

Cambi ASA

Q2 2023

22 August 2023

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Cambi transforms sewage sludge into renewable resources



Our global presence

86

reference plants

27

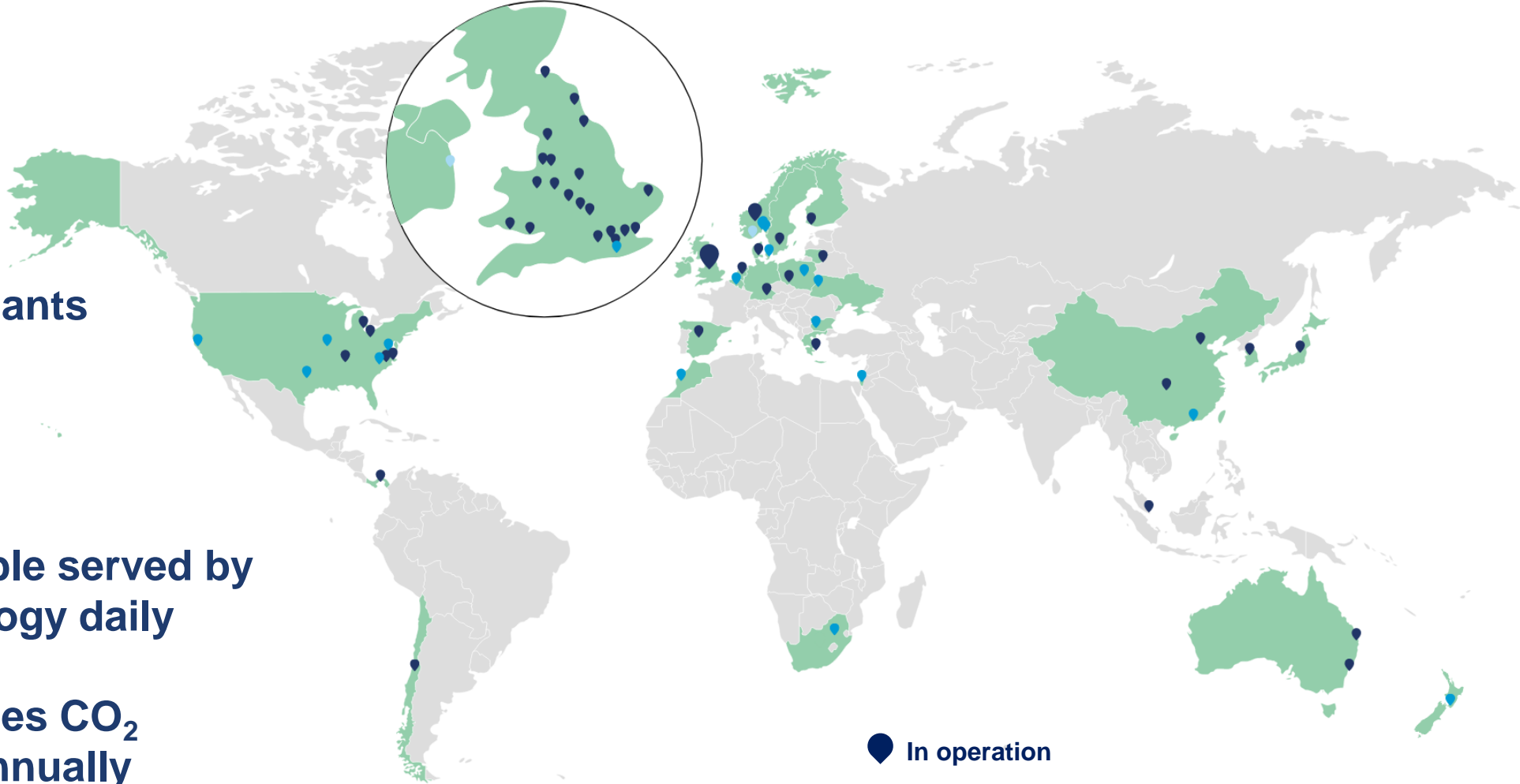
countries

115

million people served by our technology daily

1.2

million tonnes CO₂ mitigated annually



● In operation

● Project execution

Second Quarter 2023 Highlights

- Revenue of NOK 238 (105) million
- EBITDA NOK 64 (-3) million
- EBITDA margin 27%
- Order intake NOK 201 (244) million
- Order backlog NOK 1,042 (544) million
- Strong balance sheet with NOK 270 (221) million in cash and financial asset
- Cash dividend of NOK 0.15 per share was paid



Operational update

- Projects that were delayed last year again show positive progress
- Continued momentum in project execution throughout the quarter
- Successful completion of deliveries to Safi (Morocco) and Damhusåen (Denmark), with on-site installation initiated in Q2
- Successful protection of gross margins in an environment with high inflationary pressure

112

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

83

facilities have chosen Cambi's thermal hydrolysis technology

0

reportable health and safety incidents



Deliveries of THP systems for Denmark and Morocco

Operational update

- Grønn Vekst awarded biosolids handling contract in Trondheim with an estimated value of NOK 120 million incl. options.
- Peat-free soil production facility in full-scale operation

89,000

tonnes of peat-free soil sold in the quarter

26

soil production and composting facilities in Norway

1

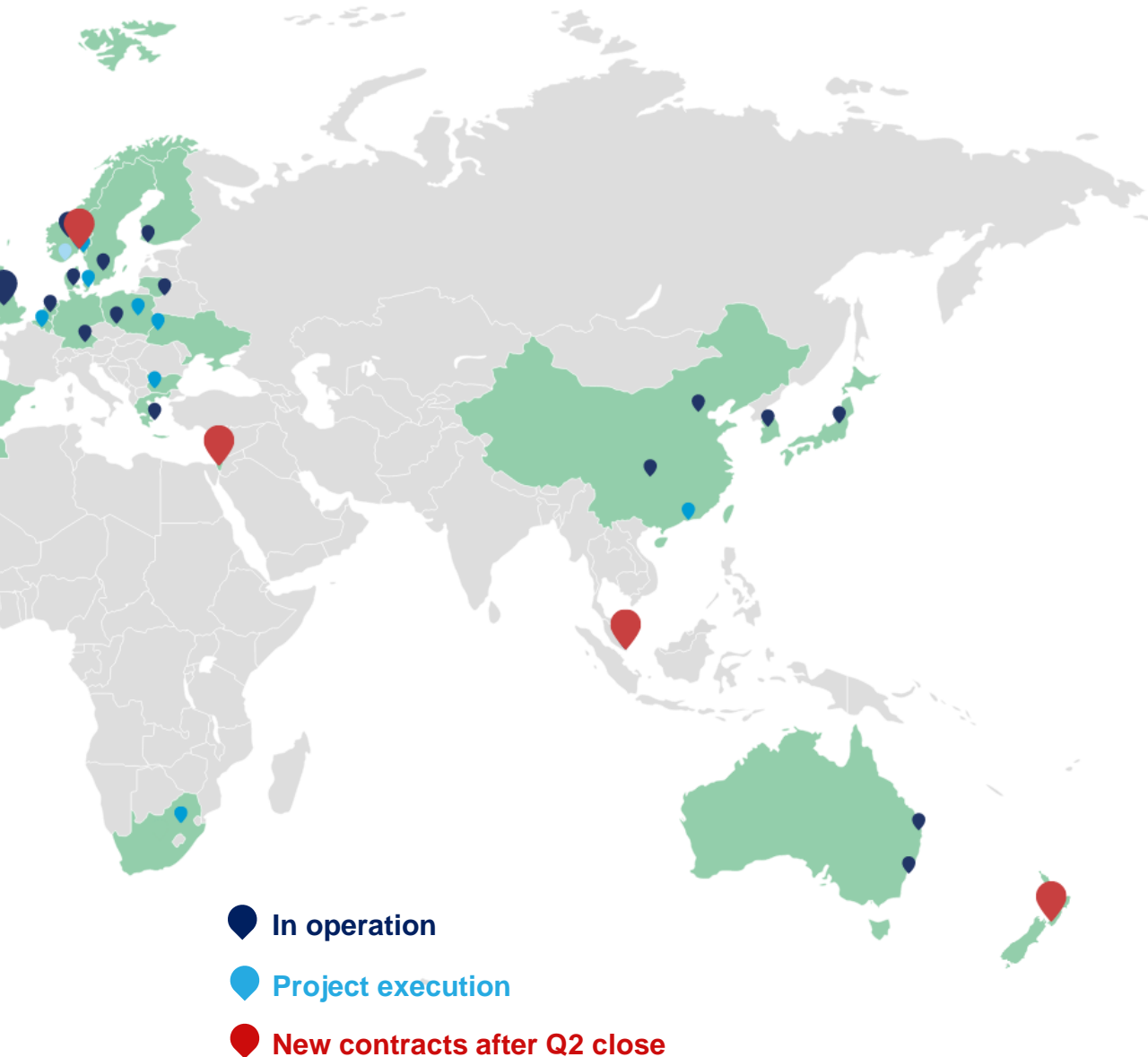
new factory for peat-free soil production in full-scale operation

0

reportable health and safety accidents



Recent developments



Norway: Completed the collaboration phase and signed a large contract with VEAS



Singapore: Awarded a major thermal hydrolysis contract for TUAS in Singapore



Israel (new): Awarded a medium contract in the city of Be'er Sheva



New Zealand (new): Enters New Zealand with a large contract in Wellington

A large THP contract at Norway's largest wastewater treatment plant is has been signed

- Cambi and Veas have designed a modern and energy-efficient facility using the THP and identified ways to optimise the project, defining an execution schedule and budget
- Following the successful completion of the collaboration phase, the parties have now entered a project execution contract
- The planned THP solution will increase renewable energy production, enhance nutrient recovery and reduce treatment costs, making the most of Veas' existing anaerobic digestion capacity
- This will be Cambi's 10th project in Norway
- THP operations are scheduled to start in early 2026



A major thermal hydrolysis contract in Singapore has been awarded

- Cambi has been selected based on technical merit, sustainability, and cost-effectiveness
- Thermal hydrolysis from Cambi will enhance biogas production and reduce sludge volume to be incinerated
- This will be Cambi's 2nd project in Singapore, after the Jurong WRP project in 2015
- THP operations scheduled start operating from 2026



Cambi enters Isreal and has been awarded a medium contract in the city of Be'er Sheva

- Cambi's announced its first project in Israel for a THP system to treat solids from a wastewater treatment facility in the city of Be'er Sheva
- Cambi's solution was selected because of its reliability, performance, and affordability in operations
- THP, followed by anaerobic digestion, will enable water utility company Mei Sheva to address urban growth in the region
- First contract in Israel
- The project is scheduled for site delivery in the first quarter of 2025



Cambi enters New Zealand and has been awarded a large contract in Wellington

- The project will revolutionize the way the city manages its wastewater solids
- THP will more than halve the required anaerobic digester volume, increase green electricity production from biogas, and improve dewatering sufficiently to reduce the size and energy requirement of the thermal drying facility by more than 40%
- First contract in New Zealand
- THP scheduled for operation by 2026



Outlook

- Strong growth in full-year revenues and profits in 2023 vs 2022 is expected
- Solid order backlog providing good financial visibility for the next years
- Order intake target 2023-2024 of NOK 1.2 billion reiterated
- Nominal dividend per share in the next two-year period aimed at a payout ratio of 60-80% of net profit.

Financial Performance

Mats Tristan Tjemsland, CFO

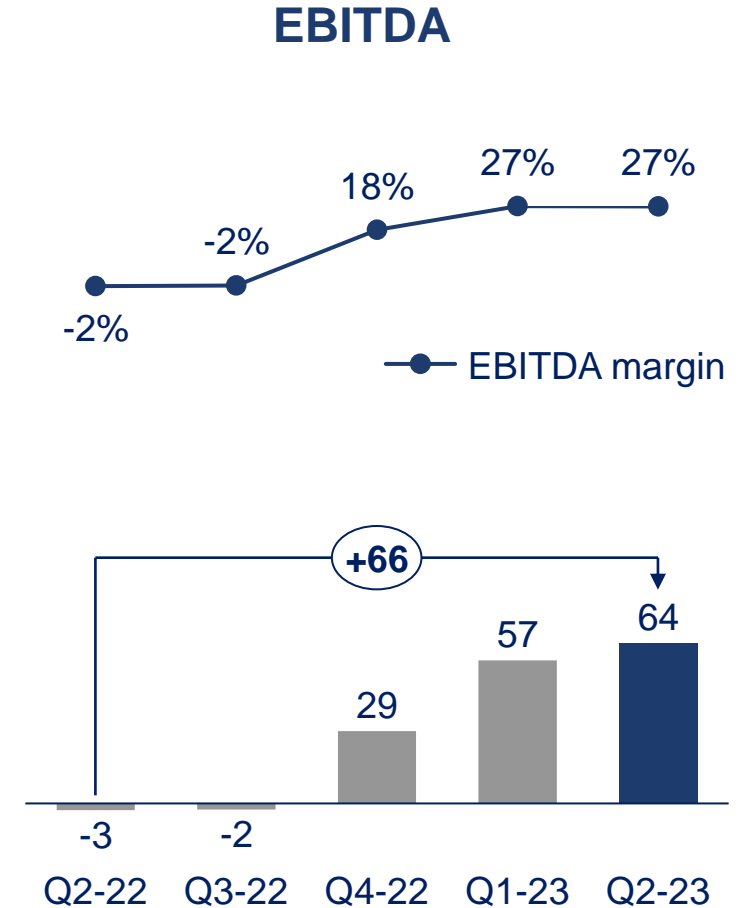
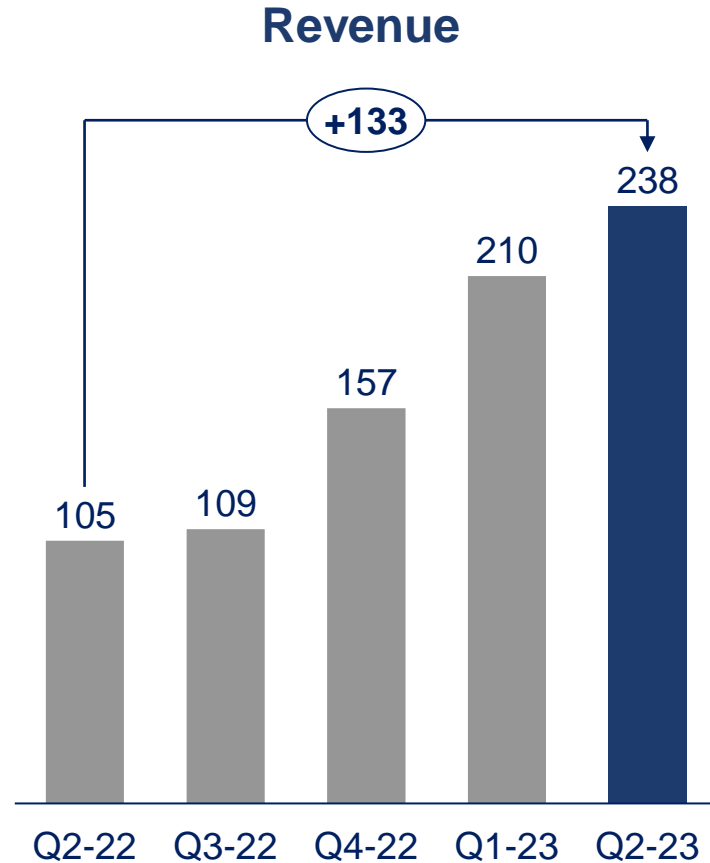
Cambi ASA – quarterly revenue and EBITDA

Revenue

- Continued strong momentum in project execution of order backlog
- A weak NOK provides additional uplift from project revenues in foreign currencies

EBITDA

- Increase is attributed to the uplift in project revenues in addition to operational leverage
- Growth in SG&A expenses is attributed to the expanding scale of the organization



in million NOK

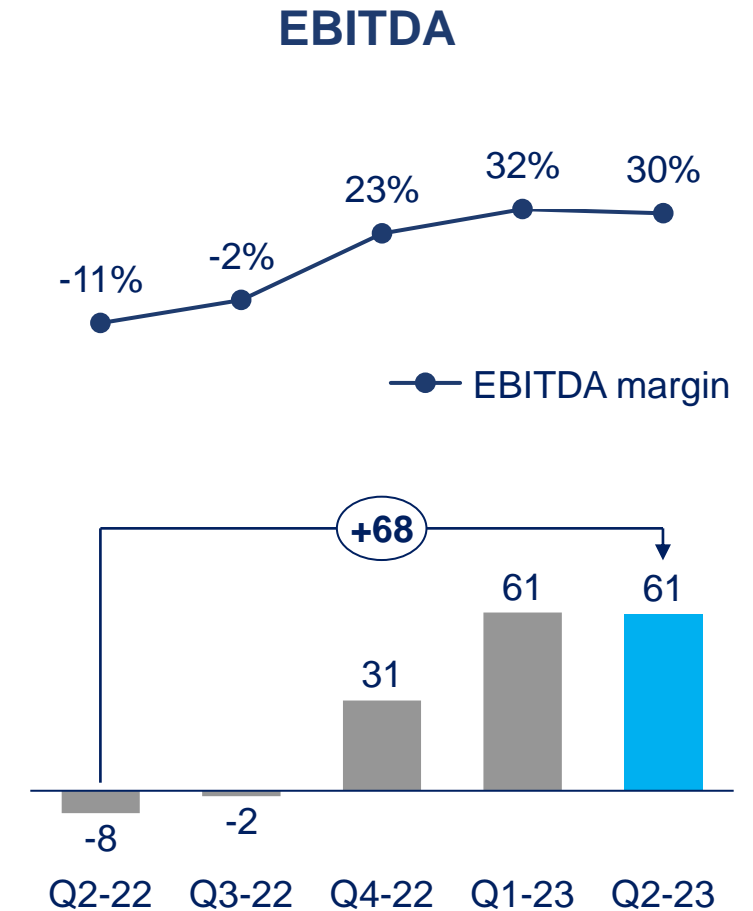
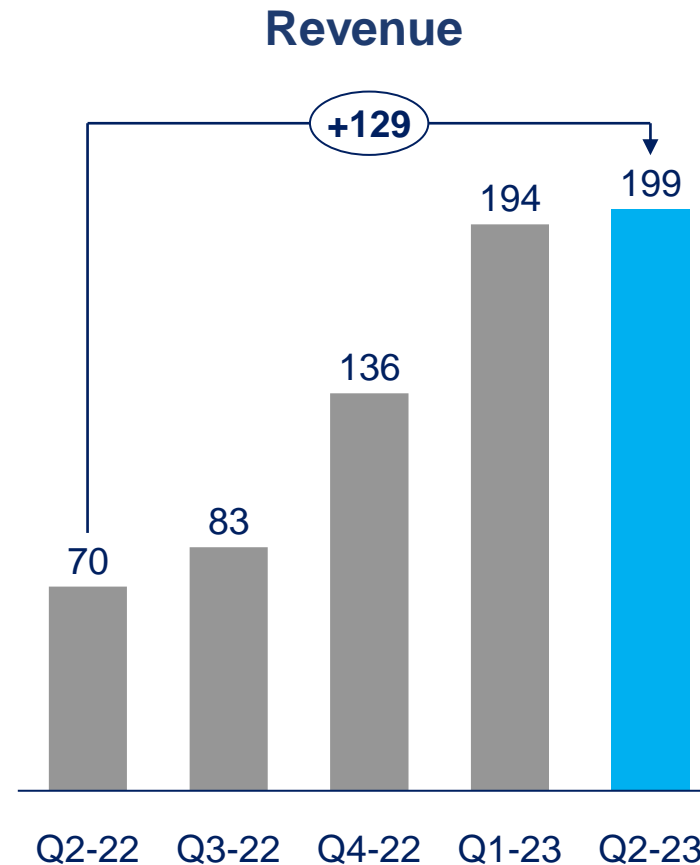
Cambi Group segment – quarterly revenue and EBITDA

Revenue

- The various projects in the Equipment subsegment continued to progress well in the various phases of execution
- Solid uplift in revenue from the Services subsegment for the quarter

EBITDA

- Significant uplift driven by increase in margin contribution from projects, offset by growth in SG&A expenses



in million NOK

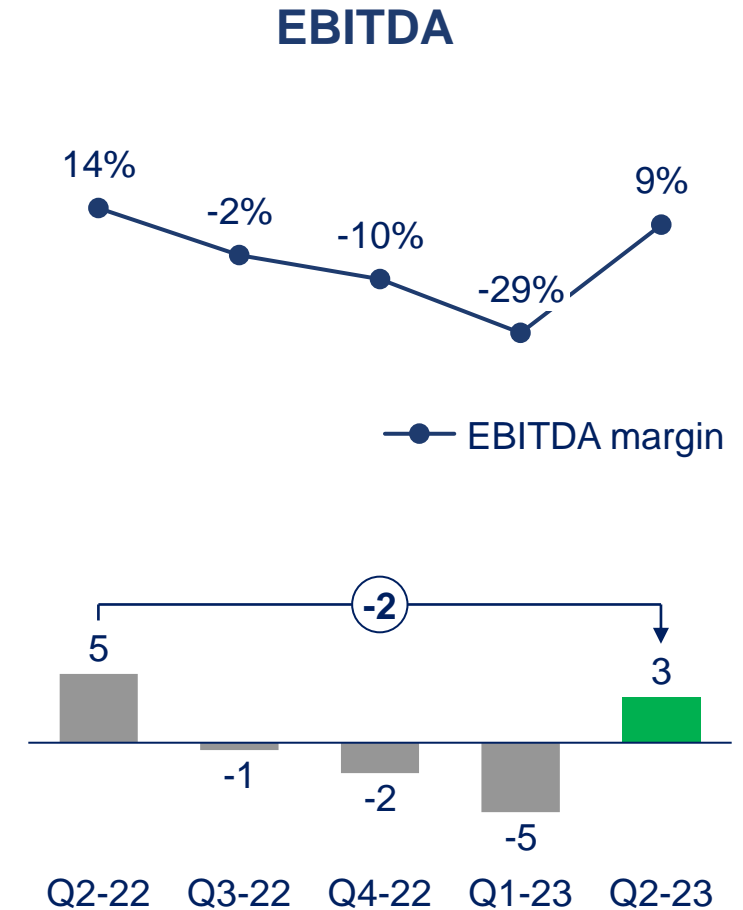
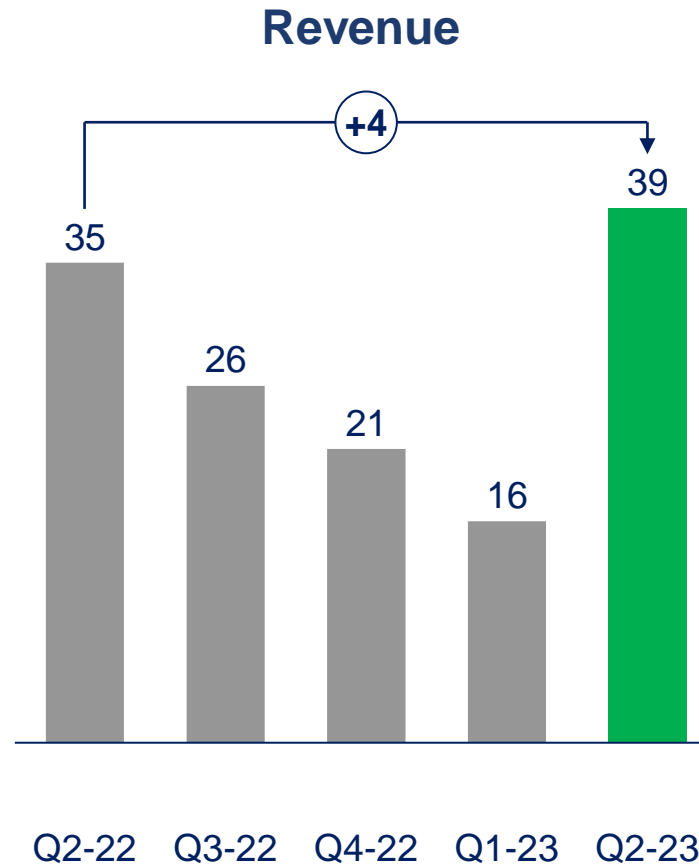
Cambi Invest segment – quarterly revenue and EBITDA

Revenue

- Recycling subsegment increase in revenue driven by positive price impact, offset by slight decrease in soil volumes

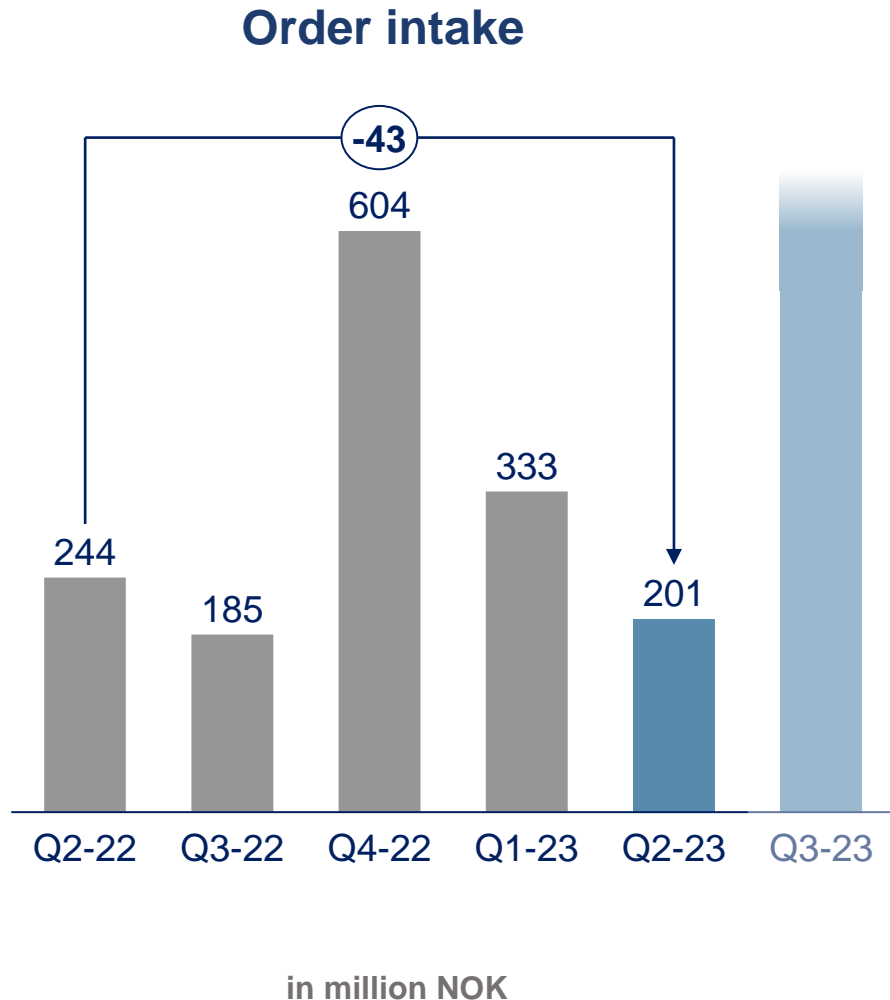
EBITDA

- Higher costs during the startup of soil factory and composting facilities, impacting margins for the quarter



in million NOK

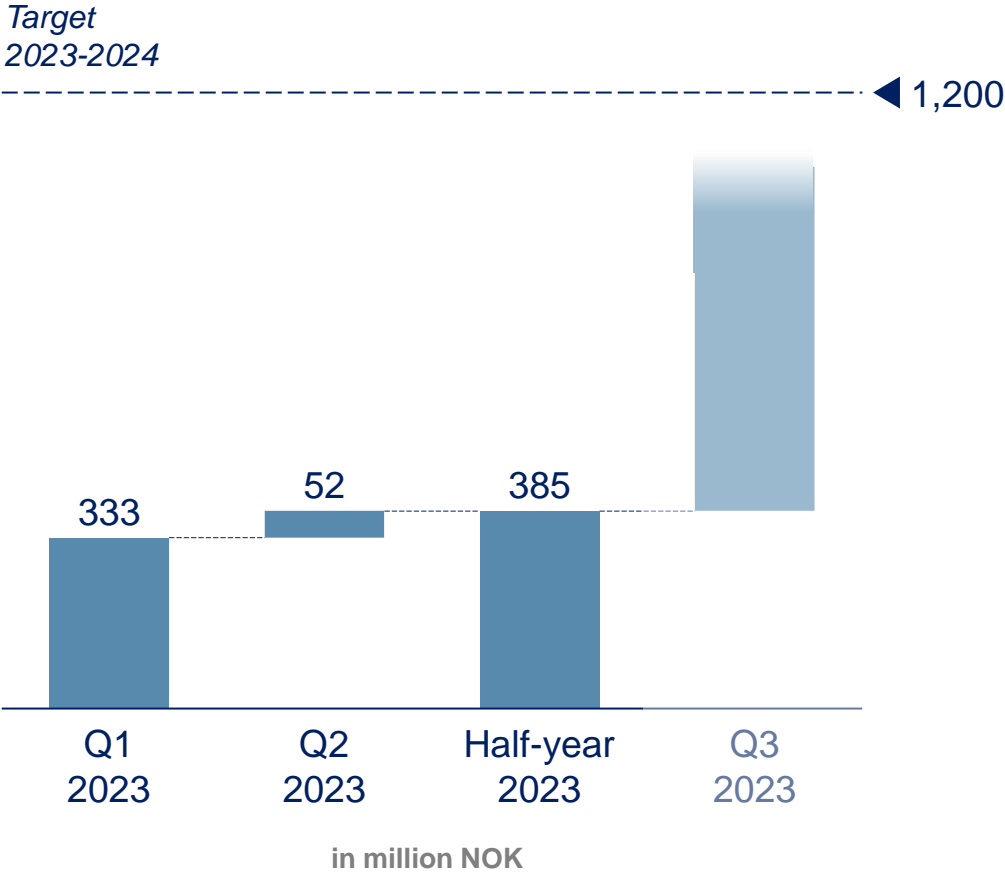
Order intake recorded at NOK 201 million for the quarter, and there has been signed four new Equipment contracts in Q3



- Most of the order intake for the quarter is from the Recycling subsegment and the biosolids handling contract in Trondheim, in addition to variation orders
- After the Q2 reporting date there has been announced the signing of 4 contracts for equipment delivery to:
 - Singapore (Major)
 - New Zealand (Large)
 - Israel (Medium)
 - Norway (Large)
- The combined order intake value of these contracts is provided in the chart for illustration purposes

Substantial headway made towards reaching the Order intake target of NOK 1.2 billion for the two-year period 2023-2024

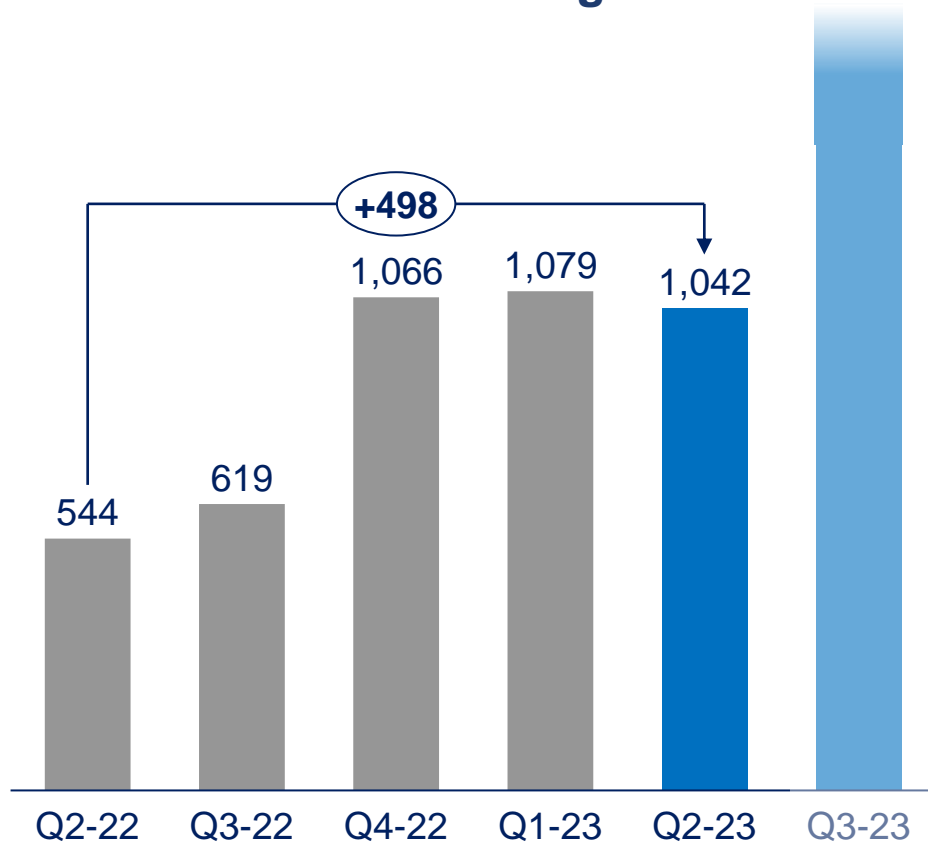
Equipment order intake



- In Q1 Cambi reached its NOK 1.0 billion target for the two-year period 2022-2023
- The current target is to sign NOK 1.2 billion of new equipment contracts for the two-year period 2023-2024
- As of end of Q2, a total of NOK 385 million of equipment contracts has been signed
- With the 4 additional contracts signed in Q3, substantial headway has been made, as illustrated in the chart

Order backlog is almost 2x versus same quarter last year, and is expected to further increase in Q3

Order backlog

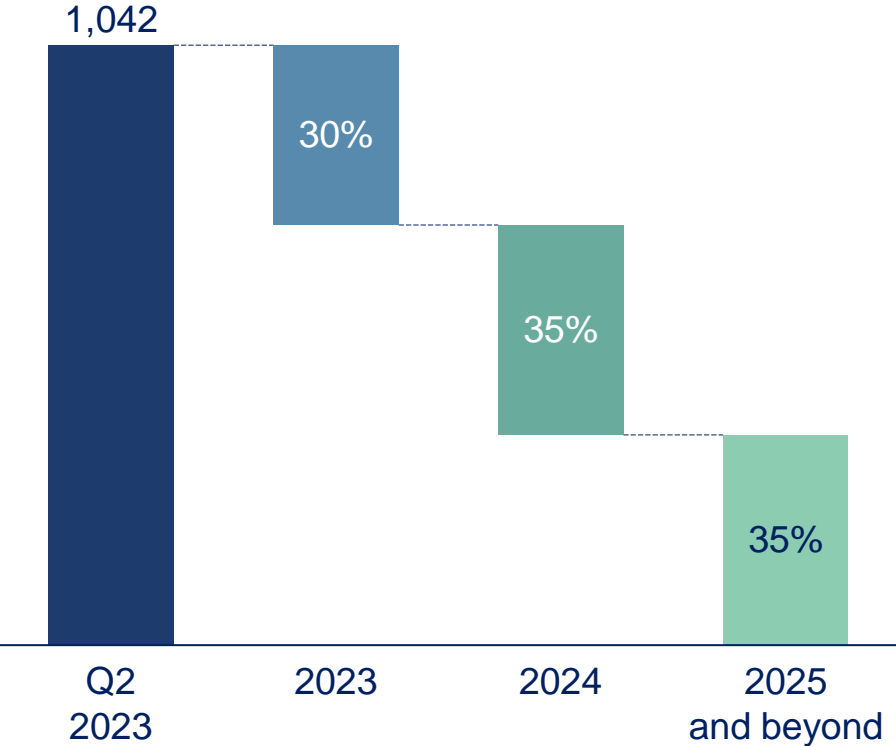


in million NOK

- Order backlog slightly reduced versus previous quarter
- Backlog was significant up compared to same quarter last year
- With inclusion of the 4 newly signed contracts in Q3, the Order backlog is expected to further increase in Q3, as illustrated in the graph

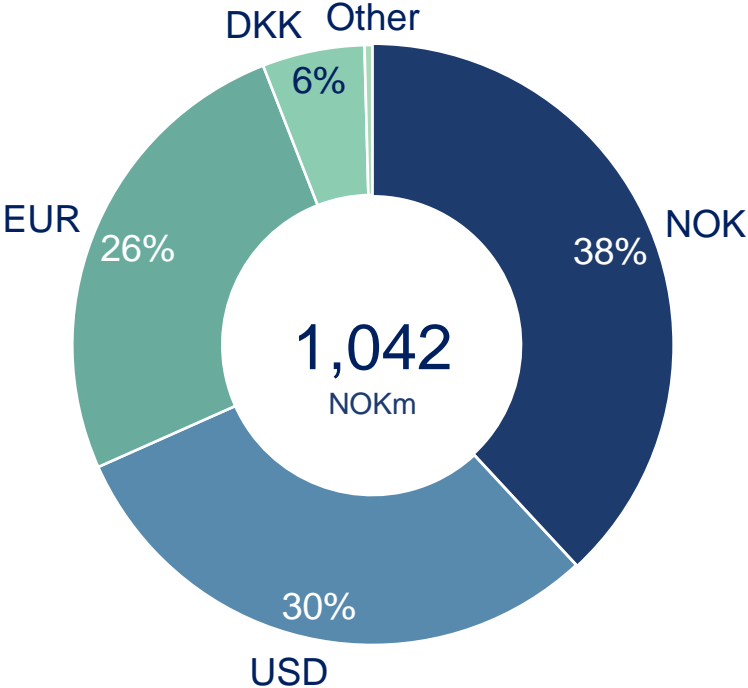
Order backlog distribution over the next years provides a solid financial foundation

Backlog by execution year



in million NOK

Backlog by currency



Profit and loss statement

Q2 2023

Profit and loss statement	Q2 2023	Q2 2022	Year 2022
Operating income	238	105	440
Costs of goods sold	105	55	219
Payroll expenses	37	30	130
Depreciation & amortization expenses	6	3	18
Other operating expenses	32	22	89
Operating expenses	180	110	456
Operating profit	58	-5	-16
Net financial items	-5	-3	2
Profit (loss) before tax	53	-9	-14
Tax expense	0	0	0
Net profit (loss)	53	-9	-14

- Operating income uplift mainly from progress on delivery THP equipment projects
- Payroll expenses development due to a growing size and scope of the Cambi organization
- Other operating expenses increase driven by project-related costs

Balance sheet statement

Q2 2023

Assets	Q2 2023	Q2 2022	Year 2022
Intangible assets	72	90	82
Tangible assets	31	20	20
Financial assets	1	2	1
Total non-current assets	104	112	103
Inventories	75	47	43
Debtors	251	136	163
Financial assets	102	101	102
Bank deposits	168	120	167
Total current assets	597	404	475
Total assets	701	516	577

Equity and Liabilities	Q2 2023	Q2 2022	Year 2022
Equity	520	418	402
Non-current liabilities	1	2	1
Current liabilities	180	96	174
Total liabilities	181	98	175
Total equity and liabilities	701	516	577

Assets

- Intangible assets comprise of the acquired THP technologies from Veolia
- Debtors increase from more recognized project revenue not yet billed
- Solid position in Financial assets and Bank deposits

Equity and Liabilities

- Absence of long-term debt is beneficial in an environment with high interest rates
- Current liabilities increase from progress on projects which is not yet paid

Cash flow statement

Cash flow statement	Q2 2023	Q2 2022	Year 2022
Cash flow from operating activities			
Profit/loss before tax	53	-9	-14
Tax paid for the period	0	0	-2
Ordinary depreciation	6	3	18
Change in inventory	-15	2	2
Change in accounts receivable	-69	28	-25
Change in accounts payable	21	9	2
Effect of exchange rate fluctuations	3	9	7
Change in other accrual items	6	8	72
Net cash flow from operating activities	5	50	59
Cash flow from investment activities			
Payments for the purchase of fixed assets	-12	0	-3
Payments for the purchase of intangible assets	0	-49	-49
Payments for share buy back	0		-10
Net proceeds sales/purchase of money market funds	1	50	100
Net cash flow from investment activities	-11	1	38
Cash flows from financing activities			
Proceeds from issuance of new short-term liabilities		0	
Instalment payments of long-term liabilities	0		-1
Net proceeds from private placement	-24		
Change investment equity method	0	0	1
Net cash flows from financing activities	-24	0	0
Net change in cash and cash equivalents	-30	50	97

Operational activities

- Strong profit before tax, timing of project milestone billing impacting cash flow from operating activities

Investment activities

- Final instalments in the soil factory for Grønn Vekst, amounting to NOK 12 million
- Payments of NOK 49 million last year related to Veolia transaction

Financing activities

- Dividend distribution to shareholders totalling NOK 24 million during the quarter

Save the date:

Capital Markets Update

27 September 2023

10:00 CET



Q&A

A dark blue background featuring a faint, light blue world map. A vertical white line is positioned at the top center of the page.

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