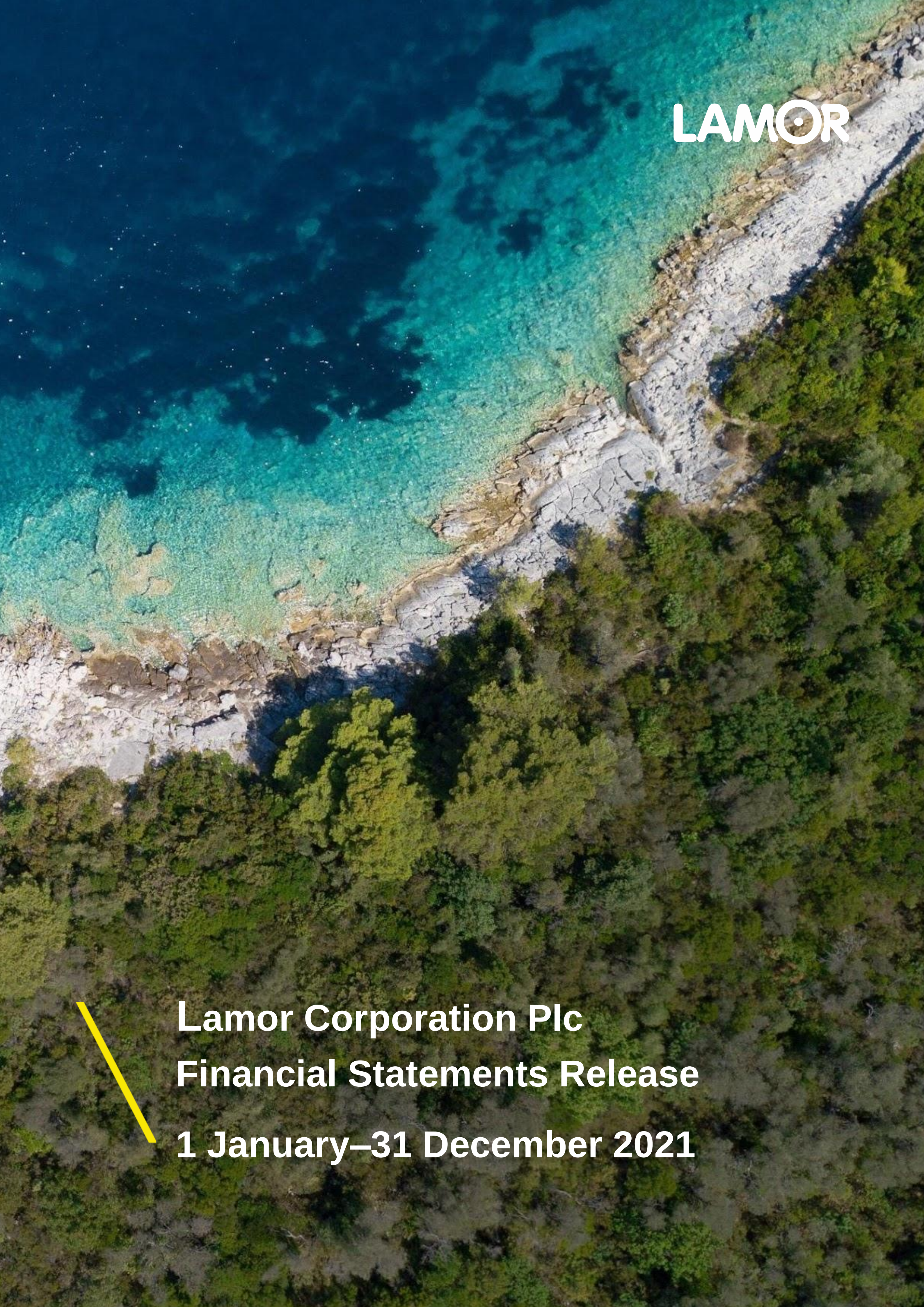


Lamor Corporation Plc
Financial Statements Release
1 January–31 December 2021

Lamor Corporation Plc
Financial statements release 1 January-31 December 2021

Order backlog shows a step change in the future business volume

October- December 2021 in brief

- Orders received continued to be on a good level and increased to EUR 13.9 million (6.6)
- Revenue increased by 53.3% to EUR 16.3 million (10.6)
- EBITDA was EUR 1.9 million (0.3)
- Adjusted EBITDA totalled EUR 2.0 million (1.1) (adjusted with IPO related expenses of EUR 0.1 million)
- EBIT was EUR 0.5 million (-0.6)
- Adjusted EBIT amounted to EUR 0.7 million (0.3)
- Net cash flow from operating activities was EUR 1.1 million (4.9)
- Earnings per share increased to 0.03 euro (0.01)

January – December 2021 in brief

- Orders received increased by 511.2% and was EUR 260.8 million (42.6)
- Order backlog increased strongly and was EUR 226.9 million (19.4)
- Revenue grew by 12.9% and was EUR 51.5 million (45.6)
- EBITDA totalled EUR 6.0 million (5.6)
- Adjusted EBITDA increased by 4.6% and was EUR 6.7 million (6.4) (adjusted with IPO related expenses of EUR 0.6 million)
- EBIT was EUR 1.9 million (2.4)
- Adjusted EBIT totalled EUR 2.8 (3.4)
- Net cash flow from operating activities was EUR -5.4 million (6.0)
- Earnings per share increased to 0.05 euro (0.03)
- The Board of Directors proposes that no dividend will be paid for the financial year 2021

CEO Mika Pirneskoski:

2021 was a pivotal year for Lamor. We won significant multi-year service contracts and improved our delivery capability to meet the needs of large projects. We also developed our business and sustainability work. To enable our growth strategy, we arranged a successful share offering and listing on the Nasdaq First North Premier Growth Market Finland marketplace in December.

Our strategy to be globally local demonstrated its functionality during the year. Thanks to our strategy, we have been able to act very efficiently, even though the coronavirus measures have restricted mobility.

In 2021, our revenue amounted to EUR 52 million, growing 12.9 per cent from the previous year. The NCEC agreement in Saudi Arabia contributed significantly to revenue growth, albeit much of the revenue from the large service project will be recorded in the coming years. We won all major tenders we participated in, so we can be very happy with our performance.

At the end of the year, our order backlog was EUR 227 million, which is more than 10 times higher than in previous years. Of this, the equipment and services to be delivered in 2022 will account for approximately EUR 79 million, and the remaining equipment deliveries of the order backlog and the delivery of service contracts will take place during several coming years.

During the year, we signed a major service agreement to strengthen oil spill response capabilities in the Red Sea region in Saudi Arabia, as well as two project agreements with Kuwait Oil Company. We also participated in several different oil spill response exercises around the world. Exercises play a very important role in maintaining functional capacity: "You play the way you practice" applies both in sports and in oil spill control.

Our adjusted operating profit margin for the full year was 5.5 per cent, which did not yet meet our long-term target of 14 per cent. However, in the second half of the year, profitability improved, and we achieved an adjusted operating profit margin of 10.5 per cent. In line with our scalable business model, revenue growth supports the achievement of the target, and we are determined to achieve the targeted profitability levels.

One of last year's main events was Lamor's listing on the Nasdaq First North Premier marketplace in December. We had been preparing for the IPO for a long time, and it was a great effort from our entire organisation. Our goal with the IPO was to raise funds to implement our growth strategy and strengthen our capital structure. Our extensive service projects require significant working capital, and thanks to the IPO, our balance sheet is now much stronger. We raised gross proceeds of EUR 35 million in the offering and received over 10,000 new shareholders.

In addition to the IPO, we started two other important development projects, a growth engine project related to the plastic waste problem and a sustainability reporting development project. The aim of the growth engine project is to help solve the global plastic waste problem. We started the first projects in cooperation with RiverRecycle Oy in Southeast Asia and made an investment in liquefied waste plastic technology. Our goal is to continuously search for and develop new environmental solutions so that we can offer our customers even more comprehensive solutions.

In 2021, we worked hard to develop our sustainability. For the first time, we defined a sustainability strategy and the most important indicators, as well as calculated the carbon footprint and handprint of our operations. We developed our sustainability reporting, and as a sign of our good work, we were the first Finnish company to get the Nasdaq Green Equity Designation recognition in January 2022. We want to be a model company in the field of sustainability and continue to develop our operations to be increasingly sustainable, for example by designing and building all our waste and water treatment solutions in accordance with the principles of sustainable development.

Our personnel's job satisfaction and safety are important sustainability themes for us, and our goal is to further develop our leadership expertise so that we can respond well to the changes caused by our growth. We estimate that our number of employees will increase significantly in the coming years, although the number may vary considerably each year depending on the order backlog and project situation.

In 2022, thanks to large service contracts, our business will have a strong focus in the Middle East, and we believe that these agreements will enable significant organic growth over the next few years. In addition, we have good growth opportunities in South America, where we have been a strong local player for several years. As a result, we are working on two environmental response and cleanup projects in Peru and Ecuador, whose combined value is at least 22.5 million euros. After the reporting period, in January 2022, we opened a sales office in Norway to offer our water treatment solutions to the local fish farming market and signed a letter of intent to establish a joint venture company in Saudi Arabia.

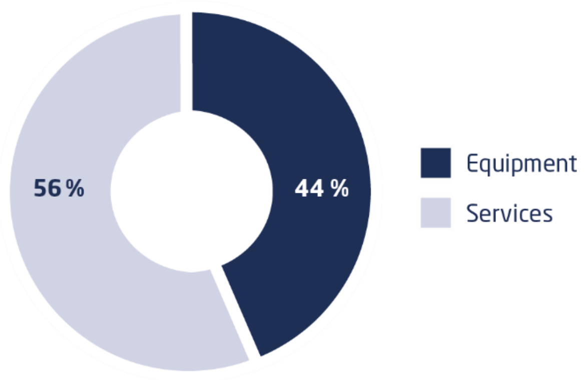
Sustainability and environmental values have become strongly emphasised in recent years, and we believe that this development will continue. We estimate that the market for environmental solutions will grow significantly in 2022. Our revenue is growing rapidly, and we expect us to reach the long-term target of EUR 100 million already in 2022.

The unjustified military actions taken by Russia against Ukraine increases the overall uncertainty and impacts the outlook of the world economy. The military actions are exposing especially our business in Russia, but the impact is, however, seen low. In addition, they may create disturbance for instance in our supply chain and logistics. We are following the situation and reacting to it actively.

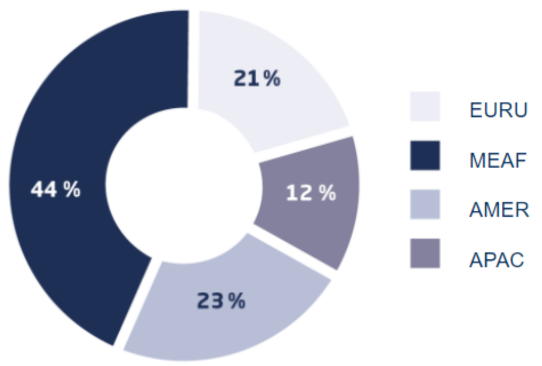
Mika Pirneskoski
CEO
Lamor Corporation Plc

Revenue Split 2021

Equipment and Services

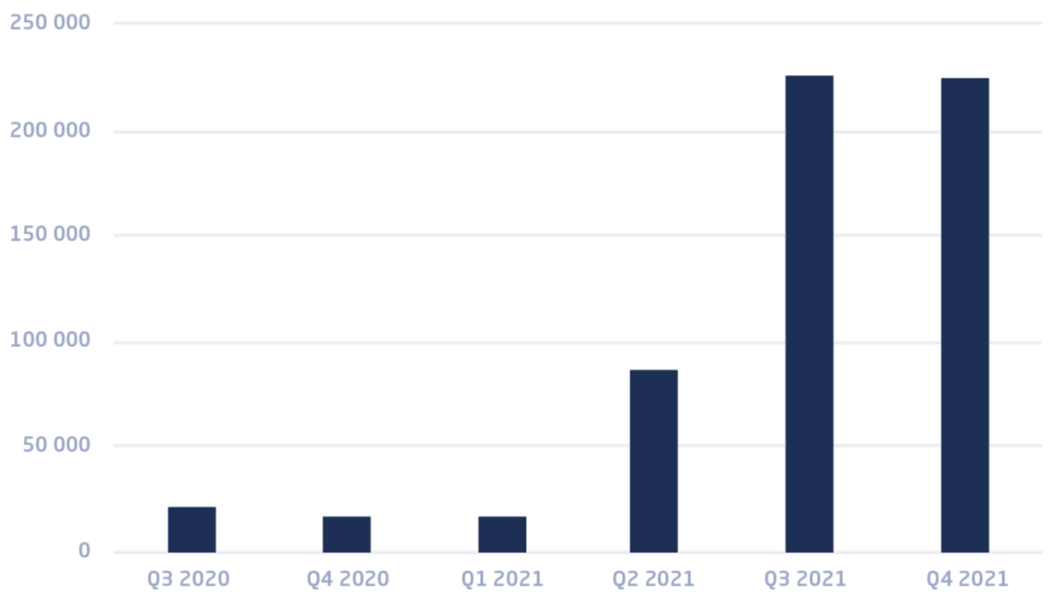


Area



Revenue (EUR thousand) and Adjusted EBIT % per quarter

Order Backlog at the End of the Quarter (EUR thousand)



Key figures

EUR thousand unless otherwise noted	Q4 2021	Q4 2020	Change %	1–12/2021	1–12/2020	Change %
Revenue	16,318	10,646	53.3%	51,517	45,621	12.9%
EBITDA	1,854	298	522.5%	6,014	5,610	7.2%
EBITDA margin %	11.4%	2.8%		11.7%	12.3%	
Adjusted EBITDA	1,968	1,087	81.1%	6,692	6,399	4.6%
Adjusted EBITDA margin %	12.1%	10.2%		13.0%	14.0%	
Operating Profit (EBIT)	513	-592	N/A	1,941	2,426	-20.0%
Operating Profit (EBIT) margin %	3.1%	-5.6%		3.8%	5.3%	
Adjusted Operating Profit (EBIT)	680	252	169.6%	2,831	3,438	-17.7%
Adjusted Operating Profit (EBIT) margin %	4.2%	2.4%		5.5%	7.5%	
Profit for the period	684	-711	N/A	869	840	3.5%
Earnings per share, EPS (basic), euros	0.03	0.01	114.9%	0.05	0.03	52.7%
Return on equity (ROE) %	1.5%	-2.5%		1.95%	3.0 %	
Return on investment (ROI) %	0.8%	-1.3%		2.96%	5.3 %	
Equity ratio %	56.2%	46.8%		56.2%	46.8%	
Net gearing %	-6.9%	41.6%		-6.9%	41.6%	
Orders received	13,852	6,646	108.4%	260,831	42,646	511.6%
Order backlog	226,906	19,400	1,069.6%	226,906	19,400	1,069.6%
Number of employees at the period end				290	432	-32.9%

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. Lamor 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.

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.

Guidance for 2022

Lamor estimates its revenue to be at least 110 million for the full year 2022. Adjusted EBIT is estimated to be at least EUR 12 million.

Lamor has a high order backlog coverage to back up its revenue and result for 2022. Since a significant part of the revenue is generated by large service project deliveries, any major delay in the timing of the project progress is posing a risk for 2022 performance.

The unjustified military actions taken by Russia against Ukraine increases the overall uncertainty and impacts the outlook of the world economy. The military actions are exposing especially Lamor’s business in Russia, but the impact is, however, assessed to be low. In addition, the military actions may create disturbance for instance in Lamor’s supply chain and logistics.

In addition, any potential virus variant of Covid-19 could have a negative impact on Lamor's revenue and result in 2022 by impacting Lamor’s capabilities to deliver projects efficiently.

Long-term 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.

Financial performance

January - December 2021

The Group's revenue increased 12.9% and stood at EUR 51.5 million (45.6). Following the pattern from earlier years, a large part of the Group's revenue was generated during the second half of the year. The Group's service project deliveries in Saudi Arabia and Kuwait contributed significantly to the revenue during the second half of the year. During the period we experienced continued subdued activity levels in the Group's services operations in South America due to lower activities in local drilling operations.

The Group's adjusted EBITDA was EUR 6.7 million (6.4) being 4.6% higher than in the comparative period. The costs related to strengthening the organisation together with significantly weaker performance in the associated companies undermined the positive development elsewhere. The comparative period was positively impacted by a highly profitable oil spill recovery project in the Amazon area in Ecuador. Higher revenue during the second half of the year highlights the Group's ability to scale up its operations and gain from the positive operational leverage.

Adjusted EBIT totalled EUR 2.8 million (3.4). In addition to the above-mentioned cost increase, EBIT was also impacted by Saudi Arabia project related right-of-use asset depreciations (IFRS 16) by EUR -1.0 million during the period.

Financial income and expenses were EUR -1.8 million (-1.4). Financial expenses included EUR -1.0 million for guarantee expenses (-0.6) and EUR -0.6 million (-0.6) interest expenses. In addition, financial expenses included interest expenses for lease liabilities for EUR -0.1 million (0.0).

The Group's profit before taxes was EUR 0.2 million (1.0).

Net cash flow from operating activities was EUR -5.4 million (6.0). 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 investments was EUR -4.3 million (-2.0) and consisted of 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 the Pyroplast Energy technology company.

The Group's equity ratio was 56.2 (46.8) percent and net gearing was -6.9 percent (41.6). 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.

Order backlog at the end of the period was EUR 226.9 million (19.4). During the reporting period, new orders received were EUR 260.8 million (42.6). The most significant new projects include one 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.

October – December 2021

The Group's revenue was EUR 16.3 million (10.6). As anticipated, the delivery activity remained on a high level also in the fourth quarter. The service project delivery in Saudi Arabia continued, and the Group started to recognise revenue from its Kuwait project during the period.

Adjusted EBITDA stood at EUR 1.9 million (1.1) and adjusted EBIT was EUR 0.7 million (0.3). The adjusted EBITDA margin percentage in October-December was 12.1% (10.2) and adjusted EBIT margin 4.2% (2.4).

Financial income and expenses amounted to EUR -0.8 million (-0.5). The increase in the financial expenses was particularly caused by the increased guarantee costs in the Group's large projects.

Net cash flow from operating activities was EUR 1.1 million (4.9). The project in Saudi Arabia increased the amount of net working capital impacting the net cash flow from operating activities in Q4/2021.

During the quarter, new orders received amounted to EUR 13.9 million (6.6) which is 108.4 per cent more than in the comparative period.

Investments and R&D activities

The amount of investments in intangible and tangible assets in 2021 was EUR 3.4 million (2.1). The capitalized development expenses amounted to EUR 0.8 million (1.8).

Lamor made an investment of EUR 0.4 million in the shares of technology company Pyroplast Energy. The addition of EUR 6.2 million (0.2) in right of use assets relates for a major part to vessel rentals in the Group's Saudi Arabian service project.

Depreciation and amortisation during the period amounted to EUR 4.1 million (3.2).

The Group's development costs during the year amounted to EUR 1.2 (1.4) million, for which public research and development grants amounting to EUR 0.4 (0.6) million were received. The received public grants have been deducted from the capitalized development costs. The development activities encompassed development of oil spill response equipment and service business.

Financial position

Lamor's interest-bearing liabilities mainly comprise loans from financial institutions, capital loans and lease liabilities under IFRS 16. Lamor's interest-bearing liabilities on 31 December 2021 amounted to EUR 24.7 million (17.1) including lease liabilities for EUR 5.5 million (1.0), and its net debt totalled EUR -4.2 million (11.8). At the end of the period, the Group had liquid funds, consisting of cash and cash equivalents, amounting to EUR 28.9 million (5.3). Lamor's liabilities increased in 2021 due to the funding needs for working capital caused by the Group's large projects and due to an increase in the Group's lease liabilities related to the project in Saudi Arabia.

The Group's loans from financial institutions at the end of the period consisted of senior priority financing arrangements, entered into in June 2021, which include a financing limit of EUR 8.0

million, of which EUR 6.7 million is in use; bank loans of EUR 8.0 million, and an overdraft facility of EUR 3.5 million, which is not used. The aggregate value of outstanding guarantees totalled EUR 22.9 million.

In addition to credit arrangements, Lamor had debt financing of EUR 2.5 million of which EUR 2.3 million was outstanding as of 31 December 2021 and a capital loan of EUR 3.0 million from the State Treasury granted in connection with the Growth Engine competition of Business Finland. These arrangements are subordinate to senior financing.

Personnel

In 2021, Lamor employed on average 290 persons (432). 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's aim is to clean the world, and the Group has worked towards this since its incorporation. Lamor is committed to applying the highest quality standards to ensure environmental compliance of all its activities. Lamor is continuously developing new methods and solutions to achieve its aim.

Green Equity Designation

Lamor was the first company in Finland to receive Nasdaq Green Equity Designation. The designation supports equity issuers with their green business models and strategies and enhances increased visibility and transparency toward investors looking for sustainable investments.

Nasdaq Green Equity Designation targets companies that have over 50 percent of their turnover derived from activities considered green and that continue to invest more than 50 percent in green activities. For the application, a qualitative assessment, relating to the company's activities and investments, is performed to assess the company's alignment with the Nasdaq Green Equity Principles by a Nasdaq approved reviewer. A Norwegian company, Cicero Shades of Green, made the review for Lamor.

Sustainability is at the core of Lamor's mission "Let's clean the world". Lamor's vision is a clean tomorrow, where future generations will enjoy clean water and clean soil. Joining the Nasdaq Green Equity Designation program supports Lamor's strategy and business activities around sustainability. It increases the transparency of Lamor's carbon footprint and at the same time, it supports Lamor to further develop the activities with the aim of increasing the positive carbon handprint.

Lamor was approved as part of the Nasdaq Green Equity Designation as of 19 January 2022.

Positive net impact

With its business, Lamor delivers a positive net impact on the environment and society. This was evaluated by a survey conducted by The Upright Project, a partner of Nasdaq in the evaluation of the net impact of companies.

As a result of its operations and by using minimal resources, Lamor is able to generate large-scale environmental and health benefits, including protecting biodiversity, reducing emissions and waste along with conserving scarce natural resources. Compared to public companies listed on the Nasdaq Helsinki, Lamor's business stands out through its high net impact ratio, which is +74 per cent, whereas the average ratio on Nasdaq Helsinki is -13 per cent. The net impact ratio indicates the difference between positive and negative social impacts in relation to the positive social impacts.

Sustainability activities

The environmental awareness and particularly the application of ESG indicators provide significant competitive advantages for Lamor. Lamor has invested into increasing its capabilities for monitoring sustainability in a systematic manner. Lamor has created a sustainability strategy, calculated sustainability indicators, and defined its sustainability goals and targets.

During 2021, Lamor conducted a materiality assessment analysing its stakeholder opinions and data, including external assessments by Cicero and Upright, crucially relevant for the Group's sustainability work. Based on this analysis, Lamor formed its sustainability agenda, which is built on combining the business activities and their handprint with environmental and social targets aiming to reduce our footprint.

Lamor will publish its first sustainability report for 2021 in March 2022. Going forward, Lamor is committed to following its environmental development and is continuously working towards being an even more sustainable market player using the most significant sustainability indicators.

Governance

Resolutions of Annual General Meeting

The Annual General Meeting of Lamor Corporation was held in Porvoo, in Finland 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 financial year 2020.

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 continued 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, Finland 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 resolved that the shares of the company would be entered in the book-entry securities system maintained by Euroclear Finland and that the Articles of Association would be updated to enable this action.

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

Other Shareholders' Resolutions

The shareholders' of Lamor made on 15 November 2021 a written resolution in a matter included in the decision-making power of the General Meeting.

The shareholders of Lamor resolved that shares would be issued for subscription in a directed issue in proportion to their existing holdings of the shares in the Company. Each shareholder would thus receive 49 shares per share meaning that the total amount of shares at the date of the resolution was to be 19,816,629. It was also decided that the reconciliation date in the book-entry register would be 17 November 2021.

The Board of Directors were authorised to decide on an issue of a maximum of 15,000,000 new shares to execute the initial public offering on Nasdaq First North Premier Growth Market Finland marketplace in connection with the initial public offering. The authorisation could be used in one or several phases by way of derogation from the pre-emptive right. The Board was authorised to decide on all the other terms of the share issue. The authorisation was valid until 31 December 2021.

Board of Directors

Lamor's Board of Directors constitute of Chairman of the Board Esa Ikäheimonen, and Nina Ehrnrooth, Fred Larsen, Kaisa Lipponen and Timo Rantanen. The Audit Committee consists of Chairman Timo Rantanen, Nina Ehrnrooth and Kaisa Lipponen.

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.

IPO 2021

On 11 November 2021, Lamor Corporation Plc announced that it was planning an initial public offering (IPO) and a listing of its shares on the Nasdaq First North Premier Growth Market Finland.

The Board of Directors of Lamor Corporation Plc decided on 7 December 2021 on the completion of the initial public offering.

The subscription price for the Offer Shares was EUR 4.83 per share in the Institutional Offering and the Public Offering, and EUR 4.35 per share in the Personnel Offering, which in total corresponded to a market capitalisation of approximately EUR 130 million for Lamor immediately following the Offering.

In the Offering, Lamor issued 7,281,374 new shares, corresponding to approximately 27.0 per cent of the total number of issued and outstanding Shares in Lamor after the Offering. Lamor received gross proceeds of approximately EUR 35.0 million from the Offering. Share issue related expenses of EUR 3.1 million were deducted from the gross proceeds received.

Demand in the Offering was extremely strong from both Finnish and international investors and the Offering was oversubscribed multiple times. In the Public Offering, subscriptions were received from over 10,000 investors.

In total 7,021,422 shares were allocated to institutional investors in Finland and internationally in the institutional offering, and 1,000,000 shares were allocated to private individuals and entities in Finland in the public offering. In addition, 352,158 shares were allocated in the personnel offering to employees. The total number of issued and outstanding shares in Lamor increased to 26,959,974 shares and the total number of shares in Lamor (including shares held in treasury) increased to 27,502,424 shares after the new shares offered in the offering were registered in the trade register upheld by the Patent and Registration Office on 7 December 2021.

Trading in the shares in Lamor commenced on Nasdaq First North Premier Growth Market Finland maintained by Nasdaq Helsinki Ltd on 8 December 2021. The trading code of the shares in Lamor is LAMOR.

Shares and share capital

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.

At the end of the reporting period on 31 December 2021, Lamor's share capital was EUR 3,866,375.40 and total number of shares outstanding was 26,959,974 excluding shares held in treasury. In addition, as of 31 December 2021, Lamor holds 542,450 of its own Shares.

Trading of shares Trading of Lamor's share commenced on the Nasdaq Helsinki First North Premier on 8 December 2021. The opening price of the share was EUR 5.88 on the first trading day. The closing price of the share on the last trading day of the reporting period on 31 December 2021 was EUR 4.61. The highest price of the share in 2021 was EUR 5.88 and the lowest EUR 4.14. Share turnover on First North Premier in December 2021 was approximately 4.0 million shares. The value of the share turnover was approximately EUR 19 million. Lamor's market capitalisation was approximately EUR 124 million on 31 December 2021 and number of shareholders 7,381.

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 caused significant uncertainty in the global economy and financial markets, and it is estimated that, if further prolonged, it could lead to a renewed 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.

In addition, Lamor closely follows the development of the increased uncertainty related to the Russian and Ukrainian situation.

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 regulations 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. 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 positive indications in our equipment business meaning that the market conditions are returning to the levels seen before the global pandemic. Work related travel is still complicated in certain areas, but the situation has improved in the last quarter of the financial year. We believe that our operations will return to normal operating conditions at the latest during the first half of 2022. 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. As a result of the initial public offering in December 2021, Company has significantly strengthened its balance sheet improving the capabilities to cover working capital requirements in the upcoming projects.

The unjustified military actions taken by Russia against Ukraine increases the overall uncertainty and impacts the outlook of the world economy. The military actions are exposing especially Lamor’s business in Russia but the impact is, however, assessed to be low. In addition, the military actions may create disturbance for instance in Lamor’s supply chain and logistics.

Events after the reporting period

The year 2022 has started well from a business perspective. As one indication of this, Lamor entered into an agreement for a significant role in an environmental response and cleanup project in Peru as released by Lamor in February 2022. Lamor’s share of the total project is estimated to be at least EUR 18 million.

In addition to the project in Peru, Lamor has as part of its normal business activities taken part in an environmental response and cleanup project of an oil spill in Ecuador. The incident occurred at the end of January 2022. Lamor’s share of the total value of the project, which is estimated to be delivered by mid-March 2022, is at least EUR 4.5 million. The cleanup work may continue after this.

As released by Lamor in January 2022, Lamor reinforces its Management Team to strengthen the implementation of the company's growth strategy. Dr. Johan Grön (D.Sc., Chem.Eng.) has been appointed as Lamor’s Chief Operating Officer and as a member of the Management Team. He will start in his role latest as of 30 April 2022. Johan will join the team from Gasum where he has been leading the biogas business unit and has been a member of the Gasum Management Team since 2019.

In February 2022, Lamor Zamil entered into an agreement with the aim of establishing a joint venture with Zamil Operations & Maintenance Co (ZOMCO), a part of the Zamil Group located in Saudi Arabia. With this establishment, co-operating with a major local partner, Lamor will intensify the execution of its strategy being globally local and increase its presence in a key growth market.

Board of Directors' proposal for profit distribution

The Company aims to distribute annual dividends, while keeping growth as the Company's most important target. The Board of Directors proposes that no dividend will be paid for the financial year 2021. The parent company's distributable funds total EUR 34,009,086.68 which includes EUR -7,478,375.60 in net loss for the year.

Financial Calendar 2022

The Annual Report 2021, including the financial review and the Board of Directors' report, Sustainability Report, Corporate Governance Statement and Remuneration Report for Governing Bodies will be available on the company website: www.investors.lamor.com no later than 31 March 2022.

Lamor Corporation Plc's Annual General Meeting will be held on 28 April 2022.

Interim Report for January - March 2022 will be published on 17 May 2022.
Half-year Report for January - June 2022 will be published on 16 August 2022.
Interim Report for January - September 2022 will be published on 15 November 2022.

Webcast for analysts and media

A live webcast for analysts and media will be arranged on 3 March 2022 at 14:00 EET. The event will be held in English. The report will be presented by CEO Mika Pirneskoski and CFO Timo Koponen. The webcast can be followed at lamor.videosync.fi/q4-results-2021. A recording of the webcast will be available later at the company's website at investors.lamor.com/reports-and-presentations.

Porvoo, 2 March 2022

Lamor Corporation Plc

Board of Directors

Further enquiries

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Lamor Financial Statements Release January-December 2021

Consolidated Statement of Profit and Loss

EUR Thousand	10–12/2021	10–12/2020	1–12/2021	1–12/2020
Revenue	16,318	10,646	51,517	45,621
Materials and services	-8,922	-7,101	-29,919	-27,840
Other operating income	268	272	857	398
Employee benefit expenses	-3,740	-1,797	-9,637	-7,918
Other operating expenses	-2,239	-1,749	-6,618	-4,759
Share of associated companies' profits	169	26	-185	108
EBITDA	**1,854**	**298**	**6,014**	**5,610**
Depreciation, amortization and impairment	-1,341	-890	-4,072	-3,183
Operating profit (EBIT)	**513**	**-592**	**1,941**	**2,426**
Financial income	185	16	434	47
Financial expenses	-955	-539	-2,197	-1,474
Profit before tax	**-257**	**-1,115**	**178**	**999**
Income tax	940	404	691	-159
Profit for the financial year	**684**	**-711**	**869**	**840**
Attributable to				
Equity holders of the parent	705	286	963	669
Non-controlling interests	-22	-997	-94	170
Earnings per share				
Earnings per share, basic, EUR	0.03	0.01	0.05	0.03

Consolidated Statement of Other Comprehensive Income

Profit for the financial year	**684**	**-711**	**869**	**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	117	-359	510	-786
Other comprehensive income (loss) for the year, net of tax	**117**	**-359**	**510**	**-786**
Total comprehensive income for the financial period	**801**	**-1,071**	**1,379**	**53**
Attributable to				
Equity holders of the parent	823	-73	1,473	-117
Non-controlling interests	-22	-997	-94	170

Consolidated statement of Financial Position

EUR thousand	31.12.2021	31.12.2020
Assets		
Non-current assets		
Goodwill	18,049	17,892
Intangible assets	4,245	4,259
Property, plant and equipment	4,581	3,888
Right-of-use assets	5,742	1,010
Investments in associated companies and joint ventures	3,671	3,781
Non-Current Receivables	1,442	-
Investments in other shares	418	350
Deferred tax assets	2,944	1,389
Assets	**41,093**	**32,569**
Current assets		
Inventories	9,069	6,937
Trade receivables	7,556	9,475
Contract assets	14,804	4,336
Prepayments and other receivables	9,098	4,595
Short-term investments	165	194
Cash and cash equivalents	28,871	5,282
Total current assets	**69,564**	**30,818**
Total assets	**110,657**	**63,388**

EUR thousand	31.12.2021	31.12.2020
Equity		
Share capital	3,866	3,866
Issue of shares	-	621
Translation differences	92	-418
Reserve for invested unrestricted equity	44,303	11,398
Retained earnings / accumulated deficit	12,805	12,813
Equity attributable to equity holders of the parent	**61,067**	**28,281**
Non-controlling interests	839	1,154
Total equity	**61,905**	**29,435**
Non-current liabilities		
Interest-bearing loans and borrowings	9,178	3,543
Lease liabilities	3,056	261
Deferred tax liability	879	237
Other non-current financial liabilities	2,828	59
Total non-current liabilities	**15,942**	**4,100**
Current liabilities		
Interest-bearing loans and borrowings	10,019	12,480
Lease liabilities	2,410	768
Provisions	75	61
Trade payables	11,844	8,805
Contract liabilities	1,985	3,017
Other short-term liabilities	6,476	4,722
Total current liabilities	**32,810**	**29,852**
Total liabilities	**48,752**	**33,953**
Total equity and liabilities	**110,657**	**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 unre-stricted equity**	**Trans-lation diffe-rences**	**Retained earnings**	**Total**	**Non-control-ling interests**	**Total equity**
Equity on 1.1.2021	**3,866**	**621**	**11,398**	**-418**	**12,813**	**28,280**	**1,154**	**29,435**
Profit for the financial year	-	-	-	-	963	**963**	-94	**869**
Other comprehensive income	-	-	-	510	-	**510**	-	**510**
Total comprehensive income	**-**	**-**	**-**	**510**	**963**	**1,473**	**-94**	**1,379**
Registration of shares	-	-621	621	**-**	-	**-**	**-**	**-**
New share issue	-	-	35,420	-	-	**35,420**	-	**35,420**
Expenses related to the share issue	-	-	-3,136	-	-	**-3,136**	-	**-3,136**
Purchase of own shares	-	-	-	-	-614	**-614**	-	**-614**
Acquisition of non-controlling interests*	-	-	-	-	-	**-**	-177	**-177**
Dividends to non-controlling interests	-	-	-	-	-	**-**	-44	**-44**
Other changes					-357	**-357**		**-357**
Equity on 31.12.2021	**3,866**	**-**	**44,303**	**92**	**12,805**	**61,067**	**839**	**61,905**

*Lamor Peru

2020	Attributable to the equity holders of the parent							
EUR thousand	**Share capital**	**Issue of shares**	**Fund for unre-stricted equity**	**Trans-lation diffe-rences**	**Retained earnings**	**Total**	**Non-control-ling 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	-	-	-	-	669	**669**	170	**840**
Other comprehensive income	-	-	-	-786	-	**-786**	-	**-786**
Total comprehensive income	**-**	**-**	**-**	**-786**	**669**	**-117**	**1,168**	**1,124**
Dividends to non-controlling interests	-	-	-	-	-	**-**	-39	**-39**
Increase of share capital	3,500	-	-3,500	-	-	**-**	**-**	**-**
Acquisition of non-controlling interests	-	621	-	-	-237	**384**	-1,856	**-1,473**
Other changes	-	-	-	14	-278	**-264**	-	**-264**
Equity on 31.12.2020	**3,866**	**621**	**11,398**	**-418**	**12,813**	**28,280**	**1,154**	**29,435**

Consolidated statement of Cash Flows

EUR thousand		10–12 /2021	10–12/ 2020	1–12/ 2021	1–12/ 2020
Cash flow from operating activities					
Profit for the financial year		**684**	**-711**	**869**	**840**
Adjustments for:	Depreciation, amortisation and impairment	1,341	890	4,072	3,183
	Finance income and expenses	770	523	1,763	1,428
	Gain on disposal of property, plant and equipment	-331	-22	-381	-77
	Share of profit from associated companies and joint ventures	-169	-26	185	-108
	Taxes	-940	-404	-691	159
	Other non-cash flow related adjustments	-101	486	-41	1,031
	Total adjustments	**568**	**1,447**	**4,908**	**5,616**
Change in working capital					
	Change in trade and other receivables	-4,759	3	-13,395	-1,382
	Change in inventories	479	2,030	-1,899	1,551
	Change in trade and other payables	5,354	2,591	6,332	1,319
Total change in working capital		**1,074**	**4,624**	**-8,962**	**1,488**
Operating cash flow before financial and tax items		**2,326**	**5,361**	**-3,185**	**7,944**
Interest paid		-1,050	-439	-1,956	-1,178
Interest received		57	-11	163	19
Dividends received		-	76	-	76
Taxes paid		-210	-96	-379	-825
Net cash flow from operating activities		**1,123**	**4,891**	**-5,357**	**6,036**
Cash flow from investing activities					
Acquisition of subsidiaries and businesses, net of cash acquired		-	-94	-	-94
Acquisition of associates, joint ventures and other shares		-198	86	-884	-54
Purchase of intangible and tangible assets		-711	-282	-3,433	-2,107
Proceeds from sale of tangible and intangible assets		-	-	50	246
Loans granted		448	-	-	-
Net cash flow from investing activities		**-461**	**-876**	**-4,267**	**-2,010**
Cash flow from financing activities					
Proceeds and repayments from borrowings		-5,406	-2,957	3,141	333
Repayment of lease liabilities		-598	-189	-1,573	-756
Purchase of own shares		-6	-	-261	-
Issue of new shares		35,000	-	35,420	-
IPO costs		-3,136	-	-3,136	-
Acquisition of non-controlling interests		-	-	-379	-
Dividends paid to non-controlling interests		-	-	-	-39
Net cash flow from financial activities		**25,855**	**-3,146**	**33,213**	**-463**
Net change in cash and cash equivalents		**26,517**	**1,454**	**23,589**	**3,564**
Cash and cash equivalents, beginning of period		**2,354**	**3,828**	**5,282**	**1,718**
Cash and cash equivalents, end of period		**28,871**	**5,282**	**28,871**	**5,282**

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 a publicly listed company with its shares listed on Nasdaq First North Premier Growth Market Finland under the trading code LAMOR.

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

The financial statements release is unaudited.

Basis of preparation

The financial information included in this financial statement release for January – December 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. 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 this financial statement release are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2020.

At the year-end 2021, Lamor has a foreign exchange forward contract not designated as a hedging instrument as defined by IFRS 9. Therefore, the derivative contract is measured at fair value through profit and loss.

In this financial statement release, the figures are presented in thousand 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, adjusted key figures 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 Adjusted EBITDA and Adjusted Operating Profit (EBIT), 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 (EBIT) and Adjusted Operating Profit (EBIT), 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 EUR thousand	Q4 2021	Q4 2020	1.1.–31.12.2021	1.1.–31.12.2020
Operating Profit (EBIT)	**513**	**-592**	**1,941**	**2,426**
Depreciations, amortisations and impairment	1,341	890	4,072	3,183
EBITDA	**1,854**	**298**	**6,014**	**5,610**
Non-recurring Items				
Business combinations expenses	-	789	79	789
IPO related expenses	114	-	599	-
Adjusted EBITDA	**1,968**	**1,087**	**6,692**	**6,399**
Depreciations, amortisations and impairment	-1,341	-890	-4,072	-3,183
Amortisation of intangible assets identified in PPA	53	56	211	223
Adjusted EBIT	**680**	**252**	**2,831**	**3,438**

Revenue

Distribution of revenue

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

Revenue by business line

EUR thousand	10-12/2021	10–12/2020	1–12/2021	1–12/2020
Equipment	5,884	9,430	22,884	30,692
Services	10,433	1,217	28,632	14,930
Total revenue from contracts with customers	**16,318**	**10,646**	**51,517**	**45,621**

Timing of revenue recognition

EUR thousand	10–12/2021	10–12/2020	1–12/2021	1–12/2020
Transferred at a point in time	6,606	4,552	21,126	21,694
Transferred over time	9,711	6,094	30,390	23,927
Total revenue from contracts with customers	**16,318**	**10,646**	**51,517**	**45,621**

EUR thousand	10–12/2021	10-–12/2020	1–12/2021	1–12/2020
EURU	2,233	5,171	11,249	16,513
AMER	3,897	2,133	11,626	20,441
APAC	1,783	2,369	6,034	3,720
MEAF	8,405	972	22,608	4,946
Total revenue from contracts with customers	**16,318**	**10,646**	**51,517**	**45,621**

Summary of contract balances

EUR thousand	31.12.2021	31.12.2020
Trade receivables	7,556	9,475
Contract assets	14,804	4,336
Contract liabilities	1,985	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 twelve months ended 31 December 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 2.2 million as of 31 December 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–December 2021.

Change in goodwill

EUR thousand	2021	2020
Carrying value at the beginning of the year	17,892	17,901
Impairment	-	-
Additions	-	-
Acquired in business combinations	-	164
Exchange differences	157	-173
Other changes and disposals	-	-
Carrying value at the end of the year	**18,049**	**17,892**

Change in tangible and intangible assets

EUR thousand	2021	2020
Carrying value at the beginning of the year	**8,147**	**9,492**
Depreciation, amortization and impairment charges	-2,483	-2,453
Additions	3,433	2,097
Acquired in business combinations	-	33
Exchange differences	226	-219
Grants received and disposals	-497	-803
Carrying value at the end of the year	**8,827**	**8,147**

Change in right-of-use assets

EUR thousand	2021	2020
Carrying value at the beginning of the year	**1,010**	**1,535**
Depreciation, amortization and impairment charges	-1,707	-721
Additions	6,233	196
Acquired in business combinations	-	-
Exchange differences	234	-
Other changes	-28	-
Carrying value at the end of the year	**5,742**	**1,010**

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	31.12.2021	31.12.2020
Non-current interest-bearing loans and borrowings	9,178	3,543
Non-current lease liabilities	3,056	261
Current interest-bearing loans and borrowings	10,019	12,480
Current lease liabilities	2,410	768
Liquid funds	-28,871	-5,282
Net debt total	**-4,208**	**11,769**

Classification of financial assets and liabilities

Financial assets 31.12.2021

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**	-	418	-	418	418
Non-Current Receivables		-	-	1,442	1,442	1,442
Non-current financial assets total		**-**	**418**	**1,442**	**1,860**	**1,860**
Current financial assets						
Trade receivables		-	-	7,556	7,556	7,556
Contract assets		-	-	14,804	14,804	14,804
Investments in funds	**2**	165	-		165	165
Cash and cash equivalents		-	-	28,871	28,871	28,871
Current financial assets total		**165**	-	**51,231**	**51,396**	**51,396**
Financial assets total		**165**	**418**	**52,674**	**53,256**	**53,256**

Financial liabilities 31.12.2021

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		-	-	9,178	9,178	9,178
Lease liabilities		-	-	3,056	3,056	3,056
Other payables		-	-	2,828	2,828	2,828
Non-current financial liabilities total		**-**	**-**	**15,063**	**15,063**	**15,063**
Current financial liabilities						
Interest-bearing loans and borrowings		-	-	10,019	10,019	10,019
Lease liabilities		-	-	2,410	2,410	2,410
Derivative Instruments	**2**	4	-	-	4	4
Contingent consideration	**3**	274	-	-	274	274
Trade payables		-	-	11,844	11,844	11,844
Contract liabilities		-	-	1,985	1,985	1,985
Other current liabilities		-	-	6,476	6,476	6,476
Current financial liabilities total		**277**	**-**	**32,735**	**33,012**	**33,012**
Financial liabilities total		**277**	**-**	**47,798**	**48,075**	**48,075**

Financial assets 31.12.2020

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	-	350	350
Other receivables		-	-	-	-	-
Non-current financial assets total		**-**	**350**	**-**	**350**	**350**
Current financial assets						
Trade receivables		-	-	9,475	9,475	9,475
Contract assets		-	-	4,336	4,336	4,336
Investments in funds	**2**	194	-	-	194	194
Cash and cash equivalents		-	-	5,282	5,282	5,282
Current financial assets total		**194**	**-**	**19,093**	**19,286**	**19,286**
Financial assets total		**194**	**350**	**19,093**	**19,636**	**19,636**

Financial liabilities 31.12.2020

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		-	-	3,543	3,543	3,543
Lease liabilities		-	-	261	261	261
Other payables		-	-	59	59	59
Non-current financial liabilities total		**-**	**-**	**3,863**	**3,863**	**3,863**
Current financial liabilities						
Interest-bearing loans and borrowings		-	-	12,480	12,480	12,480
Lease liabilities		-	-	768	768	768
Contingent consideration	**3**	593	-	-	593	593
Trade payables		-	-	8,805	8,805	8,805
Contract liabilities		-	-	3,017	3,017	3,017
Other current liabilities		-	-	4,190	4,190	4,190
Current financial liabilities total		**593**	**-**	**29,259**	**29,852**	**29,852**
Financial liabilities total		**593**	**-**	**33,122**	**33,715**	**33,715**

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 currently 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 derivative instruments (foreign exchange forward contracts) and 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 reporting date.

In addition, a liability related to the acquisition of a non-controlling interest, in the amount of 274 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 274 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. In addition, related parties include the 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, associated companies and joint ventures. 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. In addition, the Group's related parties include associated companies and joint ventures in which the Group has investments.

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 or joint operations where the Group is a party, which are related parties, have been eliminated on consolidation and are not disclosed below.

Transactions with related parties

EUR thousand	2021	2020
Sales to related parties	834	320
Purchases from related parties*	1,690	1,504

Receivables and liabilities from related parties

EUR thousand	31.12.2021	31.12.2020
Receivables	1,563	916
Liabilities	8	16

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

Loans receivable from and payable to related parties

EUR thousand	31.12.2021	31.12.2020
Amounts receivable from related parties	1,442	474
Amounts owed to related parties	271	2,394

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

Contingent liabilities and other commitments

Commitments

At the reporting date, 31 December 2021, Lamor had corporate mortgages of EUR 51.8 million (EUR 21.8 million at 30 December 2020) as collateral for its loans.

The Group has various lease contracts that have not yet commenced as of 31 December 2021. The future lease payments for these non-cancellable lease contracts are EUR 8.5 (0.0) million, of which EUR 3.2 (0.0) million is due within one year and the remaining amount within five years.

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. The final 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	31.12.2021	31.12.2020
Performance and warranty guarantee	21,522	578
Advance payment and payment guarantee	2,077	1,893
Tender and bid bond guarantees	861	3,882
Total other commitments	**24,460**	**6,353**

No liability is expected to arise from the guarantees.

Formulas of Key Figures

Key figure		Calculation formula	
EBITDA	=	Operating profit + depreciation and amortisation	
EBITDA %	=	Operating profit + depreciation and amortisation / Revenue	x 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) %	=	Reported EBITDA + restructuring profit/costs + sales profit/- loss of tangible assets related to business combinations or other than day-to-day business + profits/costs from compensation for damages + transaction costs related to business combinations + IPO related expenses / Revenue	x 100

Operating Profit (EBIT)	=	Profit for the financial year before financing periods and taxes	
Operating Profit (EBIT) margin %	=	Operating profit / Revenue	x 100
Adjusted Operating Profit (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 Operating Profit (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 / Revenue	x 100
Earnings per share (EPS), basic, euros	=	Profit for the financial year attributable for shareholders of the company / Weighted average number of shares outstanding during the period	x 100
Equity ratio %	=	Shareholders’ equity / Balance sheet total – advances received	x 100
Return on equity (ROE) %	=	Profit for the period / Average shareholder's equity	x 100
Return on investment (ROI) %	=	Profit before taxes + financial income and expenses / Average shareholder's equity + average interest-bearing loans and borrowings	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
Order intake	=	The total value of customer orders received during the period.	
Orders received	=	Total value of customer orders to be delivered in the future	
Average number of employees	=	Average number of personnel at the end of the previous financial year and at the end of the calendar month of each reporting period	