted for as short-term leases.

31.12.2023

<i>(Amounts in 1000 NOK)</i>	Cars	Properties	Process equipment
At 1 January 2023	284	183	0
Additions	0	632	0
Depreciation	(142)	(163)	0
Carrying amount at 31 December 2023	142	651	0

Lease liabilities for cars are discounted with an interest rate of 3.3 per cent.

Lease liabilities for properties are discounted with an interest rate of 5.9 per cent.

Lease liabilities recognised

<i>(Amounts in 1000 NOK)</i>	Cars	Properties	Process equipment
Current lease liabilities	70	161	0
Non-current lease liabilities	76	499	0
Total	145	660	0

Maturity analysis - contractual undiscounted cash flows

<i>(Amounts in 1000 NOK)</i>	Cars	Properties	Process equipment
Within 1 year	70	161	0
1-2 years	70	67	0
2-3 years	6	67	0
After 3 years	0	364	0

Leases with a lease term less than 12 months are accounted for as short-term leases.

NOTE 8 CASH AND CASH EQUIVALENTS

<i>(Amounts in 1000 NOK)</i>	2024	2023
Bank deposits	69 480	40 580
Restricted cash ¹⁾	1 013	743
Total cash and cash equivalents	70 493	41 323
Total available cash, net of restricted	69 480	40 580

1) Restricted cash comprise of withheld taxes from employee salaries. 10 000 is held on a separate account to cover project liabilities.

NOTE 9 SHARE CAPITAL AND SHAREHOLDER INFORMATION

	2024	2023
Number of outstanding shares at 1 January	165 227 092	165 227 092
Share capital reduction	0	0
Share capital increase ¹⁾	37 573 805	0
Number of outstanding shares at 30 June / 31 December	202 800 897	165 227 092

¹⁾ The share capital increase relates to the NOK 50 million investment from Vardar AS and the NOK 20 million investment from Skagerak Energi AS.

The NOK 50 million investment from Vardar AS in VGM AS was through conversion of existing debt.

Nominal value NOK per share at 31 December	0,0065	0,0065
Share capital NOK at 31 December	1 318 206	1 073 976

Vow Green Metals AS has one class of shares with equal rights of all shares.

Largest shareholders of Vow Green Metals AS at 31.12.2024:

Shareholder	Number	% share
Vow ASA	50 173 890	24,7%
VARDAR AS	26 838 432	13,2%
R INVESTMENT COMPANY AS ¹⁾	22 849 307	11,3%
SKAGERAK ENERGIPARTNER AS	10 735 373	5,3%
DALER INN LIMITED	9 878 418	4,9%
SKØYEN INVEST AS	7 295 135	3,6%
NORDNET LIVSFORSIKRING AS	7 272 821	3,6%
CLEARSTREAM BANKING S.A.	5 474 803	2,7%
BADIN INVEST LIMITED	5 234 379	2,6%
TRETHOM AS	5 001 990	2,5%
FONDSAVANSE AS	3 000 000	1,5%
BERGSTÅ	2 500 000	1,2%
Citibank Europe plc	2 184 713	1,1%
Shareholders holding less than 1% of the shares	44 361 636	21,9%
Total	202 800 897	100,0%

Number of shares owned by group management and board of directors at 31.12.2024:

Name	Number	% share
R INVESTMENT COMPANY AS ¹⁾	22 849 307	11,3%
Kari Stine Tærum, Director	179 000	0,1%
Limamo Invest AS ²⁾	84 000	0,1%
Total	23 112 307	11,4%

¹⁾ R INVESTMENT COMPANY AS is owned 92.14% by Narve Reiten, the Chairman of the Board of Vow Green Metals AS. Line Tønnessen, Board member of Vow Green Metals AS, is the Managing Director of R Investment Company AS.

²⁾ Line Tønnessen, Board member of Vow Green Metals AS, is a close associate to Limamo Invest AS.

NOTE 10 LONG TERM BORROWINGS

Long term borrowings

<i>(Amounts in 1000 NOK)</i>	2024	2023
Vardar AS	0	50 000
Scanship AS	1 000	
DNB ASA	140 000	
Total long term borrowings	141 000	50 000

In November 2023, Vow Green Metals secured a long-term loan from Vardar AS of NOK 50 million. In May 2024, Vardar AS converted the NOK 50 million loan. The conversion price was NOK 1.863 per share.

On July 11 2024, Vow Green Metals signed a green loan facility agreement with DNB. The DNB loan amounts to NOK 344 million in total, split into NOK 144 million as a construction loan for the building and NOK 200 million as construction loan which will be converted to a term loan when the facility is in operation. The terms include a 50 percent loan guarantee from Eksfin (the official Export Credit Agency (ECA) of Norway).

NOTE 11 RELATED PARTIES

a) Balance with related parties:

<i>(Amounts in 1000 NOK)</i>	2024	2023	
Liabilities			
Scanship AS	Trade creditors	301	1 211
	Long term		
Scanship AS	borrowings	1 000	
	Other current		
Scanship AS	liabilities	10 375	
	Current borrowings		
Vow ASA	from associates	969	20 568
Total payables to associates		12 645	21 779

b) Purchases:

Payables to Vow ASA is related to the acquisition of the development cost for the biocarbon plant at Hønefoss. Current liabilities to Scanship AS is related to loan agreements for postponed payment of invoiced amounts related to the building of Line 7 at the Follum site. Accumulated interest as of 31.12.24 amounts to KNOK 184.

Trade creditors to related parties are related to a service agreement entered into with Scanship AS, which is the subsidiary of its largest shareholder, Vow ASA. The service comprises of accounting and IT.

c) Overview of subsidiaries:

The following subsidiary are included in the consolidated financial statements:

Company	Date of acquisition/incorporation	Country of incorporation
Vow Green Metals Follum AS	31.05.2022	Hønefoss, Norway

VGM Operatør AS	23.06.2023	Hønefoss, Norway
VGM Operatør Holding AS	05.07.2024	Hønefoss, Norway

Vow Green Metals Follum AS is a fully owned subsidiary of VGM Operatør AS and is the owner of the building and infrastructure at the Hønefoss project.

VGM Operatør AS is a fully owned subsidiary of VGM Operatør Holding AS. VGM Operatør AS is the owner of the Hønefoss project.

VGM Operatør Holding AS is owned 67% by VGM AS and 33% by Vardar AS. The company does not have any other operations than its holding of shares in VGM Operatør AS.

NOTE 12 PUBLIC DUTIES PAYABLE AND OTHER CURRENT LIABILITIES

<i>(Amounts in 1000 NOK)</i>	2024	2023
Public duties payable		
Employee withholding tax	1 013	743
Social security tax	916	723
Total public duties payable	1 929	1 466
Other current liabilities		
Accrued holiday pay	1 930	1 272
Other accrued expenses	31 855	390
Other current liabilities	33 784	1 662

NOTE 13 SUBSEQUENT EVENTS

100 percent offtake secured from the Hønefoss facility with biocarbon supply agreement for the remaining 25 percent production capacity signed with Finnish stainless-steel giant, Outokumpu OY

On February 18, 2025, the Company secured bridge financing with a loan of NOK 15 million with DNB ASA and the extension of the duration of a NOK 5 million revolving credit facility with Sparebank 1 Sør-Norge ASA. The DNB ASA loan was guaranteed by Vardar AS, Reiten Investment Company AS and Vow ASA, with NOK 5 million each. The Sparebank 1 Sør-Norge ASA agreement was guaranteed by Vow ASA. The guarantors received 10% of guaranteed amount as a one-time fee. All guarantees are valid for 6 months from February 14.

The logo for VOW green metals. 'VOW' is in a large, bold, white sans-serif font. 'green' is in a smaller, green sans-serif font, positioned to the right of 'VOW'. 'metals' is in a smaller, white sans-serif font, positioned below 'green'.

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