

Q4 22

FOURTH-QUARTER RESULTS
CAMBI ASA

CAMBI



Cambi solutions are transforming wastewater solids and organic wastes into valuable bioresources, enabling the circular economy in cities and industries around the world.

Two business segments

Cambi Group comprises the delivery of thermal hydrolysis process (THP) **Equipment** and complete systems, together with related **Services**, including site and operations support, maintenance, spare parts, upgrades, and consultancy.

Cambi Invest delivers on opportunities connected to the THP technologies, including design-build-operate (DBO) projects in which Cambi retains an ownership stake and operations (**DBO Projects**), and soil products **Recycling** (i.e., portfolio company Grønn Vekst).

Fourth quarter Highlights

● **Revenue** in the fourth quarter amounted to NOK 157 million, up NOK 71 million (82%) versus the corresponding quarter of 2021, where revenue was NOK 87 million. The increase is primarily from higher progress on Equipment projects, which had a revenue of NOK 114 million, up NOK 48 million versus the same quarter last year. Services revenue ended the quarter at NOK 22 million, slightly up from NOK 18 million in the same quarter of 2021.

● **EBITDA** was NOK 29 million, up from NOK -5 million in the fourth quarter of 2021. The increase is primarily driven by higher revenue and a gross margin uplift from 52% to 57%, offset by higher sales, general and administrative expenses of NOK 12 million.

● **Operating cash flow** in the fourth quarter was NOK 68 million compared to NOK -17 million in the same quarter of last year. The increase of NOK 85 million is from higher net profits and changes in accruals.

● **Order intake** in the period was NOK 604 million, up from NOK 96 million in the fourth quarter of 2021. The value reflects the three Equipment contracts signed in the fourth quarter.

● **Order backlog** ended at NOK 1,066 million, more than doubling from the fourth quarter of 2021 when it was NOK 460 million.

157

Revenue



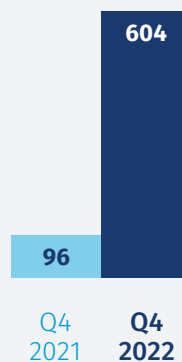
29

EBITDA



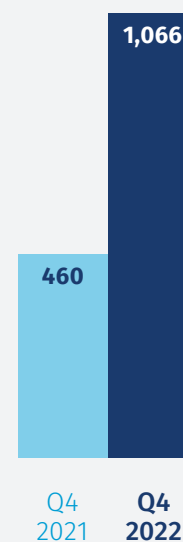
604

Order Intake



1,066

Order Backlog



Key numbers in NOK million, Cambi ASA

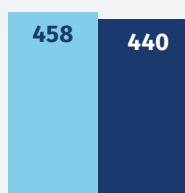
2022

Highlights

- The year was impacted by delays in project execution in the first quarters and by the project in Ukraine being put on hold. In the fourth quarter, several projects started to gain pace, resulting in a full-year **revenue** of NOK 440 million, slightly below the revenue for 2021 of NOK 458 million.
- **EBITDA** was NOK 3 million compared to NOK 39 million in 2021. Gross margin for the year of NOK 222 million was slightly lower than last year due to lower revenue offset by modest gross margin expansion. Sales, general and administrative costs increased by NOK 33 million from NOK 186 million last year to NOK 219 million in 2022. The increase is primarily driven by higher operating expenses from more sales activities, additional hired-in personnel, and general increase in cost levels due to inflation. Payroll expenses increased with headcount and salaries.
- **Operating cash flow** for the year was NOK 59 million, a significant uplift from NOK -9 million in 2021. The increase is driven by changes in accrual items.
- **Order intake** was recorded at a historical record of NOK 1,046 million, more than double from NOK 480 million in 2021. During the year, a total of seven Equipment contracts were signed, including the first contracts in two new countries - Morocco and Bulgaria.
- **Order backlog** was NOK 1,066 million at year-end 2022, which is more than double the order backlog of NOK 460 million at the end of 2021. The book-to-bill ratio was 2.4 in 2022.

440

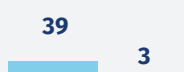
Revenue



2021 2022

3

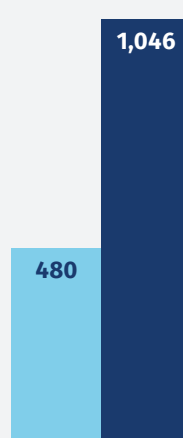
EBITDA



2021 2022

1,046

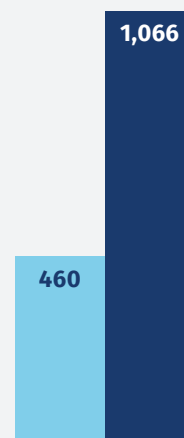
Order Intake



2021 2022

1,066

Order Backlog



2021 2022

Key numbers in NOK million, Cambi ASA

Order intake

Cambi signed three contracts in the fourth quarter, with a landmark project in the US, an industrial client in South Africa and the first contract in Bulgaria.

Sofia, Bulgaria 1

In October, Cambi won the contract to supply thermal hydrolysis systems for the main wastewater treatment plant in Bulgaria's capital city Sofia. The project will bring Sofiyska Voda significant economic benefits, improve the local environment and enable the city to easily adapt to future changes in sludge treatment regulations.

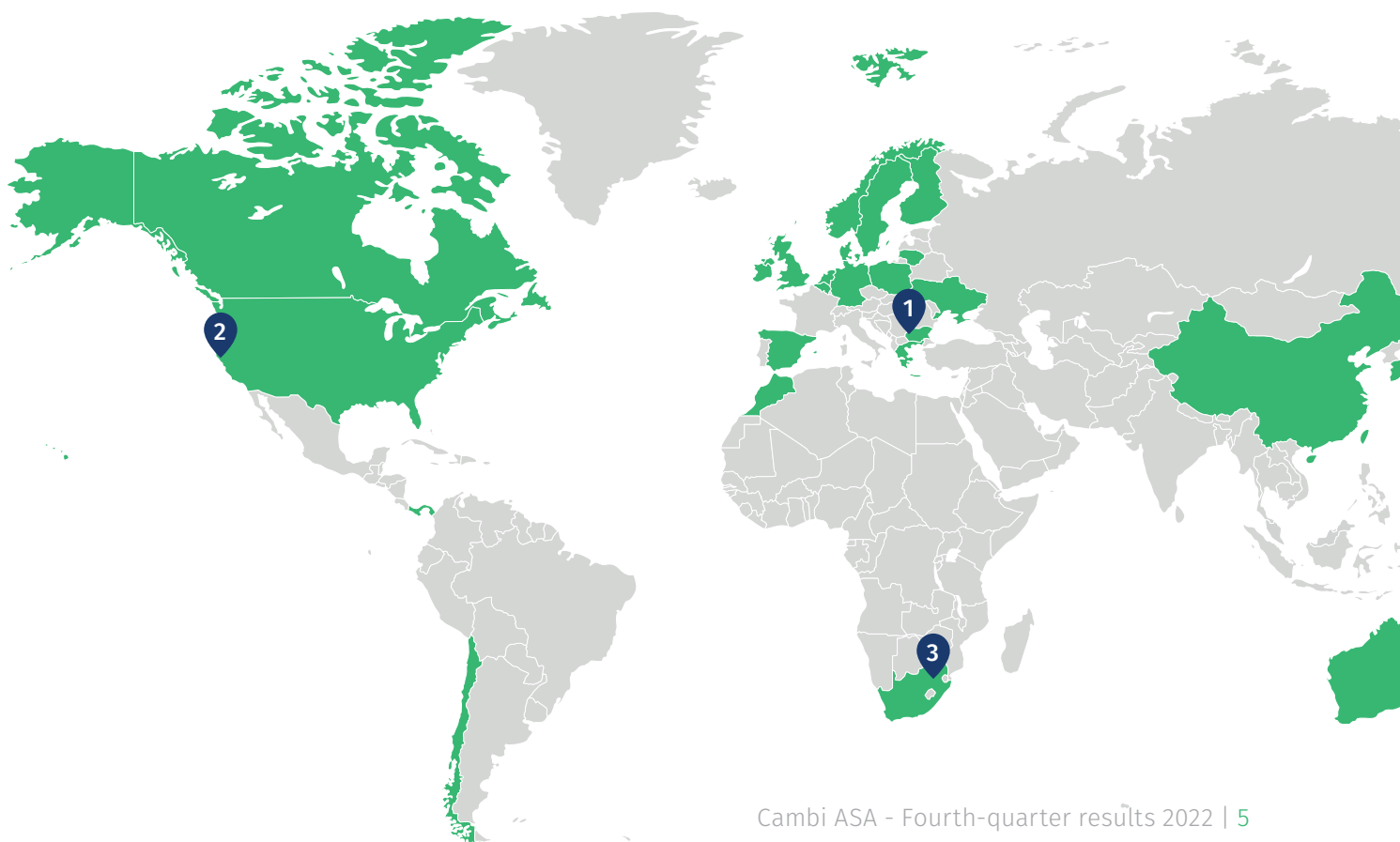
San Francisco, USA 2

In November, the San Francisco Public Utilities Commission awarded Cambi a landmark contract to deliver three thermal hydrolysis systems to the Southeast Treatment Plant, as part of a comprehensive project to upgrade the biosolids digester facilities. Cambi's technology will enhance odour control, improving the quality of life for employees and nearby residents, boost energy

recovery, and reduce the plant's environmental footprint. Most of Cambi's delivery will take place in the next couple of years, with start-up envisaged 2028.

Secunda, South Africa 3

Following successful trials during the past two years to treat industrial biosludge at Sasol's Secunda Operations (SO) in South Africa, Cambi signed a large contract with Wood in November. The innovative project will reroute biosludge from incineration to a gasification process, producing hydrocarbon fuels and chemicals while reducing point source emissions. Start-up is envisaged for 2024. The project is the world's first full-scale installation where THP is used to enable the conversion of biosludge into hydrocarbon fuels and chemicals.

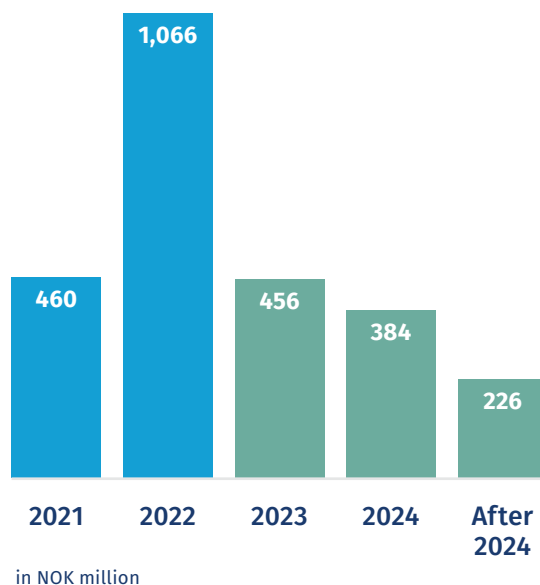


Order backlog

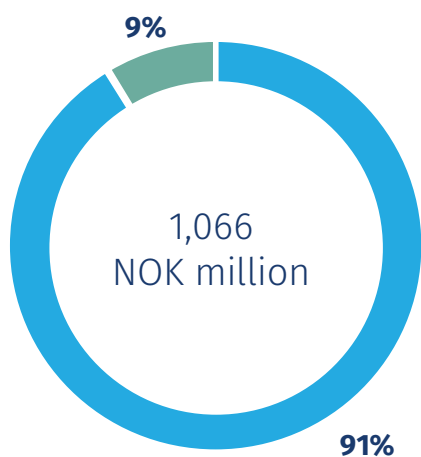
The **total order backlog** at the end of the fourth quarter was NOK 1,066 million.

Cambi Group's backlog is mainly in USD and EUR, in addition to other currencies. Cambi Invest's backlog is all in NOK, representing Grønn Vekst's contract portfolio. Soil products are sold on a spot basis and not included in the backlog.

Backlog distribution

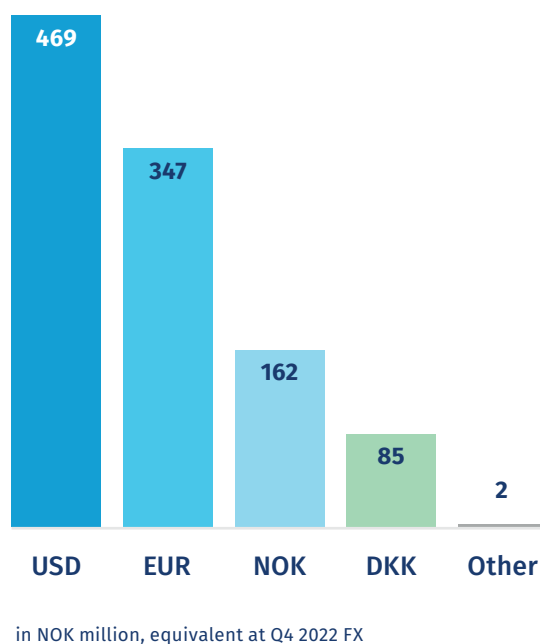


Backlog by segment



■ Cambi Group ■ Cambi Invest

Backlog by currency



Cambi Group

Operational review

Three new THP plants ready to start operations

Equipment

Following several quarters marked by delays at customer sites, project execution picked up pace during the fourth quarter. Manufacturing of equipment for contracts signed earlier in 2022 was also in progress at the workshop in the UK. Three THP plants completed commissioning and another one finished installation.

In the US, the B2 THP system delivered to the City of Franklin, Tennessee, started operations during the fourth quarter. In Kansas City, Missouri, Cambi finalised the installation of its THP system equipped with standby vessels for maximum availability through the annual maintenance stop.

In Poland, the THP system delivered to the municipality of Jarocin has also completed commissioning and is ready to start operations in the near future.

In China, Cambi's first THP project outside Beijing was commissioned at the Luoqi treatment centre in Chongqing and is also ready to start beneficial operation. The THP system will process wastewater solids to ensure fullproof hygienisation at a site which also receives considerable volumes of food waste.

Services

The delivery of an additional thermal hydrolysis reactor to Tarnów Water, Poland, progressed according to plan and was installed during December. Once operational during the first quarter of 2023, the upgrade will increase the site's solids processing capacity by 50%.



Cambi THP system in operation in Franklin, TN (USA)

112

million people serviced by
Cambi's THP installations worldwide

83

facilities have chosen Cambi's
thermal hydrolysis solutions

0

reportable health
and safety incidents

Cambi Group Financial review

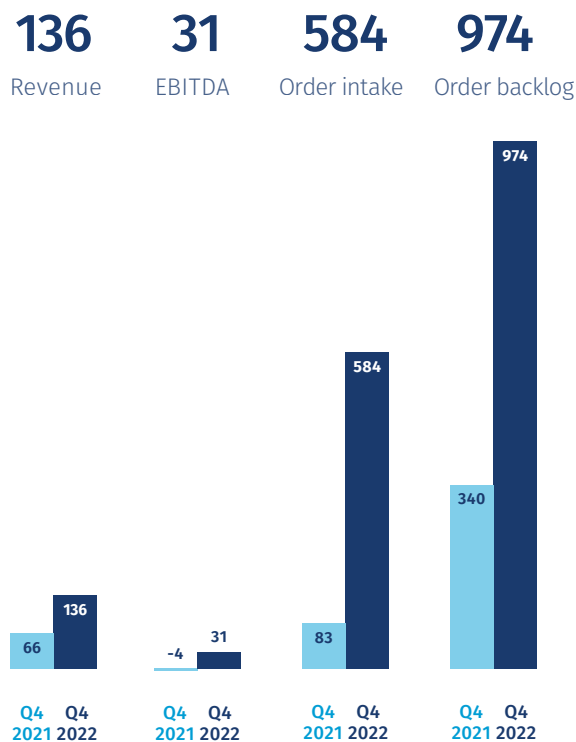
Accelerated project execution | Record-high Equipment order intake

Fourth quarter

Revenue for Cambi Group was NOK 136 million in the fourth quarter, up from NOK 66 million in the same quarter last year. The increase is driven by reaching delivery milestones in several Equipment projects, offset by the project in Lviv, Ukraine, which remained under force majeure. Equipment sales accounted for 84% of the revenue.

EBITDA ended at NOK 31 million in the fourth quarter of 2022, up from NOK -4 million in the same quarter last year.

Order intake in the fourth quarter was NOK 584 million up from NOK 83 million in the corresponding period last year.



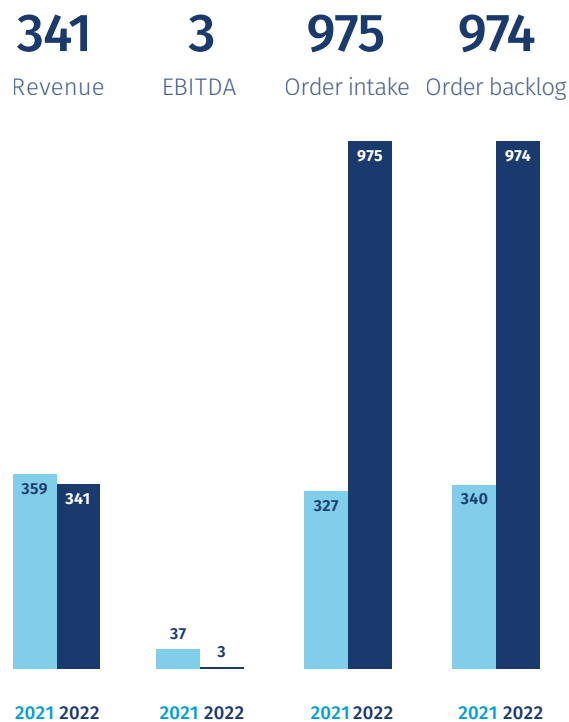
Numbers in NOK million

Full-year 2022

Revenue for Cambi Group in 2022 decreased by 5%, from NOK 359 million in 2021 to NOK 341 million in 2022. Equipment revenue was down 3%, from NOK 276 million to NOK 269 million. Services revenue ended 13% below last year at NOK 73 million, down from NOK 83 million in 2021.

EBITDA for the year of NOK 3 million, which is down from NOK 37 million in 2021.

Order intake for the year was NOK 975 million, up from NOK 327 million in 2021. The book-to-bill ratio was 2.9 in 2022.



Numbers in NOK million

Cambi Invest

Operational review

Soil sales in sync with construction activity | DBO projects advance as expected

Recycling

Grønn Vekst sold 42,000 tonnes of soil in the fourth quarter of 2022, bringing the annual total to 220,000 tonnes (2021: 230,000 tonnes). There were no major disruptions in either production or deliveries.

Construction of the new sustainable soil packaging plant continued during the fourth quarter, with start-up envisaged for the end of the first quarter 2023.

The first batches of peat-free soil are scheduled for delivery ahead of the spring season.

All biosolids handling contracts continue to be executed as planned. Grønn Vekst was awarded two smaller contracts during the quarter, in Sondre Follo and Gjøvik.

DBO Projects

The development of DBO projects continued throughout the fourth quarter, with focus on the most mature opportunities as well as new initiatives to promote the Plug&Go B2 package 'as-a-service'. Several customers, primarily in the US and the UK, initiated a public procurement process for their projects, announcing DBFO / DBO schemes.

220,000

tonnes of peat-free soil
sold in 2022

24

soil production facilities in operation in Norway
at the end of 2022

0

reportable health and
safety incidents



Cambi Invest Financial review

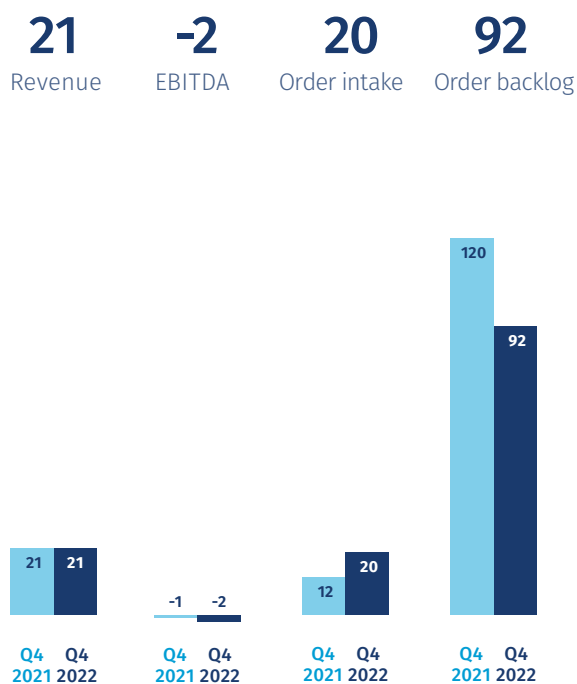
Stable revenue and EBITDA | Sustained investments in long-term growth

Fourth quarter

Cambi Invest's fourth-quarter **revenue** was NOK 21 million, in line with the same quarter last year.

Fourth-quarter **EBITDA** ended at NOK -2 million, compared to NOK -1 million in the same quarter last year. The lower EBITDA is mainly due to increased activity for developing DBO projects.

The order intake of NOK 20 million, which is up from NOK 12 million in the corresponding period last year, is attributed entirely to Grønn Vekst. There were no major tender awards in the Recycling subsegment during the fourth quarter.



Numbers in NOK million

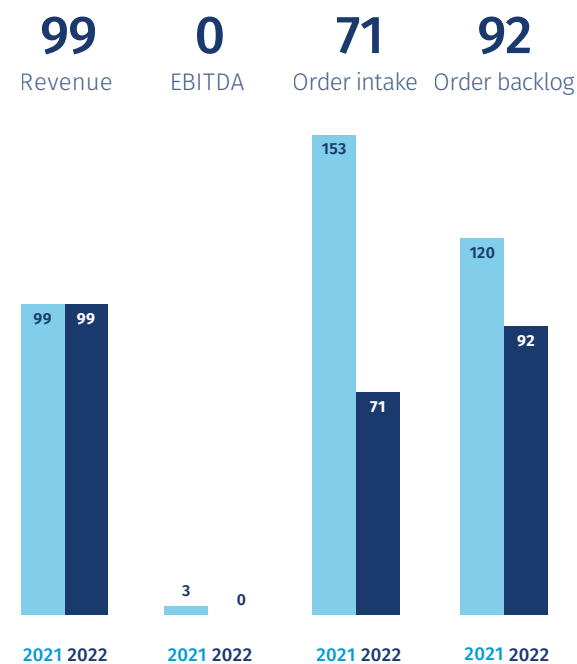
Full-year 2022

Annual **revenue** for Cambi Invest was NOK 99 million, which is the same level as in 2021.

EBITDA for 2022 was NOK 0 million, down from NOK 3 million last year. The decrease is primarily driven by higher activity for developing DBO projects.

Order intake in 2022 ended at NOK 71 million, down from NOK 153 million in 2021. The decrease is ascribed to the contracts awarded in the Recycling subsegment this year.

Cambi Invest ended 2022 with an **order backlog** of NOK 92 million, down from NOK 120 million at the start of the year. The backlog continues to consist exclusively of Grønn Vekst's contracts for biosolids and garden waste management for municipalities in Norway.



Numbers in NOK million

Market

Two new equipment contracts | Strong drivers are increasing THP demand

Recent developments

In January, Cambi commenced early works for the comprehensive upgrade of the newest of three THP systems in operation at the Ringsend wastewater treatment plant in Dublin, Ireland.

In February Cambi announced a conditional contract award for a DBO project in the US. A contract may be signed before the end of the year, subject to a successful completion of contract negotiations with the client municipality and receiving the necessary permits. Cambi will take a minority ownership interest and supply core technology, including the THP system.

Cambi's framework agreement to deliver two THP systems for the Bonnybrook wastewater treatment plant in Calgary, Canada was not renewed upon expiration due to the City's budgetary constraints. The large project, signed in 2016 and repeatedly delayed by the customer, will be removed from the order backlog in the first quarter of 2023. The latest project schedule expected the project to begin

execution in 2026. The value proposition of thermal hydrolysis in Calgary remains strong, and Cambi is optimistic that there may be an opportunity to revive the project later.

Outlook

Cambi is pleased to see significant increase in interest for our technology solutions, as evidenced by a record-high annual order intake in 2022 and the conditional award of a DBO contract earlier this year.

Several of the construction contracts currently in execution are again making steady progress following a few tumultuous quarters marked by cost escalations and delays. Cambi continues to deliver on clients' project schedules, on time and on budget, and has been successful in passing on cost increases to clients, protecting margin levels. Delivery on the contracts signed in 2022 is expected to bring solid revenue and EBITDA growth in 2023.

As evidenced by the Dublin and Tarnów contracts, THP users appreciate the value from using Cambi's technology and are interested to upgrade or expand their systems. As several of the earlier THP systems are reaching their end of life, Cambi is optimistic that the Services business will receive comprehensive upgrade and renewal orders in the coming years.

Despite the recent decrease in natural gas prices, energy remains in most countries more expensive than a few years ago. Biogas is a competitive domestic source of renewable energy with considerable positive effects on local circular economies. It is also essential to utilise at its maximum potential, as enabled by Cambi's



The third Cambi THP stream at Dublin's Ringsend WWTP (Ireland)



Grønn Vekst's new soil packaging facility near Kristiansand (Norway)

solutions, in order to minimise carbon emissions and meet net-zero targets.

The European Union's proposed directive to require all wastewater treatment plants to become energy-neutral by 2040 has been well-received by key stakeholders. Cambi's technology solutions can make a significant contribution in meeting this ambitious goal and the company is positioned to capture upcoming project opportunities.

Cambi communicated last year an expectation to sign equipment contracts with a total value of NOK 1 billion in the two years 2022-2023. Having recorded an equipment order intake of NOK 911 million in 2022 alone, Cambi expects to surpass its two-year estimate in the near future.

For the period 2023-2024, Cambi estimates to sign equipment contracts with a total value of NOK 1.2 billion.

For the year 2022, Cambi will pay a dividend of NOK 0.15 per share, subject to approval by the Annual General Meeting on 10 May 2023. Cambi aims to increase the nominal dividend per share in the two-year period 2023-2024 to a payout ratio of 60-80% of net profits.

Cambi remains focused on organic growth and continues considering opportunities to acquire businesses offering complementary solutions.

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

Asker, 6 March 2023

Q4 2022

Interim financial statements with notes

Consolidated statement of profit and loss

Unaudited, in NOK million

	Q4 2022	Q4 2021	Year 2022	Year 2021
Operating income	157.4	86.7	440.3	457.7
Costs of goods sold	67.0	42.0	218.7	233.7
Payroll expenses	35.7	32.4	129.9	122.4
Depreciation & amortisation expenses	10.6	2.3	18.2	8.8
Other operating expenses	25.9	17.4	89.0	64.0
Operating expenses	139.2	94.1	455.9	429.0
Operating profit	18.1	-7.4	-15.6	28.7
Net financial items	-0.1	-3.6	1.7	-11.9
Profit (loss) before tax	18.0	-11.0	-13.9	16.8
Tax expense	-1.1	0.2	-0.1	1.1
Net profit (loss)	19.2	-11.2	-13.8	15.7
Attributable to				
Equity holders of the parent company	19.5	-11.0	-12.7	17.1
Non-controlling interests	-0.3	-0.2	-1.2	-1.4
EBITDA	28.8	-5.1	2.7	37.5
Non-recurring items				1.8
EBITDA before non-recurring items	28.8	-5.1	2.7	39.3

Consolidated statement of financial position

Unaudited, in NOK million

<i>Assets</i>	Q4 2022	Q4 2021	Year 2021
Intangible assets	78.5	44.5	44.5
Tangible assets	19.7	19.8	19.8
Financial assets	1.0	2.1	2.1
Total non-current assets	99.3	66.4	66.4
Inventories	43.3	45.1	45.1
Debtors	162.3	140.0	140.0
Financial assets	101.7	200.9	200.9
Bank deposits	166.9	70.1	70.1
Total current assets	474.2	456.1	456.1
Total assets	573.5	522.5	522.5

Unaudited, in NOK million

<i>Equity</i>	Q4 2022	Q4 2021	Year 2021
Total equity	424.8	442.0	442.0

Unaudited, in NOK million

<i>Liabilities</i>	Q4 2022	Q4 2021	Year 2021
Non-current liabilities	1.1	2.4	2.4
Current liabilities	147.6	78.1	78.1
Total liabilities	148.7	80.5	80.5
Total equity and liabilities	573.5	522.5	522.5

Consolidated statement of cash flow

Unaudited, in NOK million

	Q4 2022	Q4 2021	Year 2022	Year 2021
Cash flow from operating activities				
Profit/loss before tax	18.0	-11.0	-13.9	16.8
Tax paid for the period	0.7	-1.5	-2.1	-6.0
Ordinary depreciation	10.6	2.3	18.2	8.8
Change in inventory	4.6	-10.3	1.8	-17.9
Change in accounts receivable	-33.3	0.1	-25.4	6.4
Change in accounts payable	5.6	4.4	1.7	6.8
Effect of exchange rate fluctuations	-2.9	-0.2	6.8	2.8
Change in other accrual items	64.5	-0.8	71.7	-26.6
Net cash flow from operating activities	67.9	-17.0	58.8	-8.9
Cash flow from investment activities				
Payments for the purchase of fixed assets	-1.3	-1.1	-2.8	-4.2
Payments for the purchase of intangible assets	-0.1		-48.9	
Payments for the purchase of shares in other companies	-10.1		-10.1	
Proceeds from the sales of money market fund shares			100.2	
Payments for the purchase of money market fund shares				-200.0
Net cash flow from investment activities	-11.5	-1.1	38.3	-204.2
Cash flows from financing activities				
Proceeds from the issuance of new short-term liabilities				31.0
Instalment payments of long-term liabilities	-0.3	-9.1	-1.3	-12.3
Instalment payments of short-term liabilities		-44.8		-62.1
Net change in bank overdraft				-5.1
Net proceeds from private placement				285.6
Change investment equity method	0.8	0.7	1.0	0.1
Net cash flows from financing activities	0.5	-53.2	-0.3	237.2
Net change in cash and cash equivalents	56.9	-71.3	96.8	24.1
Cash and cash equivalents at the start of the period	110.0	141.3	70.1	46.0
Cash and cash equivalents at the end of the period	166.9	70.1	166.9	70.1

Consolidated statement of changes in equity

Unaudited, in NOK million

<i>Equity YTD Q4 2022</i>	Share capital	Own shares	Share premium	Other Equity	Minority interests	Total
Equity at 1 January 2022	3.2	-0.0	306.8	129.0	3.0	442.0
Profit 2022				-12.7	-1.2	-13.8
Share buy-back		-0.0		-10.1		-10.1
Currency effects				6.7	0.1	6.8
Equity at 31 December 2022	3.2	-0.0	306.8	112.9	1.9	424.8

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.

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 demand for 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 83 facilities in 25 countries and an installed capacity sufficient to process the waste of a population equivalent of around 112 million at the end of 2022.

Besides anaerobic digestion solutions using THP, Cambi owns the recycling company Grønn Vekst, the market leader in Norway for producing sustainable soil products.

Note 2 - Operating segments

Unaudited, in NOK million

	Cambi Group				Cambi Invest			
	Q4 2022	Q4 2021	Year 2022	Year 2021	Q4 2022	Q4 2021	Year 2022	Year 2021
Operating income	136.1	66.0	341.4	358.9	21.2	20.7	98.9	98.8
Costs of goods sold	53.5	29.0	154.5	169.9	13.5	13.0	64.1	63.8
Payroll expenses	29.9	27.3	109.2	104.3	5.7	5.1	20.7	18.1
Depreciation & amortisation expenses	10.0	1.7	15.7	6.8	0.7	0.6	2.6	2.0
Other operating expenses	21.8	14.0	74.8	49.9	4.2	3.4	14.2	14.1
Operating expenses	115.2	72.0	354.3	331.0	24.1	22.1	101.6	97.9
Operating profit	21.0	-6.0	-12.9	27.9	-2.8	-1.4	-2.7	0.8
Net financial items	1.0	-3.0	3.7	-11.6	-1.1	-0.6	-2.0	-0.3
Profit (loss) before tax	21.9	-9.0	-9.2	16.3	-3.9	-2.1	-4.7	0.5
EBITDA	30.9	-4.3	2.8	34.7	-2.2	-0.9	-0.1	2.8
Non-recurring items				1.8				
EBITDA before non-recurring items	30.9	-4.3	2.8	36.5	-2.2	-0.9	-0.1	2.8

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 in companies (e.g., portfolio company Grønn Vekst) and DBO (Design, Build and Operate) projects.

Grønn Vekst recycles organic resources from municipalities and industry, i.e. sewage sludge, garden waste, and stonemeal. From these resources, the company produces high-quality compost-based soil products 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 and partners own and operate wastewater solids treatment facilities that use Cambi's thermal hydrolysis process at sites with biogas production. All projects in this subsegment are currently in various development stages. Cambi is committed to growing this business area and closing the first DBO contract as soon as possible.

Note 3 - Construction Contracts

Unaudited, in NOK million

	Q4 2022	Q4 2021
Earned, not invoiced project revenue (in balance sheet)	61.3	77.8
Accrued project cost, provision and guarantees	87.7	27.5
Accumulated recorded revenue for ongoing projects	402.3	348.6
Accumulated cost related to recorded revenue	183.5	153.8
Net accumulated contribution on ongoing projects	218.7	194.8

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.

Cambi had 14 ongoing construction projects at the end of the fourth quarter, 5 less compared to the end of the previous quarter. The accumulated contribution from ongoing projects was NOK 219 million, recognised through profit and loss from the commencement of the projects.

Note 4 – Financial investment

At the end of the fourth quarter 2022, Cambi had NOK 102 million in money market funds.

Note 5 – Share buyback

Cambi ASA has established a share-based incentive program for key personnel employed by the company. The purpose of the share-based incentive program is to encourage employees to maintain long-term engagement in the company.

On 23 December 2022, Cambi purchased 1,689,070 own shares at a price of NOK 6.00 per share, for a total consideration of NOK 10,134,420. The price was determined through a book-building process. The settlement took place on 28 December 2022. At year-end, Cambi was in possession of 1,810,870 own shares, corresponding to 1.13% of the total share capital.

Q422

CAMBI ASA | FOURTH-QUARTER RESULTS 2022

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