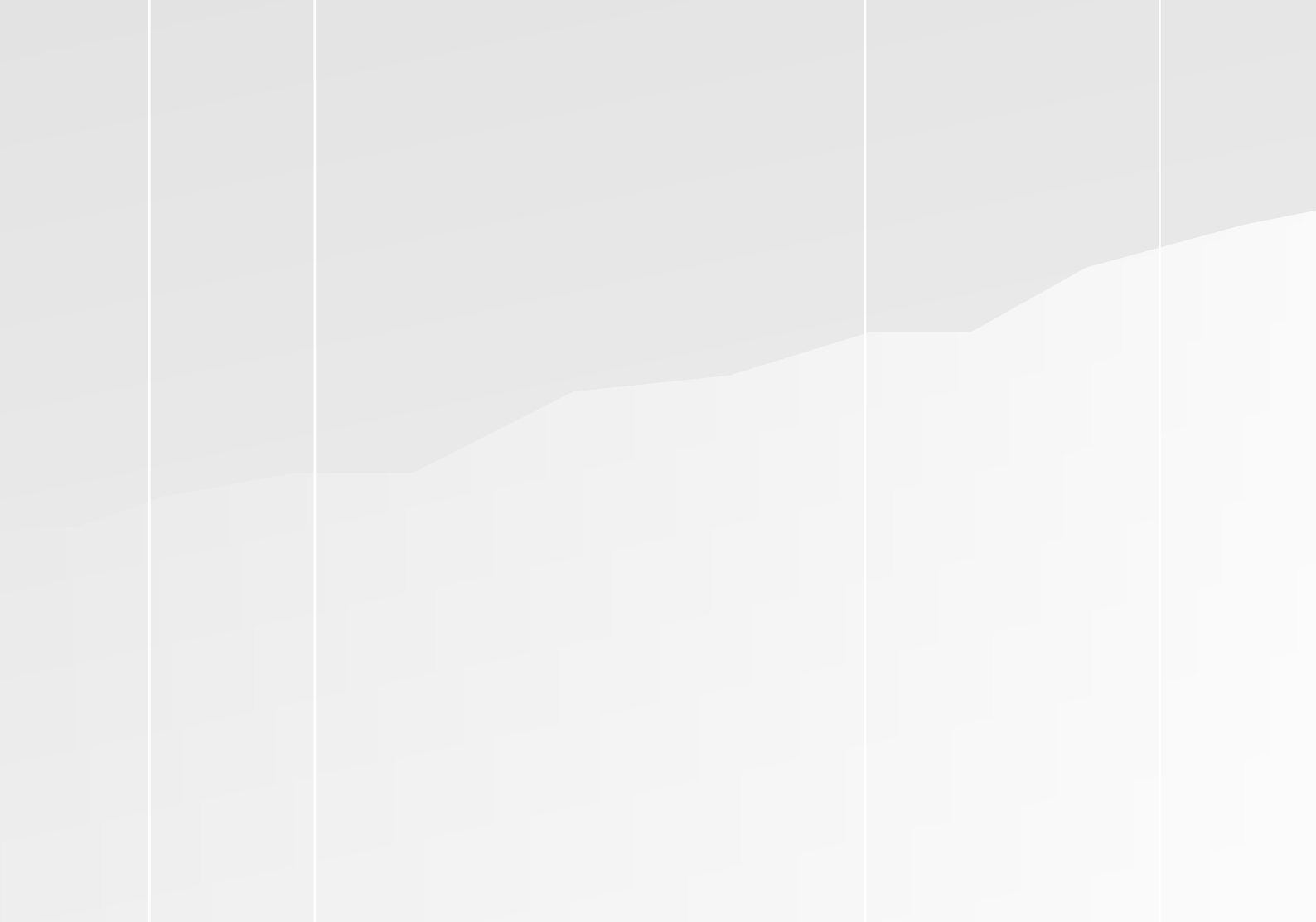


# 2020

CAMBI ASA | ANNUAL REPORT 2020



**Cambi ASA**  
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# This is Cambi

Cambi is a global technology and solutions supplier for sustainable biosolids management, transforming wastewater solids and organic wastes into renewable energy and soil products.



## Our vision

Transforming the world by facilitating a swift transition to sustainable communities as a trusted leader in solutions for anaerobic digestion and organics recycling.



## Our mission

Improving the environment by transforming wastewater solids and organic wastes into valuable bioresources through reliable solutions for municipal utilities and industries.



## Customer focus

We are proactive and commit to responding quickly to customer needs



## Integrity

We are accountable and act with integrity



## Quality

We invest in innovation and work as a team, delivering quality and always looking for better solutions



**Cambi's** core offer is its patented **thermal hydrolysis process (THP)** technology, a treatment process for wastewater solids and other organic waste fractions. The THP comes with multiple cost-saving and environmental benefits: coupled with anaerobic digestion, it increases biogas production, reducing the use of non-renewable energy sources, and produces easy-to-handle, nutrient-rich biosolids that can replace synthetic fertilisers.



Besides THP-related anaerobic digestion solutions, Cambi owns Grønn Vekst, whose core offer is reusing organic resources from various waste streams and transforming them into sustainable soil products.

# Corporate history

Cambi is the pioneer and world leader in thermal hydrolysis and a well-known disruptor in the wastewater treatment industry. Cambi systems are installed at many wastewater treatment facilities owned by the world's leading water utilities.



1989

## Foundation and first steam explosion

Cambi was founded by the forest owners' association Glommen Skogeierforening to develop new methods for cellulose production through steam explosion technology. The name comes from "cambium", the part of the tree where growth takes place.

1992

## Focus on thermal hydrolysis

Per Lillebø and partners take over Cambi. Following promising laboratory results, the company's focus shifts to wastewater solids as feedstock for thermal hydrolysis and steam explosion.

1994

## First contract in Hamar, Norway

Intermunicipal company HIAS invested in the world's first thermal hydrolysis plant (THP), delivered by Cambi. The THP plant's reliability, with a long-term average uptime of 98%, is the result of effective collaboration over 25 years.

1996

## Cambi ASA was founded

1998

## UK expansion

Cambi and Thames Water in the UK established Simon-Hartley Cambi, a joint venture (JV) to make the CambiTHP® process available in the UK and Ireland. Cambi acquired sole ownership of the JV in 2003.



2000

### First large-scale plant in Dublin, Ireland

Chertsey (England) was the first plant to be commissioned in the UK in 2000. Then Cambi was awarded a contract for its first large-scale installation at Ringsend WWTP in Ireland.

### Høst verdien i avfall AS was founded

Høst was established to process waste streams for the Norwegian soil market. Upstream, it entered into disposal contracts for wastewater sludge and biosolids. Downstream, it sold the processed resources to construction companies and retailed soil products.



2002

### First garden compost handling project

In Asker municipality, Norway.

2004

### Piloting stone meal recycling

Høst pioneers the reuse of stone meal, essentially ground stone mostly from quarries, in soil production



2006

### Overcoming challenges to succeed in the UK

The Chertsey plant was struggling. In agreement with Thames Water, Cambi took over operations, made improvements to the process and delivered on its promises. This operational JV was a success and vital for the subsequent expansion in the UK. Cambi currently processes about 40% of all sewage sludge in the UK.

2011

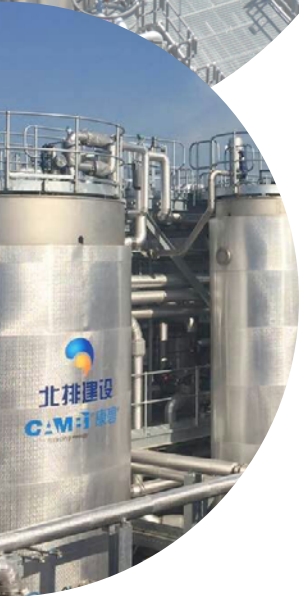
### Turnkey contract in Oslo

Cambi won the contract to deliver a turnkey biowaste plant for Oslo, the Romerike Biogassanlegg (RBA). Here, source-separated household kitchen waste becomes high-quality organic fertiliser, while the upgraded biogas fuels buses in Oslo.

### Breakthrough in the USA

Cambi was selected for the significant upgrade of the Blue Plains WWTP in Washington, DC. As a result, DC Water saved about USD 200 million in digester construction costs and lowered its annual energy and transportation costs by approximately USD 20 million.





2014

### Beijing chooses Cambi

A breakthrough was achieved in China, with five large Cambi THP systems contracted by the Beijing Drainage Group for the city's population of more than 20 million. A record total of 14 projects were signed in 2014.

2016

### Shares bought by Awilhelmsen

Awilhelmsen, a private investment company, acquired approximately 27% of Cambi's shares.

2017

### Cambi obtains stake in an organics recycling company

Cambi acquired an 80% stake in Høst.

### Biosolids transportation by train

Høst started to transport biosolids by train instead of truck, from Bergen to Oslo, reducing emissions and benefitting farmlands in Eastern Norway.

2020

### Restructuring for the future

Corporate reorganisation with two main operating segments Cambi Group and Cambi Invest.

### Grønn Vekst becomes wholly owned by Cambi

Cambi became the sole owner of Høst. Reorganised and renamed Grønn Vekst, the company is poised to continue its growth.

2021

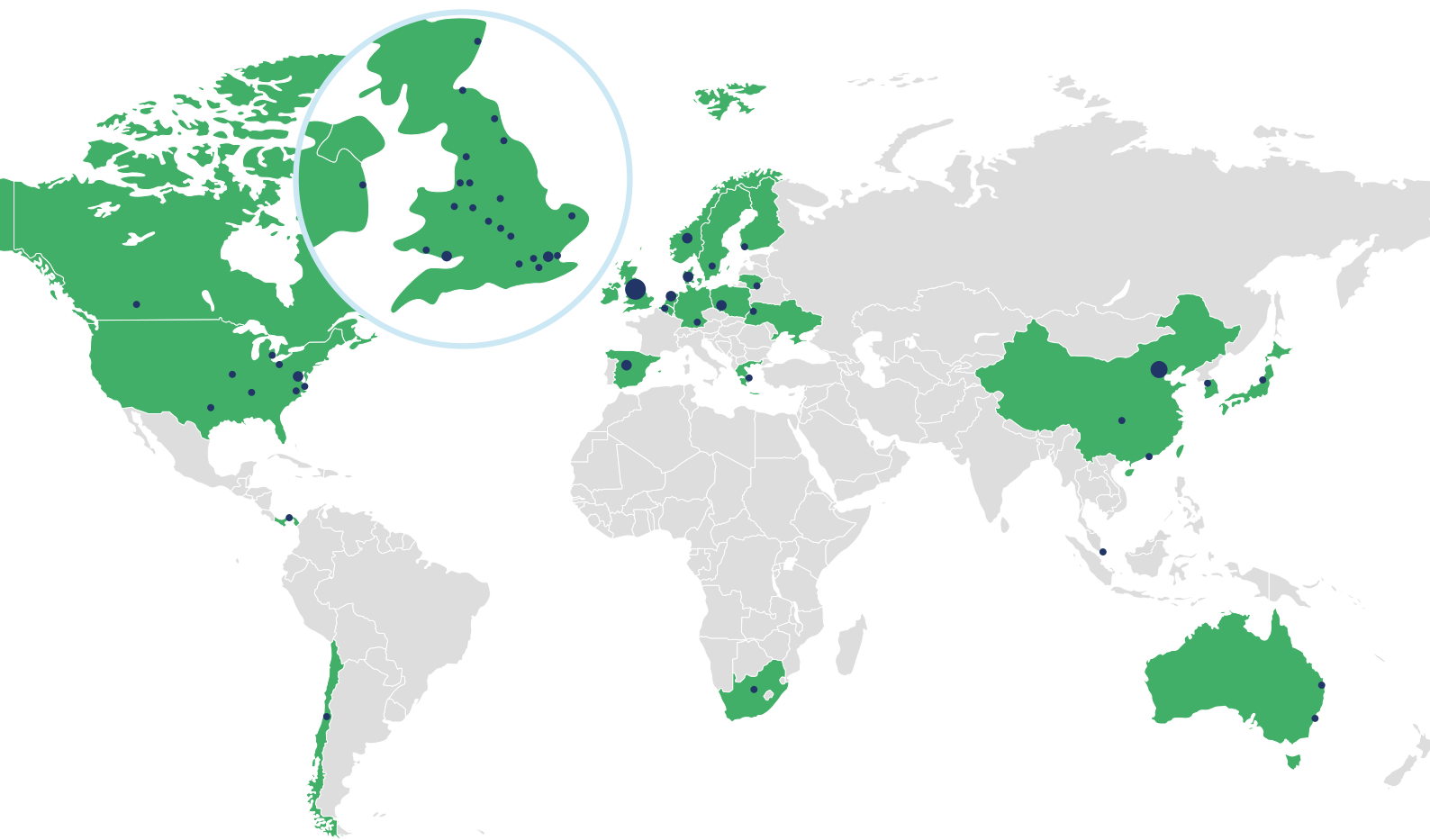
### Cambi goes public

Following a successful private placement, with substantial interest from highly regarded Norwegian and international investors, Cambi was listed on Euronext Growth Oslo on 9 February 2021.



# Cambi today

As the undisputed market leader for thermal hydrolysis globally and organics recycling in Norway through Grønn Vekst, Cambi improves the environment and tackles head-on the complex challenges of the water-food-energy nexus.



## Cambi in the World

- Countries with Cambi plants ■
- Cambi THP references ●

Cambi spans five continents, with over 70 facilities in 23 countries and an installed capacity sufficient to process the waste of a population equivalent of around 108 million at the end of 2020.

# Sustainability

Cambi strongly believes that living within the planetary boundaries is not just a longshot global political desiderate but rather an essential condition for humanity to develop and thrive.

Sustainability has been our bedrock since the invention of the thermal hydrolysis process. We are proud of building a profitable business that provides stable employment and lifelong learning opportunities for diverse, talented employees while developing and delivering technology and solutions that improve the local environment and reduce climate gas emissions in municipalities worldwide.

Our value proposition is aligned with the new EU Taxonomy, offering efficient, reliable, low carbon solutions for biogas and biosolids production from the anaerobic digestion of sludge and biowaste, in addition to composting services. In this way, Cambi contributes directly to 8 of the UN's 17 Sustainable Development Goals, 11 of the 169 related targets and 13 of the 231 unique indicators.

Cambi makes a solid contribution to the circular economy by producing excellent quality biosolids

products after the anaerobic digestion of thermally hydrolysed wastewater solids and delivering peat-free soil product blends from compost and mineral waste streams through Grønn Vekst in Norway. Returning nitrogen, phosphorous and micro-nutrients to land safely helps address two of the most vulnerable planetary boundaries – biogeochemical flows and land-system change. Also, thermal hydrolysis makes anaerobic digestion more efficient and reduces the carbon footprint of wastewater treatment and sludge management.

A short overview of Cambi's environmental and social impact as an ESG (environmental, social, governance) company is presented below. Corporate governance is addressed in a dedicated chapter in the report from the Board of Directors.





## Environmental impact

### Reducing greenhouse gas emissions

According to independent studies, thermal hydrolysis is the sludge treatment solution with the lowest carbon footprint for medium and large wastewater treatment plants. There are several ways in which our technology reduces the water utilities' carbon footprint.



<i>THP selection outcome</i>	<i>Effects on greenhouse gas emissions</i>
<p><b>Increased digester throughput</b> up to three times compared to conventional digestion</p>	<p>Greenfield sites require a third of the conventional digester tank volume, reducing the associated embodied carbon. Brownfield sites can avoid expansions by utilising existing digesters more intensely and even import feedstock that would otherwise not be treated sustainably or require digester tanks at other locations.</p>
<p><b>Improved dewatering</b> reduces the final biosolids volume by up to 50%</p>	<p>Halving transportation for disposal, incineration or reuse of the biosolids reduces associated fuel emissions. When the high-quality biosolids are applied to land, new outlets may be available closer by, reducing transportation demand further. When biosolids are incinerated, higher dryness implies lower fuel consumption.</p>
<p><b>Increased biogas production</b> by up to 40%</p>	<p>Biogas replaces fossil fuels and the final biosolids product contains fewer volatile solids, i.e. emits less methane.</p>
<p><b>Production of high-quality biosolids</b> for land application as organic fertiliser</p>	<p>Biosolids usually replace synthetic fertilisers produced by fossil natural gas, which are more carbon-intensive.</p>



### Growing the circular economy

“Wastewater solids” and “organic waste” are improper names for two immense material flows produced by human society and long considered a costly nuisance. Increasingly, municipalities worldwide realise they are excellent resources ready for repurposing as renewable biogas energy and fertiliser or soil improver. Cambi’s technology and solutions make the most of these neglected resources, ensuring responsible reuse without danger to human health or the environment.

The biosolids product from a sludge line with thermal hydrolysis is easy to store, stack, load, tip and spread on land, making it an excellent organic fertiliser or soil improver. Returning high-quality biosolids to land improves soil health compared to conventional fertilisers and is less likely to

contribute to nutrient pollution in local water bodies. In several projects, thermal hydrolysis enabled municipalities to shift from incineration to land application of their biosolids, recycling scarce and valuable nutrients.

Circularity is the main feature of Grønn Vekst’s business model. In 2020, they mixed 130,000 tonnes of biosolids, sludge and garden waste with 120,000 tonnes of stone meal from quarries, producing peat-free and sand-free soil products for construction companies and retail customers in Norway and abroad. Sand is a scarce non-renewable resource, while peatlands store a significant share of the world’s soil carbon. Norway aims to ban the use of peat from 2025.



Grønn Vekst’s soil products replace peat-based soils. Peat, an excellent carbon sink, is abundant in Norway, but its utilisation in soil production releases considerable volumes of methane in the atmosphere. Grønn Vekst soils are a high-quality, low-carbon alternative to conventional soil for a wide range of applications.



## Societal impact

### Improving local living environments

With thermal hydrolysis treatment before anaerobic digestion, sewage sludge becomes pathogen-free and acquires an earthy odour. By comparison, the prevailing conventional sludge treatment solutions are less effective in removing health hazards and foul odour. Both issues are often important concerns for the local communities near sludge treatment plants and locations of biosolids land application. In addition, transporting the biosolids by truck causes traffic noise issues for neighbours. As the final biosolids volume of sludge lines with thermal hydrolysis is as much as 50% lower than for conventional treatment, the frequency of truck movements is also halved.

Grønn Vekst has a direct positive impact in the local communities where it operates and distributes its products, offering a wide range of high-quality soil products for construction companies, municipalities and households in Norway.

### Lowest cost solutions in a lifecycle perspective

In all projects, thermal hydrolysis produces surplus biogas energy and significantly reduces the costs of biosolids handling. In addition, when new digesters are planned, Cambi's solutions minimise investment costs by cutting the need for digester tank capacity by up to three times. As a result, the payback time for investing in technology solutions from Cambi is much shorter than the asset life at many medium and large wastewater treatment plants. As owners of critical infrastructure financed by user fees, municipalities ought to select sludge management solutions with the lowest cost and environmental impact over the asset lifetime. Cambi offers a solid value proposition in full alignment with these needs.

### Responsible participant in the global society

Cambi is an international company that adheres to high standards. We are a responsible employer and taxpayer in all the countries where we operate. We act with integrity, do not tolerate corruption and assist all interested stakeholders in understanding and weighing independently the implications of using our technology and solutions.



# Business segments

Following a corporate reorganisation in October 2020, Cambi consists of two distinct business segments: Cambi Group and Cambi Invest. Though these two segments cooperate closely, they have separate reporting and management.

## Cambi Group

Cambi Group invented and has been developing the thermal hydrolysis process technology for three decades. It has two sub-segments:

- **Equipment**, responsible for manufacturing, sales, project execution for proprietary THP systems and ancillary equipment, and research and development
- **Services**, i.e. consulting, operations, customer and performance support, spare parts sales, and upgrades.

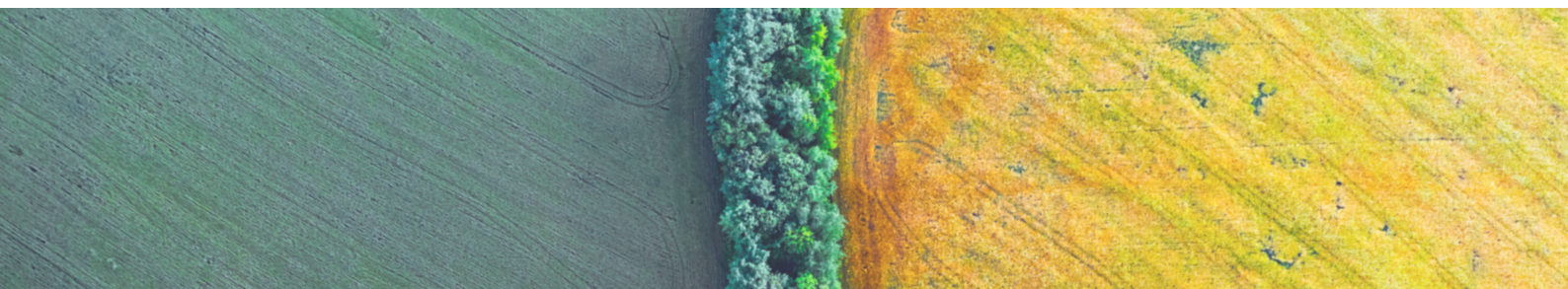
Cambi Group's operating income was NOK 265.5 million, an increase of 43% compared to NOK 185.6 million in 2019. The increase is due to strong order intake in equipment sales and services, marking the third consecutive year of growth. The Services segment grew by 8.5% compared to 2019, reflecting the clients' reliable demand for post-sales services.

## Cambi Invest

Cambi Invest is a newly established segment poised to expand the company through acquisitions and investment opportunities. It has two sub-segments expected to grow considerably beyond 2021:

- **Design-Build-Operate (DBO) Projects**, developing THP projects that the company will privately finance and operate
- **Recycling**, which consists of Cambi's wholly owned subsidiary Grønn Vekst, Norway's leading sludge recycling company and producer of peat-free soil.

Cambi Invest's operating income attributable to Grønn Vekst was NOK 101.5 million, increasing 6.8% compared to NOK 95.1 million in 2019. New sales channels were established and the mild winter contributed positively to the volume of soil sales.

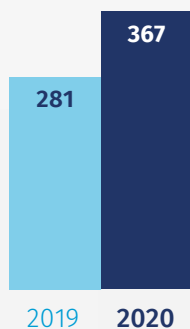


# Report from the Board of Directors

2020 was a good year for Cambi, recording the second-highest order intake in history and a growing project backlog. Good performance of the Services and Recycling segments, together with efficiency efforts in 2019, contributed to the bottom line.

**367**

Revenue



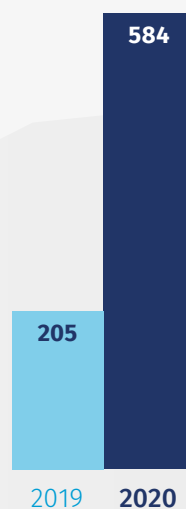
**26.3**

EBITDA



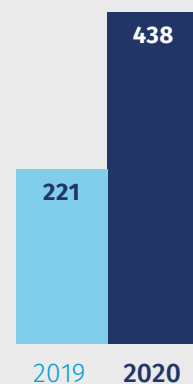
**584**

Order intake



**438**

Order backlog



Key numbers in NOK million, Cambi ASA.

# Financial performance

The year demonstrated the resilience of our business during the challenging circumstances of the Covid pandemic. After some uncertainty and delays caused by lockdowns in the first quarter, we saw good momentum in new orders from the second quarter onwards and projects getting back on track.

## Consolidated income statement

With preventive measures put in place early, in collaboration with customers, we have been able to service our clients' critical infrastructure and deliver according to plan throughout the year.

Consolidated operating income increased 31% from NOK 281 million in 2019 to NOK 367 million in 2020. The growth was driven by Cambi Group's strong order intake, coupled with the third consecutive year of growth in the Recycling and Services business segments.

Consolidated EBITDA rose from NOK 1.5 million in 2019 to NOK 26.3 million at the end of 2020, mainly due to income growth and lower costs. Product development costs were expensed, amounting in 2020 to a net NOK 10.5 million.

The year's consolidated profit was NOK 13.7 million compared to NOK (17.0) million in 2019. The share of consolidated profit attributable to Cambi ASA shareholders was NOK 15.8 million in 2020 compared to NOK (18.2) million in 2019.

Order intake increased almost threefold versus 2019, to NOK 584 million in 2020 compared to NOK 205 million the previous year. Cambi Group signed two milestone contracts, the first projects in Hong Kong and Ukraine and four new projects in the USA and the UK.

Order backlog<sup>2</sup> also ended strongly at NOK 438 million, nearly double the 2019 amount of NOK 221 million.

In the fourth quarter of 2020, Cambi changed its internal reporting, impacting the reporting segments. Please refer to note 2 for more information.

<sup>2</sup> Includes options making up c. NOK 18 million of the Grønn Vekst backlog as of Q4 2020. Over the past years, close to 100% of options have been exercised. Note that until options are exercised, there can be no assurance that the projects will be realised.





## Cash flow and statement of financial position

There was a reduction in operating cash flow, from NOK 22.0 million in 2019 to NOK (16.0) million in 2020, due primarily to the timing of project milestone payments. Cash flow from investing activities was NOK (15.8) million. During the year, the call option for the remaining 20% of Grønn Vekst was exercised, and some financial investments were realised.

Cash flow from financing activities was NOK (47.4) million in 2020 compared to NOK 61.6 million in 2019. During the year, the company fulfilled the repayment of a working capital facility of NOK 81 million with DNB and UK Export Finance.

The net change in cash and cash equivalents for the year was NOK (79.2) million compared to NOK 80.7 million in 2019.

Cambi's financial position was strong at the end of 2020, with an equity ratio of 49% compared to 40% in 2019. Net interest-bearing debt was NOK 4.9 million as of 31 December 2020.

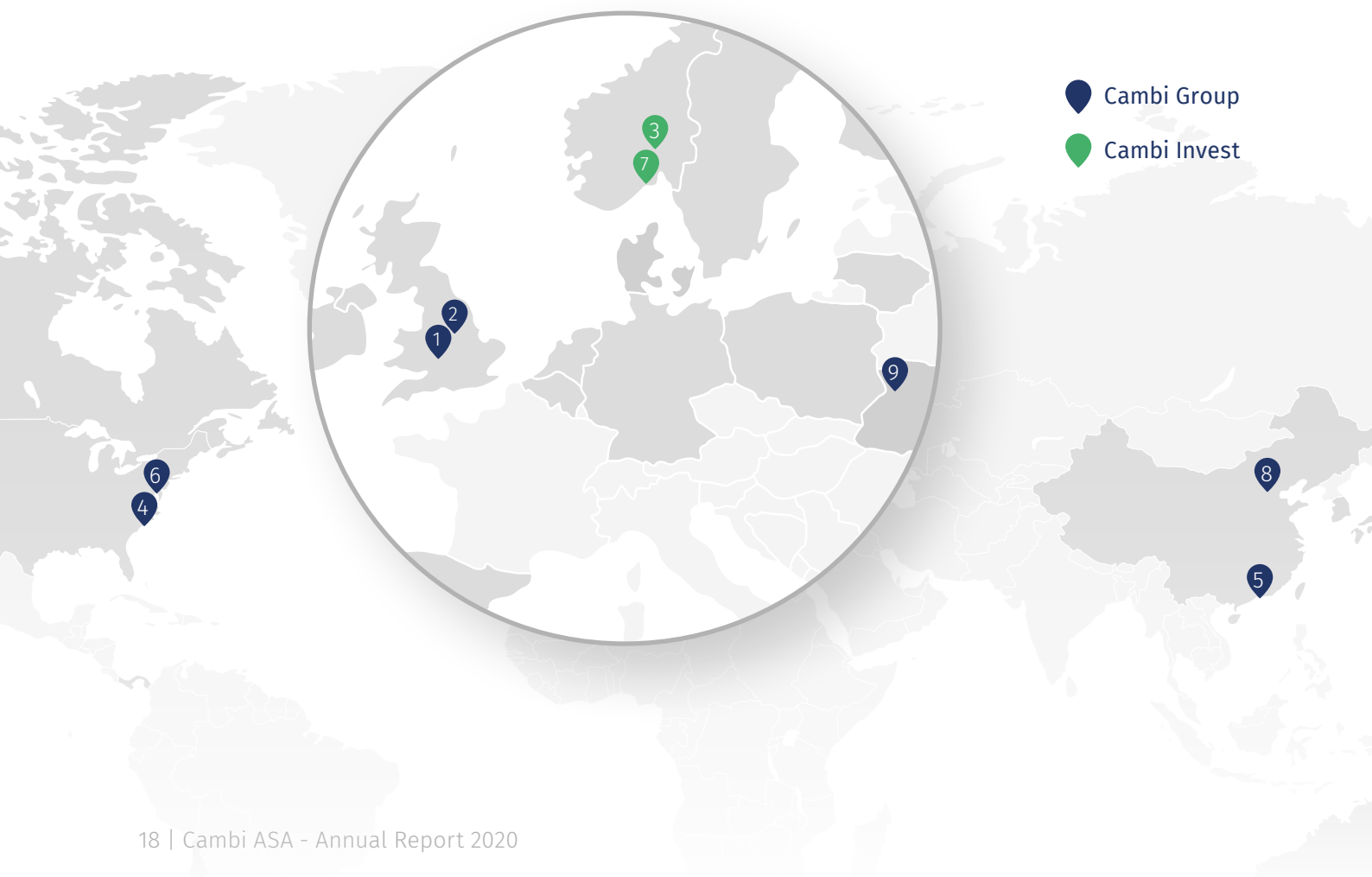
Cash and cash equivalents amounted to NOK 45.9 million in addition to NOK 19.9 million in undrawn credit facilities. Interest-bearing liabilities were NOK 50.9 million, of which NOK 48.5 million will mature in 2021. Debt maturities in 2021 consist mainly of project financing in the US and a construction loan for the head office of Grønn Vekst. The latter is expected to be rolled over.

# The order intake and backlog

Cambi broke into two new markets in 2020 with a contract in Ukraine and another in Hong Kong, and secured a second project near Washington, DC. Grønn Vekst strengthened its leadership in a growing Norwegian market.

## Contracts signed in 2020

- |  |  |  |
|--|--|--|
| 1. Finham, Coventry, UK                              | 4. Neuse River, Raleigh, NC, USA       | 7. Norsk Gjenvinning, Larvik, Bærum and Nordre Follo recycling contracts near Oslo, Norway |
| 2. Stoke Bardolph, Nottingham, UK                    | 5. Shek Wu Hui, Hong Kong, China       | 8. Gaoantun, Beijing, China  |
| 3. Recycling contracts in Drammen and Larvik, Norway | 6. Piscataway near Washington, DC, USA | 9. Lviv, Ukraine   |





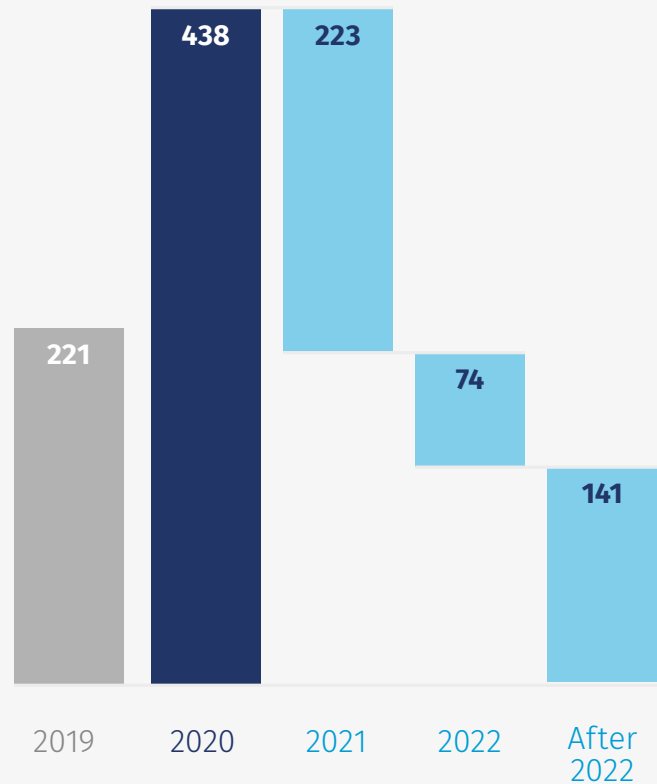
## Backlog distribution and development

Following strong order intake, Cambi's backlog totals NOK 438 million, 85% of which is accounted for by Cambi Group projects. A majority of these orders will be delivered in 2021.

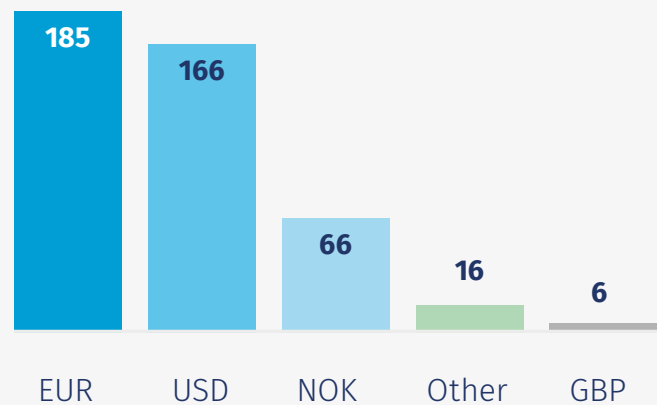
Cambi Group's backlog is noted in foreign currencies. Cambi Invest's backlog is currently all in Norwegian kroner, reflecting Grønn Vekst's contract portfolio for handling biosolids and garden waste. Soil revenue is regarded as spot sales and not included in the backlog.

The backlog distribution in 2021 and beyond may be affected by several factors, including foreign exchange rate fluctuations and adjustments to project percentage of completion.

### Backlog distribution



### Backlog by currency



Equivalent at YE20 FX

# Operational highlights

Cambi operations progressed as planned during the year without significant delays or disruptions related to the ongoing pandemic.

## Cambi Group

Q4

### Commissioning - Cog Moors near Cardiff, UK

The second of two Cambi THP systems started operations at Cog Moors for Dŵr Cymru (Welsh Water). Cog Moors is the second Cambi project serving Cardiff in Wales, and the fourth THP installation for Welsh Water.

### Upgrade - Aberdeen, UK

The thermal hydrolysis plant at Nigg in Aberdeen now operates with higher efficiency due to a heat exchanger upgrade completed ahead of schedule. This project for Scottish Water's 20-year-old facility also included software upgrades, new equipment, piping, and electrical modifications.

### Upgrade and Cambi PLUS project - Bruxelles North, Belgium

The Brussels North wastewater treatment plant adopted Cambi's dedicated thermal hydrolysis plant control software. New generation progressive cavity pumps were also installed to increase reliability and reduce operational costs.

Q3

### Commissioning - Qing He 2, Beijing, China

Qing He 2 was the last of five sludge centres commissioned by Cambi in Beijing. Almost all the city, with its more than 20 million people, is now serviced with Cambi technology. The biosolids produced are used on nearby forestland.

### Commissioning - Strongford, Stoke-on-Trent, UK

Severn Trent chose THP for their Strongford site to augment the treatment capacity and receive sludge imports from nearby locations, therefore optimising bioresources handling in the region. This is Cambi's second thermal hydrolysis plant for Severn Trent.

### Upgrade - Hamar, Norway

The Hias facility in Hamar was the first plant in the world to install Cambi technology. The upgrade increased energy efficiency and plant capacity by replacing the 24-year-old pulper vessel, installing new pumps and replacing a heat exchanger.

Q2

### **Commissioning** - HRSD Atlantic, Virginia Beach, VA, USA

Cambi THP was selected by Hampton Roads Sanitation District (HRSD) to supply a thermal hydrolysis plant for its Atlantic site. HRSD will import dewatered sewage sludge from other sites and shut down incinerators while reducing storage capacity. Thermal hydrolysis will enable the site to be energy-positive.

### **Research** - Financing approved for a preliminary feasibility study

Innovation Norway, the nation's development bank and entrepreneurship company, has granted Cambi funding for a preliminary study to increase THP energy efficiency. Cambi continuously looks for opportunities to test energy recovery ideas together with new or existing customers.

Q1

### **Upgrade** - Mapocho, Santiago, Chile

The Mapocho thermal hydrolysis plant underwent a pulper upgrade. The upgrade allows for higher throughput at the plant while improving process energy efficiency. Our client took a step closer to their energy-neutrality goal.

### **Winner of the Askerladden prize**

The Business Council of Asker, where Cambi is headquartered, has distinguished noteworthy contributors to the local community since 1984. Cambi received the award for creating jobs and bringing talents to Asker. It also recognised Cambi as a prominent technology supplier for sustainable cities.

## **Cambi Invest**

Cambi Invest signed a collaboration agreement with Norfund to develop, execute, and operate wastewater projects in emerging economies, starting with South Africa. The collaboration will focus on public-private partnerships (PPP) or similar long-term contractual models with municipal and private customers.

In parallel to taking an ownership stake, Cambi will contribute engineering know-how and support plant operations. Norfund will be an active equity investor, where in addition to capital, it will provide extensive experience in emerging markets as a trusted investor in green infrastructure.

EQ Renewables, the joint venture to pursue PPP projects in North America, became fully operational.

Grønn Vekst expanded with new soil production sites in Norway in cooperation with stone quarries and recycling companies. It closed the year with 26 locations, up from 19 at the end of 2019. With the construction of new garden waste composting sites in Vinterbro and Larvik, Grønn Vekst is positioned to win new customers in the Greater Oslo and Grenland regions. Sustained soil demand throughout the year resulted in a 24% increase in soil sales, reaching a total of 250,000 tonnes.

# People – at the heart of Cambi

Cambi knows that its future depends on the ingenuity, integrity and collaboration of its people, so it has built and is supporting a community of diverse talents committed to lifelong learning. We are proud that the international group of employees we have brought together demonstrate a passion for the environment and a strong team mindset.



**127 employees**



**26 nationalities**



**22 languages  
spoken**

Cambi will continue to attract and nurture highly qualified and motivated individuals. We are an equal opportunity employer, tolerating no discrimination based on gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age, or political opinion.

The company maintains a working environment that promotes respect for personal dignity and regularly conducts employee engagement and satisfaction surveys.

Remuneration is set based on the employees' skills, experience and competitive market rates in each country. Work of equal value is remunerated equally.

Women comprise 19% of the organisation, up from 16% in 2019. 86% of part-time employees are female. Two out of Cambi's six board directors are women. Cambi aims to improve its gender balance.

Cambi abides by the Norwegian law on parental leaves, providing a maximum of 52 weeks leave for all employees with newborns, shared by the parents.





## Health, safety and the working environment

Cambi places utmost value in the safety and wellbeing of its people. We are proud that there were no reportable incidents in 2020. Cambi has improved this metric year on year since 2014, using considerable resources to identify hazards and implement appropriate measures to reduce risk.

Cambi's dedication to health and safety during the Covid-19 pandemic was also evidenced by

several initiatives, including equipment support for work-from-home employees, consistent check-ins, and regular social, online gatherings. Enhanced safety protocols at the production site included additional cleaning routines and ventilation, social distancing, amended shift rosters, and new working arrangements. Cambi observed the full work capacity of all employees despite almost continuous lockdowns in all markets.

Cambi's sick leave rate was 1.3% of total hours worked in 2020 versus 1.6% in 2019.

# Innovation – Cambi's DNA

Innovation is in Cambi's DNA. Since the company's early days, when the thermal hydrolysis process was first tested, Cambi has constantly invested in developing and improving the technology, both in-house and in collaboration with leading water utilities and research institutions in our field.

## Technology improvements

Cambi maintains its competitive advantage with continuous dedication to improving and optimising the THP design, maximising performance by increasing energy efficiency and operational dependability and reducing costs through increased automation and minimal need for interventions.

In 2020, Cambi achieved an important product development milestone, with a design that improves process energy efficiency and enables carrying out planned maintenance with the plant in operation.

We also finalised the design for the next generation Cambi THP, which will be even more energy-efficient and cheaper to operate, with lower requirements for parts replacement and maintenance.

## Research collaboration

Cambi is actively engaged in research studies about our plants' performance and thermal hydrolysis applications beyond municipal sewage sludge. In-house research efforts are enriched by our collaboration with academic and industrial partners and with public and private research institutions in many countries.

In 2020, Cambi had several active research projects together with Norwegian and international partners. During the year, in partnership with Bucknell University in Pennsylvania, USA, Cambi finalised a study about the impact of thermal hydrolysis on the efficiency of anaerobic digestion. The study demonstrates that anaerobic digestion is much faster if sewage sludge is first passed through a thermal hydrolysis installation. Thermal hydrolysis significantly reduces the retention time in digesters without any loss of biogas production, making it possible to build smaller, cheaper digesters with a smaller footprint.







## Value through digitalisation

As the water sector goes digital, there are many opportunities to improve operations at wastewater treatment plants. With cheap sensors and powerful analytics, better process understanding will enhance performance and avoid unnecessary hassles in operations.

Cambi aims for high performance and smooth operations at all delivered plants, so we developed PLUS (Process Live Update and Support), an online platform for sludge line and thermal hydrolysis process monitoring, analysis and support. Launched for early adopters during the first quarter of 2020, PLUS enables customers to log in and monitor plant health and performance anytime and from any online device. In this way, it makes plant operations more efficient and stable, creating value and reducing risks.

Cambi PLUS is available for all sludge lines that include a thermal hydrolysis process delivered by Cambi. The core scope of PLUS is the thermal hydrolysis plant itself, but the platform is easily expandable to cover essential equipment both

upstream and downstream of the THP. The platform also facilitates contact with Cambi specialists for advice and support.

During the year, Cambi progressed with further developing PLUS in collaboration with the early adopters. The solution will continue to be refined based on user feedback and is ready for rollout as a service to all Cambi plants starting with 2021.

## Customer satisfaction

Besides satisfaction with ongoing plant performance, Cambi regularly measures customer satisfaction from all interactions during project execution and service deliveries. In our customer interactions, we are proactive in suggesting worthwhile improvements and respond quickly and thoroughly to customer enquiries. As a result, Cambi has good references, and the customer surveys scores are consistently high.

# Quality – just the way Cambi does it

Quality is a crucial guiding principle for everything Cambi does. It has been instrumental in our success in becoming a world-leading player in our wastewater sector niche. And it remains essential for the fulfilment of our ambitious growth plans.

The reliable performance of our THP is paramount for customer satisfaction, which drives sales of new plants through the showcase of diverse, successful references. To ensure reliable performance, Cambi designs and manufactures the thermal hydrolysis plants and essential ancillary equipment in-house, using materials and parts from carefully selected suppliers. Cambi also collaborates with proven original equipment suppliers for parts of the sludge line outside of our speciality areas, adapting to local standards and client preferences. In this way, we can ensure that Cambi plants are built with high quality, at affordable cost and with minimum environmental impact.

Quality and sustainability are two faces of the same coin. The dependability and long life of Cambi installations are the results of investments in quality and, at the same time, improve our sustainability by minimising material use and the associated environmental footprint over the assets' lifetime. Quality is not only profitable but also the just way to do it.

For the subsidiary Grønn Vekst, quality is also manifested as a guarantee to recycle all garden waste 100%. By collaborating with stone crushing plants and using stone flour, Grønn Vekst turns a waste stream into a valuable resource, replacing natural sand. The compost and stone flour are mixed to produce various peat-free soil blends, with all leftovers returned in well-balanced proportions to the soil production process.

## Quality management system

Cambi's management system is certified for ISO 9001 (Quality) and ISO 14001 (Environment) standards. In 2020, a third-party certification body undertook a surveillance audit of Cambi's performance against both standards. There were no findings of any nature, neither major nor minor, arising from the audit. The company's management system certificates are audited annually, with a principal audit every three years.



# The environment – mindful of our impact

By choosing Cambi's solutions, customers take significant steps towards achieving their sustainability goals. The best contribution Cambi can make to society is to sell more thermal hydrolysis plants with high performance and to grow the recycling business.

By comparison, the environmental impact of our manufacturing, transportation, travel and office activities is at least an order of magnitude lower. Nevertheless, we are taking steps to reduce it further.

Our quality management system and several manufacturing initiatives work to increase efficiency and reduce our operations' environmental impact, such as water and energy consumption, as well as through dialogue with suppliers. Cambi equipment is shipped by sea with last-mile deliveries by truck.

Grønn Vekst's business is regulated and monitored by the Norwegian Government. Transportation of raw materials and soil products is outsourced and takes place mostly by truck. The use of fossil fuels for transportation and truck noise stand for most of Grønn Vekst's environmental footprint. To reduce truck movements the company transports

biosolids from Bergen to Oslo by trains that run on emissions-free electricity. The company also envisages contracting more trucks that use biogas as fuel.

During the past years, digital marketing investments and a new travel policy reduced travelling and associated emissions. While 2020 will remain an outlier due to the pandemic-related travel restrictions, we remain mindful of our travelling's environmental impact.

Cambi recycles its waste to the extent possible at our different locations. The headquarters in Asker are located near the intermodal bus and train station and many employees use public transport, walk or bike to work. For those driving, chargers are installed in the parking lot to facilitate electromobility.



# Corporate governance

Cambi is headquartered in Asker, Norway, with a production facility in Congleton, UK. Regional sales offices are established in China, South Korea, Singapore, the USA, and several European countries. Cambi also has sales representatives in several countries.

Cambi went public on 9 February 2021 on Euronext Growth Oslo, a multilateral trading facility under Euronext, the largest stock exchange platform in Europe. The company is subject to Norwegian law, including the Norwegian Accounting Act (available on [lovdata.no](http://lovdata.no)).

The company's activities are held to high internal standards promoting ethical business, transparency, and accountability. Understanding that good governance is the backbone of a robust, long-lasting organisation, Cambi places a premium on maintaining good practices while developing supporting policy documents.

## General meeting

The General Meeting represents Cambi ASA's highest authority. The Annual General Meeting is held each year on or before 30 June, with notice of the event and documents available on the company website at least 21 days beforehand.

Shareholders may participate and vote, in person or by proxy, as long as they are registered with the Norwegian Registry of Securities (VPS).

## Information and communication

Cambi upholds the equal treatment of shareholders and potential investors. The company is committed to providing relevant and timely information following prevailing regulations. Cambi's financial calendar, press releases and stock exchange notices are published on the Oslo Børs news service ([newsweb.no](http://newsweb.no)) and available on the Investor page on [cambi.com](http://cambi.com). The financial calendar includes the dates of releases of financial reports and the annual general meeting. Share performance is public under the ticker "CAMBI" on the Euronext live platform ([live.euronext.com](http://live.euronext.com)).

Cambi presents financial results for shareholders, investors, and analysts on the reports' release dates. Investor relations are managed by the Cambi Group CEO, who, along with the Chair of the Board and CEO & President of Cambi ASA, are authorised to speak on the company's behalf. They may, at any time, choose to delegate this authority.

# Board of Directors

**Gro Merete Brækken**  
Chair



Mrs Brækken has solid board experience from national and international companies within energy, industry, project management, health, and NGOs. She is at present Secretary-General for the Norwegian Institute of Directors (Styreinstituttet). Chair of the board since 2016 and board member since 2009.

**Anselmo Teixeira**  
Board member



Mr Teixeira has more than 35 years of experience in the municipal and industrial global wastewater markets, with expertise involving biological processes, liquid-solids separation, dewatering, and drying technologies. He has led and managed several businesses, including USFilter, Veolia and Siemens Water Technologies. Board member since 2015.

**Dr Glen Thomas Daigger**  
Board member



Dr Daigger is a Professor at the University of Michigan and President of One Water Solutions, a water engineering and innovation firm. In his career, he served as Senior Vice President and Chief Technology Officer for CH2M Hill (now Jacobs) and as President of the International Water Association. Board member since 2015.

**Birgitte Judith Lillebø Sandvold**  
Board member



Mrs Lillebø Sandvold has broad retail and marketing expertise from multinational organisations such as L'Oréal. She is a Brand Category Manager in the Scandinavian Cosmetics Group, the Nordic region's leading cosmetics distributor. Board member since 2015, representing the majority shareholder.

**Arve Ree**  
Board member



Mr Ree is the Managing Director at Awilhelmsen Capital Holding. Earlier positions include Head of Special Investments at private investment company Ferd and analyst at JPMorgan. Board member since 2016.

**Dragoş Tâlvescu**  
Board member,  
elected by company  
employees



Mr Tâlvescu is Marketing Director at Cambi. Earlier in his career, he was a personal advisor to the Energy Minister in Romania and an energy consultant and Partner in Sund Energy within the natural gas, biogas, carbon markets and ESG reporting. Board member since 2020.

Cambi's Articles of Association state that the company's shareholders will elect a Board of Directors with 4 to 8 members. The headquarters in Asker (Skysstasjon 11A, 1383 Asker, Norway) also serve as the board's business address. For more information about the board members, including terms, shares, and options, please refer to Note 5.

# Management



**Per Lillebø**  
President and CEO, Cambi ASA

Mr Lillebø has been instrumental in developing Cambi into a top-tier company within the international wastewater industry. He acquired the company in 1992 and has developed a broad global network over the years.



**Eirik Fadnes**  
CEO, Cambi Group

Mr Fadnes has vast management experience, holding executive positions in Singapore, Norway, and Argentina. He has worked for KOP Surface Products, the Norwegian industrial investment company Aker ASA, and EY.



**Maarten Kanters**  
Managing Director, Cambi Invest

Mr Kanters spearheads Cambi's efforts to develop DBO projects. Before joining Cambi in 2017, he worked in various roles at McKinsey & Company and Yara.

For more information about the management team, including shares and options, please refer to Note 5.

# Risk management

The company has adopted a risk management policy to identify, measure, and mitigate risks.

The board prioritises careful, systematic risk management in all parts of the organisation and considers it as a necessary condition for long-term value creation for shareholders, employees, and society in general. Growth opportunities are continuously assessed against associated risks.

Cambi's overall risk profile is summarised and reviewed by management. Upon identification of unacceptable risks, risk mitigation measures are implemented. This includes risks related to profitability, health and safety, financial reporting, reputation, social responsibility, and compliance with the local law and regulations.

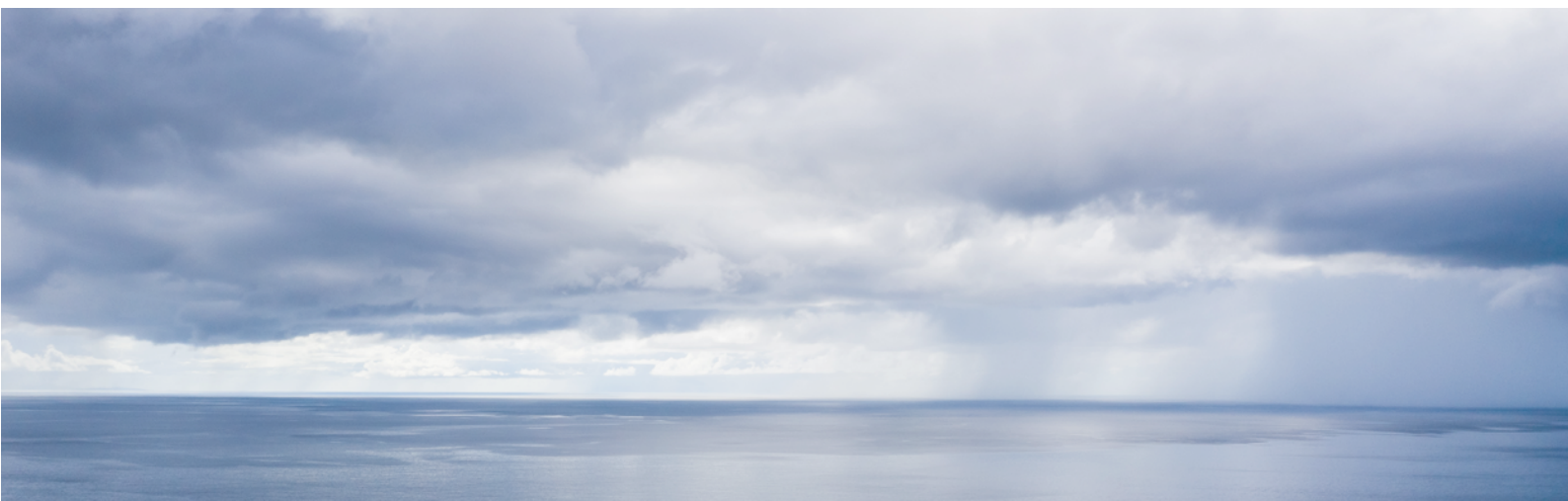
## Financial risks

Through its business activities, Cambi is exposed to currency, credit, and liquidity risks.

Large parts of Cambi's revenues, expenses, receivables, bank deposits and current liabilities are in foreign currencies, mainly USD, EUR and GBP. Future exchange rate variations could therefore have an impact on financial results.

Historically, losses on receivables have been low. No such losses were incurred in 2020. Cambi's end customers are usually public entities, with delivery through a sub-contractor. Although some customers have paid later than the agreed schedules or milestones have been delayed outside of Cambi's control, the risk of eventually not receiving the entire amount due is low.

Cambi's liquidity risk is mainly related to longer payment terms on some contracts and in the event of customer-related delays on overall project execution.





## Market risks

Cambi's customers are primarily governmental bodies and local municipalities. Reduced public spending on sludge management solutions may have adverse consequences for the company's revenues, cash flow, financial condition and prospects. Although sludge management is a growing problem, public spending can be subject to fluctuations from year to year and from country to country due to political and economic shifts and global events.

In 2020, the coronavirus pandemic and the UK's withdrawal from the EU were two market situations that presented new risks for the company.

There are risks that the extraordinary health measures imposed due to the Covid-19 pandemic may cause disruptions in Cambi's operations. In 2020, Cambi's operations progressed as planned, without significant delays or disruptions related to the ongoing pandemic. However, mandatory lockdowns and international travel restrictions may result in manufacturing or project execution delays.

Cambi's manufacturing is based in the United Kingdom. The consequences the UK's withdrawal from the EU (Brexit) on Cambi's manufacturing activities were not entirely clear at the end of 2020, and some uncertainty persists into 2021. The risks related to pricing of the company's products, handling of personal data, and interpretation of laws relating to taxes and duty are monitored

carefully by management and, at the time of the annual report publication, considered marginal and manageable.

A complete overview of the identified risks is available in the Admission Document submitted upon listing on Euronext Growth and available on [www.cambi.com](http://www.cambi.com).

## Insurance

Cambi has a worldwide liability insurance for all directors, officers and non-executive directors and for all subsidiaries. The insurance is limited at USD 12 million and covers liability for financial loss and costs with crisis communication, kidnapping response and reputation restoration. If the subsidiaries reach the policy limit, there is additional personal coverage of up to USD 10 million for the directors and officers.



# Share capital

Cambi listed in February on Euronext Growth in Oslo, with good prospects for future growth.

Cambi ASA is listed on Euronext Growth Oslo under the ticker "CAMBI". As of 31 December 2020, Cambi ASA's share capital amounted to NOK 2,781,474 divided by 2,781,474 shares at a nominal value of NOK 1.

After the balance sheet date, there was a share split 1:50, in addition to a share capital increase

following a NOK 302.4 million private placement. Total share capital at the time of the annual report is NOK 3,201,474 divided into 160,073,700 shares with a nominal value of NOK 0.02.

There is one class of shares in the company, each equal to one vote and carrying equal rights, including rights to dividends.



Erik Johansen / NTB scanpix

# Outlook

The market fundamentals for Cambi's technology and recycling businesses have never been more positive.

The investments in thermal hydrolysis and wastewater treatment infrastructure are driven by many factors, in particular growing urban populations, tightening environmental regulations, nutrient recovery targets, as well as the incentives associated with increased renewable energy production. Organics recycling is further supported by trends in agriculture, landfilling and sea discharge bans, and the overall push for more circular economic and material use models.

Cambi's global addressable sludge market is expected to grow at a sustained pace. The UN estimates that over 80% of the world's wastewater is discharged into rivers and seas untreated. It also forecasts that urban populations will increase from 4 billion to about 6.5 billion by 2050. Cambi's current installed capacity in operation or construction can treat the sewage sludge from approximately 108 million people, representing only 2.5% of the world's urban population. With Cambi's market position and unrivalled technical experience, we are poised to take hold of this expanding market.

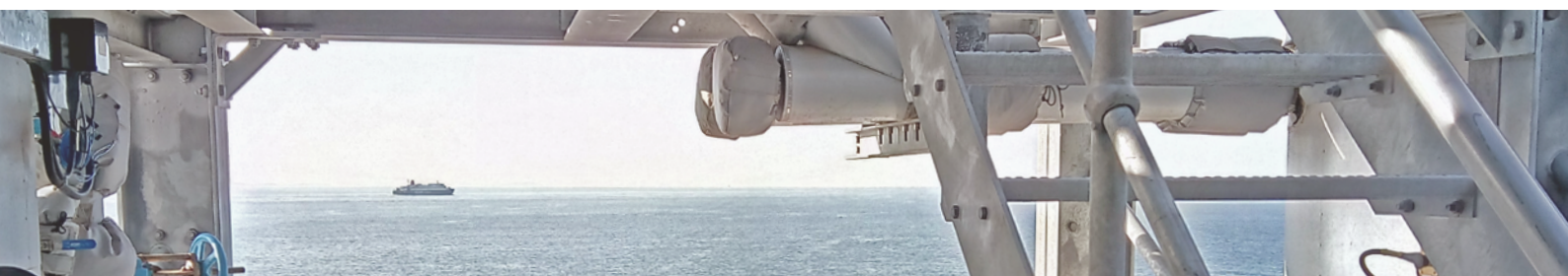
Cambi is currently engaged in selling thermal hydrolysis plants in about 50 different countries and assessing project feasibility at identified wastewater treatment plants in about 25 additional markets. We continue to develop our strategic initiatives in DBO

projects and the expansion of Grønn Vekst, as well as maintaining our market leadership in anaerobic digestion solutions through innovation and the development of reliable best-in-class products. We will remain active in developed markets, such as North America and Europe, where there is considerable untapped potential. We are also looking at stepping up efforts in emerging THP markets with many metropolises, including India, Brazil, South Africa, and Colombia.

With a growing installed base, roll-out of Cambi PLUS, and resilience in our aftermarket for spare parts and plant upgrades, we expect the recurring income to grow in the coming years.

Cambi's focus continues to be organic growth, but we will look to acquire companies that fit with our technology and services offerings and provide synergy potential in combination with Cambi.

Cambi has had a good start in 2021, and although there is always inherent uncertainty about the timing of new orders, we expect to deliver growth in profits. Underlying conditions are favourable, and we are confident that we will grow our market in the coming years and deliver sustainable long-term profitable growth.



# Board statements

## Going concern

Following section 3-3a of the Norwegian Accounting Act, we confirm that Cambi has prepared the financial statements under the assumption of going concern. This assumption is based on profit forecasts for the year 2021 and Cambi's long-term strategic forecasts. Cambi's economic and financial position is sound.

## Parent company financial statements and allocation of net profit

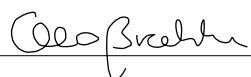
Cambi ASA is a holding company and had no turnover or employees in 2020. Total assets as of 31 December 2020 were NOK 97.4 million, compared to NOK 137.4 million as of 31 December 2019.

The equity as of 31 December 2020 was NOK 47.8 million, compared to NOK 50.2 million as of 31 December 2019. The Board considers Cambi ASA to have adequate equity and liquidity at the end of 2020.

In 2020, Cambi ASA had a net loss after tax of NOK 2,363,323, compared to a profit of NOK 3,472,647 in 2019. For the fiscal year 2020, the Board has proposed to recognise the result against equity.

### Cambi ASA

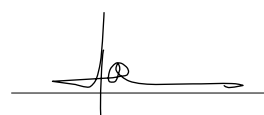
Asker, 14 April 2021



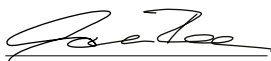
**Gro Merete Brækken**  
Chair of the board



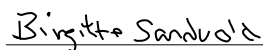
**Glen Thomas Daigger**  
Board member



**Anselmo Teixeira**  
Board member



**Arve Ree**  
Board member



**Birgitte Judith Sandvold**  
Board member



**Dragos Talvescu**  
Board member elected  
by the employees



**Per Audun Lillebø**  
President & CEO

# Financial statements

Cambi ASA

## Consolidated income statement for the year ended 31 December

in NOK million

	Note	2020	2019
<b>Operating income</b>	<b>2, 3</b>	<b>367.0</b>	<b>280.6</b>
Raw materials and consumables used	2	174.5	119.2
Payroll expenses	4, 5	110.0	104.2
Depreciation & amortisation expenses	7, 8	8.1	7.1
Other operating expenses	5, 6, 9	56.1	55.8
<b>Operating expenses</b>		<b>348.8</b>	<b>286.3</b>
<b>Operating profit</b>		<b>18.2</b>	<b>-5.7</b>
Net financial items	10	-0.3	-13.1
<b>Profit (loss) before tax</b>		<b>17.9</b>	<b>-18.8</b>
Income tax expense	11	4.2	-1.8
<b>Net profit (loss)</b>		<b>13.7</b>	<b>-17.0</b>
<b>Attributable to</b>			
Equity holders of the parent company		15.8	-18.2
Non-controlling interests		-2.1	1.2

## Consolidated balance sheet as of 31 December

in NOK million

Assets	Note	2020	2019
Deferred tax asset	11	24.1	22.2
Goodwill	7	10.2	7.5
Other intangible assets	7	11.1	13.7
<b>Total intangible assets</b>		<b>45.4</b>	<b>43.4</b>
Buildings and land	8	14.3	10.0
Equipment and movables	8	5.8	7.5
<b>Total tangible fixed assets</b>		<b>20.2</b>	<b>17.5</b>
Investments in shares	12	2.1	7.3
<b>Total financial assets</b>		<b>2.1</b>	<b>7.3</b>
<b>Total non-current assets</b>		<b>67.7</b>	<b>68.2</b>
Inventories	13	27.3	20.9
Accounts receivable		57.8	32.6
Earned, not invoiced project revenue	14	69.0	61.9
Other receivables		14.8	27.0
<b>Total debtors</b>		<b>141.6</b>	<b>121.5</b>
Bank deposits	15	46.0	125.2
<b>Total current assets</b>		<b>214.8</b>	<b>267.6</b>
<b>Total assets</b>		<b>282.6</b>	<b>335.8</b>

## Consolidated balance sheet as of 31 December

continued

in NOK million

<i>Equity</i>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Paid in capital</b>			
Share capital	16	2.8	2.8
Own shares		0.0	0.0
Share premium		17.9	17.9
<b>Total paid-in capital</b>		<b>20.7</b>	<b>20.7</b>
<b>Retained earnings</b>			
Attributable to the parent		116.5	106.0
Non-controlling interests		1.2	7.4
<b>Total equity</b>	<b>17</b>	<b>138.4</b>	<b>134.1</b>

in NOK million

<i>Liabilities</i>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Non-current liabilities</b>			
Liabilities to financial institutions	19	14.7	20.3
<b>Total non-current liabilities</b>		<b>14.7</b>	<b>20.3</b>
<b>Current liabilities</b>			
Liabilities to financial institutions	19	36.2	81.0
Accounts payable		21.9	17.8
Tax payable	11	2.9	3.9
Public duties payable		8.8	5.8
Dividends		-	1.6
Accrued project costs, provisions & guarantees	14	46.1	57.3
Other current liabilities		13.6	14.1
<b>Total current liabilities</b>		<b>129.5</b>	<b>181.4</b>
<b>Total liabilities</b>		<b>144.2</b>	<b>201.7</b>
<b>Total equity and liabilities</b>		<b>282.6</b>	<b>335.8</b>


**Cambi ASA**  
Asker, 14 April 2021



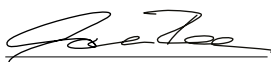
**Gro Merete Brækken**  
Chair of the board



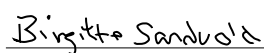
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**Arve Ree**  
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**Birgitte Judith Sandvold**  
Board member



**Dragos Talvescu**  
Board member elected  
by the employees



**Per Audun Lillebø**  
President & CEO

## Consolidated cash flow statement for the year ended 31 December

in NOK million

	2020	2019
<b>Cash flows from operating activities</b>		
Profit (loss) before tax	17.9	-18.8
Tax paid for the period	-7.2	-3.0
Ordinary depreciation	8.1	7.1
Change in inventory	-6.3	-7.4
Change in accounts receivable	-25.2	25.7
Change in accounts payable	4.1	-2.5
Effect of exchange rate fluctuations	-2.2	4.3
Change of other accrual items	-5.2	16.6
<b>Net cash flow from operating activities</b>	<b>-16.0</b>	<b>22.0</b>
<b>Cash flows from investment activities</b>		
Payments for the purchase of fixed assets	-6.1	-2.9
Proceeds from the sale of shares in other companies	4.9	-
Payments for the purchase of shares in other companies	-2.7	-
Purchase of the last 20% of shares in Grønn Vekst AS	-11.9	-
<b>Net cash flow from investment activities</b>	<b>-15.8</b>	<b>-2.9</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of new non-current liabilities	-	60.2
Proceeds from the issuance of new current liabilities	31.1	-
Instalment payments of non-current liabilities	-5.5	-5.6
Instalment payments of current liabilities	-81.0	-
Net change in bank overdraft	5.1	-0.0
Proceeds from equity	-	8.4
Payment of dividends	-	-1.6
Change investment equity method	3.0	0.2
<b>Net cash flow from financing activities</b>	<b>-47.4</b>	<b>61.6</b>
<b>Net change in cash and cash equivalents</b>	<b>-79.2</b>	<b>80.7</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>125.2</b>	<b>44.5</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>46.0</b>	<b>125.2</b>



# Notes to the consolidated financial statements

For the year ended 31 December 2020

## Note 1 - Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. All figures are presented in million NOK, unless otherwise specified.

### *Basis for consolidation*

Cambi's consolidated financial statements comprise Cambi ASA and companies in which Cambi ASA has a controlling interest (collectively "Cambi"). Control exists, when Cambi has the power, directly or indirectly, to govern the financial and operating policies of an entity. Non-controlling interests are included in the Group's equity. Transactions between group companies have been eliminated in the consolidated financial statements. The consolidated financial statements have been prepared in accordance with the same accounting principles for both parent and subsidiary.

The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

Non-controlling interests are measured on initial recognition at their portion of fair values, and yearly earnings are allocated to the non-controlling interests according to the ownership interests.

When Cambi's share of a loss exceeds Cambi's investment in an associate, the amount carried in the balance sheet is reduced to zero and further losses are not recognised unless Cambi has an obligation to cover the loss.

### *Use of estimates*

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

### *Foreign currency translation*

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date.

Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

### *Revenue recognition*

Revenue from the sale of goods is recognised in the income statement once delivery has taken place and most of the risk and return has been transferred. Revenue from construction contracts are recognised in the income statement according to the project's progress. Progress is set as management's best estimate based on level of completion, incurred cost and the number of hours spent compared to total estimate. Total project costs are estimated and recognised to the same percentage with an addition of contingency.

Accrued project revenue and cost are recorded net in the balance sheet, hence advance invoicing is categorised as current liability in the balance sheet. Each project is valued separately. A calculation of expected guarantee cost for each construction contract is made and is expensed according to progress. The estimate is based on experienced cost for guarantee work. The accrued amount is classified as current liability. The accrued amount is reduced by actual cost and the residual is reversed at the end of the guarantee period.

#### *Income tax*

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22% of temporary differences and the tax effect of tax losses is carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilised. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

#### *Balance sheet classification*

Current assets and current liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as non-current assets / non-current liabilities. According to accounting principles, the first year's instalments on non-current debt are not classified as current, but specified in a note.

Current assets are valued at the lower of cost and fair value. Current liabilities are recognised at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Non-current liabilities are recognised at nominal value.

#### *Research and development*

Research and development costs are in general expensed as incurred. One development project has been capitalised historically. The future economic benefit associated with the development of the intangible asset has been established and costs reliably measured.

#### *Tangible fixed assets*

Property, plant and equipment are capitalised and depreciated linearly over the estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property, plant and equipment are added to the acquisition cost and depreciated with the related asset.

#### *Intangible fixed assets*

Goodwill and excess value of customer contracts have arisen when acquiring other companies. All intangible fixed assets are depreciated on straight line basis according to the expected economic life.

#### *Investments in shares*

Investments in shares in associates are accounted for using the equity method in the consolidated financial statements. Under the equity method investments are initially recognised at cost and subsequently increased or decreased to recognise the share of profit or loss in the associated company. Profit or loss from such investments is presented as financial income/expense. Associates are investments where Cambi has significant influence, but not control (usually between twenty and fifty percent of the voting power).

### *Inventories*

Inventories are recognised at the lowest of cost and net selling price. Self-manufactured finished goods and goods in construction are valued at full production cost. A write-down is made for predictable obsolescence.

### *Accounts receivable and other receivables*

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debt. Provisions for doubtful debt are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

### *Cash flow statement*

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other current, highly-liquid investments with maturities of three months or less.

## **Note 2 - Segments**

in NOK million

	<i>Cambi Group</i>		<i>Cambi Invest</i>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Operating income	265.5	185.6	101.5	95.1
Raw materials and consumables used	112.0	61.4	62.5	57.8
<b>Gross margin</b>	<b>153.4</b>	<b>124.2</b>	<b>39.0</b>	<b>37.3</b>
Payroll expenses	91.9	88.8	18.1	15.4
Other operating expenses	45.4	45.4	10.8	10.4
<b>EBITDA</b>	<b>16.1</b>	<b>-10.1</b>	<b>10.2</b>	<b>11.5</b>
Depreciation and amortisation	6.8	5.8	1.4	1.4
<b>EBIT</b>	<b>9.3</b>	<b>-15.9</b>	<b>8.9</b>	<b>10.2</b>

### Note 3 - Revenue by region

in NOK million

	<i>Cambi Group</i>		<i>Cambi Invest</i>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Europe	150.5	73.3	101.5	95.1
America	75.1	81.6	-	-
Asia	39.0	18.5	-	-
Oceania	1.0	12.3	-	-
<b>Total sales revenue</b>	<b>265.5</b>	<b>185.6</b>	<b>101.5</b>	<b>95.1</b>

### Note 4 - Employee benefits

*Payroll expenses*

in NOK million

	<b>2020</b>	<b>2019</b>
Salary	90.3	98.9
Social security	11.7	12.3
Pension cost	4.4	4.7
Other personnel related expenses	3.6	4.0
Payroll expenses transferred to production cost	0	-15.7
<b>Total</b>	<b>110.0</b>	<b>104.2</b>
Employees at year-end	127	132
Full-time equivalent (FTE)	125	147
Full-time contractors	10	12

*Pension costs*

Cambi has several different pension plans around the world, which as a minimum fulfil the law requirements in each jurisdiction. All employees in Norway are offered participation in a defined pension contribution plan. Cambi makes contributions on a regular basis to the employees' individual pension accounts. Pension plan contributions are recognised as an expense in the income statement as incurred.

## Note 5 - Management and board remuneration

Remuneration to management

in NOK thousand

	Position	Fixed compensation	Pension benefits	Other benefits
Per Audun Lillebø	President & CEO Cambi ASA	1 271	75	11
Eirik Fadnes	CEO Cambi Group	1 660	75	11
Maarten Kanters	MD Cambi Invest	1 076	62	11

The members of the corporate management team have performance based compensation. None of them received variable compensation in 2020. There are no loans or guarantees given to any member of management.

Directors' terms, compensation and shares

in NOK thousand

	Position	Shares	Served since	Term expires	Compensation
Gro Merete Bækken	Chairman	0	1 December 2009	30 June 2021	300
Glen Thomas Daigger	Member	0	21 April 2015	30 June 2021	282
Anselmo Teixeira	Member	0	21 April 2015	30 June 2021	282
Birgitte Judith Lillebø Sandvold	Member	380,040	21 April 2015	30 June 2021	0
Arve Ree	Member	0	9 December 2015	30 June 2021	0
Dragos Talvescu	Member	0	1 October 2016	31 May 2021	0

In addition to the remuneration above, the employee representative receives a market-based salary for ordinary employment in Cambi. Other members of the board are not entitled to any remuneration. The board of directors is not entitled to severance pay. There are no loans or guarantees given to any member of the board of directors.

## Note 6 - Audit fee

Auditor's fee

in NOK thousand

	2020	2019
Audit fee	1 542	1 468
Attestation services	61	105
Other services	642	95
<b>Total</b>	<b>2 245</b>	<b>1 667</b>

## Note 7 - Goodwill and other intangible assets

Goodwill

in NOK million

	GV (80%)	GVN (50%)	GV (20%)	Total
Acquisition cost as of 1 January	7.5	3.2	-	10.7
Additions	0	0	4.8	4.8
<b>Acquisition cost as of 31 December</b>	<b>7.5</b>	<b>3.2</b>	<b>4.8</b>	<b>15.5</b>
Accumulated amortisation as of 1 January	2.3	1.0	0	3.2
Amortisation current year	0.8	0.6	0.7	2.1
<b>Accumulated amortisation as of 31 December</b>	<b>3.0</b>	<b>1.6</b>	<b>0.7</b>	<b>5.3</b>
<b>Net book value 31 December</b>	<b>4.5</b>	<b>1.6</b>	<b>4.1</b>	<b>10.2</b>
Amortisation period	10 years	5 years	7 years	
Depreciation schedule	Linear	Linear	Linear	

Goodwill and customer contracts represent the consideration paid in excess of identifiable assets and liabilities from the acquisition of Grønn Vekst AS and its former non-controlling interest in Grønn Vekst Norge AS (50%). The initial investment in Grønn Vekst AS was made in 2017 (80%), with the remaining shares acquired in 2020 (20%). The excess value was mainly related to current customer contracts, with the remaining classified as goodwill.

## Other intangible assets

in NOK million

	Customer contracts	R&D	Patents	Total
Acquisition cost as of 1 January	13.6	4.8	0.6	19.0
Additions	0	0	-	0
Reclassified	0	0	-0.6	4.8
<b>Acquisition cost as of 31 December</b>	<b>13.6</b>	<b>4.8</b>	<b>0</b>	<b>18.4</b>
Accumulated amortisation as of 1 January	4.1	0.9	0.3	5.2
Amortisation current year	1.4	1.0	0	2.3
Reclassified	-	-	-0.3	-0.3
<b>Accumulated amortisation as of 31 December</b>	<b>5.5</b>	<b>1.9</b>	<b>0</b>	<b>7.3</b>
<b>Net book value 31 December</b>	<b>8.1</b>	<b>2.9</b>	<b>0</b>	<b>11.1</b>
Depreciation period	10 years	5 years	3 years	
Depreciation schedule	Linear	Linear	Linear	

## Note 8 - Tangible fixed assets

in NOK million

	<b>Machinery &amp; equipment</b>	<b>Land &amp; buildings</b>	<b>Total</b>
Acquisition cost as of 1 January	23.4	10.8	34.2
Reclassified	0.6	0	0.6
Additions	1.5	4.6	6.2
Disposals	-0.5	-	-0.5
Currency exchange differences	0	0	0
<b>Acquisition cost as of 31 December</b>	<b>25.0</b>	<b>15.4</b>	<b>40.4</b>
Accumulated depreciation as of 1 January	15.9	0.7	16.7
Reclassified	0.3	0	0.3
Depreciation of the year	3.4	0.3	3.7
Disposals	-0.4	-	-0.4
Currency exchange differences	0	-	0
<b>Accumulated depreciation as of 31 December</b>	<b>19.1</b>	<b>1.1</b>	<b>20.2</b>
<b>Book net value</b>	<b>5.8</b>	<b>14.3</b>	<b>20.2</b>
Useful economic value	3-5 years	30 years	
Depreciation schedule	Linear	Linear	

## Note 9 - Governmental subsidies and R&D

Cambi had three R&D projects within the Skattefunn tax relief scheme in 2020. Cambi receives a 19% tax relief for cost related to these R&D projects. In addition Cambi has received grants from both Innovation Norway and Norad (Norwegian Agency for Development Cooperation) to develop new products and services, to improve existing technologies, and to enter new markets in developing countries. Subsidies are recognised as reduction of other operating expenses.

in NOK million

	<b>2020</b>	<b>2019</b>
Skattefunn	1.0	2.4
Other subsidies	3.5	3.3
<b>Total</b>	<b>4.5</b>	<b>5.7</b>



Future earnings from current R&D projects are expected to cover expenditures.

in NOK million

	<b>2020</b>	<b>2019</b>
Net R&D expenses in the consolidated financial statements	10.5	15.8

## Note 10 - Financial income and expense

in NOK million

	<b>2020</b>	<b>2019</b>
<b>Financial income</b>		
Profit share from investment in related companies	0	-0.1
Interest income	0.3	1.5
Currency exchange gains	48.2	25.5
Other financial income	2.2	0.0
<b>Total</b>	<b>50.7</b>	<b>26.9</b>
<b>Financial expense</b>		
Financial assets impairments	0.1	0.3
Profit share from investment in related companies	2.7	0.1
Currency exchange loss	42.1	30.5
Other interest expenses	3.3	6.8
Other financial expenses	2.9	2.3
<b>Total</b>	<b>51.1</b>	<b>40.0</b>
<b>Net financial income and expense</b>	<b>-0.3</b>	<b>-13.1</b>

## Note 11 - Tax

in NOK million

	2020	2019	
<b>Income tax expense</b>			
Tax payable	7.3	5.2	
Correction in tax payable previous year	1.1	0	
Change in deferred tax	-4.2	-7.0	
<b>Total</b>	<b>4.2</b>	<b>-1.8</b>	
<b>Basis for deferred tax in Norway</b>	<b>change</b>		
Fixed assets	0.7	6.5	7.2
Construction contracts	60.3	33.6	93.9
Receivables	0.3	-5.3	-5.0
Other temporary differences	-1.6	-9.2	-10.8
Tax losses carried forward	-51.0	-135.5	-186.6
<b>Total</b>	<b>8.7</b>	<b>-110.0</b>	<b>-101.3</b>
<b>Deferred tax in Norway (22%)</b>	<b>1.9</b>	<b>-24.2</b>	<b>-22.3</b>
Deferred tax in other countries	0.1	0.0	0.1
<b>Total deferred tax</b>	<b>2.0</b>	<b>-24.1</b>	<b>-22.2</b>
<b>Tax payable split by country</b>			
Norway	2.1	2.4	
UK	4.1	2.2	
Other	1.0	0.7	
<b>Total</b>	<b>7.3</b>	<b>5.2</b>	
<b>Tax payable in balance sheet</b>			
Tax payable as of 1 January	3.9	0.3	
Tax payable in income tax expense	7.3	5.2	
Tax paid in the period	-7.2	-3.0	
Other	-1.0	1.3	
<b>Tax payable as of 31 December</b>	<b>2.9</b>	<b>3.9</b>	

	2020	%
Result before tax	17.9	
22% of result before tax	3.9	22%
Differences local and Norwegian tax regimes	2.5	14%
Permanent differences	-1.1	-6.2%
Other effects	-1.2	-6.7%
<b>Total tax expense</b>	<b>4.2</b>	<b>23.6%</b>

Deferred tax asset is expected to be offset against future profits.

## Note 12 - Group companies and non-controlling interests

### Group companies

	Ownership 2020	Ownership 2019	Country
Cambi Group AS	100%	100%	Norway
Cambi Solutions AS	100%	100%	Norway
Cambi Spain SLU	100%	100%	Spain
Cambi Operations Ltd.	100%	100%	United Kingdom
Cambi Danmark AS	100%	100%	Denmark
Cambi Deutschland GmbH	100%	100%	Germany
Cambi SAS	100%	100%	France
Cambi Inc	100%	100%	USA
Cambi Korea	51%	51%	South Korea
Cambi PTE Ltd.	100%	100%	Singapore
Cambi UK Ltd.	100%	100%	United Kingdom
Cambi Environmental Technology Limited	100%	100%	China
Cambi Technology AS	100%	100%	Norway
Grønn Vekst AS	100%	80%	Norway

### Shares in non-controlling interests

	Ownership 2020	Country
Grønn Vekst Telemark AS	50%	Norway
Minorga Vekst AS	50%	Norway
EQ Renewables	40%	USA
Orwaco CJSC	29.9%	Armenia

All shares have equal voting rights, hence the ownership percentage corresponds to the voting value. Non-controlling interests are recorded in the consolidated financial statements using the equity method.

### Change in book value of non-controlling interests

in NOK million

	Grønn Vekst Telemark AS	Minorga Vekst AS	EQ Renewables	Bioethanol Rotterdam	Orwaco CJSC	Total
Balance as of 1 January	1.0	0.8	0	4.9	0.7	7.3
Additional / disposals	-	-	2.4	-4.9	-	-2.4
Share of profit (loss)	0.1	-0.8	-2.1	-	-	-2.7
<b>Balance as of 31 December</b>	<b>1.1</b>	<b>0</b>	<b>0.3</b>	<b>0</b>	<b>0.7</b>	<b>2.1</b>

### Note 13 - Inventories

in NOK million

	2020	2019
Plants under construction	14.5	9.5
Raw materials	4.5	5.4
Goods purchased for resale	3.4	3.5
Manufactured goods	4.8	2.5
<b>Total</b>	<b>27.3</b>	<b>20.9</b>

#### Note 14 - Customer construction contracts

Cambi has nine ongoing construction projects at the end of 2020 compared to eight projects at the end of 2019. The table below presents the accumulated contributions since project commencement, as of year-end 2020, for ongoing projects recognised through the profit and loss.

*Contribution on ongoing projects* in NOK million

	<b>2020</b>	<b>2019</b>
Accumulated recorded revenue for ongoing projects	227.1	251.3
Accumulated cost for raw material and consumables related to recorded revenue	101.8	93.2
<b>Net accumulated contribution ongoing projects</b>	<b>125.3</b>	<b>158.1</b>

Backlog as of year-end was NOK 438 million and NOK 221 million in 2020 and 2019, respectively. The backlog in 2020 includes options at a value of NOK 18 million.

#### Note 15 - Bank deposits

in NOK million

	<b>2020</b>	<b>2019</b>
Group current account (Norway)	0.6	43.3
Withholding tax account (Norway)	2.3	2.4
Other current accounts	43.0	79.5
<b>Total</b>	<b>46.0</b>	<b>125.2</b>

Cambi has an overdraft account with unused amount of NOK 19.9 million.

## Note 16 - Share capital and ownership

As of 31 December 2020, Cambi ASA's share capital amounted to NOK 2,781,474 divided by 2,781,474 shares at a nominal value of NOK 1. After the balance sheet date, there was a share split 1:50, in addition to a share capital increase following a NOK 302.4 million private placement. Total share capital at the time of the annual report is NOK 3,201,474 divided into 160,073,700 shares with a nominal value of NOK 0.02. There is one class of shares in the company, each equal to one vote and carrying equal rights, including rights to dividends.

### Shares owners

	Number of shares	Ownership
Cortex AS	1 900 199	68.3%
Awilhelmsen Capital Holding AS	759 557	27.3%
Other shareholders (less than 1% holding)	119 282	4.3%
<b>Total issued shares</b>	<b>2 779 038</b>	
Own shares	2 436	
<b>Total share capital</b>	<b>2 781 474</b>	

As of 31 December 2020, the President & CEO of Cambi ASA indirectly controls 1,900,199 shares through the company Cortex AS. Board member Arve Ree represents 761,261 shares owned by Awilhelmsen Capital Holding AS. Among the other shareholders, the Cambi Group CEO owns 25,000 shares through EFC Havn AS. The Managing Director of Cambi Invest owns 3,000 shares.

## Note 17 - Equity

in NOK million

	Share capital	Own shares	Share premium	Attributable to the parent	Non-controlling interests	Total
Equity as of 31 December 2019	2.8	-0.0	17.9	106.0	7.4	134.1
Annual profit	-	-	-	15.8	-2.1	13.7
Purchase 20% Grønn Vekst AS	-	-	-	-2.8	-4.2	-7.1
Currency exchange differences	-	-	-	-2.5	0.1	-2.3
<b>Equity as of 31 December 2020</b>	<b>2.8</b>	<b>-0.0</b>	<b>17.9</b>	<b>116.5</b>	<b>1.2</b>	<b>138.4</b>

## Note 18 - Security obligations and guarantees

As security for ongoing customer construction contracts, the parent company provides bank guarantees towards the subsidiaries' clients. The parent company has a guarantee limit of NOK 220 million. At the end of 2020, NOK 120 million were drawn on the frame agreement.

The Norwegian legal entities are jointly and severally liable for the group account scheme in DNB bank.

The parent company has issued a surety bond towards Innovation Norway in connection with the loan of NOK 6 million granted to Cambi Technology, and operate as an indemnitor for the surety bond facility that Zürich Insurance Public Limited company provides for Cambi Inc. The Zürich facility is USD 15 million, where USD 8.3 million was drawn as of 31 December 2020.

The parent company is guarantor for a working capital facility towards DNB of USD 9.1 million. Of the facility amount, USD 3.64 million (NOK 31.1 million) was drawn as of 31 December 2020, and will be repaid in the fourth quarter 2021. All long-term loans from DNB, including the working capital facility, have the following covenants:

- minimum equity share of 30% of total assets or at least NOK 100 million
- minimum liquidity of NOK 20 million at any given time
- minimum EBITDA of NOK 15 million for the last 12 months.

The Norwegian companies are jointly and severally liable for VAT for the Norwegian subsidiaries as a consequence of group registration.

### *Security obligations*

in NOK million

	<b>2020</b>	<b>2019</b>
Warehouse stock	4.8	2.5
Tangible assets	17.9	15.3
Accounts receivable	44.6	33.9
Shares	45.6	48.0
<b>Total</b>	<b>112.8</b>	<b>99.7</b>

The numbers represent book value.

## Note 19 - Liabilities to financial institutions

in NOK million

	2020	2019
<b>Current debt</b>		
Overdraft	5.1	0.1
Export credit	31.1	81.0
<b>Total</b>	<b>36.2</b>	<b>81.0</b>
<b>Non-current debt</b>		
Loan main bank	4.0	8.0
Loan Innovation Norway	2.2	2.8
Construction loan	7.0	7.4
Other non-current debt	1.5	2.1
<b>Total</b>	<b>14.7</b>	<b>20.3</b>
<b>Repayment profile non-current debt</b>		
Maturity less than 1 year	12.3	5.5
Maturity 1-5 years	2.4	14.6
Maturity more that 5 years	0	0.2
<b>Total</b>	<b>14.7</b>	<b>20.3</b>

Long-term loan from the main bank has the following covenants requirements:

- minimum equity the higher of an equity share of 30% of total assets and NOK 100 million.
- minimum liquidity NOK 20 million at any given time.
- minimum EBITDA: NOK 15 million for the last 12 months.

The construction loan is financing the building of the head office for Grønn Vekst AS in Grimstad. There is a loan covenant of minimum equity ratio of 30% in Grønn Vekst AS. The loan matures in 2021, and is expected to be rolled over.

## Note 20 - Events after the balance sheet date

Cambi ASA was listed on Euronext Growth in Oslo February 2021. The company is well positioned for future growth.

At the time of signing the financial statements for 2020, the coronavirus pandemic was not yet under control. Its potential consequences for the company's financial situation are difficult to estimate reliably. However, management has taken necessary measures to reduce the risks for employees and the company's operations. The effects on operations and results in 2020 have been limited.



# Financial statements

Cambi ASA (parent company only)

## Income statement for the year ended 31 December

in NOK million

	Note	2020	2019
<b>Operating income</b>			
Payroll expenses	2	0.4	0.6
Other operating expenses		2.3	2.6
<b>Operating expenses</b>		<b>2.7</b>	<b>3.2</b>
<b>Operating profit</b>		<b>-2.7</b>	<b>-3.2</b>
<b>Net financial items</b>	3	<b>-0.3</b>	<b>5.8</b>
<b>Profit (loss) before tax</b>		<b>-3.0</b>	<b>2.6</b>
Income tax expense	4	-0.7	-0.9
<b>Net result</b>		<b>-2.4</b>	<b>3.5</b>
<b>Net profit (loss)</b>		<b>-2.4</b>	<b>3.5</b>
<b>Brought forward</b>			
Dividend		0	0
To other equity		2.4	3.4
<b>Net profit (loss) brought forward</b>	5	<b>-2.4</b>	<b>3.4</b>

## Balance sheet as of 31 December

in NOK million

<i>Assets</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>
Deferred tax asset	4	11.6	11.0
<b>Total intangible assets</b>		<b>11.6</b>	<b>11.0</b>
Investments in subsidiaries	7, 11	82.6	70.7
Investments in shares	7	0	4.9
<b>Total financial assets</b>		<b>82.6</b>	<b>75.6</b>
<b>Total fixed assets</b>		<b>94.2</b>	<b>86.6</b>
Other current receivables	8	2.6	7.4
Cash and bank deposits	9	0.6	43.3
<b>Total current assets</b>		<b>3.2</b>	<b>50.7</b>
<b>Total assets</b>		<b>97.4</b>	<b>137.4</b>

in NOK million

<i>Equity</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>
<b>Restricted equity</b>			
Share capital	6	2.8	2.8
Own shares		0.0	0.0
Share premium		17.9	17.9
<b>Total restricted equity</b>		<b>20.7</b>	<b>20.7</b>
<b>Retained earnings</b>			
Other equity		27.1	29.5
<b>Total equity</b>	<b>5</b>	<b>47.8</b>	<b>50.2</b>

## Balance sheet as of 31 December

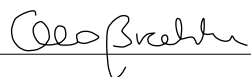
continued

in NOK million


<i>Liabilities</i>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Non-current liabilities</b>			
Liabilities to financial institutions	10	4.0	8.0
<b>Total non-current liabilities</b>		<b>4.0</b>	<b>8.0</b>
<b>Current debt</b>			
Trade creditors		1.6	0.7
Public duties payable		0	0.1
Other current debt	8	44.0	78.3
<b>Total current debt</b>		<b>45.6</b>	<b>79.2</b>
<b>Total liabilities</b>		<b>49.6</b>	<b>87.2</b>
<b>Total equity and liabilities</b>		<b>97.4</b>	<b>137.4</b>

### Cambi ASA

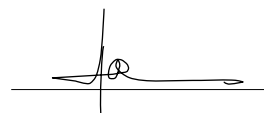
Asker, 14 April 2021



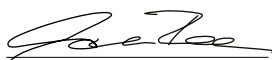
**Gro Merete Brækken**  
Chair of the board



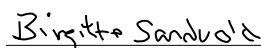
**Glen Thomas Daigger**  
Board member



**Anselmo Teixeira**  
Board member



**Arve Ree**  
Board member



**Birgitte Judith Sandvold**  
Board member



**Dragos Talvescu**  
Board member elected  
by the employees



**Per Audun Lillebø**  
President & CEO

## Cash flow statement for the year ended 31 December

in NOK million

	Note	2020	2019
<b>Cash flows from operating activities</b>			
Profit (loss) before tax		-3.0	2.6
Income from other group companies		0	-6.6
Change in accounts receivable		0.8	0.7
Change in accounts payable		-1.8	-0.3
<b>Net cash flow from operating activities</b>		<b>-4.0</b>	<b>-3.6</b>
<b>Cash flows from investment activities</b>			
Payments to buy shares in other companies		-11.9	0
Payments for purchase of own shares		0	-0.0
Proceeds from sales of shares in other companies		4.9	0
<b>Net cash flow from investment activities</b>		<b>-7.0</b>	<b>-0.0</b>
<b>Cash flows from financing activities</b>			
Repayments of non-current liabilities		-4.0	-4.0
Net change of group's debt / loan		-34.3	28.9
Proceeds from dividends		6.6	16.4
<b>Net cash flow from financing activities</b>		<b>-31.7</b>	<b>41.3</b>
<b>Net change in cash and cash equivalents</b>		<b>-42.7</b>	<b>37.7</b>
<b>Cash and cash equivalents at the start of the period</b>		<b>43.3</b>	<b>5.6</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>0.6</b>	<b>43.3</b>

# Notes to the financial statements

For the year ended 31 December 2020

## **Note 1 - Accounting Principles**

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. All figures are presented in million NOK, unless otherwise specified.

### *Foreign currency translation*

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statements as they occur during the accounting period.

### *Income tax*

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax / tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22% of temporary differences and the tax effect of tax losses is carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilised. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

### *Balance sheet classification*

Current assets and current liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as non-current assets / non-current liabilities. According to accounting principles, the first year's instalments on non-current debt are not classified as current, but specified in a note. Current assets are valued at the lower of cost and fair value. Current liabilities are recognised at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Non-current liabilities are recognised at nominal value.

### *Subsidiaries and non-controlling interests*

Subsidiaries and non-controlling investments are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period. Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statements of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

### *Accounts receivable and other receivables*

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

### *Cash flow statement*

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other current, highly-liquid investments with maturities of three months or less.

## **Note 2 - Salary and allowances**

### *Payroll expenses*

in NOK thousand

	<b>2020</b>	<b>2019</b>
Board remuneration	376	567
Social security	47	80
<b>Sum</b>	<b>424</b>	<b>647</b>

Cambi ASA has no employees. The company's payroll expenses are related to the Norwegian board members.

### *Pension obligations*

The company has no employees and is not obliged to have an occupational pension under the Act on Mandatory Occupational Pensions.

### *Auditor*

The company has in 2020 paid NOK 329 thousand ex VAT for audit services. In addition, the company spent NOK 122 thousand ex VAT on other services from the auditor.

### Note 3 - Financial income and expense

in NOK million

	2020	2019
<b>Financial income</b>		
Currency gains	0.2	0.0
Interest income from group companies	1.1	1.6
Other interest income	0.2	1.3
Income on investment in group company	0	6.6
<b>Total</b>	<b>1.5</b>	<b>9.5</b>
<b>Financial expense</b>		
Currency loss	0.1	0.0
Interest expense to group companies	0.7	1.2
Other interest expense	1.0	2.4
<b>Total</b>	<b>1.8</b>	<b>3.6</b>
<b>Net financial items</b>	<b>-0.3</b>	<b>5.9</b>

## Note 4 - Tax

in NOK million

	2020	2019
<b>Income tax expense</b>		
Tax payable	0	0
Change in deferred tax	-0.7	-0.9
<b>Total</b>	<b>-0.7</b>	<b>-0.9</b>
<b>This year's tax base</b>		
Result before tax	-3.0	2.6
Permanent differences	0.1	-6.6
<b>Total</b>	<b>-3.0</b>	<b>-4.0</b>
<b>Tax payable in balance</b>		
Tax payable on current year's result	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Calculation of efficient tax rate</b>		
Result before tax	-3.0	2.6
22% tax on result before tax	-0.7	0.6
Tax effect permanent differences	0.0	-1.4
<b>Total</b>	<b>-0.7</b>	<b>-0.9</b>

### Base for deferred tax asset

in NOK million

	2020	2019	Change
Accumulated loss carried forward	-52.9	-50.0	-3.0
<b>Total</b>	<b>-52.9</b>	<b>-50.0</b>	<b>-3.0</b>
<b>Deferred tax asset (22%)</b>	<b>-11.6</b>	<b>-11.0</b>	<b>-0.7</b>



## Note 5 - Equity

in NOK million

	Share capital	Own shares	Share premium	Other equity	Total
Equity as of 31 December 2019	2.8	-0.0	17.9	29.5	50.2
Net result	-	-	-	-2.4	-2.4
<b>Equity as of 31 December 2020</b>	<b>2.8</b>	<b>-0.0</b>	<b>17.9</b>	<b>27.1</b>	<b>47.8</b>

## Note 6 - Share capital and ownership

As of 31 December 2020, Cambi ASA's share capital amounted to NOK 2,781,474 divided by 2,781,474 shares at a nominal value of NOK 1. After the balance sheet date, there was a share split 1:50, in addition to a share capital increase following a NOK 302.4 million private placement. Total share capital at the time of the annual report is NOK 3,201,474 divided into 160,073,700 shares with a nominal value of NOK 0.02. There is one class of shares in the company, each equal to one vote and carrying equal rights, including rights to dividends.

### Shares owners

	Number of shares	Ownership
Cortex AS	1 900 199	68.3%
Awilhelmsen Capital Holding AS	759 557	27.3%
Other shareholders (less than 1% holding)	119 282	4.3%
<b>Total issued shares</b>	<b>2 779 038</b>	
Own shares	2 436	0.1%
<b>Total share capital</b>	<b>2 781 474</b>	

As of 31 December 2020, the President & CEO of Cambi ASA indirectly controls 1,900,199 shares through the company Cortex AS. Board member Arve Ree represents 761,261 shares owned by Awilhelmsen Capital Holding AS.

## Note 7 - Group companies and associated companies

in NOK million

Name	Office	Ownership	Booked value	Equity	Results 2020
Cambi Group AS	Asker, Norway	100%	21.5	37.4	-13.8
Cambi Technology AS	Asker, Norway	100%	18.4	9.7	-1.2
Grønn Vekst AS	Grimstad, Norway	100%	42.8	16.0	9.8
<b>Total</b>			<b>82.6</b>		

Høst Verdien i Avfall AS merged with Grønn Vekst AS in January 2020 and chose the name Grønn Vekst AS for the merged company. Cambi ASA used their option to buy the remaining 20% shares in the company.

The company has sold their ownership in Bioethanol Rotterdam to Cortex AS to booked value in 2020.

## Note 8 - Intercompany balances with group companies

in NOK million

	2020	2019
<b>Receivables</b>		
Dividends	0	6.6
<b>Total</b>	<b>0</b>	<b>6.6</b>
<b>Liabilities</b>		
Group current account	44.0	78.3
<b>Total</b>	<b>44.0</b>	<b>78.3</b>

## Note 9 - Bank deposits

in NOK million

	2020	2019
Group current account	0.6	43.3
Withholding tax account	0	0.1
<b>Total</b>	<b>0.6</b>	<b>43.3</b>

## Note 10 - Non-current liabilities

in NOK million

	2020	2019
Liabilities to financial institutions	4	8
<b>Total</b>	<b>4</b>	<b>8</b>

Average interest rate	4.89%	5.48%
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The company has a loan agreement with DNB bank signed in 2017. The remaining balance falls due in 2021.

## **Note 11 - Security, obligations and guarantees**

As security for ongoing customer construction contracts, the parent company provides bank guarantees towards the subsidiaries' clients. The parent company has a guarantee limit of NOK 220 million. At the end of 2020, NOK 120 million were drawn on the frame agreement.

The Norwegian legal entities are jointly and severally liable for the group account scheme in DNB bank.

The parent company has issued a surety bond towards Innovation Norway in connection with the loan of NOK 6 million granted to Cambi Technology, and operate as an indemnitor for the surety bond facility that Zürich Insurance Public Limited company provides for Cambi Inc. The Zürich facility is USD 15 million, where USD 8.3 million was drawn as of 31 December 2020.

The parent company is guarantor for a working capital facility towards DNB of USD 9.1 million. Of the facility amount, USD 3.64 million (NOK 31.1 million) was drawn as of 31 December 2020, and will be repaid in the fourth quarter 2021. All long-term loans from DNB, including the working capital facility, have the following covenants:

- minimum equity share of 30% of total assets or at least NOK 100 million
- minimum liquidity of NOK 20 million at any given time
- minimum EBITDA of NOK 15 million for the last 12 months.

The Norwegian companies are jointly and severally liable for VAT for the Norwegian subsidiaries as a consequence of group registration.

The company is jointly and severally liable for VAT for some Norwegian subsidiaries as a consequence of group registration.

## **Note 12 - Events after the balance sheet date**

Cambi ASA was listed on Euronext Growth in Oslo February 2021. The company is well positioned for future growth.

At the time of signing the financial statements for 2020, the coronavirus pandemic was not yet under control. Its potential consequences on the company's financial situation are difficult to estimate reliably. However, management has taken necessary measures to reduce the risks for employees and the company's operations. The effects on operations and results in 2020 have been limited.

# Independent auditor's report

## Report on the Audit of the Financial Statements



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To the General Meeting of Cambi ASA

### Independent Auditor's Report

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of Cambi ASA showing a loss of NOK 2.4 million in the financial statements of the parent company and profit of NOK 13.7 million in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Cambi ASA (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Cambi ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

##### Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 as required by laws and regulations, 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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**THE POWER OF BEING UNDERSTOOD**  
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RSM Norge AS er medlem av et nettverk av Revisjon Norge.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider 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, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Board of Directors and the Managing Director for the Financial Statements*

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

*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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

**Report on Other Legal and Regulatory Requirements**

*Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

*Opinion on Registration and Documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 14 April 2021  
RSM Norge AS

A handwritten signature in blue ink, appearing to read 'Arnfinn Øsvik'.

Arnfinn Øsvik  
State Authorised Public Accountant



# 2020

## CAMBI ASA | ANNUAL REPORT 2020

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