Lamor Corporation Plc

Interim Report January–March 2022

Lamor Corporation Plc
Interim Report 1 January-31 March 2022

Record quarter: Revenue more than six times higher than in the comparison period

January-March 2022 in brief

- Orders received increased 477.1 per cent to EUR 36.3 million (6.3)
- Revenue increased by 556.3% to EUR 43.2 million (6.6)
- EBITDA was EUR 5.9 million (-0.5)
- Adjusted EBITDA totalled EUR 7.9 million (-0.5) or 18.6% of revenue
- EBIT was EUR 4.5 million (-1.2)
- Adjusted EBIT amounted to EUR 6.5 million (-1.2) or 15.0% of revenue
- Net cash flow from operating activities was EUR -7.7 million (-1.0)
- Earnings per share increased to 0.07 euro (-0.06)
- Impairment losses from Russian business amounted to EUR 2.0 million

CEO Mika Pirneskoski:

If the year 2021 was step changing for Lamor for order backlog growth, the first quarter of 2022 was step changing for revenue growth. The record revenue of the first quarter took us a step closer to our long-term financial targets. During the past nine months, the total revenue has been almost 80 million euros which corresponds to our long-term financial target for annualised revenue of over EUR 100 million. This is an important milestone for Lamor and a major step in our growth path.

Especially the significant environmental clean-up projects in Peru and Ecuador, the major service contracts in Kuwait and Saudi Arabia as well as the development of other business, increased Lamor's revenue in the first quarter to 43 million euros. This is more than six times the volume of the comparison period.

The significant increase of business volume also increased the amount of working capital. Working capital growth is typical during environmental incident clean-up projects, where a sizeable amount of equipment and services are delivered during a short period of time. The importance of strengthened balance sheet, as a result of a successful IPO, was evident during the project in Peru which was one of the reasons we were able to take a significant role in the project. The role, however, at the same time increased our working capital temporarily. In addition, the project in Saudi Arabia also contributed to the working capital growth as the payment terms in the Middle East are typically long.

Environmental clean-up projects in Ecuador and Peru highlight the importance of the local presence

There was a significant environmental incident in one of Repsol's terminals in Peru in January 2022. The local Lamor organisation consisted of less than 30 employees and most of our local equipment was allocated to other on-going service projects. An additional challenge was posed by a simultaneous environmental incident in Ecuador.

Our highly scalable business model allowed us to build an organisation of 800 people to clean-up the environmental incident. At the peak of the project, we had in Peru experts from Peru, Ecuador, Spain, Finland, and the US. Organising global logistics during these challenging times required significant efforts from the whole organisation.

This is a great achievement from the whole organisation and a clear indication that Lamor's strategy - being globally local - is really working. Our strategy is based on having a sufficient global business presence combined with adequate local resources to be able to offer our solutions in clients' operating environment yet fulfilling international quality standards.

Strategic targets and transformation

As per our financial guidance, we estimate that the year 2022 will be significant from revenue and profitability growth perspective. Lamor has been growth-oriented for a long time, and we have invested significantly in resources that have enabled the growth in the order backlog.

Over the past three quarters we have also invested significantly in improving our project execution and financial control capabilities. The next phase of the transformation is to bring more economic accountability to different levels of the organisation and to unify our offering and processes on a global level.

Sustainability is the core of all our activities, and it is our strong belief that being a sustainable company will create a permanent competitive advantage to us and allow us to differentiate especially from our local competitors. One of our targets in sustainability is to develop a life cycle assessment framework for our offering. The aim of the model is to combine sustainability data with financial and operational data and to demonstrate what is the net impact of our solutions in our clients' business.

Focus on future growth

We have strengthened our management team significantly over the past year. We have recruited four new people with strong expertise in their respective fields. In addition, we have been successful in strengthening the rest of the organisation, and to succeed with our growth targets, these efforts will continue also in 2022.

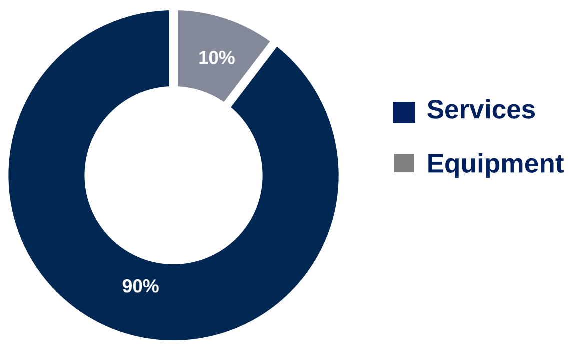
The efforts to reach our strategic targets will continue. We will continue the work in taking our full solution portfolio to our clients in all our current market areas. Currently the focus is on South America and the Middle East. Our structured efforts to consolidate circular economy solutions with all our products and services will continue. Finally, we are also working hard to improve our capabilities to measure our operative efficiency and our ability to react to changes in the working environment as early as possible.

Russia's invasion against Ukraine affects our business environment. Due to the war, we have ceased the sales activities of our products and services in Russia. The global cost inflation as well as the shortage of raw materials and components is having an effect also on our business. We continue to monitor the situation carefully.

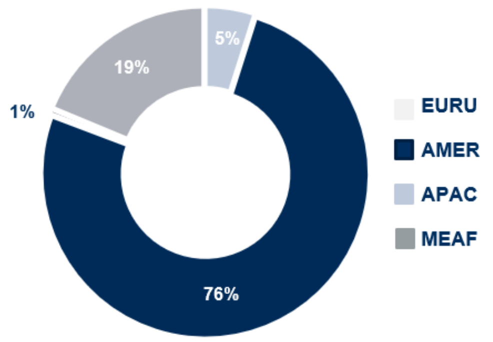
Mika Pirneskoski
CEO
Lamor Corporation Plc

Revenue split January – March 2022

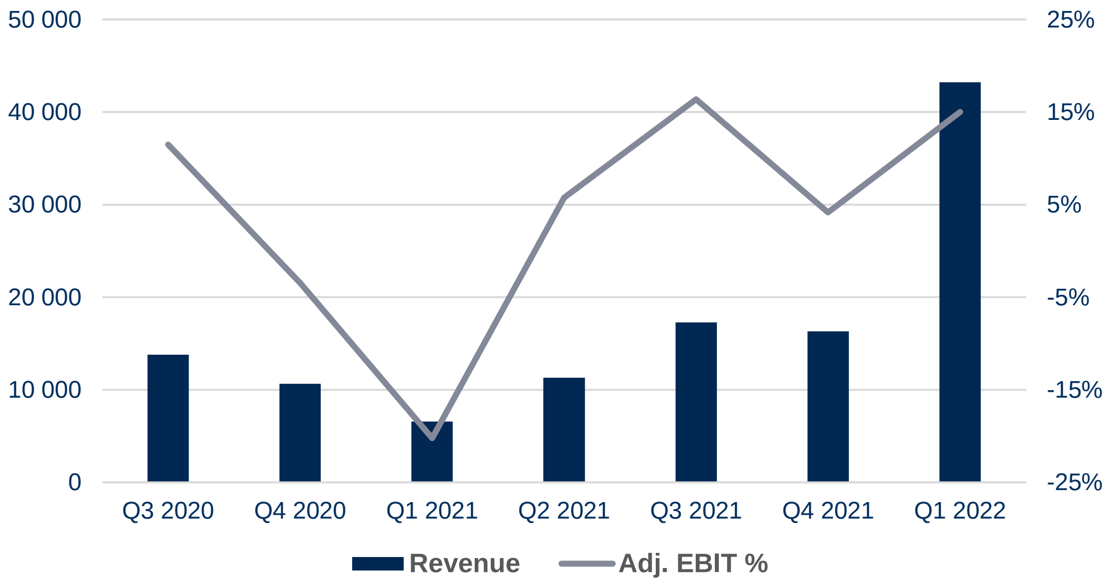
Equipment and services



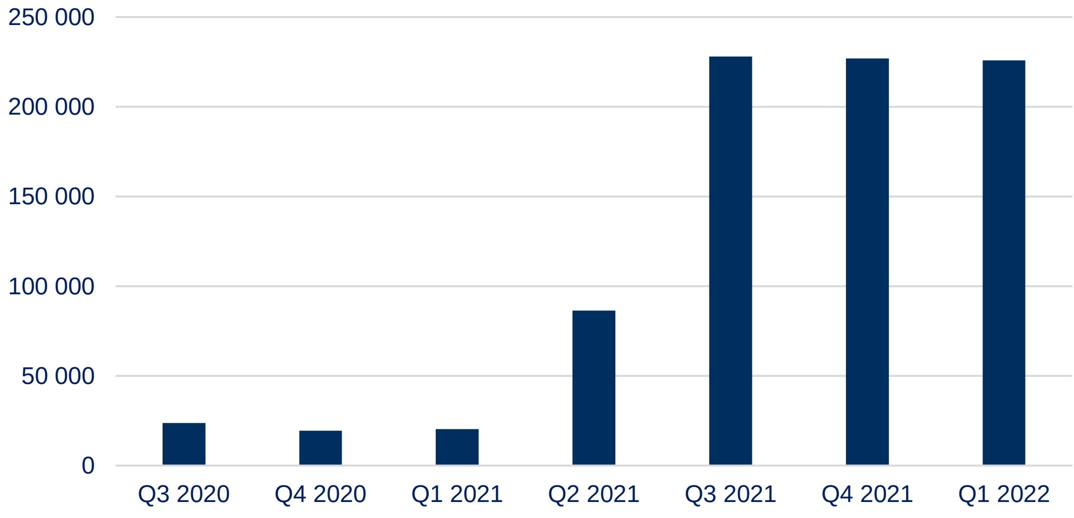
Area



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	Q1 2022	Q1 2021	Change %	1–12/2021
Revenue	43,211	6,584	556.3%	51,517
EBITDA	5,948	-509	N/A	6,014
EBITDA margin %	13.8%	-7.7%		11.7%
Adjusted EBITDA	7,906	-509	N/A	6,692
Adjusted EBITDA margin %	18.3 %	-7.7 %		13.0%
Operating profit or loss (EBIT)	4,463	-1,243	N/A	1,941
Operating profit (EBIT) margin %	10.3%	-18.9 %		3.8%
Adjusted Operating Profit (EBIT)	6,478	-1,190	N/A	2,831
Adjusted Operating Profit (EBIT) margin %	15.0%	-18.1 %		5.5%
Profit (loss) for the period	2,043	-1,165	N/A	869
Earnings per share, EPS (basic), euros	0.07	-0.06	N/A	0.05
Return on equity (ROE) %	4.5%	-2.6%		1.9%
Return on investment (ROI) %	6.8%	-3.1%		3.0%
Equity ratio %	50.4%	45.8%		56.2%
Net gearing %	15.5%	55.8%		-6.9%
Orders received	36,293	6,289	477.1 %	260,831
Order backlog	225,838	18,372	1,129.3%	226,906
Number of employees at the period end	1,177	230	411.7%	290
Number of employees on average	968	232	317.2%	250

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. 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. Despite of a strong ‘green transition’ 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 cleanup operations of the legacy contamination. Lamor seeks to utilise its wide-ranging expertise to grow in these market segments and areas. Lamor expects the demand of its solutions to remain at a good level also in the future.

Positive profit warning 10 May 2022

Lamor raised its revenue and adjusted EBIT guidance for 2022. Lamor now estimates the revenue to be at least EUR 120 million and adjusted EBIT to be at least EUR 14 million for the full year 2022. Earlier the revenue was estimated to be at least EUR 110 million and adjusted EBIT to be at least EUR 12 million. Lamor published a company release regarding the change on 10 May 2022.

Raising the guidance of revenue and adjusted EBIT is related to, among others, environmental response and clean-up projects started at the beginning of 2022, which have turned out to be larger in scope and taking longer than expected.

Guidance for 2022

Lamor estimates its revenue to be at least 120 million for the full year 2022. Adjusted EBIT is estimated to be at least EUR 14 million.

Lamor has a strong order backlog for 2022. Since a significant part of the revenue is generated by large service project deliveries, any major delay in the project progress would have a negative impact on revenue and profit for 2022.

Lamor closely follows how the Russian invasion of Ukraine is affecting the company's operating environment. Due to the war, Lamor has ceased the sales activities of the products and services in Russia. War related global cost inflation as well as the shortage of raw materials and components are having an effect also on Lamor's business. Lamor will continue to monitor the situation carefully.

In addition, any potential virus variant of the 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 long-term financial targets for the company. The targets are unchanged compared to the targets that have been included in the annual release published on 3 March 2022.

- 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 – March 2022

The Group's revenue increased very strongly and stood at EUR 43.2 million (6.6) which is 556.3% higher than in the comparative period. The growth was mainly related to the environmental response and cleanup projects in Peru and Ecuador where Lamor has had a significant role. The Group's large service project deliveries in Saudi Arabia and Kuwait progressed according to the plan during the period.

The Group's adjusted EBITDA was EUR 7.9 million (-0.5). The South American environmental response projects had a positive impact on the profitability of the period. The projects are a demonstration of the Group's ability to swiftly mobilise large scale projects with its global network and to benefit from scale benefits. The projects are also a good example of how a strong balance sheet, created by the listing, enables the Group to exploit ever larger business potential.

In the period, Lamor made an impairment of EUR 2.0 million relating to an investment in an associated company in Russia. The amount is presented in share of results in associated companies and is included in the non-recurring items. The remaining value of the investment in the associated company in Russia is EUR 0.8 million.

Adjusted EBIT totalled EUR 6.5 million (-1.2). Depreciations stood at EUR -1.5 million (-0.7) and included EUR -0.9 million depreciations for right-of-use assets (IFRS 16) related mainly to the Saudi Arabian project.

Financial income and expenses were EUR -0.6 million (-0.2). Financial expenses included EUR -0.2 million for guarantee expenses (-0.1) and EUR -0.2 million (-0.1) interest expenses.

The Group's profit before taxes was EUR 3.9 million (-1.4). The Group's effective tax rate stood at 47.1 percent (16.5). The tax rate was increased especially by the non-tax deductible impairment of Russian operations, high income tax rate in Peru as well as the revaluation of the deferred tax assets.

Net cash flow from operating activities was EUR -7.7 million (-0.8). Cash flow continued to be negatively impacted by the timely mismatch between project procurement and customer payment instalments of the Saudi Arabian service project delivery. Similarly, particularly in the Peru oil spill response project, the invoicing postponement from March to April tied capital at the end of the period.

Cash flow from investments was EUR -3.3 million (-1.5) and consisted of investments in the development of the global network within the Business Finland Growth Engine program as well as aircraft procurement related to Saudi Arabian service project.

The Group's equity ratio was 50.4 percent (45.8) and net gearing stood at 15.5 percent (55.8). Both equity ratio and net gearing are impacted by the IFRS 16 lease liabilities.

Order backlog at the end of the period totalled EUR 225.8 million (18.4). Russian projects worth EUR 1.1 million have been excluded from the backlog during the period and Lamor has no remaining order backlog for Russia. During the period, new orders received were EUR 36.3 million (6.3). The cyclicality of the large orders is characteristic for the business and in addition to South American environmental response and cleanup projects, no other significant large orders were received.

Investments

The amount of investments in intangible and tangible assets in the period was EUR 3.4 million (1.5).

The right of use assets increased in the period and amounted to over EUR 7.9 million (0.9) and relate for a major part to vessel rentals in the Group's Saudi Arabian service project.

Depreciation and impairment during the period amounted to EUR 1.5 million (0.7).

Financial position

Lamor's interest-bearing liabilities comprise loans from financial institutions, capital loans and lease liabilities under IFRS 16. Lamor's interest-bearing liabilities on 31 March 2022 amounted to EUR 20.9 million (19.1) including lease liabilities for EUR 7.6 million (0.9). The Group's net debt totalled EUR 9.8 million (15.3). At the end of the period, the Group had liquid funds amounting to EUR 11.1 million (3.7). The funding needs in the large service projects have continued to tie working capital despite received significant customer payments. In addition, the oil spill response projects in Peru and Ecuador have tied up a significant amount of working capital due to the timing of the client invoicing. Similarly, the increase in the lease liabilities related to Saudi Arabian vessel hires has continued in the beginning of 2022 as planned.

The Group's senior priority financing arrangements included a financing limit of EUR 8.0 million, of which EUR 1.5 million is in use; loans of EUR 5.7 million, and an overdraft facility of EUR 3.5 million, which is not in use. The aggregate value of outstanding guarantees totalled EUR 28.8 million.

In addition to the aforementioned credit arrangements, at the end of the period Lamor had junior debt financing of EUR 2.3 million and a capital loan of EUR 3.0 million from the State Treasury granted in connection with the Growth Engine competition of Business Finland as well as State Treasury loans of EUR 0.8 million. These arrangements are subordinate to senior financing.

Personnel

In the reporting period, Lamor employed on average 968 persons, compared to 232 persons during Q1 2021. The average number of personnel is significantly impacted by the project nature of the Group's operations. At the beginning of the year, the Group's oil spill clean-up projects in Ecuador and Peru had a very strong impact on the number of personnel. These employees are having time-bound contracts for the period of the project delivery.

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 as of 19 January 2022.

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.

Sustainability actions

Lamor published its first sustainability report in March 2022. The report highlights the goals and achievements of Lamor to support sustainable business models. The report describes the sustainability strategy, goals and historical key performance indicators for 2021 and 2020 to demonstrate the current level of the KPIs. Lamor is continuously working towards being an even more sustainable market player using the most significant sustainability indicators.

During 2021, Lamor conducted a materiality assessment and Lamor formed its sustainability agenda based on the results of the assessment. The agenda is built on combining the business activities and their handprint with environmental and social targets and to reduce the company's footprint and to increase the net impact in the long term. These goals are systematically progressed and followed as part of the strategy implementation of Lamor.

The increasing environmental awareness and development of sustainable business models provide competitive advantages for Lamor. During the first quarter, Lamor has defined clear goals and targets for 2022. These targets include e.g., creating a life-cycle assessment model to assess the net impact of Lamor's solutions. With the model Lamor is able to create added value to the customers and support them in developing sustainable business models as well as analysing the net impact of the services provided by Lamor. In addition to calculating the carbon footprint and handprint, the aim is to always develop an efficient solution for the customer considering also the other environmental impacts.

Governance

Resolutions of the Annual General Meeting

The Annual General Meeting of Lamor Corporation Plc was held on 28 April 2022 under special arrangements.

The Annual General Meeting adopted the Company's 2021 financial statements, resolved not to distribute dividend and discharged the Board members and the Managing Director from liability for the financial year 2021.

The Annual General Meeting confirmed that, in accordance with the Shareholders' proposal made to the Annual General Meeting, the number of members of the Board of Directors shall be five (5) and resolved on the re-election of Nina Ehrnrooth, Fred Larsen, Kaisa Lipponen and Timo Rantanen as members of the Board of Directors and the election of Mika Ståhlberg as a new member of the Board of Directors. The term of the members of the Board of Directors ends at the close of the next Annual General Meeting.

The Annual General Meeting resolved that the remuneration payable to the members of the Board of Directors shall be EUR 20,000 annually for each member of the Board, except for the Chairman of the Board, who shall be paid EUR 50,000 annually, and the possible Vice Chairman of the Board, who shall be paid EUR 45,000 annually. In addition, the Chairman of the Audit Committee shall be paid a fixed annual remuneration of EUR 10,000 and each member of the Audit Committee EUR 5,000. In case the Chairman of the Audit Committee acts as the Chairman or as the Vice Chairman of the Board of Directors, no remuneration related to the committee work shall be paid. The Chairman of the Remuneration Committee shall be paid a fixed annual remuneration of EUR 5,000 and each member of the Remuneration Committee EUR 2,500. In case the Chairman of the Remuneration Committee acts as the Chairman or as the Vice Chairman of the Board of Directors, no remuneration related to the committee work shall be paid. In addition, the meeting fees payable to all the other members of the Board of Directors, except for the Chairman of the Board, shall be EUR 1,000 per each meeting. When a member participates in a meeting via remote connection, the meeting fee shall be EUR 750.

The Annual General Meeting re-elected the firm of authorised public accountants Ernst & Young Oy as the Company's Auditor to serve for a term ending at the close of the next Annual General Meeting, with APA Juha Hilmola continuing as the auditor with principal responsibility.

The Annual General Meeting resolved to authorise the Board of Directors to decide on the issuance of new shares or treasury shares. Under the authorisation, a maximum of 2,750,000 shares, which corresponds to approximately 10 per cent of all of the shares at the time of the proposal, may be issued.

The Annual General Meeting resolved to authorise the Board of Directors to decide on the issuance of shares as well as the issuance of option rights and other special rights entitling to shares pursuant to Chapter 10 of the Companies Act in such a way that the shares to be issued either directly or on the basis of option rights and other special rights under the authorisation shall not exceed 550,000 shares in aggregate, which would correspond to approximately two (2) per cent of all the Company's shares at the time of the proposal. The shares, option rights and other special rights entitling to shares may be issued in one or more tranches. The authorisation can be used to issue shares, option rights and other special rights as part of the management and employee incentive schemes of the Company.

The Annual General Meeting resolved to authorise the Board of Directors to decide on the acquisition of the Company's own shares in such a way that the number of own shares to be repurchased shall not exceed 2,750,000 shares. However, the Company together with its subsidiaries cannot at any moment own and/or hold as pledge more than 10 per cent of all the shares in the Company.

The Annual General Meeting resolved to establish a permanent Shareholders' Nomination Board.

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 March 2022, 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 March 2022, Lamor held 542,450 of its own shares.

The closing price of the share on the last trading day of the reporting period on 31 March 2022 was EUR 4.77. The highest price of the share in the reporting period was EUR 4.99 and the lowest EUR 4.05. Share turnover on First North Premier in January - March 2022 was approximately 1.4 million shares. The value of the share turnover was approximately EUR 6.3 million. Lamor's market capitalisation was approximately EUR 128 million on 31 March 2022 and number of shareholders 6,969.

Annual report for 2021

Lamor published its Annual Report, Sustainability Report, Corporate Governance Statement and Remuneration Report for the year 2021 on 31 March 2022.

Risks and business uncertainties

Risks related to operating environment

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.

Lamor operates in over 100 countries 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. In addition, COVID-19 pandemic has caused challenges in Lamor's supply chain and logistics.

Lamor closely follows how the Russian invasion of Ukraine is affecting our operating environment. Due to the war, Lamor has ceased the sales activities of our products and services in Russia. The global cost inflation as well as the shortage of raw materials and components caused by the Russian invasion is having an effect also on Lamor's business.

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, 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, the company 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

The coronavirus pandemic has caused significant uncertainty on the global economy and the financial markets. The recent development in China caused by the pandemic, has caused challenges in Lamor’s production and logistics chains and the Group has accelerated its efforts to find alternative sourcing channels.

Lamor closely follows how the Russian invasion of Ukraine is affecting our operating environment. Due to the war, Lamor has ceased the sales activities of our products and services in Russia. The global cost inflation as well as the shortage of raw materials and components is having an effect also on Lamor’s business. Lamor will continue to monitor the situation carefully.

Events after the reporting period

As announced in January 2022, Lamor has reinforced 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. Johan has started in his role on 2 May 2022.

The Annual General Meeting of Lamor Corporation Plc was held on 28 April 2022 under special arrangements. The resolutions of the Annual General Meeting and the resolutions of the Organisational Meeting of the Board of Directors have been announced on 28 April 2022.

Lamor announced a positive profit warning and raised its revenue and adjusted EBIT guidance for 2022. Lamor now estimates the revenue to be at least EUR 120 million and adjusted EBIT to be at least EUR 14 million for the full year 2022. Earlier the revenue was estimated to be at least EUR 110 million and adjusted EBIT to be at least EUR 12 million. Lamor published a company release regarding the change on 10 May 2022.

Financial calendar 2022

In 2022, Lamor will publish financial releases as follows:

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 shareholders, analysts and media

Webcast for shareholders, analysts and media will be arranged on 17 May 2022 at 10:00 EEST. The result will be presented by CEO Mika Pirneskoski and CFO Timo Koponen. The webcast includes a

Q&A session and participants can ask questions in English and Finnish via the event chat room. The webcast can be followed at lamor.videosync.fi/results-q1-2022.

A recording of the webcast will be available later at the company's website at investors.lamor.com/reports-and-presentations.

Porvoo, 17 May 2022
Lamor Corporation Plc
Board of Directors

Further enquiries

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Lamor Interim Report January-March 2022

Consolidated statement of profit and loss

EUR thousand	1–3/2022	1–3/2021	1–12/2021
Revenue	43,211	6,584	51,517
Materials and services	-26,632	-3,775	-29,919
Other operating income	29	68	857
Employee benefit expenses	-5,941	-1,716	-9,637
Other operating expenses	-2,765	-1,343	-6,618
Share of associated companies' profits	-1 954	-327	-185
EBITDA	**5,948**	**-509**	**6,014**
Depreciation, amortization, and impairment	-1,485	-733	-4,072
Operating profit (EBIT)	**4,463**	**-1,243**	**1,941**
Financial income	204	72	434
Financial expenses	-803	-224	-2,197
Profit before tax	**3,865**	**-1,394**	**178**
Income tax	-1,822	230	691
Profit for the financial year	**2,043**	**-1,165**	**869**
Attributable to			
Equity holders of the parent	1,884	-1,124	963
Non-controlling interests	159	-41	-94
Earnings per share			
Earnings per share, basic, EUR	0.07	-0.06	0.05
Weighted average number of shares outstanding, million *	26.96	19.80	20.35
Profit for the financial year	**2,043**	**-1,165**	**869**
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	346	401	510
Other comprehensive income (loss) for the year, net of tax	**346**	**401**	**510**
Total comprehensive income for the financial period	**2,389**	**-763**	**1,379**
Attributable to			
Equity holders of the parent	2,231	-722	1,473
Non-controlling interests	159	-41	-94

* The number of shares has been adjusted for share split, effective from November 2021, for all periods presented

Consolidated statement of financial position

EUR thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
Assets			
Non-current assets			
Goodwill	18,090	17,980	18,049
Intangible assets	4,073	4,381	4,245
Property, plant and equipment	7,482	4,262	4,581
Right-of-use assets	7,944	884	5,742
Investments in associated companies and joint ventures	1,663	3,601	3,671
Non-current receivables	1,783	-	1,442
Investments in other shares	418	360	418
Deferred tax assets	3,231	1,655	2,944
Assets	**44,684**	**33,122**	**41,093**
Current assets			
Inventories	10,158	9,866	9,069
Trade receivables	17,684	11,106	7,556
Contract assets	38,892	1,198	14,804
Prepayments and other receivables	7,097	4,995	9,098
Short-term investments	184	4	165
Cash and cash equivalents	11,116	3,738	28,871
Total current assets	**85,130**	**30,906**	**69,564**
Total assets	**129,814**	**64,028**	**110,657**

Equity and liabilities

EUR thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
Equity			
Share capital	3,866	3,866	3,866
Translation differences	438	-17	92
Reserve for invested unrestricted equity	44,303	12,019	44,303
Retained earnings / accumulated deficit	14,662	11,638	12,805
Equity attributable to equity holders of the parent	**63,269**	**27,507**	**61,067**
Non-controlling interests	1,043	977	839
Total equity	**64,312**	**28,484**	**61,905**
Non-current liabilities			
Interest-bearing loans and borrowings	8,903	5,165	9,178
Lease liabilities	4,166	123	3,056
Deferred tax liability	1,088	229	879
Other non-current financial liabilities	5,224	58	2,828
Total non-current liabilities	**19,380**	**5,575**	**15,942**
Current liabilities			
Interest-bearing loans and borrowings	4,422	13,018	10,019
Lease liabilities	3,401	768	2,410
Provisions	79	63	75
Trade payables	26,152	8,293	11,844
Contract liabilities	4,265	4,002	1,985
Other short-term liabilities	7,802	3,825	6,476
Total current liabilities	**46,121**	**29,969**	**32,810**
Total liabilities	**65,501**	**35,544**	**48,752**
Total equity and liabilities	**129,814**	**64,028**	**110,657**

Consolidated statement of changes in equity

2022			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 Jan 2022	**3,866**	**-**	**44,303**	**92**	**12,805**	**61,066**	**839**	**61,905**
Profit for the financial year	-	-	-	-	1,884	**1,884**	159	**2,043**
Other comprehensive income	-	-	-	346	-	**346**	**-**	**346**
Total comprehensive income	**-**	**-**	**-**	**346**	**1,884**	**2,231**	**159**	**2,389**
Registration of shares	-	-	-	**-**	-	**-**	**-**	**-**
New share issue	-	-	-	-			-	**-**
Expenses related to the share issue	-	-	-	-	-	**-**	-	**-**
Purchase of own shares	-	-	-	-	-	**-**	-	**-**
Acquisition of non-controlling interests*	-	-	-	-	-	**-**	-	**-**
Dividends to non-controlling interests	-	-	-	-	-	**-**	-	**-**
Other changes	**-**	**-**	**-**	**-**	-28	**-28**	46	**18**
Equity on 31 Mar 2022	**3,866**	**-**	**44,303**	**438**	**14,662**	**63,269**	**1,043**	**64,312**

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 Jan 2021	**3,866**	**621**	**11,398**	**-418**	**12,813**	**28,281**	**1,154**	**29,434**
Profit for the financial year	-	-	-	-	-1,124	**-1,124**	-41	**-1,165**
Other comprehensive income	-	-	-	401	-	**401**	-	**401**
Total comprehensive income	**-**	**-**	**-**	**401**	**-1,124**	**-723**	**-41**	**-764**
Dividends to non-controlling interests	-	-	-	-	-	**-**	**-**	**-**
Acquisition of non-controlling interests	-	-621	621	-	-	-	-	**-**
Other changes	-	-	-	-	-51	**51**	-136	**-186**
Equity on 31 Mar 2021	**3,866**	-	**12,019**	**-17**	**11,638**	**27,507**	**977**	**28,484**

Consolidated statement of cash flows

EUR thousand	1–3/2022	1–3/2021	1–12/2021
Cash flow from operating activities			
Profit for the financial year	**2,043**	**-1,165**	**869**
Adjustments for:			
Depreciation, amortisation, and impairment	1,485	733	4,072
Finance income and expenses	598	152	1,763
Gain on disposal of property, plant, and equipment	-	-	-381
Share of profit from associated companies and joint ventures	1,954	327	185
Taxes	1,822	-230	-691
Other non-cash flow related adjustments	271	-9	-41
Total adjustments	**6,130**	**974**	**4,908**
Change in working capital			
Change in trade and other receivables	-30,550	4,260	-13,395
Change in inventories	-1,043	-3,178	-1,899
Change in trade and other payables	16,057	-1,652	6,332
Total change in working capital	**-15,536**	**-571**	**-8,962**
Operating cash flow before financial and tax items	**-7,363**	**-761**	**-3,185**
Interest paid	-348	-223	-1,956
Interest received	30	57	163
Taxes paid	-47	-48	-379
Net cash flow from operating activities	**-7,727**	**-975**	**-5,357**
Cash flow from investing activities			
Acquisition of associates, joint ventures, and other shares	-	-474	-884
Purchase of intangible and tangible assets	-3,350	-994	-3,433
Proceeds from sale of tangible and intangible assets	12	-	50
Net cash flow from investing activities	**-3,338**	**-1,468**	**-4,267**
Cash flow from financing activities			
Proceeds and repayments from borrowings	-5,936	1,466	3,141
Repayment of lease liabilities	-754	-188	-1,573
Purchase of own shares	-	-	-261
Issue of new shares	-	-	35,420
IPO costs	-	-	-3,136
Acquisition of non-controlling interests	-	-379	-379
Net cash flow from financing activities	**-6,690**	**899**	**33,213**
Net change in cash and cash equivalents	**-17,755**	**-1,545**	**23,589**
Cash and cash equivalents, beginning of period	**28,871**	**5,282**	**5,282**
Cash and cash equivalents, end of period	**11,116**	**3,738**	**28,871**

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 interim financial report is unaudited.

Basis of preparation

The financial information included in this interim financial report for January – March 2022 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 2022, 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 2022. 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 31 December 2021.

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 performance measures 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.

Alternative performance measures

Adjusted EBIT and EBITDA EUR thousand	Q1 2022	Q1 2021	2021
Operating Profit (EBIT)	**4,463**	**-1,243**	**1,941**
Depreciations, amortisations and impairment	1,485	733	4,072
EBITDA	**5,948**	**-509**	**6,014**
Non-recurring Items			
Business combinations expenses	-	-	79
IPO related expenses	-	-	599
Impairment of Russian business	1,958	-	-
Adjusted EBITDA	**7,906**	**-509**	**6,692**
Depreciations, amortisations and impairment	-1,485	-733	-4,072
Amortisation of intangible assets identified in PPA	57	53	211
Adjusted EBIT	**6,478**	**-1,190**	**2,831**

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	1–3/2022	1–3/2021	Change %	1–12/2021
Equipment	4,479	4,576	-2%	22,884
Services	38,732	2,007	1,829%	28,632
Total revenue from contracts with customers	**43,211**	**6,584**	**556%**	**51,517**

Timing of revenue recognition

EUR thousand	1–3/2022	1–3/2021	Change %	1–12/2021
Transferred at a point in time	4,270	3,385	26%	21,126
Transferred over time	38,941	3,198	1,118%	30,390
Total revenue from contracts with customers	**43,211**	**6,584**	**556%**	**51,517**

Revenue by geographical area

EUR thousand	1–3/2022	1–3/2021	Change %	1–12/2021
EURU	2,126	1,846	15%	11,249
AMER	32,760	2,383	1,275%	11,626
APAC	225	1,566	-86%	6,034
MEAF	8,099	789	927%	22,608
Total revenue from contracts with customers	**43,211**	**6,584**	**556%**	**51,517**

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

Summary of contract balances

EUR thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
Trade receivables	17,684	11,106	7,556
Contract assets	38,892	1,198	14,804
Contract liabilities	7,097	4,002	1,985

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 three months ended 31 March 2022. 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's level.

Lamor has recorded an expected credit loss related to trade receivables and contract assets, amounting to EUR 1.0 million (EUR 2.2 million as of 31 March 2021).

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

Business combinations

Lamor did not make acquisitions or divestments of businesses during the period of January – March 2022 or during the comparison period.

Change in goodwill

EUR thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
Carrying value at the beginning of the year	**18,049**	**17,892**	**17,892**
Impairment	-	-	-
Additions	-	-	-
Acquired in business combinations	-	-	-
Exchange differences	41	87	157
Other changes and disposals	-	-	-
Carrying value at the end of the year	**18,090**	**17,980**	**18,049**

Change in tangible and intangible assets

EUR thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
Carrying value at the beginning of the year	**8,827**	**8,147**	**8,147**
Depreciation, amortization and impairment charges	-569	-545	-2,483
Additions	3,350	994	3,433
Acquired in business combinations	-	-	
Exchange differences	117	47	226
Grants received and disposals	-170	-	-497
Carrying value at the end of the year	**11,555**	**8,643**	**8,827**

Change in right-of-use assets

EUR thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
Carrying value at the beginning of the year	**5,742**	**1,010**	**1,010**
Depreciation, amortization and impairment charges	-916	-188	-1,707
Additions	2,908	-	6,233
Acquired in business combinations	-	-	-
Exchange differences	121	62	234
Other changes	89	-	-28
Carrying value at the end of the year	**7,944**	**884**	**5,742**

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 Mar 2022	31 Mar 2021	31 Dec 2021
Non-current interest-bearing loans and borrowings	8,903	5,165	9,178
Non-current lease liabilities	4,166	123	3,056
Current interest-bearing loans and borrowings	4,422	13,018	10,019
Current lease liabilities	3,401	768	2,410
Liquid funds	-11,116	-3,738	-28,871
Net debt total	**9,777**	**15,336**	**-4,208**

Classification of financial assets and liabilities

Financial assets 31 Mar 2022

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		-	-	1,783	1,783	1,783
Non-current financial assets total		**-**	**418**	**1,783**	**2,201**	**2,201**
Current financial assets						
Trade receivables		-	-	17,684	17,684	17,684
Contract assets		-	-	38,892	38,892	38,892
Investments in funds	**2**	184	-	-	184	184
Cash and cash equivalents		-	-	11,116	11,116	11,116
Current financial assets total		**184**	**-**	**67,692**	**67,875**	**67,875**
Financial assets total		**184**	**418**	**69,475**	**70,077**	**70,077**

Financial liabilities 31 Mar 2022

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		-	-	8,903	8,903	8,903
Lease liabilities		-	-	4,166	4,166	4,166
Other payables		-	-	5,224	5,224	5,224
Non-current financial liabilities total		**-**	**-**	**18,293**	**18,293**	**18,293**
Current financial liabilities						
Interest-bearing loans and borrowings		-	-	4,422	4,422	4,422
Lease liabilities		-	-	3,401	3,401	3,401
Derivative Instruments	**2**	139	-	-	139	139
Contingent consideration	**3**	279	-	-	279	279
Trade payables		-	-	26,152	26,152	26,152
Contract liabilities		-	-	4,265	4,265	4,265
Other current liabilities		-	-	7,802	7,802	7,802
Current financial liabilities total		**418**	**-**	**46,042**	**46,460**	**46,460**
Financial liabilities total		**418**	**-**	**64,335**	**64,753**	**64,753**

Financial assets 31 Dec 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
Other 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 Dec 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**

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 EUR 279 thousand, 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 EUR 279 thousand. 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	31 Mar 2022	31 Mar 2021	31 Dec 2021
Sales to associated companies and joint ventures	90	622	834
Sales to other related parties	41	-	-
Purchases from associated companies and joint ventures	21	66	218
Purchases from other related parties*	124	402	1,472

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

Receivables and liabilities from related parties

EUR thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
Receivables from associated companies and joint ventures	70	1,514	1,390
Receivables from other related parties	213	173	173
Liabilities to associated companies and joint ventures	17	24	6
Liabilities to other related parties	4	249	2

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 Mar 2022	31 Mar 2021	31 Dec 2021
Amounts receivable from associates and joint ventures	1,461	885	1,442
Amounts receivable from other related parties	-	-	-
Amounts payable to associates and joint ventures	-	-	-
Amounts payable to other related parties	-	2,429	271

Contingent liabilities and other commitments

Commitments

At the reporting date, 31 March 2022, Lamor had corporate mortgages of EUR 51.8 million (EUR 21.8 million on 31 March 2021) 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. 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 customers:

EUR thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
Performance and warranty guarantee	22,024	1,886	21,522
Advance payment and payment guarantee	5,909	2,128	2,077
Tender and bid bond guarantees	890	3,396	861
Total other commitments	**28,824**	**7,411**	**24,460**

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 + costs from listing on security market ――― 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	