


Q224

CAMBI ASA | SECOND-QUARTER RESULTS 2024

CAMBI



Cambi is at the forefront of sustainable transformation in urban areas worldwide, with reliable technology and solutions that transform wastewater solids and organic wastes into valuable bioresources

CEO's second-quarter summary

- Cambi's highest-ever quarterly revenue and EBITDA
- Rolling-twelve-month revenue surpassing the NOK 1 billion milestone
- Consistently solid execution, delivering on client schedules for all ongoing contracts
- Paid NOK 160 million in dividends for the financial year 2023, the highest amount ever
- Good visibility on future activity levels from executing the high order backlog

Second quarter

Financial highlights

Record-high revenue and EBITDA reported in the second quarter

- **Revenue** was NOK 306 million in the second quarter, the highest on record for a quarter and up 29% from NOK 238 million in the same quarter of 2023. It reflects good progress in executing construction contracts, with several important milestones reached. At the end of the second quarter, there were 18 ongoing construction contracts, an increase from 14 contracts one year earlier.
- **Operating expenses** in the second quarter were NOK 81 million, 17% higher than NOK 69 million in the second quarter last year. The rise in operating expenses is mainly due to an increase in payroll expenses from a growing Cambi organisation.
- **EBITDA** for the second quarter was NOK 82 million, compared to NOK 64 million in the second quarter of 2023. The increase is driven by higher revenue.
- **Operating cash flow** in the quarter was NOK 91 million compared to NOK 5 million in the second quarter of 2023.
- **Order intake** in the second quarter was NOK 63 million, compared to NOK 201 million in the same quarter last year.
- **Order backlog** ended the second quarter at NOK 1,484 million, an increase of 42% from NOK 1,042 million one year earlier.

306

Revenue

82

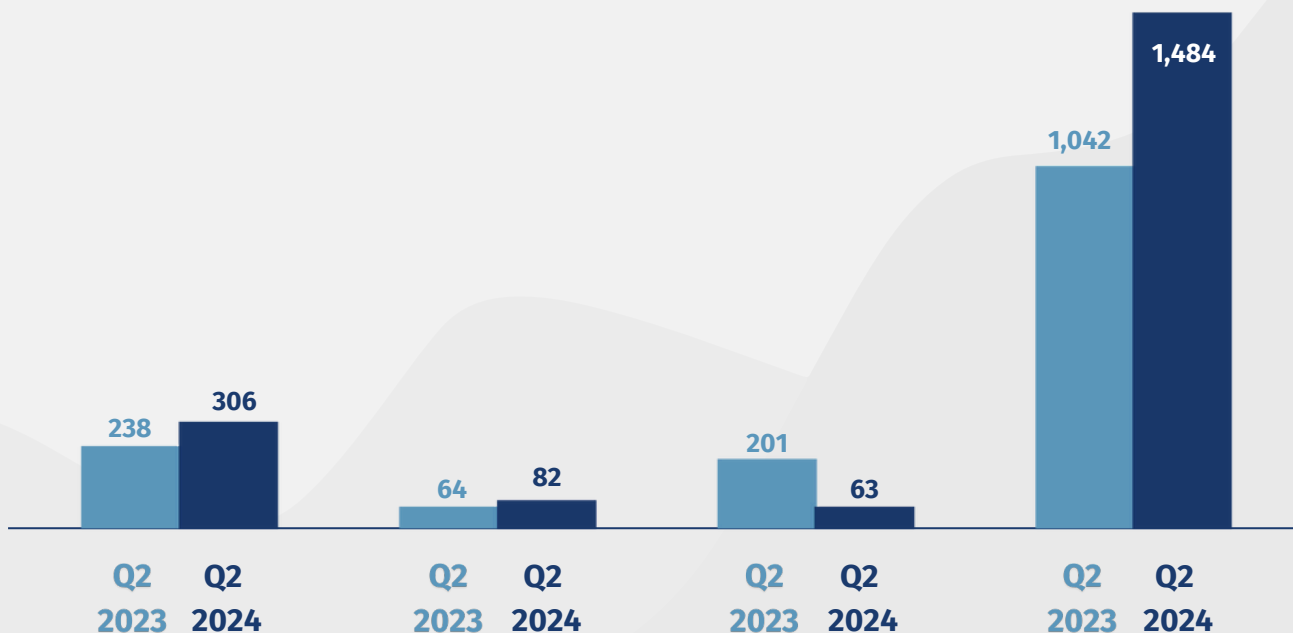
EBITDA

63

Order intake

1,484

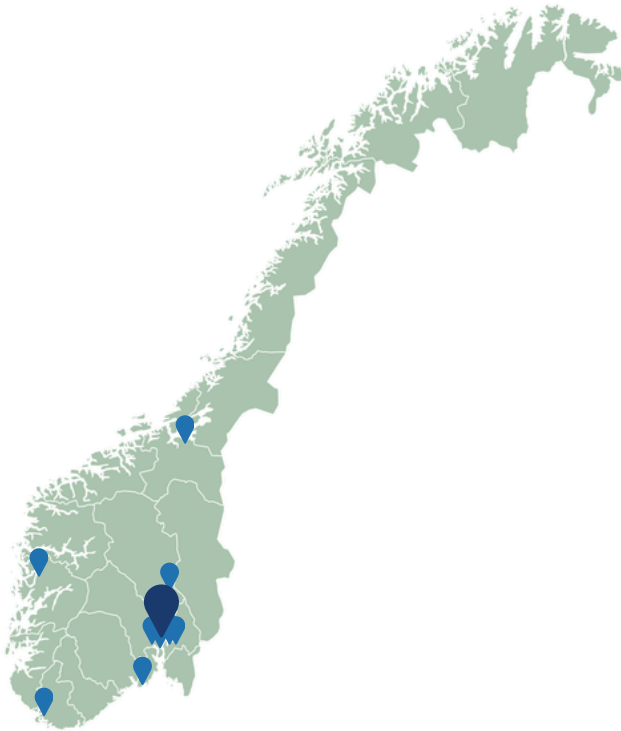
Order backlog



in NOK million

Second quarter

Order intake



Bærum, Norway

Grønn Vekst, the soil recycling business part of Cambi's Solutions segment, has been awarded a small contract to manage all garden waste for the municipality of Bærum, Norway. The contract spans a firm period of 3 (three) years, with an extension option for one additional year, bringing the total potential contract duration to 4 (four) years.

Under the agreement, Grønn Vekst will handle the grinding, transportation, and composting of garden waste collected from public recycling stations across Bærum.

The compost produced will be utilised in Grønn Vekst's bulk soil products, contributing to waste reduction and environmental sustainability.

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

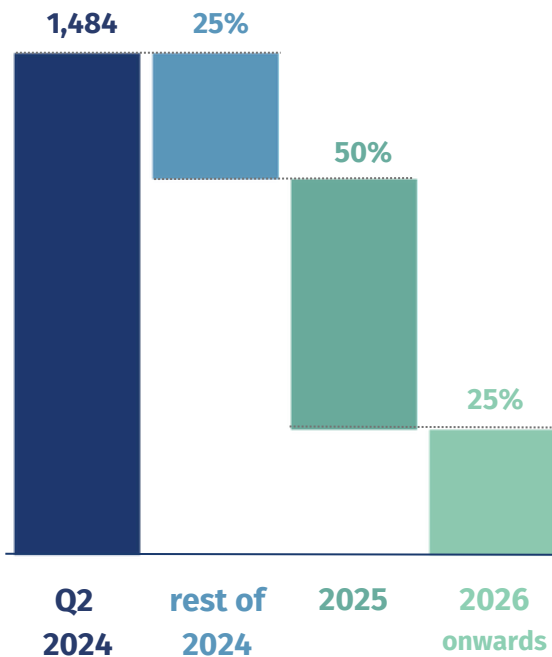


Bærum municipality near Oslo, Norway

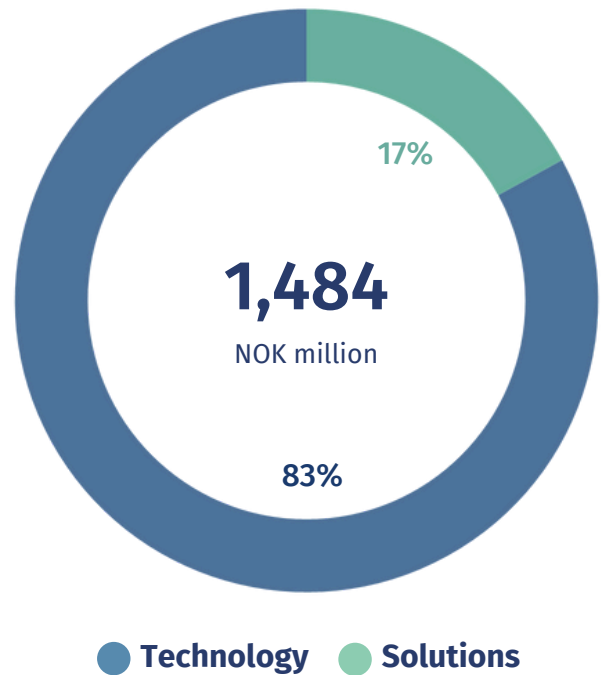
Second quarter

Order backlog

Backlog by execution year
in NOK million

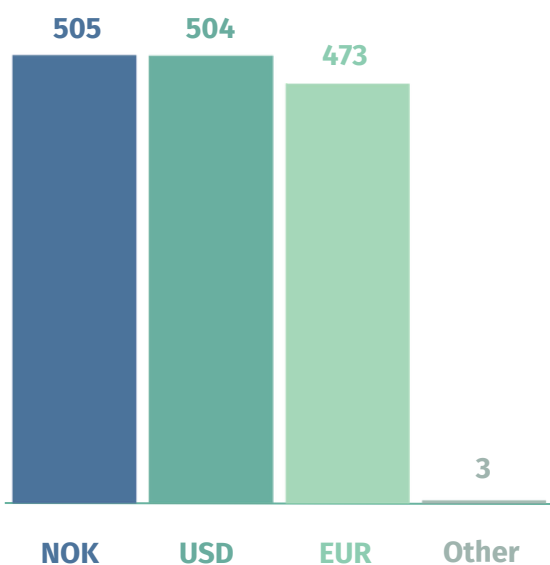


Backlog by segment



Backlog by currency

in NOK million equivalent at Q2 2024 closing FX rates



At the close of the second quarter, Cambi held an order backlog amounting to NOK 1,484 million.

In the Technology segment, the backlog includes 16 construction projects, with consideration given to the progress achieved thus far and the work that remains. The pending work is accounted for in the backlog and is anticipated to convert into revenue in upcoming periods.

In the Solutions segment, the backlog consists of the value of remaining work under Grønn Vekst's biosolids and garden waste handling contracts, inclusive of contract extension options, along with 2 (two) ongoing construction contracts within the Services subsegment.

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

Technology segment

Operational review

Delivering on client schedules in all ongoing construction projects

Cambi's project execution team continued to deliver on client schedules, passing key milestones in several ongoing construction contracts.

The THP system delivered at the Piscataway site in Prince George county (Maryland, USA), entered operations at the end of June. In Copenhagen, Denmark, the Damhusåen project was also under commissioning at the end of the quarter. Several other projects, in the US, Belgium, Morocco, and Bulgaria, were lined up for commissioning awaiting client site readiness.

In Norway, the THP system delivered in Lillestrøm was lifted into position during the quarter and completed installation. In South Africa, the THP system delivered to Sasol is awaiting installation.

Engineering has been completed for the THP systems designed for the projects at Tuas in Singapore, at Morris Forman in Louisville (Kentucky, USA) and at the Southeast wastewater treatment plant in San Francisco (California, USA). The projects are now commencing manufacturing. The Be'er Sheva project in Israel, also under manufacturing, is delayed due to a shift in the client's overall project schedule.

In the second quarter, Cambi has also finalised the engineering study for Dunkirk, France. Engineering has progressed according to plan and is nearing completion for several other projects.



THP in operation for WSSC near Washington, DC



THP lift-in for the project in Lillestrøm, Norway



118

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



89

facilities have chosen Cambi's thermal hydrolysis technology



27

countries with Cambi THP plants on all six continents

Technology segment

Financial review

Solid progress on several construction contracts in the second quarter

- **Revenue** in the second quarter was NOK 211 million, an increase of 34% from NOK 157 million in the second quarter of 2023. The high revenue level reflects solid progress on many of Cambi's portfolio of thermal hydrolysis construction contracts, counting 16 projects in the quarter.
- **EBITDA** for the second quarter was NOK 59 million, an increase of 87% from NOK 32 million in the same quarter of 2023. The EBITDA reflects the segment's high operational leverage.
- **Order intake** for the second quarter was NOK -12 million. There were no noteworthy equipment contract awards, but Cambi received several variation orders for ongoing construction contracts. The order intake was influenced by a foreign currency exchange rate effect from the value of order backlog, in amount of NOK -19 million compared to the previous quarter.
- **Order backlog** ended the second quarter at NOK 1,237 million, 56% higher than the NOK 793 million recorded one year earlier. The backlog provides good visibility for upcoming activity levels.

211

Revenue

59

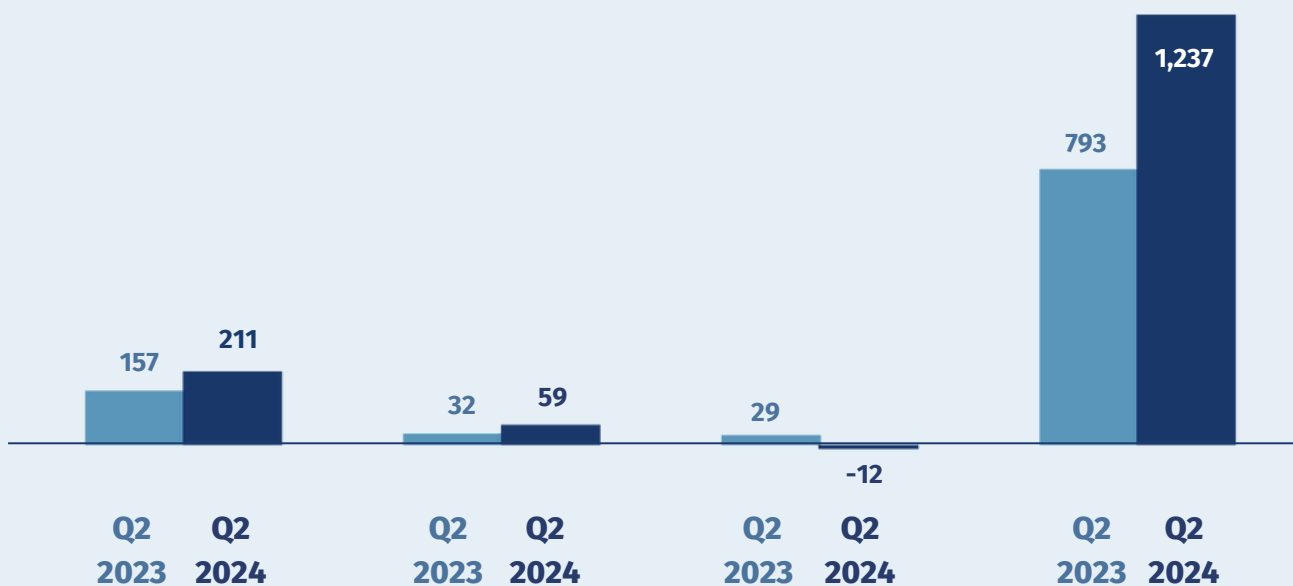
EBITDA

-12

Order intake

1,237

Order backlog



in NOK million

Solutions segment

Operational review

Services

Activity levels in the Services subsegment continue to increase as the recent investment in higher team capacity bears fruit. The second quarter is part of the peak season for site services, and the UK team has been on the road supporting plants in the United Kingdom and Central Europe with regular maintenance and minor upgrades.

The team also progressed on two ongoing engineering projects, assessing the business case for future upgrade projects in Northern Europe.

Cambi PLUS, the digital platform for data-driven operational insights from wastewater treatment plants utilising THP, continues to improve and has now been set up at two new sites in Europe.

The comprehensive upgrade project at Ringsend in Dublin, Ireland, progressed as planned with construction and commissioning of the modernised third THP stream. Commissioning takes place in stages to allow the plant to remain in operation, and will continue in the second half of the year.

The upgrade project at the Whitlingham site in Norwich, England, progressed through the construction phase during the quarter, approaching commissioning scheduled for third quarter.

Soil recycling

Bulk soil sales in the second quarter were 120,000 tonnes, an increase of 35% compared to 89,000 tonnes in the same quarter of 2023. A high-profile project has been the delivery of new turf for Norway's national football stadium, Ullevål, in Oslo. The specialised soil blend, containing more sand and less organic matter, was custom made.

120

thousand tonnes
of bulk soil
sold in the quarter

27

soil production and
composting sites
in Norway

Grønn Vekst's peat-free soils, bagged at the facility in Kristiansand, are increasingly in demand from both longstanding and new clients. Production, bagging and delivery in the second quarter were carried out as scheduled, including preparations to start later in summer the production cycle for 2025.

All existing biosolids and garden waste contracts continue to be executed as planned.



Cambi's Services team at the Davyhulme THP site in Manchester, UK



Grønn Vekst composting facility at Vinterbro near Oslo, Norway

Solutions segment

Financial review

Record-high quarterly revenue from higher bulk and retail soil sales

- **Revenue** for the second quarter was NOK 95 million, an increase of 18% from NOK 81 million in the same quarter of 2023. The increase is attributed to higher revenue for Grønn Vekst, following a strong quarter for bulk soil sales, increased demand for peat-free soil bags, and steady execution on the order backlog for biosolids and garden waste handling contracts. Within Services, there were two ongoing upgrade construction projects.
- **EBITDA** for the second quarter came in at NOK 23 million, compared to NOK 32 million in the second quarter last year. Lower gross margin due to a different revenue mix in the Services subsegment and higher operating expenses account for the decrease.
- **Order backlog** at the end of the second quarter was NOK 247 million, just below the NOK 249 million recorded one year earlier. Compared to the previous quarter, the order backlog decreased by 8% from NOK 267 million.
- **Order intake** in the period was NOK 75 million, compared to NOK 172 million in the second quarter of 2023. The only noteworthy contract was a small garden waste handling contract in the Recycling subsegment.

95

Revenue

23

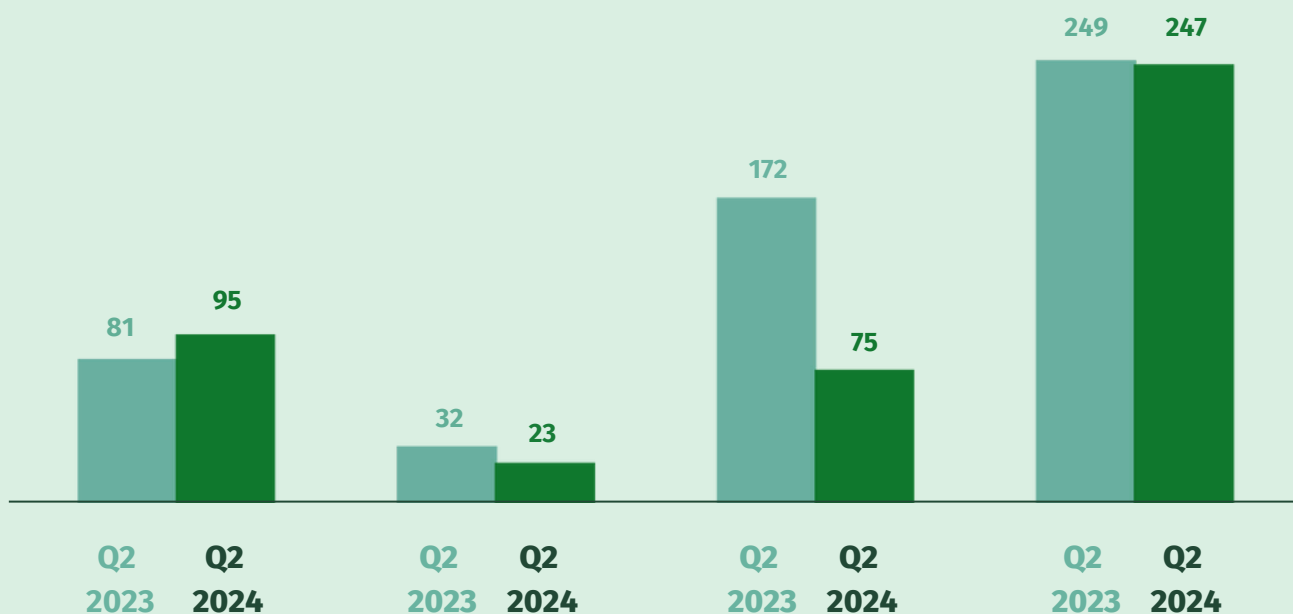
EBITDA

75

Order intake

247

Order backlog



in NOK million

Outlook

Cambi continues to leverage its leading market position to drive sustainable long-term growth. The high operational leverage combined with steady execution from a solid order backlog sustains consistently high sales, marketing, research, and development activity levels.

The company is careful to scale effectively, combining the use of contractors and targeted recruitment with the leverage of operational efficiencies.

The pipeline of potential projects remains solid, and although the timing of any new contracts is outside of Cambi's control, there is good traction in the market for long-term growth. Sustained activity levels for the tenders and proposals team confirm this development.

Cambi maintains solid project execution across its portfolio of construction contracts, with stable project margins. Despite some customer-side adjustments to delivery schedules, these changes are not currently expected to have a significant impact on the year's overall results.

Cambi's financial outlook remains subject to external variables, including project execution timelines, currency exchange rate fluctuations, and geopolitical tensions. The company continues to implement strategies to mitigate these risks and remains focused on delivering on client schedules.

Cambi remains committed to organic growth, while actively exploring strategic acquisitions of complementary businesses or technologies to strengthen its global leadership position in utility and industrial environmental solutions.

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

Asker, 20 August 2024



View from top of Cambi's new THP system now in operation at the Piscataway wastewater treatment plant in Prince George county, Maryland, USA

Q2 2024

Interim financial statements with notes

Consolidated income statement

Unaudited, in NOK million

	Q2 2024	Q2 2023	H1 2024	H1 2023
Revenue	306.4	237.9	522.0	447.6
Materials, goods and services	143.0	104.9	244.1	186.3
Gross margin	163.4	133.0	277.9	261.3
Payroll expenses	49.6	37.0	98.3	75.9
Other operating expenses	31.5	32.2	61.0	64.9
Operating expenses	81.1	69.2	159.3	140.7
EBITDA	82.3	63.8	118.6	120.5
Depreciation and amortisation	6.4	6.0	12.3	12.0
Operating profit	75.9	57.8	106.3	108.6
Net financial items	2.2	-4.6	-7.2	-7.1
Profit (loss) before tax	78.2	53.1	99.1	101.5
Income tax expense	19.8	0.5	19.8	0.5
Net profit (loss)	58.3	52.7	79.3	101.0
Attributable to				
Equity holders of the parent company	58.4	52.9	79.8	101.6
Non-controlling interests	-0.1	-0.2	-0.5	-0.6

Consolidated balance sheet

Unaudited, in NOK million

	Q2 2024	Q2 2023	Year 2023
Assets			
Intangible assets	20.7	71.6	30.3
Tangible assets	43.5	31.4	34.5
Long-term loan to employees	4.7		6.2
Investment in shares	0.7	1.1	0.7
Total non-current assets	69.5	104.0	71.7
Inventories	68.2	75.3	70.9
Receivables	335.7	251.5	243.8
Current financial investments		101.7	107.6
Cash and cash equivalents	258.6	168.4	240.0
Total current assets	662.4	596.9	662.2
Total assets	731.9	700.9	733.9
Equity			
Total equity	427.7	520.1	338.7
Liabilities			
Deferred tax/ provisions	12.6		12.6
Non-current liabilities		0.5	0.2
Current liabilities	291.7	180.3	382.5
Total liabilities	304.2	180.8	395.2
Total equity and liabilities	731.9	700.9	773.9

Consolidated statement of cash flows

Unaudited, in NOK million

	Q2 2024	Q2 2023	H1 2024	H1 2023
Cash flows from operating activities				
Profit/loss before tax	78.2	53.2	99.1	101.5
Tax paid for the period	-0.4	-0.5	-3.0	-0.5
Ordinary depreciation	6.4	6.0	12.3	12.0
Change in inventory	22.5	-15.1	2.7	-32.0
Change in accounts receivable	-6.0	-69.1	-8.0	-86.4
Change in accounts payable	23.8	21.4	17.0	25.0
Effect of exchange rate fluctuations	-3.9	3.0	9.2	9.2
Change in other accrual items	-29.7	6.3	-50.9	9.9
Net cash flows from operating activities	90.8	5.2	78.6	38.7
Cash flows from investment activities				
Payments for the purchase of fixed assets	-8.7	-11.7	-11.7	-13.0
Payments for the purchase of intangible assets				-0.1
Payments for the purchase of own shares		-0.3		-1.0
Proceeds from the sales of own shares		0.8		1.6
Proceeds from employee loan repayments	0.8		1.7	
Proceeds from the sale of current financial investment	110.2		110.2	
Net cash flows from investment activities	102.2	-11.2	100.2	-12.5
Cash flows from financing activities				
Repayments of long-term liabilities		-0.3	-0.2	-0.6
Payment of dividends	-160.0	-24.0	-160.0	-24.0
Change investment equity method				0.0
Net cash flows from financing activities	-160.0	-24.3	-160.2	-24.6
Net change in cash and cash equivalents	33.0	-30.4	18.6	1.6
Cash and cash equivalents at the start of the period	225.5	198.8	240.0	166.9
Cash and cash equivalents at the end of the period	258.6	168.4	258.6	168.4

Consolidated statement of changes in equity

Unaudited, in NOK million

	Share capital	Own shares	Share premium	Other equity	Minority interests	Total
Equity as of 1 January 2024	3.2	-0.0	295.0	39.7	0.8	338.7
Net result				79.8	-0.5	79.3
Share-based incentive program				0.4		0.4
Investment in subsidiary				-3.1	3.1	
Currency exchange differences				9.2		9.2
Equity as of 30 June 2024	3.2	-0.0	295.0	126.0	3.4	427.6

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, improves dewatering, reduces demand for non-renewable energy sources, and produces biosolids easy to process in thermal facilities or recycle to land as soil conditioner or instead of synthetic fertilisers.

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

Cambi systems are installed at many wastewater treatment facilities owned by the world’s leading water utility companies. Established in 1992, the company has grown to span six continents, with 89 facilities in 27 countries and the capacity to process the wastewater solids of a population of around 118 million at the end of the second 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			
	Q2 2024	Q2 2023	H1 2024	H1 2023	Q2 2024	Q2 2023	H1 2024	H1 2023
Revenue	211.4	157.4	372.0	329.4	95.0	80.5	150.0	118.2
Materials, goods and services	88.4	68.4	157.8	121.2	54.7	36.5	86.3	65.1
Gross margin	123.0	88.9	214.2	208.2	40.3	44.1	63.7	53.1
Payroll expenses	39.8	30.3	78.0	62.4	9.7	6.7	20.2	13.5
Other operating expenses	23.7	26.9	46.7	54.3	7.8	5.4	14.3	10.6
Operating expenses	63.5	57.1	124.7	116.7	17.5	12.1	34.6	24.0
EBITDA	59.5	31.8	89.5	91.5	22.8	32.0	29.2	29.0
Depreciation and amortisation	4.6	4.2	9.2	9.0	1.7	1.8	3.1	2.9
Operating profit	54.9	27.6	80.3	82.4	21.1	30.2	26.1	26.1

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

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

Note 3 - Customer construction contracts

Unaudited, in NOK million

	Q2 2024	Q2 2023
Earned, not invoiced revenue from construction contracts (in balance sheet)	201.4	75.1
Accrued project cost, provision and guarantees (in balance sheet)	153.3	95.9
Accumulated revenue recognised for ongoing projects	1,159.1	669.6
Accumulated cost of materials, goods, and services for ongoing projects	537.6	281.4
Net accumulated contribution on ongoing projects	621.5	388.2

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 18 ongoing construction projects at the end of the second quarter, of which 16 in the Technology segment and 2 (two) in the Solutions segment. At the end of the second quarter of 2023, Cambi had 14 ongoing construction projects, 11 in the Technology segment and 3 (three) in the Solutions segment.

As of 30 June 2024, the accumulated contribution from ongoing projects was NOK 622 million, recognised through profit and loss from the commencement of the projects.

Q224

CAMBI ASA | SECOND-QUARTER RESULTS 2024

Cambi ASA

Skysstasjon 11B
1383 Asker, Norway

Postal address

PO Box 78
1371 Asker, Norway

This report is for information purposes only. It is expressly noted that Cambi ASA gives no representation or warranty, expressed or implied, as to the accuracy or completeness of any information included herein. No information, including projections, estimates, targets and opinions, contained in this report is or can be relied upon as a promise or representation by Cambi ASA.

The report contains information obtained from third parties. Such information has been accurately reproduced and, as far as Cambi ASA is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information to be inaccurate or misleading. While all steps have been taken to ensure the report's accuracy, Cambi ASA does not accept any responsibility for any errors or resulting loss or damage whatsoever. Readers have the responsibility to thoroughly check these aspects for themselves. Enquiries about reproducing any content from this publication should be directed to Cambi ASA.

The report contains forward-looking statements that relate to Cambi ASA's current plans, objectives, forecasts and estimates. These statements only take into account information available up to and including the date when the report was prepared. Cambi ASA makes no guarantee that these forward-looking statements will prove to be right. The future development of Cambi ASA and its subsidiaries, and the results that are actually achieved are subject to a variety of risks and uncertainties which could cause actual events or results to differ significantly from those reflected in the forward-looking statements. Many of these factors are beyond the control of Cambi ASA and its subsidiaries and therefore cannot be precisely predicted.