

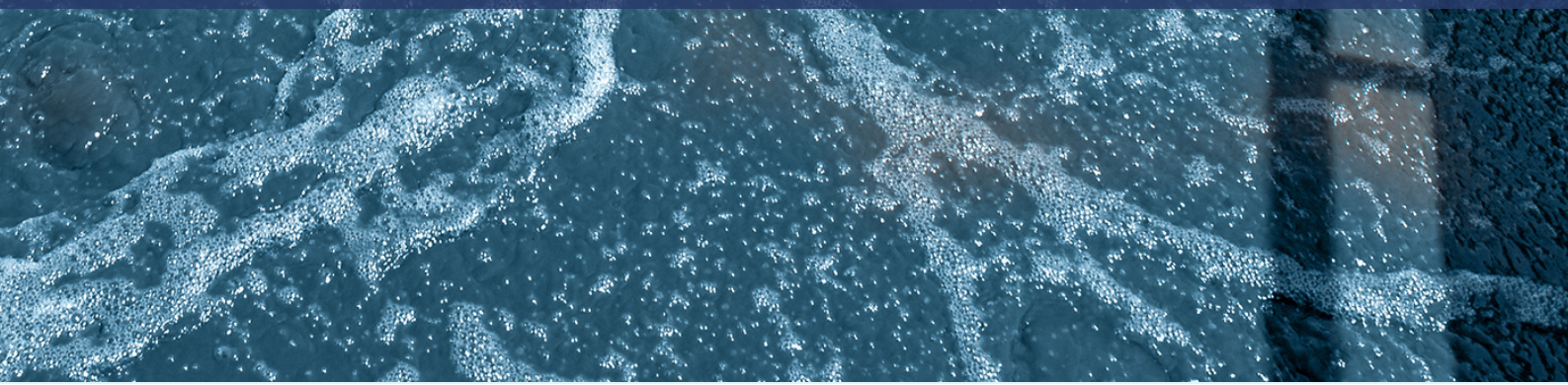
Q2 23

CAMBI ASA | SECOND-QUARTER RESULTS 2023

CAMBI



Cambi's technology and solutions are transforming wastewater solids and organic wastes into valuable bioresources, enabling the circular economy in cities and industries around the world.



Second quarter Highlights

- **Revenue** in the second quarter amounted to NOK 238 million, up NOK 133 million (127%) against the same quarter last year and up NOK 28 million (13%) versus the previous quarter. A key driver for the increase is the continued strong momentum in the execution of the order backlog. In addition, a weaker NOK has provided additional uplift from project revenues in foreign currencies.
- **Net cash flow** in the second quarter was NOK -30 million compared to NOK 50 million in the same quarter of last year. The negative cash flow is mainly due to the timing of project milestone payments and other changes in accruals, dividend payments of NOK 24 million and investments in Grønn Vekst's packaging line in the second quarter this year.
- **EBITDA** was NOK 64 million, up from NOK -3 million in the second quarter of 2022. The increase against the same quarter last year is primarily driven by margin contribution from project revenues. Gross margin ended at 56%, up from 48% last year. Sales, general and administrative expenses were NOK 69 million, up from NOK 53 million last year, driven by the growing size and scope of the organization.
- **Order intake** in the period was NOK 201 million, down from NOK 244 million in the second quarter last year.
- **Order backlog** in the second quarter was NOK 1,042 million, up 92% from NOK 544 million a year ago, and down from NOK 1,079 million at the end of the first quarter this year.

238

Revenue

64

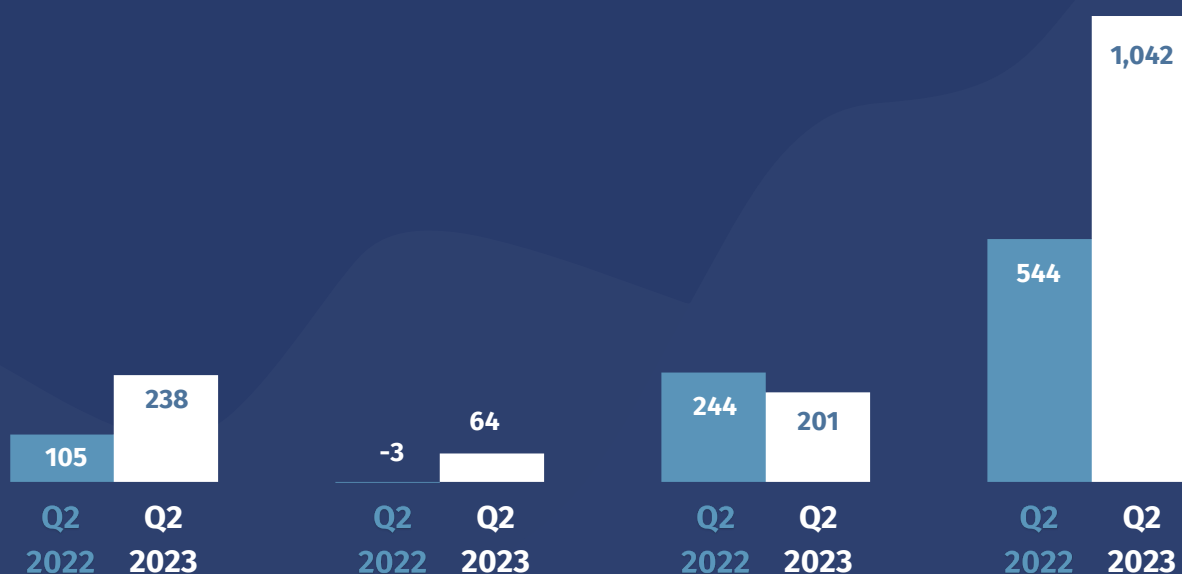
EBITDA

201

Order Intake

1,042

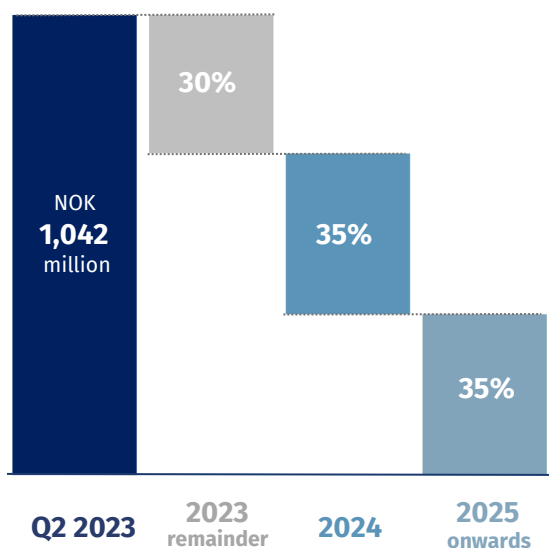
Order Backlog



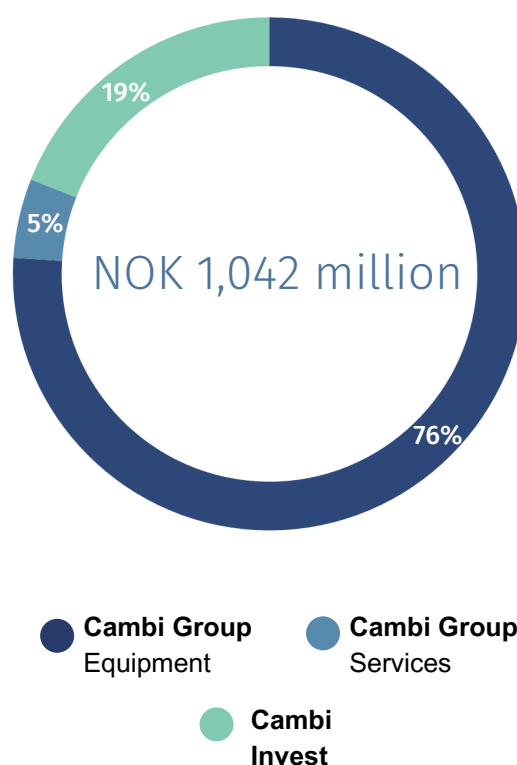
in NOK million

Order backlog

Backlog distribution

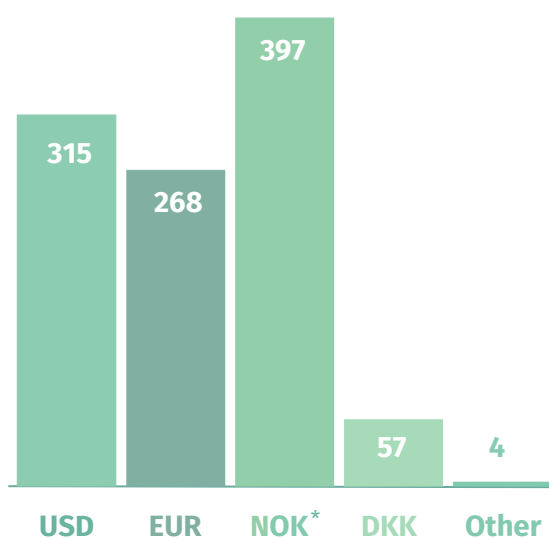


Backlog by segment



Backlog by currency

in NOK million, equivalent at Q2 2023 FX



* 12% of the NOK backlog is linked to EUR, and adjusted based on FX rates at time of invoicing

The total order backlog at the end of the second quarter was NOK 1,042 million.

Cambi Group's backlog is mainly in USD and EUR, in addition to other currencies. Cambi Invest's backlog is all in NOK, representing Grønn Vekst's contract portfolio. Soil products are sold on a spot basis and not included in the backlog.

Operational review

Equipment

Projects continued to move well through the various phases of execution during the quarter. Good progress in the design phase continued for San Francisco (California, USA) and Fredrikstad (Norway), among others.

The systems for Kubratovo (Sofia, Bulgaria), Secunda (South Africa) and Lillestrøm (Norway) were well into production at the Congleton workshop.

Delivery to site was completed for Cambi's first project in Morocco in Safi, and in Copenhagen for the Damhusåen plant, which also began on-site installation in the second quarter.

The contract for a second THP train at the Psytalia plant in Athens, Greece had notable activity in the quarter, completing installation and beginning commissioning works. Apart from Psytalia, commissioning was initiated for the systems already installed in Piscataway (Maryland, USA) and Warsaw (Poland).

THP systems in operation in Dallas (Texas, USA), Franklin (Tennessee, USA) and Jarocin (Poland) were fine-tuned during the quarter in preparation for performance tests.

112

million people can benefit from the total capacity of Cambi's THP projects

83

facilities have chosen Cambi's thermal hydrolysis technology

0

reportable health and safety incidents

Services

The Dublin Ringsend upgrade project (Ireland) progressed as planned with engineering and procurement activities in the second quarter.

Manufacturing of the third reactor for Hengelo (Netherlands) progressed well and is due to be delivered to site in August, ahead of the original schedule.

In the same period, Cambi Services secured a Professional Services contract (PSC) for an upgrade of the THP in the Whitlingham plant (United Kingdom).



Copenhagen, Denmark: Delivery and installation for Damhusåen

Financial review

Revenue

Revenues from the Cambi Group segment increased to NOK 199 million, up 185% versus the same quarter last year. A key driver is the solid progress made on Equipment projects, and projects that faced delays last year have now regained positive momentum. The ongoing projects, spanning various phases of execution, are all proceeding according to plan.

Equipment revenue was NOK 168 million, up 205% against the prior year and slightly down versus the previous quarter. Services revenue was NOK 32 million, up 110% against the prior year and up 76% from the last quarter.

Order intake

Order intake in the second quarter was NOK 52 million, down from NOK 217 million in the corresponding quarter last year.

EBITDA

The EBITDA for the second quarter was reported at NOK 61 million. This is significantly higher than NOK -8 million in the same quarter last year, where customer delays and supply chain disruptions impacted results. The increase in EBITDA against last year is mainly due to higher project revenues and additional uplifts from foreign currency effects. The EBITDA margin in the current quarter ended 30%.

Order backlog

The quarter's order backlog was NOK 849 million, a significant increase compared to NOK 441 million in the same period last year.

199

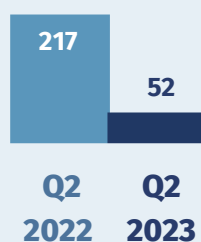
Revenue

**61**

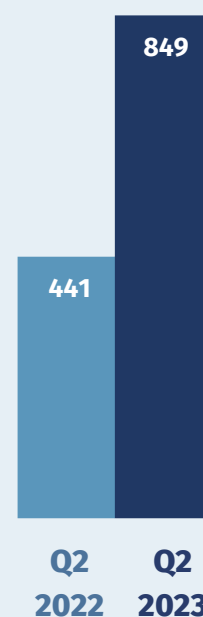
EBITDA

**52**

Order Intake

**849**

Order Backlog



Cambi Invest

Operational review



Recycling

In the second quarter of 2023, a total of 89,000 tons of soil were sold (Q2-22: 100,000 tons), indicating a somewhat lower demand compared to last year.

The early part of Q2 posed production and demand challenges to bulk soil production, while the late arrival of spring directly impacted sales volumes and production costs. Conditions improved in May, and bulk soil production targets were achieved in June as challenges were overcome. With a projected rise in demand for peat-free soil, a high focus on sustainability and adaptability will be key in securing Grønn Vekst's position in the market moving forward.

Grønn Vekst was awarded the biosolid handling contract for Trondheim in May, with startup on 1 June 2023. The new contract has an estimated value of NOK 16 million per year. Its firm duration is 3.5 years, with options for extensions of four years. The total estimated contract value, including options, is up to NOK 120 million.

All biosolids handling contracts continued to be executed according to schedule.

89,000

tonnes of peat-free soil sold in the quarter

26

soil production and composting facilities in Norway

1

new factory for peat-free soil production in full-scale operation

0

reportable health and safety accidents

Financial review

Revenue

The revenue from the Cambi Invest segment was reported at NOK 39 million for the second quarter, slightly higher than last year at NOK 35 million. Revenue increase in the quarter is primarily from soil sales (peat-free bags) and handling of biosolids.

EBITDA

The second quarter EBITDA ended at NOK 3 million, compared to NOK 5 million in the same quarter last year. The result this quarter is impacted by higher-than-expected costs during the startup phase of the peat-free soil packing facility as well as costs connected to the composting facilities in eastern parts of Norway.

Order intake

The order intake of NOK 149 million for the quarter is significantly higher than NOK 25 million in the same quarter last year. This can be attributed entirely to Grønn Vekst and primarily from the awarded biosolids handling contract in Trondheim, Norway.

Order backlog

The order backlog for the second quarter was reported at NOK 193 million. This is up 87% versus the same period last year, where the order backlog was NOK 103 million.

39

Revenue

3

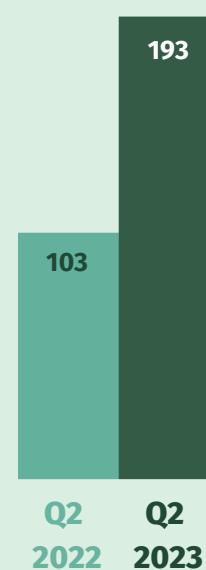
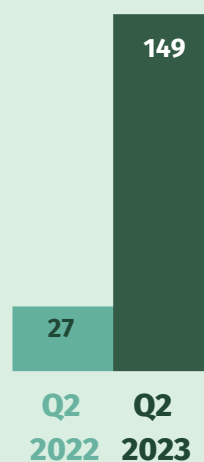
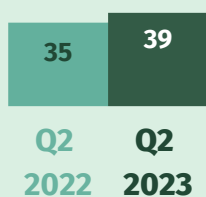
EBITDA

149

Order Intake

193

Order Backlog





Market

Recent Developments

After the second quarter close, Cambi signed four notable contracts and entered two new markets.

The first is a project execution contract with Veas (Norway) for the largest wastewater treatment plant in the country, following a successful collaboration phase for design and budget. The plant services major portions of Oslo, Bærum and Asker, where Cambi is headquartered.

Another contract is for the Tuas project, our second in Singapore with the national water agency Public Utilities Board (PUB), one of the world's most innovative water utilities.

The third contract, Cambi's first in Israel, is for the Be'er Sheva treatment plant with utility Mey Sheva. Cambi's first venture in a desert city will help address urban growth and make biosolids apt for local reuse.

Lastly, Cambi will have its first project in New Zealand for the Moa Point sludge minimization facility in Wellington. The capital city is expected to benefit from the technology, most notably through an 80% reduction of the biosolids volume taken to landfill.

Outlook

The positive development from the first quarter continues, leading to a solid financial performance in the first half of 2023. The revenue growth at the back of a solid opening backlog, and healthy profit margins, demonstrates the scalability of the business.

In the fourth quarter 2022 report, Cambi estimated that it would sign equipment contracts with a total value of NOK 1.2 billion in the two years 2023-2024. As per the reporting date, equipment contracts for a total amount of around NOK 1 billion are secured.

Cambi remains focused on organic growth while also evaluating opportunities to acquire complementary businesses or technologies.

The Board emphasizes that every assessment of future conditions necessarily involves an element of uncertainty.

The Board of Directors and Cambi ASA CEO approved the report and unaudited interim financial statements.

Asker, 21 August 2023

Q2 2023

Interim financial statements with notes

Consolidated statement of profit and loss

Unaudited, in NOK million

	Q2 2023	Q2 2022	H1 2023	H1 2022
Operating income	237.9	104.6	447.6	173.7
Cost of goods sold	104.9	54.6	186.3	93.8
Payroll expenses	37.0	30.3	75.9	61.2
Depreciation & amortisation expenses	6.0	2.7	12.0	4.6
Other operating expenses	32.2	22.3	54.9	42.4
Operating expenses	180.1	109.9	339.0	202.0
Operating profit	57.8	-5.3	108.6	-28.3
Net financial items	-4.6	-3.5	-7.1	-1.2
Profit (loss) before tax	53.2	-8.8	101.5	-29.5
Tax expense	0.5	0.2	0.5	0.9
Net profit (loss)	52.7	-9.0	101.0	-30.4
Attributable to				
Equity holders of the parent company	52.9	-8.7	101.6	-29.8
Non-controlling interests	-0.2	-0.3	-0.6	-0.6
EBITDA	63.8	-2.6	120.5	-23.7

Consolidated statement of financial position

Unaudited, in NOK million

<i>Assets</i>	Q2 2023	Q2 2022	Year 2022
Intangible assets	71.6	90.2	81.9
Tangible assets	31.4	19.6	19.7
Financial assets	1.1	2.1	1.0
Total non-current assets	104.0	111.9	102.7
Inventories	75.3	47.2	43.3
Debtors	251.5	136.0	162.8
Financial assets	101.7	100.5	101.7
Bank deposits	168.4	120.5	166.9
Total current assets	596.9	404.2	474.7
Total assets	700.9	516.1	577.3
<i>Equity</i>	Q2 2023	Q2 2022	Year 2022
Total equity	520.1	418.3	401.9
<i>Liabilities</i>	Q2 2023	Q2 2022	Year 2022
Non-current liabilities	0.5	1.8	1.1
Current liabilities	180.3	96.0	174.2
Total liabilities	180.8	97.8	175.4
Total equity and liabilities	700.9	516.1	577.3

Consolidated statement of cash flows

Unaudited, in NOK million

	Q2 2023	Q2 2022	H1 2023	H1 2022
Cash flows from operating activities				
Profit/loss before tax	53.2	-8.8	101.5	-29.5
Tax paid for the period	-0.5	-0.3	-0.5	-1.9
Ordinary depreciation	6.0	2.7	12.0	4.6
Change in inventory	-15.1	1.7	-32.0	-2.0
Change in accounts receivable	-69.1	28.1	-86.4	-11.9
Change in accounts payable	21.4	8.8	25.0	2.6
Effect of exchange rate fluctuations	3.0	9.0	9.2	6.8
Change in other accrual items	6.3	8.4	9.9	32.3
Net cash flows from operating activities	5.2	49.6	38.7	0.9
Cash flows from investment activities				
Payments for the purchase of fixed assets	-11.7	-0.2	-13.0	-1.3
Payments for purchase of intangible assets	0.0	-48.7	-0.1	-48.7
Payments for share buy back	-0.3		-1.0	
Proceeds from the sales of shares	0.8		1.6	
Proceeds for the sales of money market fund shares		49.8		100.2
Payments for the purchase of money market fund shares				
Net cash flows from investment activities	-11.2	0.9	-12.5	50.1
Cash flows from financing activities				
Proceeds from the issuance of new short-term liabilities		-0.3		
Instalment payments of long-term liabilities	-0.3		-0.6	-0.6
Instalment payments of short-term liabilities				
Net change in bank overdraft				
Net proceeds from private placement	-24.0		-24.0	
Change investment equity method	0.0	0.2	0.0	0.0
Net cash flows from financing activities	-24.3	-0.1	-24.7	-0.7
Net change in cash and cash equivalents	-30.4	50.4	1.5	50.4
Cash and cash equivalents at the start of the period	198.9	70.1	166.9	70.1
Cash and cash equivalents at the end of the period	168.4	120.5	168.4	120.5

Consolidated statement of changes in equity

Unaudited, in NOK million

	Share capital	Own shares	Share premium	Other equity	Minority interests	Total
Equity as of 1 January 2023	3.2	-0.0	295.0	101.9	1.9	401.9
Profit 2023				101.6	-0.6	101.0
Share buy back		-0.0		-1.0		1.0
Management share program		0.0		8.3		8.4
Aksjerabatt				0.4		0.4
Dividend (own shares)				0.0		0.0
Currency effects				9.2	0.1	9.3
Equity as of 30 June 2023	3.2	-0.0	295.0	220.4	1.4	520.0

Notes

Note 1 - Reporting entity

Cambi ASA is a limited liability company with headquarters in Asker, Norway. The consolidated interim financial statements comprise Cambi ASA and its subsidiaries.

Cambi is a global technology and solutions supplier for sustainable biosolids management, transforming wastewater solids and organic wastes into renewable energy, fertilisers, and soil products. Cambi's core offer is its patented thermal hydrolysis process (THP), a treatment process for wastewater solids and other organic waste fractions. The process has multiple cost-saving and environmental benefits. Coupled with anaerobic digestion, it increases biogas production, reduces demand for non-renewable energy sources, and produces easy-to-handle, nutrient-rich biosolids that can replace synthetic fertilisers.

Cambi systems are installed at many wastewater treatment facilities owned by the world's leading water utilities. Established in 1992, the company has grown to span five continents, with 83 projects in 25 countries and an installed capacity sufficient to process the waste of a population equivalent of around 112 million at the end of second quarter of 2023.

Besides anaerobic digestion solutions using THP, Cambi owns the recycling company Grønn Vekst, the market leader in Norway for producing sustainable soil products.

Note 2 - Operating segments

Unaudited, in NOK million

	Cambi Group				Cambi Invest			
	Q2 2023	Q2 2022	H1 2023	H1 2022	Q2 2023	Q2 2022	H1 2023	H1 2022
Operating income	199.3	69.9	393.0	121.8	38.6	34.7	54.6	51.9
Cost of goods sold	79.0	32.9	149.7	60.7	25.9	21.7	36.6	33.1
Payroll expenses	31.4	25.9	64.0	51.9	5.5	4.4	11.8	9.3
Depreciation & amortisation expenses	5.3	2.0	10.5	3.3	0.8	0.7	1.4	1.3
Other operating expenses	28.3	18.7	57.3	35.5	3.9	3.6	7.6	6.9
Operating expenses	144.0	79.5	281.5	151.4	36.1	30.4	57.5	50.6
Operating profit	55.3	-9.6	111.4	-29.6	2.5	4.3	-2.9	1.3
Net financial items	-4.2	-2.9	-6.2	-0.6	-0.5	-0.6	-0.9	-0.6
Profit (loss) before tax	51.1	-12.5	105.2	-30.2	2.1	3.7	-3.7	0.7
EBITDA	60.5	-7.6	122.0	-26.3	3.3	5.0	-1.4	2.6

The **Cambi Group** segment comprises the sale of thermal hydrolysis process (THP) plants and ancillary equipment, together with related services, including plant upgrades, spare parts, site support and consultancy.

The **Cambi Invest** segment aims to create investment opportunities connected to the THP technology in companies (e.g., portfolio company Grønn Vekst) and DBO (Design, Build and Operate) projects.

Grønn Vekst recycles organic resources from municipalities and industry, i.e. sewage sludge, garden waste, and stonemeal. From these resources, the company produces high-quality compost-based soil products as substitutes for peat-based soils. Grønn Vekst is Norway's largest soil producer and leading sewage sludge recycling company.

DBO projects are investment opportunities where Cambi and partners own and operate wastewater solids treatment facilities that use Cambi's thermal hydrolysis process at sites with biogas production. All projects in this subsegment are currently in various development stages. Cambi is committed to growing this business area and closing the first DBO contract soon.

Note 3 - Construction contracts

Unaudited, in NOK million

	Q2 2023	Q2 2022
Earned, not invoiced project revenue (in BS)	75.1	66.3
Accrued project cost, provision and guarantees (in BS)	95.9	45.2
Accumulated recorded revenue for ongoing projects	669.6	401.8
Accumulated cost related to recorded revenue	281.4	169.2
Net accumulated contribution on ongoing projects	388.2	232.6

Revenues from construction contracts are recognised on the percentage-of-completion method, measured by the percentage of costs incurred to date divided by the estimated total costs for each contract.

Cambi had 14 ongoing construction projects at the end of the second quarter and the same number at the end of 2022. The accumulated contribution from ongoing projects was NOK 388.2 million, recognised through profit and loss from the commencement of the projects.

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CAMBI ASA | SECOND-QUARTER RESULTS 2023

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