

Q1 24

CAMBI ASA | FIRST-QUARTER RESULTS 2024

CAMBI



Cambi enables cities globally to develop circular economies in water, energy, and food through technology and solutions that transform wastewater solids and organic wastes into valuable bioresources.

### CEO's first-quarter summary

- Two new contracts, one in each segment, and the first engineering contract in France
- Book-to-bill ratio of 1.9x; the highest ever order backlog in the Solutions segment
- Steady execution, delivering on client schedules for all ongoing contracts
- Approved NOK 160.1 million in dividends for the financial year 2023, to be paid in May
- Good visibility on medium-term activity level from executing the high order backlog

# First quarter Financial highlights

- **Revenue** was NOK 216 million in the first quarter, an increase of 3% from NOK 210 million in the first quarter of 2023. The revenue level reflects steady execution on a high number of ongoing construction contracts. A slightly weaker NOK compared to one year earlier positively impacted project revenue in foreign currencies.
- **Operating expenses** in the first quarter were NOK 78 million, 9% higher than NOK 72 million in the same quarter of 2023. The rise in operating expenses is mainly due to an increase in payroll expenses, offset by lower other operating expenses.
- **Operating cash flow** in the quarter was NOK -12 million compared to NOK 34 million in the first quarter of 2023.
- **EBITDA** was reported at NOK 36 million in the first quarter, compared to NOK 57 million in the first quarter last year. The decrease is driven by lower gross margin and higher payroll costs.
- **Order intake** in the first quarter was NOK 401 million, up from NOK 223 million in the same quarter last year. The reported order intake is primarily from two contract awards, one each in the Technology and Solutions segments.
- **Order backlog** at the end of the first quarter was reported at NOK 1,727 million, which is up 60% from NOK 1,079 million one year earlier and up 12% from the previous quarter.

## 216

Revenue

## 36

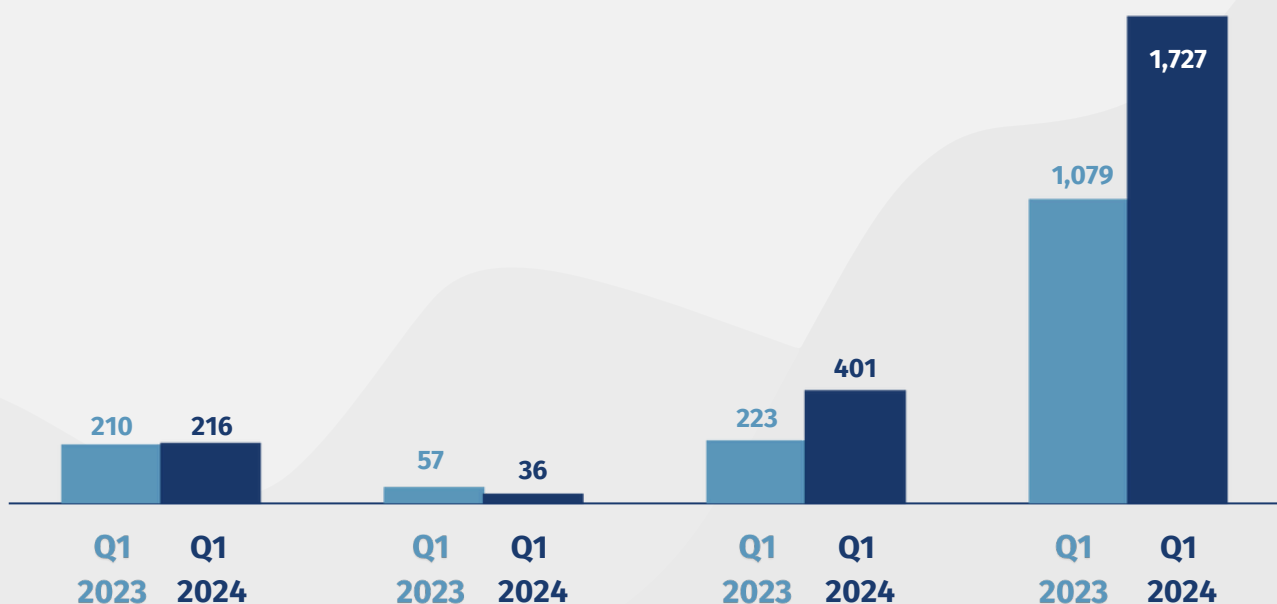
EBITDA

## 401

Order intake

## 1,727

Order backlog



in NOK million



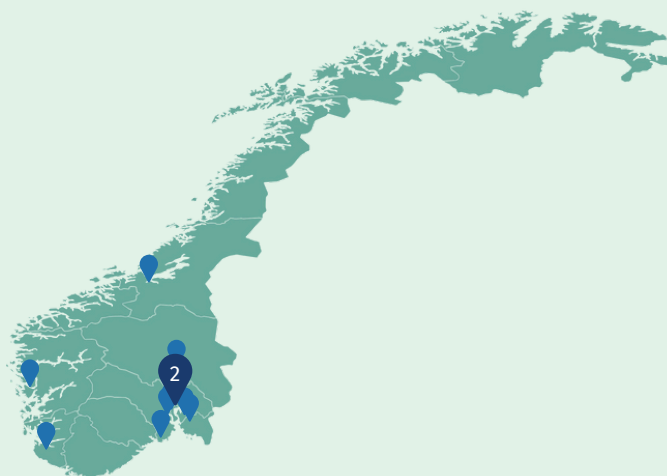
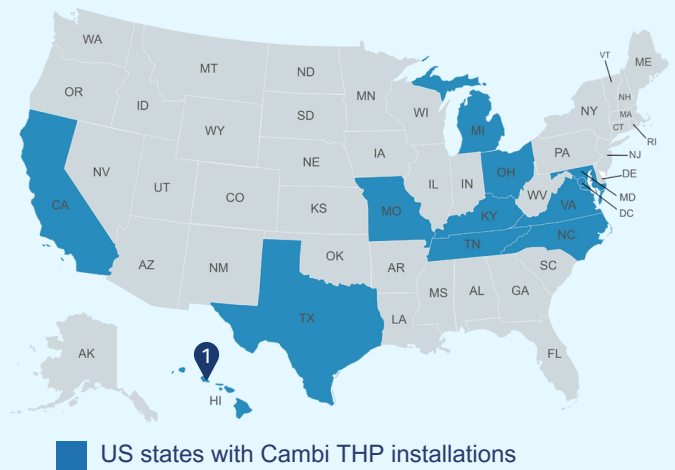
# First quarter Order intake

Cambi started the year with two contract awards, one in each of the Technology and Solutions segments

## 1 Honolulu, Hawaii, USA

In January, Cambi entered a major contract to supply a THP system to Honolulu's Honouliuli wastewater treatment plant, enhancing its capacity to process and reduce wastewater solids.

The project, scheduled for delivery in 2026 and operation in 2027, will allow the facility to handle increased solids volumes and boost biogas production without new digesters. It is Cambi's 12th installation in the USA.



■ The largest Norwegian municipalities for which Grønn Vekst processes biosolids or garden waste

## 2 Oslo, Norway

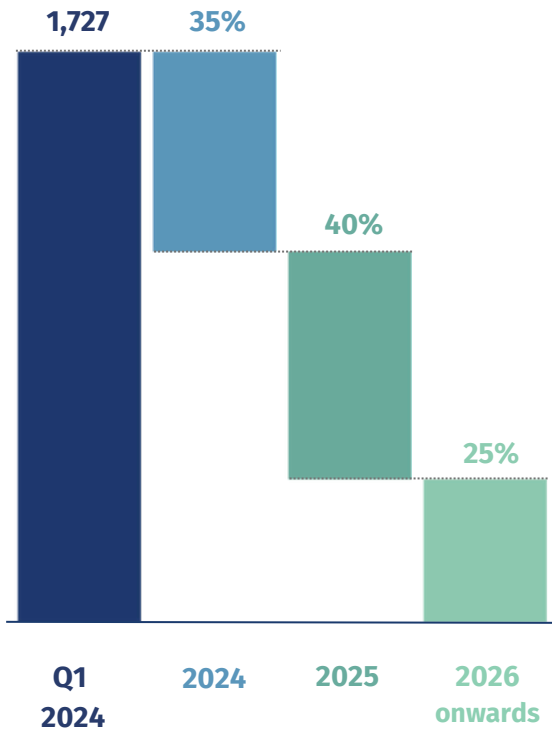
Grønn Vekst, part of Cambi's Solutions segment, has been selected to handle biosolids for Vestfjorden Avløpsselskap (Veas), Norway's largest wastewater treatment facility. The contract has a duration of up to 4 (four) years, with a total contract value of up to NOK 80 million.

Cambi looks forward to commissioning a THP system at the same plant, scheduled for 2026, which together with Grønn Vekst's peat-free soil products enables Veas to boost circular economies in the Oslo area.

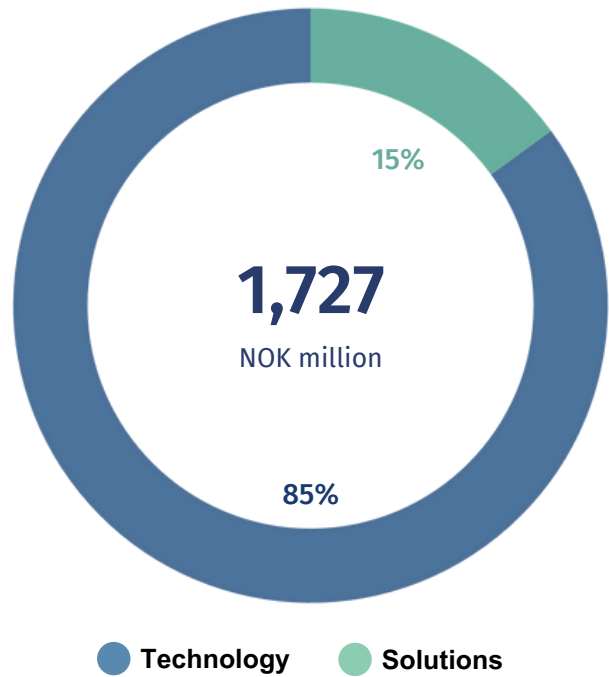
First quarter

# Order backlog

Backlog by execution year  
in NOK million

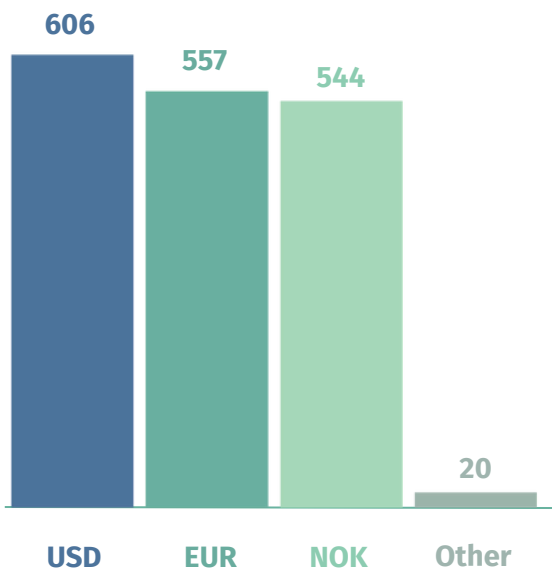


Backlog by segment



Backlog by currency

in NOK million equivalent at Q1 2024 FX rates



At the end of the first quarter, Cambi had an order backlog valued at NOK 1,727 million.

The order backlog in the Technology segment comprises 16 ongoing construction projects considering the progress achieved to date and the remaining work. The latter is included in the backlog and is expected to be converted to revenue in future periods.

Within the Solutions segment, the backlog comprises the value of remaining work in Grønn Vekst's biosolids and garden waste handling contracts including options and 1 (one) construction contract in the Services subsegment.

More than two thirds of the order backlog is denominated in foreign currencies, which poses risks associated with exchange rate fluctuations.

## Technology segment

# Operational review

Delivering on client schedules on all 16 construction contracts in execution

Cambi's engineering, manufacturing, and site teams had a busy first quarter, making steady progress on many of the 16 ongoing construction contracts. Some sites have experienced delays in deliveries outside of Cambi's scope, which influence the schedule for Cambi's deliveries. However, Cambi is set to deliver all ongoing construction contracts according to client schedules.

The THP system installed last summer in Athens, Greece, has been handed over to the customer and is now in operation. In the USA, the THP system at the Neuse River site in Raleigh was also partly commissioned, having passed the test on water.

In Copenhagen, Denmark, Cambi completed the THP system installation at Damhusåen and started preparing for commissioning during the spring. The THP systems for the municipality of Lillestrøm, Norway, and for Sasol in South Africa, completed manufacturing during the first quarter and were dispatched to their destinations.

Manufacturing has sourced the materials needed to start production for several of the projects currently progressing through the engineering phase. In addition, two new engineering studies commenced during the quarter, for the project in Hawaii, USA and for a potential project Dunkirk in France.



THP system under commissioning in Raleigh, North Carolina (USA)



Dispatchment of THP systems from Congleton, UK, to South Africa



118

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



89

facilities have chosen Cambi's thermal hydrolysis technology



27

countries with Cambi THP plants on all six continents

## Technology segment

# Financial review

Solid order intake and steady execution of ongoing construction contracts

- **Revenue** in the first quarter was NOK 161 million, 7% lower than NOK 172 million in the first quarter of 2023. The reported revenue level is a result of steady project execution for the 16 ongoing construction contracts, up from 13 ongoing contracts in the same quarter of last year.
- **EBITDA** for the first quarter came in at NOK 30 million, down from NOK 60 million in the same quarter of last year. The EBITDA margin for the period was 19%, compared to 35% in the first quarter of 2023. The lower EBITDA is mainly due to lower revenue recognition and lower gross margin between the two quarters.
- **Order intake** during the first quarter was NOK 303 million. There was one major contract award and several smaller change orders on ongoing construction contracts. The order intake was also influenced by a weaker NOK, which lifted the value of the order backlog.
- **Order backlog** at the end of the first quarter was NOK 1,460 million, up 59% from NOK 921 million one year earlier and 11% higher than the NOK 1,318 recorded the previous quarter. The book-to-bill ratio was 1.9x during the quarter. A solid order backlog provides good visibility for the activity level in the coming years.

# 161

Revenue

# 30

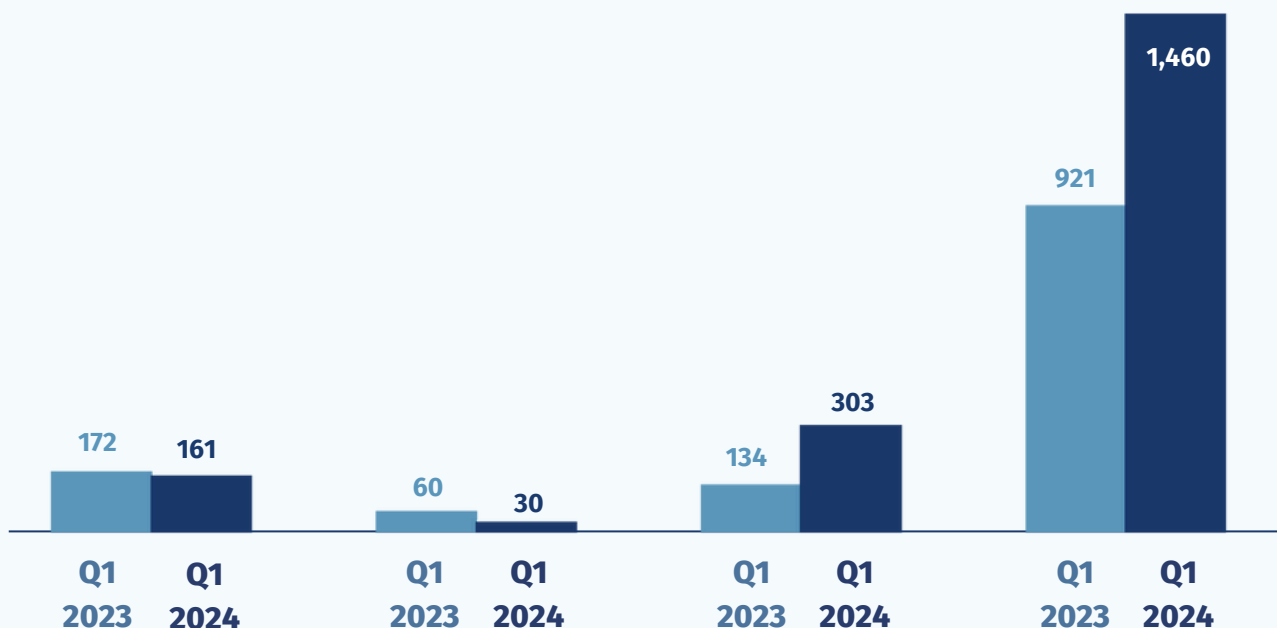
EBITDA

# 303

Order intake

# 1,460

Order backlog



in NOK million



# Operational review

Scaling up THP service capacity and extending retail soil product range.

## Services

In Services, the activity level is higher than ever before. The growing team supports THP plant owners globally while delivering value-adding upgrade projects. Upon commissioning, two new plants were onboarded to Services in the quarter following a successful project execution.

During the quarter, Services also started working on one engineering project and signed a contract for another. These projects may support the business case for future THP upgrade projects in Northern Europe.

Cambi PLUS, the in-house digital platform for remote THP process monitoring, diagnostics and optimisation support, is continuously improved while being introduced at several THP plants.

In Dublin, Ireland, construction works are progressing to upgrade the third system of the THP in operation at Ringsend. Commissioning is phased to allow the plant to remain in operation.

Detailed engineering for the THP upgrade at the Whitlingham site in Norwich, England, was completed during the quarter and followed by procurement in preparation of site works.

## Soil recycling

Bulk soil sales were 20,000 tonnes in the first quarter of 2024, up 8% compared to 18,500 tonnes in the same quarter of last year. Both production and deliveries were in line with expectations. Soil sales are usually lower in the colder months and higher in the warmer months.

The opening of Grønn Vekst's soil bagging facility last summer has boosted peat-free soil production and resulted in a considerable increase in the customer base. Two large Norwegian garden centre chains are now offering Grønn Vekst peat-free soils under their private labels.

In the first quarter, Grønn Vekst launched a new web shop where private consumers can easily order bulk soil deliveries. The offering will be gradually expanded to include Grønn Vekst's own peat-free soil bags, sand and gravel.

As the demand for sustainable gardening products is increasing, Grønn Vekst is gearing up to meet it both directly and through retail chain partnerships.

All existing biosolids and garden waste contracts continue to be executed as planned. In the quarter, Grønn Vekst started preparations for the new biosolids contract with Veas in the greater Oslo area, to be executed from 1 June 2024.



Grønn Vekst soil production facility for bulk and park soil assortments



20,000

tonnes of bulk soil sold in the quarter



27

soil production sites in Norway



# Solutions segment

## Financial review

### Record-high segment order backlog

- Revenue** for the first quarter was NOK 55 million, 46% more than the NOK 38 million recorded in the same quarter of 2023. The increase is mainly from higher revenues within Services. The soil business usually has a lower share of total segment revenue in the colder months.
- EBITDA** ended the first quarter at NOK 6 million, compared to NOK -3 million in the same quarter of 2023. The uplift is mainly from increased activity in the Services subsegment during the quarter, offset by higher payroll expenses due to a growing organisation.
- Order intake** in the period was NOK 98 million, 10% higher than NOK 89 million recorded in the first quarter of last year. The uplift is due to the new biosolids handling contract. The book-to-bill ratio was 1.8x.
- Order backlog** ended the first quarter at an all-time high for the segment of NOK 267 million, 69% higher than one year earlier, when it was NOK 158 million. Compared to the previous quarter, the order backlog increased by 19% from NOK 224 million. The quarterly increase is driven by Grønn Vekst's biosolids handling contract for Veas in the Oslo area.

55

Revenue

6

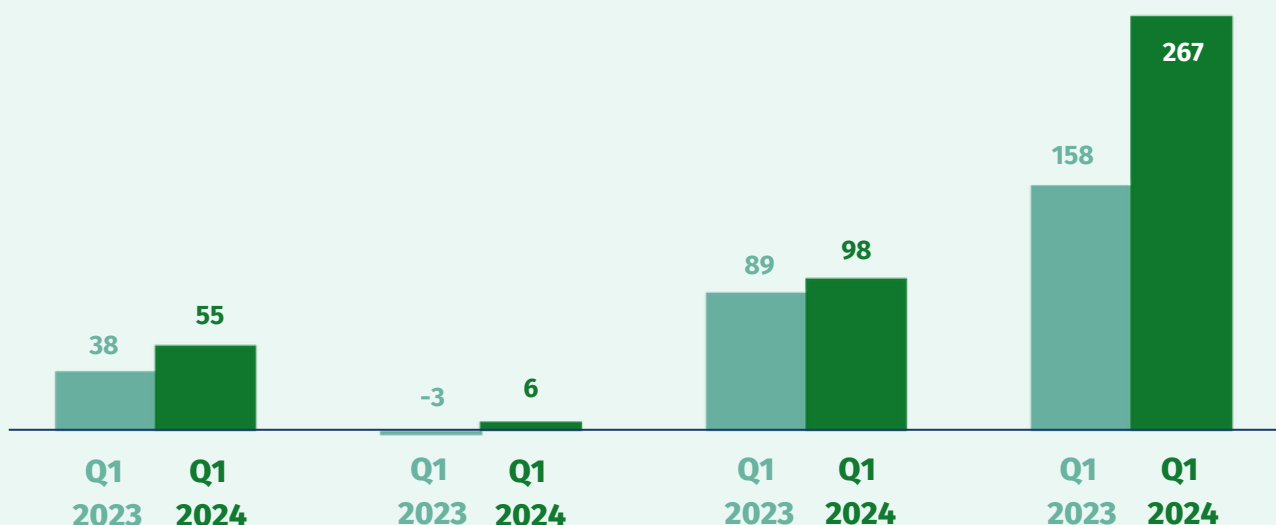
EBITDA

98

Order intake

267

Order backlog



in NOK million

# Market

Cambi delivers steadily on backlog. With increasingly more cities choosing to adopt thermal hydrolysis, the company positions itself for future growth.

## Recent developments

In April, Grønn Vekst was awarded a contract to grind, transport, and compost all the garden waste collected at public recycling stations across the municipality of Bærum, Norway. The compost will be used in producing bulk soil. The contract has a total duration including options of up to four years.

The Annual General Meeting on 2 May 2024 has approved the payment of dividends for the financial year 2023. The dividend is in amount of NOK 1.00 per share for the company's 160,073,700 shares, totalling NOK 160.1 million. The share is trading ex-dividend since 3 May 2024.



Deurne-Schijnpoort wastewater treatment plant in Antwerp, Belgium

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

Asker, 7 May 2024

## Outlook

Cambi started the year with a solid order backlog and secured significant new orders in the first quarter. There is a high activity level in sales, marketing, research, and development to fuel long-term sustainable growth.

The company is also expanding the team to meet the growing activity levels, while focusing on maintaining a sustainable cost level by leveraging operational efficiencies.

The recent THP engineering contract in Dunkirk, France, a growing number of feasibility studies conducted by major cities globally, and public decisions by water utility companies in the USA to adopt thermal hydrolysis as part of their solids treatment strategies reflect a sustained interest in and demand for Cambi's technology and solutions.

The pipeline of potential projects also continues to increase, with more projects getting closer to award. While it always takes considerable time until such developments can materialise into construction contracts for Cambi, there is considerable momentum for long-term growth.

Cambi maintains solid project execution across its portfolio of construction contracts with stable project margins. While aware of natural customer-side adjustments to delivery schedules, these are currently not expected to significantly impact the year's results.

Cambi's financial outlook remains subject to variables outside the company's control, such as project execution timelines, currency exchange fluctuations, and geopolitical tensions, with ongoing strategies in place to mitigate these risks.

Focused on organic growth, Cambi continuously evaluates strategic acquisitions of complementary businesses or technologies, to enhance its industry leadership in environmental solutions.

Q1 2024

# Interim financial statements with notes

## Consolidated income statement

Unaudited, in NOK million

	Q1 2024	Q1 2023	Year 2023
<b>Revenue</b>	<b>215.6</b>	<b>209.7</b>	<b>976.6</b>
Materials, goods and services	101.1	81.5	445.4
<b>Gross margin</b>	<b>114.6</b>	<b>128.3</b>	<b>531.2</b>
Payroll expenses	48.7	38.9	181.2
Other operating expenses	29.5	32.7	100.7
<b>Operating expenses</b>	<b>78.2</b>	<b>71.6</b>	<b>281.9</b>
<b>EBITDA</b>	<b>36.3</b>	<b>56.7</b>	<b>249.3</b>
Depreciation & amortisation	5.9	5.9	24.1
<b>Operating profit</b>	<b>30.4</b>	<b>50.8</b>	<b>225.1</b>
Net financial items	-9.4	-2.4	3.7
<b>Profit (loss) before tax</b>	<b>21.0</b>	<b>48.3</b>	<b>228.9</b>
Income tax expense	0.0	0.0	45.9
<b>Net profit (loss)</b>	<b>21.0</b>	<b>48.3</b>	<b>182.9</b>
<b>Attributable to</b>			
Equity holders of the parent company	21.4	48.7	184.1
Non-controlling interests	-0.4	-0.4	-1.1
	21.0	48.3	182.9



## Consolidated balance sheet

Unaudited, in NOK million

<b>Assets</b>	<b>Q1 2024</b>	<b>Q1 2023</b>	<b>Year 2023</b>
Intangible assets	25.5	76.8	30.3
Tangible assets	36.3	20.3	34.5
Long-term loan to employees	5.4		6.2
Investments in shares	0.7	1.1	0.7
<b>Total non-current assets</b>	<b>67.9</b>	<b>98.1</b>	<b>71.7</b>
Inventories	90.7	60.2	70.9
Receivables	283.8	176.1	243.8
Current financial investments	107.6	101.7	107.6
Cash and cash equivalents	225.5	198.8	240.0
<b>Total current assets</b>	<b>707.7</b>	<b>536.7</b>	<b>662.2</b>
<b>Total assets</b>	<b>775.6</b>	<b>634.8</b>	<b>733.9</b>

Unaudited, in NOK million

<b>Equity</b>	<b>Q1 2024</b>	<b>Q1 2023</b>	<b>Year 2023</b>
<b>Total equity</b>	<b>373.0</b>	<b>464.3</b>	<b>338.7</b>

Unaudited, in NOK million

<b>Liabilities</b>	<b>Q1 2024</b>	<b>Q1 2023</b>	<b>Year 2023</b>
Non-current liabilities	12.6	0.8	12.7
Current liabilities	389.9	169.7	382.5
<b>Total liabilities</b>	<b>402.6</b>	<b>170.5</b>	<b>395.2</b>
<b>Total equity and liabilities</b>	<b>775.6</b>	<b>634.8</b>	<b>733.9</b>

## Consolidated cash flow statement

Unaudited, in NOK million

	Q1 2024	Q1 2023	Year 2023
<b>Cash flows from operating activities</b>			
Profit (loss) before tax	21.0	48.3	228.9
Tax paid for the period	-2.5		1.1
Ordinary depreciation	5.9	5.9	24.1
Change in inventory	-19.8	-16.9	-27.6
Change in accounts receivable	-2.0	-17.3	-16.0
Change in accounts payable	-6.8	3.6	26.2
Effect of exchange rate fluctuations	13.2	6.2	1.8
Change in other accrual items	-21.2	3.6	-27.5
<b>Net cash flows from operating activities</b>	<b>-12.2</b>	<b>33.5</b>	<b>210.9</b>
<b>Cash flows from investment activities</b>			
Payments for the purchase of fixed assets	-2.9	-1.3	-18.5
Payments for the purchase of intangible assets		-0.1	-0.1
Payments for the purchase of own shares		-0.7	-1.0
Proceeds from the sales of own shares		0.8	1.6
Proceeds from employee loan repayment	0.8		0.8
<b>Net cash flows from investment activities</b>	<b>-2.1</b>	<b>-1.3</b>	<b>-17.2</b>
<b>Cash flows from financing activities</b>			
Repayment of long-term liabilities	-0.2	-0.3	-1.0
Payment of dividend			-120.0
Change investment equity method			0.3
<b>Net cash flows from financing activities</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-120.6</b>
<b>Net change in cash and cash equivalents</b>	<b>-14.4</b>	<b>31.9</b>	<b>73.1</b>
Cash and cash equivalents at the start of the period	240.0	166.9	166.9
Cash and cash equivalents at the end of the period	225.5	198.8	240.0

## Consolidated statement of changes in equity

Unaudited, in NOK million

	Share capital	Own shares	Share premium	Other equity	Minority interests	Total
<b>Equity as of 1 January 2024</b>	<b>3.2</b>	<b>-0.0</b>	<b>295.0</b>	<b>39.7</b>	<b>0.8</b>	<b>338.7</b>
Net result				21.4	-0.4	21.0
Share-based incentive program				0.2		0.2
Currency exchange differences				13.1	0.0	13.1
<b>Equity as of 31 March 2024</b>	<b>3.2</b>	<b>-0.0</b>	<b>295.0</b>	<b>74.4</b>	<b>0.4</b>	<b>373.0</b>



# Notes

## Note 1 - Reporting entity

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

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

Thermal hydrolysis is compatible with all sludge and waste treatment regulations and easy to integrate at new and existing anaerobic digestion sites. The process has multiple cost-saving and environmental benefits. Coupled with anaerobic digestion, it increases biogas production, reduces demand for non-renewable energy sources, and produces easy-to-handle, nutrient-rich biosolids that can replace synthetic fertilisers. Overall, it is often the technology with the lowest carbon footprint and the lowest total cost over the asset operation lifetime.

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

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

## Note 2 - Operating segments

Unaudited, in NOK million

	Technology		Solutions	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023
<b>Revenue</b>	<b>160.6</b>	<b>172.0</b>	<b>55.0</b>	<b>37.7</b>
Materials, goods and services	69.4	52.8	31.7	28.7
<b>Gross margin</b>	<b>91.2</b>	<b>119.2</b>	<b>23.4</b>	<b>9.0</b>
Payroll expenses	38.2	32.1	10.5	6.8
Other operating expenses	23.0	27.5	6.5	5.2
<b>Operating expenses</b>	<b>61.2</b>	<b>59.6</b>	<b>17.0</b>	<b>12.0</b>
<b>EBITDA</b>	<b>30.0</b>	<b>59.6</b>	<b>6.4</b>	<b>-2.9</b>
Depreciation & amortisation	4.6	4.8	1.4	1.1
<b>Operating profit</b>	<b>25.4</b>	<b>54.8</b>	<b>5.0</b>	<b>-4.1</b>

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

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

### Note 3 - Customer construction contracts

Unaudited, in NOK million

	Q1 2024	Q1 2023
Earned, not invoiced revenue from construction contracts (in balance sheet)	169.1	90.0
Accrued project cost, provision and guarantees (in balance sheet)	149.8	83.7
Accumulated revenue recognised for ongoing projects	1,080.5	562.4
Accumulated cost of materials, goods, and services for ongoing projects	480.0	239.9
<b>Net contribution</b>	<b>600.4</b>	<b>322.5</b>

Revenue from construction contracts is recognised on the percentage-of-completion method, measured by the percentage of costs incurred to date divided by the estimated total costs for each contract. Construction contracts comprise both equipment deliveries to new Cambi sites, recorded under the Technology segment, and equipment deliveries to existing Cambi sites, recorded under the Solutions segment.

Cambi had 17 ongoing construction projects at the end of the first quarter, of which 16 in the Technology segment and 1 (one) in the Solutions segment. At the end of the first quarter of 2023, Cambi had 14 ongoing construction projects, 13 in the Technology segment and 1 (one) in the Solutions segment.

As of 31 March 2024, the accumulated contribution from ongoing projects was NOK 600 million, recognised through profit and loss from the commencement of the projects.



# Q1 24

## CAMBI ASA | FIRST-QUARTER RESULTS 2024

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