

Q3 21

CAMBI ASA | THIRD-QUARTER RESULTS 2021

CAMBI

Enabling net-zero emissions in the water sector



As world leaders are redoubling efforts to fight climate change, municipal utilities and large factories are scouting for effective solutions to reduce greenhouse gas emissions, recover resources from waste streams, and improve local environments.

Cambi uses proprietary equipment and extensive know-how built over several decades to deliver the lowest carbon footprint among sludge treatment methods. Many cities that have adopted the thermal hydrolysis process (THP) now pledge to reach net-zero emissions. At the same time, they develop a circular economy with valuable bioresources, like renewable biogas energy and high-quality soil products.

CAMBI

Third quarter Highlights

● **The revenue** for the third quarter was NOK 130 million (NOK 101 million), increasing 28% compared to the same period in 2020. Both Cambi Group subsegments delivered strong growth, with Equipment up 38% and Services up 44%. The Recycling subsegment in Cambi Invest saw a 5% decrease in revenue for the quarter.

● The third quarter **EBITDA** was NOK 16.3 million (NOK 4.6 million). The increase reflects the higher revenue and scalability. Payroll and other operating expenses increased by 17% compared to last year, reflecting higher activity and the increase from 137 to 142 full-time employees and contractors.

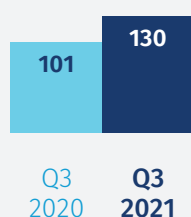
● **The order intake** was NOK 112 million, compared to NOK 30 million in the same quarter in 2020. At constant currency (2020 rates), order intake was up 272% from 2020. Grønn Vekst won a contract to continue handling biosolids for the municipality of Bergen, Norway. Cambi Group signed a contract for basic engineering and several variation orders.

● **The order backlog** ended the third quarter at NOK 452 million, up 7% and 3% from the same quarter last year and year-end 2020, respectively.

● **The operating cash flow** was NOK 31.4 million compared to NOK (3.0) million in the third quarter of 2020. The solid cash flow reflects important milestone payments in connection with ongoing projects.

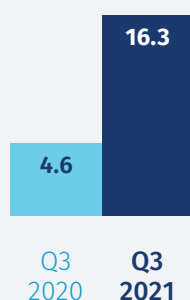
130

Revenue



16.3

EBITDA



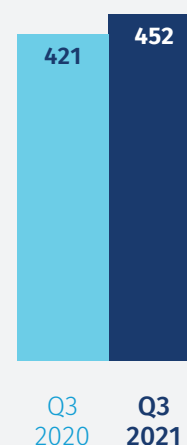
112

Order intake



452

Order backlog



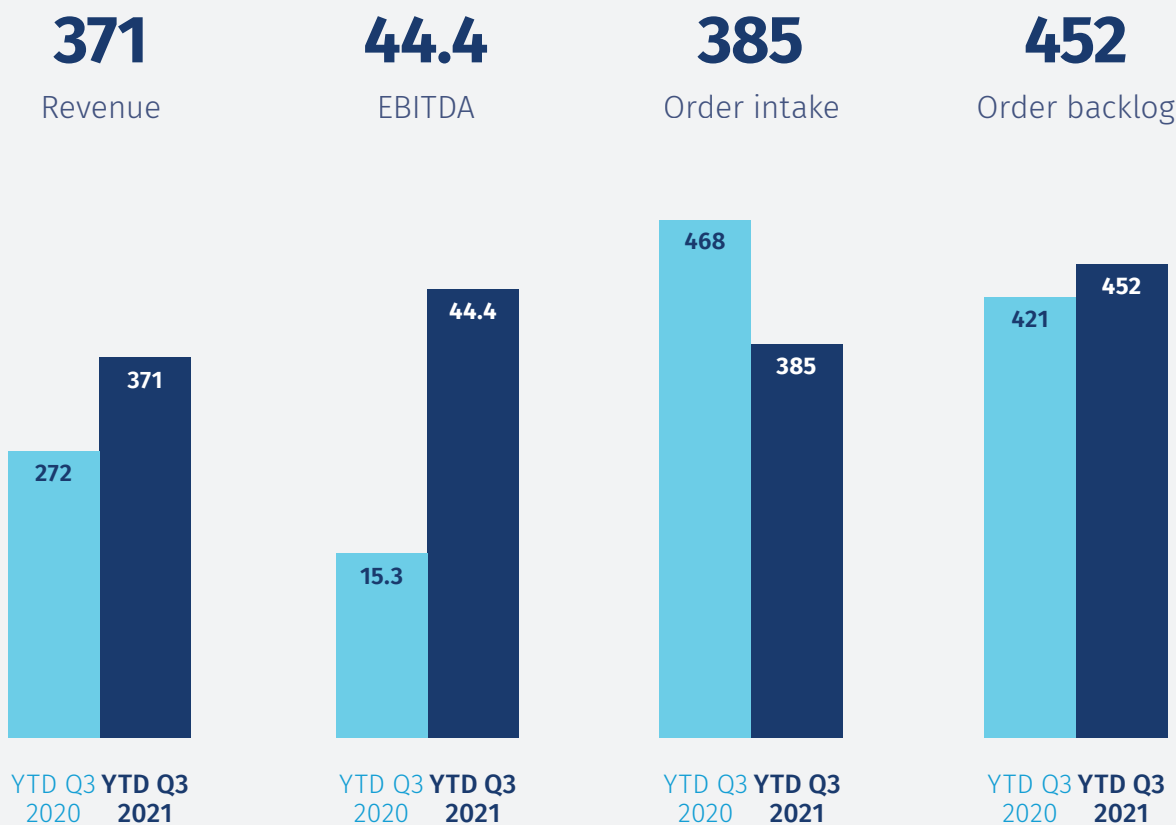
Key numbers in NOK million, Cambi ASA.

First three quarters Highlights

● **The revenue** for the first three quarters increased 36% from last year to NOK 371 million (NOK 272 million).

● **The order intake** for the first three quarters was NOK 385 million (NOK 468 million), with a book-to-bill of 1.04 in the period.

● **The EBITDA** before non-recurring items was NOK 44.4 million, up from NOK 15.3 million in the same period last year. The increased EBITDA margin is primarily due to higher revenue and share of equipment sales. Payroll and other operating expenses increased by 11% compared to last year.



EBITDA: before non-recurring items

Order intake

Bergen, Norway 1

In July, Grønn Vekst was awarded a contract for handling biosolids for the municipality of Bergen. It is among the largest biosolids contracts on tender in Norway, with an estimated value of NOK 64 million, including options. The start date is set for 1 January 2022, upon expiry of Grønn Vekst's current contract for the same services. In the tender award criteria, environmental aspects were weighted 50%. The pasteurised and dewatered biosolids will be distributed to farmers as soil improver, as well as blended in soil products.



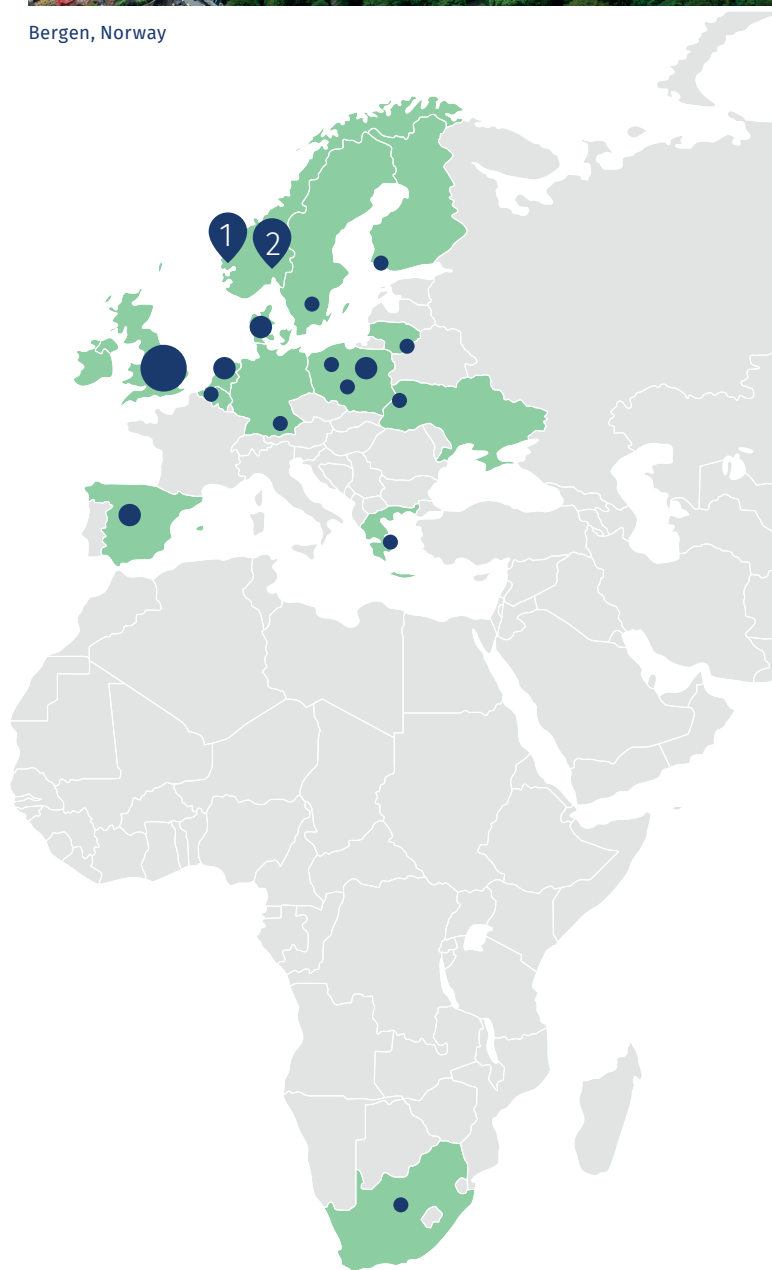
Bergen, Norway

Oslo, Norway 2

Grønn Vekst was awarded a contract for handling biosolids from the Bekkelaget sewage treatment plant in Oslo. The 1-year contract includes an option for a 1-year extension for a total estimated value of NOK 10 million. Grønn Vekst also held the previous contract for the same services. The start date was 1 November.



Oslo, Norway



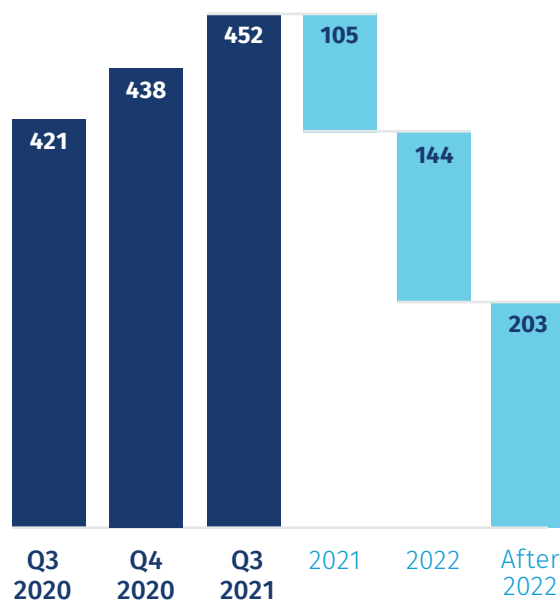
Order backlog

At the end of the third quarter, the total order backlog was NOK 452 million, of which 23% is scheduled for delivery in 2021.

Cambi Group's backlog is primarily noted in foreign currencies, while Cambi Invest's is all in Norwegian kroner, representing Grønn Vekst's contract portfolio for biosolids and garden waste handling.

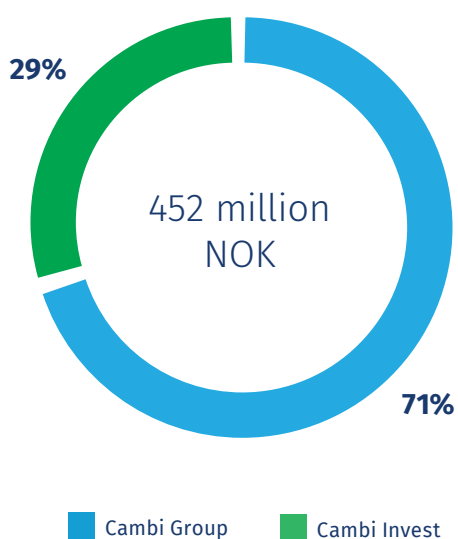
Foreign exchange rate fluctuations and adjustments to the projects' completion percentage may affect the backlog distribution.

Backlog distribution

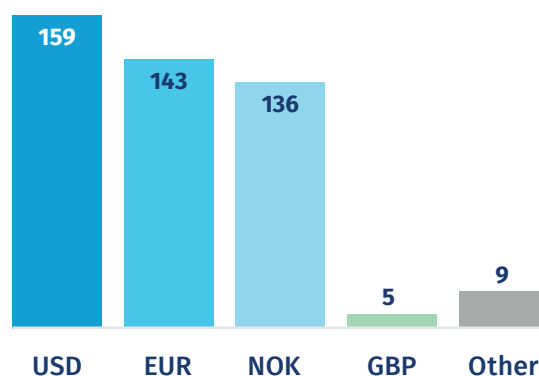


in million NOK

Backlog by segment



Backlog by currency



in million NOK, equivalent at Q3 2021 FX

Cambi Group

Operational review

Project activities continued apace during the third quarter. Several milestones were achieved.

Equipment

Cambi commissioned two new THP systems in the third quarter: for Severn Trent at the Finham sludge centre near Coventry, UK, and Sasol at the Secunda coal-to-liquids facilities in South Africa. By the end of the quarter, Cambi had commissioned THP systems at 62 different sites, bringing into operation 98 THP lines.

At the manufacturing workshop in Congleton, work has also been progressing according to plan for the coming deliveries of THP systems to Southern Water, Jarocin Waterworks, the Hong Kong Drainage Services Department, and a variation order upgrade for the Washington Suburban Sanitation Commission.

Services

In September, Cambi entered a framework agreement to upgrade the third stream of the thermal hydrolysis installation at Irish Water's Ringsend sewage treatment plant in Dublin. Pending a firm contract, the upgrade is envisaged for completion in 2024.

During the quarter, component manufacturing was completed, and site installation began to upgrade Ecopro's advanced anaerobic facility in Verdal, Norway. In China, process gas units were installed to upgrade the THP at Gaoantun in Beijing. Cambi is in dialogue with the client for similar upgrades at their other four THP sites in the city.

The third quarter is a high-season for annual maintenance shutdowns, with more than ten site assignments carried out throughout the EU and the UK. Cambi carries out maintenance at approximately half of the company's THP systems in operation. The CHAS Principal Contractor accreditation obtained in the UK earlier in the year is already materialising in new annual maintenance contracts for 2022.



Cambi THP plant. Verdal, Norway.

109

million people contribute to and benefit from an improved local environment, in municipalities serviced by Cambi's THP installations.

76

facilities have chosen Cambi's thermal hydrolysis solutions

0

reportable incidents

Cambi Group Financial review

Strong revenue and EBITDA growth. Backlog up 3% in the first three quarters.

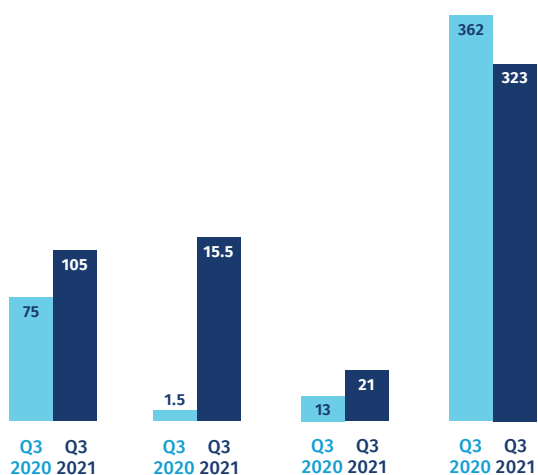
Third quarter

The segment **revenue** in the third quarter was NOK 104.5 million, up 40% compared to NOK 74.6 million in the same period last year. The increase is primarily due to achieving important milestones on several projects under execution by the Equipment subsegment. The Services subsegment accounted for 28% of segment revenue in the quarter.

The third-quarter **EBITDA** was NOK 15.5 million, compared to NOK 1.5 million in the same quarter last year. The increased margin is due to the higher turnover and scalability.

The **order intake** was NOK 21 million in the third quarter of 2021, compared to NOK 13 million during the same quarter in 2020. Most of the order intake in the quarter is ascribed to the Services subsegment.

105 Revenue **15.5** EBITDA **21** Order intake **323** Order backlog



Numbers in NOK million

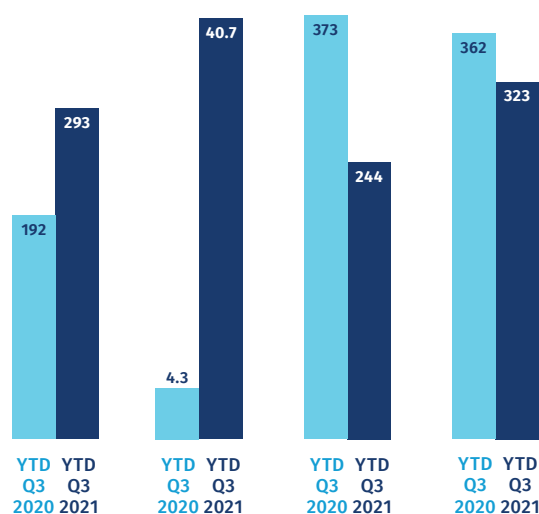
First three quarters

The **revenue** for the first three quarters was NOK 292.9 million (NOK 192.3 million), an increase of 52% compared to last year. The Equipment subsegment had revenue growth of 74%, and Services ended 5% above last year.

The **EBITDA** for the first three quarters ended at NOK 40.7 million, up from NOK 4.3 million in 2020.

The **order intake** for the first three quarters was NOK 244 million (NOK 373 million), with a book-to-bill of 0.83 in the period.

293 Revenue **40.7** EBITDA **244** Order intake **323** Order backlog



Numbers in NOK million EBITDA: before non-recurring items

Cambi Invest

Operational review

On track with developing DBO projects. Slightly lower soil sales.

Recycling

Soil sales decreased 5.6% compared to the same period last year due to lower market demand, primarily within the construction sector. The soil sales volume was 63,200 tonnes (67,000 tonnes).

All existing biosolids and garden waste handling contracts were executed as planned.

DBO Projects

Cambi Invest takes several different approaches to identify customers and partners to develop privately financed and operated projects in various countries.

- Discussing with private operators whether THP can be implemented as part of existing concessions,
- identifying opportunities to establish merchant plants serving several smaller customers,
- targeting large cities with unsolicited proposals for direct negotiation,
- responding to relevant DBO/BOT/PPP tenders.

A project tender from which Cambi withdrew during the second quarter due to unacceptable risk received too few bids and was cancelled. Cambi will consider bidding again, provided that our concerns are addressed in a new tender round expected in 2022.

The expected closing date of the first DBO project for Cambi remains unchanged, and the sales pipeline for the following years has grown in the quarter.

63,200

tonnes of sustainable soils
sold in Q3 2021

25

production sites in operation at
the end of Q3 2021

0

reportable incidents



Cambi Invest Financial review

Positive EBIDTA despite lower revenue and increased investment in growth.

Third quarter

Cambi Invest third-quarter **revenue** was NOK 25.4 million (NOK 26.8 million), a 5% decrease from the same period in 2020. Market demand for soil was below expectations due to lower construction activity.

The **EBITDA** for the third quarter was NOK 0.8 million, down from NOK 3.2 million in the same quarter of 2020. Increased costs of DBO development activities partly cause the lower EBITDA. The lower EBITDA for Grønn Vekst is due to investment in new staff for sales, business development, and product development and a higher proportion of low margin soil products in the product mix.

The **order intake** in the quarter was high, at NOK 91 million (NOK 17 million), entirely ascribed to Grønn Vekst. Two large biosolids handling contracts in Bergen and Oslo accounted for more than 80% of the quarter's order intake.

At the end of the third quarter, the **order backlog** was NOK 129 million (NOK 59 million), a year-on-year increase of almost 120%. NOK 70 million of the backlog are firm orders.



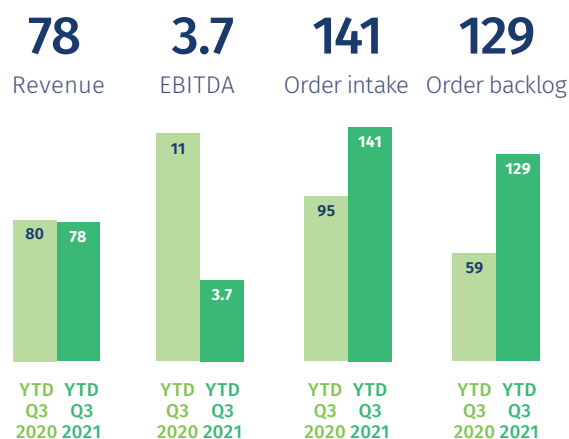
First three quarters

Segment **revenue** for the first three quarters was NOK 78.1 million, only slightly below the level in the same period in 2020 (NOK 79.7 million). Soil demand was below expectations due to lower construction activity.

The **EBITDA** for the first three quarters ended at NOK 3.7 million (NOK 11.0 million). The reduction is primarily due to the cost of developing DBO projects, which was not part of last year's result, and margin pressure in Grønn Vekst due to lower activity level and higher payroll expenses.

The **order intake** was NOK 141 million, compared to NOK 95 million for the first three quarters of 2020. Major tender awards in the Recycling subsegment during the third quarter contributed to the 60% increase.

The **order backlog** reflects the biosolids and garden waste management contracts of Grønn Vekst. The backlog is adjusted quarterly to reflect expected volume changes, with variations of up to 10%. Soil revenue is regarded as spot sales and not included in the backlog. As a result of high order intake, it ended the period NOK 70 million above the level at the end of the same period in 2020.



EBITDA: before non-recurring items
Numbers in NOK million

Market

Recent developments

In November, Cambi signed a contract to supply, by the end of 2023, a complete sludge processing facility built around the thermal hydrolysis process for Aquafin's Deurne-Schijnpoort sludge treatment plant in Antwerp, Belgium. The thermal hydrolysis plant will be installed after anaerobic digestion, a relatively recent design developed to maximise the thermal hydrolysis value proposition for sites with sufficient digestion capacity. Cambi earlier carried out basic and detailed engineering studies for Aquafin.

Outlook

The renewed global focus on climate change and recent political commitments to reduce methane emissions and use agriculture residues to produce sustainable biogas, together with higher biogas prices and new investment incentives, has resulted in a growing interest in the use of Cambi's technology on other substrates. There are ongoing evaluations of industry expectations and business cases.

For 2021, Cambi has previously indicated a revenue outlook between NOK 480 and 510 million, and an EBITDA margin of 12-14%.

Due to delays outside Cambi scope and control related to certain customers revising their project schedules caused by delays in civil work, the revenue for 2021 is expected to be between

NOK 460 and 480 million. The impact on the percentage of completion of said contracts by year-end is expected to impact EBITDA, ending in the range of 9-10%.

Cambi Group's active sales pipeline continues to grow and is up 15% this year. Tendering activity remains high. Cambi Group has this year bid on 73 projects with a total value of NOK 5.4 billion, of which NOK 0.5 billion and NOK 4.9 billion are firm and budget quotes, respectively. The timing of several larger contract awards has become clearer during the year. Still, the inherent risk of timing delays in municipal awards results in a wide range of revenue outcomes in a short-term outlook.

The services team has identified opportunities for more upgrade projects, underpinned by recent technology improvements and their impact on customer lifecycle cost savings and plans to achieve carbon neutrality.

For 2022, Cambi expects revenue of NOK 510 million based on management's most recent forecast. The EBITDA margin is expected to stay at the 2021 level due to higher costs from growth investments across all segments.

Cambi is confident in the increasing demand for reliable, sustainable solutions for sludge treatment among cities, utilities, and businesses. Advanced anaerobic digestion and thermal hydrolysis effectively reduce greenhouse gas emissions and support water utilities in their strategies to achieve net-zero emissions while reducing lifecycle costs.

Cambi focuses on organic growth and continuously assesses opportunities to acquire companies that provide complementary technologies and solutions.

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

Asker, 29 November 2021

Q3 2021

Interim financial statements with notes

Consolidated statement of profit and loss

Unaudited, in NOK million

	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020
Operating income	129.9	101.4	371.0	272.0
Cost of goods sold	63.9	54.1	191.7	134.0
Payroll expenses	31.7	29.0	90.0	81.7
Depreciation & amortisation expenses	2.2	2.4	6.5	6.1
Other operating expenses	18.1	13.6	46.6	41.1
Operating expenses	115.9	99.2	334.9	262.8
Operating profit	14.1	2.2	36.1	9.2
Net financial items	-1.6	-5.1	-8.3	-8.8
Profit (loss) before tax	12.5	-2.8	27.8	0.4
Tax expense			1.0	
Net profit (loss)	12.5	-2.8	26.9	0.4
Attributable to				
Equity holders of the parent company	12.6	-2.5	28.1	2.1
Non-controlling interests	-0.1	-0.3	-1.2	-1.6
EBITDA	16.3	4.6	42.6	15.3
Non-recurring items¹			1.8	
EBITDA before non-recurring items	16.3	4.6	44.4	15.3

1) For the period YTD Q3 2021, Cambi had non-recurring costs of NOK 1.8 million. The costs were related to the listing on Euronext Growth.

Consolidated statement of financial position

Unaudited, in NOK million

<i>Assets</i>	Q3 2021	Q3 2020	Year 2020
Intangible assets	46.0	44.8	45.4
Tangible assets	19.9	16.0	20.2
Financial assets	2.7	1.5	2.1
Total non-current assets	68.6	62.3	67.7
Inventories	34.8	32.4	27.3
Debtors	149.3	110.0	141.6
Financial assets	200.8		
Bank deposits	141.3	37.5	46.0
Total current assets	526.2	179.9	214.8
Total assets	594.8	242.2	282.6

Unaudited, in NOK million

<i>Equity</i>	Q3 2021	Q3 2020	Year 2020
Total equity	456.0	128.2	138.4

Unaudited, in NOK million

<i>Liabilities</i>	Q3 2021	Q3 2020	Year 2020
Non-current liabilities	11.5	17.1	14.7
Current liabilities	127.3	96.9	129.5
Total liabilities	138.8	114.0	144.2
Total equity and liabilities	594.8	242.2	282.6

Consolidated statement of cash flow

Unaudited, in NOK million

	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020
Cash flows from operating activities				
Profit / loss before tax	12.5	-2.8	27.8	0.4
Tax paid for the period		-1.5	-4.5	-5.6
Ordinary depreciation	2.2	2.4	6.5	6.1
Change in inventory	7.8	-7.2	-7.6	-11.5
Change in accounts receivable	5.0	-9.0	6.2	-34.5
Change in accounts payable	3.2	2.0	2.5	9.2
Effect of exchange rate fluctuations	1.9	-2.3	3.0	0.8
Change of other accrual items	-1.2	15.5	-25.9	13.6
Net cash flow from operating activities	31.4	-3.0	8.1	-21.4
Cash flows from investment activities				
Payments for the purchase of fixed assets	-0.7	-0.7	-3.1	-1.3
Proceeds from the sale of shares in other companies				4.9
Payments for the purchase of money market fund shares			-200.0	
Payments for the purchase of shares in other companies				-11.9
Net cash flow from investment activities	-0.7	-0.7	-203.1	-8.3
Cash flows from financing activities				
Proceeds from the issuance of new short-term liabilities			31.0	
Instalment payments of long-term liabilities	-17.7	-0.4	-20.5	-3.2
Instalment payments of short-term liabilities				-81.0
Net change in bank overdraft			-5.1	25.2
Net proceeds from private placement			285.6	
Change investment equity method	-0.7	0.9	-0.6	0.9
Net cash flows from financing activities	-18.4	0.5	290.4	-58.0
Net change in cash and cash equivalents	12.2	-3.2	95.4	-87.7
Cash and cash equivalents at the start of the period	129.1	40.7	46.0	125.2
Cash and cash equivalents at the end of the period	141.3	37.5	141.3	37.5

Consolidated statement of changes in equity

Unaudited, in NOK million

<i>Equity YTD Q3 2021</i>	Share capital	Own shares	Share premium	Other Equity	Minority interests	Total
Equity at 1 January 2021	2.8		17.9	116.5	1.2	138.4
Profit YTD Q3 2021				28.1	-1.2	26.9
Share capital increase	0.4		288.9			289.3
Currency effects				1.5	-0.1	1.5
Equity at 30 September 2021	3.2		306.8	146.1	-0.1	456.0

Unaudited, in NOK million

<i>Equity Q3 2021</i>	Share capital	Own shares	Share premium	Other Equity	Minority interests	Total
Equity at 1 July 2021	3.2		306.8	132.9		442.9
Profit Q3 2021				12.6	-0.1	12.5
Share capital increase						
Currency effects				0.6		0.6
Equity at 30 September 2021	3.2		306.8	146.1	-0.1	456.0

Notes

Note 1 - Reporting entity

Cambi ASA is a limited liability company with headquarters located in Asker, Norway. The consolidated interim financial statements comprise Cambi ASA and its subsidiaries.

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 for wastewater solids and other organic waste fractions. The process has multiple cost-saving and environmental benefits. Coupled with anaerobic digestion, it increases biogas production, reduces the use of non-renewable energy sources, and produces easy-to-handle, nutrient-rich biosolids that can replace synthetic fertilisers.

Cambi systems are installed at many wastewater treatment facilities owned by the world's leading water utilities. Established in 1992, the company has grown to span five continents, with 76 facilities in 24 countries and an installed capacity sufficient to process the waste of a population equivalent of around 109 million at the end of the third quarter of 2021.

Besides anaerobic digestion solutions using THP, Cambi owns the recycling company Grønn Vekst, the market leader in Norway for transforming sewage sludge and organic wastes into sustainable soil products.

Basis of accounting

Cambi's interim financial statements are prepared following the Norwegian Accounting Act and generally accepted accounting principles in Norway ("NGAAP"). The condensed interim statements' accounting policies are consistent with the ones used to prepare the consolidated financial statements included in Cambi's annual report for 2020. They should be read in conjunction with the annual report for 2020. They do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to describe events and transactions significant to understanding the changes in financial position and performance since the last annual financial statements.

Judgements, estimates and assumptions

The preparation of the consolidated interim financial statements according to NGAAP requires management to make judgments, estimates and assumptions for each reporting period. The main judgements, estimates and assumptions are described in the annual consolidated financial statements for 2020. Actual results may differ from these estimates. Management's significant judgements in preparing this interim financial report were made applying the same accounting policies and principles as those described in the 2020 annual report.

Note 2 - Operating segments

Unaudited, in NOK million

	Cambi Group				Cambi Invest			
	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020
Operating income	104.5	74.6	292.9	192.3	25.4	26.8	78.1	79.7
Costs of goods sold	47.9	37.7	141.0	85.0	16.0	16.4	50.8	49.0
Payroll expenses	26.8	24.3	77.1	69.2	4.9	4.8	13.0	12.5
Depreciation & amortisation expenses	1.7	2.0	5.1	5.1	0.5	0.3	1.4	1.0
Other operating expenses	14.4	11.2	35.9	33.8	3.7	2.5	10.7	7.3
Operating expenses	90.7	75.2	259.1	193.1	25.1	24.0	75.8	69.7
Operating profit	13.8	-0.6	33.8	-0.8	0.3	2.8	2.3	10.0
Net financial items	-2.2	-4.7	-8.6	-7.4	0.6	-0.4	0.3	-1.4
Profit (loss) before tax	11.6	-5.3	25.2	-8.2	0.9	2.5	2.6	8.6
EBITDA	15.5	1.5	38.9	4.3	0.8	3.2	3.7	11.0
Non-recurring items			1.8					
EBITDA before non-recurring items	15.5	1.5	40.7	4.3	0.8	3.2	3.7	11.0

The Cambi Group segment comprises the sale of thermal hydrolysis process (THP) plants and ancillary equipment, together with related services, including plant upgrades, spare parts, site support, and consultancy.

The Cambi Invest segment aims to create investment opportunities connected to the THP technology, both in companies (e.g., portfolio company Grønn Vekst) and DBO projects (Design, Build and Operate).

Grønn Vekst recycles organic resources, i.e., sewage sludge, garden waste, and stonemeal from municipalities and industry. It produces high-quality soil products based on compost as substitutes for peat-based soils. Grønn Vekst is Norway's largest soil producer and leading sewage sludge recycling company.

DBO projects are investment opportunities, where Cambi (with partners) owns and operates sludge treatment lines powered by Cambi's thermal hydrolysis process. All projects in this area are currently in development stages, and Cambi is committed to investing and closing new DBO contracts.

Note 3 - Construction Contracts

Unaudited, in NOK million

	Q3 2021	Q3 2020
Earned, not invoiced project revenue	90.0	39.2
Accrued project cost, provision and guarantees	37.2	25.4
Accumulated recorded revenue for ongoing projects	357.5	369.0
Accumulated cost related to recorded revenue	162.7	167.8
Net accumulated contribution from ongoing projects	194.7	201.2

Revenues from construction contracts are 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.

At the end of the third quarter of 2021, Cambi had 13 ongoing construction projects, up from 9 projects at the end of 2020. The accumulated contribution from ongoing projects was NOK 194.7 million, recognised through profit and loss from the commencement of the projects.

Note 4 - Financial investment

At the end of the third quarter 2021, the company had NOK 201 million in money market funds.

Q321

CAMBI ASA | THIRD-QUARTER RESULTS 2021

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