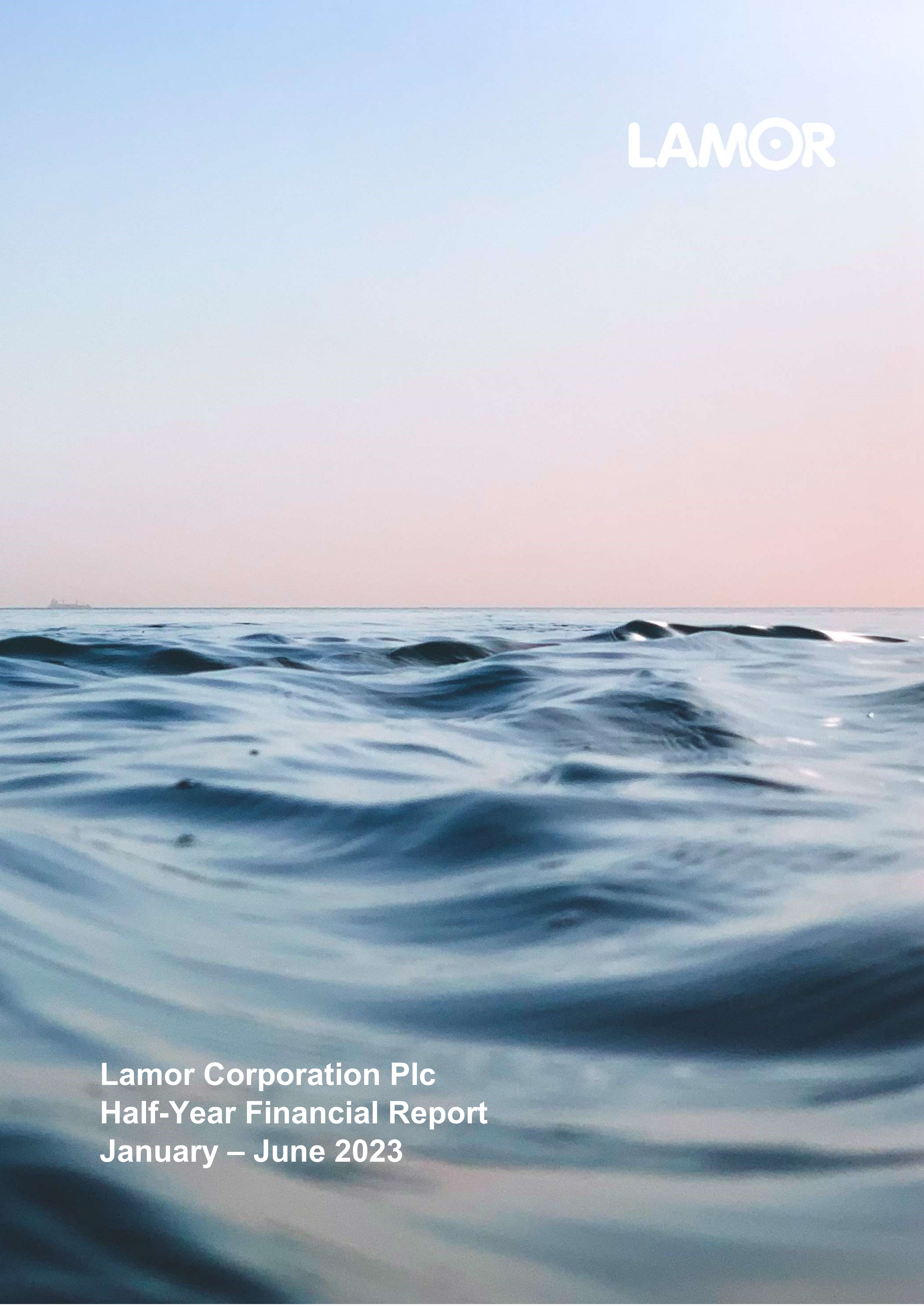


Lamor Corporation Plc
Half-Year Financial Report
January – June 2023

Lamor Corporation Plc
Half-Year Financial Report 1 January–30 June 2023

Large projects contributed to a good performance in the second quarter

April–June 2023 in brief

- Revenue increased by 52.1% year on year to EUR 33.8 million (22.2)
- EBIT was EUR 3.7 million (1.7)
- Adjusted EBIT increased by 108.5% and amounted to EUR 3.7 million (1.8) or 11.0% of revenue
- Net cash flow from operating activities was EUR 1.1 million (6.4)
- Earnings per share (basic) was EUR 0.09 (0.01)
- Orders received increased 31.3% and amounted to EUR 9.6 million (7.3)

January–June 2023 in brief

- Revenue decreased by 13.4% year on year to EUR 56.7 million (65.4)
- EBIT was EUR 3.8 million (6.2)
- Adjusted EBIT decreased by 52.4% and amounted to EUR 3.9 million (8.3) or 6.9% of revenue
- Net working capital at the period-end was EUR 51.0 million (28.8)
- Net cash flow from operating activities was EUR -7.7 million (-1.4)
- Earnings per share (basic) was EUR 0.07 (0.08)
- Orders received decreased 53.1% and amounted to EUR 20.4 million (43.6)
- Order backlog at the period-end was EUR 163.0 million (220.2)

CEO Update

We returned to the growth path during the second quarter of 2023. The second quarter revenue grew by approximately 52 per cent compared to the comparison period and was roughly 34 million euros. The revenue growth was primarily due to the start of the remediation activities in Kuwait and the good progress of the Bangladeshi project.

The revenue for the first six months was nearly 57 million euros, which is approximately 13 per cent below the comparison period. Our business model includes participating in projects relating to sudden environmental incidents which take place irregularly. The comparison period included two such environmental incident operations. If we exclude these two projects, we have continued our business growth also during the first half of the year. The lower revenue during the first quarter of the year combined with our growth investments have lowered our operating profit, but our profitability increased during the second quarter of the year as expected. We expect the positive trend, especially in terms of profitability, to continue during the second half of the year.

Good progress in large projects

The soil remediation projects in Kuwait progressed well during the second quarter. We were able to transport more contaminated soil to our treatment centers than expected and the bioremediation process worked more efficiently than anticipated. This had a positive impact on the second quarter's revenue. The favourable progress of the projects has been enabled by the extraordinary performance of our committed project team and we expect the project to continue performing well.

We were not successful in the tendering of the second phase of the Kuwait soil remediation project (SKETR) due to very tight price competition. Our good performance in the first phase increases, however, our possibilities to take part in the second phase of the remediation work as a subcontractor.

The Bangladeshi project has progressed to a stage, where the customer has reviewed certain parts of the partial deliveries, and the project is progressing as planned for both the equipment and vessel scopes.

The environmental preparedness project in the Kingdom of Saudi Arabia is in its maintenance phase and the amount of working capital tied to the project has decreased as planned.

Chemical recycling of plastics as a driver of Lamor's future growth

Our project to chemically recycle waste plastics in Kilpilahti, Porvoo, Finland, jointly with Resiclo Oy, is progressing as planned. The design phase is being finalised and in June the building permit for the facility was approved. The actual construction work shall commence in August. Currently, we estimate that the commissioning of the first phase will take place approximately in mid-2024. During the second quarter we also disclosed the news about a capital loan from the Finnish Climate Fund, which secures the project funding of the first phase. As a part of the equity investment finalised in July, Lamor's participation in the project company will increase to 70 %.

In the first phase, we plan to build a 10,000-ton chemical recycling capacity for plastic waste in Kilpilahti, but our medium-term target is to build a 40,000-ton chemical recycling capacity in Finland. With the help of the Finnish concept facility and our global network, we aim to build similar facilities in our strong markets. The long-term target is to build a capacity of 200,000 tons by 2030.

There is a requirement for the petrochemical industry to increase the use of recycled feedstock as a part of the industry's actions against climate change. With the help of chemical recycling of plastics, the need for virgin crude oil will decrease in the future. Lamor wants to be a part of the solution for this significant challenge.

Winning new projects in a key role during the second half of the year

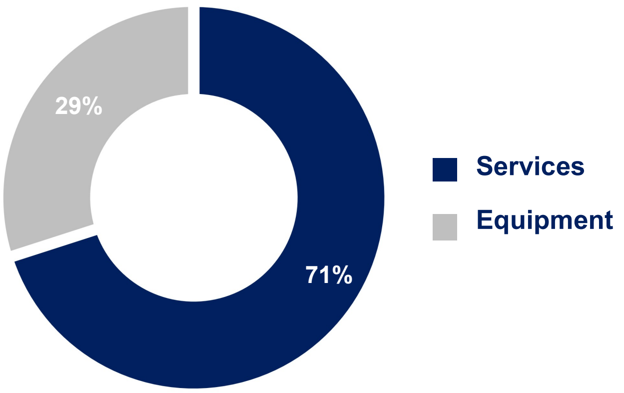
The revenue for the second quarter of 2023 was strong as expected and the profitability also increased compared to the first quarter. We maintain our previously communicated guidance for 2023. It is, however, possible that the weak economic prospects and high inflation may also affect Lamor's business opportunities.

The schedules of the tendering processes have been delayed and the amount of order intake has not been as high as expected during the first half of the year. The number of identified prospects and on-going tender processes is, however, very high and we expect to be able to disclose new projects during the remaining part of the year provided that the tender processes progress as expected.

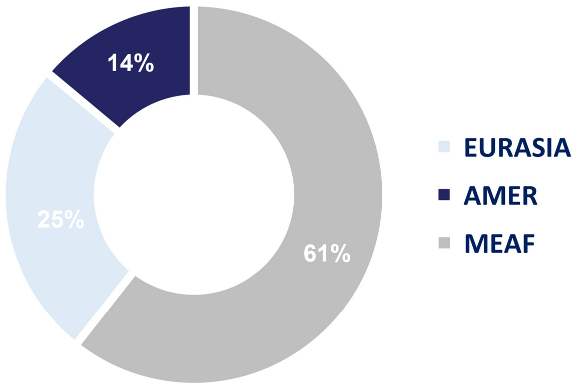
Mika Pirneskoski
CEO
Lamor Corporation Plc

Revenue split January–June 2023

Equipment and services

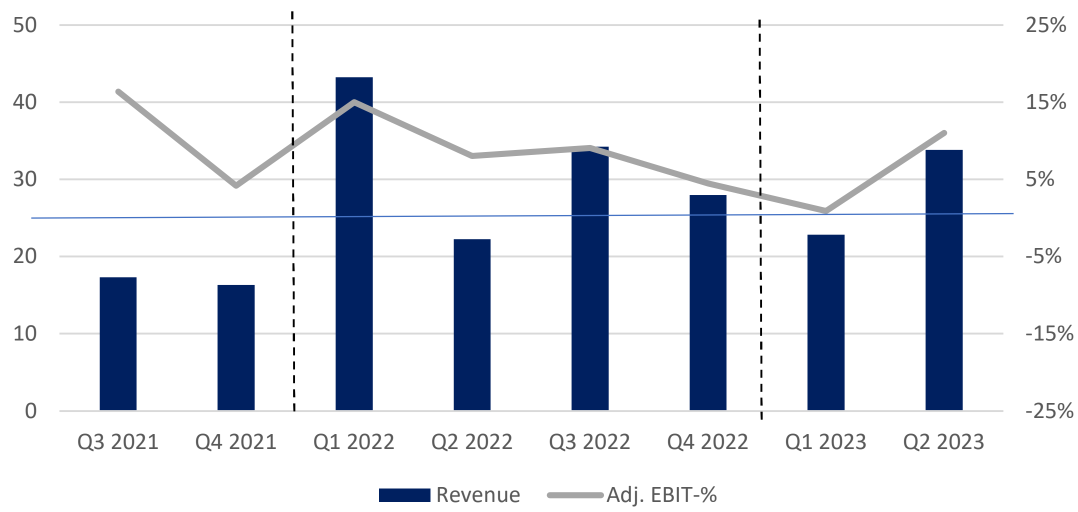


Areas*

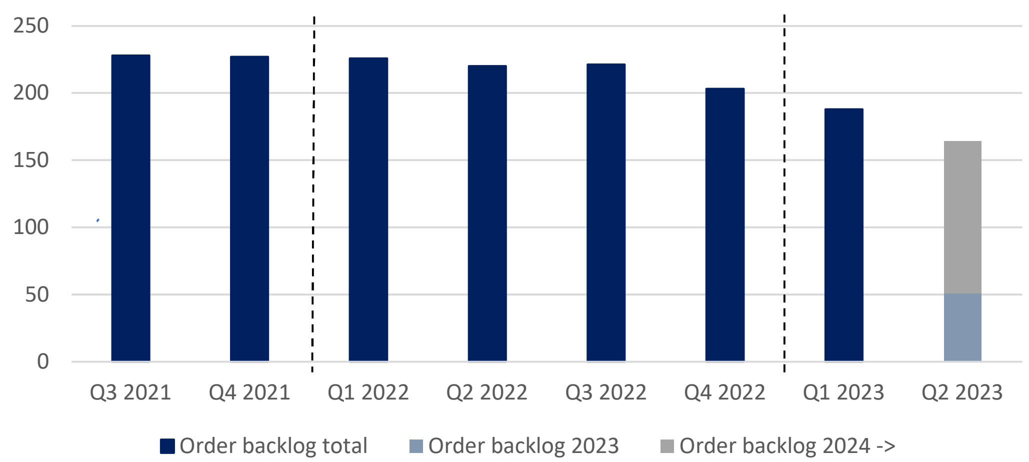


*EURASIA = Europe and Asia, AMER = Americas, MEAF = Middle East and Africa

Revenue (EUR million) and adjusted EBIT % per quarter



Order backlog at the end of the quarter (EUR million)



Key figures

EUR thousand unless otherwise noted	Q2 2023	Q2 2022	Change %	1-6/2023	1-6/2022	Change %	1–12/2022
Revenue	33,812	22,229	52.1%	56,659	65,440	-13.4%	127,656
EBITDA	5,349	3,540	51.1%	7,194	9,488	-24.2%	16,659
EBITDA margin %	15.8%	15.9%		12.7%	14.5%		13.1%
Adjusted EBITDA	5,349	3,540	51.1%	7,194	11,446	-37.1%	19,006
Adjusted EBITDA margin %	15.8%	15.9%		12.7%	17.5%		14.9%
Operating profit or loss (EBIT)	3,664	1,725	112.4%	3,817	6,188	-38.3%	10,018
Operating profit (EBIT) margin %	10.8%	7.8%		6.7%	9.5%		7.8%
Adjusted Operating Profit (EBIT)	3,723	1,785	108.5%	3,935	8,263	-52.4%	12,608
Adjusted Operating Profit (EBIT) margin %	11.0%	8.0%		6.9%	12.6%		9.9%
Profit (loss) for the period	2,404	439	447.8%	1,916	2,482	-22.8%	3,535
Earnings per share, EPS (basic), euros	0.09	0.01	519.7%	0.07	0.08	-15.2%	0.13
Earnings per share, EPS (diluted), euros	0.09	0.01	504.2%	0.07	0.08	-17.1%	0.13
Return on equity (ROE) %	3.8%	0.7%		3.0%	3.9%		5.8%
Return on investment (ROI) %	3.9%	2.0%		4.4%	7.3%		12.0%
Equity ratio %	47.5%	52.1%		47.5%	52.1%		53.0%
Net gearing %	36.1%	10.3%		36.1%	10.3%		23.2%
Net working capital	51,024	28,828	77.0%	51,024	28,828	77.0%	41,490
Orders received	9,619	7,328	31.3%	20,448	43,621	-53.1%	87,368
Order backlog	163,034	220,191	-26.0%	163,034	220,191	-26.0%	203,069
Number of employees at the period end	676	438	54.3%	676	438	54.3%	508
Number of employees on average	658	467	40.9%	604	718	-15.9%	604

Market outlook

Globally increasing environmental awareness creates continuous demand for sustainable environmental solutions. The objectives set for the green transition emphasize mitigation of climate change, protection of biodiversity and recycling of materials. Increased understanding of the sensitivity of ecosystems has added pressure for the governmental and private sectors to be better prepared for future incidents and finance the clean-up operations of the legacy contamination.

Increased environmental awareness has led to tightening environmental legislation. For instance, sufficient oil spill response equipment and service capabilities have a critical role in the future of environmental protection. The shift has led governments and private sector to pay attention to uncleaned areas with soil and water contamination. There is a large number of restoration liabilities arising from earlier environmental incidents on a global level, and for instance a remarkable number of earlier significant oil spills still remain uncleaned. Lamor seeks to utilise its strong expertise to grow in these market segments and areas. Lamor expects the demand for its solutions to increase significantly also in the future.

With its wide-ranging technology portfolio and experience of soil remediation and water treatment solutions, Lamor can offer its clients comprehensive solutions to improve their environmental preparedness capabilities, to decrease their restoration liability and to enhance the recycling of materials.

As a part of their actions to combat climate change, the petrochemical industry aims at decreasing the need for virgin crude oil. The share of global emissions from plastics production accounts for over 3 per cent of all global emissions, as the amount of plastic waste in the world has doubled in the past 20 years. Currently, only a tenth of all plastic waste is recycled correctly. The chemical plastic recycling market is expected to be in the magnitude of hundreds of billions of euros by 2050. Lamor is expanding its material recycling operations by building a blueprint factory for chemical recycling of plastics in Finland, with the aim of building similar facilities in its strong market areas by utilising its global network.

Guidance for 2023

In accordance with the guidance published on 28 February 2023, Lamor estimates that its revenue for 2023 will be in the range of EUR 120–135 million and that the adjusted operating profit (EBIT) margin for the full year 2023 will be in the range of 8–11%.

Lamor has a strong order backlog for 2023. Since a significant part of the revenue is generated by large service project deliveries, any major changes in the project progress would have an impact on revenue and profit for 2023.

Lamor is participating in several major tendering related discussions and expects requests for tendering to open and the decisions in the tenders to be made during 2023. The timing of the tenders as well as Lamor's success in the processes will have an impact on the revenue and profitability in 2023.

Lamor has recruited a significant number of new professionals in 2022. This will support reaching the company's long-term financial targets but will increase the relative share of fixed expenses in 2023.

Lamor follows closely the changes in the geopolitical environment in its operating countries. These changes may have either a negative or a positive impact on Lamor's business, for instance through changes in the schedules or cost structures of the projects.

Long-term financial targets

On 22 November 2022, Lamor communicated the decision of the company's Board of Directors on Lamor's long-term financial targets. These targets are pursued at the latest during the financial year following the strategy period 2023-2025 as follows:

- Growth: Increase of annual revenue to over EUR 250 million
- Profitability: 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.

In accordance with the company's dividend policy. Lamor aims to distribute annual dividends, while keeping growth as the company's most important target.

Financial performance

April–June 2023

During the reporting period, the Group’s revenue was EUR 33.8 million (22.2). The increase from the comparison period was 52.1%. At comparable exchange rates, the revenue increased by 61.7%. Revenue was generated particularly through our projects in Kuwait and Bangladesh.

Adjusted EBIT increased 108.5% year on year and amounted to EUR 3.7 million (1.8) or 11.0% (8.0%) of revenue.

The Group's profit before taxes was EUR 2.8 million (1.0).

The value of new orders received during the reporting period was EUR 9.6 million (7.3), which is 31.3% more than in the comparison period. At comparable exchange rates, the increase was 53.3%.

January–June 2023

During the reporting period, the Group’s revenue amounted to EUR 56,7 million (65.4). The decrease from the comparison period was 13.4%. At comparable exchange rates, the revenue decreased by 13.6%. Revenue was generated primarily by our long-term projects in Kuwait, which progressed even better than anticipated, and the project in Saudi Arabia and the delivery projects in Bangladesh which all progressed according to plan. In the comparison period, revenue was significantly impacted by the environmental response and clean-up projects in Peru and Ecuador**.**

Adjusted EBIT decreased 52.4% year on year and amounted to EUR 3.9 million (8.3) or 6.9% (12.6%) of revenue.

Depreciations stood at EUR -3.4 million (-3.3) and included EUR -1.9 million (-2.0) depreciations of right-of-use assets (IFRS 16), mainly related to the Group's project in Saudi Arabia.

Financial income and expenses of EUR -1.7 million (-1.3) were mainly related to valuation of USD-denominated and pegged receivables and debts, and related hedging and customary interest and guarantee expenses.

The Group's profit before taxes was EUR 1.9 million (4.9).

Net cash flow from operating activities was EUR -7.7 million (-1.4). In Saudi Arabia, the payments have normalised and a significant amount of working capital has been released from the project. The Kuwaiti projects continued to tie up working capital. In Kuwait, customer billing is strongly tied to the start-up and progress of soil clean-up operations. The soil remediation works have started with a good pace and the progress is expected to further accelerate during the third quarter.

Cash flow from investments was EUR -1.6 million (-6.1), which mainly consisted of investments in oil spill response service equipment and the development of the global network and business within the Business Finland Growth Engine programme.

The Group's equity ratio was 47.5% (52.1%) and net gearing stood at 36.1% (10.3%).

Order backlog at the end of the period totalled EUR 163.0 million (220.2). The value of new orders received during the reporting period was EUR 20.4 million (43.6), which is 53.1% less than in the comparison period. At comparable exchange rates, the decrease was 53.2%. The number of ongoing and expected tendering, however, continues to be significant and results from them are expected during the latter half of the year.

Investments

In January–June 2023, investments in tangible and intangible assets were EUR 1.7 million (6.2).

Right-of-use assets, mostly related to vessels used in the service project in Saudi Arabia, amounted to EUR 3.6 million (7.4) at the end of the period.

In January–June, depreciation and impairment totalled EUR -3.4 million (-3.3).

Financial position

Lamor's interest-bearing liabilities comprise loans from financial institutions, capital loans and lease liabilities under IFRS 16. On 30 June 2023, Lamor's interest-bearing liabilities amounted to EUR 30.3 million (20.2), of which lease liabilities were EUR 3.6 million (7.1). The Group's net debt totalled EUR 23.2 million (6.7). At the end of the reporting period, the Group had liquid funds amounting to EUR 7.1 million (13.5). Particularly Kuwaiti projects continue to tie up working capital despite significant customer payments received.

The Group's senior priority financing arrangements included a loan of EUR 11.5 million and a financing limit of EUR 8.0 million, of which EUR 2.0 million remained unused at the end of the reporting period. Additionally, the company has an overdraft facility of EUR 7.0 million, of which EUR 1.8 million was in use on 30 June 2023. At the end of the reporting period, other bank loans amounted to EUR 0.6 million. At the end of the period, the aggregate value of outstanding guarantees was EUR 40.7 million (29.3). When estimating the amount of interest-bearing debt financing, it is good to take into account the amount of the company's total liabilities, including the company's guarantee obligations, which apply especially to large delivery projects.

In addition to the aforementioned credit arrangements, at the end of the reporting period Lamor had junior debt financing of EUR 1.9 million, a capital loan of EUR 4.3 million from the State Treasury granted in connection with the Growth Engine competition of Business Finland, and a loan of EUR 0.4 million granted by the State Treasury. These credit arrangements, totalling EUR 6.6 million, are subordinate to senior funding and are not included in the covenant calculation.

Lamor was contemplating the issuance of green notes during the period but withdrew the contemplated issuance due to prevailing market conditions in June 2023. Lamor continues the discussions on potential debt financing and evaluates the amount, structure and timing of debt financing pursued.

Personnel

During January–June 2023, Lamor employed on average 604 (718) persons. At the end of the period, Lamor employed 676 (438) persons.

The number of personnel fluctuates according to the major projects Lamor has on-going at each time. During the period, especially the soil remediation projects in Kuwait increased the number of employees. In the comparison period, the main contributors to the increased number of personnel were the clean-up projects of environmental incidents in Ecuador and Peru.

Sustainability

Sustainability is at the core of Lamor's strategy. Our vision about a cleaner tomorrow highlights our sustainable business model. Lamor aims to increase positive environmental impacts with solutions relating to environmental protection and material recycling.

Lamor's solutions promote circular economy, protection of biodiversity and careful use of scarce natural resources. Our strategic co-operation with customers and partners reinforced with continuous innovation is the key to sustainable business.

Lamor defined its Green Finance Framework

In May 2023, Lamor published its Green Finance Framework, which enables Lamor to mobilise debt capital for solutions related to global protection and restoration of environment and ecosystems, as well as material recycling solutions. Development and investments in the eligible green projects under the Framework promote protection of biodiversity, climate change mitigation, and support efficient usage of scarce natural resources. CICERO Shades of Green has rated Lamor's Green Finance Framework as CICERO Medium Green.

Annual renewal of Nasdaq Green Equity Designation

In 2022, Lamor was the first company in Finland to receive the Nasdaq Green Equity Designation. CICERO Shades of Green made its annual review of Lamor's business operations in January 2023 and approved the renewal of the designation for Lamor.

Enhancement of the sustainability reporting continues

In 2022, Lamor prepared its first annual sustainability report in accordance with the GRI (Global Reporting Initiative) Standards, hence significantly extending its reporting scope from before. As Lamor strives to promote sustainability in all its activities, the defined material topics will guide the company further in sustainable development and actions during the coming years.

In 2023, we have also continued actions to develop our sustainability KPIs and started collecting sustainability information regularly also during the financial period. This enables us to monitor the positive and negative impacts and identify development areas and actions in a timely manner.

To improve our knowledge around sustainable development and the accuracy of our sustainability reporting we have increased the frequency and scope of our internal sustainability trainings. By creating these prerequisites for sustainable business, we will increase our capabilities for long-term added value creation to our stakeholders.

Lamor has initiated actions towards supply chain mapping with a goal to reduce emissions of the purchased goods and services. The aim is to identify all relevant suppliers and their possibilities to decrease the negative impacts.

Lamor's work towards its social targets

Social sustainability is part of Lamor's culture, and it is essential for Lamor to continuously work on its progress and develop the management of these topics.

Lamor has recently tightened its ethical principles, compliance approach and screening criteria of the external parties. Work towards ensuring human rights and equality has also progressed through the extension of Lamor's whistleblowing channel to cover external parties, such as workers in Lamor's value chain not employed by Lamor.

Governance

Resolutions of the Annual General Meeting

The Annual General Meeting of Lamor Corporation Plc was held on 4 April 2023 as a hybrid meeting in accordance with the Finnish Companies Act. As an alternative to participating in the General Meeting at the meeting venue, shareholders could exercise their rights fully during the meeting remotely. The Annual General Meeting was in favour of all proposals submitted to the General Meeting by the Board of Directors and the Shareholders' Nomination Board.

The Annual General Meeting adopted the 2022 financial statements, resolved not to distribute dividend, discharged the Board members and the Managing Director from liability, and approved the

2022 Remuneration Report for Governing Bodies. The Annual General Meeting resolved on the remuneration payable to the members of the Board of Directors, and the number of members of the Board of Directors, and re-elected Nina Ehrnrooth, Fred Larsen, Kaisa Lipponen, Timo Rantanen and Mika Ståhlberg as members of the Board of Directors. The firm of authorised public accountants Ernst & Young Oy was re-elected as the Company's Auditor, with APA Juha Hilmola continuing as the auditor with principal responsibility.

The Annual General Meeting resolved on amending Lamor's Articles of Association by updating the company's line of business, by amending the rights to represent the company, by supplementing the heading and content of the section regarding the notice, registration and venue of the General Meeting, and on a technical amendment of a section on the recording of the company's shares in the book-entry system.

The Annual General Meeting resolutions are available in their entirety on the company´s website.

General Meeting's authorisations to the Board of Directors

The Annual General Meeting resolved on 4 April 2023 to authorise the Board of Directors to decide on the issuance of new shares or treasury shares, on the terms defined in the resolution. Under the authorisation, a maximum of 2,500,000 shares, which corresponds to approximately 9 per cent of all of the shares at the time of the proposal, may be issued. The share issue may be targeted, in deviation from the shareholders' pre-emptive rights, provided that there is a weighty financial reason for the company to do so and provided that a directed share issue is in the interest of the company and its shareholders.

The Annual General Meeting resolved on 4 April 2023 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 2,500,000 shares, on the terms defined in the resolution. 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 on 4 April 2023 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 and on the terms defined in the resolution 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 authorisations are valid until the close of next Annual General Meeting, however no longer than until 30 June 2024. The Board of Directors did not use the authorizations during January–June 2023.

Organisation of the Board of Directors

Convening after the Annual General Meeting on 4 April 2023, the Board of Directors elected Mika Ståhlberg as its Chair and Fred Larsen as the Deputy Chair. The Board appointed from among its members the following members to the committees: Audit Committee: Chair Timo Rantanen, Kaisa Lipponen, Mika Ståhlberg; Remuneration Committee: Chair Timo Rantanen, Nina Ehrnrooth, Kaisa Lipponen.

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. Lamor's shares are registered in the Finnish book-entry system maintained by Euroclear Finland.

At the end of the reporting period on 30 June 2023, Lamor's share capital was EUR 3,866,375.40 (3,866,375.40) and total number of shares outstanding was 26,959,974 (26,959,974) excluding shares held in treasury. On 30 June 2023, Lamor held 542,450 (542,450) of its own shares.

The closing price of the share on the last trading day of the reporting period on 30 June 2023 was EUR 3.94 (4.55). The highest price of the share in the reporting period January–June 2023 was EUR 4.75 (4.99) and the lowest one EUR 3.78 (4.05). Share turnover on Nasdaq First North Premier in January–June 2023 was approximately 0.9 (2.2) million shares. The value of the share turnover was approximately EUR 4.1 (10.3) million. On 30 June 2023, Lamor's market capitalisation was approximately EUR 106 (123) million, and the company had 6,623 (6,892) shareholders.

Share-based incentives

In 2022, the Board of Directors of Lamor decided to establish new share-based incentive plans for the key personnel of Lamor.

Maximum of ten (10) key individuals, including Management Team members and the CEO, have been approved as eligible for participating in the plan period 2023–2025. The gross rewards to be paid on the basis of the plan period 2023–2025 correspond to the value of approximate maximum total of 140,000 Lamor shares, including also a cash proportion.

Long-term Incentive Plan for the CEO is a one-time plan covering the financial years 2022–2028. The potential rewards will be paid in two or several instalments during the financial years 2024–2029 after each of the set targets of the increase of Lamor's market value have been reached. The gross rewards to be paid to the CEO on the basis of the plan correspond to the value of maximum total of 550,000 Lamor shares, including also a cash proportion.

The Board of Directors decides at the potential reward payments whether the share proportions will be paid by using existing treasury shares or new Lamor shares to be issued.

Risks and business uncertainties

Risks related to operating environment

Lamor's operations are affected by various business environment related, regulatory, operational and financial risks. Lamor seeks to exploit emerging opportunities and to limit the adverse effects of potential threats. The objective of Lamor's risk management is to ensure efficient and successful strategy implementation for achieving both long- and short-term goals. The task of Lamor's Board of Directors 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 over 20 countries, and the company 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 global 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 decisions steering them.

Since the Russian attack to Ukraine, Lamor Corporation and entities controlled by it have ceased the sale and deliveries of any technologies, services or solutions to Russia.

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 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, 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 that 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 disasters and problems in Lamor's supply contracts or a global state of emergency, or due to disruptions in supply chains.

Since Lamor's reporting currency is the euro, the company 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 U.S. dollar and U.S dollar linked rates.

Lamor's business is especially at this growth stage project oriented. Lamor is globally responsible for several demanding projects relating to environmental clean-up simultaneously. Due to this, successful project management has a significant impact on the profitability of Lamor's business and future prospects.

Lamor is building the first large scale facility for chemical recycling of plastics in Finland. Limited experience in the treatment process in Finland may cause a risk relating to the completion schedule of the facility.

The impacts of the climate change are causing changes also in Lamor's business environment. Climate change may cause extreme phenomena like heavy rainfall and extreme draught that may complicate Lamor's project deliveries for instance during extremely hot or rainy periods. Part of Lamor's business operations are related to the oil and gas industry and decreased usage of oil may impact Lamor's business opportunities in the longer term. Lamor has, however, expanded its offering to ensure the growth of its business despite of this change.

Risks related to Lamor's financing and financial position

Lamor's business is working capital intensive. Even though the fixed costs of Lamor's business are mainly scalable, achieving significant growth in the business will require investments in equipment and personnel, among other things. In addition, Lamor's new plant projects related to the chemical recycling of plastics will require significant investments in the future. 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, 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 and 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.

Persistently high inflation and slow-down of the economy cause uncertainties also on Lamor’s operating environment. The rise in interest rates will increase Lamor's financial expenses.

Near-term risks and uncertainties

Lamor’s business is global and exposed to political, economic, legislative and social conditions and risks related those in its operating countries. The development of Lamor’s business also partly depends on the general development of the public finances and the political decision-making that guides the public finances.

Lamor follows carefully the changes in geopolitical environment in its operating countries. They may have a negative impact on Lamor’s business, changing for instance the schedules, costs and supply chains of our projects.

A significant part of Lamor’s business consists of large projects based on tenders. Uncertainties related to the timing and success of tenders affect Lamor’s revenue and profitability.

Since the Russian attack to Ukraine, Lamor Corporation and entities controlled by it have ceased the sale and deliveries of any technologies, services or solutions to Russia.

Persistently high inflation and slow-down of the economy cause uncertainties also on Lamor’s operating environment. The rise in interest rates will increase Lamor's financial expenses.

Main events published during the first quarter of 2023

On 14 March 2023, Lamor communicated on a commencement of a new performance period in the performance share plan, covering the financial years 2023–2025.

Lamor communicated on 22 May 2023 that it considers the issuance of new euro-denominated fixed-rate senior unsecured green notes with a minimum aggregate nominal amount of EUR 30 million and with a tenor of 3 years. On 7 June 2023 Lamor, however, announced that due to prevailing market conditions, the company has decided to withdraw, at this stage, the contemplated issuance of the notes. Lamor communicated that it continues the discussions on potential debt financing and evaluates, together with its financial advisers, the amount, structure and timing of debt financing pursued.

Events after the reporting period

The company has not had any significant events after the reporting period.

Financial calendar for 2023

Lamor will publish the following financial reports during 2023:

Interim Report for January–September 2023 will be published on 31 October 2023.

Webcast for shareholders, analysts and media

Webcast for shareholders, analysts and media on the results of the first half of the year will be arranged on 25 July 2023 at 10:00 a.m. EEST. 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/q2-2023-results.

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

Porvoo, 25 July 2023
Lamor Corporation Plc
Board of Directors

Further enquiries

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Certified advisor

Danske Bank A/S, Finland Branch

Lamor Half-Year Financial Report January–June 2023

Consolidated statement of profit and loss

EUR thousand	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1–12/2022
Revenue	33 812	22,229	56 659	65,440	127,656
Materials and services	-21 732	-13,861	-35 347	-40,493	-80,279
Other operating income	37	144	103	173	386
Employee benefit expenses	-4 762	-3,291	-9 710	-9,232	-19,386
Other operating expenses	-2 164	-2,017	-4 806	-4,782	-9,909
Share of associated companies' profits	158	337	296	-1,617	-1,809
EBITDA	**5 349**	**3,540**	**7 194**	**9,488**	**16,659**
Depreciation, amortization, and impairment	-1 685	-1,815	-3 377	-3,300	-6,641
Operating profit (EBIT)	**3 664**	**1,725**	**3 817**	**6,188**	**10,018**
Financial income	383	581	540	785	1,468
Financial expenses	-1 235	-1,266	-2 288	-2,069	-4,947
Profit before tax	**2 812**	**1,039**	**2 069**	**4,904**	**6,540**
Income tax	-408	-600	-154	-2,422	-3,005
Profit for the financial year	**2,404**	**439**	**1,916**	**2,482**	**3,535**
Attributable to					
Equity holders of the parent	2,468	398	1,936	2,283	3,462
Non-controlling interests	-63	41	-21	199	73
Earnings per share					
Earnings per share, basic, EUR	0.09	0.01	0.07	0.08	0.13
Earnings per share, diluted, EUR	0.09	0.01	0.07	0.08	0.13
Profit for the financial year	**2,404**	**439**	**1,916**	**2,482**	**3,535**
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	-52	1,144	-325	1,490	627
Other comprehensive income (loss) for the year, net of tax	**-52**	**1,144**	**-325**	**1,490**	**627**
Total comprehensive income for the financial period	**2,353**	**1,583**	**1,590**	**3,972**	**4,162**
Attributable to					
Equity holders of the parent	2,416	1,542	1,611	3,773	4,090
Non-controlling interests	-63	41	-21	199	73

Consolidated statement of financial position

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
Assets			
Non-current assets			
Goodwill	18,630	18,233	18,634
Intangible assets	4,098	4,047	4,016
Property, plant and equipment	9,496	9,444	9,636
Right-of-use assets	3,577	7,432	5,293
Investments in associated companies and joint ventures	2,104	2,000	1,808
Non-current receivables	1,536	1,962	1,791
Investments in other shares	411	418	418
Deferred tax assets	4,494	3,158	2,916
Assets	**44,346**	**46,694**	**44,512**
Current assets			
Inventories	9,277	11,699	10,359
Trade receivables	23,570	21,853	29,396
Contract assets	46,597	34,833	38,448
Prepayments and other receivables	8,325	6,342	6,523
Short-term investments	17	165	238
Cash and cash equivalents	7,118	13,474	4,889
Total current assets	**94,905**	**88,366**	**89,854**
Total assets	**139,251**	**135,060**	**134,366**

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
Equity and liabilities			
Equity			
Share capital	3,866	3,866	3,866
Translation differences	394	1,582	719
Reserve for invested unrestricted equity	44,303	44,303	44,303
Retained earnings / accumulated deficit	15,599	14,902	12,720
Equity attributable to equity holders of the parent	**64,163**	**64,654**	**61,609**
Non-controlling interests	1,381	1,135	1,439
Total equity	**65,545**	**65,789**	**63,048**
Non-current liabilities			
Interest-bearing loans and borrowings	10 771	8,283	10,723
Lease liabilities	362	3,686	2,060
Deferred tax liability	2 622	486	1,640
Other non-current financial liabilities	3 864	2,686	6,977
Total non-current liabilities	**17 618**	**15,140**	**21,401**
Current liabilities			
Interest-bearing loans and borrowings	15 891	4,723	3,302
Lease liabilities	3 251	3,459	3,074
Provisions	201	50	304
Trade payables	10 816	23,772	12,656
Contract liabilities	12 081	10,940	18,158
Other short-term liabilities	13 848	11,187	12,424
Total current liabilities	**56,088**	**54,130**	**49,918**
Total liabilities	**73,707**	**69,271**	**71,318**
Total equity and liabilities	**139,251**	**135,060**	**134,366**

Consolidated statement of changes in equity

2023 **Attributable to the equity holders of the parent**

EUR thousand	Share capital	Issue of shares	Fund for unrestricted equity	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity on 1 Jan 2023	**3,866**	**-**	**44,303**	**719**	**12,720**	**61,609**	**1,439**	**63,048**
Profit for the financial year	-	-	-	-	1,936	1,936	-21	**1,916**
Other comprehensive income	-	-	-	-325	-	**-325**	**-**	**-325**
Total comprehensive income	**-**	**-**	**-**	**-325**	**1,936**	**1,611**	**-21**	**1,590**
Share-based compensation settled in equity	-	-	-	-	76	**76**	-	**76**
Purchase of own shares	-	-	-	-	-	**-**	-	**-**
Acquisition of non-controlling interests*	-	-	-	-	911	**911**	-	**911**
Dividends to non-controlling interests	-	-	-	-	-	**-**	-43	**-43**
Other changes	**-**	**-**	**-**	**-**	-44	**-44**	6	**-38**
Equity on 30 Jun 2023	**3,866**	**-**	**44,303**	**394**	**15,599**	**64,163**	**1,381**	**65,545**

*) Revaluation of the contingent consideration related to the purchase of non-controlling interests in Corena S.A., Lamor Perú SAC and Corena Colombia SAS.

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	-	-	-	-	2,283	**2,283**	199	**2,482**
Other comprehensive income	-	-	-	**1,490**	-	**1,490**	-	**1,490**
Total comprehensive income	**-**	**-**	**-**	**1,490**	**2,283**	**3,773**	**199**	**3,972**
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	-	-	-	-	-186	**-186**	97	**-88**
Equity on 30 Jun 2022	**3,866**	-	**44,303**	**1,582**	**14,902**	**64,654**	**1,135**	**65,789**

Consolidated statement of cash flows

EUR thousand	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1–12/2022
Cash flow from operating activities					
Profit for the financial year	**2,404**	**439**	**1,916**	**2,482**	**3,535**
Adjustments for:					
Depreciation, amortisation, and impairment	1,685	1,815	3,377	3,300	6,641
Finance income and expenses	852	686	1,748	1,284	3,479
Gain on disposal of property, plant, and equipment	-31	-136	-46	-136	-331
Share of profit from associated companies and joint ventures	-158	-337	-296	1,617	1,809
Taxes	408	600	154	2,422	3,005
Other non-cash flow related adjustments	164	204	272	475	1,031
Total adjustments	**2,920**	**2,832**	**5,209**	**8,962**	**15,633**
Change in working capital					
Change in trade and other receivables	-1,997	526	-3,061	-30,024	-42,253
Change in inventories	1,001	-1,428	845	-2,471	-1,282
Change in trade and other payables	-2,575	4,271	-9,803	20,328	21,394
Total change in working capital	**-3,571**	**3,369**	**-12,019**	**-12,167**	**-22,141**
Operating cash flow before financial and tax items	**1,753**	**6,640**	**-4,895**	**-723**	**-2,972**
Interest paid	-362	-543	-684	-891	-863
Interest received	8	104	30	134	376
Other financing items	-396	-	-680	0	-2,649
Taxes paid	72	154	-1,450	107	-378
Net cash flow from operating activities	**1,075**	**6,355**	**-7,679**	**-1,372**	**-6,486**
Cash flow from investing activities					
Acquisition of associates, joint ventures, and other shares	-	0	-	0	-659
Purchase of intangible and tangible assets	-818	-2,781	-1,686	-6,132	-7,840
Proceeds from sale of tangible and intangible assets	38	306	100	319	540
Loans granted	-	-289	-	-289	-
Net cash flow from investing activities	**-780**	**-2,764**	**-1,586**	**-6,102**	**-7,959**
Cash flow from financing activities					
Proceeds and repayments from borrowings	-32	-364	12,932	-6,300	-5,383
Repayment of lease liabilities	-788	-868	-1,439	-1,623	-3,535
Purchase of own shares	-	-	-	-	-
Issue of new shares	-	-	-	-	-
IPO costs	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-618
Net cash flow from financing activities	**-820**	**-1,233**	**11,493**	**-7,923**	**-9,537**
Net change in cash and cash equivalents	**-525**	**2,358**	**2,229**	**-15,397**	**-23,982**
Cash and cash equivalents, beginning of period	**7,644**	**11,116**	**4,889**	**28,871**	**28,871**
Cash and cash equivalents, end of period	**7,118**	**13,474**	**7,118**	**13,474**	**4,889**

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 solutions and technologies. Lamor’s vision is a clean tomorrow, and Lamor strives to this vision together with its customers and partners through environmental protection and material recycling solutions.

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

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

This half-year financial report is unaudited.

Basis of preparation

The financial information included in this half-year financial report for January–June 2023 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 2023, Lamor Group has adopted new or amended IFRS’s and interpretations, as issued by IASB, effective for financial periods commencing on 1 January 2023. Except for the changes presented above, the accounting policies applied in the preparation of this financial statements release are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022.

In this half-year financial report, the figures are presented in thousand euros subject to rounding, which may cause some rounding inaccuracies in aggregate column and row totals.

Revenue, segment reporting, adjusted key figures and geographical information

Lamor is one of the leading global suppliers of environmental solutions and technologies. The mission of Lamor is to clean the world, through its environmental protection and material recycling solutions.

The profitability and result reporting of the Group are 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 in decision making reporting principles that are consistent with the IFRS accounting principles of the Group. The chief operating decision maker uses performance-related key figures to support the decision making, most importantly order intake, revenue, EBITDA and operating profit (EBIT). 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 Lamor.

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	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1–12/2022
Operating profit (EBIT)	**3,664**	**1,725**	**3,817**	**6,188**	**10,018**
Depreciations, amortisations and impairment	1,685	1,815	3,377	3,300	6,641
EBITDA	**5,349**	**3,540**	**7,194**	**9,488**	**16,659**
Non-recurring Items					
Business combinations expenses	-	-	0	-	71
Restructuring expenses	-	-	0	-	318
IPO related expenses	-	-	0	-	-
Impairment of Russian business	-	-	0	1,958	1,958
Adjusted EBITDA	**5,349**	**3,540**	**7,194**	**11,446**	**19,006**
Depreciations, amortisations and impairment	-1,685	-1,815	-3,377	-3,300	-6,641
Amortisation of intangible assets identified in PPA	59	60	118	117	242
Adjusted EBIT	**3,723**	**1,785**	**3,935**	**8,263**	**12,608**

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	4-6/2023	4-6/2022	Change %	1-6/2023	1-6/2022	Change %	1–12/2022
Equipment	10,285	8,669	19 %	16,647	13,148	27 %	28,782
Services	23,527	13,560	74 %	40,011	52,293	-23 %	98,874
Total revenue from contracts with customers	**33,812**	**22,229**	**52 %**	**56,659**	**65,440**	**-13 %**	**127,656**

Timing of revenue recognition

EUR thousand	4-6/2023	4-6/2022	Change %	1-6/2023	1-6/2022	Change %	1–12/2022
Transferred at a point in time	4,358	8,039	-46 %	8,372	12,309	-32 %	24,242
Transferred over time	29,454	14,190	108 %	48,286	53,132	-9 %	103,415
Total revenue from contracts with customers	**33,812**	**22,229**	**52 %**	**56,659**	**65,440**	**-13 %**	**127,656**

Revenue by geographical area

EUR thousand	4-6/2023	4-6/2022	Change %	1-6/2023	1-6/2022	Change %	1–12/2022
Europe and Asia (EURASIA)	9,497	3,826	148 %	14,151	6,177	129 %	17,837
North and South America (AMER)	3,993	8,381	-52 %	7,743	41,141	-81 %	56,713
Middle East and Africa (MEAF)	20,322	10,023	103 %	34,765	18,122	92 %	53,107
Total revenue from contracts with customers	**33,812**	**22,229**	**52 %**	**56,659**	**65,440**	**-13 %**	**127,656**

Summary of contract balances

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
Trade receivables	23,570	21,853	29,396
Contract assets	46,597	34,833	38,448
Contract liabilities	12,081	10,940	18,158

Contract assets mainly comprise receivables related to ongoing projects in the Middle East.

Lamor Group did not experience any major unexpected credit losses in the reporting period. Lamor's management 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 calculatory credit risk position to be approximately on the same level as in 2022.

Lamor has recorded an expected credit loss related to trade receivables and contract assets, amounting to EUR 1.5 million on 30 June 2023 (EUR 1.0 million on 30 June 2022).

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

Change in goodwill

EUR thousand	30 June 2023	30 Jun 2022	31 Dec 2022
Carrying value at the beginning of the year	**18,634**	**18,049**	**18,049**
Impairment	-	-	-
Additions	-	-	-
Acquired in business combinations	-	-	450
Exchange differences	-3	184	135
Other changes and disposals	-	-	-
Carrying value at the end of the year	**18,630**	**18,233**	**18,634**

The increase in goodwill during 2022 was due to acquisition of Resiclo Kilpilahti Oy (now Lamor-Resiclo Oy).

Change in tangible and intangible assets

EUR thousand	30 June 2023	30 Jun 2022	31 Dec 2022
Carrying value at the beginning of the year	**13,653**	**8,827**	**8,827**
Depreciation, amortization and impairment charges	-1,586	-1,459	-2,770
Additions	1,686	6,172	8,395
Transfers between balance sheet items	-9	-	-680
Exchange differences	-81	453	135
Grants received and disposals	-69	-502	-254
Carrying value at the end of the year	**13,594**	**13,491**	**13,653**

Change in right-of-use assets

EUR thousand	30 June 2023	30 Jun 2022	31 Dec 2022
Carrying value at the beginning of the year	**5,293**	**5,742**	**5,742**
Depreciation, amortization and impairment charges	-1,775	-2,019	-3,875
Additions	162	2,989	3,104
Exchange differences	-104	710	322
Other changes	-	9	-
Carrying value at the end of the year	**3,577**	**7,432**	**5,293**

The increase in right-of-use assets in 2022 was primarily due to leasing of vessels related to the project in Saudi Arabia.

Financial instruments

Net debt

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
Non-current interest-bearing loans and borrowings	10,771	8,283	10,723
Non-current lease liabilities	362	3,686	2,060
Current interest-bearing loans and borrowings	15,891	4,723	3,302
Current lease liabilities	3,251	3,459	3,074
Liquid funds	-7,118	-13,474	-4,889
Net debt total	**23,156**	**6,678**	**14,270**

Classification of financial assets and liabilities

Financial assets on 30 June 2023

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**	-	411	-	411	411
Non-current receivables		-	-	1,536	1,536	1,536
Non-current financial assets total		**-**	**411**	**1,536**	**1,948**	**1,948**
Current financial assets						
Trade receivables		-	-	23,570	23,570	23,570
Contract assets		-	-	46,597	46,597	46,597
Derivative instruments	**2**	17	-	-	17	17
Investments in funds		-	-	-	-	-
Cash and cash equivalents		-	-	7,118	7,118	7,118
Current financial assets total		**17**	**-**	**77,285**	**77,302**	**77,302**
Financial assets total		**17**	**411**	**78,822**	**79,250**	**79,250**

Financial liabilities on 30 June 2023

EUR thousand	Level	Fair value through profit and loss	Fair value through OCI	At amortised cost	Book value	Fair value
Non-current financial liabilities						
Interest-bearing loans and borrowings		-	-	10,771	10,771	10,771
Lease liabilities		-	-	362	362	362
Other payables		-	-	3,864	3,864	3,864
Non-current financial liabilities total		**-**	**-**	**14,996**	**14,996**	**14,996**
Current financial liabilities						
Interest-bearing loans and borrowings		-	-	15,891	15,891	15,891
Lease liabilities		-	-	3,251	3,251	3,251
Trade payables		-	-	10,816	10,816	10,816
Contract liabilities		-	-	12,081	12,081	12,081
Contingent consideration	**3**	2,878	-	-	2,878	2,878
Other current liabilities		-	-	10,971	10,971	10,971
Current financial liabilities total		**2,878**	**-**	**53,009**	**55,887**	**55,887**
Financial liabilities total		**2,878**	**-**	**68,006**	**70,884**	**70,884**

Financial assets on 31 December 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
Other receivables		-	-	1,791	1,791	1,791
Non-current financial assets total		**-**	**418**	**1,791**	**2,209**	**2,209**
Current financial assets						
Trade receivables		-	-	29,396	29,396	29,396
Contract assets		-	-	38,448	38,448	38,448
Derivative instruments	**2**	61	-	-	61	61
Investments in funds	**2**	177	-	-	177	177
Cash and cash equivalents		-	-	4,889	4,889	4,889
Current financial assets total		**238**	**-**	**72,733**	**72,972**	**72,972**
Financial assets total		**238**	**418**	**74,524**	**75,180**	**75,180**

Financial liabilities on 31 December 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		-	-	10,723	10,723	10,723
Lease liabilities		-	-	2,060	2,060	2,060
Contingent consideration	**3**	3,788	-	-	3,788	3,788
Other payables		-	-	3,189	3,189	3,189
Non-current financial liabilities total		**3,788**	**-**	**15,972**	**19,761**	**19,761**
Current financial liabilities						
Interest-bearing loans and borrowings		-	-	3,302	3,302	3,302
Lease liabilities		-	-	3,074	3,074	3,074
Trade payables		-	-	12,656	12,656	12,656
Contract liabilities		-	-	18,158	18,158	18,158
Other current liabilities		-	-	12,424	12,424	12,424
Current financial liabilities total		**-**	**-**	**49,613**	**49,613**	**49,613**
Financial liabilities total		**3,788**	**-**	**65,586**	**69,374**	**69,374**

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 owns a share of Pyroplast Energy Ltd. 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 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 2,878 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 consist of the company's major shareholders, the members of the Board of Directors, the CEO and the rest of the Management Team and their close family members as well as their controlled entities and associated companies and joint ventures. In addition, the associated companies and joint ventures, in which the Group is an owner, are considered the Group's related parties.

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	30 Jun 2023	30 Jun 2022	31 Dec 2022
Sales to associated companies and joint ventures	104	153	90
Sales to other related parties	-	41	41
Purchases from associated companies and joint ventures	37	37	46
Purchases from other related parties*	418	263	637

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

Receivables and liabilities from related parties

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
Receivables from associated companies and joint ventures	1,633	1,421	1,595
Receivables from other related parties	220	213	214
Liabilities to associated companies and joint ventures	-	12	12
Liabilities to other related parties	3,537	6	3,888

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	30 Jun 2023	30 Jun 2022	31 Dec 2022
Amounts receivable from associates and joint ventures	987	1,526	1,481
Amounts receivable from other related parties	-	-	-
Amounts payable to associates and joint ventures	-	-	-
Amounts payable to other related parties	-	-	-

Contingent liabilities and other commitments

Commitments

At the reporting date, 30 June 2023, Lamor had corporate mortgages of EUR 91.8 million (EUR 51.8 million on 30 June 2022) as collateral for its loans.

Lamor has signed a conditional land lease agreement for a property located in Kilpilahti, Porvoo, to be used as the building site of a new plant for chemical recycling of plastics. The lease term begins on 1 July 2023, with a duration of 25 years. In total, the nominal value of the lease payments to be paid over the lease term is EUR 3.9 million. The continuance of the lease agreement is conditional to obtaining a building permit and carrying out the planned investment.

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 its customers:

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
Performance and warranty guarantee	25,210	23,576	25,472
Advance payment and payment guarantee	15,287	4,763	10,720
Tender and bid bond guarantees	218	935	1,972
Total	**40,715**	**29,274**	**38,165**

In addition, Lamor has given a loan guarantee of EUR 1.4 million on behalf of its associated company Sustainable Environmental Solutions Guyana Inc. in Guyana.

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
Earnings per share (EPS), diluted, euros	=	Profit for the financial year attributable for shareholders of the company / Weighted average number of shares outstanding during the period, including potential shares	x 100
Equity ratio %	=	Shareholders’ equity / Balance sheet total – advances received	x 100

Return on equity (ROE) %	=	$\dfrac{\text{Profit for the period}}{\text{Average shareholder's equity}}$	x 100
Return on investment (ROI) %	=	$\dfrac{\text{Profit before taxes + financial income and expenses}}{\text{Average shareholder's equity + average interest-bearing loans and borrowings}}$	x 100
Net gearing, %	=	$\dfrac{\text{Non-current interest-bearing liabilities + Non-current lease liabilities + Current interest-bearing liabilities + Current lease liabilities – Cash and cash equivalents – Other rights of ownership under Current and non-current investments}}{\text{Shareholders' equity}}$	x 100
Net working capital	=	Inventories + Current non-interest bearing receivables - Current non-interest bearing liabilities, excluding provisions	
Orders received	=	The total value of customer orders received during the period.	
Orders backlog	=	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	