

# Cambi ASA – Q4 2024 Transcript

Asker, 4 March 2025

## Introduction

**Dragoș Tâlvescu, Senior Corporate Relations Manager and webcast host**

### *Slide 2 – Disclaimer*

Good morning and thank you for joining Cambi's presentation of our fourth-quarter results for 2024. My name is Dragoș Tâlvescu, Senior Corporate Relations Manager at Cambi. Over the next half hour or so, our CEO, Per Lillebø, and CFO, Mats Tristan Tjemsland, will walk you through the highlights of our recent business achievements and financial performance.

We will address any questions after the presentation. During the presentation, we kindly ask you to submit your questions by following the QR code that will be displayed on the screen. We answer all the questions that sync into our Investor Relations email until the end of the presentation.

Please note that today's presentation may contain forward-looking statements that involve risks and uncertainties, meaning actual outcomes could vary from our expectations.

Now, I am pleased to introduce Cambi's CEO, Per Lillebø.

## CEO highlights

**Per Lillebø, CEO**

Good morning, everyone!

### *Slide 3 – Financial highlights Q4 2024*

I am pleased to present Cambi's financial performance for the fourth quarter of 2024. We continued to execute our ongoing projects and operations, delivering revenue of NOK 234 million in the quarter. Revenue was 21% below the same quarter last year, mainly due to passing fewer project milestones in the Technology segment and lower activity levels in Services in the Solutions segment.

EBITDA for the quarter was NOK 39 million, one-third lower than in the last quarter of 2023. The decrease is mainly due to higher costs combined with a temporarily lower activity level and margins in the solutions segment. Costs have increased in marketing and sales and project execution capacity, as we consider these investments to be profitable due to our scalable business model.

Many smaller awards and change orders in both segments brought the total order intake to NOK 143 million. The order backlog at the end of 2024 is at about NOK 1.2 billion. The decrease from the end of 2023 is due to high revenue conversion and lower order intake in the Technology segment.

### *Slide 4 – Financial highlights 2024*

Looking at the full year, Cambi achieved a milestone in 2024 with annual revenue surpassing NOK 1 billion for the first time. EBITDA for the full year came in at NOK 226 million, almost the same level as in 2023. Our margins remained robust while we

continue to invest in future growth. We managed to achieve this financial result despite an increase in our cost level.

Order intake for 2024 totalled NOK 724 million. Although only at half the level of the order intake of 2023, it comes following only two notable contract awards in each of the two segments and many smaller contracts and change orders.

2024 was a year of good performance and strategic progress in Cambi. We strengthened our organisation across project execution, services, marketing and sales to support future growth. Our engineering team has introduced new THP products and configurations, successfully developing complex projects from design to commissioning. We paid NOK 160 million in dividends in 2024 based on the financial year 2023, marking our highest-ever annual payout.

Entering 2025, we have good visibility on the current year's activity level and remain confident in our ability to deliver another profitable year.

## Order intake

### *Slide 5 – One new THP contract*

During the fourth quarter, Cambi secured a new THP contract in Spain. Located in Palma de Mallorca, it will be delivered in partnership with a construction consortium. The THP system will be installed between two digesters, increasing biogas production and improving dewatering performance. The contract is scheduled for delivery in 2026, with operations expected to commence in 2027.

## Recent developments

### *Slide 6 – Recent developments – two contracts signed so far in Q1 2025*

Cambi entered 2025, securing two new contracts early in the year. During the last days of February 2025, we entered into an agreement with a consortium to supply a terminal hydrolysis process system for a new wastewater treatment plant in Santiago de Compostela, Spain. This will be our fifth plant in Spain.

But one of the most significant developments is our market entry into India, with the first THP project in Mumbai. This marks a breakthrough after sustained investments in the Indian market over several years. The medium-sized project will be delivered at the new Versova wastewater treatment plant for Mumbai's public utility company. This project has scheduled delivery in 2027.

## Operational review

### *Slides 7 and 8 – Technology – operational review*

Cambi continued to execute our project portfolio in the fourth quarter. The THP system in Sofia, Bulgaria, was successfully commissioned, adding two new THP streams to one of the largest wastewater treatment plants in the region. The project was featured by Euronews last summer, highlighting that the site became net energy positive because of our technology while reducing carbon emissions by 70,000 tonnes compared to the status quo.

In addition, installation was completed for the project in Secunda at the Sasol site in South Africa. Several other projects are awaiting commissioning once client sites are ready: Kansas City in Missouri, Shek Wu Hui in Hong Kong, Antwerp in Belgium,

Lillestrøm in Norway, and Safi in Morocco, where we also signed a small additional contract to improve the digester mixing.

I am satisfied with the steady execution by our engineering, manufacturing, and site teams across many different projects, several of them including turnkey or first-of-a-kind deliveries. We expect to complete delivery for several of these projects in 2025 and look forward to seeing the operational performance of new THP models and configurations.

Manufacturing progressed well in the fourth quarter at our workshop in Congleton, UK, with THP systems taking shape for five different projects in San Francisco, California, in Singapore, in Perth, Australia, and in Wellington, New Zealand.

Meanwhile, our engineers have made progress designing the THP systems for Honolulu, Hawaii, Asker, Norway, and Lviv, Ukraine.

#### *Slide 9 – Solutions – Services – operational review*

The fourth quarter marked the delivery of two THP upgrade projects in the Solutions segment: the upgraded THP systems at Ringsend in Dublin and Whitlingham in Norwich, UK, for Anglian Water, where we delivered enhanced processing capacity and higher energy efficiency.

The THP system at Whitlingham is technically working as planned and is meeting expectations, but the project is the first in a long time where we miscalculated the costs involved. Financially, it was a minor project, but the margin was eroded. Generally, our upgrade projects are among the most complex we do. We are committed to avoiding similar situations in the future and to dedicating the necessary attention from our most experienced engineers in all complex upgrade projects.

During the quarter, Cambi finished installing process gas units at the Gaobeidian sludge treatment centre in Beijing, China.

With fewer site activities in the winter months, the team focused on preparing for the 2025 maintenance season, securing materials and planning scheduled upgrades.

The sales pipeline for new service agreements and upgrades continues to grow, positioning Cambi well for future expansion in this segment.

#### *Slide 10 – Solutions – Recycling – operational review*

Recycling and operational review – I will talk a bit about that. In Grønn Vekst, bulk soil sales reached 48,400 tonnes in the fourth quarter, while full-year sales stood at nearly 270,000 tonnes, representing a 14% increase year-on-year.

Recently, we decided to terminate operations at our bagging facility. After a strategic review of this part of Grønn Vekst's business, we have concluded that this is not a core business area for the company. This does not mean that Grønn Vekst will stop producing high-quality peat-free soil in larger quantities, but our strength and expertise are in bulk sludge and garden waste handling and bulk soil production. This is where we want to be in the future.

Through this initiative, we will reestablish the profitability of Grønn Vekst. Discussions have been initiated with several interested parties, exploring different opportunities for the bagging facility. Grønn Vekst will serve existing retail customers this season and plans to end production of bagged products in June.

## Potential in India

### *Slide 11 – India holds significant potential for Cambi*

India has the potential to become an important future market for Cambi. With rapid urbanisation, a growing population, and a strong focus on improving wastewater treatment, demand for advanced sludge management solutions is expected to increase.

Cambi has taken steps to establish a long-term presence in India. In 2024, we formally established Cambi India, strengthening our local engagement and market positioning. Additionally, we successfully completed a pilot project in collaboration with IIT Roorkee, providing valuable insights and proving the effectiveness of our technology in an Indian context.

India's trade relations with Norway under the newly signed free-trade agreement between EFTA and India are expected to enhance investments and cooperation in infrastructure and environmental solutions.

### *Slide 12 – Complex and long-term journey ahead in India*

However, we have enough experience from other markets to acknowledge that this will be a long-term and complex journey. India's wastewater sector still has an annual capex of only 10% compared to China and 20% to the US. It operates under fragmented regulations, with multiple agencies involved and no unified sludge treatment standards. Publicly funded projects dominate, but very often with private operations and partial private funding for 15 years.

Our priorities in the coming years will be to strengthen the relationships with key decision-makers, including municipal authorities, funding agencies, and EPC contractors. With Cambi India now established and our first project in Mumbai secured, we are committed to navigating this complex market and positioning Cambi as a trusted partner in India's wastewater transformation.

## Robust to market turmoil and regulatory changes

### *Slide 13 – Global presence. Solid track record of delivered installations*

Cambi continues to strengthen our global position as the leading provider of THP technology. We have now 92 reference plants and can service 121 million people in 28 countries. These installations showcase our ability to deliver proven, scalable solutions that meet the needs of both large metropolitan areas and smaller municipalities.

While the world economy remains uncertain, Cambi is not necessarily following world economic cycles, as asset investment decisions and the public sector tend to follow long-term planning rather than shorter-term fluctuations. Our diversified presence in multiple markets further stabilises our business.

### *Slide 14 – Cambi THP offers a highly attractive value proposition*

We consider thermal hydrolysis as a no-regret and future-proof technology to most types of regulatory changes we may expect. When and where needed, we are prepared to support customers to adapt THP systems to operate optimally in combination with thermal processes like incineration or pyrolysis instead of land application.

## Outlook

### *Slide 15 – Strong medium-term prospects but uncertain contract timing*

Looking ahead, Cambi remains well-positioned to capitalise on increasing global interest in sustainable wastewater treatment solutions. Demand for our technology continues to grow, supported by tightening environmental regulations, rising energy costs, and the push for resource recovery. We expect this momentum to continue, though the timing of individual project awards remains difficult to predict.

We anticipate steady activity in our core markets, including Europe, the UK, and North America, while emerging markets such as India present significant long-term potential.

Trade barriers such as US steel tariffs could impact project costs, and geopolitical uncertainties may influence decision-making in some regions. However, Cambi is actively assessing mitigation strategies, including local manufacturing options, to ensure supply chain stability.

Financially, Cambi remains in a strong position, with a solid order backlog providing revenue visibility for the coming year. Cambi plans to pay approximately 80% of its profits for 2024 as dividends, subject to approval at the Annual General Meeting in May 2025. To ensure financial flexibility while maintaining shareholder returns, we plan to pay the dividend in two rounds.

With that, I will now hand it over to Mats, who will take us through the financial performance and explain our plan for the dividend payment in more detail. Thank you!

## CFO highlights

### **Mats Tristan Tjemsland, CFO**

Good morning, everyone! I will now take you through the financials for the fourth quarter and full year of 2024.

### *Slide 17 – Financial highlights for the fourth quarter*

First, let's take a look at some financial highlights. It has been an eventful quarter for Cambi, and on an overall level, we delivered a good financial performance with revenue of NOK 234 million and an EBITDA of NOK 39 million. We are very pleased to see steady project execution in the Technology segment, where we deliver in line with client schedules. For the Solutions segment, we report weak profitability this quarter with a negative EBITDA of NOK 15 million, which I will explain in more detail shortly. We plan to pay out approximately 80% of net profits for 2024 as a shareholder dividend, which is equivalent to around NOK 0.75 per share. In addition, we made some small adjustments to the definition of our business segments.

## Updated segment definitions

### *Slide 18 – Adjustment to the segment definitions was made in Q4 2024*

Let's first talk about the segment definition. With the updated definition, THP end-of-life replacements and the sale of entire new THP systems to existing sites are now recorded under the Technology segment. These were previously part of the Solutions segment, and the change is implemented in this quarter's report. The order intake, order backlog, and segment P&Ls are slightly changed for the period 2022 to 2023.

To be more specific, one project has been moved from Solutions to Technology. This project is related to our client in Athens, Greece. They received their first Cambi THP,

which was commissioned in 2015, and in 2022, Cambi received a second order for the same THP from the client as a part of a capacity expansion project.

Under the previous definition, all subsequent sales following the initial THP sale belonged to the Solutions segment. However, the physical equipment sold in a THP replacement, or a [THP] capacity expansion project, is very similar to the initial equipment sale, suggesting that it is more correct to have it reported under the Technology segment.

So, to summarise, the technology segment now comprises the research development, sale, manufacturing and delivery of entire THP plants and ancillary equipment to customers around the world, including replacements and sale of entire new THP systems to existing sites. And the Solutions segment now comprises all services to the growing installed base of Cambi THP plants, including maintenance, upgrades, operations, as well as the soil recycling company Grønn Vekst.

## Key consolidated financials

### *Slide 19 – Key financials development - consolidated*

So, let's take a look at some key financials on a consolidated level. As mentioned, we report revenue of NOK 234 million for the quarter, down from NOK 294 million in the same quarter last year. We are pleased to see solid gross margins reported at 58% in the quarter, which is up from 52% in the same quarter last year. EBITDA is reported at NOK 39 million in the quarter, down from the same quarter last year. The EBITDA margin was 17%, slightly down from 20% in the same quarter last year.

Let's also zoom out and take a look at the bigger picture. Cambi has seen significant growth over the last years, as can be seen on the right side [of the slide]. Revenues were reported at above NOK 1 billion for the first time in 2024, which marks a special milestone for the company.

Revenue has almost tripled since 2020, and gross margins have remained stable and are slightly up from last year. The profitability has increased significantly, and EBITDA is reported at NOK 226 million in 2024, a significant jump compared to earlier years and slightly down from NOK 249 million last year. EBITDA margin is reported as 22% in 2024, down from 26% last year.

## Key segment financials

### *Slide 20 – Key financials development – Technology segment*

So, let's take a look at the performance of our business segments.

For the Technology segment, revenue was reported at NOK 172 million in the quarter, which is lower compared to NOK 221 million in the same quarter last year and slightly lower than the previous quarter. We continue to execute all THP construction contracts according to client schedules. Gross margin was reported at 71%, driven by a net reduction of accrued project contingency costs this quarter.

As a reminder, revenue from construction contracts is recognised according to the percentage-of-completion method or progress in each project. The progress is calculated as the best estimate based on the level of incurred cost compared to the total estimate, including contingency. When the construction project is nearing completion, there is generally less risk because most of the uncertainties and potential issues have already been addressed. So, as the project progresses, the risk decreases, allowing for a more accurate estimation of total costs, reducing contingency estimates.

The level of contingency in each project is validated on a quarterly basis, and in the fourth quarter, there was a positive impact from the release of contingency accruals, reflecting the reduced financial risk on several of our projects.

We are pleased that the Technology segment is able to deliver in line with or better than our cost estimates. As we saw on the previous slide, the growth has been significant when looking at the previous years and came primarily in the Technology segment, as viewed on the right [side of the slide].

Revenue in 2024 is reported at NOK 740 million, and EBITDA came in just shy of NOK 200 million, both in line with levels in 2023. I would like to remind [you] that the segment in 2023 had a positive impact of plus NOK 10 million related to the reversal of project-related accruals from 2022 due to a change of accounting principles where project costs that are part of OPEX will not follow the percentage-of-completion method.

The reported numbers show that the Technology segment has operational leverage, which unlocks profitability when the activity level is high. We see steady progress on the portfolio of ongoing construction projects. There are now 14 ongoing projects, down from 16 at the end of 2023.

### *Slide 21 – Key financials development – Solutions segment*

Let's take a look at the financials for the Solutions segment. We see a continued increase in demand for site services and upgrades, driven by new THP systems entering into operation and the gradual ageing of the older installed base. Q4 is generally a low season for Solutions, with less soil sales and less services such as annual shutdowns during winter months.

In Q4, we report revenues of NOK 62 million, down from NOK 74 million in the same quarter last year. As I mentioned, we report weak profitability this quarter with a negative EBITDA of NOK 15 million. And I will shed some more light on this impact. The negative EBITDA in the quarter was split 50%-50% between the Services and the Recycling subsegments.

For Services, the negative impact is due to unforeseen complexity in the Whitlingham upgrade projects in the UK. This project has a relatively low value; it was below the stock market announcement threshold of NOK 15 million. The project has now been fully completed but due to a significant cost overrun, the project margin has been wiped out. This impact has been fully included in the reported Q4 figures, mainly impacting the gross margin. As Per mentioned, upgrade projects can be some of our most complex projects. Measures have been taken to secure that this does not happen again for future upgrade projects.

For Recycling, the negative EBITDA is a result of expected low sales due to seasonality, combined with elevated operational cost levels, mainly due to the soil retail business area. As was mentioned, following a strategic review, we have decided to exit the retail soil market after the 2025 season, and I would like to provide some more context regarding this [decision].

### *Slide 22 – Key financials development – Solutions segment – Recycling*

Here [on the slide], we see an overview of the development of our key financials for Grønn Vekst. We normally don't report financials on a subsegment level, but we, from time to time, go into more detail when it is relevant. Revenues for Grønn Vekst have increased from around NOK 100 million to NOK 140 million between 2020 and 2025, but as can be seen, the EBITDA has seen a gradual reduction from NOK 12 million to negative NOK 5 million in the same period. A key driver for this has been the strategy to enter into the Norwegian retail soil market, a decision that was made in 2021.

Entering this new market has, as anticipated, had a negative impact on profitability due to additional costs and investments required for market entry, such as infrastructure setup, marketing personnel, and so on. So, these new costs, combined with very limited soil sales in the winter months, are a key driver for the weak profitability of Grønn Vekst in Q4.

As mentioned, we have decided to exit the retail soil market, and discussions are ongoing with various parties exploring different opportunities for the bagging facility. Grønn Vekst will fulfil its volume commitments for the [20]25 season. Following the exit, it is important to state that the company will continue to sell its sustainable peat-free soil, but in bulk and not bags. We are committed to restoring profitability in Grønn Vekst, and, going forward, the company will return and focus more on its strengths in biosolids handling, in addition to bulk soil production and sales. We will provide more information regarding the exit process in due course.

## Order intake and backlog

### *Slide 23 – Order intake*

Let's take a look at the order intake. The reported order intake includes the value of announced contracts in addition to revenue outside the backlog and currency effects on the backlog. Order intake was reported at NOK 143 million in Q4, up from NOK 46 million in Q4 last year. A small THP contract was announced for Palma de Mallorca during the quarter. Several change orders and additional scope requests for ongoing projects were secured, all below the threshold for market announcements.

The full-year order intake for 2024 is reported at NOK 724 million, which is half of the reported all-time-high order intake in 2023. We announced two THP construction contracts and two biosolids and garden waste handling contracts in 2024.

And Cambi is very well positioned to meet the future demand for wastewater treatment solutions driven by several macro trends.

As Per talked about, following the end of the year, two THP contracts have already been signed so far in Q1 2025, one for India and one for Spain.

### *Slide 24 – Order backlog*

Let's take a look at the order backlog. The backlog represents the value of the total amount of work that Cambi has committed to complete in the future. Cambi maintains a significant backlog of NOK 1.2 billion at the end of 2024. At the year-end, the backlog was split into NOK 1 billion for the Technology segment and NOK 227 million for the Solutions segment.

For the Technology segment, the backlog represents all the remaining work to be carried out for the signed construction contracts. For the Solutions segment, the backlog as of year-end 2024 only includes the remaining value of biosolids and garden waste handling contracts for Grønn Vekst, including extension options. This means that there are no upgrade projects in the backlog.

The backlog provides important visibility for future activity levels, which brings us over to the backlog distribution.

### *Slide 25 – Order backlog breakdown*

The breakdown by year [on the left side on the slide] shows the latest estimate that we have for when we expect to convert the backlog into profits. The distribution shows that little more than two-thirds of the backlog is expected to be converted in 2025. The backlog in the Technology segment is expected to be fully converted by the end



of 2026. Needless to say, this emphasises the importance of securing additional contracts going forward to maintain our profitability. And the signing of two THP contracts so far in 2025 provides comfort for activity level going forward.

On the right [side of the slide], we see that two-thirds of the reported backlog is in foreign currencies.

## Financial statements

### *Slide 26 – Income statement*

Let's take a look at the income statement. I have already mentioned some of the key developments in revenue, but I would like to highlight a few items. As a reminder, the gross margin excludes direct labour costs and direct overhead costs for our manufacturing facility in Congleton, UK. These costs are reported as part of Opex.

The increase in payroll expenses is primarily driven by headcount increases. This is a result of conscious targeted investments in increasing the sales and project execution capabilities of the company. Between the beginning of 2023 and until the end of [20]24, Cambi's headcount has increased by 25%. The reported payroll in Q4 2023 is high due to bonus accruals for the entire 2023 that were made in Q4 as a part of the introduction of a new company-wide remuneration policy. Going forward, such accruals are made on a quarterly basis in 2024.

Out of the reported other operating expenses, around NOK 3 million is directly related to the execution of ongoing construction contracts in Q4. Following Grønn Vekst's exit from the retail soil market, we will expect to see a reduction in the cost base.

Depreciation of the acquired patent portfolio will be finalised during Q2 2025 and reduce the quarterly depreciation by NOK 4 million.

Net financial items consist mainly of agio and bank guarantee costs. The income tax reported in Q4 2023 was for the full year of 2023, and as of the second quarter in [20]24, Cambi reports the income tax on a quarterly basis.

### *Slide 27 – Balance sheet*

Let's move over to the balance sheet. All in all, Cambi maintains a robust balance sheet. Bank deposits are reported at NOK 155 million in Q4, seeing a gradual reduction over the last quarters. During 2024, we have seen a working capital increase, mainly driven by recognised revenue which has not yet been received. Debtors has increased significantly to NOK 433 million, up from NOK 244 million in Q4 2023, and this is split 50%-50% between receivables and recognised project revenue which has not yet been invoiced. We expect to receive several client milestone payments over the next few quarters.

Current liabilities include accrued project-related costs of NOK 94 million, which are not yet payable. Cambi has no long-term debt.

### *Slide 28 – Cash flow*

Finally, let's turn our attention to the cash flow statements. Limited cash flow from operating activities, driven by less milestone payments from customers received in the quarter. Little investments and no cash flow from financing in the quarter. And for 2024, the cash flow from operations was slightly negative, down from NOK 211 million in 2023, and during the year, dividends of NOK 160 million were distributed.

## Dividends

### *Slide 29 – Shareholder dividends*

And before moving to the Q&A, a short comment regarding dividends. Cambi plans to pay approximately 80% of its net profits for the financial year 2024 as dividends, which is at the high end of the range previously communicated. This is equivalent to approximately NOK 75 øre per share. The Board will propose a two-step dividend payout to the Annual General Meeting. The first dividend will be 30 øre per share as a repayment of paid-in capital. The second payment, subject to a separate authorisation by the Board, is planned for the autumn.

As mentioned previously, we expect several payments over the summer, and the rationale for splitting the dividends into two payments is to balance shareholder interest with prudent cash management, ensuring the company always maintains adequate liquidity.

And with that, let's move over to the Q&A session.

## Q&A session

**Mats:** Okay. Have we received any questions, Dragoş?

**Dragoş:** Yes, we have, and we can still receive questions throughout the session, so please use the QR code and keep sending questions. But we will start now with the first one: how concerned are you about the corruption risk of doing business in India, and how are these risks being mitigated? Maybe Per?

**Per:** Yes, what I can say about that is that Cambi has built plants in 28 countries. It is very rare that we have met corruption issues. You have to remember that Cambi is, nearly in every case, in other countries, we are a sub-supplier to main contractors and that is one of the reasons why we have not been meeting or being involved in any issues around corruption.

But of course, we are taking our mitigation actions, and we are training people. We have a Code of Conduct, et cetera. So, I feel very comfortable that we will not be... The risk of being involved in corruption, I consider that to be very, very low, and we are doing all we can with our agents, representatives, employees, et cetera, to avoid the risk of being involved in corruption.

So, India is, of course, one of the countries where risks may be higher than in other countries, but I do feel comfortable about the situation we are in in India.

**Dragoş:** Thank you. Next question, from a private investor: you have mentioned essentially, in previous calls, that growth in Solutions would help drive growth in the Services segment. Looking at this quarter's results, how should we think about the timing of that transition? Is there a natural lag? And do you have any sense of the potential conversion rate, either as a percentage of Solutions revenue or another metric that could eventually translate into recurring revenue in Services?

**Mats:** Yes, I can probably answer that one. I think the question is related to how the Technology segment can feed the Services subsegment, part of Solutions. I think the simple answer there is that, you know, more plants sold will increase the share of services that we can deliver. So that is the correlation there.

When it comes to a natural lag, I would say it depends a little bit on what type of services that we deliver. So, you could say, services – they range from annual shutdowns, which I think, you know, they can begin the first year; we do have some scenarios where clients have just taken the plant and not taking any services at all. But in the scenarios where we do provide services, you have the annual shutdowns, as I

mentioned, you have spare parts. Typically, [with] spare parts, we can start seeing revenue from that after a year or so. [They are] typically consumables that are needed to let the plant run optimally.

Then you have upgrades, which I would say is a little bit further down the road. One of our main selling points is, of course, that we have a very robust technology, but if there is a business case for an upgrade, we have scenarios where we have sold in upgrades a few years after the initial sale. So, there is a little bit difference on type of service, but I would say, from the first year, you do see services.

When it comes to a kind of metric that you could follow, the simple metric is, of course, more plants sold – more services. We have done some historical analysis on how much services you could expect from the initial contract value. I would say the potential lies somewhere between, you know, up to 5%. So, anywhere between zero and 5%. 0%, of course, if the client doesn't request our services. But I would say, around 2% to 3% could be expected as the services potential on average.

**Per:** In general, if I may add, this will follow our installed base. The more plants we are delivering, the more this business will grow. And the older they get, of course more will need upgrading. So, what we have seen is that some of the first plants we delivered are now being re-certified for another 20 years. That is a long, long, time horizon. Normally, they are sold with a lifetime of 20 years.

**Dragoş:** Thank you both. Next question is about order intake. When can you at the latest receive a THP order that contributes to your sales for 2026, for next year?

**Mats:** Yes, so if it should contribute to sales in 2026, I would say, you know, in Q4 [20]26. We have revenue recognition very instantly starting after the contract signature. We typically also have milestone payments at contract signature. So, I would say, if you receive something in Q4 2026, I think end of [20]26 actually could contribute. Of course, the earlier the better, because we recognise revenue over the execution period. But the latest will be at the end of 2026.

**Per:** [20]25... [20]26 sales, yes, for 2026 sales, it is even at the end of 2026.

**Dragoş:** Thank you for clarifying this. The next question is about the backlog. Order backlog at the start of 2025 was 20% lower than at the start of 2024. Is this reflective of the current market sentiment, in your view?

**Per:** There is no change in market sentiment in Cambi's markets. Absolutely not. What we have signalled throughout the time here is that it is very hard to predict when Cambi enters into new contracts. They can come in altogether or they will be spread out in time. But what I can say is that we are working all the time on a lot of potential projects in various stages, some long-term, some closer, but some of them are in contract negotiations, et cetera.

So, the market sentiment, as I can see, is absolutely not influenced by this. But, again, Cambi has to be looked upon in a longer perspective and [is] really difficult to judge from quarter to quarter. This is what I have communicated all the time, but what I do see is that there is a... I should have wished a higher visibility for [20]26. I do see for [20]26 and also [20]25 and [20]27 a lot of potential contracts that we have on the radar screen, where we know customers are interested in entering into supply agreements with Cambi. So, hopefully, the picture will get clearer throughout this year.

**Dragoş:** Thank you! Now shifting to a question on cost. The cost base for the fourth quarter 2024 seems higher than the past three quarters. Why is that and should we expect this run-rate cost base for the full year 2025?

**Mats:** Yes, I think the cost base in Q4, it is a result of, I think I mentioned, the head count increase, you know, now up 25% over a couple of years. When we add new heads, it will increase the run rate of salary costs. So, you should expect an increase in

[20]25. And I think the run rate in Q4 2024 is representative. We also see, you know, once you add new personnel, you also add new other expenses. So, I think that is representative.

At the same time, we are now exiting the retail soil market, so you would also expect a reduction on both personnel and other operating expenses on that segment, to offset kind of, the increase that we see on payroll. I should say we are still hiring, so there are still positions to be hired going forward.

**Dragoş:** Moving on, a question about the backlog in the Solutions segment. How much of this is tied to 2026?

**Mats:** Yes, so the backlog, I think NOK 227 million as of year-end. The share that is related to 2026, of this, is around 22%, I think. So, a little less than a quarter.

**Dragoş:** Thank you, Mats! Next question. How much of your top line did the retail soil sales constitute?

**Mats:** Yes, so, the retail soil business was around NOK 10 million on top line in 2024 as a whole. That was the share. And the second part of the question was?

**Dragoş:** There's also a question about EBITDA contribution from retail sales.

**Mats:** Yes, and what I can say is that there is a negative EBITDA contribution from that part of business. I think we have anticipated a negative contribution in the period we have wanted to build up this part of the business, and of course, now we are exiting. But I think that is what I can say on 2024, that it was a negative EBITDA contribution.

**Dragoş:** Also, on the retail exit, from the divestment talks you have initiated so far, does it seem like it is possible to recover the invested capital in the packaging facility?

**Mats:** I think that is difficult to answer, because talks are ongoing, so I would kind of not go into detail here. But there are several interested, potential buyers, both in Norway and also internationally. So, I think what we will do here is to inform the market in due course once we have something more firm on this.

**Dragoş:** And then, following the exit, the next question: what margins can we expect from the Solutions segment?

**Mats:** Yes, so a good question. The Solution segment, of course, then consists of the services that we provide and also the rest of Grønn Vekst. So, it is depending on the mix. And what I can say is that the part that is remaining, it has a broad spectrum of margins. And if you think about gross margins on typically organic resourcing – these are the long-term contracts for Grønn Vekst – it is a quite low gross margin. I would say it is in the double digits, but it is quite low, up to delivering upgrade projects, which has margins that are comparable to the Technology segment.

So, I would say it depends on how much upgrades you do. Typically, organic resourcing and consulting, and spare parts, and so on is somewhere in the middle. So, this would probably kind of even out, but it just shows you that the range of gross margin is quite broad.

**Dragoş:** Thank you, Mats! We are changing now a little bit tack. We have a question from a new shareholder in Cambi, and they are asking: Could you please explain the competition you encounter in the market, who your main competitors are, and how Cambi stands out?

**Per:** Within thermal hydrolysis, Cambi is by far the leading supplier of this technology all over the world. We do have some local competitors that are very small and not internationally active, mainly linked to some national markets. But the main competition for Cambi is actually alternative solutions to thermal hydrolysis. It could be as simple, as conventional, it could be drying, it could be thermophilic digestion, it could be

incineration, for example. And what we have seen, it depends of course on drivers in each of these markets.

But you can say that if the disposal costs are high, Cambi's competitiveness is normally extremely strong, because it is the volume reduction that is the strongest financial argument for Cambi. In addition to the quality of the final product. We do also produce 40% to 50% more biogas than with many other solutions. But that is normally not the biggest driver. It is the volume reduction. So, we have seen in many projects, where we are compared to others, if it is compared on equal terms, Cambi tends to win.

And this is why you see that we have this long reference list in some of the biggest cities and in many markets of the world, where the drivers clearly are present for Cambi.

**Dragoş:** Thank you, Per! Moving on to a question about, well, more daily, matters. We were mentioning in the presentation about the tariffs from the new president in the US, on steel, among other risk factors. So, the question is: The majority of your revenues originates from outside the US. So why are US tariffs affecting your business outside the US? And could these disruptions create also any opportunities or is it foremost a challenge?

**Per:** Yes, how US tariffs will influence our business outside the US is more difficult to predict, but tariffs are of course not positive. It is an issue or a problem that we need to solve, but I do think that Cambi is in a better position than many other companies to mitigate these risks simply because we can produce in other countries when tariffs seem to be a trade barrier. This is what Cambi did in the years before we established and built our production plant or workshop in the UK. We always produced our plants with sub-suppliers at sub-supplier sites and delivered them to the erection site and constructed them there.

It will be more costly, it could affect our margins, but I do believe in some other countries it will be possible to compensate this by higher prices. So, it is not positive, but I do think that Cambi will overcome, and we have plans for this and many other markets where we need to do internal production. This can be both in India and in the US, for example.

And if it comes to the UK, I am not quite sure. Remember, our production facility is in the UK. And I am not sure whether UK will have tariffs from the US yet. I mean, that is still unclear to me – whether that will affect us.

**Dragoş:** Yes. So, it is clearly a very dynamic picture, right, that we will have to adapt to. There are more questions on tariffs. And one of them is related to how the US tariffs impact our business in the US, on the projects that we have already contracted. So, specifically, there is a question about Louisville and Honolulu. How much would that influence, and do we have contractual clauses for being compensated for such additional tariff costs?

**Per:** Yes, we may be affected. It is difficult to predict how much, but as soon as we know the rules, what the tariffs will be and how they will be calculated – whether they will comprise industrial manufactured products like ours is not clear yet –, but as soon as we know it, we will adapt as much as we can. There are several mitigating actions we can take to reduce the influence or the effect that the tariffs will have on our profitability. It may have effect, but I cannot guarantee how it will work out. Would you like to add something, Mats?

**Mats:** Yes, maybe I could add that, you know, for these specific projects, of course, they are ongoing. So, the THP there, it is still physically in Congleton. So, you know, depending on the timing of such tariffs, you know, one obvious mitigating action is to import it into the US as soon as possible. But that, as you mentioned, it is still a very unclear picture.

We produce as fast as possible and send it to the US as fast as possible. And, I think, for new projects in the US we also have the Buy America Build America Act. There we already have plans for how to be compliant with that. That suggests, you know, local – Made in the US – manufacturing and also a certain percentage of the input materials being from the US. So that is already plans that we have. And the import duties, or the tariffs, they are an addition to the Buy America Build America scenario, I would say.

**Per:** So, we do already have plans, at least with one other project that we have in our planned pipeline, to produce that in America. And we have done that before. The plant that we built in Panama City was built in the US. So, we do have access to workshops that we have been working with to produce our plants there. As said, the cost will probably be a bit higher, but we hope to compensate that.

**Dragoş:** Thank you. Shifting again topic a bit, there is one question about future upgrade projects. How do we assess the risk of higher complexity and cost overruns, in conjunction with, for instance, AMP8? And what are we doing to avoid future cost overruns?

**Per:** Yes. Also, a very relevant question. These projects should normally be high-margin projects, because we sell competence. I can also add that these projects are normally the most complex we do because they comprise changes in already existing plants that we built many years ago. So, what we have been doing, in order to correct the issues that we met at Whitlingham is to make internal changes and changes in our routines and involve the most experienced engineers in Cambi when these projects are both estimated and proposed to the customers.

The project in question here is a relatively small project, that actually went a bit under the radar. It is moneywise lower than what we normally report to the stock market about, but the margin was eroded. The project works well, it has met its expectations and the customer is satisfied. So, there is nothing wrong with the technicality, but it was wrongly calculated. Of course, I cannot guarantee this will not happen in the future, but we are really going to do all we can to avoid this kind of mistakes once again.

And, normally, I am very optimistic about this business opportunity, actually. The pipeline is bigger than ever, as far as we can see when it comes to upgrades. And the more plants we have built in the past, the more upgrade projects there will be. It can be everything from more energy efficiency, higher throughput, modernisation, replacement of all the tanks, the vessels, et cetera. So, it is a wide variety of businesses, but we need to involve our most experienced engineers, as I mentioned, in all of these projects in the time to come, and those actions will be taken now. I can assure you about that.

**Dragoş:** Thank you, Per! We are soon rounding an hour for our presentation. So, we just take one last question. This is: are you planning to do anything to avoid delays in milestone payments if clients are not ready to take delivery of your equipment in due time?

**Mats:** I think this is a question about the dividend. So, the dividend is split into two. And, of course, as I mentioned, we expect quite a lot of milestone payments now over the next few quarters over the summer. And this is the rationale now for splitting the dividends into two. And we are quite confident that we will be able to meet what we have communicated. There is always some risk, I would say, but these are projects where we are very certain about bigger milestone payments that will arrive over summer. So, I think, all in all, we feel confident about what we have communicated.

**Dragoş:** Thank you very much! Thank you everyone for following us for an hour now, for sending in very good questions. The presentation has been recorded and will be available later today on our investor portal along with the transcript.

We appreciate your time and engagement and if you have further questions, don't hesitate to reach out. We remind you that we do have a silent period of 30 days before quarterly presentations, but we are more than one month from that now.

Wishing you a great day. Goodbye!

**CAMBI ASA**

PO Box 78, Skysstasjon 11B, Asker, Norway | [investors.cambi.com](https://investors.cambi.com)

+47 66 77 98 00 | [investors@cambi.com](mailto:investors@cambi.com)