

Q420

CAMBI ASA | FOURTH-QUARTER RESULTS 2020

CAMBI

Enabling a swift global transition to **sustainable communities**



Cambi is transforming the world through reliable anaerobic digestion and organics recycling solutions for municipal utilities and industries.

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.

Through continuous innovation, Cambi is committed to moving resource recovery solutions forward, advancing the circular economy for a more sustainable world.

CAMBI

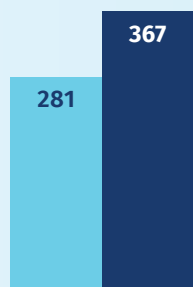
2020 Key numbers

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



2019 2020

26.3

EBITDA



2019 2020

584

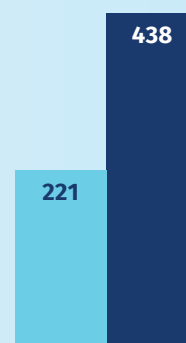
Order intake



2019 2020

438

Order backlog¹



2019 2020

Key numbers in NOK million, Cambi ASA.

2020 Highlights

Strong execution in challenging Covid-19 circumstances, reflecting wastewater treatment being classified as critical infrastructure.

- » **Total revenue** was NOK 367 million in 2020 compared to NOK 281 million in 2019. The 31% increase is driven by a strong order intake in Cambi Group and the resilience of the Services and Recycling segments in Cambi Invest.
- » **Services** delivered its third consecutive YoY growth, ending at NOK 74.5 million in 2020. This is up 8.5% from 2019, reflecting the activity level with upgrade projects for a growing installed base.
- » **Grønn Vekst** delivered an all-time high revenue of NOK 101.5 million, secured substantial garden waste volumes, and signed new partnerships with quarries to support further organic growth.
- » **EBITDA** ended at NOK 26.3 million in 2020 compared to NOK 1.5 million in 2019. The increase was mainly driven by scalability. Product development costs are expensed and amount to net NOK 10.5 million in 2020.
- » The **order intake** was NOK 584 million in 2020 compared to NOK 205 million in 2019. Cambi Group signed two milestone contracts, the first projects in Hong Kong and Ukraine, and continued the growth in the USA and UK with two new projects in both markets.
- » The year ended with a **strong order backlog** at NOK 438 million, nearly doubled from the 2019 backlog of NOK 221 million.
- » Overall, the **operating cash flow** was NOK (16.0) million, primarily due to some project milestone payments occurring in 2021.



Cambi THP plant. Psytalia, Athens, Greece

Q4 2020 Highlights

The growth prospects in emerging markets started materialising in the quarter, with high tender activity and the submittal of firm quotations.

- » **Total revenue** was NOK 95 million in the fourth quarter 2020 compared to NOK 67 million in the fourth quarter 2019. The 41% increase is driven by a strong order intake in Cambi Group and a good fourth quarter for Grønn Vekst.
- » **Order intake** ended at NOK 141 million in the fourth quarter 2020 compared to NOK 62 million in the fourth quarter 2019. Cambi Group signed a milestone contract in Lviv, Ukraine and secured an upgrade project in Beijing, China.
- » The quarter ended with a **strong order backlog** at NOK 438 million.
- » **Cambi Invest** entered into a cooperation agreement with Norfund to develop PPP projects in emerging markets.
- » Overall, Cambi generated NOK 5.5 million in **operating cash flow** and secured a USD 9 million working capital facility for two ongoing US projects with GIEK as export credit guarantor.
- » **Cambi Group** achieved an important product development milestone, with an upgrade that improves process energy efficiency and enables carrying out planned maintenance with the plant in operation.



Key numbers in NOK million, Cambi ASA.

Operating segments

Cambi ASA comprises two business segments, Cambi Group and Cambi Invest. The segments are separately managed and have segregated reporting, though there is close cooperation.



Cambi Group

The main segment in Cambi's business for almost three decades, Cambi Group is behind the development of the patented thermal hydrolysis process and its successful adoption at sites large and small in 23 countries.

Cambi Group reports results for two distinct sub-segments: Equipment and Services. The Equipment sub-segment comprises research, development, manufacturing, sales and the project execution for thermal hydrolysis process (THP) plants and ancillary equipment.

The Services sub-segment comprises all customer support related to Equipment, including consultancy, spare parts, performance support and plant upgrades.

Cambi Invest

Cambi Invest has as objective to create investment opportunities related to the THP technology, both in projects and through acquisitions. Cambi Invest reports results for two sub-segments: DBO Projects and Recycling.

The DBO Projects sub-segment comprises all activities related to the development and operational phases of privately financed THP projects.

The Recycling sub-segment includes Cambi's wholly-owned subsidiary Grønn Vekst, Norway's leading sewage sludge recycling company and Norwegian market leader in soil production.



2020

Order intake

Cambi signed several contracts in 2020, including the first projects in Hong Kong and Ukraine and the second project near Washington, DC. Grønn Vekst consolidated its market share in Norway.

Q4

December

1 Lviv, Ukraine

In consortium with Slovenian engineering company Riko, Cambi was awarded a contract for the first thermal hydrolysis sludge treatment plant in Ukraine. By diverting sludge from landfill, the project will reduce nutrient pollution in the Poltva river and the Baltic Sea. Climate gas emissions equivalent to 128,600 tonnes CO₂ will be avoided each year. The project is financed by international players, including the Nordic Environment Finance Corporation (NEFCO) and the EBRD.

November

2 Gaoantun, Beijing, China

Cambi will deliver, install and commission its proprietary process gas unit (PGU) to each of the four thermal hydrolysis trains in operation at the Gaoantun sludge centre in Beijing. The upgrade improves operations and process performance.

October

3 Norsk Gjenvinning, Larvik, Norway

Grønn Vekst signed a contract with Norsk Gjenvinning for handling and composting garden waste at the Grinda facility near Larvik. The services are part of a contract awarded by Vesar to Norsk Gjenvinning, with a duration of 4 years and the option to extend for two additional years.

4 Two recycling contracts near Oslo, Norway

Grønn Vekst was awarded two contracts in the municipalities of Bærum and Nordre Follo near Oslo. In Bærum, Grønn Vekst will handle garden waste received at the Isi Recycling Centre for 3 years, with an extension option for one year. In Nordre Follo, the contract has the same duration and covers sludge handling from the local wastewater treatment plant.

Q3



Cambi Group



Cambi Invest

Q2

5 Piscataway near Washington, DC, USA

Cambi was selected to supply a thermal hydrolysis process installation for the Piscataway Bioenergy Project. The facility will treat sewage sludge from five Washington Suburban Sanitary Commission (WSSC) sites in Maryland. WSSC sludge is already recycled at DC Water's nearby Blue Plains site, Cambi's first project in North America.

6 Shek Wu Hui, Hong Kong, China

Cambi won the contract for the first thermal hydrolysis facility in Hong Kong. The Shek Wu Hui project will lower operational costs for the Drainage Services Department and reduce the environmental footprint and site space requirements, land being in notoriously short supply in the city.

7 Neuse River, Raleigh, NC, USA

Cambi signed a contract to deliver its thermal hydrolysis process as part of Raleigh's Bio-Energy Recovery Project. Thermal hydrolysis will produce excellent quality biosolids for land application and biogas fuel for city buses. The project will reduce greenhouse gas emissions with the equivalent of removing 9,000 cars from traffic.

8 Recycling contracts in Drammen and Larvik, Norway

Grønn Vekst won a three-year contract to handle the compost and garden waste in the Drammen area for Renovasjonsselskapet for Drammensregionen (RfD). The contract has a 1-year extension option. In Larvik, Grønn Vekst will handle biosolids from the Lillevik wastewater treatment plant for a contract period of 3 years, with the option for two 1-year extensions.

Q1

9 Stoke Bardolph, Nottingham, UK

Severn Trent, the water utility listed on the London Stock Exchange, is investing in a fourth thermal hydrolysis plant from Cambi. The project will improve the overall sludge treatment process, increasing treatment capacity to accommodate a rising population.

10 Finham, Coventry, UK

Cambi signed an agreement to deliver a thermal hydrolysis installation to Severn Trent. The Finham sludge centre near Coventry will be Cambi's 23rd facility commissioned in the UK. Cambi was selected for the project following the successful start-up and early operations of thermal hydrolysis plants at two Severn Trent sites in Birmingham and Stoke-on-Trent.

Minworth, the first Cambi THP plant for Severn Trent, Birmingham, UK



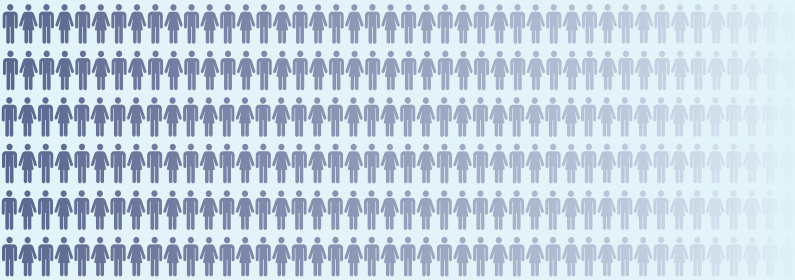
Cambi Group

Cambi Invest



6 million

more people will contribute to the green economy and benefit from improved local environments once the thermal hydrolysis projects signed during 2020 start operations.



2,000

truckloads of peat-free soil produced from organic waste by Grønn Vekst from contracts signed during 2020.



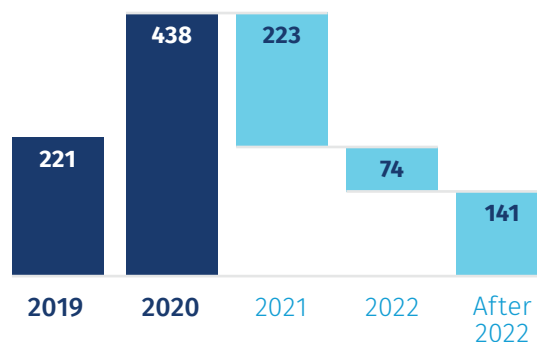
Order backlog¹

Solid and well-distributed backlog, following a year with strong order intake.

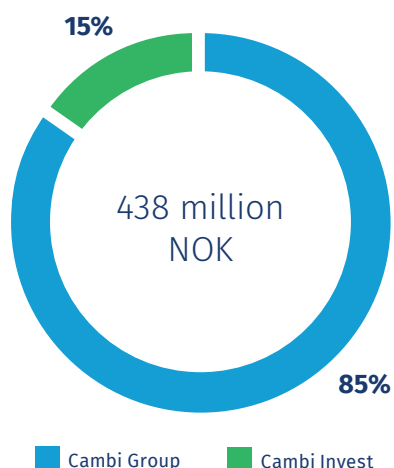
Backlog distribution and development

Cambi Group account for 85% of the backlog, which is all in foreign currencies. The Cambi Invest backlog is all in NOK.

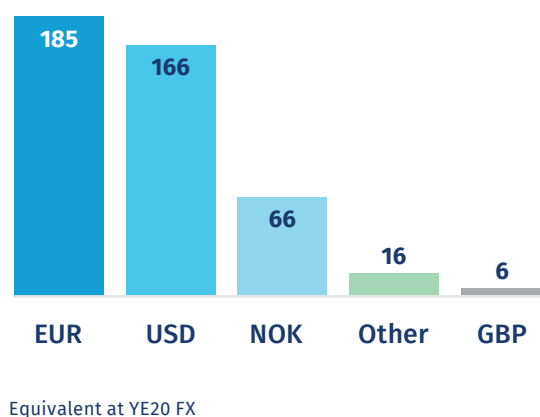
The distribution of the backlog in 2021 and beyond will be affected by several factors, such as the overall execution timeline for the project portfolio and changes in foreign exchange rates.



Backlog by segment



Backlog by currency



Key numbers in NOK million, Cambi ASA.

Cambi Group

Operational review

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

Equipment

In the UK, Cambi commissioned the second train of the Cog Moors thermal hydrolysis plant near Cardiff. It is the fourth Cambi plant delivered to Dŵr Cymru (Welsh Water).

The two Severn Trent projects signed during the first quarter, Finham and Stoke Bardolph, progressed according to plan. The modular THP system design and well-organised site works will allow Cambi to complete installation at both sites in early 2021.

In the USA, the THP system commissioned in 2019 at the Clinton River facility in Pontiac, MI, passed all contractual performance tests.

In China, the Luoqi co-digestion treatment centre in Chongqing, Sichuan started installation of the Cambi thermal hydrolysis plant.

Services

In the UK, Cambi completed an upgrade of the heat exchanger at Scottish Water's Nigg site in Aberdeen. The project, including new equipment, piping, electrical modifications and software upgrades, was delivered ahead of schedule. The 20-year-old facility operates now with higher energy efficiency.

In Belgium, the client in Brussels adopted Cambi's dedicated thermal hydrolysis plant control software. During the upgrade, new generation progressive cavity pumps were installed to reduce operational costs and increase reliability.

There has also been good progress in developing PLUS (Process Live Update and Support), the performance monitoring and support platform for Cambi installations.

108

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

71

facilities have chosen Cambi's thermal hydrolysis solutions

0

reportable incidents

Operational highlights from previous quarters

Q3

Commissioning of Qing He 2 in Beijing, China

Qing He 2 was the last to be commissioned of five sludge centres equipped with thermal hydrolysis in Beijing. Cambi is now serving the entire city of Beijing. The high-quality biosolids product is used on nearby forestland.

Commissioning of Strongford in Stoke-on-Trent, UK

Strongford is the second thermal hydrolysis plant commissioned by Cambi for Severn Trent. The project optimises regional bioresources handling by increasing sludge treatment capacity to receive imports from nearby sites.

Successful upgrade completed in Hamar, Norway

Cambi completed comprehensive upgrades at the Hias thermal hydrolysis facility in Hamar. The upgrade project increased both plant capacity and energy efficiency. Cambi also replaced the 24-year-old pulper vessel and installed a new heat exchanger and new pumps.

Q2

Commissioning of HRSD Atlantic in Virginia Beach, VA, USA

Following the successful THP commissioning at the Atlantic Treatment Plant, the Hampton Roads Sanitation District (HRSD) can now reap the benefits of thermal hydrolysis, which include significantly less storage capacity required at the plant, higher digester capacity and excellent quality biosolids.

Financing from Innovation Norway approved for new pre-study

Cambi received funding from Innovation Norway for a pre-study on THP energy efficiency. Cambi has innovative energy recovery ideas and aims to partner with existing or new customers to test them. The funding from Innovation Norway will contribute to Cambi's R&D work in this area.

Q1

Successful upgrade of Mapocho in Santiago de Chile

After eight years of operations, the Mapocho thermal hydrolysis plant needed a higher processing capacity. The completed pulper upgrade allows for significantly higher throughput while improving process energy efficiency. The project brings the customer closer to their goal of an energy-neutral sludge centre.

Winner of the Askerladden prize

Since 1984, the Asker Business Council distinguishes one company or individual who makes a significant contribution to the local community in Asker, where Cambi's headquarters are located. In 2020, the award went to Cambi for creating jobs, bringing to Asker smart people (settlers, commuters and visitors) from all over the world, and for placing Asker on the world map of technology suppliers for more sustainable cities.

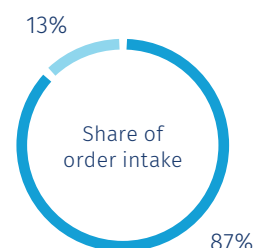
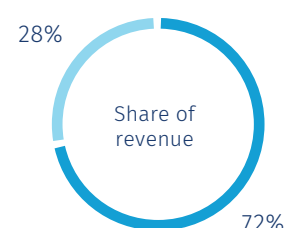
Cambi Group Financial Review

Sustained momentum for new Equipment contracts and resilient profit from Services, including the completion of two larger upgrade projects.

Cambi Group in 2020

The execution of backlog projects recovered quickly after the initial Covid-19 slowdown in the first quarter. Equipment order intake ended at NOK 414 million, the second-highest in Cambi's history despite Covid-19 related delays in project awards.

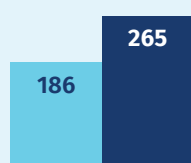
The resilient Services segment delivered another year of revenue growth and made good progress in implementing Cambi's remote monitoring system, PLUS.



■ Equipment ■ Services

265

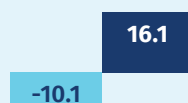
Revenue



2019 2020

16.1

EBITDA



2019 2020

456

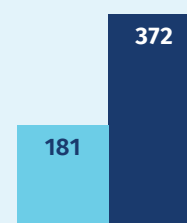
Order intake



2019 2020

372

Order backlog

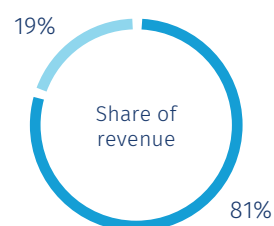


2019 2020

Cambi Group in Q4 2020

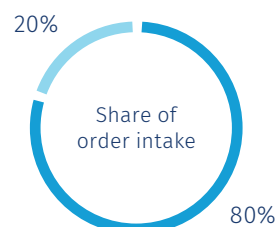
Revenue

Total revenue was NOK 73.4 million in the fourth quarter 2020, compared to NOK 44.8 million in the fourth quarter 2019. The Equipment and Services sub-segments accounted for NOK 59.2 million (NOK 24.2 million) and NOK 14.2 million (NOK 20.6 million), respectively. The reduction in Services for the quarter compared to 2019 is due to completing two upgrades in the first half of 2020.



EBITDA

EBITDA ended at NOK 12.2 million (16.7%) in the fourth quarter 2020, compared to NOK 10.6 million (23.7%) in the fourth quarter 2019. The lowered EBITDA margin is mainly due to a high margin sale in the fourth quarter 2019.



Order intake

Order intake was NOK 112.7 million in the fourth quarter 2020, compared to NOK 48.2 million in the fourth quarter 2019. The Equipment and Services sub-segments accounted for NOK 93.5 million (NOK 18 million) and NOK 19.2 million (NOK 30.2 million), respectively.

■ Equipment ■ Services

73

Revenue



12.2

EBITDA



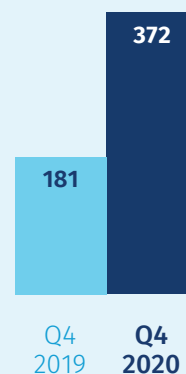
113

Order intake



372

Order backlog



Numbers in NOK million, Cambi Group

Cambi Invest

Operational review

Cambi Invest was launched as a separate segment in the fourth quarter to focus on promising growth areas earlier organised differently within Cambi.

Recycling

Throughout 2020, Grønn Vekst entered cooperation agreements with stone quarries and recycling companies, resulting in 7 new soil production sites that will be fully operative in 2021. At the end of the year, Grønn Vekst had 26 soil production sites in Norway, up from 19 at the end of 2019.

The mild autumn weather sustained soil demand, bringing fourth-quarter sales of 54,000 tonnes, 54% higher than in the same period in 2019. The soil demand increase was 24% for the year, from 202,000 tonnes in 2019 to 250,000 tonnes in 2020.

Grønn Vekst completed the construction of two new garden waste composting sites in Vinterbro and Larvik. Both sites are now ready to handle garden waste from Grønn Vekst's municipal customers in the Greater Oslo and Larvik regions.

DBO Projects

Cambi Invest signed an agreement with Norfund to cooperate in developing, executing, and operating 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 as a trusted investor in sustainable infrastructure in emerging markets.

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

250,000

tonnes of peat-free soils sold
in 2020

26

soil production facilities in
operations in Norway at
the end of 2020

0

reportable incidents

Cambi Invest Financial Review

The Recycling business delivered all-time high results. Investments in building the pipeline of DBO Projects weighed down on the Cambi Invest EBITDA.

Cambi Invest in 2020

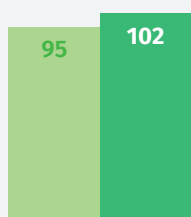
2020 was a record year for Cambi's recycling business, with revenue exceeding NOK 100 million for the first time due to growing soil sales and new garden waste contracts. Grønn Vekst's EBITDA ended at NOK 11.9 million (NOK 11.5 million).

Cambi Invest stepped up investments to develop DBO Projects, a market with growing potential. Project development efforts in South Africa, India and Colombia continue to receive support from Norad, the Norwegian Agency for Development Cooperation.



102

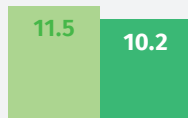
Revenue



2019 2020

10.2

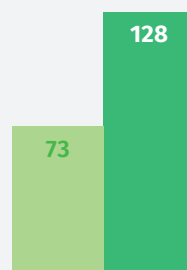
EBITDA



2019 2020

128

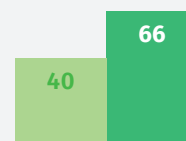
Order intake



2019 2020

66

Order backlog¹



2019 2020

Key numbers in NOK million, Cambi Invest

Cambi Invest in Q4 2020

Revenue

The fourth quarter usually marks a low season for Grønn Vekst. Quarterly revenue in 2020 was NOK 21.8 million (NOK 22.6 million).

EBITDA

Fourth-quarter EBITDA was NOK (1.2) million, down from NOK 0.9 million in 2019. The reduction is partly due to the allocation of DBO Projects related costs for 2020 to Cambi Invest.

Order intake

Order intake in the quarter was NOK 28.1 million (NOK 13.6 million).

Order backlog

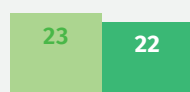
The order backlog reflects Grønn Vekst's contract portfolio for handling biosolids and garden waste. Soil revenue is regarded as spot sales and not included in the backlog. The order backlog for Cambi Invest ended the quarter NOK 65.8 million, of which NOK 47.8 million are firm orders. The backlog shows 65% YoY growth as a result of strong order intake during the year.



Reddal Sand soil production facility, Grimstad

22

Revenue



Q4 2019 Q4 2020

-1.2

EBITDA



Q4 2019 Q4 2020

28

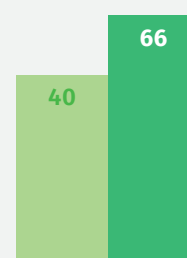
Order intake



Q4 2019 Q4 2020

66

Order backlog¹



Q4 2019 Q4 2020

Key numbers in NOK million, Cambi Invest

Market

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

Recent developments

Cambi set off to a good start in 2021, with the **successful listing** on Euronext Growth in Oslo. The company is well-positioned to grow by serving new cities, offering financed business models, and developing the recycling business.

Since the close of the fourth quarter, Cambi has signed **one contract** for a pilot plant that will test thermal hydrolysis on industrial sludge in South Africa together with Sasol, the integrated energy and chemicals company.

Outlook

For 2021, Cambi expects revenue between NOK 480 and 510 million and an EBITDA margin between 12 and 14 per cent. The outlook range includes assumptions on the execution of both new and backlog contracts, which have elements of uncertainty, including the timing of contract signatures.

Underlying market conditions are favourable. Building on its position as the market leader and a substantial project pipeline, Cambi is committed to delivering sustainable long-term profitable growth.

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

Asker, 8 March 2021



Q4 2020

Interim Financial Statements

Condensed consolidated statement of profit and loss

Unaudited, in NOK million

	Q4 2020	Q4 2019	2020	2019
Operating income	95.2	67.4	367.0	280.6
Costs of goods sold	40.6	17.6	174.5	119.2
Payroll expenses	28.3	26.7	110.0	104.2
Depreciation & amortisation expenses	2.1	-0.7	8.1	7.1
Other operating expenses	15.3	11.5	56.1	55.8
Operating expenses	86.2	55.2	348.8	286.3
Operating profit	9.0	12.2	18.2	-5.7
Net financial items	8.5	-9.8	-0.3	-13.1
Profit (loss) before tax	17.4	2.3	17.9	-18.8
Tax expense	3.7	-1.6	4.2	-1.8
Net profit (loss)	13.7	3.9	13.7	-17.0
Attributable to				
Equity holders of the parent company	14.2	4.5	15.8	18.2
Non-controlling interests	-0.5	-0.6	-2.1	1.2
EBITDA	11.0	11.5	26.3	1.5

Condensed consolidated statement of financial position

Unaudited, in NOK million

<i>Assets</i>	31 December 2020	31 December 2019
Deferred tax assets	24.1	22.2
Goodwill	10.2	7.5
Other intangible assets	11.1	13.7
Total intangible assets	45.4	43.4
Buildings and land	14.3	10.0
Equipment and movables	5.8	7.5
Total tangible fixed assets	20.2	17.5
Investments in shares	2.1	7.3
Total financial assets	2.1	7.3
Total fixed assets	67.7	68.2
Inventories	27.3	20.9
Accounts receivables	57.8	32.6
Earned, not invoiced project revenue	69.0	61.9
Other receivables	14.6	27.0
Total debtors	141.5	121.5
Bank deposits	46.0	125.2
Total current assets	214.7	267.6
Total assets	282.4	335.8

Condensed consolidated statement of financial position

continued

Unaudited, in NOK million

<i>Equity</i>	31 December 2020	31 December 2019
Paid in capital		
Share capital	2.8	2.8
Own shares	0.0	0.0
Share premium	17.9	17.9
Total paid-in capital	20.7	20.7
Retained earnings		
Attributable to the parent	116.5	106.0
Non-controlling interests	1.2	7.4
Total equity	138.4	134.1

Unaudited, in NOK million

<i>Liabilities</i>	31 December 2020	31 December 2019
Other long-term liabilities		
Liabilities to financial institutions	14.7	20.3
Total other long-term liabilities	14.7	20.3
Short-term liabilities		
Liabilities to financial institutions	36.2	81.0
Accounts payable	21.9	17.8
Tax payable	2.7	3.9
Public duties payable	8.8	5.8
Dividends	-	1.6
Accrued project costs, provisions & guarantees	46.1	57.3
Other short-term liabilities	13.6	14.1
Total short-term liabilities	129.3	181.4
Total liabilities	144.0	201.7
Total equity and liabilities	282.4	335.8

Condensed consolidated statement of cash flow

Unaudited, in NOK million

	Q4 2020	2020	2019
Cash flows from operating activities			
Profit / loss before tax	17.4	17.9	-18.8
Tax paid for the period	-4.6	-7.2	-3.0
Ordinary depreciation	2.1	8.1	7.1
Change in inventory	-14.2	-6.3	-7.4
Change in accounts receivable	9.3	-25.2	25.7
Change in accounts payable	-5.1	4.1	-2.5
Effect of exchange rate fluctuations	-5.2	-2.3	4.3
Change of other accrual items	6.0	-5.0	16.6
Net cash flow from operating activities	5.5	-16.0	22.0
Cash flows from investment activities			
Payments for the purchase of fixed assets	-4.9	-6.1	-2.9
Proceeds from the sale of shares in other companies	-0.6	4.9	-
Payments for the purchase of shares in other companies	-2.2	-2.7	-
Net cash flow from operating activities	-7.7	-3.9	-2.9
Cash flows from financing activities			
Proceeds from the issuance of new long-term liabilities	-	-	60.2
Proceeds from the issuance of new short-term liabilities	31.1	31.1	-
Instalment payments of long-term liabilities	75.5	-5.5	-5.6
Instalment payments of short-term liabilities	-77.9	-81.0	-
Net change in bank overdraft	-20.1	5.1	-0.0
Proceeds from equity	-	-	8.4
Payment of dividends	-	-	-1.6
Change investment equity method	2.2	3.0	0.2
Purchase of remaining 20% stake in Grønn Vekst	-	-11.9	-
Net cash flows from financing activities	10.7	-59.3	61.6
Net change in cash and cash equivalents	8.5	-79.2	80.7
Cash and cash equivalents at the start of the period	37.5	125.2	44.5
Cash and cash equivalents at the end of the period	46.0	46.0	125.2

Condensed consolidated statement of changes in equity

Unaudited, in NOK million

<i>Equity 2020 Q4</i>	Share capital	Own shares	Share premium	Other Equity	Minority interests	Total
Equity at 30 September 2020	2.8	-0.0	17.9	109.3	4.8	134.8
Annual profit				17.6	-3.8	13.9
Currency effects				-10.5	0.1	-10.3
31 December 2020	2.8	-0.0	17.9	116.5	1.2	138.4

Unaudited, in NOK million

<i>Equity 2020</i>	Share capital	Own shares	Share premium	Other Equity	Minority interests	Total
Equity at 31 December 2019	2.8	-0.0	17.9	106.0	7.4	134.1
Annual profit	-	-	-	15.8	-2.1	13.7
Purchase of minority interests	-	-	-	-2.8	-4.2	-7.1
Currency effects	-	-	-	-2.5	0.1	-2.3
31 December 2020	2.8	-0.0	17.9	116.5	1.2	138.4

Cambi's gross balance sheet as of 31 December 2020 amounted to NOK 282.4 million, compared to NOK 335.8 million at the same time in 2019. The reduction is primarily due to the repayment of a working capital facility supported by UK Export Finance in the first quarter of 2020.

Equity was NOK 138.4 million (NOK 134.1 million), corresponding to an equity ratio of 49.0 per cent (39.9 per cent). Equity is influenced by foreign exchange effects from the consolidation of foreign subsidiaries.

Accounts receivables amounted to NOK 57.8 million at the end of the fourth quarter of 2020. The corresponding amount at the same time in 2019 was NOK 32.6 million. Contract assets were NOK 69.0 million as of 31 December 2020, compared to NOK 61.9 million at year-end 2019. The group's reported net interest-bearing debt amounted to NOK 4.9 million as of 31 December 2020, compared to NOK (23.9) million in 2019.

Notes

Note 1 - Reporting entity

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

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 2019.

They should be read in conjunction with the annual report for 2019. 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 2019. 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 2019 annual report.

Note 2 - Operating segments

Unaudited, in NOK million

	<i>Cambi Group</i>				<i>Cambi Invest</i>			
	Q4 2020	Q4 2019	2020	2019	Q4 2020	Q4 2019	2020	2019
Operating income	73.4	44.8	265.4	185.6	21.8	22.6	101.5	95.1
Costs of goods sold	27.1	4.6	112.0	61.4	13.5	13.0	62.5	57.8
Payroll expenses	22.2	22.2	91.9	88.8	6.0	4.6	18.1	15.4
Depreciation & amortisation expenses	1.7	-1.0	6.8	5.8	0.4	0.4	1.4	1.4
Other operating expenses	11.8	7.4	45.4	45.4	3.4	4.1	10.8	10.4
Operating expenses	62.8	33.1	256.1	201.4	23.4	22.0	92.6	84.9
Operating profit	10.6	11.6	9.3	-15.9	-1.6	0.5	8.9	10.2
Net financial items	8.5	-9.6	0.4	-12.7	-0.1	-0.2	-0.7	-0.4
Profit (loss) before tax	19.1	2.0	9.7	-28.6	-1.7	0.3	8.2	9.8
EBITDA	12.2	10.6	16.1	-10.1	-1.2	0.9	10.2	11.5

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 and garden waste, from municipalities and industry. Grønn Vekst 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

	2020	2019
Accumulated recorded revenue for ongoing projects	227.1	251.3
Accumulated cost related to recorded revenue	101.8	93.2
Net accumulated contribution on ongoing projects	125.3	158.1

Revenue from construction contracts is recognised on the percentage-of-completion method, measured by the percentage of costs incurred to date relative to the estimated total costs for each contract. The Group has nine ongoing construction projects at the end of 2020 and had eight projects at the end of 2019. As of year-end 2020, the accumulated contribution from ongoing projects was NOK 125 million, which has been recognised through profit and loss from the projects' commencement.

Note 4 - Risks and uncertainties

The company is exposed to currency, credit, liquidity and interest risk, operational risks, and general market risk. Although Covid-19 has had a limited impact on the execution of projects in 2020, and the order intake has been strong, the ongoing pandemic inherently increases the risk of delays. The supply chain was not significantly impacted in 2020.

Note 5 - Share capital

The total share capital of Cambi ASA as of 31 December 2020 was NOK 2,781,474 divided by 2,781,474 shares at a nominal value of NOK 1.0. 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 time of the quarterly report is NOK 3,201,474 divided into 160,073,700 shares with a nominal value of NOK 0.02.

Footnotes

1) 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.

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CAMBI ASA | FOURTH-QUARTER RESULTS 2020

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