Lamor 1-9/2021 Quarterly Financial Review: *New record for orders received*

July - September 2021 in Brief

- Orders received increased extremely strongly to EUR 158.8 million (12.5)
- Order backlog stood at EUR 228.0 million (23.8)
- Revenue increased by 25.3 % to EUR 17.3 million (13.8)
- Adjusted EBITDA was EUR 3.9 million (2.3) (adjusted with IPO related expenses of EUR 0.5 million)
- EBIT was EUR 2.0 million (1.6)
- Adjusted EBIT increased by 59,3% EUR 2.6 million (1.6)
- Net cash flow from operating activities was EUR -4.1 million (-0.3)
- Earnings per share increased to 3.23 euro (2.09)

January – September 2021 in Brief

- Orders received increased by 586.1 % and was EUR 247.0 million (36.0)
- Order backlog increased strongly and was EUR 228.0 million (23.8)
- Revenue remained at the same level at EUR 35.2 million (35.0)
- Adjusted EBITDA decreased by 11.1% and was EUR 4.7 million (5.3) (adjusted with IPO related expenses of EUR 0.5 million)
- EBIT was EUR 1.4 million (3.0)
- Net cash flow from operating activities was EUR -6.5 million (1.1)
- Earnings per share decreased slightly to 0.65 euro (1.00)

CEO Mika Pirneskoski: Order backlog reaching new records

Lamor's commercial success has continued during 2021. The company signed two significant service agreements in Kuwait in July, which are the two largest individual agreements that the company has won during its almost 40-year history. Lamor has awarded these contracts together with its local partner Khalid Ali Al-Kharafi & Bros. Co. The parties will establish a joint arrangement to deliver the project and Lamor's ownership-share of the joint arrangement will be 45%. Our significant investments in the development of the service business have enabled commercial success during the current financial year. At the end of the reporting period the order backlog consisted of 96 % of service orders and 4 % of equipment orders. During the reporting period the equipment business has also recovered significantly even though its relative importance has decreased. At the end of September 2021, the order backlog was EUR 228 million.

During 1-9/2021 Lamor's revenue was EUR 35.2 million (EUR 35.0 million) and adjusted EBITDA was EUR 4.7 million (EUR 5.3 million), which was EUR 0.6 million less than the EBITDA of the previous comparison period due to the timing of a profitable service project in Ecuador in the previous year. Company's working capital position is challenging due to the mobilisation costs associated with the large projects, but we believe that these short-term challenges in liquidity will be solved during the last quarter of the fiscal year.

We have changed our operating model during the previous quarter to ensure that we can better manage our future growth as well as profitable execution of the current projects. We believe that this new model will also facilitate the cooperation between sales and operations.

The operative focus of the company has been in the mobilisation of the NCEC service project. Our establishment in the Kingdom of Saudi Arabia creates a great market opportunity to offer our full solution portfolio in the market area. We see a lot of potential in both the waste and water treatment solution market in the Kingdom. The commencement date of the Kuwaiti service projects was on September 25, 2021. Currently Lamor is in the process of incorporating a joint venture with its local partner, which will carry the operational execution of these projects. The company has recruited a significant number of new resources to support in the project execution. MEAF Area will be extremely important for the company's future business success.

We have worked hard with the themes of sustainability during the financial year. We have developed our sustainability strategy, defined the key performance indicators and we will publish our very first sustainability report for 2021. As a company, our target is to be the frontrunner in linking operative and financial reporting as well as to show how sustainable business practices can also be profitable.

Key Figures

EUR thousand	1.1.-30.9.2021	1.1.-30.9.2020	1.1.-31.12.2020
Revenue	35,199	34,976	45,621
EBITDA	4,160	5,312	5,610
EBITDA margin %	11.8 %	15.2 %	12.3 %
Adjusted EBITDA	4,723	5,312	6,399
Adjusted EBITDA margin %	13.4 %	15.2 %	14.0 %
Operating Profit (EBIT)	1,428	3,019	2,426
Operating Profit (EBIT) margin %	4.1 %	8.6 %	5.3 %
Adjusted Operating Profit (EBIT)	2,151	3,178	3,438
Adjusted Operating Profit (EBIT) margin %	6.1 %	9.1 %	7.5 %
Profit for the financial year	186	1,551	840
Earnings per share, basic, euros	0.65	1.00	1.75
Equity ratio %	37.2 %	41.9 %	46.8 %
Net gearing %	98.3 %	58.3 %	41.6 %
Orders received	246,979	36,000	42,646
Order backlog	228,031	23,800	19,400
Number of employees at the period end	264	453	432

Market outlook

Globally increasing environmental awareness creates market demand for sustainable solutions to clean our soils and waters. Increased awareness has led governments and private sectors to pay attention to uncleaned areas with soil and water contamination. There is a large number of restoration liabilities arising from oil spills on a global level and a number of large-scale oil spills still remain uncleaned.

For instance, there are approximately 3.5 million abandoned oil and gas wells in North America and over 1 million contaminated sites in Europe. The management of the company expects that activities related to the clean-up of legacy spills will create a significant market for innovative, sustainable and comprehensive environmental solutions. Increased environmental awareness has also led to tightening environmental legislation, and sufficient oil spill response equipment and service capabilities have a critical role in the future of environmental protection.

With its wide-ranging equipment portfolio and experience of soil remediation and water treatment solutions, Lamor can offer its clients comprehensive solutions to decrease their restoration liability as well as to improve their environmental preparedness capabilities. It has been estimated that the amount of drilling activities will increase in the next 5-year period. At the same time the increased understanding of the sensitivity of ecosystems and legacy contamination create a need for the governmental and the private sector to be better prepared for future incidents as well as to finance the clean-up operations of the legacy contamination. Lamor seeks to utilise its wide-ranging expertise to grow in these market segments and areas, which will benefit from the above-mentioned growth drivers.

Increased environmental awareness and more specifically the adoption of ESG performance indicators are significant competitive advantages for Lamor. Oil and gas companies are facing a strong pressure to develop sustainable solutions in their respective business areas. We believe that environmental investments will grow relatively more in oil, gas and petrochemical industries compared to other industries. Lamor is developing ways to support its customers to collect indirect emission data (so called Scope 3 emission data), enabling many large companies to estimate the carbon footprint of their projects with the required and desired accuracy. Indirect emission data (Scope 3) means emissions of the business assets that the company does not own, but which indirectly impact the company’s value chain.

Financial targets

Lamor's Board of Directors has defined the following financial targets for the Company:

- Growth: Increase of annualised revenue to over EUR 100 million as soon as possible, and after achieving this, annual growth significantly faster the market.
- Profitability: Adjusted EBITDA margin -% of over 16 per cent and adjusted operating profit (EBIT) margin -% over 14 per cent.
- Capital structure: Achieving a capital structure suitable for the Company's strategy, targets and risk profile by maintaining a strong balance sheet.
- Dividend policy: The Company aims to distribute annual dividends, while keeping growth as the Company's most important target.

Lamor's order backlog developed favourably in 2021. The order backlog amounted to EUR 19.4 million at the end of December 2020 and EUR 228.0 million at the end of September 2021. Of this order backlog, EUR 76 million is scheduled for the financial year between 1 January 2022 and 31 December 2022 and EUR 132 million for the subsequent years. The Company's adjusted EBITDA margin -% was 14.0 per cent for the year ended 31 December 2020 and 13.8 per cent for the year ended 31 December 2019.

January - September 2021

The Group's revenue remained at the same level at EUR 35.2 million (35.0). The Group's service project delivery in Saudi Arabia compensated the more modest period in equipment delivery activities. During the period we have also seen lower activity levels in Group's services operations in South America which is caused by covid-19 related operational disruptions in Group's waste management sites.

Group's adjusted EBITDA was EUR 4.7 million (5.3) being 11.1% lower than in the comparative period. The costs related to strengthening of organisation and weaker performance in the associated companies had a negative effect in the period. The comparative period was positively impacted by a highly profitable oil spill recovery project in Ecuador Amazon area.

Adjusted EBIT was EUR 2.2 million (3.2). The decrease was mainly caused by the earlier mentioned factors. In addition, EBIT was impacted by EUR 0.5 million increase of Saudi Arabia project related right-of-use asset depreciations calculated in accordance with IFRS 16.

Financial income and expenses were EUR -1.0 million (-0.9). The financial expenses included EUR -0.5 million for guarantee expenses (-0.3) and EUR -0.4 million (-0.4) interest expenses. In addition, the financial expenses included interest expenses for lease liability for EUR -0.1 million (0.0).

Group's profit before taxes was EUR 0.4 million (2.1).

Net cash flow from operating activities was EUR -6.5 million (1.1). Cash flow was negatively impacted by the timely mismatch between project procurement and customer payment instalments in the beginning of the Saudi Arabia service project delivery. Large service projects typically employ working capital at the early phase of the delivery process.

Cash flow from the investments was EUR -3.8 million (-1.7) and consisted of the investments in the development of the global network within the Business Finland Growth Engine program as well as investments in service business asset base. During the period Lamor also invested EUR 0.4 million in Pyroplast Energy technology company.

Group's equity ratio was 37.2 (41.9) percent and net gearing was 98.3 percent (58.3). In addition to increased indebtedness equity ratio and net gearing were impacted by IFRS 16 lease liabilities for the oil spill response vessels in the Saudi Arabian project. The liability booked as of 30.9.2021 was EUR 5.1 million (0.0).

Order backlog at the end of the period was EUR 228.0 million (23.8). During the period from January to September new orders were received for EUR 247 million (36). The most significant new project include Saudi Arabian and two Kuwaiti service projects, which were registered in April and July respectively. Revenue recognition for these projects will happen during the next 3 to 5 years.

July – September 2021

Lamor’s revenue was EUR 17.3 million (13.8) in July-September. The delivery activity accelerated significantly compared to the first half of the year and it is expected to continue on a higher level for the last quarter as well.

Adjusted EBITDA stood at EUR 3.9 million (2.3) and adjusted EBIT was EUR 2.6 million. The adjusted EBITDA margin % in July-September was 22.4% (16.6) and operating profit margin % 11.5% (11.5). The deliveries in the service project in Saudi Arabia accelerated during the period and generated a significant part of the result for the period.

Financial income and expenses amounted to EUR -0.5 million (-0.3). The increase in the expenses was particularly caused by the increased project guarantee costs.

Net cash flow from the operations was EUR -4.1 million (-0.3). The weakening of the cashflow during the period was specifically caused by the growth of working capital tied in the Saudi Arabian project.

Investments

The amount of investments in intangible and tangible assets was EUR 2.7 million (1.8) in July-September. Lamor made investments in shares for EUR 0.7 million (0.1) of which EUR 0.4 million is related to the shares of technology company Pyroplast Energy.

The depreciations and amortisations were amounting to EUR 2.7 milion (2.3) during the period.

Personnel

Lamor employed on average 264 persons (453) in January-September. The average number of personnel is significantly impacted by the project nature of the group’s operations. In 2020 a labour-intensive service project in Ecuador heavily increased the number of personnel.

Sustainability

Lamor strives to ensure the environmental aspects of all of its activities and compliance with the strictest quality standards. Lamor's aim is to clean the world, and the Company has worked towards this since its incorporation. The Company strives to continuously develop new methods and find new solutions to achieve this aim.

The environmental awareness and particularly the application of ESG indicators provide significant competitive advantages for Lamor. Oil companies have recently faced strong pressure to develop sustainable solutions in their business areas. Lamor is developing ways to support its customers to collect indirect emission data (so called Scope 3 emission data), enabling many large companies to estimate the carbon footprint of their projects with the required and desired accuracy.

Lamor has invested heavily to increase capabilities to follow-up sustainability in a systematic manner. We have created a sustainability strategy, defined sustainability goals and sustainability indicators will be published going forward. We will publish the first sustainability report for the period ending 31 December 2021. We are aiming to follow-up our environmental development in a systematic manner going forward and we are continuously working towards being even more sustainable market-player going forward when assessing our activities using the most significant sustainability indicators.

With its business, Lamor is a strong player in terms of its societal net impact. Lamor commissioned a survey of its net impact from The Upright Project, a partner of Nasdaq in the evaluation of the net impact of companies. According to the survey conducted by The Upright Project, Lamor has a strongly positive net impact on society. Through its operations and using minimal resources, the Company is able to generate large-scale environmental and health benefits, including protecting biodiversity, reducing emissions and waste and conserving scarce natural resources. When compared to public companies listed on the official list of the Nasdaq Helsinki, Lamor's business stands out especially through its positive environmental and social impacts and its high net impact ratio. The Company's net impact ratio is +74 per cent, whereas the average ratio on the official list of Nasdaq Helsinki is -13 per cent. The net impact ratio indicates the difference between positive and negative social impacts relative to the positive social impacts.

Governance

Resolutions of Annual General Meeting

The Annual General Meeting of Lamor Corporation was held in Porvoo on 29 June 2021.

The Annual General Meeting adopted the Financial Statements for 2020 and discharged the members of the Board of Directors and the CEO from liability for the 2020 financial year.

The Annual General Meeting confirmed the number of Board members as three and appointed Esa Ikäheimonen as the Chairman of the Board of Directors. Timo Rantanen and Fred Larsen continue as Board members. The term of office of the members of the Board of Directors expires at the close of the Annual General Meeting 2022.

Authorized Public Accountant firm Ernst & Young Oy was elected as the Company's auditor for a term expiring at the end of the next Annual General Meeting.

Extraordinary General Meeting

The Extraordinary General Meeting of Lamor Corporation Plc was held in Porvoo on 1 October 2021.

Lamor's Extraordinary General Meeting, held on 1 October 2021, elected unanimously, as conditional on the completion of the Listing and the Offering, Nina Ehrnrooth and Kaisa Lipponen as the new members of the Company's Board of Directors.

Lamor's Extraordinary General Meeting held on 1 October 2021 has resolved that the shares of the Company will be entered in the book-entry securities system maintained by Euroclear Finland and that the Lamor's Articles of Association will be updated to enable this action.

In addition, the Extraordinary General Meeting decided to change the company to a public limited liability company and approve the suggestions made by the Board of Directors to change Lamor’s Articles of Association to comply with the listing requirements.

Board of Directors

Pursuant to the Articles of Association of Lamor, the Company's Board of Directors consists of a minimum of three and a maximum of eight ordinary board members and the term of office of board members expires at the end of the Annual General Meeting first following their election. The Board of Directors constitutes a quorum when more than half of its elected members are present. Members with a conflict of interest are excluded when determining the quorum.

In addition to the duties defined in laws and regulations and Lamor's Articles of Association, the duties of Lamor's Board of Directors include the following:

- to guide and supervise Lamor's management and operations;
- to decide on significant matters pertaining to Lamor's operations;
- to monitor Lamor's financial reporting as well as to review and approve Lamor's interim report, reports by the Board of Directors and financial statements;
- to approve Lamor's strategic objectives and risk management principles and Lamor's certain guidelines and policies and monitor their realisation;
- to decide on significant business acquisitions, investments and divestments; and
- to define Lamor's dividend policy.

Lamor's Board of Directors convenes according to a schedule agreed in advance and as needed. The Board of Directors receives up-to-date information on Lamor's operations, finance and risks in its meetings. In addition to its members, the CEO and the CFO attend in the meetings of the Board of Directors, unless the meeting concerns a matter concerning them. Minutes are kept of all meetings of the Board of Directors.

Lamor’s Board of Directors constitute of Chairman of the Board Esa Ikäheimonen, and Fred Larsen and Timo Rantanen. In addition, Lamor's Extraordinary General Meeting, held on 1 October 2021, elected, as conditional on the completion of the Listing and the Offering, Nina Ehrnrooth and Kaisa Lipponen as the new members of the Company's board directors

Auditor

The auditor of Lamor is an Authorized Public Accountant firm Ernst & Young Oy. Ernst & Young Oy has appointed Authorized Public Accountant Juha Hilmola as the responsible auditor.

Shares and share capital

Lamor's share capital amounts to EUR 3,866,375.40 and the total number of Shares issued is 404,421. As of 30 September 2021, Lamor holds 10,849 of its own Shares.

Lamor has one share class. Each Share has equal voting rights and all Shares of the Company provide equal rights to dividend. There are no voting restrictions related to the Shares. The Shares do not have a nominal value. The Shares have been issued in accordance with Finnish laws and all Shares have been paid in full. The Shares are denominated in euros.

The Shares are entered in the book-entry securities system maintained by Euroclear Finland.

The major shareholders of Lamor Corporation Oyj as of 30 September 2021 include:

Shareholder	Shares, total	Shares, %	Votes, %
Larsen Family Corporation Oy	195,946	48.45	49.79
Ilmarinen Mutual Pension Insurance Company	38,777	9.59	9.85
Finnish Industry Investment Ltd	38,776	9.59	9.85
Nico Larsen	30,789	7.61	7.82
Fred Larsen	21,967	5.43	5.58
Major shareholders, total	**326,255**	**80.67**	**82.90**

Risks and business uncertainties

Lamor’s operations are affected by various strategic, regulatory, operational and financial risks. Lamor takes measures to exploit emerging opportunities and to limit the adverse effects of potential threats. The objective of Lamor’s risk management is to ensure the implementation of an effective and successful strategy for achieving both long- and short-term goals. The task of Lamor’s management is to regulate risk appetite.

Risks related to operating environment

Lamor operates in over 100 counties through its subsidiaries and associated companies and its partner and distribution networks. Lamor has subsidiaries and associated companies in 21 countries, and Lamor carries out its business on all continents. In addition, Lamor aims to grow and expand its business also in the future. Since Lamor has business operations across the world, it is exposed to, for example, the political, economic, legislative and social conditions in each country in which it conducts its business. Due to the international nature of its operations, Lamor is exposed to the impacts of risks related to international trade. In addition, the development of Lamor's business is partly dependent on the general development of the public finances and the political decision steering them.

Global epidemics and pandemics, such as the current pandemic caused by the coronavirus disease (COVID-19), may have a significant impact on the global economy and the financial markets. The coronavirus pandemic has already caused significant uncertainty in the global economy and financial markets and it is estimated that, if prolonged, it could lead to a deeper or longer downturn in the global economy. Travel restrictions imposed because of the coronavirus pandemic have negatively impacted Lamor's business especially through delays in projects, although Lamor has not been forced to cancel its projects because of the exceptional circumstances. Movement restrictions have affected the execution of service contracts especially in South America. Major investment projects have progressed more slowly than normally across the globe because of the coronavirus pandemic. The equipment business has also suffered from delays and its volume declined due to the coronavirus pandemic.

Legal and regulatory risks

Lamor operates in a highly regulated industry, which is also under constant pressure to change due to increasing environmental awareness, among other factors. Therefore, Lamor must comply with a large volume of legislation governing the industry, as well as various standards and regulations concerning, for example, the handling of waste and harmful substances, operating permits, health and safety, data protection, public procurements, the use of labour, competition, business activities in general and taxation. The global nature of Lamor's business materially increases the amount of various regulation it is subject to, as the content of regulations and regulations may vary significantly from one country to another.

In their operations, Lamor and its subcontractors must comply with laws, regulations, permit terms and conditions, official guidelines and standards that concern, among other things, the cleaning up of contaminated areas, the handling and disposal of hazardous and harmful substances, and the reception, handling and transportation of waste. The most significant environmental risks are related to the potential release into the soil or water of environmentally harmful substances, such as collected oil, used chemicals or the fuels of heavy machinery and vessels used in Lamor's and its subcontractors' activities.

Risks related to business operations

Negative changes in the availability and market prices of the components and subcontractors Lamor uses in its business or in the transportation and production costs of Lamor's equipment could have a material adverse effect on the profitability of Lamor's business. The prices of components and the transportation and production costs of Lamor's equipment could increase significantly due to, for example, natural catastrophes and problems in Lamor's supply contracts or a global state of emergency, such as the coronavirus pandemic, or due to disruptions in supply chains caused by the aforementioned.

Since Lamor's reporting currency is the euro, it is exposed to the risk of fluctuations in exchange rates every time it makes or receives payments in a currency other than the euro. For Lamor, the most significant risk related to an individual currency is the fluctuation of the US dollar rate.

Lamor's business is project oriented. As of 30 September 2021, Lamor has four significant long-term service agreements. Lamor is globally responsible for several demanding projects relating to environmental clean-up simultaneously, and furthermore, Lamor aims to expand its service business significantly in the near future. Due to this, successful project management has a significant impact on the profitability of Lamor's business and the Company's future prospects.

Risks related to Lamor's financing and financial position

Lamor's business requires a significant amount of working capital, and Lamor is currently expanding its operations significantly, which will further increase Lamor's need for working capital. Achieving significant growth in the business will require significant investments in equipment and personnel, among other things, even though the fixed costs of Lamor's business are partially scalable. Lamor's ability to finance its business depends on several factors, such as cash flows from operating activities, the Company's ability to generate profits and uncertainties concerning its profitability, creditworthiness and the availability of new debt and equity financing.

Lamor is exposed to the credit risk related to, for example, unfinished projects and customer receivables as well as prepayments paid to suppliers. Any downturn in the economy could weaken the solvency of Lamor's contractual counterparties, which could have an adverse effect on Lamor's ability to collect its receivables in full or at maturity.

Lamor tests its tangible and intangible assets for impairment annually on the balance sheet date as well as when events or changes in circumstances indicate that the value of a certain asset would be impaired. If the book value of an asset is higher than its estimated recoverable amount, its book value will be written down immediately so that it corresponds to the recoverable amount.

Near-term risks and uncertainties

During the past months we have seen some positive indications in our equipment business meaning that the market conditions are returning to levels seen before the global pandemic. Work related travel is still complicated in certain areas, but we expect that the situation will improve significantly in the last quarter of the financial year. We believe that our operations will return to normal operating conditions at the latest early next year. Global pandemic has also complicated the training of new personnel, but the situation has improved clearly during the past quarter.

The most significant short-term risks relate to the timing of the cash flows of the large-scale service projects, but we have managed to negotiate short-term bridging facilities with our financiers in order to overcome the challenges of the increased working capital requirements.

Events after the reporting period

No significant changes have taken place in the operations, market outlook or business environment after the end of the review period.

Consolidated Statement of Profit and Loss

EUR Thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Revenue	17,295	13,800	35,199	34,976	45,621
Materials and services	-9,936	-8,755	-20,997	-20,739	-27,840
Other operating income	219	40	588	126	398
Employee benefit expenses	-2,241	-1,793	-5,897	-6,122	-7,918
Other operating expenses	-2,004	-999	-4,379	-3,011	-4,759
Share of associated companies' profits	-27	1	-355	82	108
EBITDA	**3,306**	**2,294**	**4,160**	**5,312**	**5,610**
Depreciation, amortization and impairment	-1,310	-708	-2,732	-2,293	-3,183
Operating profit (EBIT)	**1,996**	**1,585**	**1,428**	**3,019**	**2,426**
Financial income	170	3	249	30	47
Financial expenses	-711	-329	-1,242	-936	-1,474
Profit before tax	**1,454**	**1,259**	**435**	**2,113**	**999**
Income tax	-214	-272	-249	-563	-159
Profit for the financial year	**1,240**	**987**	**186**	**1,551**	**840**
Attributable to					
Equity holders of the parent	1,271	800	258	383	669
Non-controlling interests	-30	186	-72	1,168	170
Earnings per share					
Earnings per share, basic, EUR	3.23	2.09	0.65	1.00	1.75

Consolidated Statement of Other Comprehensive Income

	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Profit for the financial year	**1,240**	**987**	**186**	**1,551**	**840**
Other comprehensive income, net of taxes:					
Items that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	25	-22	392	-427	-786
Other comprehensive income (loss) for the year, net of tax	**25**	**-22**	**392**	**-427**	**-786**
Total comprehensive income for the financial period	**1,265**	**965**	**578**	**1,124**	**53**
Attributable to					
Equity holders of the parent	1,296	778	650	-44	-117
Non-controlling interests	-30	186	-72	1,168	170

Consolidated statement of Financial Position

EUR thousand	**30.9.2021**	**30.9.2020**	**31.12.2020**
Assets			
Non-current assets			
Goodwill	18,004	17,983	17,892
Intangible assets	4,247	4,743	4,259
Property, plant and equipment	4,668	3,950	3,888
Right-of-use assets	6,004	1,199	1,010
Investments in associated companies and joint ventures	3,784	3,830	3,781
Investments in other shares	418	350	350
Deferred tax assets	1,528	953	1,389
Assets	**38,653**	**33,007**	**32,569**
Current assets			
Inventories	9,421	8,770	6,937
Trade receivables	7,529	15,424	9,475
Contract assets	15,329	2,105	4,336
Prepayments and other receivables	4,639	4,807	4,595
Short-term investments	125	192	194
Cash and cash equivalents	2,354	3,828	5,282
Total current assets	**39,398**	**35,126**	**30,818**
Total assets	**78,051**	**68,132**	**63,388**

EUR thousand	**30.9.2021**	**30.9.2020**	**31.12.2020**
Equity			
Share capital	3,866	3,866	3,866
Issue of shares	0	0	621
Translation differences	-25	-72	-418
Reserve for invested unrestricted equity	12,439	11,398	11,398
Retained earnings / accumulated deficit	12,173	13,023	12,813
Equity attributable to equity holders of the parent	**28,453**	**28,215**	**28,281**
Non-controlling interests	847	3,911	1,154
Total equity	**29,301**	**32,126**	**29,435**
Non-current liabilities			
Interest-bearing loans and borrowings	10,090	2,118	3,543
Lease liabilities	3,392	478	261
Deferred tax liability	208	284	237
Other non-current financial liabilities	361	207	59
Total non-current liabilities	**14,051**	**3,087**	**4,100**
Current liabilities			
Interest-bearing loans and borrowings	14,581	16,937	12,480
Lease liabilities	2,249	733	768
Provisions	48	61	61
Trade payables	9,044	10,076	8,805
Contract liabilities	1,552	835	3,017
Other short-term liabilities	7,225	4,277	4,722
Total current liabilities	**34,699**	**32,920**	**29,852**
Total liabilities	**48,750**	**36,006**	**33,953**
Total equity and liabilities	**78,051**	**68,132**	**63,388**

Consolidated statement of Changes in Equity

2021	Attributable to the equity holders of the parent							
EUR thousand	**Share capital**	**Issue of shares**	**Fund for unrestricted equity**	**Translation differences**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Equity on 1.1.2021	**3,866**	**621**	**11,398**	**-418**	**12,813**	**28,281**	**1,154**	**29,435**
Profit for the financial year					258	258	-72	186
Other comprehensive income				392		392		392
Total comprehensive income	**0**	**0**	**0**	**392**	**258**	**650**	**-72**	**578**
Registration of shares		**-621**	**621**			**0**		**0**
Share issue			420			420		420
Purchase of own shares					-614	-614		-614
Acquisition of non-controlling interests*					0	0	-177	-235
Dividends to non-controlling interests					0	0	-58	0
Other changes					-284	-284	0	-284
Equity on 30.9.2021	**3,866**	**0**	**12,439**	**-25**	**12,173**	**28,453**	**847**	**29,301**

*Lamor Peru

2020	Attributable to the equity holders of the parent							
EUR thousand	**Share capital**	**Issue of shares**	**Fund for unrestricted equity**	**Translation differences**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Equity on 1.1.2020	**366**		**14,898**	**355**	**12,659**	**28,278**	**2,880**	**31,157**
Profit for the financial year					383	**383**	1,168	1,551
Other comprehensive income				-427	0	**-427**	0	-427
Total comprehensive income	**0**	**0**	**0**	**-427**	**383**	**-44**	**1,168**	**1,124**
Dividends to non-controlling interests						**0**	-39	-39
Increase of share capital	3,500		-3,500			**0**		0
Acquisition of non-controlling interests						**0**		-97
Other changes					-19	**-19**	-97	-19
Equity on 30.9.2020	**3,866**	**0**	**11,398**	**-72**	**13,023**	**28,215**	**3,911**	**32,126**

Consolidated statement of Cash Flows

EUR thousand		Q3 2021	Q3 2020	1-9 /2021	1-9 /2020	1-12 /2020
Cash flow from operating activities						
Profit for the financial year		**1,240**	**987**	**186**	**1,551**	**840**
Adjustments for:	Depreciation, amortisation and impairment	1,310	708	2,732	2,293	3,183
	Finance income and expenses	542	326	993	905	1,428
	Gain on disposal of property, plant and equipment	233	-55	-50	-55	-77
	Share of profit from associated companies and joint ventures	27	-1	355	-82	-108
	Taxes	214	272	249	563	159
	Other non-cash flow related adjustments	-2	752	60	545	1,031
	Total adjustments	**2,324**	**2,003**	**4,339**	**4,169**	**5,616**
Change in working capital						
	Change in trade and other receivables	-9,995	745	-8,636	-1,385	-1,382
	Change in inventories	127	-74	-2,379	-479	1,551
	Change in trade and other payables	2,621	-2,973	979	-1,272	1,319
Total change in working capital		**-7,248**	**-2,302**	**-10,036**	**-3,136**	**1,488**
Operating cash flow before financial and tax items		**-3,683**	**687**	**-5,511**	**2,584**	**7,944**
Interest paid		-432	-273	-906	-740	-1,178
Interest received		106	3	106	30	19
Dividends received		0	0	0	0	76
Taxes paid		-84	-666	-169	-729	-825
Net cash flow from operating activities		**-4,094**	**-250**	**-6,481**	**1,145**	**6,036**
Cash flow from investing activities						
Acquisition of subsidiaries and businesses, net of cash acquired		0	0	0	0	-94
Acquisition of associates, joint ventures and other shares		-181	-85	-686	-140	-54
Purchase of intangible and tangible assets		-690	-791	-2,722	-1,825	-2,107
Proceeds from sale of tangible and intangible assets		45	0	50	246	246
Loans granted		-37	0	-448	0	0
Net cash flow from investing activities		**-863**	**-876**	**-3,806**	**-1,720**	**-2,010**
Cash flow from financing activities						
Proceeds and repayments from borrowings		5,453	1,075	8,547	3,290	333
Repayment of lease liabilities		-587	-189	-975	-567	-756
Purchase of own shares		-3	0	-255	0	0
Issue of new shares		0	0	420	0	0
Acquisition of non-controlling interests		-206	0	-379	0	0
Dividends paid to non-controlling interests		0	0	0	-39	-39
Net cash flow from financial activities		**4,656**	**886**	**7,358**	**2,684**	**-463**
Net change in cash and cash equivalents		**-301**	**-240**	**-2,928**	**2,109**	**3,564**
Cash and cash equivalents, beginning of period		**2,655**	**4,067**	**5,282**	**1,718**	**1,718**
Cash and cash equivalents, end of period		**2,354**	**3,828**	**2,354**	**3,828**	**5,282**

The quarterly financial review is unaudited.

Accounting principles

General information

Lamor Corporation Plc (the “Company” or the “parent company”) and its subsidiaries (together “Lamor”, “Lamor Group” or the “Group”) form a leading global supplier of environmental technologies. The mission of Lamor is to clean the world, through its three business lines: oil spill response, waste management and water treatment, including related services.

Lamor Corporation Plc is domiciled in Porvoo, and its registered address is Rihkamatori 2, 06100 Porvoo, Finland.

This interim report has been issued as part of a offering circular filed in application for listing of the shares of the Company to the Nasdaq First North Premier Growth Market Finland marketplace.

Basis of preparation

The financial information included in these condensed consolidated interim financial statements for January – September 2021 has been prepared in accordance with IAS 34 *Interim Financial Reporting* standard and the International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial information presented in the condensed interim report is unaudited. This interim report shall be read in connection with the consolidated financial statements of the Lamor Group for the year ended 31 December 2020, which has been prepared in accordance with the IFRS.

From the beginning of the year 2021, the Lamor Group has adopted new or amended IFRS’s and interpretations, as issued by IASB and IFRIC, effective for financial periods commencing on 1 January 2021. Except for the above, the accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2020.

In these condensed consolidated interim financial statements, the figures are presented in million euros subject to rounding, which may cause some rounding inaccuracies in aggregate column and row totals. Figures presented in this interim report have been rounded from exact figures and therefore the sum of figures presented individually may deviate from the presented sum figure.

Revenue, segment reporting and geographical information

Lamor is one of the leading global suppliers of environmental technologies. The mission of Lamor is to clean the world, through its three business lines: oil spill response, waste management and water treatment, including related services.

The profitability of the Group is based on the One Lamor approach. The CEO, who is the chief operating decision maker of the Group, monitors the Equipment and Service businesses. Reporting to the management is aggregated at the Group level. Therefore, due to the management structure and how the business is operated and managed, Lamor Group as a whole is considered as one operating segment that is also the reportable segment.

The chief operating decision maker follows the profitability of the Group and uses reporting principles that are consistent with the IFRS accounting principles of the Group. The chief operating decision maker uses performance-related key figures, most importantly order intake, revenue, EBITDA and operating profit, to support the decision making. In addition, performance is monitored by comparable EBITDA and Comparable Operating Profit, which are adjusted for income and expenses of the Group that reduce comparability of performance between reporting periods. Lamor uses alternative key figures EBITDA, Adjusted EBITDA, Operating Profit and Adjusted Operating Profit, as part of regulated financial information to enable the users of financial information to meaningful analyses of the performance of the Group.

Items affecting comparability consist of certain income and expenses incurred outside normal course of business, such as goodwill impairment charges and depreciation of allocations related to business combinations, restructuring gains and losses, gains or losses on sale of businesses or non-current assets outside the normal course of business, indemnity payments and returns, transaction costs related to business combinations and listing on security market.

Reconciliation of adjusted key figures

Adjusted EBIT and EBITDA	1.1.-30.9.2021	1.1.-30.9.2020	1.1.-31.12.2020
Operating Profit (EBIT)	**1,428**	**3,019**	**2,426**
Depreciation, amortization and impairment	2,732	2,293	3,183
EBITDA	**4,160**	**5,312**	**5,610**
Non-recurring items			
Business combination expenses	79	0	789
IPO related expenses	484	0	0
Adjusted EBITDA	**4,723**	**5,312**	**6,399**
Depreciation, amortization and impairment	-2,732	-2,293	-3,183
Non-recurring items			
Amortisation of intangible assets identified in PPA	159	159	223
Adjusted EBIT	**2,151**	**3,178**	**3,438**

Distribution of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Revenue by business line

EUR thousand	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/2020
Equipment	4,098	9,649	17,000	21,262	30,692
Services	13,196	4,176	18,199	13,714	14,930
Total revenue from contracts with customers	17,294	13,825	35,199	34,976	45,621

Timing of revenue recognition

EUR thousand	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/2020
Transferred at a point in time	4,098	5,530	14,520	17,143	21,694
Transferred over time	13,196	8,295	20,679	17,833	23,927
Total revenue from contracts with customers	17,294	13,825	35,199	34,976	45,621

Revenue by geography*

EUR thousand	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/2020
EURU	2,604	4,048	9,016	11,343	12,785
AMER	2,707	7,867	7,729	18,308	20,738
APAC	957	299	4,251	1,351	9,265
MEAF	11,026	1,611	14,203	3,974	2,834
Total revenue from contracts with customers	17,294	13,825	35,199	34,976	45,621

* EURU = Europe and Russia, AMER = Americas, APAC = Asia-Pacific, MEAF = Middle-East and Africa

Summary of contract balances

EUR thousand	30.9.2021	30.9.2020	31.12.2020
Trade receivables	7,529	15,424	9,475
Contract assets	15,329	2,105	4,336
Contract liabilities	1,552	835	3,017

Contract assets mainly comprise receivables related to the Group's ongoing project in Saudi Arabia.

Lamor Group did not experience any major unexpected credit losses in the nine months ended 30 September 2021. Lamor's management also critically assesses the level of the expected credit loss accrual in accordance with IFRS 9 at the end of reporting period. Overall, Group management assessed the Group's credit risk position to be approximately on the prior year level.

Lamor has recorded an expected credit loss related to trade receivables and contract assets, amounting to EUR 2.3 million (EUR 1.9 million as of 30 September 2020).

Contract liabilities consist mainly of prepayments received from the customers relating to built-for-purpose equipment and service delivery projects.

Business combinations

Lamor did not make acquisitions or divestments of businesses during the period of January–September 2021.

Change in goodwill

EUR th,ousand	2021	2020
Carrying value at the beginning of the period 1.1.	17,892	17,901
Impairment	0	0
Additions	0	0
Acquired in business combinations	0	0
Exchange differences	112	81
Other changes and disposals	0	0
Carrying value at the end of the period 30.9.	**18,004**	**17,983**

Change in tangible and intangible assets

EUR thousand	2021	2020
Carrying value at the beginning of the period 1.1.	**8,147**	**9,492**
Depreciation, amortization and impairment charges	-1,673	-1,757
Additions	2,751	1,825
Acquired in business combinations	0	0
Exchange differences	60	28
Grants received and disposals	-370	-895
Carrying value at the end of the period 30.9.	**8,915**	**8,693**

Change in right-of-use assets

EUR thousand	2021	2020
Carrying value at the beginning of the period 1.1.	**1,010**	**1,535**
Depreciation, amortization and impairment charges	-1,020	-536
Additions	5,859	163
Acquired in business combinations	0	0
Exchange differences	181	37
Other changes	-26	0
Carrying value at the end of the period 30.9.	**6,004**	**1,199**

The increase in right-of-use assets is primarily due to leasing of vessels related to the project in Saudi Arabia.

Financial Instruments

Net debt

EUR thousand	30.9.2021	30.9.2020	31.12.2020
Non-current interest-bearing loans and borrowings	10,090	2,118	3,543
Non-current lease liabilities	3,392	478	261
Current interest-bearing loans and borrowings	14,581	16,937	12,480
Current lease liabilities	2,249	733	768
Liquid funds	-2,354	-3,828	-5,282
Net debt total	**27,959**	**16,438**	**11,769**

Classification of financial assets and liabilities

Financial assets 30.9.2021

EUR thousand	Level	Fair value through profit and loss	Fair value through OCI	At amortised cost	Book value	Fair value
Non-current financial assets						
Investments in unlisted shares	**3**	0	418	0	418	418
Non-current financial assets total		**0**	**418**	**0**	**418**	**418**
Current financial assets						
Trade receivables		0	0	7,529	7,529	7,529
Contract assets		0	0	15,329	15,329	15,329
Investments in funds	**2**	0	0	125	125	125
Cash and cash equivalents		0	0	2,354	2,354	2,354
Current financial assets total		**0**	**0**	**25,337**	**25,337**	**25,337**
Financial assets total		**0**	**418**	**25,337**	**25,755**	**25,755**

Financial liabilities 30.9.2021

EUR thousand	Level	Fair value through profit and loss	Fair value through OCI	At amortised cost	Book value	Fair value
Non-current financial liabilities						
Interest-bearing loans and borrowings				10,090	10,090	10,090
Lease liabilities				3,392	3,392	3,392
Other payables				361	361	361
Non-current financial liabilities total				**13,843**	**13,843**	**13,843**
Current financial liabilities						
Interest-bearing loans and borrowings				14,581	14,581	14,581
Lease liabilities				2,249	2,249	2,249
Contingent consideration	**3**	629		0	629	629
Trade payables				9,044	9,044	9,044
Contract liabilities				1,552	1,552	1,552
Other current liabilities				7,225	7,225	7,225
Current financial liabilities total		**629**		**34,651**	**35,280**	**35,280**
Financial liabilities total		**629**		**48,495**	**49,124**	**49,124**

Financial assets 30.9.2020

EUR thousand	Level	Fair value through profit and loss	Fair value through OCI	At amortised cost	Book value	Fair value
Non-current financial assets						
Investments in unlisted shares	**3**		350	0	350	350
,Other receivables				0	0	0
Non-current financial assets total		**0**	**350**	**0**	**350**	**350**
Current financial assets						
Trade receivables				15,424	15,424	15,424
Contract assets				2,105	2,105	2,105
Investments in funds	**2**	192		0	192	192
Cash and cash equivalents				3,828	3,828	3,828
Current financial assets total		**192**	**0**	**21,357**	**21,549**	**21,549**
Financial assets total		**192**	**350**	**21,357**	**21,899**	**21,899**

Financial liabilities 30.9.2020

EUR thousand	Level	Fair value through profit and loss	Fair value through OCI	At amortised cost	Book value	Fair value
Non-current financial liabilities						
Interest-bearing loans and borrowings				2,118	2,118	2,118
Lease liabilities				478	478	478
Other payables				207	207	207
Non-current financial liabilities total		**0**	**0**	**2,802**	**2,802**	**2,802**
Current financial liabilities						
Interest-bearing loans and borrowings				16,937	16,937	16,937
Lease liabilities				733	733	733
Trade payables				10,076	10,076	10,076
Contract liabilities				835	835	835
Other current liabilities				4,277	4,277	4,277
Current financial liabilities total		**0**	**0**	**32,859**	**32,859**	**32,859**
Financial liabilities total		**0**	**0**	**35,661**	**35,661**	**35,661**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: The fair value of these assets or liabilities is based on available quoted (unadjusted) market prices in active markets for identical assets or liabilities. Lamor does not hold any financial instruments classified at level 1.

Level 2: The fair value of these assets or liabilities is based on valuation techniques, for which there are inputs that are significant to the fair value measurement and these inputs are directly or indirectly observable. The inputs for the valuation are based on quoted or other readily available sources. Financial instruments classified at level 2 include investments in funds.

Level 3: The fair value of these assets or liabilities is based on unobservable inputs that are significant to the fair value measurement. The related valuation techniques require making independent estimates.

Lamor has made an investment in Pyroplast Energy Ltd in 2021. This investment has been classified at level 3. The investment was made in June 2021 at fair value and Lamor estimates that the value of the instrument has remained unchanged at the date of the interim report.

In addition, a liability related to the acquisition of a non-controlling interest, in the amount of 629 kEUR, has been classified at level 3. In 2020, Lamor acquired an additional 35 per cent share of equity in Corena S.A., an additional 35 per cent share of equity in Lamor Peru S.A. and a 17.5 per cent share of equity in Corena Colombia SAS. In connection to the additional purchases of the non-controlling interests, a contingent consideration was agreed upon, based on the performance of the mentioned companies over the next three years. At the reporting date, Lamor estimates the value of the contingent consideration at 629 kEUR. The amount of the contingent consideration is estimated and recognised at the end of each reporting period, in accordance with IFRS 9 *Financial Instruments*.

Related party transactions

The Group's related parties comprise the parent company Lamor Corporation Oyj, subsidiaries fully owned by the parent company, as well as key members of the management, including their family members and entities with controlling interests. Board of Directors, the CEO as well as the other members of the management team and the close members of the family of the before mentioned persons as well as their controlled entities and joint ventures and associates. The key members of Lamor's management include the members of the Board of Directors, the CEO and the other members of the executive management team of Lamor.

The following table provides the total amounts of transactions that have been entered into with related parties for the periods reported. Balances and transactions between the parent and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed below.

Transactions with related parties

EUR thousand	1-9/2021	1-9/2020
Sales to related parties	0	0
Purchases from related parties*	1,120	854

Receivables and Liabilities from related parties

EUR thousand	30.9.2021	30.9.2020
Receivables	173	133
Liabilities	165	97

The sales to and purchases from related parties are carried out on usual commercial terms.

Loans from related parties

EUR thousand	30.9.2021	30.9.2020
Amounts owed to related parties	2,499	2,458
Total	**2,499**	**2,458**

* Include lease payments which are reported as depreciations and finance expenses

Contingent liabilities and other commitments

Commitments

At the reporting date, 30 September 2021, Lamor had corporate mortgages of EUR 51.8 million (EUR 21.8 million at 30 September 2020) as collateral for its loans.

Contingent liabilities related to legal claims

A prior overseas distributor of Lamor has initiated legal proceedings against the Group, related to its business in Colombia. A trial has not been set.

The Group has been advised by its legal counsel that the proceedings are highly unlikely to be successful. Accordingly, no provision for any liability has been made in these condensed consolidated financial statements.

Guarantees

The Group has provided the following bank guarantees given to overseas customers:

EUR thousand	30.9.2021	30.9.2020	31.12.2020
Performance and warranty guarantee	35,010	578	578
Advance payment and payment guarantee	1,933	1,931	1,893
Tender and bid bond guarantees	69	0	3,882
Total other commitments	**37,012**	**2,509**	**6,353**

No liability is expected to arise from the guarantees.

Formulas of Key Figures

Key figures		Calculation formula
EBITDA	=	Operating profit + depreciation and amortisation
EBITDA %	=	$\frac{\text{Operating profit + depreciation and amortisation}}{\text{Revenue}} \times 100$
Adjusted EBITDA	=	Reported EBITDA + restructuring income/expense + gains or losses related to sale of businesses or non-current assets outside normal course of business + indemnity payments/income + transaction costs related to business combinations + costs from listing on security market
Adjusted (EBITDA) %	=	$\frac{\text{Reported EBITDA + restructuring income/expense + gains or losses related to sale of businesses or non-current assets outside normal course of business + indemnity payments/income + transaction costs related to business combinations + costs from listing on security markets}}{\text{Revenue}} \times 100$
Operating Profit (EBIT)	=	Profit for the financial year before financing periods and taxes
Operating Profit (EBIT) margin -%	=	$\frac{\text{Operating profit}}{\text{Revenue}} \times 100$
Adjusted EBIT	=	Reported EBIT + goodwill impairment charges and depreciation of allocations related to business combinations + restructuring income/expense + gains or losses related to sale of businesses or non-current assets outside normal course of business + indemnity payments/income + transaction costs related to business combinations + costs from listing on security market
Adjusted EBIT %	=	$\frac{\text{Reported EBIT + goodwill impairment charges and depreciation of allocations related to business combinations + restructuring income/expense + gains or losses related to sale of businesses or non-current assets outside normal course of business + indemnity payments/income + transaction costs related to business combinations + costs from listing on security market}}{\text{Revenue}} \times 100$
Earnings per share (EPS), basic, euros	=	$\frac{\text{Profit for the financial year attributable for shareholders of the company}}{\text{Weighted average number of shares outstanding during the period}} \times 100$

Equity ratio, %	=	Shareholders' equity / Balance sheet total – advances received	x 100
Net gearing, %	=	Non-current interest-bearing liabilities + Non-current lease liabilities + Current interest-bearing liabilities + Current lease liabilities – Cash and cash equivalents – Other rights of ownership under Current and non-current investments / Shareholders' equity	x 100
Orders received	=	Total value of customer orders to be delivered in the future	
Order intake	=	The total value of customer orders received during the period.	
Average number of employees	=	The average number of employees at the end of previous financial year and of each calendar month during the accounting period	