



# ANNUAL REPORT 2023

# Content

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Vow Green Metals AS, and its subsidiaries, VGM Operatør AS and Vow Green Metals Follum AS, ("**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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# ABOUT VOW GREEN METALS





# Spearheading the development of a rapidly growing biocarbon industry.

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Vow Green Metals' strategy is to be a leading producer of biocarbon and other carbon neutral products that enabled 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 appropriate technology, and a growing global pipeline of projects, we are upholding our first mover position in a growing market where speed and scale will be determining factors.

## Building a profitable business while meaningfully reducing emissions

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Leading producer of advanced biocarbon and other green products enabling low-cost renewable production at scale for the metallurgical industry

## Market leader in a rapidly growing market

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Clear targets to realize 200,000 tons of biocarbon production capacity by 2028, and ambition to exceed 500,000 tons within 2030

## Proven technology and standardized factory modules in place

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



# Vow Green Metals at a glance.

## Unprecedented climate effects

1 ton of biocarbon enables the reduction of ~5 tons of fossil CO<sub>2</sub> emissions when used in the metallurgical industry



## Clear 2030 ambition

Realizing projects with 500,000 tons pa. total production capacity

## Mature projects

Ongoing projects with production capacity of >50,000 tons of biocarbon

## Production ongoing

Industrial scale production with 2,500 tons capacity<sup>2</sup>

## Abatement potential

~2.5 million tons of fossil CO<sub>2</sub><sup>1</sup>. Equivalent to 6 percent of Norway's annual emissions<sup>1</sup>

## Company Highlights



Massive addressable market in Europe with demand for 56 million tons of fossil coal annually<sup>3</sup> – high willingness to pay for sustainable reduction materials.



Opportunity to realize more than 200,000 ton biocarbon production capacity with FIDs from 2024 to 2028.



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.



Long-term offtake secured for the large-scale project at Hønefoss with supply agreement for 15,000 tons of biocarbon signed with Elkem, one of the world's leading providers of advance silicon-based materials.



Vow Green Metals' production facilities offers surplus energy and is not heavily dependant 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 enterprise Siva and energy company Vardar in relation to their recent investment ~252 MNOK in Vow Green Metals and Hønefoss project SPV.



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



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.



# What we do.

The core of our business is to build, own and operate biocarbon production plants to supply the metallurgical industry with biocarbon – a product that can easily be adopted by the industry without switching costs. The metallurgical industry will source vast amounts of biocarbon over the coming years to reduce its emissions and meet pressing climate targets.

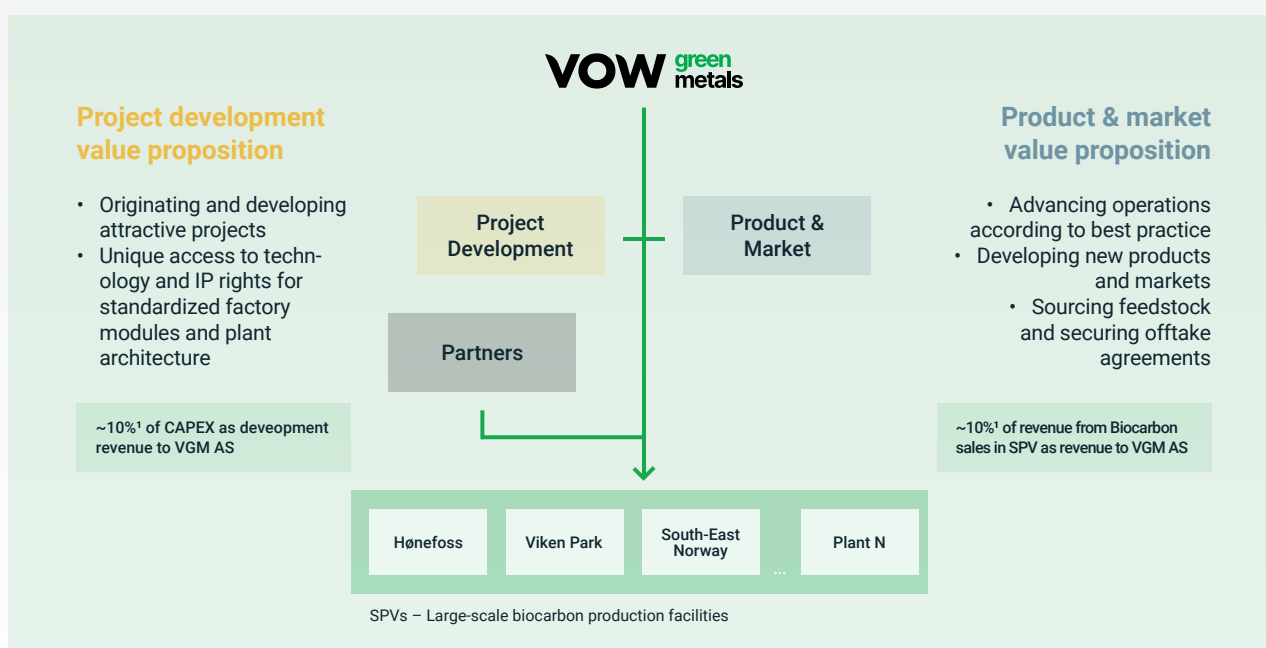
Our biocarbon production plants are using state-of-the-art pyrolysis technology to turn biomass and biomass waste-streams into our core product, biocarbon. Our biocarbon production process also creates other valuable products like bio-oil and bioenergy, enabling the decarbonization of several industries. Both bio-oil and bioenergy can also be re-used in our truly circular production process.

The metallurgical industry accounts for close to ten percent of global CO<sub>2</sub> emissions and is recognized as a hard-to-abate industry. This is primarily driven by the fact that the industry is highly dependent on carbon as a reduction material to produce high-

quality metals. Today's industry mainly relies on fossil coal as a carbon source. Carbon is an essential part of the chemical production process as it is used as a reduction agent to purify the metal by removing the oxygen in the metal ores. Switching from fossil coal to biocarbon represents a critical step for the metallurgical industry towards future-proof metal production with net-zero emissions. Using biocarbon is one of few viable solutions to decarbonize this industry, and in some verticals of the industry, it is the only viable option to decarbonize.

## Our Business Model

Vow Green Metals plans to bundle its portfolio of large-scale biocarbon production plants and fund separate SPV structures together with relevant strategic, financial, and industrial partners. In addition to originating, developing and co-owning projects together with partners, Vow Green Metals will serve as a competence hub for the SPVs, developing its products and related commercial markets including securing offtake agreements from the respective production plants in the structure. The Company will also provide shared services and unique access to state-of-the-art technology and IP enabling the portfolios to benefit from increasingly efficient operations as the Company's standardization efforts and continuous improvements are progressing.

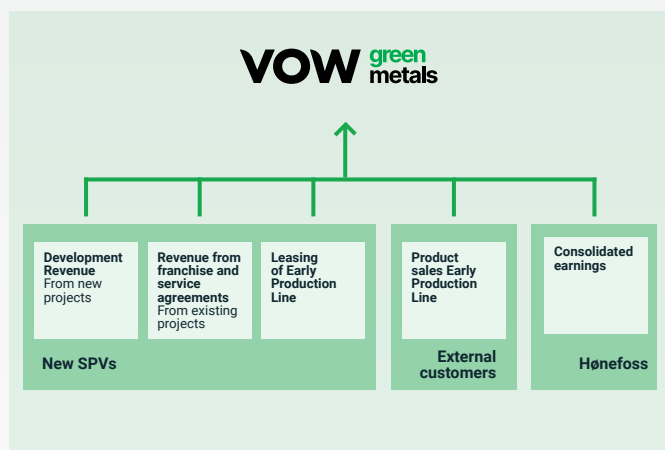




The structure and business model are designed to generate revenue streams from established and future projects:

1. Development revenue is generated as a share of CAPEX from origination and developing new projects where Vow Green Metals is taking the initial risk providing access to a profitable market with massive potential and high entry barriers. The fee is calculated as a percentage of total CAPEX for the SPV/project.
2. Providing essential and specialized services to the SPVs, the Company charges fees from shared service and franchise agreements, including product development services, process optimization, commercial contracts, access to IP and more. The fees are calculated as a share of the SPV revenue.

Vow Green Metals will also lease out its early production line at Hønefoss, a production and R&D facility, to SPVs to provide the project companies with a development lab, initial volumes of product and the opportunity to test and develop feedstock alternatives and new product recipes. The Company will also generate revenue from the production of materials from the early production line, as well as consolidated earnings as a share of the profit from direct ownership in the large-scale biocarbon facility at Hønefoss.



## Our Production Targets Towards 2028 and 2030

Vow Green Metals has the potential to realize projects with a combined production capacity of 200,000 tons by 2028, with the aim to exceed 500,000 tons by 2030.

We have already produced our first batch of biocarbon at our industrial-scale early production line at Hønefoss, in the eastern part of Norway. The biocarbon production capacity of the early production line is 2,500 tons annually. In 2025, we will have a fully operational large-scale biocarbon facility, which is also located at Hønefoss in the same industrial area. This large-scale biocarbon production facility will become one of Europe's largest, with its 20,000 tons production capacity (10,000 tons in the first phase) and abatement potential of 100,000 tons of fossil CO<sub>2</sub> p.a. We also have a large-scale project under development at Viken park industrial area in Fredrikstad, Norway. The production facility will have a biocarbon production capacity of 30,000 tons. Realizing our current key projects portfolio on time will result in reaching a combined annual production capacity of ~55,000 tons by 2026.

Feasibility studies for other projects in Norway and internationally are ongoing, and we expect two new large-scale projects to be added to the key projects portfolio within 2025, on track to be realized by 2027. At Vow Green Metals we are now building our organization to bolster our capacity to develop and mature leads and execute projects. Our projections for 2028 and 2029 includes realizing six additional plants throughout these two years, and a bolder ambition of realizing an additional five projects in 2030.

## First-mover Advantage in a Growing Market

The surging demand for biocarbon is by far exceeding the market's supply side as the metallurgical industry is striving to transition from fossil reduction materials to green alternatives. Succeeding in the transition from fossil reduction materials to biocarbon is critical for the industry to meet ambitious climate targets and shifting regulatory conditions with cost of CO<sub>2</sub> emissions on the rise.

The fossil coal and coke consumption used in metal production in Europe exceeds 56 million tons annually, leaving no doubt that the opportunity space we are facing is unprecedented. While the entire market for European coal and coke consumption is relevant for us, a significant part of this market has a particular interest in sourcing biocarbon as this is the only way to decarbonize and the switching cost is close to zero. This is a natural starting point and consequently, we have defined an initial target group of customers, mainly consisting



of silicon and ferrosilicon producers in addition to chrome, manganese and steel producers, where we expect to see strong demand and faster adoption of biocarbon.

With our Cooperation Agreement with Vow ASA, we are leveraging unique access to state-of-the-art pyrolysis technologies from Vow's technology portfolio with decades of experience as front-runners in biomass processing and valorization of waste. Vow Green Metals has intellectual property rights to a standardized plant architecture which includes all core technology components and mechanical systems in one integrated architecture, ensuring reduced cost and lead time while improving safety.

## Our Products

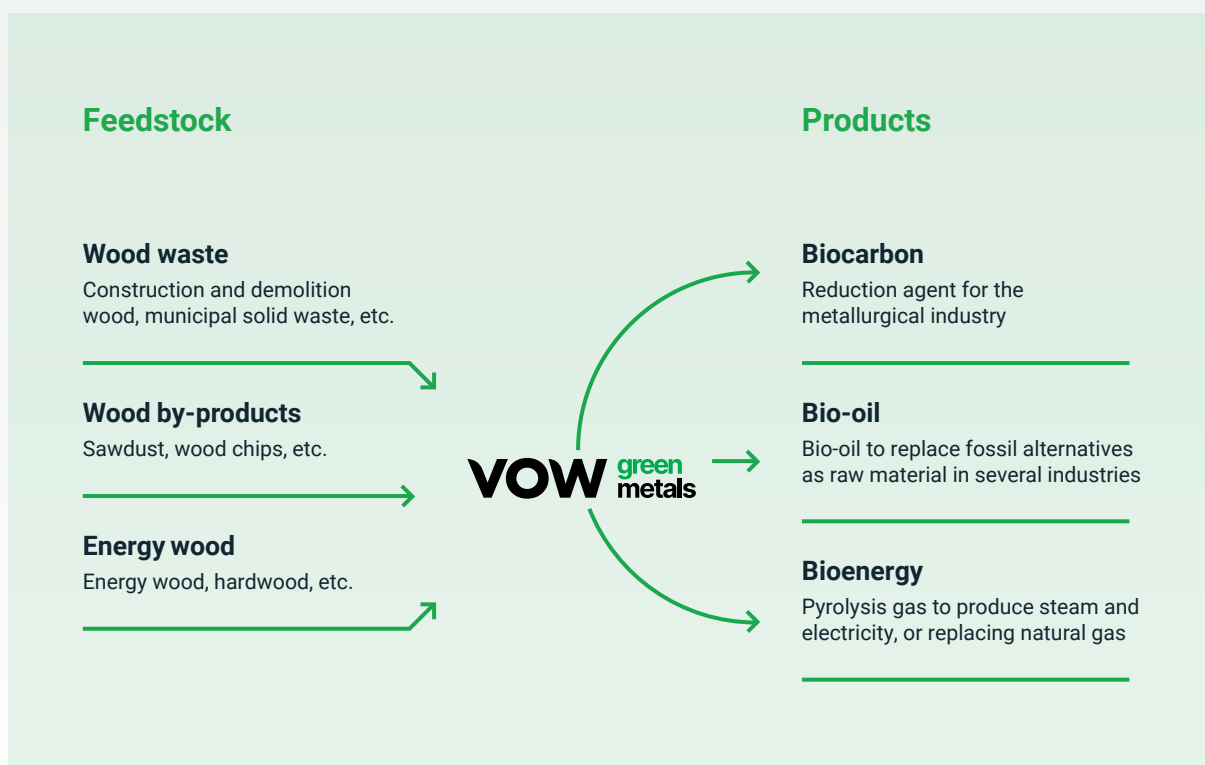
Vow Green Metals will create new materials from biomass and biomass waste-streams which currently is incinerated. Our pyrolysis plants will be able to use many kinds of feedstock, including different wood waste, wood by-products, and energy wood. From these feedstock sources, our three products are made: Biocarbon, bio-oil and bioenergy.

**Biocarbon** is Vow Green Metals' core product. We are currently targeting the metallurgical industry, specifically focusing on supplying silicon and ferrosilicon producers with biocarbon to replace fossil-reducing agents. Our biocarbon facilities also produce bio-oil and bioenergy, and the markets for these products are being matured.

**Bio-oil** is a climate neutral oil with high energy density. It can substitute fossil alternatives enabling the decarbonization of several industries, and potential customers within industries such as asphalt and refineries have already expressed interest in the product.

**Bioenergy** is a product from the pyrolysis process and can supply adjacent industries with stable and clean energy. When pyrolyzing biomass, a share of the feedstock decomposes into a carbon neutral pyrolysis gas. The bioenergy from our biocarbon facilities can be used directly as an energy source or to generate electricity through a steam turbine.

Both bio-oil and bioenergy can also be re-used in the Company's circular biocarbon production process, where the bioenergy can be used to dry feedstock or power the pyrolysis plant, and the bio-oil can be used in the post-treatment process of the biocarbon.



## Feedstock Sourcing Strategy

Obtaining access to sufficient and stable amounts of feedstock is essential in assessing potential projects. Energy wood, by-products from wood processing and wood waste are examples of attractive biomass feedstock. A significant amount of this valuable biomass is not used to make new products today, but instead incinerated.

Vow Green Metals' ambition is to produce at least 200,000 tons biocarbon annually by 2028. To reach this goal, around 800,000 ton dry feedstock is needed. In Europe, around 200 million tons of industrial wood are produced annually, representing a tremendous potential to utilize the resulting side-streams from forestry and sawmill operations. In Norway alone, the addressable feedstock potential is about 6 million tons annually, constituting sawmill residues, energy wood, branches, tops and export. Furthermore, the wood waste generation in Europe is large, representing a significant potential feedstock source. Every year, 56 million tons of wood waste is generated in Europe, while Norwegian generation is 800,000 tons, almost all of this is currently incinerated.

## EU Policy Push for Biocarbon Feedstock Sourcing

The debate over the inclusion of biomass in national renewable energy targets has been central to the interinstitutional negotiations between the Council of the EU and the European Parliament. As part of the Fit for 55 package, Renewable Energy Directive III (RED III) strengthens the sustainability criteria for biomass use, prioritizing the highest economic and environmental value. With the entry into force of RED III in November 2023<sup>1</sup>, the Directive Member States must no longer support electricity-only plants after 2026, unless they assist the transition from fossil fuels, such as the use of carbon capture and utilization (CCU). Furthermore, the Directive's influence extends into the biomass and biocarbon sectors with a particular focus on responsible feedstock sourcing and adherence to cascade principles. This ensures that biomass is not only employed thoughtfully, but also in a manner that upholds the principles of circular economy – using residues and waste before virgin metals and prioritizing material use before energy.

Feedstock	Sourcing Strategy
<b>Sawmill by-products</b> Sawdust, wood chips, bark, etc.	Location adjacent to sawmills. Biocarbon plant as strategic long-term offtaker of side streams.
<b>Forestry by-products</b> Energy wood, hardwood, GROT, pulpwood etc.	Partner with forest owners and/or forest managers. Enabling higher value creation for forest owners, value creation on all wood species.
<b>Wood waste</b> Construction and demolition wood, municipal solid waste.	Partnerships with long-term offtake, enabling investments for waste managers. Increasing waste recycling.

Vow Green Metals is offering a solution to the under-utilization of biomass, as our pyrolysis plants give the biomass new life as biocarbon materials. We have partnered with feedstock providers such as waste managers, lumber producers and sawmill companies to source feedstock. Co-locating with partners, placing our biocarbon facilities on the partner's industrial land or within reasonable distance from their location, enables the partnership to harvest benefits such as reduced transportation cost and utilization of existing infrastructure and excess bioenergy from the pyrolysis plant.





## Recent Regulatory Developments

2023 has been an important year in the EU, with a shift in political priorities: from ambitious climate policies to industrial competitiveness. The European Commission has the past year published its policy response to the US Inflation Reduction Act (IRA), and in the first quarter of 2024, we have seen the final adoption of landmark legislations such as the Net-Zero Industry Act (NZIA) and the Critical Raw Materials Act (CRMA). Aimed at safeguarding the long-term competitiveness of the EU economy, NZIA aims to promote the use of clean technologies within the EU and speeding up the permitting processes for industrial sites producing strategic technologies for the green transition. NZIA also sets out a strategic list of technologies, which after careful deliberation in the interinstitutional negotiations, includes sustainable biogas/biomethane technologies, renewable energy technologies such as solar PV, as well as Carbon Capture and Storage (CCS) technologies. Correspondingly, CRMA aims at boosting the European independence on critical raw material imports, by setting targets for domestic sourcing, processing, and recycling. With the recent publication of the Advanced Materials Strategy<sup>2</sup>, aiming at promoting innovative solutions to replace critical raw materials, there is even a better business case for biocarbon produced in Europe.

It will be up to the new European Commission, following the EU elections in June, to put forward concrete legislative proposals on how to implement these strategies. The metallurgical industry continues to be put forward as one of the most important strategic capacities in Europe, with EU policy to play a pivotal role of driving demand for European-produced biocarbon for applications such as solar PV, as EU Member States this year will start implementing already adopted EU climate policies, including the revised Renewable Energy Directive (RED III).

On 10 April 2024, the European Parliament approved the voluntary Union Certification Framework for Carbon Removals (UCFCR)<sup>3</sup>, establishing a public EU registry to boost high-quality carbon removals and counter greenwashing to help achieve EU climate neutrality by 2050<sup>4</sup>. UCFCR covers different types of carbon removals, including biochar removals, as well as ensuring sustainable and efficient use of biomass resources. Additionally, certification methodologies set to ensure consistency with the application of the principle of cascading use of biomass as laid down in RED III<sup>5</sup>. All available technologies will therefore be promoted, creating an EU internal market for capture, use, storage, and transport of carbon through innovative technologies.





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# WORDS FROM OUR CEO



# Building a new green industry with speed and scale.

We expect to build new production plants with a capacity of 200,000 tons of biocarbon by 2028 and exceeding the 500,000 tons mark within 2030. The industrial and commercial foundations for a new green industry are in place, opening for large green investment opportunities. We are currently inviting partners to further support our growth trajectory and ensure speed and scale realizing large-scale projects with double-digit IRR and tremendous effect on climate.



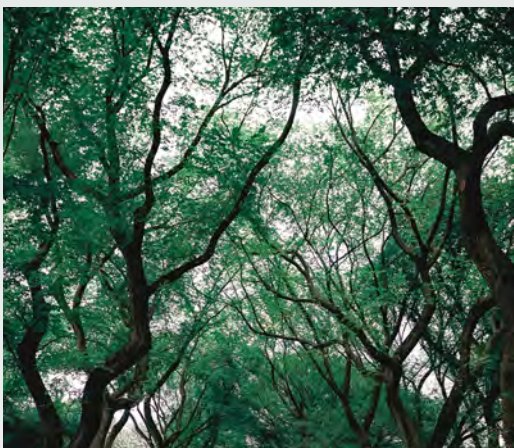
Dear reader,

We are looking back at an eventful year with industrial, commercial, and financial progress. Still, I write to you with a serious backdrop as the world is striving to demonstrate a clear path to limit global temperature rise in line with the Paris Agreement. 2023 was a year of records. But not in a good way. 2023 marks the first time on record that every day within a year has exceeded 1°C above pre-industrial levels. Close to 50 percent of the days were more than 1.5°C warmer, and for the very first time, in November, two days were warmer than 2 percent<sup>6</sup>.

That is why I'm particularly pleased to see several new green industries emerging that will contribute heavily to emissions reductions, not only from 2030 and beyond but already within the next 12-18 months. Vow Green Metals finds itself in the exclusive company of green industry builders who will enable large-scale emissions reductions with near-term effects. For every ton of biocarbon replacing fossil coal, we remove up to five tons of fossil CO<sub>2</sub>. Needless to say, we are looking at unprecedented opportunities. Even our first key projects in Norway will enable a massive abatement potential – in the same order of magnitude as significantly bigger, more expensive – and to some extent even controversial – industrial projects with a significantly higher degree of publicity. For me personally, and us at Vow Green Metals, being able to meaningfully contribute to near-term large-scale emissions reductions is a strong motivational factor.

In November 2023 we produced our first batch of biocarbon from our early production line at Hønefoss, and we are soon to enter operations after learning valuable lessons and identifying improvements from the commissioning of our first industrial-scale plant. The early production line is our industrial-scale production and R&D facility and our main objective with the plant is serving key clients with batches of our products while continuing to mature new commercial markets for our products.

2023 was the year that biocarbon proved commercially viable as a reduction agent for the metallurgical industry with several large-scale supply agreements being signed by key industrial players in the Nordics. Early in January 2024, we signed a long-term supply agreement for 15,000 tons of biocarbon with Elkem, one of the world's leading providers of advanced silicon-based materials, marking a significant milestone. The demand for biobased alternatives to fossil materials and energy products has really picked up its pace, and in my opinion, we are perfectly positioned to maintain a leading position as a provider of reduction agents for the metallurgical industry. At the same time we are maturing partnerships, markets and products for other industry sectors – most notably to secure offtake of our excess energy and biogenic pyrolysis condensates (bio-oil).



At Hønefoss, we are building our first large-scale biocarbon production facility, set to become one of Europe's largest with its 20,000 tons production capacity and abatement potential exceeding 100,000 tons of CO<sub>2</sub>e. In 2023 we completed the initial excavation work at the plot of the facility, and infrastructure development has also been completed in close collaboration with key partners. In line with our anticipation, we have received an environmental permit from the Norwegian Environment Agency, and we expect civil works to commence in the second quarter of 2024, which will be followed by process installation in the second half of the same year.

*"This is the starting point of the scaling of a new green industry."*

*"This is the starting point of the scaling of a new green industry,"* said Norwegian Minister of Trade and Industry, Jan Christian Vestre, when we launched our partnership with governmental enterprise Siva. I could not have said it better myself. Forming prosperous partnerships are key to success when building a new green industry, and we are lucky to have many supporting and cheering for us as we are making significant strides towards building a new green industry. Siva will invest about NOK 152 million in our large-scale Hønefoss project and provide a real stamp of quality after being carefully reviewed along several parameters by Siva's experts. We see a large interest in our first large-scale facility and are happy to welcome the local renewable energy company, Vardar, as an equity partner in the project following its decision to invest NOK 50 million in the first phase of the Hønefoss project. Vardar has also invested in Vow Green Metals AS with a NOK 50 million convertible loan.

When building a new green industry, speed and scale are determining factors. After gaining strong industrial and commercial momentum throughout 2023, the remaining piece of the puzzle is to get access to sufficient funding. Our growing global pipeline of projects has been high-graded throughout 2023, and our recent projections show that we will be able to realize projects with a combined production capacity of 200,000 tons by 2028. We are aiming for 500,000 tons by 2030, which calls for vast sourcing of capital. Recent estimates indicate that we will need about NOK 7 billion (gross) to realize the 2028 target. We have mature dialogues ongoing with strategic, industrial and financial partners, and especially three factors make me confident that we will succeed in realizing our ambitious growth plan;

- 1) It is what the world needs. Realizing the 2028 target will enable emissions reductions of around 1 million tons of CO<sub>2</sub>, which equals about two percent of Norway's combined annual emissions.
- 2) It is what the metallurgical industry needs. Major metallurgical companies have set ambitious targets to reduce emissions over the coming years and meet stricter regulations as the green policy shift is progressing. Biocarbon is an available and affordable measure in future proofing this critical industry – which will play a critical part in realizing the green shift and modern way of life.
- 3) With high demand for our products and double-digit project IRR, our projects will be attractive to anyone seeking a solid return on invested capital while making meaningful contributions to solving the climate crisis.

Sincerely,

**Cecilie Jonassen**  
Chief Executive Officer



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# BOARD OF DIRECTOR'S REPORT 2023

# Creating shareholder value through circular and sustainable solutions.

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Vow Green Metals AS (“Vow Green Metals” or “the Company”) is looking back at a year with significant industrial and commercial progress. Despite geopolitical instability, cost inflation and the rise of interest rates, the Company has managed to reveal its potential. Vow Green Metals’ recent projections show that a combined production capacity of 200,000 tons is realizable by 2028, and the ambition of passing 500,000 tons by 2030 is within reach. Raising the capital needed to ensure speed and scale in building this new green energy is key to realize this vast potential – both for the metallurgical industry which needs a biobased alternative, but also to contribute to effectful emission cuts within 2030.

The Company benefits from solid political support and a favorable regulatory and commercial environment driven by the global transition to net-zero emissions. Decisions in the US and EU to accelerate the green shift by incentivizing the industry to decarbonize have created a push towards adopting solutions that Vow Green Metals has particularly strong prerequisites for solving.



## Overview of the Business

Vow Green Metals produces biocarbon and other green products that enable industrial decarbonization. The Company will build, own and operate biocarbon production plants valorizing biomass and biomass waste streams, using biogenic material such as wood waste, by-products from wood processing and energy wood as feedstock. Biocarbon is Vow Green Metals’ core product, and the Company is currently targeting the metallurgical industry, specifically focusing on supplying silicon and ferrosilicon producers with biocarbon to replace fossil reduction agents.

The biocarbon facilities also produce bio-oil and bioenergy, and the markets for these products are being matured. Bio-oil is a pyrolysis oil with high energy density that can substitute fossil alternatives enabling the decarbonization of several industries, while bioenergy can supply adjacent industries with clean energy. Both products can also be re-used in the Company’s circular biocarbon production process, where the bioenergy can be used to dry feedstock and produce the energy needed in the pyrolysis reactors, and the bio-oil can be used as in the post-treatment process of the biocarbon.



The Company's business model is two-fold, and includes originating, developing, and co-owning attractive projects with partners, and developing new products and markets, advancing operations according to best practice and securing feedstock and offtake agreements to the respective projects. Vow Green Metals plans to bundle its portfolio of large-scale biocarbon production plants and fund separate SPV structures together with relevant strategic, financial, and industrial partners and serve as a competence hub to bolster the projects industrially and commercially. The business model and structure was recently established when the Company welcomed the regional renewable energy company, Vardar as a 25 percent equity partner in the large-scale Hønefoss project. Reference is made to the Company's stock exchange notice on 8 April 2024 the initiation of a strategic process to ensure speed and scale in expediting the Company's global project pipeline realization. The Board of Directors has together with the Company's management team engaged Pareto Securities to assist in evaluating strategic and financial options, including potential partnerships, in relation to speeding up the realization of the Company's strategy to build a new green biobased industry. The strategic process opens for investments in specific projects in SPV structures to enable the realization of large-scale biocarbon production facilities, as well as in the listed parent company, Vow Green Metals AS. The process it initiated to strengthen the Company's financial position and ability to accelerate the development of FID-ready projects.

Vow Green Metals has intellectual property rights to a standardized plant architecture, including all core technology components and mechanical systems in one architecture integrating the pyrolysis reactors with critical systems and components such as pyrolysis gas scrubbers, controls, and feedstock dryer. Standardization ensures reduced cost and lead time while improving safety. The standardized architecture is subject to continuous improvement as the Company is progressing with its projects and increases the number of plants in operation.

The Company's first large-scale biocarbon production facility is currently under construction at Hønefoss, Eastern Norway with strong support from local and national authorities and key partners. The large-scale facility will commence production in 2025, and an early production line is already in place.

The Company's head office is located at Lysaker, near Oslo, Norway's capital.

## Market and Strategy

Vow Green Metals accelerates the green shift by producing advanced biocarbon and other green products that enables industrial decarbonization in hard-to-abate sectors. In many metallurgical industries, carbon is consumed as a reduction agent to convert metal ores to metal. The Company is currently targeting producers of silicon, ferrosilicon, chrome, manganese and steel to replace fossil reduction materials, like coal, with biocarbon, which has a carbon-neutral footprint. The silicon and ferrosilicon industry are already using biocarbon as a drop-in solution in its industrial processes with great success. This is the only viable solution for them to decarbonize, as they can neither be electrified nor make use of hydrogen as an alternative reduction agent. The Company is also exploring and maturing opportunities to expand its market to supply biocarbon to other hard-to-abate industries and other verticals within the metallurgical industry.



The annual need for carbon as a reducing agent is 56 million tons in Europe, leaving a large addressable market for biocarbon. Furthermore, large industry players have committed to ambitious targets over the coming years. For example, companies like SSAB, ArcelorMittal, Outokumpu, Thyssenkrupp and others have committed to reducing their emissions by more than 30 percent. In addition, several large companies such as Elkem and Ferroglobe has explicitly stated that biocarbon is a key component for reaching zero emissions. Elkem aims to replace 40 percent of its fossil coal consumption with biocarbon by 2031. Ferroglobe aims to do the same a year earlier.

With access to proprietary pyrolysis technologies from its technology partner, Vow ASA, IP rights to a standardized biocarbon plant architecture, and one of Europe's largest biocarbon production facilities to date currently under construction, Vow Green Metals is well-positioned with a first-mover advantage in this growing market.

Standardization and technology improvements is an essential part of the Company's business development activities, and a key element in the Company's efforts to reduce cost. Experience and learnings from building and operating the first plant at Follum will add value to future endeavours by improving the use of technology and standardized

components and plant architecture to reduce CAPEX and lead time. In addition, the knowledge acquired in the process of establishing the Company's first production line is expected to enable a leaner maturation of leads, reusing analysis and assessments from other projects.

With around 200 million tons of industrial wood produced in Europe every year, and 56 million tons of wood waste generated, the Company is facing a large market for feedstock. In Norway, the number is 5 million and 800,000 tons respectively. Several strategic measures are made to ensure access to feedstock, both short- and long-term. The Company is securing access to attractive sites to build new biocarbon facilities with proximity to feedstock sources, negotiating feedstock supply contracts, and entering strategic partnerships to exploit synergies and securing long-term access to available feedstock in relevant areas. These efforts are creating a competitive advantage in a growing market and raises the entry barrier for new competitors.

The Company's business development activities are progressing well and the Company recently updated its production targets showing that Vow Green Metals will produce 200,000 tons of biocarbon by 2028. The Company's ambition is to exceed the 500,000 tons mark within 2030.





## Key Events in 2023

All key projects passed significant milestones in 2023. The Company produced its first batch of biocarbon from its early production line at Hønefoss as part of the commissioning process. The infrastructure and excavation work for the large-scale project under development in the same industrial area, with a total production capacity of 20,000 tons, was completed. The project will undergo a phased development with 10,000 tons of production capacity in the first phase. Engineering of the plant, to fit process equipment for both phases in one construction stage was completed in 2023.

The Viken Park project, a large-scale production facility close to Fredrikstad, Norway, is progressing well. The plant will have an annual production capacity of 30,000 tons of biocarbon, and the project is moving forward after a successful feasibility phase.

A drop-down demerger of the large-scale project at Hønefoss into a wholly owned Vow Green Metals subsidiary, named VGM Operatør AS, was completed, and registered at Brønnøysund on 17 October 2023. The legal reorganizing of the structure was carried out to enable the invitation of strategic partners in the project, which was later done with Vardar as – please see subsequent events.

In November, the Company announced two key partnerships. The regional energy producer, Vardar, committed to a strategic investment of NOK 100 million in Vow Green Metals split equally between the project company for the local large-scale project at Hønefoss (VGM Operatør AS) and the listed parent company Vow Green Metals AS.

Also in November, governmental enterprise Siva announced that they will invest NOK ~152 million in Vow Green Metals' large-scale biocarbon production at Hønefoss with the signing of a forward contract for the purchase of buildings and infrastructure, and related leaseback agreement. The agreement received attention at the highest political level in Norway with the Norwegian Minister of Trade and Industry, Jan Christian Vestre, stating that *"This is the starting point of the scaling of a new green industry"*.

Vow Green Metals is continuing to build its organization as the Company is entering operational phase, with several new positions filled during 2023. In addition to strengthening the Company's metallurgical competence, majority of these positions were operative staff for the early production line and

the first phase of the large-scale biocarbon facility at Hønefoss. After a period with an interim CFO function, a permanent CFO is now in place following the appointment of Jan Halvard Aas Møller as CFO of Vow Green Metals in December.

## Subsequent Events

In January, Vow Green Metals and Elkem ASA one of the world's leading providers of advanced silicon-based materials, signed a supply agreement with a duration of five years and an option for a further five-year extension. The volumes will be delivered from the production plant under development at Follum.

In March Vow Green Metals received an Environmental Permit from the Norwegian Environment Agency for the large-scale production facility at Hønefoss.

On April 8, the Company announced that it has initiated a strategic process to raise capital to accelerate the realization of the Company's project portfolio and global project pipeline. Pareto Securities was engaged to evaluate strategic and financial options, including potential partnerships. The strategic process opens for investments in specific projects in SPV structures to enable the realization of large-scale biocarbon production facilities, as well as in the listed parent company, Vow Green Metals AS, to strengthen the Company's financial position and ability to accelerate the development of FID-ready projects.

On April 11, the regional renewable energy producer, Vardar AS, executed their NOK 50 million equity investment in VGM Operatør AS in accordance with the agreement signed in November 2023. Following the investment, Vardar AS will hold 25 percent of the shares in VGM Operatør AS, reducing Vow Green Metals AS' ownership to 75 percent.

Vardar and Vow Green Metals also recently announced a signed energy offtake agreement securing offtake of all excess energy produced from the production facility at Hønefoss.

On April 25, the Company announced that it had received indicative term sheet to raise green loan debt financing from DNB Bank ASA, Norway's largest financial service group. The indicative term sheet includes a 50 percent loan guarantee from the governmental financial enterprise, Export Finance Norway (Eksfin). The loan amount will be in the range of NOK 330-350 million and the signing of the loan agreement is expected in May this year.

## Going Concern

Since inception the Company has developed the Hønefoss project which will produce 20,000 tons of biocarbon p.a. by 2026, with phase 1 expected to be completed in 2025. In addition, the early production line, a production, and R&D facility with a production capacity of 2,500 tons of biocarbon p.a., started production in 2024. In 2023 and so far in 2024, the Company has shown good operational, commercial, and financial progress and attracted MNOK 100.0 in external financing from Vardar AS and signed commercial agreements with Vardar Varme AS and Elkem ASA. This is in addition to the MNOK 80.7 grant from ENOVA, of which MNOK 46.3 has been claimed, and the MNOK 152 investment from Siva Eiendom Holding AS related to the buildings and infrastructure.

On April 8, 2024, the Company announced that it has initiated a strategic process, engaging Pareto Securities, to ensure speed and scale in expediting the global project pipeline realization. Although no specific outcome of this process can be guaranteed, the Board is confident in the Company's outlook to scale its concept beyond the Hønefoss plant.

On April 25, 2024, the Company announced that it had received an indicative term sheet to raise loan debt financing from DNB Bank ASA. The loan amount will be in the range of NOK 330-350 million and the signing of the loan agreement is expected in May this year.

The annual financial statements for 2023 have been prepared on the assumption that Vow Green Metal AS is a going concern under section 3-3a of the Norwegian Accounting Act. Regarding the Company's results, financial position, backlog, and forecasts for the years ahead, the conditions required for continuation as a going concern are hereby acknowledged. In the Board's opinion, the Company's financial position is satisfactory.

## Financial Position And Cash Flow

In 2023, Vow Green Metals recorded an operating loss (EBITDA) of NOK 23,906,350. The operating loss is a result of no income and employee expenses (salary, social security tax, and valuation of outstanding options), expenses for the Euronext Growth Oslo stock exchange listing (arrangers fees and legal fees), and other operating expenses. Net loss after net financial items was NOK 25,967,305.

Total non-current assets as of 31 December 2023 was NOK 136,816,662 and consist mainly of the ordering of process equipment for the Follum plant. Total current assets were NOK 46,354,486, of which cash and cash equivalents amounted to NOK 41,323,197.

Total equity after retained earnings was NOK 99,973,662. Total equity and liabilities for 2023 was NOK 183,171,148. Vow Green Metals is targeting to produce ~200,000 tons of biocarbon by 2028, with an ambition of exceeding 500,000 tons of production capacity within 203, and the management is working closely with the Board of Directors on a short- and long-term financing plan for new and existing projects. Vow Green Metals is considering different capital sources and which parts of the infrastructure that should be owned by the Company.

The Board proposes that the net loss of NOK 25,967,305 for Vow Green Metals AS for the fiscal year 2023 is allocated to the company's equity.

## Risk Factors

Vow Green Metals is exposed to several risks, which are outlined below, and the Board and executive management are continuously monitoring the Company's risk exposure, working to improve its internal control processes and mitigation efforts.

### Development Risk

Achieving the Company's objectives and fulfilling the strategy involves inherent risk and uncertainties, as is the situation for most other development projects, including volatility in the world economy and in its markets, difficulty, or delays in obtaining governmental permits, delays, higher costs and any force majeure.

The Follum plant will consist of industrial-scale machinery combining many integrated components which are intended to run continuous. Unexpected ware and malfunctions of the plant components may significantly affect the intended operational efficiency of the plant.

End-to-end engineering, close cooperation with key suppliers and strong focus on equipment testing are done to mitigate development risk at the Follum plant, as well as future facilities. Experience from the early production line at Follum, in addition to the Company's continuous standardization efforts is expected to further mitigate future development risk.



## Operational Risk

Operational performance and costs can be difficult to predict and is often influenced by factors outside of the Company's control, such as scarcity of natural resources, environmental hazards and remediation, labour disputes and strikes, damages or defects in electronic systems, leaks from pipelines, industrial accidents, fire, and natural disasters. As the Company is starting operations, several measures are taken to reduce the operational risk, including improving internal controls, further developing guidelines and policy framework, strong focus on training and building an HSE culture within the Company.

The Company's access to raw materials is affected by, among other, seasonal variations, cyclical markets, natural conditions, and climate change. To the extent there is a disruption in the supply of any raw materials, or if the raw materials are not of the required quality, the Company may not be able to obtain adequate supplies of these raw materials from alternative sources on favorable terms, or at all, which may in turn influence the Company's ability to produce its products.

Vow Green Metals' main operation will rely on complex machinery running 24 hours a day, seven days a week, which involves a significant degree of uncertainty and risk in terms of operational performance and costs.

## Market Risk

The Company operates in an industry which is affected by changes and developments in product and technology. Such changes may be driven by the company, as well as its competitors. Failure by the Company to respond to changes in technology and innovations may have material adverse effects on its ability to stay competitive going forward.

The Company will supply a carbon-neutral alternative to fossil reduction materials. Hence, the cost of using current fossil reduction materials is dependent on the cost of CO<sub>2</sub> emissions, for example the EU ETS. If the EU ETS price decrease significantly, the price for biocarbon will be less competitive compared to fossil alternatives. Additionally, if metal producers are not going to reduce emissions, contrary to communicated ambitions, demand for biocarbon would decrease.



The biocarbon produced by Vow Green Metals must meet the customers' requirements for reduction materials and, therefore, must complete a qualification process together with each customer. The qualification process may delay biocarbon offtake until it is approved, impacting ramp-up and revenue. To reduce this risk, the Company are working closely with its potential customers, and will operate an early production line at Follum which will take part in the qualification process.

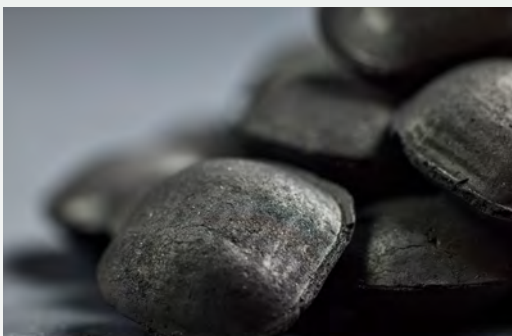
## Climate Risk

Climate change causes changes in temperature and precipitation patterns, which in turn causes more extreme weather. It is therefore assumed that natural disasters from such extreme weather phenomena will increase. Key risks include floods, landslide, droughts, extreme heat. These risks may impact feedstock supply with respect to price, volume and quality. Good warning routines or preventive measures can prevent natural damage.

### Raw Material Risk

The Company's access to raw materials is affected by, among other, seasonal variations, cyclical markets, natural conditions, and climate change. To the extent there is a disruption in the supply of any raw materials, or if the raw materials are not of the required quality, the Company may not be able to obtain adequate supplies of these raw materials from alternative sources on favorable terms, or at all, which may in turn influence the Company's ability to produce its products.

The demand for woody biomass is expected to increase as biocarbon and other bio-based industries are emerging. This might restrict access or increase cost of sourcing the Company's raw materials. If the newly proposed EU regulations are not implemented, companies using the woody biomass for energy production might also increase demand.



### Financial Risk

Vow Green Metals is exposed to financial risks in various areas. Among these, the key risks are related to the currency, credit, and liquidity risks.

Although risk associated with Supply, both lead-time and price, in addition to other macroeconomic risks like high inflation and interest rates stabilised in 2023, the Company still see them as high as compared to the last ten years.

The devastating war in Ukraine has caused a new level of economic uncertainty, increased energy prices and cost of raw materials. Various sanctions that have been imposed on parties involved directly or indirectly in the invasion is adding further potential risks. Further escalations might increase prices and restrict supply of raw materials even further.

### Foreign Exchange Risk

Throughout 2023, Vow Green Metals was not exposed to foreign exchange transaction risk as the major cooperating partners are in Norway with NOK as currency. For 2024 it is expected that the majority of the production costs will be in NOK together with a large part of the Company's overhead expenses.

The company may in 2024 and in the future be exposed to expenses denominated in other currencies. The company has not secured any foreign exchange trades by the signing of the financial statements but is constantly monitoring the foreign exchange market and the Company's exposure. Translation risk may also arise due to the conversion of amounts denominated in foreign currencies to NOK, Vow Green Metals current reporting and functional currency.

### Liquidity Risk

Vow Green Metals had available liquidity of 41.3 MNOK as of December 31, 2023. Reference is made to recent stock exchange notices from the Company, building the production site at Hønefoss, and an acceleration in the development of new projects will increase the Company's cash needs going forward.

The Company's sale of biocarbon, bio-oil and bioenergy will affect the company's cash position in 2025 and onwards.

### Interest Risk

As per end of 2023, Vow Green Metals is not exposed to interest risk. The Company's further development and growth trajectory will determine the requirement for debt financing and thereof impose interest rate risk.



## Credit Risk

Credit risk is the possibility of a loss resulting from a customer's failure to meet its contractual obligations. Although it is impossible to know exactly who will default on obligations, properly assessing and managing credit risk can lessen the severity of a loss. Vow Green Metals has no customers as per end of 2023 but has already established sufficient internal guidelines to minimize the risk of ending into such situations.



## Risk Related to Regulations and Political Risk

Governmental regulations in the jurisdictions in which Vow Green Metals operates, relating to issues such as health, security, environment, and tax, will affect its business going forwards. New or changing regulations may affect the market for products in the markets in which Vow Green Metals operates.

## Risk Related to Key Personnel and Competence

Vow Green Metal's future will depend upon its abilities and efforts to retain key members of the management team, including recruiting, retaining, and developing skilled personnel for its current business and its ambitious future development plans. The Company's total number of employees is limited and retaining key personnel is therefore important.

## Corporate Responsibility

Vow Green Metals is not subject to corporate responsibility reporting requirements under section 3-3a and 3-3c of the Norwegian Accounting Act. Nevertheless, the Company has included a description of relevant topics in the separate Sustainability report, which is included in this annual report.

## Working Environment, HSE and Equal Opportunities

As of 31 December 2023, Vow Green Metals had thirteen employees, of which four women. The Board of Vow Green Metals AS consists of four persons, of which three are women.

The working environment is generally considered good. Absence due to illness was 2.2 percent in 2023.

Vow Green Metals has a strong focus on HSE (Health, Environment and Safety) internally and in its supply chain. The Company is also subject to strict HSE-routines from its business partners. No injuries or accidents causing material damages or personal injuries were reported during the year.

The Company is committed to promoting equality and equal treatment at all stages of the organisation and other relationships.

Vow Green Metals has a diversified working environment in which employment, promotions, responsibility, and job enrichment are based on qualifications and abilities, and not on gender, age, race and political or religious views. Vow Green Metals believes in equal opportunity for men and women in the workplace.

## Directors' & Officers' Insurance

Vow Green Metals has a board liability insurance with Tryg Forsikring for the Company (including the parent company and its subsidiaries). The insurance covers the board members, the CEO, and members of the management team. The insurance comprises personal legal liabilities, including defence and legal costs.

## Outlook

Vow Green Metals is targeting to reach a production capacity of 200,000 tons of biocarbon by 2028, exceeding 500,000 tons within 2030. The Company has already matured its key projects portfolio with clear paths to realizing near-term production volumes exceeding 50,000 tons of production capacity, meaning that the company is in good shape to reach its 2028 target. The Company has formed a number of key partnerships throughout 2023, and both strategic, industrial and financial partners have joined Vow Green Metals in building a new green industry. Backed by key partners, strong support from local and national authorities and regulatory tailwinds, the Company is well positioned for growth.

European industry faces record high energy prices and governments are struggling to keep up with financial incentives offered by other regions in the world, such as the United States' Inflation Reduction Act. Since the launch of the European Green Deal in 2019, the metallurgical industry has increasingly been 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. In this context, the Company expect to see enhanced demand for biocarbon as a solution to decarbonize Europe's traditional metallurgical industry. As coal is phased out as an energy source, it will become increasingly difficult to source high-quality coal needed for metal production. At the same time, the green transition and other macro trends, like the rise of the middle class worldwide, are creating a pull in demand for sustainable metal-based materials to be used in transportation and electronics, and silicon-based renewable technologies, such as solar PV. The revised EU Emission Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM), both which entered into force in 2023, will drive carbon prices upwards by making polluting in the EU more expensive, while imposing a "carbon tax" on certain imported goods (including steel). The EU institutions agreed to increase the overall ambition of emissions reductions of 62 percent by 2030 in the sectors covered by the EU ETS.

Given the Company's targets to rapidly scale up its business, access to funding is key. In May 2023 the Company announced that it was evaluating strategic funding alternatives. Since then, the Company



has significantly de-risked the commercial side of its business, matured key projects and entered into partnerships adding key strategic capabilities and financial capacities to support its growth-ambitions. In October the legal reorganizing of the Company, with a drop-down demerger of the large-scale Hønefoss project was completed to prepare for strategic partnerships, where regional renewable energy producer, Vardar subsequently acquired a 25 percent stake. In April 2024 Vow Green Metals announced an initiation of a strategic process where the Company has engaged the leading Nordic supplier of financial services, Pareto Securities, to assist in evaluating strategic and financial options, including potential partnerships.

Throughout the fall of 2023 Vow Green Metals experienced a significant increase in the interest for biocarbon from metallurgical companies, and other industries. In November Finnish stainless steel

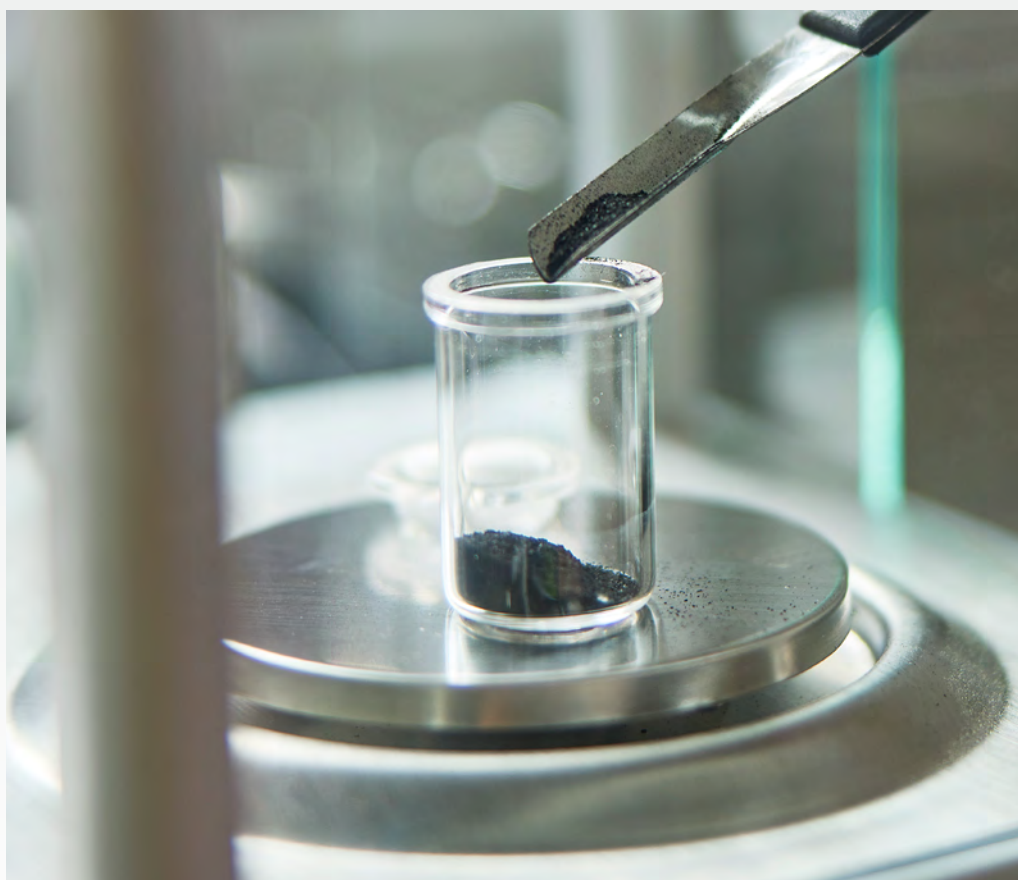


giant, Outokumpu, acquired 20 percent of the shares in Swedish biocarbon producer Envigas – an agreement which also secured Outokumpu the right to 50 percent of Envigas' biocarbon production. In January 2024 Vow Green Metals signed a long-term supply agreement for 15,000 tons of biocarbon with Elkem, one of the world's leading providers of advanced silicon-based materials. Vow Green Metals is in dialogue with several metallurgical companies that are actively seeking to secure access to significant volumes of biocarbon, demonstrating that the market for biobased reduction agents for the metallurgical industry is commercially mature.

The interest in Vow Green Metals other two products, bio-oil and bioenergy, is picking up pace. Several new partnerships have been formed with leading companies within different industries looking to decarbonize utilizing biogenic materials or energy.

The bio-oil has a large value-creation potential and many potential uses. The Company see a strong interest from refineries, shipping, asphalt producers and more. There is a large potential for bio-oil, both in terms of volume and revenue, and this is expected to increase the revenue streams from the Company's biocarbon plants. Vow Green Metals is focusing on utilizing excess energy, improving the climate effect of its projects while generating additional revenue. The Company recently entered a long-term energy offtake agreement from the Hønefoss project with its partner Vardar .

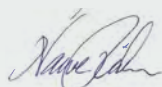
Vow Green Metals is making significant strides to scale up its operation and retain its position as a leading supplier of advanced biocarbon. Supported by regulatory tailwinds, favorable industrial trends and strong commercial interest in its products, the Board of Vow Green Metals maintain a positive outlook for the company.



# Board of Directors

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Lysaker,  
25 April 2024



**Narve Reiten**  
Chairman



**Kari Stine Tærum**  
Board member



**Line Tønnessen**  
Board member



**Trude Sundset**  
Board member



**Cecilie Jonassen**  
Chief Executive Officer



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# FINANCIAL STATEMENTS 2023



# Profit & Loss 2023 – Vow Green Metals Consolidated

## Consolidated Statement of Income

<i>(Amounts in NOK)</i>	Note	2023	2022
Employee expenses	2	(9,441,987)	(10,136,348)
Other operating expenses	3	(14,464,363)	(7,278,232)
<b>EBITDA</b>		<b>(23,906,350)</b>	<b>(17,414,579)</b>
Depreciation	6	(785,144)	(270,056)
<b>EBIT</b>		<b>(24,691,494)</b>	<b>(17,684,636)</b>
Finance income		1,141	342,594
Finance expense		(1,276,952)	(28,785)
<b>Net financial items</b>		<b>(1,275,811)</b>	<b>313,809</b>
<b>Profit before tax</b>		<b>(25,967,305)</b>	<b>(17,370,827)</b>
Income tax expenses	4	-	-
<b>Profit for the period</b>		<b>(25,967,305)</b>	<b>(17,370,827)</b>

## Consolidated Statement of other Comprehensive Income

<i>(Amounts in NOK)</i>	Note	2023	2022
Profit for the period		(25,967,305)	(17,370,827)
Other comprehensive income		-	-
<b>Total other comprehensive income, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(25,967,305)</b>	<b>(17,370,827)</b>
Earnings per share (NOK):			
- Basic	5	(0.16)	(0.11)
- Diluted	5	(0.13)	(0.11)



# Balance Sheet – Assets

## Consolidated Statement of Financial Position

<i>(Amounts in NOK)</i>	Note	12/31/2023	12/31/2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	196,138	53,994
Intangible assets	7	9,673,825	5,173,235
Assets under construction	8	126,153,238	82,406,376
Right-of-use assets	9	793,461	466,732
<b>Total non-current assets</b>		<b>136,816,662</b>	<b>88,100,337</b>
<b>Current assets</b>			
Current assets		65,133	0
Other receivables		4,966,155	1,010,940
Cash and cash equivalents	10	41,323,197	42,551,317
<b>Total current assets</b>		<b>46,354,486</b>	<b>43,562,256</b>
<b>Total assets</b>		<b>183,171,148</b>	<b>131,662,593</b>

# Balance Sheet – Equity & Liabilities

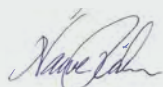
<i>(Amounts in NOK)</i>	Note	12/31/2023	12/31/2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	1,073,976	1,073,976
Share premium		149,871,822	149,871,822
Other reserves		3,094,441	3,042,799
Retained earnings		(54,066,577)	(28,104,843)
<b>Total equity</b>		<b>99,973,662</b>	<b>125,883,753</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term borrowings	12	50,000,000	-
Non-current lease liabilities	9	574,603	190,825
<b>Total non-current liabilities</b>		<b>50,574,603</b>	<b>190,825</b>
<b>Current liabilities</b>			
Trade creditors		8,696,405	1,925,313
Payables to associates	13	20,568,189	968,859
Public duties payable	14	1,466,159	977,891
Current lease liabilities	9	230,603	279,575
Other current liabilities	14	1,661,527	1,436,377
<b>Total current liabilities</b>		<b>32,622,883</b>	<b>5,588,015</b>
<b>Total liabilities</b>		<b>83,197,486</b>	<b>5,778,840</b>
<b>Total equity and liabilities</b>		<b>183,171,148</b>	<b>131,662,593</b>



# Board of Directors

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Lysaker,  
25 April 2024



**Narve Reiten**  
Chairman



**Kari Stine Tærum**  
Board member



**Line Tønnessen**  
Board member



**Trude Sundset**  
Board member



**Cecilie Jonassen**  
Chief Executive Officer

# Consolidated Cashflow Statement

<i>(Amounts in NOK)</i>	Note	2023	2022
<b>Cash flow from operating activities</b>			
Result before income tax		(25,967,304)	(17,370,827)
<b>Adjustments:</b>			
Depreciation	6	785,144	270,056
Interest		-	(339,767)
Valuation outstanding options		51,642	1,709,914
Changes in inventory		(65,133)	-
Changes in other receivables		(3,955,215)	297,398
Change in current liabilities		21,290,410	2,333,509
<b>Net cash flow from operating activities</b>		<b>(7,860,457)</b>	<b>(13,099,716)</b>
<b>Cash flow from investing activities</b>			
Investments in tangible assets	6	(190,580)	(66,684)
Investments in intangible assets	7	(4,931,767)	(4,204,376)
Investments in assets under construction	8	(45,789,641)	(47,128,828)
<b>Net cash flow from investing activities</b>		<b>(50,911,989)</b>	<b>(51,399,888)</b>
<b>Cash flow from financing activities</b>			
Interest received		-	339,767
Proceeds from issuing stock		-	386,666
Leasing obligations		(297,453)	(280,800)
Long term borrowings	12	50,000,000	-
Proceeds from Enova Grant	8	7,841,779	38,472,510
<b>Net cash flow from financing activities</b>		<b>57,544,326</b>	<b>38,918,144</b>
<b>Net change in cash and cash equivalents</b>		<b>(1,228,119)</b>	<b>(25,581,460)</b>
Cash and cash equivalents at start of period		42,551,317	68,132,777
<b>Cash and cash equivalents at end of period</b>		<b>41,323,197</b>	<b>42,551,317</b>
Non-restricted cash		40,579,820	42,037,446
Restricted cash		743,377	513,871
<b>Cash and cash equivalents at end of period</b>		<b>41,323,197</b>	<b>42,551,317</b>



# Consolidated Statement of Changes in Equity

31.12.2023

<i>(Amounts in NOK)</i>	<b>Share Capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
Equity at 31.12.2022	1 073,976	149,871,822	3,042,799	(28,104,843)	125,883,753
Profit for the period	-	-	-	(25,967,305)	(25,967,305)
Stock options	-	-	51,642	-	51,642
<b>Equity at 31.12.2023</b>	<b>1,073,976</b>	<b>149,871,822</b>	<b>3,094,441</b>	<b>(54,066,577)</b>	<b>99,973,662</b>

\* Stock options were exercised in September 2022 in connection with employee stock option program.

31.12.2022

<i>(Amounts in NOK)</i>	<b>Share Capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
Equity at 31.12.2021	1,071,809	149,487,322	1,332,885	(10,728,446)	141,163,570
Profit for the period	-	-	-	(17,376,397)	(17,376,397)
Stock options exercised*	2,167	384,500	-	-	386,666
Stock options	-	-	1,709,914	-	1,709,914
<b>Equity at 31.12.2022</b>	<b>1,073,976</b>	<b>149,871,822</b>	<b>3,042,799</b>	<b>(28,104,843)</b>	<b>125,883,753</b>

\* Stock options were exercised in September 2022 in connection with employee stock option program.

A close-up photograph of a microscope's objective lens. The lens is a dark, multi-faceted metal piece with a sharp tip. On the right side of the lens, the letters 'R2' are engraved. The lens is positioned just above a small, dark, rectangular sample mounted on a circular metal stage. The background is a soft, out-of-focus light grey.

# NOTES – Vow Green Metals Consolidated

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# 1 – Summary of Significant Accounting Principles

Vow Green Metals AS was incorporated on 14 January 2021.

Vow Green Metals was demerged from Vow ASA on 09.07.2021 in a subsequent listing on Euronext Growth on 12.07.2021.



Vow Green Metals Follum AS, a wholly owned subsidiary of Vow Green Metals AS, was established in May 2022. In 2023 March 2023, VGM Operatør AS was established as a wholly owned subsidiary of Vow Green Metals AS. Vow Green Metals Follum AS was dropped down as a subsidiary of VGM Operatør AS. VGM Operatør AS and Vow Green Metals Follum AS are established to build, own and operate the infrastructure related to Vow Green Metals AS' production plant at Follum, Norway. As set forth in [Note 14](#), Vow Green Metals AS ownership in VGM Operatør AS was reduced to 75% through the investment from Vardar AS.

The consolidated financial statements have been prepared in accordance with the Norwegian Accounting law and regulations for simplified International Financial Reporting Standards (IFRS). This generally implies that recognition and measurement are aligned with international accounting principles (IFRS), while presentation and disclosures are in accordance with the Norwegian Accounting Act and good accounting practice.

## Revenues

### *Arising from sales of goods:*

Sales of goods are recognised when the goods are delivered, and title has passed to the customer. Revenue is measured at the fair value of the consideration received or receivable.

### *Arising from delivery of services:*

Revenue is recognised when the service is performed. Revenue is measured at the fair value of the consideration received or receivable.

## Cash and Cash Equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

## Cost of Sales and other Expenses

In principle, cost of sales and other expenses are recognised in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.



## Transactions in Foreign Currency

The functional currency and the presentation of the Company is Norwegian 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.

## Income Taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g., group contribution, is recognised directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. The tax expense is allocated to ordinary income and the effect of extraordinary items in accordance with the respective taxable income. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

## Valuation and Classification of Assets and Liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated in accordance with a reasonable depreciation schedule.

## Shares in Subsidiaries and Associates

Subsidiaries and investments in associates are carried at cost in the parent company accounts. A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles. Dividends and group contributions are recognised as other financial income.



## Intangible Fixed Assets

Expenses relating to the development of intangible assets are recognised in the income statement as incurred.

Intangible assets that are acquired separately, are recognised at historical cost. Intangible assets acquired in a business combination, are recognised at historical cost when the criteria for balance sheet recognition have been met.

Intangible assets with a limited economic life are amortised on a systematic basis. Intangible assets are written down to the recoverable amount if the expected economic benefits are not covering the carrying amount and any remaining development costs.

At each year end, the Company 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.

## Tangible Assets

Tangible assets, with the exception of investment property and buildings, are valued at their cost less accumulated depreciation and impairment losses.

Assets under construction are classified as non-current assets and recognised at cost until the production or development process is completed. Assets under construction are not depreciated until the asset is taken into use.

## 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 2](#). The share option plan is recognised as equity settled share-based payments as the practice of the Company is to settle in shares and not in cash.

## Pension Plans

The Company has a defined contribution plan for its employees. The Company's payments are recognised in the income statement as employee benefits expense for the year to which the contribution applies.



## Leases

The Company leases cars. Rental contracts are typically made for fixed periods of three to five 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 company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company's 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 Company, 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 company determines the incremental borrowing rate based on the Company's recent third-party financing in connection with the Company's operations, together with an assessment of the nature of the asset.

The Company 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 company 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.

## 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.



## Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year. There are no standards or interpretations effective from 1 January 2023 that have had any material effect on the financial statements. Nor are there any new standards or interpretations with a future effective date that are expected to have any material effect.



## 2 – Employee Expense

<i>(Amounts in NOK)</i>	2023	2022
Salaries	13,436,732	10,160,028
Social security tax	2,354,926	1,656,180
Pension cost	720,826	616,045
Other benefits	1,635,647	3,033,420
<b>Total employee expenses</b>	<b>18,148,122</b>	<b>15,465,673</b>
Employee expenses capitalised to investment projects	(8,706,135)	(5,329,325)
<b>Total costs recognised as employee expenses</b>	<b>9,441,987</b>	<b>10,136,348</b>

Capitalised employee expenses are primarily related to proof of concept and development of the Follum production site. These projects are recognised in the balance sheet as intangible asset and asset under construction, respectively. For further information see [Note 6](#) and [7](#) below.

Employees	Female	Male	Total
< 30	-	2	2
30-50	2	4	6
> 50	2	3 <sup>1</sup>	5
<b>Total</b>	<b>4</b>	<b>9</b>	<b>13</b>

<sup>1</sup> Include a > 50 in a 20 percent position

Board of Directors	Female	Male	Total
30-50	1	-	1
> 50	2	1	3
<b>Total</b>	<b>3</b>	<b>1</b>	<b>4</b>

## Remuneration to Management and Board of Directors in 2023

<i>(Amounts in NOK)</i>	<b>Title</b>	<b>Salaries</b>	<b>Pension</b>	<b>Other</b>	<b>Total</b>
<b>Management</b>					
Cecilie Jonassen	CEO	1,984,569	99,661	139,125	2,223,355
<b>Total</b>		<b>1,984,569</b>	<b>99,661</b>	<b>139,125</b>	<b>2,223,355</b>

Cecilie Johansen holds 840,000 options in Vow Green Metals AS and 120 000 options in Vow ASA.

Remuneration to the members of the board for 2022 of NOK 1,250,000 was paid in June 2023. Remuneration to the members of the board for 2023 will be determined in the annual general meeting in 2024.

<i>(Amounts in NOK)</i>	<b>Title</b>	<b>Salaries</b>	<b>Pension</b>	<b>Other</b>	<b>Total</b>
<b>Board of directors</b>					
Narve Reiten	Chair	350,000	0	0	350,000
Kari Stine Tærum	Director	225,000	0	0	225,000
Line Tønnessen	Director	265,000	0	0	265,000
Elise Must	Director	225,000	0	0	225,000
Carl Rembert Hartmann	Director	255,000	0	0	255,000
<b>Total</b>		<b>1,320,000</b>	<b>0</b>	<b>0</b>	<b>1,320,000</b>

Remuneration to board members for committee work in 2022 of total NOK 70,000 was paid in June 2023 and is included in salaries in the table above.

Vow Green Metals AS is required to have an occupational pension scheme in accordance with the Norwegian law of mandatory occupational pension ("*lov om obligatorisk tjenestepensjon*"). The Company's pension scheme fulfils the requirements of that law. The Company's pension scheme covers all employees. The scheme is based on a defined contribution plan.



## Share Option Plan

Vow Green Metals has a share option plan covering certain employees in senior positions in the Company and in Vow group following the demerger of Vow Green Metals from Vow group. The option plan relates to the Vow Green Metals AS share. As of 31.12.2023, 13 employees are included in the option programmes. The options vests yearly over the remaining three years.

For two employees in senior positions, the share option plan also covers options related to the Vow ASA share. Vow Green Metals have accounted for the related cost. At vesting, settlement by the relevant employee will be at strike price to Vow ASA, while the gap to market price will be covered by Vow Green Metals.

In 2021 a total of 1,546,666 options were granted in the option plan for the Vow Green Metals share, and 466,665 options were exercised. In addition to this, a total of 230,000 options were granted in the option plan for the Vow ASA share.

In 2022 no options were granted in the option plan for the Vow Green Metals share, and 333,333 options were exercised. 316,668 options were either terminated or expired.

In 2024, 4,320,000 options were granted with a strike price of 2,405 vesting over 3 years with 1/3 at each anniversary. 153,333 options were either terminated or expired.

## Method of settlement:

Options that have been exercised shall, in the discretion of the Company, be settled by either:

1. the issuance by the Company of new shares to the option holder
2. the sale by the Company of treasury shares to the option holder; or
3. 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 there for accounted for as an equity settlement.



### *Vesting Requirements:*

The options granted shall vest by 1/3rd on the anniversary one year after the grant each year. Final anniversary is 2024 for 276,667 options, and 2026 for 4,320,000 options. Options can only be vested if the option holder at the vesting date is employed by the Company and the employment

is not in a notice period. The option programme has a term of three years plus an exercise period of one month. Any option not exercised within this period shall terminate without any compensation being payable to the option holder.

<i>Overview of outstanding options:</i>	<b>2023</b>	<b>2022</b>
Outstanding options 1 January	430,000	1,080,001
Options granted	4,320,000	0
Options exercised	0	(333,333)
Options terminated	(73,333)	(53,334)
Options expired	(80,000)	(263,334)
<b>Outstanding options 31 December</b>	<b>4,596,667</b>	<b>430,000</b>
<b>Of which is exercisable</b>	<b>4,596,667</b>	<b>430,000</b>

### *Equity Transaction*

During 2021, 466,665 of the outstanding options were exercised. The transactions were settled by issuing 466,665 new shares, by a capital increase of Nok 2903.32 at the exercise price of Nok 1.16 and by capital increase of Nok 130,00 at the exercise price of Nok 2.05. Following the issuance of new shares, the issued share capital of Vow Green Metals was 1,071,809.43. Consisting of 164,893,759 shares, each with a par value of Nok 0.0065.

During 2022, 333 333 of the outstanding options were exercised. The transactions was settled by issuing 333 333 new shares, by a capital increase of NOK 2166.66 at the exercise price of NOK 1.16. Following the issuance of new shares, the issued share capital of Vow Green Metals was 1 073 976.10. Consisting of 165 227 092 shares, each with a par value of NOK 0.0065.

## The outstanding options are subject to the following conditions:

<b>Expiry date</b>	<b>Average strike price</b>	<b>Number of share options</b>
2024	2.35	276,667
2026	2.405	4,320,000

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 percent.

#### *The term of the option*

It is assumed that 100 percent of the employees will exercise the options once they are exercisable. Granted options as of 31.12.23 expires as above table.

#### **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 3.409 percent.



## 3 – Other Operating Expenses

<i>(Amounts in NOK)</i>	<b>2023</b>	<b>2022</b>
Legal	1,319,735	103,125
Audit Fees	465,071	464,849
Consultant fees	8,795,993	3,086,421
Listing fees	450,003	973,009
Other expenses	3,433,560	2,650,828
<b>Total other operating expenses</b>	<b>14,464,363</b>	<b>7,278,232</b>

Remuneration to auditor is allocated as specified below:

<i>(Amounts in NOK)</i>	<b>2023</b>	<b>2022</b>
Statutory audits	335 300	248,669
Other assurance services	120 100	6,250
Other tax services	1 004 990	209,930
<b>Total excl. VAT</b>	<b>1 460 390</b>	<b>464,849</b>

# 4 – Tax

## Specification of income tax:

<i>(Amounts in NOK)</i>	2023	2022
Income tax payable	-	-
Change in deferred tax	-	-
<b>Total income tax expenses</b>	<b>-</b>	<b>-</b>

## Specification of temporary differences and deferred tax:

<i>(Amounts in NOK)</i>	12/31/2023	12/31/2022
Fixed assets	(74,364)	(6,936)
Leasing	(48,404)	8,672
Tax loss carryforward	(49,207,175)	(25,005,440)
<b>Total temporary differences</b>	<b>(49,329,943)</b>	<b>(25,003,750)</b>
Not recognised tax loss carry forward	(49,329,943)	25,003,750
Total basis for deferred tax	-	-
<b>Net deferred tax liability (22%)</b>	<b>-</b>	<b>-</b>

## Reconciliation of effective tax rate:

<i>(Amounts in NOK)</i>	<b>2023</b>	<b>2022</b>
Profit before income tax	(25,967,305)	(17,370,827)
Expected income tax assessed at the tax rate for the parent company (22%)	5,376,633	2,360,258
<b><i>Adjusted for tax effect of the following items:</i></b>		
Permanent differences	(113,001)	(382,495)
Unrecognised deferred tax assets	(5,351,772)	(3,439,087)
<b>Total income tax expenses</b>	<b>-</b>	<b>-</b>



## 5 – 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:

	2023	2022
Profit for the year (Amounts in NOK)	(25,967,305)	(17,370,827)
Weighted average number of shares outstanding	165,227,092	164,967,019
Effects of dilution from:		
Share options	4,596,666	937,144
Convertible loan <sup>1</sup>	26,315,789	-
Weighted average number of shares adjusted for the effect of dilution	196,139,547	165,904,163
Earnings per share (NOK per share):		
- Basic	(0.16)	(0.11)
- Diluted <sup>1</sup>	(0.13)	(0.10)

<sup>1</sup> Please see [Note 12](#) for further information.

## 6 – Property, Plant and Equipment

<i>(Amounts in NOK)</i>	Office, furniture and equipment	
	2023	2022
<b>Cost:</b>		
At 1 January	76,163	-
Additions	190,580	76,163
<b>At 31 December</b>	<b>266,743</b>	<b>76,163</b>
<b>Depreciation and impairment:</b>		
At 1 January	(22,169)	-
Depreciation this year	(48,436)	(22,169)
<b>At 31 December</b>	<b>(70,605)</b>	<b>(22,169)</b>
<b>Carrying amount at 31 December</b>	<b>196,138</b>	<b>53,994</b>
Useful life		3 years
Depreciation method		Linear

## 7 – 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. The company implemented during 2022 a new ERP system. ERP depreciation started in 2Q23.

12/31/2023

<i>(Amounts in NOK)</i>	<b>Proof of Concept</b>	<b>Factory Module</b>	<b>Computer software</b>
<b>Cost:</b>			
At 1 January 2023	742,643	968,859	3,461,733
Additions	2,089,964	2,225,068	616,735
<b>At 31 December 2023</b>	<b>2,832,607</b>	<b>3,193,927</b>	<b>4,078,468</b>
<b>Depreciation and impairment:</b>			
At 1 January 2023	-	-	-
Depreciation this year	-	-	(431,177)
<b>At 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>(431,177)</b>
Useful life	10 years	10 years	7 years
Depreciation method	Linear	Linear	Linear
<b>Carrying amount at 31 December 2023</b>	<b>2,832,607</b>	<b>3,193,927</b>	<b>3,647,291</b>



12/31/2022

<i>(Amounts in NOK)</i>	Proof of Concept	Factory Module	Computer software
<b>Cost:</b>			
At 14 January 2022	-	968,859	-
Additions	742,643	-	3,461,733
<b>At 31 December 2022</b>	<b>742,643</b>	<b>968,859</b>	<b>3,461,733</b>
<b>Depreciation and impairment:</b>			
At 11 January 2022	-	-	-
Depreciation this year	-	-	-
<b>At 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>
Useful life	10 years	10 years	7 years
Depreciation method	Linear	Linear	Linear
<b>Carrying amount at 31 December 2022</b>	<b>742,643</b>	<b>968,859</b>	<b>3,461,733</b>

Additions to proof of concept are primarily internal manhours (see Note 2). Carrying amount of the Factory Module consist of both internal hours and external services to develop the standardized factory the Company will build at the Follum site and in future projects.

## 8 – Assets Under Construction

Vow Green Metals is currently building their first biocarbon plant, at Hønefoss, Norway. Vow ASA will deliver process equipment and engineering.

<i>(Amounts in NOK)</i>	<b>Assets under construction</b>	
	<b>2023</b>	<b>2022</b>
At 1 January	82,406,376	73,750,057
Additions	51,588,641	47,128,828
Enova Grant	(7,841,779)	(38,472,510)
<b>At 31 December</b>	<b>126,153,238</b>	<b>82,406,376</b>
<b>Carrying amount at 31 December</b>	<b>126,153,238</b>	<b>82,406,376</b>

### Governmental 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 given a 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 tranches 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. For 2023 and 2022 the Company received MNOK 7.8 and MNOK 38.5, respectively. As of 31.12.2023 MNOK 46.3 has been received.

### Test Facilities

The Company will take delivery of an early production line with a capacity of 2,500 tons per year of biocarbon production in the first half of 2024. In addition, the Company is establishing a lab and related facilities to test products. These assets will be held in Vow Green Metals AS.

The early production line will be delivered by Scanship AS, a VOW ASA subsidiary, on a fixed price payable in tranches based on the production output. This asset will be recognized when delivered, i.e., is not included in "Asset under Construction" as of December 31, 2023.

Other equipment will be sourced from several suppliers, some of which may be related parties.

# 9 – Assets Lease

## Right of Use Assets

12/31/2023

<i>(Amounts in NOK)</i>	<b>Cars</b>	<b>Properties</b>	<b>Total</b>
At 31 December 2023	284,126	182,607	466,733
Additions	-	632,260	632,260
Depreciation	(142,063)	(163,468)	(305 531)
<b>Carrying amount at 31 December 2023</b>	<b>142,063</b>	<b>142,063</b>	<b>793,461</b>

12/31/2022

<i>(Amounts in NOK)</i>	<b>Cars</b>	<b>Properties</b>	<b>Total</b>
At 31 December 2022	-	138,001	138,001
Additions	419,480	166,618	586,098
Depreciation	(135,354)	(122,012)	(257,366)
<b>Carrying amount at 31 December 2022</b>	<b>284,126</b>	<b>182,607</b>	<b>466,733</b>

Lease liabilities are discounted with an interest rate of 3.3 percent.

12/31/2023

### Lease liabilities recognised

<i>(Amounts in NOK)</i>	<b>Cars</b>	<b>Properties</b>	<b>Total</b>
Current lease liabilities	69,834	160,769	230,630
Non-current lease liabilities	75,654	498,949	574,603
<b>Total</b>	<b>145,488</b>	<b>659,719</b>	<b>805,207</b>



12/31/2022

**Lease liabilities recognised**

<i>(Amounts in NOK)</i>	<b>Cars</b>	<b>Properties</b>	<b>Total</b>
Current lease liabilities	164,418	115,157	279,575
Non-current lease liabilities	127,898	62,927	190,825
<b>Total</b>	<b>292,316</b>	<b>178,084</b>	<b>458,061</b>

**Maturity analysis - contractual undiscounted cash flows**

<i>(Amounts in NOK)</i>	<b>12/31/2023</b>	<b>12/31/2022</b>
Within 1 year	230,603	279,575
1-2 years	137,108	178,486
2-3 years	73,094	-
After 3 years	364,401	-

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

# 10 – Cash and Cash Equivalents

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<i>(Amounts in NOK)</i>	<b>2023</b>	<b>2022</b>
Bank deposits	40,579,820	42,037,446
Restricted cash <sup>1)</sup>	743,377	513,871
<b>Total cash and cash equivalents</b>	<b>41,323,197</b>	<b>42,551,317</b>

1) restricted cash comprise of withheld taxes from employees' salaries.

# 11 – Share Capital and Shareholder Information

	2023	2022
Number of outstanding shares at 1 January	165,227,092	164,893,759
Share capital reduction	-	-
Share capital increase	-	-
Share capital increase - demerger	-	-
Share capital increase - employee stock options	-	333,333
<b>Number of outstanding shares at 31 December</b>	<b>165,227,092</b>	<b>165,227,092</b>
Nominal value NOK per share at 31 December	0.0065	0.0065
Share capital NOK at 31 December	1,073,976	1,073,976

Vow Green Metals has one class of shares with equal rights of all shares.  
Largest shareholders of Vow Green Metals AS at 31.12.2023

<i>Shareholder</i>	Number	% share
VOW ASA	50,173,890	30.4%
Ingerø Reiten Inv. Company AS	31,145,000	18.9%
Daler Inn Limited	10,000,000	6.1%
Exproco Limited	9,960,000	6.0%
Badin Invest Limited	9,441,767	5.7%
Clearstream Banking S.A.	5,502,630	3.3%
Trethom AS	4,210,000	2.5%
Nordnet Livsforsikring AS	3,323,344	2.0%
Fondsavanse AS	3,000,000	1.8%
Citibank Europe Plc.	2,190,153	1.3%
Shareholders holding less than 1% of the shares	36,280,280	22.0%
<b>Total</b>	<b>165,227,092</b>	<b>100.0%</b>



## Number of shares owned by company management and board of directors at 31.12.2023:

<b>Name</b>	<b>Number</b>	<b>% share</b>
Ingerø Reiten Investment Company AS <sup>1)</sup>	31,145,000	18.9%
Kari Stine Tærum, Director	179,000	0.1%
Limamo Invest AS <sup>2)</sup>	84,000	0.1%
Line Tønnessen, Director <sup>2)</sup>	17,660	0.0%
Cathrine Adolfsen <sup>3)</sup>	2,300	0.0%
<b>Total</b>	<b>31,427,960</b>	<b>19.0%</b>

- 1) Ingerø Reiten Investment Company AS is owned 60.98 percent by Narve Reiten, the Chairman of the Board of Vow Green Metals AS.
- 2) Line Tønnessen, Board member of Vow Green Metals AS, owns 17.660 shares privately and is a close associate to Limamo Invest AS (33.3% ownership in Limamo Invest AS).
- 3) Cathrine Adolfsen is the Company's VP of Projects.

# 12 – Long Term Borrowings

<i>(Amounts in NOK)</i>	2023	2022
Vardar AS	50,000,000	-
<b>Total long term borrowings</b>	<b>50,000,000</b>	<b>-</b>

In November 2023, Vow Green Metals secured a long term loan from Vardar AS of NOK 50 million. Vardar has the option to subscribe for shares in Vow Green Metals, a six months' period, with option expire date 5 June 2024, and use the Loan as a contribution in kind to settle the subscription consideration. The subscription price in the option agreement will be the lowest of (i) NOK 3.20 per share, and (ii) five days volume weighted average price (VWAP) plus a 30 percent premium. Terms and conditions: The loan facility has a length of 30 months after payment, with an end-date of June 2026. Interest is NIBOR +2.9%.

# 13 – Related Parties

## a) Balance with Related Parties

<i>(Amounts in NOK)</i>		2023	2022
<b>Liabilities</b>			
Vow ASA	Trade Creditors	1,211,000	506,000
Vow ASA	Current borrowings from associates	20,568,189	968,859
<b>Total payables to associates</b>		<b>21,779,189</b>	<b>968,859</b>

Payables to Vow ASA of 20,568,189 is related to the acquisition of the value of the development cost for the new planned biocarbon plant at Hønefoss. Outstanding amounts have been paid in full in 2024.

Accumulated interest 31.12.23 amounts to 1,167,000. Invoice and interest are fully paid in January 2024.

## b) Purchases:

Vow ASA will deliver process equipment and engineering support to Vow Green Metals' biocarbon plant at Follum in Norway.

Other transactions with 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 comprise accounting, IT and administration services. In addition, Scanship AS re-invoices Vow Green Metals AS quarterly for shared office space at Lysaker Torg 12.

## c) Overview of Subsidiaries:

The following subsidiary is included in the consolidated financial statements:

<b>Company</b>	<b>Date of acquisition/ incorporation</b>	<b>Country of incorporation</b>	<b>% Equity and voting share</b>
Vow Green Metals Follum AS	5/31/2022	Lysaker, Norway	100%
VGM Operatør AS	6/30/2023	Lysaker, Norway	100%

For further info. Please see [Note 1](#).

# 14 – Public Duties Payable and other Current Liabilities

<i>(Amounts in NOK)</i>	2023	2022
<b>Public duties payable</b>		
Employee withholding tax	743,377	513,871
Social security tax	722,782	464,020
<b>Total public duties payable</b>	<b>1,466,159</b>	<b>977,891</b>
<b>Other current liabilities</b>		
Accrued holiday pay	1,271,887	956,410
Other accrued expenses	389,640	479,968
<b>Other current liabilities</b>	<b>1,661,527</b>	<b>1,436,377</b>



## 15 – Events After the Reporting Period

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In January, Vow Green Metals and Elkem ASA one of the world's leading providers of advanced silicon-based materials, signed a supply agreement with a duration of five years and an option for a further five-year extension. The volumes will be delivered from the production plant under development at Follum.

In March, Vow Green Metals received an Environmental Permit from the Norwegian Environment Agency for the large-scale production facility at Hønefoss.

On April 8, the Company announced that it has initiated a strategic process to raise capital to accelerate the realization of the Company's project portfolio and global project pipeline. Pareto Securities was engaged to evaluate strategic and financial options, including potential partnerships. The strategic process opens for investments in specific projects in SPV structures to enable the realization of large-scale biocarbon production facilities, as well as in the listed parent company, Vow Green Metals AS, to strengthen the Company's financial position and ability to accelerate the development of FID-ready projects.

On April 11, the regional renewable energy producer, Vardar AS, executed their NOK 50 million equity investment in VGM Operatør AS in accordance with the agreement signed in November 2023. Following the investment, Vardar AS will hold 25 percent of the shares in VGM Operatør AS, reducing Vow Green Metals AS' ownership to 75 percent.

Vardar and Vow Green Metals also recently announced a signed energy offtake agreement securing securing offtake of all excess energy produced from the production facility at Hønefoss.

On April 25, the Company announced that it had received indicative term sheet to raise green loan debt financing from DNB Bank ASA, Norway's largest financial service group. The indicative term sheet includes a 50 percent loan guarantee from the governmental financial enterprise, Export Finance Norway (Eksfin). The loan amount will be in the range of NOK 330-350 million and the signing of the loan agreement is expected in May this year.

# Profit & Loss 2023 – Vow Green Metals AS

## Statement of Income

<i>(Amounts in NOK)</i>	<i>Note</i>	<b>2023</b>	<b>2022</b>
Employee expenses	2	(9,441,987)	(10,136,348)
Other operating expenses	3	(14,373,763)	(7,277,932)
<b>EBITDA</b>		<b>(23,815,750)</b>	<b>(17,414,279)</b>
Depreciation	5, 6, 9	(785,144)	(270,056)
<b>EBIT</b>		<b>(24,600,895)</b>	<b>(17,684,336)</b>
Finance income		348,823	342,594
Finance expense		(187,268)	(28,785)
<b>Net financial items</b>		<b>161,655</b>	<b>313,809</b>
<b>Profit before tax</b>		<b>(24,439,239)</b>	<b>(17,370,527)</b>
Income tax expenses	4	-	-
<b>Profit for the period</b>		<b>(24,439,239)</b>	<b>(17,370,527)</b>

## Statement of other Comprehensive Income

<i>(Amounts in NOK)</i>	<i>Note</i>	<b>2023</b>	<b>2022</b>
Profit for the period		(24,439,239)	(17,370,527)
Other comprehensive income		-	-
<b>Total other comprehensive income, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(24,439,239)</b>	<b>(17,370,527)</b>

# Balance Sheet 2023 – Vow Green Metals AS

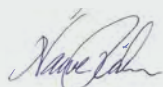
<i>(Amounts in NOK)</i>	Note	12/31/2023	12/31/2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	196,138	53,994
Intangible assets	6	6,026,534	1,711,502
Other intangible assets	6	3,647,291	3,461,733
Investment in subsidiaries	7	105,954,676	30,000
Assets under construction	8	5,244,004	82,208,928
Right-of-use assets	9	793,461	466,732
<b>Total non-current assets</b>		<b>121,862,104</b>	<b>87,932,889</b>
<b>Current assets</b>			
Inventories		65,133	-
Receivables from group companies	10	1,635,404	-
Other receivables		1,081,791	993,273
Cash and cash equivalents	11	38,340,811	42,538,092
<b>Total current assets</b>		<b>41,123,139</b>	<b>43,531,364</b>
<b>Total assets</b>		<b>162,985,244</b>	<b>131,464,254</b>

<i>(Amounts in NOK)</i>	<i>Note</i>	<b>12/31/2023</b>	<b>12/31/2022</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	1,073,976	1,073,976
Share premium		149,871,822	149,871,822
Other reserves		3,094,441	3,042,799
Retained earnings		(52,538,211)	(28,098,973)
<b>Total equity</b>		<b>101,502,028</b>	<b>125,889,623</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	13	50,000,000	-
Non-current lease liabilities	9	805,206	178,486
<b>Total non-current liabilities</b>		<b>50,805,206</b>	<b>178,486</b>
<b>Current liabilities</b>			
Trade creditors		3,508,825	1,721,103
Payables to associates	10	3,123,621	-
Current borrowings from associates	10	968,859	968,859
Public duties payable	14	1,466,159	977,891
Current lease liabilities	9	-	279,575
Other current liabilities		1,610,546	1,448,717
<b>Total current liabilities</b>		<b>10,678,010</b>	<b>5,396,145</b>
<b>Total liabilities</b>		<b>61,483,216</b>	<b>5,574,631</b>
<b>Total equity and liabilities</b>		<b>162,985,244</b>	<b>131,464,254</b>



# Board of Directors

Lysaker,  
25 April 2024



**Narve Reiten**  
Chairman



**Kari Stine Tærum**  
Board member



**Line Tønnessen**  
Board member



**Trude Sundset**  
Board member



**Cecilie Jonassen**  
Chief Executive Officer

# Cashflow Statement

<i>(Amounts in NOK)</i>	Note	2023	2022
<b>Cash flow from operating activities</b>			
Result before income tax		(24,439,238)	(17,370,527)
Adjustments:			
Depreciation	5	785,144	270,056
Interest		-	(339,767)
Valuation outstanding options		51,642	1,709,914
Changes in inventories		(65,133)	-
Changes in other receivables		(1,723,922)	315,066
Change in current liabilities		5,561,440	2,134,870
<b>Net cash flow from operating activities</b>		<b>(19,830,067)</b>	<b>(13,280,388)</b>
<b>Cash flow from investing activities</b>			
Investments in tangible assets	5	(190,580)	(66,684)
Investments in intangible assets	6	(4,931,767)	(4,204,376)
Investments in assets under construction	8	-	(46,931,381)
Investment in subsidiaries	7	-	(30,000)
<b>Net cash flow from investing activities</b>		<b>(41,923,879)</b>	<b>(51,232,441)</b>
<b>Cash flow from financing activities</b>			
Interest received		-	339,767
Proceeds from issuing stock		-	386,666
Leasing obligations		(285,114)	(280,800)
Long-term borrowings		50,000,000	-
Proceeds from Enova Grant	8	7,841,779	38,472,510
<b>Net cash flow from financing activities</b>		<b>57,556,665</b>	<b>38,918,144</b>
<b>Net change in cash and cash equivalents</b>		<b>(4,197,281)</b>	<b>(25,594,685)</b>
Cash and cash equivalents at start of period		42,538,092	68,132,777
<b>Cash and cash equivalents at end of period</b>		<b>38,340,811</b>	<b>42,538,092</b>
Non-restricted cash		37,597,434	42,024,221
Restricted cash		743,377	513,871
<b>Cash and cash equivalents at end of period</b>		<b>38,340,811</b>	<b>42,538,092</b>

1) Transferred to subsidiary as part of drop-down merger.

# Statement of Changes in Equity

31.12.2023

<i>(Amounts in NOK)</i>	<b>Share Capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
Equity at 31.12.2022	1,073,976	149,871,822	3,042,799	(28,098,973)	125,889,623
Profit for the period	-	-	-	(24,439,239)	(24,439,239)
Stock options			51,642	-	51,642
<b>Equity at 31.12.2023</b>	<b>1,073,976</b>	<b>149,871,822</b>	<b>3,094,441</b>	<b>(52,538,211)</b>	<b>101,502,028</b>

\* Stock options were exercised in September 2023 in connection with employee stock option program.

31.12.2022

<i>(Amounts in NOK)</i>	<b>Share Capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
Equity at 31.12.2021	1,071,809	149,487,322	1,332,885	(10,728,446)	141,163,570
Profit for the period	-	-	-	(17,370,527)	(17,370,527)
Share capital increase	-	-	-	-	-
Stock options exercised*	2,167	384,500	-	-	386,666
Stock options			1,709,914	-	1,709,914
<b>Equity at 31.12.2021</b>	<b>1,073,976</b>	<b>149,871,822</b>	<b>3,042,799</b>	<b>(28,098,973)</b>	<b>125,889,623</b>

\* Stock options were exercised in October 2022 in connection with employee stock option program.

# NOTES – Vow Green Metals AS

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# 1 – Summary of Significant Accounting Principles

Vow Green Metals AS was incorporated on 14 January 2021.

Vow Green Metals was demerged from Vow ASA on 09.07.2021 in a subsequent listing on Euronext Growth on 12.07.2021.

The financial statements have been prepared in accordance with the Norwegian Accounting law and regulations for simplified International Financial Reporting Standards (IFRS). This generally implies that recognition and measurement are aligned with international accounting principles (IFRS), while presentation and disclosures are in accordance with the Norwegian Accounting Act and good accounting practice.



## Revenues

### *Arising from sales of goods:*

Sales of goods are recognised when the goods are delivered, and title has passed to the customer. Revenue is measured at the fair value of the consideration received or receivable.

### *Arising from delivery of services:*

Revenue is recognised when the service is performed. Revenue is measured at the fair value of the consideration received or receivable.

## Cash and Cash Equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

## Cost of Sales and other Expenses

In principle, cost of sales and other expenses are recognised in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.

## Transactions in Foreign Currency

The functional currency and the presentation of the Company is Norwegian 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.

## Income Taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. The tax expense is allocated to ordinary income and the effect of extraordinary items in accordance with the respective taxable income. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

## Valuation and Classification of Assets and Liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated in accordance with a reasonable depreciation schedule.

## Shares in Subsidiaries and Associates

Subsidiaries and investments in associates are carried at cost in the parent company accounts. A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles. Dividends and group contributions are recognised as other financial income.

## Intangible Fixed Assets

Expenses relating to the development of intangible assets are recognised in the income statement as incurred.

Intangible assets that are acquired separately, are recognised at historical cost. Intangible assets acquired in a business combination, are recognised at historical cost when the criteria for balance sheet recognition have been met.

Intangible assets with a limited economic life are amortised on a systematic basis. Intangible assets are written down to the recoverable amount if the expected economic benefits are not covering the carrying amount and any remaining development costs.

At each year end, the Company 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.



## Tangible Assets

Tangible assets, with the exception of investment property and buildings, are valued at their cost less accumulated depreciation and impairment losses.

Assets under construction are classified as non-current assets and recognised at cost until the production or development process is completed. Assets under construction are not depreciated until the asset is taken into use.

## Pension Plans

The Company has a defined contribution plan for its employees. The Company's payments are recognised in the income statement as employee benefits expense for the year to which the contribution applies.

## 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 2](#). The share option plan is recognised as equity settled share-based payments as the practice of the Company is to settle in shares and not in cash.

## Leases

The Company leases cars. Rental contracts are typically made for fixed periods of three to five 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 company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company's 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 Company, 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 company determines the incremental borrowing rate based on the Company's recent third-party financing in connection with the Company's operations, together with an assessment of the nature of the asset.

The Company 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 company 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.

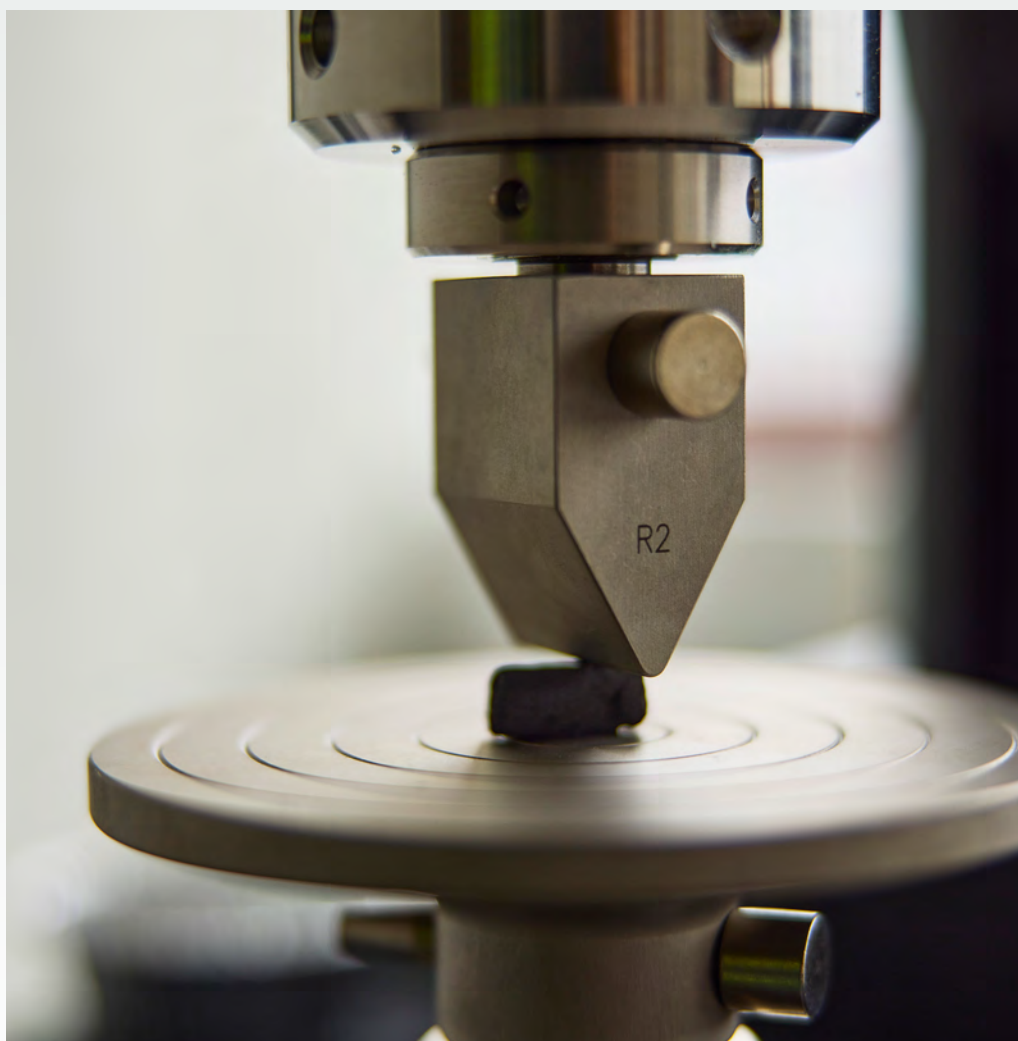


## Government Grants

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.

## Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year. There are no standards or interpretations effective from 1 January 2023 that have had any material effect on the financial statements. Nor are there any new standards or interpretations with a future effective date that are expected to have any material effect.



## 2 – Employee Expenses

See Note 2 in the Consolidated Financial Statements.

## 3 – Other Operating Expenses

<i>(Amounts in NOK)</i>	<b>2023</b>	<b>2022</b>
Legal	1,319,735	103,125
Audit fees	402,066	464,849
Consultant fees	8,786,193	3,086,421
Listing fees	450,003	973,009
Other expenses	3,415,766	2,650,528
<b>Total other operating expenses</b>	<b>14,373,763</b>	<b>7,277,932</b>

Remuneration to Auditor is Allocated as Specified below:

<i>(Amounts in NOK)</i>	<b>2023</b>	<b>2022</b>
Statutory audits	231 000	248,669
Other assurance services	120 100	6,250
Other tax services	1 004 990	209,930
<b>Total excl. VAT</b>	<b>1 356 090</b>	<b>464,849</b>

# 4 – Tax

## Specification of Income Tax

<i>(Amounts in NOK)</i>	2023	2022
Income tax payable	-	-
Change in deferred tax	-	-
<b>Total income tax expenses</b>	-	-

## Specification of Temporary Differences and Deferred Tax

	12/31/2023	12/31/2022
Fixed assets	(74,367)	(6,936)
Leasing	(48,404)	8,672
Tax loss carryforward	(49,207,175)	25,005,442
<b>Total temporary differences</b>	<b>(49,329,943)</b>	<b>(25,003,706)</b>
Not recognised tax loss carry forward	49,329,943	25,003,706
Total basis for deferred tax	-	-
<b>Net deferred tax liability (22%)</b>	-	-

## Reconciliation of Effective Tax Rate

<i>(Amounts in NOK million)</i>	2023	2022
Profit before income tax	-	(17,370,527)
Expected income tax assessed at the tax rate for the parent company (22%)	-	2,360,258
<b>Adjusted for tax effect of the following items:</b>		
Permanent differences	-	(383,720)
Unrecognised deferred tax assets	-	(2,060,995)
<b>Total income tax expenses</b>	-	-

## 5 – Property, Plant and Equipment

See Note 6 in the consolidated financial statements.

## 6 – Intangible Assets

See Note 7 in the consolidated financial statements.



## 7 – Investment in Subsidiaries

31.12.2022

*(Amounts in NOK)*

Company	Date of acquisition/ incorporation	Country of incorporation	% Equity and voting share	Book value	Equity at 31. Dec. 2023	Profit for the year 2023
VGM Operatør AS	6/1/2023	Lysaker, Norway	100%	105,955,000	104,851,000	(1,104,000)

Through a demerger in 2023, the former subsidiary Vow Green Metals Follum AS was dropped down as a subsidiary of the newly established VGM Operatør AS.

## 8 – Assets Under Construction

Vow Green Metals is currently building their first biocarbon plant, at Hønefoss, Norway. Vow ASA will deliver process equipment and engineering.

12/31/2023

*(Amounts in NOK)*

**Assets under  
construction**

**Cost:**

At 1 January 2023	82,208,928
Additions	20,684,000
Effect of demerger	(89,806,453)
Enova Grant	(7,841,779)
<b>At 31 December 2023</b>	<b>5,244,004</b>

**Carrying amount at 31 December 2023**

**5,244,004**

12/31/2022

*(Amounts in NOK)*

**Assets under  
construction**

**Cost:**

At 1 January 2022	73,750,057
Additions	46,931,381
Effect of demerger	(38,472,510)
Enova Grant	82,208,928
<b>At 31 December 2022</b>	

**Carrying amount at 31 December 2022**

**82,208,928**

## 9 – Assets Lease

See Note 9 in the Consolidated Financial Statements.

## 10 – Related Parties

### a) Balance with Related Parties

<i>(Amounts in NOK)</i>		2023	2022
<b>Receivables</b>			
Vow Green Metals Follum AS	Current loan	1,080,554	-
VGM Operatør AS	Current loan	554,850	-
<b>Total receivables from associates</b>		<b>1,635,404</b>	<b>-</b>
<i>(Amounts in NOK)</i>		2023	2022
<b>Liabilities</b>			
Vow Green Metals Follum AS	Current loan	3,123,621	-
VGM Operatør AS	Intangible assets	968,859	968,859
<b>Total payables to associates</b>		<b>4,092,480</b>	<b>968,859</b>

## 11 – Cash and Cash Equivalents

<i>(Amounts in NOK)</i>	<b>2023</b>	<b>2022</b>
Bank deposits	37,597,434	42,024,221
Restricted cash <sup>1)</sup>	743,377	513,871
<b>Total cash and cash equivalents</b>	<b>38,340,811</b>	<b>42,538,092</b>

1) restricted cash comprise of withheld taxes from employees' salaries.

## 12 – Share Capital and Shareholder Information

See Note 11 in the Consolidated Financial Statements.

## 13 – Long-Term Borrowings

See Note 12 in the Consolidated Financial Statements.

## 14 – Public Duties Payable and other Current Liabilities

See Note 14 in the Consolidated Financial Statements.

## 15 – Events After the Reporting Period

See Note 15 in the Consolidated Financial Statements.



5.

# AUDITOR'S REPORT



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Medlemmer av Den norske Revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Vow Green Metals AS

### Opinion

We have audited the financial statements of Vow Green Metals AS (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 balance sheet as at 31 December 2023, the profit & loss statement, statement of cash flows 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 2023 and their financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### 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.

### 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 the 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 contains the information required by 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 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 is consistent with the financial statements and contains the information required by applicable legal requirements.

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## Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, 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.



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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.

Oslo, 25 April 2024  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Leiv Aschehoug  
State Authorised Public Accountant (Norway)

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Independent auditor's report - Vow Green Metals AS 2023

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**Aschehoug, Leiv Thorkil**

**Statsautorisert revisor**

På vegne av: Ernst & Young AS

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6.

# SUSTAINABILITY



# Promoting responsible business practises and respect for the environment, people and society.

## 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. Alongside progressing its core activities, Vow Green Metals promotes responsible business practices with respect to both 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 CO<sub>2</sub> emissions and is recognized as a hard-to-abate industry. Sourcing biocarbon is one of few viable solutions to decarbonize this industry. In some parts of the industry, biocarbon is the only available and viable option to de-carbonize. Vow Green Metals enables the metallurgical industry to join the green transition and achieve CO<sub>2</sub> 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 of 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 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 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 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.



## Gender and Age Composition

As of 31 December 2023, the Company had 13 employees, of which 4 women.

<i>Employees per 31.12.23</i>	<b>Female</b>	<b>Male</b>	<b>Total</b>
< 30	0	2	2
30-50	2	4	6
> 50	2	3 <sup>1</sup>	5
<b>Total</b>	<b>4</b>	<b>9</b>	<b>13</b>

<sup>1</sup> Include a > 50 in a 20 percent position

As of 31 March 2024, the Company had 14 employees, of which 4 women.

<i>Employees per 31.03.24</i>	<b>Female</b>	<b>Male</b>	<b>Total</b>
< 30	0	0	0
30-50	3	7	10
> 50	1	3 <sup>1</sup>	4
<b>Total</b>	<b>4</b>	<b>10</b>	<b>14</b>

<sup>1</sup> Include a > 50 in a 20 percent position

The board of Vow Green Metals AS consists of 4 persons, of which 3 are women.

<i>Board of directors</i>	<b>Female</b>	<b>Male</b>	<b>Total</b>
30-50	1	0	1
> 50	2	1	3
<b>Total</b>	<b>3</b>	<b>1</b>	<b>4</b>

## 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. The Company's efforts within the sustainability area will be progressed further in 2024 with a renewed materiality assessment to ensure that the sustainability work is focused on material issues based on business trends, potential risks, the interest of key stakeholders and the opportunities the business is facing. 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.

## 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. 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 2023, absence due to illness was 2.21 percent.

## Diversity and Equal Opportunities

The Company is working to prevent discrimination and 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.





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# BOARD OF DIRECTORS



# Experienced and Active Board of Directors.



**Narve Reiten**  
Chairman

Mr. Reiten is the founder of Reiten & Co and holds extensive investing and operational experience in the Nordic market. Mr. Reiten holds a Master of Business and Economics degree from BI Norwegian Business School and is a Certified Financial Analyst (CFA) from the Norwegian School of Economics (NHH). Mr. Reiten currently sits on the Board of Directors of Vow ASA (Chairman), Con-Form AS and Navamedic ASA. In addition, he has held several Board positions in private companies.



**Kari Stine Tærum**  
Board member

Ms. Tærum has broad experience from various positions within the renewable sector, including senior engineering roles, Operations Manager and Head of Production in REC Solar (previously Elkem Solar). Ms. Tærum is also bringing more than 15 years of experience from the cellulose industry. She holds a degree in pulp technology from the Norwegian Institute of Technology and Science and a degree in analytical chemistry from the Agder District College.



**Line Tønnessen**  
Board member

Ms. Tønnessen holds the position as Investment Director in Reiten & Co and is engaged in a range of Reiten & Co's investments. Tønnessen currently sits on the Board of Directors of Observe Medical ASA. She has a strong analytical and corporate finance background and holds an MBA in Finance from the Norwegian School of Economics (NHH) and is a Certified Financial Analyst (CFA).



**Trude Sundset**  
Board member

Ms. Sundset has more than 30 years of experience from working within the energy sector, with a specific focus on technology, environment, and climate issues. She is currently CTO at Hydro a leading aluminum and renewable energy company. Her extensive management experience includes business development, field development in the oil and gas sector and research management and development. Sundset has held various leading positions in Equinor and has been the CEO of Gassnova – the Norwegian state enterprise for CCS. Sundset holds a Master of Science degree in Technology Physical Chemistry from the Norwegian University of Science and Technology.



8.

# ABOUT US



# Experienced Management and Key Personnel.



**Cecilie Jonassen**  
Chief Executive Officer

- Extensive operational experience within the production of Pulp and Paper valorising biomass
- Previously held the position as Director of Operations Support in Norske Skog, where she has held various positions in Germany and Norway since 2005
- MSc Chemical Engineering



**Jan H. A. Møller**  
Chief Financial Officer

- Started in Feb 2024, comes from position as CFO in Biozin, a company facilitating the production of renewable products from biomass
- Extensive experience in finance and accounting from managerial and executive positions in audit/consulting, shipping, production, and project dev.
- Master in Audit and Accounting



**Dr. Trond Forseth**  
Chief Technical Officer

- 22 years exp. in process engineering and mgt. positions pulp & paper industries.
- 9 years prod. mgt. & development of 3D printing Titanium, meth. & machines.
- Experience plan & build prod. plant
- Extensive experience in production mgt., quality systems, product & process dev., quality control, cost red. & efficiency improvement programs.
- PhD Chemical Engineer



**Gudmund Jenssen**  
MD Biocarbon Production

- Extensive operational and development experience from the Pulp and Paper industry valorising biomass
- Previously held the position as Head of Development at Norske Skog Saugbrugs, working with among other biocarbon and carbon capture
- MSc Chemical Engineering





**Håkon Nøstvik**  
VP Commercial

- Strong experience in developing growth strategies for industrial scale-ups, implementing commercial strategies and comprehensive market analysis from his time as a management consultant
- MSc Industrial Economics and Technological Management



**Cathrine Adolfsen**  
VP Projects

- More than 20 years experience from Paper and Packaging industry
- Project portfolio includes industry greenfield projects and R&D projects
- Experience from start-up and ramp-up of new production sites
- MBA. BSc in Chemical Engineering



**Mathias N. Reiherth**  
Director Corporate Affairs  
and Commercial

- More than 15 years of experience covering broad spectrum of corporate affairs, strategy and commercial management with background from management consulting and journalism
- Recent positions within green industry and energy sector in some of Norway's leading companies
- MSc Economics and Business Administration



**Peder Poulsen**  
Director Project Finance

- 17 years of experience in various finance positions, from business development, investor relations to project finance in mining industry, media, renewable energy and cable systems manufacturing.
- MSc International Economics, Finance and Management



**Charlotte Lindstad**  
Product Manager

- 28 years of experience in production of Si and FeSi at Elkem AS. Various positions as process engr., and mgt. production, project, quality & development.
- Extensive experience production, quality systems, quality control, cost red. & efficiency imp, development of international standards
- MSc Metallurgy



**Topi Vaarala**  
Process Manager

- 5 years experience as plant metallurgist at gold mine Agnico Eagle Finland Oy
- 3 years of experience as process design engineer and engineering manager at Sweco, European engineering consultancy company
- MSc Process Engineering Metallurgy

**VOW** green  
metals

Spearheading the development of a rapidly  
growing biocarbon industry.

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[www.vowgreenmetals.com](http://www.vowgreenmetals.com)

