



CAMBI

Quarterly Report | Cambi ASA

Q3 2024



cambi.com

Cambi enables the transformation of wastewater solids and organic wastes into valuable bioresources in cities around the world, with reliable technology and solutions for water utility companies and large industrial facilities.



New housing development with soil from Grønn Vekst



CEO's third-quarter summary

- High quarterly revenue and EBITDA from steady conversion of order backlog
- Good momentum in project execution in the Technology segment, delivering on client schedules on all contracts
- Continued to strengthen the organisation and position Cambi for future growth in all business areas
- New visual identity, logo and website for modern, clean and simple design
- Positive outlook, with potential for new contracts in both new and mature markets like the UK

Financial highlights

Solid financial performance reported in the third quarter

Revenue in the third quarter was NOK 277 million, an increase of 18% from NOK 235 million in the same quarter of 2023. Cambi continued to record good progress in executing ongoing construction contracts according to client schedules. At the end of the third quarter, there were 15 ongoing construction contracts.

Operating expenses in the third quarter were NOK 90 million, significantly up from the same quarter of 2023. The increase is due to conscious targeted investments in increasing the capacity of the Cambi organisation, primarily within sales, marketing, and project execution. Other operating expenses in the third quarter of 2023 included a reversal of project-related accruals.

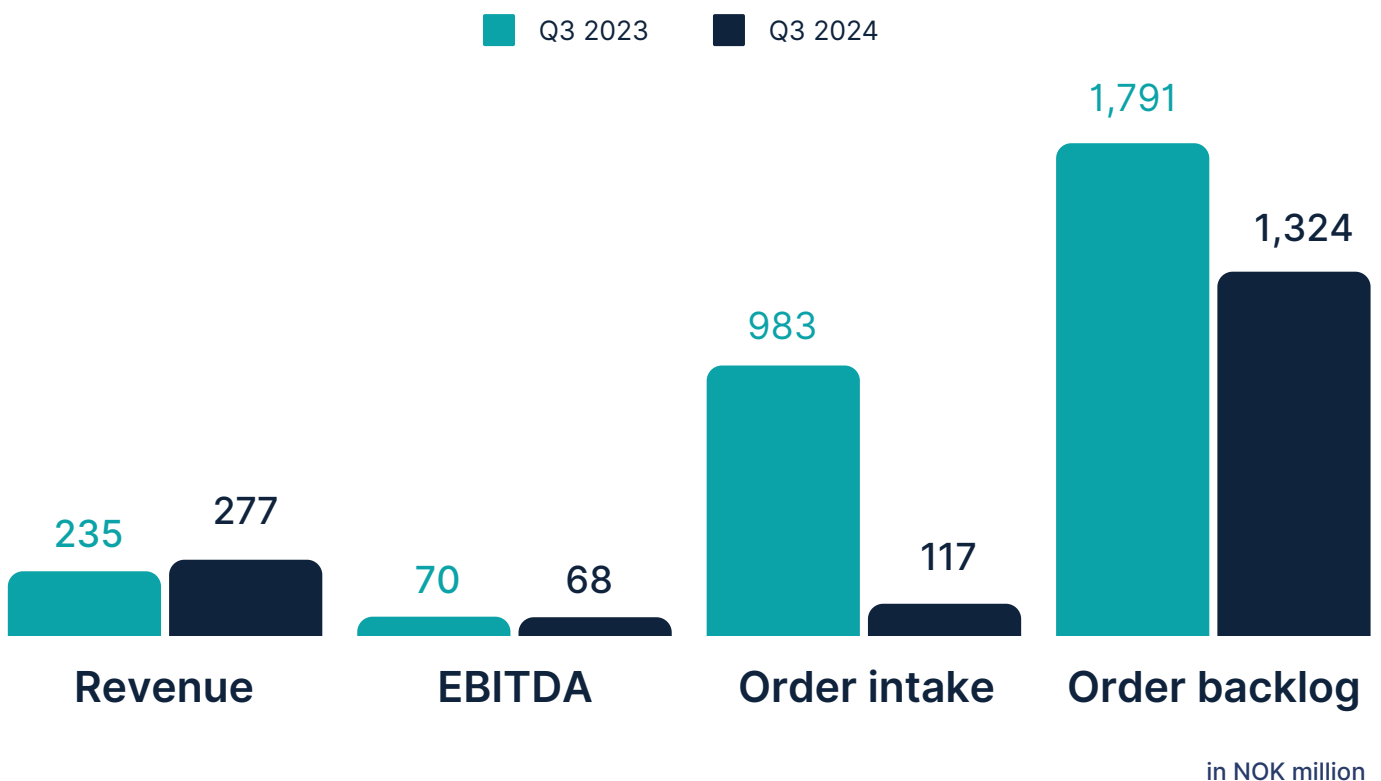
EBITDA for the third quarter was NOK 68 million, compared to NOK 70 million in the third quarter of 2023. Higher revenues were offset by higher operating expenses in the quarter.

Operating cash flow was NOK -79 million in the third quarter, compared to NOK 115 million in the same quarter of 2023. The difference is mainly due to fewer milestone payments received during the quarter from ongoing construction contracts.

Order intake for the third quarter was NOK 117 million, compared to the quarterly all-time high of NOK 983 million in the same period last year. There were no contract announcements in the quarter. The order intake was roughly evenly split between the Technology and Solutions segments.

Order backlog ended the third quarter at NOK 1,324 million, compared to NOK 1,791 million one year earlier. The backlog provides good visibility for the activity level in the coming quarters.

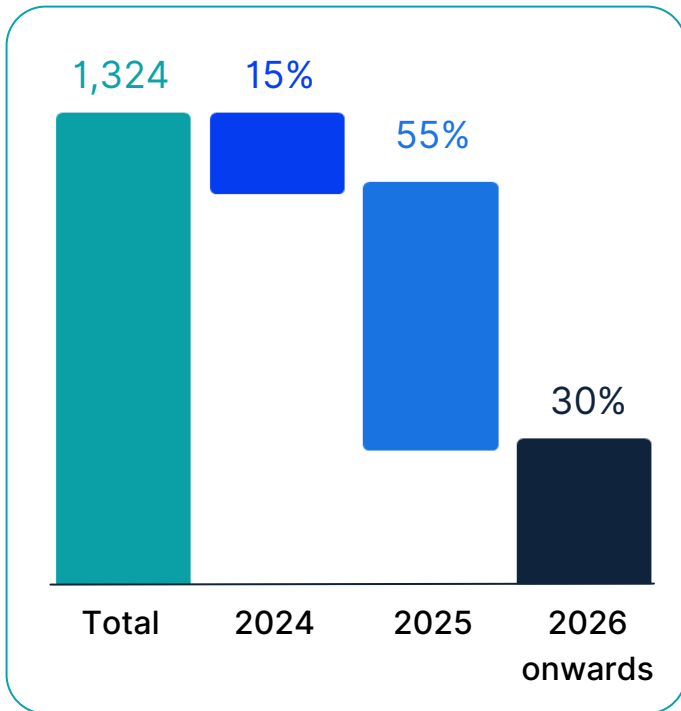
Key financials



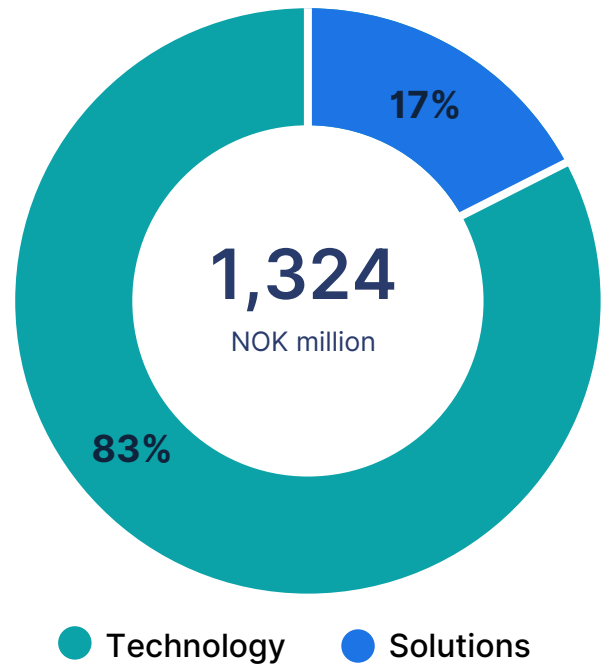
Order backlog

Backlog by execution year

in NOK million

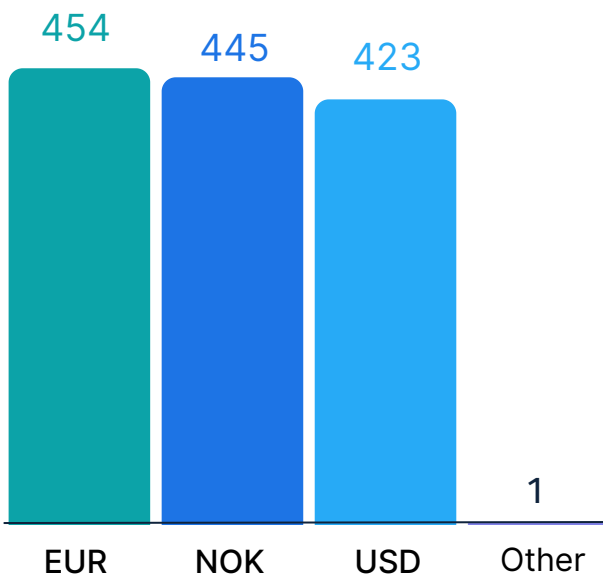


Backlog by segment



Backlog by currency

in NOK million



At the close of the third quarter, Cambi had an order backlog of NOK 1,324 million.

In the Technology segment, the backlog includes 15 construction projects, with consideration given to the progress achieved thus far and the work that remains. The pending work is accounted for in the backlog and is anticipated to convert into revenue in upcoming periods.

In the Solutions segment, the backlog consists of the value of remaining work under Grønn Vekst's biosolids and garden waste handling contracts, inclusive of contract extension options. There were no construction contracts in the backlog within Services at the end of the quarter.

Approximately two-thirds of the order backlog is denominated in foreign currencies, which poses risks related to exchange rate fluctuations.

Operational review

Steady project execution progress in line with client site schedules

Cambi's project execution team maintained strong performance in the third quarter, delivering on client schedules across ongoing contracts.

The THP system delivered at the Neuse River site in Raleigh (North Carolina, USA), entered operations early in the quarter. In Copenhagen, Denmark, the Damhusåen project was also commissioned and officially opened during the quarter. Several other projects, in the USA, Belgium, Morocco, and Bulgaria, remain lined up for commissioning awaiting client site readiness.

In Norway, Cambi completed installation of the THP system delivered in Lillestrøm. In South Africa, the THP system delivered to Sasol made progress through the installation phase with remote support from Cambi.

Manufacturing also progressed well, with purchasing completed for the projects at Tuas in Singapore and Southeast WWTP in San Francisco (California, USA). The Morris Forman project in Louisville (Kentucky, USA) entered the purchasing phase.

The THP systems designed for three ongoing construction projects cleared the engineering phase in the quarter: Woodman Point in Perth (Australia), Moa Point in Wellington (New Zealand) and Øra in Fredrikstad (Norway). The sludge line in Fredrikstad starts to take shape, with reception tanks delivered to site in the quarter. Finally, the project in Lviv (Ukraine), which had been on hold for more than two years, has been reactivated in the engineering phase.



THP installed at Krogstad in Lillestrøm, Norway



Sludge reception tanks delivered at Øra in Fredrikstad, Norway



118

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



89

facilities have chosen Cambi's thermal hydrolysis technology



27

countries with Cambi THP plants on all six continents

Financial review

Solid progress on several construction contracts in the second quarter

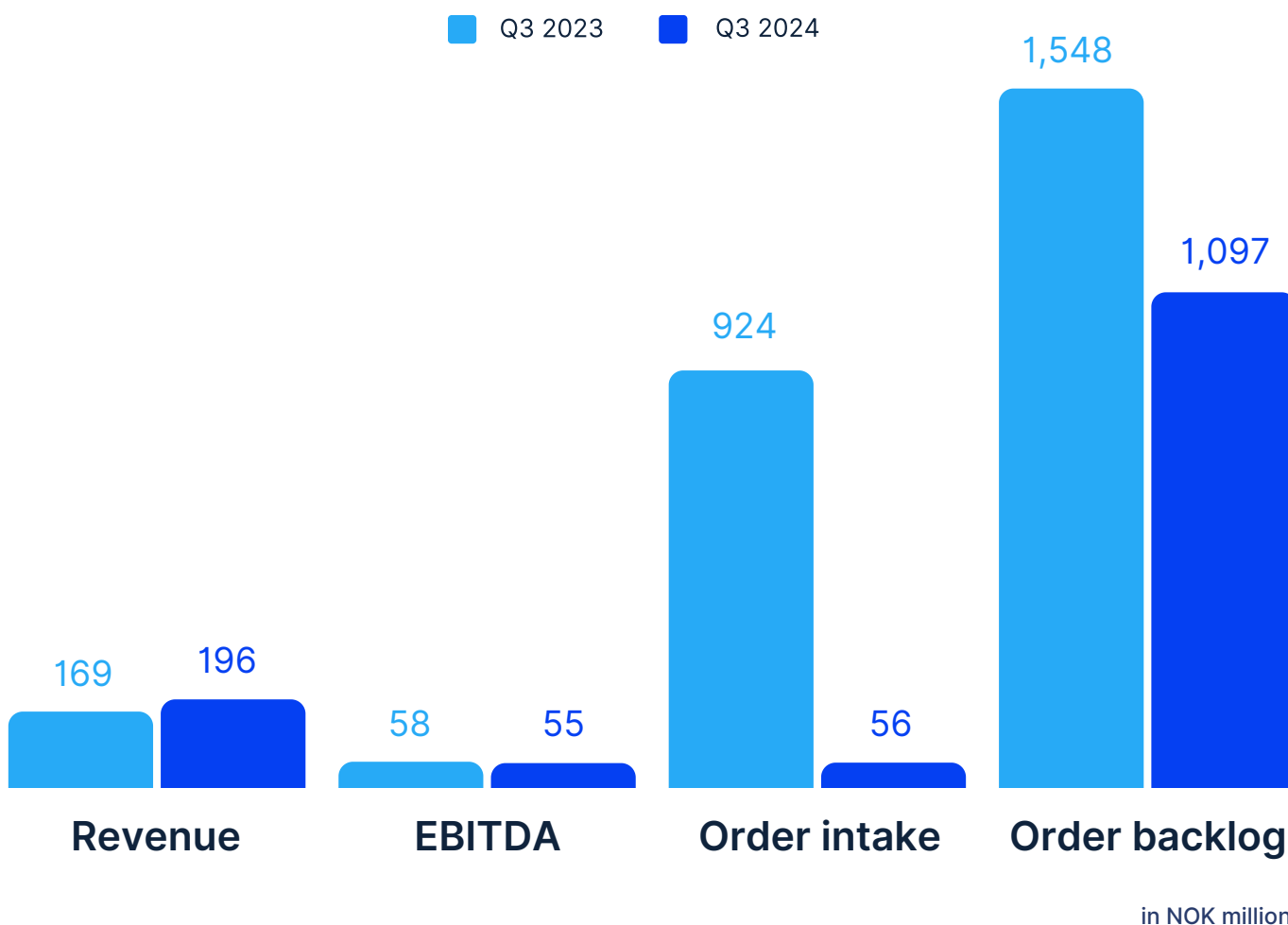
Revenue in the third quarter was NOK 196 million, up 16% from NOK 169 million in the same quarter of 2023. The revenue level reflects good progress on many of the 15 ongoing construction contracts for new thermal hydrolysis plants.

EBITDA for the third quarter was NOK 55 million, compared to NOK 58 million in the third quarter of 2023. The EBITDA reflects high operational leverage in the Technology segment.

Order intake for the third quarter was NOK 56 million. There were no equipment contract awards, but Cambi received variation orders for ongoing construction contracts, including updating the contract value of the Lviv project, which has now restarted.

Order backlog ended the third quarter at NOK 1,097 million, compared to NOK 1,548 million recorded one year earlier. The backlog provides good visibility for upcoming activity levels.

Key financials



Operational review

Continued increase in demand for site services and upgrades

Services

In the Services subsegment, activity levels continued to rise in the third quarter, driven by increased demand for site services and upgrades. To support this growth, Cambi expanded its team, adding key personnel in both the UK and the US.

Within operations and maintenance (O&M) support, the team has been highly active at THP sites across the UK and Central Europe.

Within upgrades, significant progress was made on two projects. At the Whitlingham site in Norwich (UK), the project moved swiftly through commissioning and the plant was successfully restarted on sludge before the end of the quarter.

The comprehensive upgrade of the third THP stream at the Ringsend site in Dublin (Ireland) advanced through commissioning and approached completion by the end of the quarter. To minimise operational disruption, commissioning has been staged, with the project continuing into the fourth quarter to ensure uninterrupted plant operations.

In addition, Services completed an engineering assignment signed earlier in the year and took on a new similar assignment for another UK site. These studies are essential for the development of future THP upgrade projects, reflecting Cambi's commitment to continuous improvement and expansion in the upgrade market.



THP progressing through upgrade commissioning for Irish Water at Ringsend in Dublin, Ireland

Recycling

Bulk soil sales in the third quarter reached 81,000 tonnes, up 23% compared to 66,000 tonnes in the third quarter of 2023. Year-to-date sales totalled 221,000 tonnes, a 27% increase from 173,500 tonnes in the first three quarters of last year.

81

thousand tonnes
of bulk soil
sold in the quarter

27

soil production and
composting sites
in Norway

The retail soil business maintained scheduled soil bag deliveries and started production and bagging for the spring season 2025. Grønn Vekst secured additional production areas, providing additional production capacity as demand for peat-free soil blends gradually grows.

All existing biosolids and garden waste contracts were executed as planned. Although no significant new contracts were awarded during the quarter, several smaller contracts were added, ensuring continued activity and client engagement.



Soil production for Grønn Vekst at Skedsmo in Lillestrøm, Norway

Financial review

Steady financial performance while investing in future growth

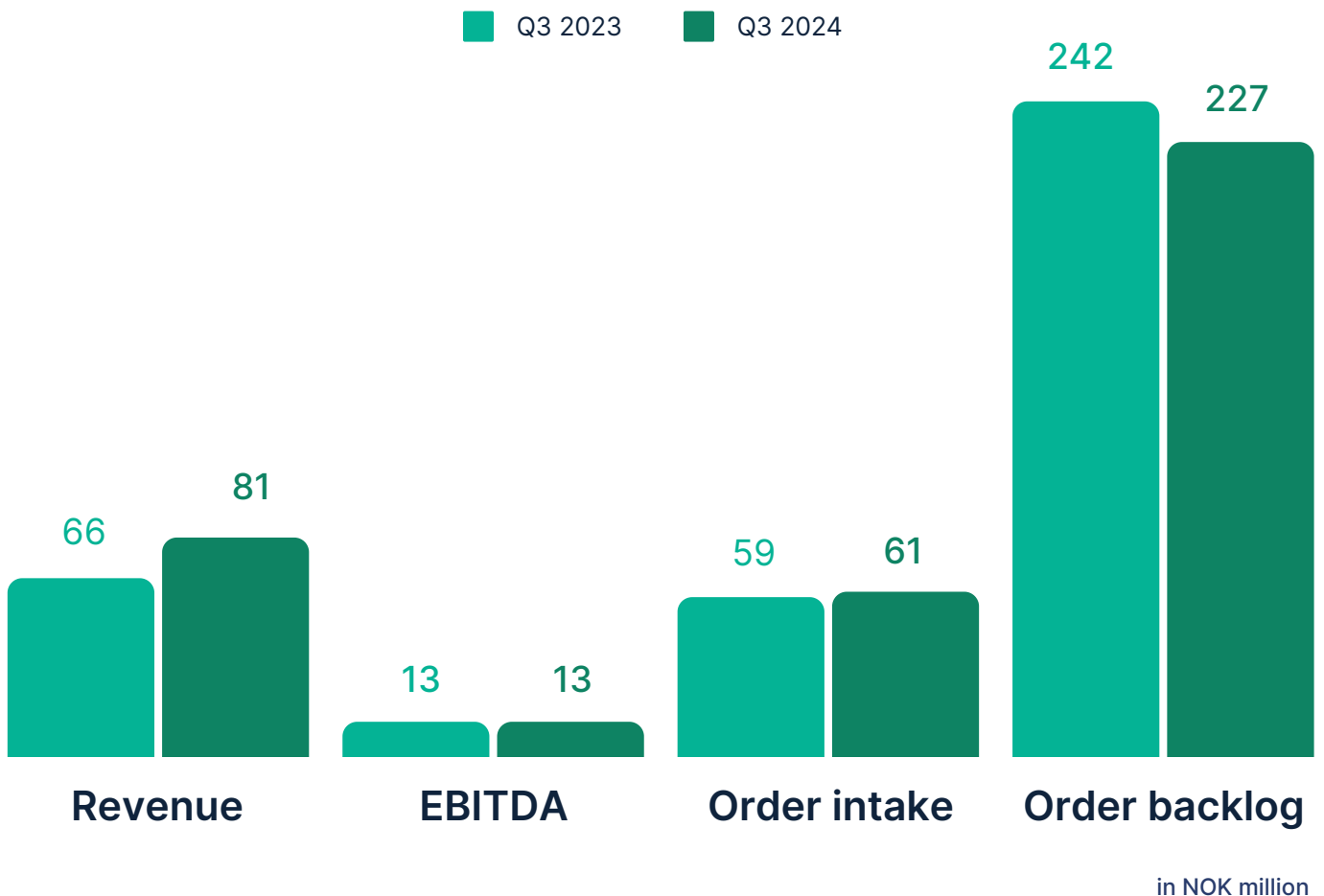
Revenue in the third quarter was NOK 81 million, up 23% from NOK 66 million in the same quarter of 2023. The increase is mainly attributed to higher revenue for Services, which progressed with the delivery of two upgrade projects in the quarter. Revenue growth is also attributed to an increase in biosolids handling and bulk soil sales for Grønn Vekst in the Recycling subsegment.

EBITDA for the third quarter was NOK 13 million, the same as for the same quarter of 2023. Higher quarterly revenue was offset by higher operating expenses, driven by an increasing organisation in both the Services and Recycling subsegments.

Order intake for the third quarter came in at NOK 61 million, compared to NOK 59 million in the same quarter of last year. There were no significant new contracts, but several smaller orders in both the Services and Recycling sub-segments.

Order backlog at the end of the third quarter was NOK 227 million, which is 6% lower than the NOK 242 million recorded one year earlier. At the end of the quarter, the segment backlog consists entirely of biosolids and garden waste handling contracts for Grønn Vekst.

Key financials



Recent developments

In late October, Cambi signed a contract for a project in Palma de Mallorca with the local water utility company, EMAYA, as part of an upgrade and expansion of the EDAR II facility. This project is in collaboration with a consortium of Spanish and international construction firms. Delivery is scheduled for 2026, with operations expected to commence in 2027.

The Palma de Mallorca project is Cambi's fourth in Spain, increasing the total installed capacity in the country to more than 2 million people equivalent, with ample room for future growth.

In addition to project developments, Cambi's leadership has undergone recent changes. In August, Eirik Fadnes stepped down as the CEO. Following his departure, Per Lillebø assumed the role of CEO, while Andreas Mørk was appointed as the new Chair of the Board, taking over from Lillebø.

Andreas Mørk represents Cambi's second-largest owner, AWC, and has served on Cambi's board since 2022. These leadership changes ensure Cambi remains guided by an experienced team, on a stable trajectory of growth and innovation.



City skyline of Palma de Mallorca, Spain

Outlook

Looking ahead, Cambi's outlook remains positive, with strong and steadily increasing interest in its solutions across multiple regions. Proposal and sales activity levels are high, underscoring the company's growing appeal in key markets.

To support this expansion, Cambi has implemented several strategic initiatives to strengthen its presence and capture emerging opportunities in key markets.

The UK is Cambi's most successful market, with 25 THP plants in operation, serving up to half of the population. The last major contract in the UK was awarded in 2021 for Southern Water at Goddards Green, but a new five-year Asset Management Period (AMP 8) will commence in January 2025. This cycle is expected to drive significant infrastructure investment, and Cambi is well-positioned to secure new THP contracts in the coming years in its most mature market.

Cambi's financial outlook is influenced by external factors such as project execution schedules, currency exchange rate variability, and geopolitical developments. The company is actively implementing risk mitigation strategies and remains dedicated to meeting client timelines.

Cambi is focused on pursuing organic growth while also evaluating strategic acquisitions of complementary businesses or technologies to enhance its global leadership in environmental solutions for utility and industrial sectors.

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

Asker, 6 November 2024

Interim financial statements

Consolidated income statement for the third quarter 2024

Unaudited, in NOK million

	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
Revenue	277.5	234.8	799.5	682.4
Materials, goods and services	119.1	119.2	363.2	305.6
Gross margin	158.3	115.6	436.3	376.8
Payroll expenses	59.3	41.9	157.6	117.8
Other operating expenses	30.6	3.5	91.6	68.4
Operating expenses	89.9	45.4	249.2	186.2
EBITDA	68.4	70.1	187.1	190.6
Depreciation and amortisation	6.7	6.0	19.1	18.0
Operating profit	61.7	64.1	168.0	172.6
Net financial items	-4.9	6.0	-12.1	-1.0
Profit (loss) before tax	56.8	70.1	155.9	171.6
Income tax expense	14.1		33.9	0.5
Net profit (loss)	42.7	70.1	122.0	171.1
Attributable to				
Equity holders of the parent company	43.0	70.5	122.8	172.1
Non-controlling interests	-0.3	-0.3	-0.8	-0.9

Consolidated balance sheet for the third quarter 2024

Unaudited, in NOK million

Assets	Q3 2024	Q3 2023	Year 2023
Intangible assets	15.9	66.6	30.3
Tangible assets	48.1	31.7	34.5
Long-term loan to employees	4.1		6.2
Investment in shares	0.7	1.0	0.7
Total non-current assets	68.8	99.3	71.7
Inventories	109.0	75.1	70.9
Receivables	413.8	222.0	243.8
Current financial investments		101.7	107.6
Cash and cash equivalents	173.6	282.2	240.0
Total current assets	696.5	681.0	662.2
Total assets	765.3	780.3	733.9
Equity	Q3 2024	Q3 2023	Year 2023
Total equity	472.2	488.6	338.7
Liabilities	Q3 2024	Q3 2023	Year 2023
Deferred tax/ provisions	12.6		12.6
Non-current liabilities		0.3	0.2
Current liabilities	280.5	291.3	382.5
Total liabilities	293.2	291.6	395.2
Total equity and liabilities	765.3	780.3	733.9

Consolidated cash flow statement for the third quarter 2024

Unaudited, in NOK million

	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
Cash flows from operating activities				
Profit/loss before tax	56.8	70.1	155.9	171.6
Tax paid for the period	-2.0		-4.9	-0.5
Ordinary depreciation	6.7	6.0	19.1	18.0
Change in inventory	-40.9	0.2	-38.2	-31.8
Change in accounts receivable	-17.8	18.4	-25.8	-68.0
Change in accounts payable	-3.1	-9.0	13.9	16.0
Effect of exchange rate fluctuations	1.6	-5.8	10.9	3.4
Change in other accrual items	-80.3	35.2	-131.2	45.1
Net cash flows from operating activities	-78.9	115.3	-0.3	154.0
Cash flows from investment activities				
Payments for the purchase of fixed assets	-6.6	-1.3	-18.3	-14.4
Payments for the purchase of intangible assets		-0.0		-0.1
Payments for the purchase of own shares				-1.0
Proceeds from the sales of own shares				1.6
Proceeds from employee loan repayment	0.6		2.3	
Proceeds from the sales of current financial investments			110.2	
Net cash flows from investment activities	-6.0	-1.4	94.2	-13.9
Cash flows from financing activities				
Repayments of long-term liabilities		-0.2	-0.2	-0.8
Dividend payments			-160.0	-24.0
Change of investment equity method		0.1		0.0
Net cash flows from financing activities	0.0	-0.1	-160.2	-24.8
Net change in cash and cash equivalents	-84.9	113.8	-66.3	115.3
Cash and cash equivalents at the start of the period	258.6	168.4	240.0	166.9
Cash and cash equivalents at the end of the period	173.6	282.2	173.6	282.2

Consolidated statement of changes in equity for the third quarter 2024

	Share capital	Own shares	Share premium	Other equity	Minority interests	Total
Equity as of 1 January 2024	3.2	-0.0	295.0	39.7	0.8	338.7
Net result				122.8	-0.8	122.0
Share-based incentive program				0.6		0.6
Investments in subsidiaries				-3.2	3.2	
Currency exchange differences				10.8	0.0	10.8
Equity as of 30 September 2024	3.2	-0.0	295.0	170.7	3.2	472.1

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 (collectively "Cambi").

Cambi is a global technology and solutions supplier for sustainable biosolids management, transforming waste products into bioresources such as renewable energy, fertilisers, and soil products. Cambi's core offer is its patented thermal hydrolysis process (THP), a treatment process at high temperature and pressure for wastewater solids, or sludge, and other organic waste fractions.

Thermal hydrolysis works in all climates and is compatible with all wastewater solids and waste treatment regulations. It can integrate at new and existing anaerobic digestion sites. The process has multiple cost-saving and environmental benefits. Coupled with anaerobic digestion, it increases biogas production, improves dewatering, reduces demand for non-renewable energy resources, and produces biosolids easy to process in thermal facilities or recycle to land as soil conditioner or instead of synthetic fertilisers.

Thermal hydrolysis is suitable for all biosolids outlets, including land application and thermal processes such as drying, pyrolysis, and incineration. Overall, it is often the technology with the lowest carbon footprint and the lowest total cost over the asset operation lifetime.

Cambi systems are installed at many wastewater treatment facilities owned by the world's leading water utility companies. Established in 1992, the company has grown to span six continents, with 89 facilities in 27 countries and the capacity to process the wastewater solids of a population of around 118 million at the end of the third quarter of 2024.

Besides anaerobic digestion technology and solutions using THP, Cambi owns the soil recycling company Grønn Vekst, Norway's market leader in sustainable, peat-free soil products. Grønn Vekst recycles waste fractions from municipalities and industry, i.e., wastewater solids, garden waste, and stonemeal. The company produces high-quality compost-based soil products from these resources as substitutes for peat-based soils. Grønn Vekst is Norway's largest producer of bulk and peat-free soils, operating at 27 different sites, and is the leading wastewater solids recycling company.

Note 2 - Operating segments

	Technology				Solutions			
	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
Revenue	196.5	168.7	568.4	498.1	81.0	66.1	231.1	184.2
Materials, goods and services	73.9	77.4	231.6	198.7	45.3	41.8	131.6	106.9
Gross margin	122.6	91.3	336.8	299.5	35.8	24.3	99.5	77.3
Payroll expenses	46.6	34.0	124.7	96.4	12.7	7.9	32.9	21.4
Other operating expenses	20.9	-0.3	67.6	54.0	9.7	3.8	24.0	14.4
Operating expenses	67.5	33.7	192.2	150.4	22.4	11.7	57.0	35.8
EBITDA	55.0	57.6	144.5	149.1	13.4	12.5	42.5	41.6
Depreciation and amortisation	4.8	4.5	14.0	13.6	1.9	1.5	5.0	4.4
Operating profit	50.2	53.1	130.5	135.5	11.4	11.0	37.5	37.1

The **Technology** segment comprises the research, development, sale, manufacturing and delivery of thermal hydrolysis process (THP) plants and ancillary equipment to customers around the world.

The **Solutions** segment comprises all services to the growing installed base of Cambi THP plants, including upgrades, capacity expansions, maintenance, and operations; as well as the soil recycling company Grønn Vekst.

Note 3 – Customer construction contracts

Unaudited, in NOK million

	Q3 2024	Q3 2023
Earned, not invoiced revenue from construction contracts (in balance sheet)	254.1	105.4
Accrued project cost, provision and guarantees (in balance sheet)	123.9	122.9
Accumulated revenue recognised for ongoing projects	1,130.7	775.8
Accumulated cost of materials, goods, and services for ongoing projects	482.9	342.1
Net accumulated contribution on ongoing projects	647.7	433.7

Revenue from construction contracts is 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. Construction contracts comprise both equipment deliveries to new Cambi sites, recorded under the Technology segment, and equipment deliveries to existing Cambi sites, recorded under the Solutions segment.

Cambi had 15 ongoing construction projects at the end of the third quarter, all in the Technology segment. At the end of the third quarter of 2023, Cambi had 18 ongoing construction projects, 15 in the Technology segment and 3 (three) in the Solutions segment.

As of 30 September 2024, the accumulated contribution from ongoing projects was NOK 648 million, recognised through profit and loss from the commencement of the projects.

Q324

CAMBI ASA | THIRD-QUARTER RESULTS 2024

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