Lamor Corporation Plc
Interim Financial Report

January–September 2024

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Lamor's new orders were at a high level in Q3

In the third quarter, Lamor increased its revenue and profitability compared to the previous quarter, although both decreased slightly from the comparison period. At comparable exchange rates, however, revenue was at previous year's level. The number of new orders received remained high, and revenue excluding major service projects saw an increase. Market demand has remained strong, and the Company is updating its growth strategy to better capitalise on this demand.

July–September 2024 in brief

- Revenue was EUR 30.8 million (31.1), a decrease of 0.9% from the comparison period
- EBIT was EUR 2.0 million (1.6) or 6.4% of revenue (5.1%), an increase of 25.5%
- Adjusted EBIT was EUR 2.1 million (3.0) or 6.7% of revenue (9.6%), a decrease of 30.9%
- Net cash flow from operating activities was EUR -4.3 million (-7.3)
- Earnings per share (basic) was EUR -0.01 (0.01)
- Orders received was EUR 35.4 million (13.5), an increase of 161.7%

January–September 2024 in brief

- Revenue was EUR 81.8 million (87.7), a decrease of 6.8%
- EBIT was EUR 3.7 million (5.4) or 4.5% of revenue (6.1%), a decrease of 32.1%
- Adjusted EBIT was EUR 3.9 million (6.9) or 4.8% of revenue (7.9%), a decrease of 43.0%
- Net cash flow from operating activities was EUR -15.6 million (-15.0)
- Earnings per share (basic) was EUR -0.04 (0.08)
- Orders received was EUR 120.7 million (34.0), an increase of 255.2%
- Order backlog* at the end of the period amounted to EUR 158.7 million (146.1)

* On 10 September 2024, Lamor announced that the company started negotiations with NEOM Company related to the proposed reduction of responsibilities allocated to Lamor. At the time of reporting, an order of approximately EUR 55 million is included in the order backlog and orders received in accordance with the original agreement.

The figures in brackets refer to the comparison period, which is the same period the previous year, unless otherwise stated.

Johan Grön, CEO

In the third quarter, Lamor increased again its revenue and profitability compared to the previous quarter. The slight decrease in revenue from the previous year was due to the higher level of revenue recognition from the Kuwait soil remediation project during the comparison period, which was mostly offset by increased sales in environmental protection and material recycling. Revenue excluding our major service projects was higher than in the comparison period, both in the third quarter and in January-September as a whole, highlighting the potential of our portfolio.

I am particularly pleased to report that we received new orders worth more than EUR 35 million in the third quarter. A significant proportion of these orders came from South America, where we won a two-year soil remediation project in Ecuador and a three-year environmental protection project in Peru in September, along with minor orders from all our market areas. Regarding the NEOM project we won in May, we announced in September that we had begun negotiations with the customer on the responsibilities allocated to Lamor. These negotiations were ongoing at the time of publication of this report.

During the third quarter, we successfully completed one of our recent major projects, establishing three oil spill response bases on the Red Sea coast in collaboration with the Saudi Arabian Center for Environmental Control (NCEC). The recent attacks on oil tankers in the region have further highlighted the relevance of preparedness. I would like to thank all Lamorians for their outstanding effort, which serves as an excellent example of a well-executed major project and is an important reference for future projects. We have also continued negotiations related to new business opportunities in environmental protection in the Middle East region.

Our soil remediation project in Kuwait progressed well. Despite truly challenging circumstances, we have succeeded in building a unique soil remediation operation where our results consistently outperform competing projects. Despite its operational success, the project still ties up too much of our working capital. However, thanks to efforts to reduce working capital, the working capital employed is expected to start declining from the last quarter of the year. The release of working capital has a significant impact on the company's cash flow and balance sheet structure.

In the Bangladesh project, Lamor has also performed very well, despite the fact that the delivery of the final part of the project has had to be postponed twice due to reasons unrelated to Lamor. Discussions about continuing the cooperation after the project are already underway with the customer. At our concept facility for chemical recycling of plastic, we progressed to the installation of process equipment in the autumn. However, production is not expected to start until early 2025, and the ramp-up of production will continue in stages. Chemical recycling of plastic represents a significant business opportunity for Lamor, and once the concept plant is completed, it will be possible to scale production. Demand for the end product has recently strengthened further.

Reaching our guidance requires good performance in the fourth quarter. We are involved in tenders of various sizes in the Middle East, Africa and South America. In the autumn, we have worked on our updated growth strategy. Our view of the market potential remains unchanged. Lamor's broad product and service offering provides numerous avenues for profitable growth. This requires even closer relationships with our key customers and increased local market understanding. The two new SVPs appointed this week bring us not only extensive industry experience, but also a strong understanding of our customers and local markets and culture. I believe that together with them we can create a strong foundation for Lamor's next phase of growth.

Key figures

EUR thousand (unless otherwise noted)	Q3 2024	Q3 2023	Change %	1-9/2024	1-9/2023	Change %	1-12/2023
Revenue	30,793	31,086	-0.9%	81,821	87,745	-6.8%	122,520
EBITDA	3,708	3,278	13.1%	8,879	10,472	-15.2%	16,182
EBITDA margin %	12.0%	10.5%		10.9%	11.9%		13.2%
Adjusted EBITDA	3,736	4,625	-19.2%	8,982	11,819	-24.0%	18,464
Adjusted EBITDA margin %	12.1%	14.9%		11.0%	13,5%		15.1%
Operating profit or loss (EBIT)	1,971	1,570	25.5%	3,658	5,387	-32.1%	8,426
Operating profit (EBIT) margin %	6.4%	5.1%		4.5%	6.1%		6.9%
Adjusted operating Profit (EBIT)	2,056	2,975	-30.9%	3,936	6,910	-43.0%	10,943
Adjusted operating Profit (EBIT) margin %	6.7%	9.6%		4.8%	7.9%		8.9%
Profit (loss) for the period	-100	381		-726	2,296		2,679
Earnings per share, EPS (basic), euros	-0,01	0.01		-0,04	0.08		0.09
Earnings per share, EPS (diluted), euros	-0,01	0.01		-0,04	0.08		0.09
Return on equity (ROE) %	-0.2%	0.6%		-1.1%	3.6%		4.3%
Return on investment (ROI) %	1.5%	1.6%		3.0%	5.8%		8.7%
Equity ratio %	34.8%	46.1%		34.8%	46.1%		40.0%
Net gearing %	109.1%	51.9 %		109.1%	51.9%		60.7%
Net working capital	83,682	59,224	41.3%	83,682	59,224	41.3%	62,245
Orders received	35,411	13,532	161.7%	120,703*	33,980	255.2%	43,950
Order backlog*	158,739	146,063	8.7%	158,739	146,063	8.7%	124,192
Number of employees at the period end	593	660	-10.2%	593	660	-10.2%	840
Number of employees on average	604	682	-11.4%	641	630	1.7%	658

* On 10 September 2024, Lamor announced that the company had started negotiations with NEOM Company related to the proposed reduction of responsibilities allocated to Lamor. At the time of reporting, an order of approximately EUR 55 million is included in the order backlog and orders received in accordance with the original agreement.

Market outlook

Globally increasing environmental awareness creates continuous demand for sustainable environmental solutions. The objectives set for the green transition emphasise 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, to increase material recycling, and to finance the clean-up operations of legacy contamination. Lamor leverages its strong expertise and references to grow in these market segments and further expand its presence. Lamor expects the demand for its solutions to increase significantly also in the future.

Increased environmental awareness has led to tightening environmental legislation. Consequently, the demand for oil spill response technology and services related to **environmental protection** has increased. A growing proportion of the demand is targeted to total solutions, which include also training and continuous preparedness as-a-service in addition to consulting and technology. In addition to increasing environmental awareness, demand is driven by on-going crisis, such as those in the Middle East and Europe, which raise the risk of environmental incidents in the Red Sea and the Baltic Sea significantly. The increased risk level can result in a greater inclination to prepare for such risks in the neighbouring regions.

The increasing awareness has also led governments and the private sector to pay attention to legacy 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. The market in **soil remediation and restoration** is currently very active. Lamor participates in several on-going soil remediation tendering processes of different sizes in the Middle East, Africa, and South America.

As a part of their actions to combat climate change, the petrochemical industry aims at decreasing the need for virgin crude oil. **Material recycling** offers one part of the solution. The amount of plastic waste in the world has doubled in the past 20 years. Currently, approximately only one 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 participates in solving the global plastic waste problem by building a chemical recycling facility for plastics in Finland, with the aim of building similar facilities in its strong market areas by utilising its global network.

Guidance for 2024 (unchanged)

In accordance with the guidance published on 16 February 2024, Lamor estimates that its revenue for the financial year 2024 will be at least at the same level as in 2023 (2023: EUR 122.5 million). Due to the uncertain market situation and uncertainty regarding the schedule of large tenders, Lamor does not provide guidance for profitability.

Long-term financial targets

On 22 November 2022, Lamor communicated the decision of the company's Board of Directors on the company'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.

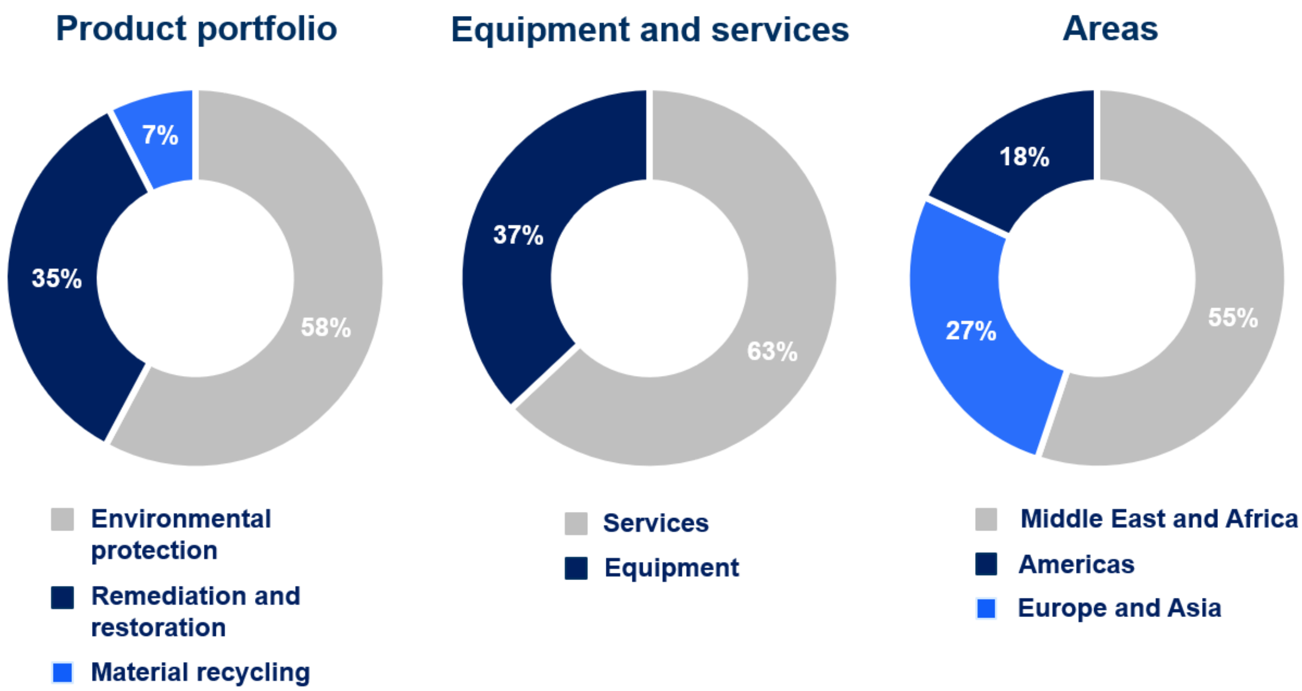
Business review

Lamor is one of the globally leading providers of environmental solutions. The company's revenue is generated from three product lines: **environmental protection, soil remediation and restoration, and material recycling**. Environmental protection includes solutions for preventing and cleaning environmental incidents both at sea and on land. Soil remediation and restoration includes restoration of contaminated land areas, promoting ecological recovery and biodiversity. Furthermore, Lamor develops and delivers waste management and water treatment solutions that support the sustainable use of natural resources and promote circular economy. These include the chemical recycling of plastic.

Lamor aims for significant long-term growth in accordance with its strategy, focusing particularly on the Middle East and South America. Additionally, the company has substantial business operations in Europe, Asia, and North America. In recent years, the company has won several significant multi-year service contracts, and the progress and revenue recognition of these projects can have a significant impact on the company's order backlog, revenue, profitability, and cash flow in individual quarters. Through these projects and in addition to them, Lamor is determinedly growing its recurring equipment and service business by expanding customer relationships and developing both its own sales network and the coverage of its agent network.

Lamor has one reporting segment. In addition, the company reports its revenue by product lines, market areas, and equipment and services.

Revenue split 1-9/2024



Soil remediation and restoration

Lamor aims at being the preferred strategic partner in the remediation and restoration of contaminated soil and to expand its operations into new countries. Lately, the major projects won in the Middle East and South America have been incremental in the growth of this business. They have strengthened both local connections as well as Lamor's technological and operative competencies enabling participation in similar projects globally.

During the third quarter, most of the revenue was generated in Kuwait. Additionally, the Company had on-going soil remediation projects in Oman and South America (Chile and Ecuador). In Kuwait, bioremediation has continued efficiently, and in the southern treatment site, the soil washing process reached the target level in the third quarter. As for the northern soil washing facility, the finalization of the ramp-up was still ongoing. Overall, the Company continuously optimizes the use of different remediation methods and has been able to reduce the use of chemicals in soil washing. Other projects also progressed as planned. At the end of September, Lamor announced it had won a two-year agreement worth at least EUR 8 million on soil remediation in Ecuador.

Environmental protection

For decades, Lamor has been a strategic partner for local authorities and energy companies helping them improve their environmental protection capabilities around the world. Lamor has also participated in the clean-up and environmental protection projects related to major oil spill incidents, which has strengthened its position as a global leader in oil spill response and control.

During the third quarter, Lamor successfully completed a 3.5-year project with Saudi Arabian National Center for Environmental Compliance (NCEC) to strengthen oil spill response capabilities in the Red Sea region. During the project, three oil spill response bases were established on the coast of Saudi Arabia and more than 4,000 experts were trained. After the reporting period, following a 4-month contract extension that was concluded at the beginning of October, responsibility for oil spill response was transferred to a state-owned local entity. Lamor continued negotiations related to new business opportunities in environmental protection in the Middle East region.

As per the NEOM project, during the third quarter Lamor made preparations for deliveries and the delivery capability of the service was ensured. In September, Lamor announced that it had started negotiations with NEOM Company at the client's proposal to reduce the responsibilities allocated to Lamor related to the contract signed in May. At the time of reporting, the negotiations were ongoing. During the negotiations the Company will not provide more detailed estimates of when the delivery of the contract will begin.

Lamor also continued to execute three minor clean-up projects related to environmental incidents (Peru and Ecuador) and made significant technology deliveries, especially in Asia (Singapore). At the end of September, Lamor announced it had won a three-year agreement worth EUR 12 million with a long-term customer for oil spill preparedness and response service in Peru.

Material recycling

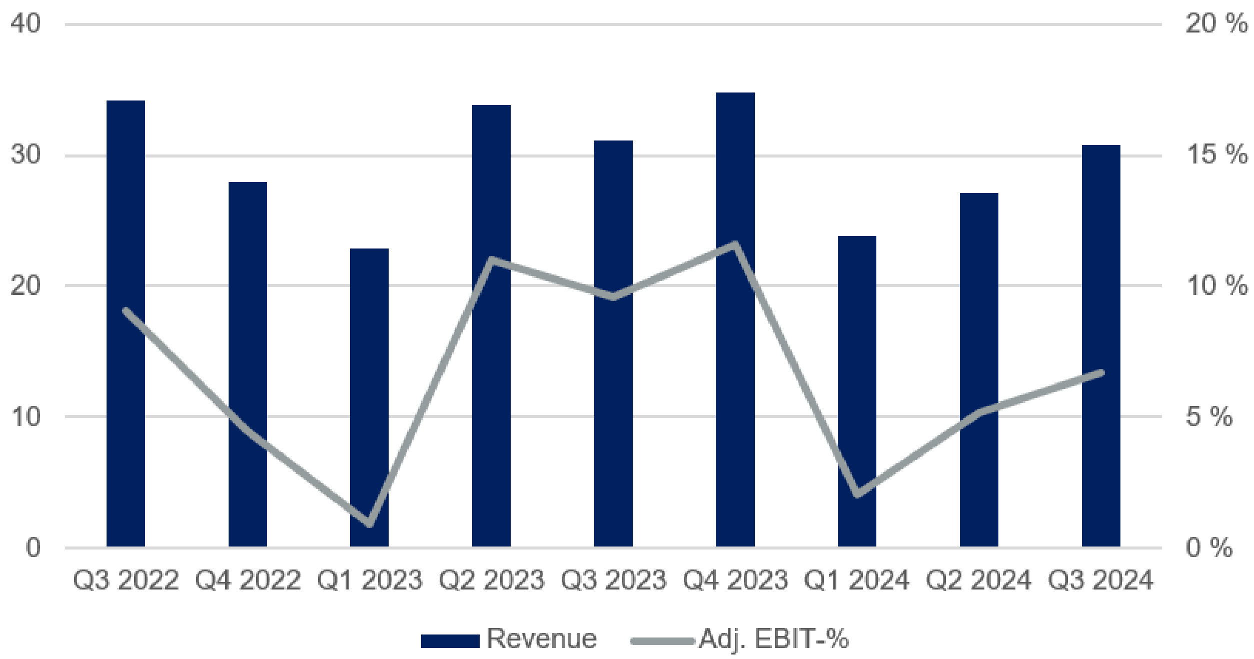
Lamor's material recycling business focusses on the sustainable use of natural resources and promotion of circular economy. The company delivers waste management and water treatment solutions that reduce environmental impact and support sustainable development. Recent significant projects, such as the delivery of the MARPOL waste treatment facility at Mongla Port in Bangladesh, innovative water treatment solutions in aquaculture, and the plastic chemical recycling plant under construction in Finland, are creating new growth opportunities for Lamor. The facility will be the first industrial-scale plastics chemical recycling facility in Finland with its first phase of 10,000 tons of annual processing capacity. It will be a concept facility, with which Lamor targets at 100,000-ton plastic recycling portfolio.

During the third quarter, revenue increase was mainly driven by the water treatment equipment deliveries to the Norwegian shipping company Frøy. As per the Bangladesh project, the oil spill response vessels were handed over to the customer and the handover of the MARPOL waste collection vessel is expected to take place shortly after the reporting date. The schedule for the installation of the waste treatment facility, delivered by Lamor during the second quarter, had to be postponed because the increased political instability in the country in the autumn has limited the pre-installation infrastructure work that an external contractor is responsible for. Management currently estimates that the completion of the project will take place in the first half of 2025. As a whole, the project has progressed well, considering the exceptionally challenging circumstances. Lamor and Greenflow, which was involved in the Bangladesh project, also announced in September that they had joined forces to enhance together the availability of MARPOL compliant waste systems including Port Reception Facilities.

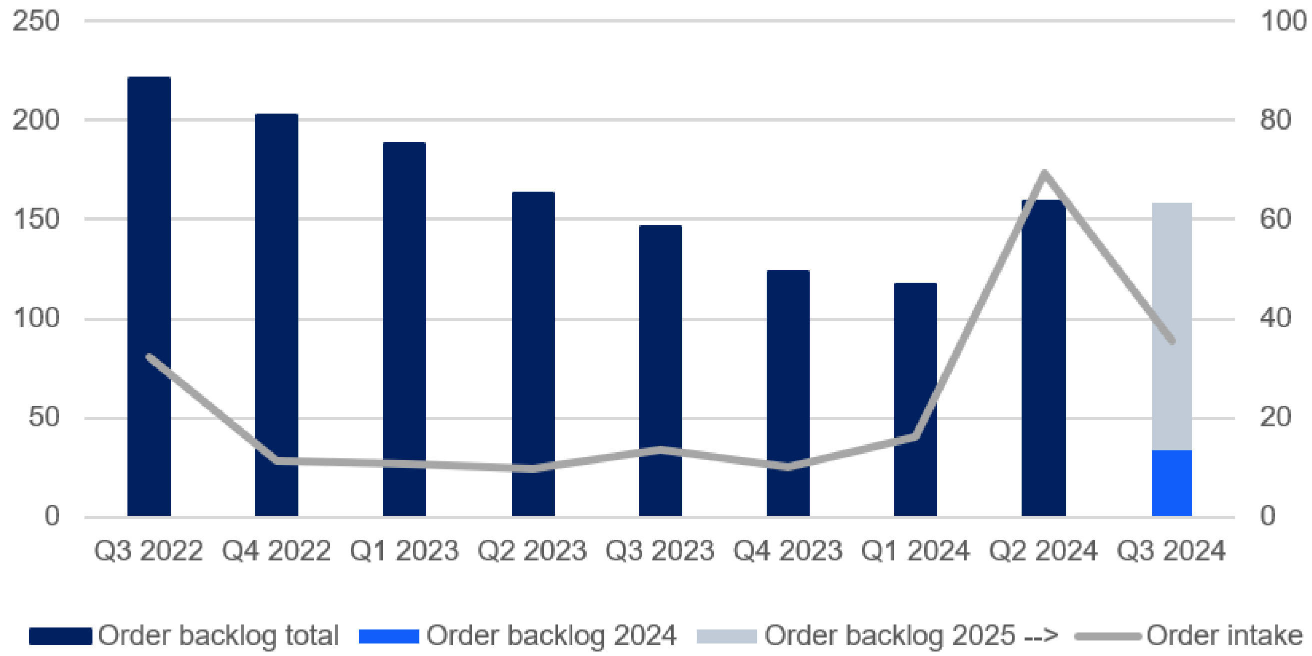
During the third quarter, the installation of processing technology began for the first phase of the Kilpilahti chemical recycling facility of plastic, the installation of the large final storage tanks for recycled material was completed as well as the related tank area works. The schedule for the installation of the process technology was delayed, and management's current estimate is that production may be initiated in early 2025. The ramp-up of the concept plant's production will take place in stages, and the expected revenue during 2025 is limited. Market demand for the end-product has further strengthened and market prices have increased.

Financial performance

Revenue (EUR million) and adjusted EBIT % per quarter



Order backlog and order intake per quarter (EUR million)



July–September 2024

The group's revenue in the third quarter was EUR 30.8 million (31.1). In the third quarter of 2024, the revenue was accumulated especially by projects in Kuwait, Saudi Arabia and Bangladesh, as well as larger delivery of equipment to Singapore and water treatment equipment to Norway. Revenue decreased by 0.9% from the comparison period and increased by 0.2% at comparable exchange rates. The slight decrease in revenue from the previous year was due to the higher level of revenue recognition from the Kuwait soil remediation project during the comparison period, which was mostly offset by increased sales in environmental protection and material recycling.

Adjusted operating profit (EBIT) was 2.1 million euros and 6.7% of revenue (3.0 and 9.6%). Adjusted operating profit decreased by 30.9% from the comparison period. Profitability decrease was impacted by the lower sales margin due to the different sales mix in the comparison period. The group's profit before taxes was EUR -0.0 million (0.5).

The value of new orders received during the review period was EUR 35.4 million (13.5), which is 161.7% more than in the comparison period. The two-year soil clean-up project won in Ecuador and the three-year environmental protection project in Peru were the biggest factors affecting the July-September order collection. Additionally, significant other orders were received in Colombia and North America, as well as smaller orders were also received from all areas. The increase in comparable exchange rates was 162.4%.

January–September 2024

The group's revenue in the period was EUR 81.8 million (87.7). The decrease from the comparison period was 6.8%. At comparable exchange rates, net sales decreased by 6.3%. The ongoing land cleanup in Kuwait, the environmental protection project in Saudi Arabia, deliveries to Bangladesh, and the cleanup of environmental damage in South America and the delivery of equipment to Hong Kong and Singapore were the most significant individual projects that affected the January-September revenue.

Adjusted operating profit (EBIT) was EUR 3.9 million (6.9) and 4.8% of the period's revenue (7.9%).

The order backlog at the end of the period was EUR 158.7 million (146.1). The value of new orders received during the review period was EUR 120.7 million (34.0), which is 255.2% more than in the comparison period. At comparable exchange rates, the increase in new orders was 255.9%. The order of approximately EUR 55 million received from NEOM Company on 27 May 2024 and under negotiation at the time of reporting (stock exchange release 10 September 2024) is included in the order backlog and received orders in accordance with the original agreement.

The amount of depreciation was 5.2 million euros (5.1) and included 3.1 million euros (2.7) of depreciation of right-of-use assets (IFRS 16), which are mainly related to the vessels used in the group's projects in Saudi Arabia and land lease agreement in Kilpilahti plastic recycling facility.

Financial income and expenses, EUR -4.6 million (-2.8), consisted of interest and guarantee costs for business financing, as well as valuations of US dollar-denominated and dollar-linked receivables and liabilities and related currency hedging. The increase from the comparison period was caused by the interest costs of the green bond issued in August 2023.

The group's profit before taxes was EUR -1.0 million (2.6). Earnings per share (undiluted) in January-June 2024 was -0.04 euros (0.08).

Net cash flow from operations was EUR -15.6 million (-15.0). The committed net working capital on September 30, 2024 was EUR 83.7 million (59.2). The increase in working capital compared to the comparison period was still mainly due the capital tied up in the soil clean-up project in Kuwait. Cash flow from investments was EUR -11.2 million (-3.4).

The group's equity ratio was 34.8% (46.1%) and the net debt ratio was 109.1% (51.9%). The development of the net indebtedness ratio is particularly affected by the EUR 25 million green bond issued in August 2023.

Investments

In January–September 2024, investments in tangible and intangible assets were 11.4 million euros (3.8). The growth in January–September was especially influenced by the investments and development costs of the pilot plant for chemical recycling of plastic in Kilpilahti. During the reporting period, the company received a state grant of 1.6 million euros for its plastic recycling investment in Kilpilahti.

The right-of-use assets, which are mainly related to the vessels used in the service project in Saudi Arabia and the land lease agreement for the Kilpilahti plastic recycling facility, amounted to EUR 3.2 million (4.3) at the end of the period.

In January– September 2024, depreciation and impairment totaled EUR 5.2 million (5.1).

Financial position

Lamor's interest-bearing liabilities consist of bank loans, bonds, capital loans and lease contract liabilities according to the IFRS 16 standard. Lamor's interest-bearing liabilities on September 30, 2024 were EUR 71.8 million (40.7), of which lease liabilities were EUR 3.6 million (4.4). The group's net liabilities were EUR 68.1 million (33.8). At the end of the review period, the group's cash and cash equivalents were EUR 3.6 million (6.9).

Lamor's senior conditional financing included a EUR 25.0 million green bond issued in August 2023, whose payments are secured by a post-mortgage for Lamor's corporate mortgages. In addition, it included a total of EUR 13.6 million in financial institution loans, including Lamor Recycling's EUR 5.0 million loan and a short-term loan of EUR 5.0 million taken out in the first quarter. The group has a financing limit of 11.0 million euros and a credit account of 7.0 million euros as well as 1.0 million euros credit account for Lamor Recycling. At the end of the review period on September 30, 2024, 11.0 million euros were used from the financing limit and 7.9 million euros from the credit account. In addition, Lamor had a total of EUR 2.0 million worth of undrawn loans related to the investment project of a plastic chemical recycling plant.

At the end of the review period, there were 0.7 million euros in other financial institution loans. The value of the guarantees given at the end of the period was EUR 38.7 million (42.7). When evaluating the amount of interest-bearing debt financing, it is good to also take into account the amount of the company's total liabilities, including the company's guarantee obligations, which especially apply to large delivery projects.

At the end of the review period, the company had a total of 10.5 million euros in capital loans. The capital loan granted by the State Treasury related to Business Finland's growth engine competition was 5.5 million euros. In addition, the Climate Fund has granted a capital loan for the company's plastic chemical recycling project, from which the company has withdrawn 5.0 million euros. Capital loans have a secondary position compared to senior financing and are not taken into account in the covenant calculation.

Personnel and management

During January–September 2024, Lamor employed on average 641 (630) persons. At the end of the period, Lamor employed 593 (660) persons.

The number of personnel fluctuates according to the major projects Lamor has on-going at each time.

At the time of the publication of this report, Lamor Group’s Leadership Team consisted of the following people:

- Johan Grön, CEO
- Vesa Leino, Interim CFO (until 31 October 2024)
- Johanna Grönroos, Chief Strategy Officer
- Santiago Gonzalez, SVP, North and South America
- Juha Korhonen, VP, Supply Chain and Project Management
- Mervi Oikkonen, VP, People and Culture

On 6 September Lamor announced that the Interim CFO Vesa Leino will leave the Company on 31 October 2024.

On 9 September 2024 Lamor announced that Mikko Forsell (M.Sc. (Econ) and M.Sc. (Tech)) had been appointed as CFO and member of the Group Leadership Team. Forsell assumes his new role officially as of 1 November 2024.

After the reporting period, on 23 October 2024, Lamor announced the appointments of two new market area SVPs as the Company aims to strengthen customer relationships and focus sales in all its markets. Additional information is available in the section, Events after the reporting period.

Sustainability

Sustainability is at the core of Lamor’s strategy. The company’s vision about a cleaner tomorrow highlights its sustainable business model. Lamor aims to increase positive environmental impacts with solutions relating to environmental protection, remediation and restoration, and material recycling. Lamor’s solutions help the company, its customers and partners promote circular economy and careful use of scarce natural resources as well as protect biodiversity. The company’s strategic co-operation with customers and partners reinforced with continuous innovation is the key to sustainable business.

During the third quarter, Lamor focused on the implementation of the European Sustainability Reporting Standards (ESRS). The double materiality assessment (DMA) was completed, which enables reporting on the Company's material impacts, risks, and opportunities. Lamor continued product analysis to identify products currently aligned with the taxonomy, as well as opportunities to develop products and services further to enable further alignment. Additionally, the company continued the life cycle assessment (LCA) of its operations as well as the development of internal processes and policies to better capture sustainability related impacts and data from all operations.

Governance

Annual General Meeting's authorisations to the Board of Directors

The Board of Directors did not use the authorisations by the 2024 Annual General Meeting during the reporting period. Additional information about the authorisations is available in the Half-Year Financial Report.

Organisation of the company's governing bodies

On 18 September 2024, the Company announced that the members of the Shareholders' Nomination Board had been appointed as follows: Fred Larsen (Chairman of the Board of Directors, Larsen Family Corporation Oy), Juuso Puolanne (Investment Director, Finnish Industry Investment Ltd), Annika Ekman (Head of Listed Equities, Ilmarinen Mutual Pension Insurance Company) and Mika Ståhlberg (Chairman of the Board of Directors, Lamor Corporation Oyj). In connection with the Nomination Board organisation, Fred Larsen was elected as the Chairman.

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, and they are traded on the main list of Nasdaq Helsinki Ltd.

Share capital and the number of shares and the shareholders

	30 Sep 2024	30 Sep 2023
Share capital, EUR	3,866,375.40	3,866,375.40
Shares total	27,502,424	27,502,424
of which treasury shares	542,450	542,450
Market value, EUR million	54.7	97.0
Number of shareholders	6,123	6,602

Trading

Trading of Lamor shares in Nasdaq Helsinki	1–9/2024	1–9/2023
Share revenue, million shares	1.3	1.2
Value of trading, EUR million	2.8	5.0
Closing price on the last trading day, EUR	1.94	3.53
Highest price, EUR	2.66	4.85
Lowest price, EUR	1.85	3.25

Share-based incentives

In February, Lamor's Board of Directors resolved (stock exchange release, 16 February 2024) on establishing a new share-based incentive plan for the company's key employees. The performance-based share incentive plan has one earning period that covers the fiscal years 2024-2026. The program's target group includes approximately nine key employees, including the members of the Group Leadership Team and the CEO. The potential rewards to be paid based on the plan correspond to the value of a maximum of 700,000 Lamor's shares, including the portion paid in cash. Any rewards earned from the plan will be paid during the financial years 2025-2027.

Risks and business uncertainties

The risks assessed by Lamor and the identified business uncertainties have remained largely unchanged as compared to 2023. The geopolitical risk level remains increased due to several global conflicts and political instability.

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.

The geopolitical situation may have a negative impact on Lamor's business, changing for instance the schedules and costs of the projects as well as the supply chains and the local operating possibilities. Furthermore, escalated situations may affect the security of the company's personnel.

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 number 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, and 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 industrial scale facility for chemical recycling of plastics in Finland. Limited experience in the treatment process 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 in 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 the company is 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.

The geopolitical situation has continued to be challenging in 2024. The situation has escalated in certain countries in the Middle East, and the instability has also continued in certain South American countries. In addition, the Russian war in Ukraine continues. In addition to the deteriorated security situation in general, these conflicts impact Lamor's business in many ways, and significantly increase the risk of oil spills. The situation may also have a negative impact on Lamor's business changing for instance the schedules and costs of the projects as well as the supply chains and the local operating possibilities. Furthermore, escalated situations may affect the security of Lamor's personnel. Lamor follows these situations particularly closely for example in its operating regions.

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

Inflation and slow-down of the economy cause uncertainties also in Lamor's operating environment. Interest rates that remain high for a long time may increase Lamor's financing costs also in the longer term.

Events after the reporting period

Disclosure policy updated

On 1 October, the Company announced that Lamor's Board of Directors had approved the updated Disclosure Policy. The update includes various technical and stylistic updates, specified responsibilities related to the approval of stock exchange releases and company announcements and specified criteria for publishing press releases. Changes took effect immediately. The updated disclosure policy is available on the company's website at https://www.lamor.com/investors/governance/disclosure-policy.

Renewal of the Group Leadership Team

On 23 October 2024, Lamor announced the appointments of two new market area SVPs as the Company aims to strengthen customer relationships and focus sales in all its markets. Rob James (MSc, Process Safety & Loss Prevention) was appointed SVP, Europe and Asia as of 11 November 2024. Aziz Al-Othman (MSc, Computer-Based Information Systems; Mechanical & Marine Engineer) was appointed SVP, Middle East and Africa as of 1 November 2024.

Östen Lindell (current SVP, Europe and Asia) and Pentti Korjonen (current SVP, Middle East and Africa) will leave their positions in the company. Santiago Gonzalez, who has led the South and North America market area, has also expressed his interest in retirement, and the recruitment of his successor in on-going.

Following the changes, Lamor's Group Leadership Team consists of:

- Johan Grön, CEO
- Vesa Leino, interim CFO (until 31 October 2024) – Mikko Forsell, CFO (as of 1 November 2024)
- Johanna Grönroos, Chief Strategy Officer
- Santiago Gonzalez, SVP, North and South America
- Rob James, SVP, Europe and Asia (as of 11 November 2024)
- Aziz Al-Othman, SVP, Middle East and Africa (as of 1 November 2024)
- Juha Korhonen, VP, Supply Chain and Project Management
- Mervi Oikkonen, VP, People and Culture

Financial calendar for 2025

In 2025, Lamor will publish financial reports as follows:

- Financial statements release for the year 2024 on 6 March 2025
- Interim report January−March 2025: on 8 May 2025
- Half-year report January−June 2025 on 31 July 2025
- Interim report January−September 2025 on 30 October 2025

The annual report 2024, including financial statements and report by the Board of Directors, is estimated to be published on Lamor's website on 7 April 2025, the latest.

The Annual General Meeting is tentatively scheduled to be held on 28 April 2025. The meeting will be convened later by Lamor's Board of Directors.

Webcast for shareholders, analysts and media

Webcast for shareholders, analysts and media on the results for the financial period January–September 2024 will be arranged on 24 October 2024 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 https://lamor.videosync.fi/q3-2024.

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

Porvoo, 24 October 2024
Lamor Corporation Plc
Board of Directors

Further enquiries

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Consolidated statement of profit and loss

EUR thousand	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Revenue	30,793	31,086	81,821	87,745	**122,520**
Materials and services	-19,692	-17,289	-49,236	-52,636	-69,844
Other operating income	30	3	129	106	238
Employee benefit expenses	-4,868	-6,643	-15,550	-16,353	-23,871
Other operating expenses	-2,614	-3,143	-8,488	-7,949	-12,284
Share of associated companies' profits	60	-736	203	-440	-578
EBITDA	**3,708**	**3,278**	**8,879**	**10,472**	**16,182**
Depreciation, amortization, and impairment	-1,737	-1,708	-5,221	-5,085	-7,756
Operating profit (EBIT)	**1,971**	**1,570**	**3,658**	**5,387**	**8,426**
Financial income	53	944	956	1,484	2,159
Financial expenses	-2,026	-2,031	-5,580	-4,320	-7,401
Profit before tax	**-2**	**482**	**-966**	**2,552**	**3,184**
Income tax	-98	-102	240	-255	-505
Profit for the financial year	**-100**	**381**	**-726**	**2,296**	**2,679**
Attributable to					
Equity holders of the parent	-278	352	-958	2,289	2,527
Non-controlling interests	178	29	232	8	152
Earnings per share					
Earnings per share, basic, EUR	-0.01	0.01	-0.04	0.08	0.09
Earnings per share, diluted, EUR	-0.01	0.01	-0.04	0.08	0.09
Profit for the financial year	**-100**	**381**	**-726**	**2,296**	**2,679**
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	-1,490	559	-555	233	-982
Other comprehensive income (loss) for the year, net of tax	**-1,490**	**559**	**-555**	**233**	**-982**
Total comprehensive income for the financial period	**-1,590**	**940**	**-1,281**	**2,530**	**1,697**
Attributable to					
Equity holders of the parent	-1,768	911	-1,513	2,522	1,545
Non-controlling interests	178	29	232	8	152

Consolidated statement of financial position

EUR thousand	30 Sep 2024	30 Sep 2023	31 Dec 2023
Assets			
Non-current assets			
Goodwill	18,457	18,648	18,559
Intangible assets	5,150	4,247	5,087
Property, plant and equipment	20,627	10,697	12,324
Right-of-use assets	3,186	4,257	4,974
Investments in associated companies and joint ventures	1,399	1,368	1,210
Non-current receivables	1,029	1,549	1,070
Investments in other shares	411	501	411
Deferred tax assets	7,066	4,880	4,117
Assets	**57,324**	**46,148**	**47,752**
Current assets			
Inventories	15,887	10,714	14,224
Trade receivables	32,019	24,292	26,458
Contract assets	68,911	49,267	55,858
Prepayments and other receivables	8,974	8,404	8,194
Short-term investments	145	75	100
Cash and cash equivalents	3,635	6,915	10,965
Total current assets	**129,571**	**99,667**	**115,799**
Total assets	**186,895**	**145,815**	**163,550**

EUR thousand	30 Sep 2024	30 Sep 2023	31 Dec 2023
Equity and liabilities			
Equity			
Share capital	3,866	3,866	3,866
Translation differences	-817	953	-262
Reserve for invested unrestricted equity	44,303	44,303	44,303
Retained earnings / accumulated deficit	15,062	16,116	16,026
Equity attributable to equity holders of the parent	**62,415**	**65,238**	**63,934**
Non-controlling interests	2,287	1,561	1,993
Total equity	**64,702**	**66,799**	**65,927**
Non-current liabilities			
Interest-bearing loans and borrowings	41,444	33,262	32,262
Lease liabilities	2,221	1,536	2,683
Deferred tax liability	4,611	2,825	3,192
Other non-current financial liabilities	3,325	1,895	1,952
Total non-current liabilities	**51,601**	**39,517**	**40,089**
Current liabilities			
Interest-bearing loans and borrowings	26,719	3,114	12,049
Lease liabilities	1,367	2,835	2,757
Provisions	397	96	240
Trade payables	21,893	12,197	21,554
Contract liabilities	3,137	5,665	4,378
Other short-term liabilities	17,079	15,591	16,556
Total current liabilities	**70,592**	**39,498**	**57,535**
Total liabilities	**122,193**	**79,015**	**97,624**
Total equity and liabilities	**186,895**	**145,815**	**163,550**

Consolidated statement of changes in equity

2024 **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 2024	**3,866**	**-**	**44,303**	**-262**	**16,026**	**63,934**	**1,993**	**65,927**
Profit for the financial year	-	-	-	-	-958	**-958**	232	**-726**
Other comprehensive income	-	-	-	-555	-	**-555**	-	**-555**
Total comprehensive income	**-**	**-**	**-**	**-555**	**-958**	**-1,513**	**232**	**-1,281**
Share-based compensation settled in equity	-	-	-	-	52	**52**	-	**52**
Purchase of own shares	-	-	-	-	-	**-**	-	**-**
Acquisition of non-controlling interests*	-	-	-	-	-28	**-28**	-	**-28**
Dividends to non-controlling interests	-	-	-	-	-	**-**	-	**-**
Other changes	**-**	**-**	**-**	**-**	-31	**-31**	62	**32**
Equity on 30 Sep 2024	**3,866**	**-**	**44,303**	**-817**	**15,062**	**62,415**	**2,287**	**64,702**

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

2023 **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 2023	**3,866**	**-**	**44,303**	**719**	**12,720**	**61,609**	**1,439**	**63,048**
Profit for the financial year	-	-	-	-	2,304	**2,304**	-8	**2,296**
Other comprehensive income	-	-	-	233	-	**233**	-	**233**
Total comprehensive income	**-**	**-**	**-**	**233**	**2,304**	**2,538**	**-8**	**2,530**
Share-based compensation settled in equity	-	-	-	-	125	**125**	-	**125**
Purchase of own shares	-	-	-	-	-	**-**	-	**-**
Acquisition of non-controlling interests*	-	-	-	-	1,089	**1,089**	-	**1,089**
Dividends to non-controlling interests	-	-	-	-	-	**-**	-43	**-43**
Other changes	-	-	-	-	-123	**-123**	173	**50**
Equity on 30 Sep 2023	**3,866**	-	**44,303**	**953**	**16,116**	**65,238**	**1,561**	**66,799**

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

Consolidated statement of cash flows

EUR thousand	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Cash flow from operating activities					
Profit for the financial year	**-100**	**381**	**-726**	**2,296**	**2,679**
Adjustments for:					
Depreciation, amortisation, and impairment	1,737	1,708	5,221	5,085	7,756
Finance income and expenses	1,973	1,088	4,624	2,835	5,242
Gain on disposal of property, plant, and equipment	36	16	-69	-30	-41
Share of profit from associated companies and joint ventures	-60	736	-203	440	578
Taxes	98	102	-240	255	505
Other non-cash flow related adjustments	-124	453	208	725	929
Total adjustments	**3,660**	**4,102**	**9,542**	**9,311**	**14,969**
Change in working capital					
Change in trade and other receivables	-8,214	-1,742	-19,707	-4,803	-15,745
Change in inventories	2,453	-1,498	-1,674	-654	-4,165
Change in trade and other payables	477	-4,679	2,437	-14,481	-1,028
Total change in working capital	**-5,283**	**-7,919**	**-18,944**	**-19,938**	**-20,937**
Operating cash flow before financial and tax items	**-1,723**	**-3,436**	**-10,128**	**-8,331**	**-3,290**
Interest paid	-1,860	-289	-3,644	-973	-1,383
Interest received	43	9	74	39	53
Other financing items	-415	-1,469	-1,260	-2,149	-3,872
Taxes paid	-345	-2,139	-663	-3,589	-4,169
Net cash flow from operating activities	**-4,300**	**-7,324**	**-15,620**	**-15,003**	**-12,661**
Cash flow from investing activities					
Acquisition of associates, joint ventures, and other shares	-	-	-	-	-
Purchase of intangible and tangible assets	-5,482	-2,098	-12,963	-3,785	-7,355
Receipt of government grants	-	-	1,551	-	-
Proceeds from sale of tangible and intangible assets	-36	2	361	102	117
Loans granted	140	-226	-394	-226	-175
Repayment of loan receivables	57	467	222	467	467
Net cash flow from investing activities	**-5,321**	**-1,856**	**-11,223**	**-3,442**	**-6,947**
Cash flow from financing activities					
Proceeds from borrowings	15,409	29,029	47,990	49,121	58,323
Repayment of borrowings	-9,122	-19,160	-24,325	-26,320	-27,770
Repayment of lease liabilities	-1,803	-892	-2,931	-2,331	-3,619
Acquisition of non-controlling interests	-	-	-1,221	-	-1,236
Dividends paid to non-controlling interests	-	-	-	-	-15
Net cash flow from financing activities	**4,484**	**8,977**	**19,513**	**20,470**	**25,684**
Net change in cash and cash equivalents	**-5,137**	**-203**	**-7,330**	**2,026**	**6,076**
Cash and cash equivalents, beginning of period	**8,772**	**7,118**	**10,965**	**4,889**	**4,889**
Cash and cash equivalents, end of period	**3,635**	**6,915**	**3,635**	**6,915**	**10,965**

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, soil remediation and restoration, 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 interim financial report is unaudited.

Basis of preparation

The financial information included in this interim financial report for January–September 2024 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 2024, Lamor Group has adopted new or amended IFRS’s and interpretations, as issued by IASB, effective for financial periods commencing on 1 January 2024. Except for the changes presented 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 2023.

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.

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 revenue split of geographical areas as well as 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	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Operating profit (EBIT)	**1,971**	**1,570**	**3,658**	**5,387**	**8,426**
Depreciations, amortisations and impairment	1,737	1,708	5,221	5,085	7,756
EBITDA	**3,708**	**3,278**	**8,879**	**10,472**	**16,182**
Non-recurring Items					
Business combinations expenses	-	-	-	-	-
Restructuring expenses	28	100	103	100	944
IPO related expenses	-	-	-	-	-
Impairment of Russian business	-	1,247	-	1,247	1,338
Adjusted EBITDA	**3,736**	**4,625**	**8,982**	**11,819**	**18,464**
Depreciations, amortisations and impairment	-1,737	-1,708	-5,221	-5,085	-7,756
Amortisation of intangible assets identified in PPA	58	59	176	177	235
Adjusted EBIT	**2,056**	**2,975**	**3,936**	**6,910**	**10,943**

Revenue split

Distribution of revenue

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

Revenue split by product portfolio

EUR thousand	7-9/2024	7-9/2023	Change %	1-9/2024	1-9/2023	Change %	1-12/2023
Environmental protection	15,986	15,388	4%	47,309	42,670	11%	58,206
Material recycling	4,590	1,736	164%	6,158	6,100	1%	9,444
Remediation & restoration	10,217	13,963	-27%	28,353	38,975	-27%	54,871
Total revenue from contracts with customers	**30,793**	**31,086**	**-1%**	**81,821**	**87,745**	**-7%**	**122,520**

Revenue split by equipment and services

EUR thousand	7-9/2024	7-9/2023	Change %	1-9/2024	1-9/2023	Change %	1-12/2023
Equipment	14,556	9,269	57%	30,378	25,917	17%	38,156
Services	16,237	21,817	-26%	51,443	61,828	-17%	84,364
Total revenue from contracts with customers	**30,793**	**31,086**	**-1%**	**81,821**	**87,745**	**-7%**	**122,520**

Revenue split by geographical area

EUR thousand	7-9/2024	7-9/2023	Change %	1-9/2024	1-9/2023	Change %	1-12/2023
Europe and Asia (EURASIA)	11,926	7,170	66%	21,846	21,321	2%	28,415
North and South America (AMER)	3,853	3,918	-2%	14,991	11,660	29%	18,878
Middle East and Africa (MEAF)	15,014	19,999	-25%	44,984	54,763	-18%	75,228
Total revenue from contracts with customers	**30,793**	**31,086**	**-1%**	**81,821**	**87,745**	**-7%**	**122,520**

Timing of the revenue recognition

EUR thousand	7-9/2024	7-9/2023	Change %	1-9/2024	1-9/2023	Change %	1-12/2023
Transferred at a point in time	11,452	8,446	36%	25,126	16,818	49%	23,661
Transferred over time	19,341	22,641	-15%	56,694	70,927	-20%	98,860
Total revenue from contracts with customers	**30,793**	**31,086**	**-1%**	**81,821**	**87,745**	**-7%**	**122,520**

Summary of contract balances

EUR thousand	30 Sep 2024	30 Sep 2023	31 Dec 2023
Trade receivables	32,019	24,292	26,458
Contract assets	68,911	49,267	55,858
Contract liabilities	3,137	5,665	4,378

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 2023.

Lamor has recorded an expected credit loss related to trade receivables and contract assets, amounting to EUR 1.1 million on 30 September 2024 (EUR 1.1 million on 30 September 2023).

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 Sep 2024	30 Sep 2023	31 Dec 2023
Carrying value at the beginning of the year	**18,559**	**18,634**	**18,634**
Impairment	-	-	-
Additions	-	-	-
Acquired in business combinations	-	-	-
Exchange differences	-102	15	-75
Other changes and disposals	-	-	-
Carrying value at the end of the year	**18,457**	**18,648**	**18,559**

Change in tangible and intangible assets

EUR thousand	30 Sep 2024	30 Sep 2023	31 Dec 2023
Carrying value at the beginning of the year	**17,411**	**13,653**	**13,653**
Depreciation, amortization and impairment charges	-2,110	-2,357	-3,650
Additions	11,411	3,785	7,355
Transfers between balance sheet items	-247	-11	426
Exchange differences	-217	-41	-285
Grants received and disposals	-471	-85	-89
Carrying value at the end of the year	**25,777**	**14,944**	**17,411**

Grants received include a government grant of EUR 1,551 thousand, which Lamor received for its plastic recycling investment in Kilpilahti, Finland, during the reporting period.

Change in right-of-use assets

EUR thousand	30 Sep 2024	30 Sep 2023	31 Dec 2023
Carrying value at the beginning of the year	**4,974**	**5,293**	**5,293**
Depreciation, amortization and impairment charges	-3,111	-2,728	-4,107
Additions	1,229	1,472	3,891
Exchange differences	93	221	-103
Other changes	-	-	-
Carrying value at the end of the year	**3,186**	**4,257**	**4,974**

The increase in right-of-use assets in 2024 was primarily due to the extension of lease period for vessels used in Saudi Arabia, and in 2023 increase was primarily due to a land lease agreement in Kilpilahti, Finland.

Financial instruments

Net debt

EUR thousand	30 Sep 2024	30 Sep 2023	31 Dec 2023
Non-current interest-bearing loans and borrowings	41,444	33,262	32,262
Non-current lease liabilities	2,221	1,536	2,683
Current interest-bearing loans and borrowings	26,719	3,114	12,049
Current lease liabilities	1,367	2,835	2,757
Liquid funds	-3,635	-6,915	-10,965
Net debt total	**68,116**	**33,831**	**38,786**

Classification of financial assets and liabilities

Financial assets on 30 September 2024

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
Other receivables		-	-	1,029	1,029	1,029
Non-current financial assets total		**-**	**411**	**1,029**	**1,440**	**1,440**
Current financial assets						
Trade receivables		-	-	32,019	32,019	32,019
Contract assets		-	-	68,911	68,911	68,911
Derivative instruments	**2**	142	-	-	142	142
Investments in funds	**2**	3	-	-	3	3
Cash and cash equivalents		-	-	3,635	3,635	3,635
Current financial assets total		**145**	**-**	**104,565**	**104,710**	**104,710**
Financial assets total		**145**	**411**	**105,594**	**106,150**	**106,150**

Financial liabilities on 30 September 2024

EUR thousand	Level	Fair value through profit and loss	Fair value through OCI	At amortised cost	Book value	Fair value
Non-current financial liabilities						
Corporate bonds	**1**	-	-	24,475	24,475	25,000
Interest-bearing loans from financial institutions	**2**	-	-	16,969	16,969	16,969
Lease liabilities		-	-	2,221	2,221	2,221
Other payables		-	-	3,325	3,325	3,325
Non-current financial liabilities total		**-**	**-**	**46,991**	**46,991**	**47,516**
Current financial liabilities						
Interest-bearing loans from financial institutions	**2**	-	-	26,719	26,719	26,719
Lease liabilities		-	-	1,367	1,367	1,367
Trade payables		-	-	21,893	21,893	21,893
Contract liabilities		-	-	3,137	3,137	3,137
Contingent consideration	**3**	244	-	-	244	244
Other current liabilities		-	-	16,835	16,835	16,835
Current financial liabilities total		**244**	**-**	**69,950**	**70,195**	**70,195**
Financial liabilities total		**244**	**-**	**116,941**	**117,185**	**117,710**

Financial assets on 31 December 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		-	-	1,070	1,070	1,070
Non-current financial assets total		**-**	**411**	**1,070**	**1,481**	**1,481**
Current financial assets						
Trade receivables		-	-	26,458	26,458	26,458
Contract assets		-	-	55,858	55,858	55,858
Derivative instruments	**2**	99	-	-	99	99
Investments in funds	**2**	0	-	-	0	0
Cash and cash equivalents		-	-	10,965	10,965	10,965
Current financial assets total		**100**	**-**	**93,281**	**93,381**	**93,381**
Financial assets total		**100**	**411**	**94,351**	**94,862**	**94,862**

Financial liabilities on 31 December 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						
Corporate bonds	**1**	-	-	24,270	24,270	25,000
Interest-bearing loans from financial institutions	**2**	-	-	7,992	7,992	7,992
Lease liabilities		-	-	2,683	2,683	2,683
Other payables		-	-	1,952	1,952	1,952
Non-current financial liabilities total		**-**	**-**	**36,897**	**36,897**	**37,627**
Current financial liabilities						
Interest-bearing loans from financial institutions	**2**	-	-	12,049	12,049	12,049
Lease liabilities		-	-	2,757	2,757	2,757
Trade payables		-	-	21,554	21,554	21,554
Contract liabilities		-	-	4,378	4,378	4,378
Contingent consideration	**3**	1,324	-	-	1,324	1,324
Other current liabilities		-	-	15,232	15,232	15,232
Current financial liabilities total		**1,324**	**-**	**55,970**	**57,294**	**57,294**
Financial liabilities total		**1,324**	**-**	**92,867**	**94,191**	**94,921**

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. Financial instruments classified at level 1 include corporate bonds.

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 and option 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 in the years 2021 to 2023. EUR 2.5 million of the consideration had been paid by the end of the reporting period. At the reporting date, Lamor estimates the value of the remaining contingent consideration at EUR 244 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	1-9/2024	1-9/2023	1-12/2023
Sales to associated companies and joint ventures	-17	120	304
Sales to other related parties	9	-	-
Purchases from associated companies and joint ventures	23	45	45
Purchases from other related parties*	1,190	1,208	1,392

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

Receivables and liabilities from related parties

EUR thousand	30 Sep 2024	30 Sep 2023	31 Dec 2023
Receivables from associated companies and joint ventures	398	997	223
Receivables from other related parties	217	220	219
Liabilities to associated companies and joint ventures	23	-	-
Liabilities to other related parties	341	2,648	1,345

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 Sep 2024	30 Sep 2023	31 Dec 2023
Amounts receivable from associates and joint ventures	451	1,000	675
Amounts receivable from other related parties*	152	-	-
Amounts payable to associates and joint ventures	-	-	-
Amounts payable to other related parties	-	-	-

* Consists of an interest-bearing, secured loan granted to the CEO. The loan has been used to acquire shares of Lamor Corporation Plc.

Contingent liabilities and other commitments

Commitments

At the reporting date, 30 September 2024, Lamor had corporate mortgages of EUR 91.8 million (EUR 91.8 million on 30 September 2023) as collateral for its loans.

Contingent liabilities related to legal claims

A prior overseas distributor of Lamor has in 2019 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 Sep 2024	30 Sep 2023	31 Dec 2023
Performance and warranty guarantee	24,165	25,619	24,540
Advance payment and payment guarantee	14,410	17,060	18,361
Tender and bid bond guarantees	112	-	-
Total	**38,687**	**42,679**	**42,901**

In addition, Lamor has given a loan guarantee of EUR 1.3 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) %	=	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
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	