



Lassila & Tikanoja Plc

Interim Report January-March 2026

Net sales increased, profitability affected by market environment in waste management

The financial information presented in this Interim Report is based on actual figures for the financial information for 2026 and the statement of financial position as at 31 December 2025, and on a carve-out basis for the other financial information for 2025. The carve-out financial information does not necessarily reflect what the combined results of operations and financial position of Lassila & Tikanoja would have been had Lassila & Tikanoja operated as a standalone legal group and, accordingly, prepared separate consolidated financial information for the periods presented. Nor does the carve-out financial information necessarily indicate the results of operations, financial position or cash flows of Lassila & Tikanoja in the future.

Unless otherwise mentioned, the figures in brackets refer to the corresponding period in the previous year.

January–March 2026 highlights

- Net sales were EUR 94.8 million (89.4). Net sales grew by 6.0%.
- Adjusted EBITDA was EUR 11.5 million (12.8), representing 12.1% (14.3) of net sales.
- Adjusted EBITA was EUR 0.2 million (2.6), representing 0.3% (2.9) of net sales. Profitability was weakened by decline in waste management volumes, rising fuel prices and increased depreciation and amortisation.
- Operating profit was EUR -0.8 million (3.5), representing -0.9% (3.9) of net sales.
- Earnings per share was EUR -0.01 (0.11). Earnings per share are not comparable between periods, as the Company's external borrowings and the related net finance costs, among other items, were not included in the carve-out financial information for 2025.
- Net cash flow from operating activities after investments amounted to EUR -3.2 million (3.6). Cash flow was weakened by payments of items between Lassila & Tikanoja and Luotea Plc related to the partial demerger, totalling EUR 6.9 million. Taking the above factors into account, net cash flow from operating activities after investments remained at the previous year's level.

Outlook for the year 2026

In 2026, net sales are estimated to be EUR 420–450 million and adjusted EBITA EUR 38–44 million. In 2025, the company's net sales amounted to EUR 426.6 million and adjusted EBITA was EUR 40.6 million (on a carve-out basis).

PRESIDENT AND CEO EERO HAUTANIEMI:

" Net sales in the first quarter of 2026 amounted to EUR 94.8 million (89.4), representing a year-on-year increase of 6.0 per cent. Organically, net sales increased by 2.0 per cent.

In the Waste Management and Recycling service area, net sales increased by 1.2 per cent to EUR 64.5 million (63.7). Net sales grew as a result of the acquisition of the pallet business completed in June 2025. In waste management, the challenging economic environment and weak development in material volumes were reflected in net sales.

In the Hazardous Waste and Remediation service area, net sales increased by 23.3 per cent to EUR 15.4 million (12.5), driven by a strong project pipeline in remediation and stable demand for hazardous waste services.

Net sales in Industrial Services and Water Treatment increased by 14.3 per cent to EUR 16.0 million (14.0). Net sales growth was mainly organic and was additionally supported by acquisitions completed in December 2025.

Adjusted EBITA for January–March amounted to EUR 0.2 million (2.6). Profitability in January–March was burdened, in addition to the decline in waste management volumes, by an approximately EUR 0.5 million increase in costs resulting from higher fuel prices compared with the previous year, as well as an approximately EUR 0.5 million increase in amortisation related to the system renewal investment. Profitability for the review period was further weakened by higher waste treatment fees, driven by an oversupply of incinerable waste in the market. Over the longer term, the oversupply of waste incineration capacity in Finland is expected to create downward pressure on gate fees.

The Company initiated a review aimed at improving the cost structure of waste management service production and, at the end of the review period, implemented price increases in response to the sudden rise in fuel costs. The price increases will be phased in during April–May. .

Net cash flow from operating activities after investments in the first quarter amounted to EUR -3.2 million (3.6). Cash flow was weakened by one-off payments between Lassila & Tikanoja and Luotea Plc related to the partial demerger, totalling EUR 6.9 million. Taking the above factors into account, net cash flow from operating activities after investments remained at the level of the previous year.

L&T's steady sustainability performance continued during the review period. The target to halve direct emissions from operations was achieved almost five years ahead of schedule, and the focus of climate work has shifted to eliminating emissions across the entire value chain by 2045. Positive safety development continued, and the total recordable incident frequency (TRIF) decreased to 16 (28). Together with seven other forerunner companies, L&T established the Nature Business Network. The objective of the network is to accelerate the transition towards a nature-positive economy, in which circular economy solutions play a key role."

Key figures

Key figures (EUR m)	1–3/ 2026	1–3/ 2025	Change %	1–12/ 2025
Net sales	94.8	89.4	6.0	426.6
Adjusted EBITDA	11.5	12.8	-9.7	84.3
Adjusted EBITDA, %	12.1	14.3		19.8
EBITDA	11.0	14.0	-21.9	79.8
EBITDA, %	11.6	15.7		18.7
Adjusted EBITA	0.2	2.6	-90.5	40.6
Adjusted EBITA, %	0.3	2.9		9.5
Operating profit	-0.8	3.5	-124.1	34.2
Result for the period	-0.5	4.0	-112.0	25.7
Earnings per share (EUR) ¹	-0.01	0.11	-112.0	0.67
Net cash flow from operating activities after investments	-3.2	3.6	-189.4	41.4
Net cash flow from operating activities after investments per share (EUR)	-0.08	0.09	-189.4	1.08
Gross capital expenditure	4.3	3.4	26.2	41.7
Capital employed	362.1	322.6	12.2	360.4
Return on capital employed, % (ROCE)	9.3	n/a		10.6
Return on equity, % (ROE)	10.7	n/a		12.1
Net interest-bearing liabilities	161.5	n/a		150.2
Net interest-bearing debt / Adjusted EBITDA	1.9x	n/a		1.8x
Equity ratio, %	35.1	n/a		35.0
Gearing, %	94.5	n/a		86.9
Average number of employees in full-time equivalents	1,881	1,839	2.3	1,907
Total number of full-time and part-time employees at period-end	2,249	2,219	1.4	2,236

¹ Q1 2025 is calculated based on the number of shares at the date of the demerger 31 December 2025.

Differences between the actual figures and the carve-out principles affect the presentation of certain key performance indicators. Key figures based on equity, interest-bearing liabilities and net interest-bearing liabilities are presented only as at 31 December 2025 and 31 March 2026, as the information for earlier periods prepared on a carve-out basis does not reflect the capital and financing structure of Lassila & Tikanoja.

GROUP NET SALES AND FINANCIAL PERFORMANCE

January–March

Net sales in the first quarter amounted to EUR 94.8 million (89.4), representing an increase of 6.0% compared with the comparison period. Organic growth in net sales was 2.0%. Net sales in the Waste Management and Recycling service area increased to EUR 64.5 million (63.7), supported by the pallet business acquired in June 2025. Organically, net sales in the service area declined due to the challenging market conditions in waste management. Net sales in the Hazardous Waste and Remediation service area increased to EUR 15.4 million (12.5), driven by remediation projects. Net sales in Industrial Services and Water Treatment increased to EUR 16.0 million (14.0).

Adjusted EBITA amounted to EUR 0.2 million (2.6), representing 0.3% (2.9) of net sales. Operating profit was EUR -0.8 million (3.5), representing -0.9% (3.9) of net sales. In the first quarter, profitability was burdened, in addition to the decline in waste management volumes, by higher fuel prices resulting from the Middle East crisis, which increased costs by approximately EUR 0.5 million compared with the previous year. Amortisation related to the system renewal project implemented in June 2025 increased amortisation for January–March by approximately EUR 0.5 million compared with the previous year. Profitability for the review period was further weakened by higher waste treatment fees, driven by an oversupply of incinerable waste in the market. Operating profit included a total of EUR 0.6 million in items affecting comparability, primarily related to the partial demerger.

Net financial expenses in the first quarter amounted to EUR -1.8 million (-1.0). The share of the profit of the joint venture Laania Oy was EUR 1.7 million (1.7). Net financial expenses for January–March 2026 and 2025 are not comparable, as the Company's external loans and the related net financial expenses have not been included in the carve-out financial information.

Net sales by service area

MEUR	1-3/ 2026	1-3/ 2025	Change %	1-12/ 2025
Waste management and recycling	64.5	63.7	1.2	278.1
Hazardous waste and remediation	15.4	12.5	23.3	73.0
Industrial and water	16.0	14.0	14.3	81.3
Net sales between service areas	-1.0	-0.7		-5.9
Total net sales	94.8	89.4	6.0	426.6

FINANCING

Net cash flow from operating activities in the first quarter of 2026 amounted to EUR 2.7 million (8.9). A total of EUR 6.3 million in working capital was tied up during the review period (EUR 2.2 million tied up). Net cash flow from operating activities after investments was EUR -3.2 million (3.6). Cash flow was weakened by payments of items related to the partial demerger between Lassila & Tikanoja and Luotea, totalling EUR 6.9 million.

At the end of the review period, interest-bearing liabilities amounted to EUR 191.1 million, including lease liabilities. Net interest-bearing liabilities totalled EUR 161.5 million. The average interest rate on long-term loans, excluding lease liabilities, was 3.2 per cent.

External loans of the company have not been included in the carve-out financial information for the comparative period. As part of the financing arrangements, the EUR 75 million bond, the EUR 35 million and EUR 15 million term loans, and the EUR 40 million revolving credit facility were transferred to Lassila & Tikanoja in the demerger on 31 December 2025.

At the end of the review period, the Company's EUR 100.0 million commercial paper programme, EUR 10.0 million overdraft facility and EUR 40.0 million committed credit facility were undrawn.

Net financial expenses totalled EUR -1.8 million (-1.0). Net financial expenses were 1.9% (1.1) of net sales. The net finance expenses for January–March 2026 and 2025 are not comparable, as the Company's external borrowings and the related net finance expenses were not included in the carve-out financial information.

The equity ratio was 35.1% and gearing ratio was 94.5%. Net interest-bearing debt to adjusted EBITDA was 1.9x. The Group's total equity amounted to EUR 171.0 million. Cash and cash equivalents at the balance sheet date totalled EUR 29.5 million.

CAPITAL EXPENDITURE

Gross capital expenditure for the review period totalled EUR 4.3 million (3.4). The capital expenditure consisted primarily of machine and equipment purchases, as well as investments in information systems.

SUSTAINABILITY

L&T's steady sustainability performance continued during the review period. The target to halve direct emissions from operations was achieved almost five years ahead of schedule, and the focus of climate efforts has therefore shifted to eliminating emissions across the entire value chain by 2045. The single largest reason for the decrease in the carbon handprint is the decline in the volume of recovered paper to less than one third of its 2020 level. Safety performance was excellent, and the total recordable incident frequency (TRIF) decreased to 16 (28). Together with seven other forerunner companies, L&T founded the Nature Business Network. The aim of the network is to accelerate the transition towards a nature-positive economy, in which circular economy solutions play a key role. L&T provides employment opportunities for young people and is recruiting 250 summer employees.

Progress towards sustainability targets

Indicator	1-3/2026	1-3/2025	Target	Target to be achieved by
ENVIRONMENTAL RESPONSIBILITY				
Carbon handprint (tCO ₂ e) i.e. emissions prevented	-102,200	-113,000	growth faster than net sales	
Carbon footprint (tCO ₂ e) Scope 1 & 2	4,700	4,900	net zero	2045
SOCIAL RESPONSIBILITY				
Total recordable incident frequency (TRIF)	16.2	28.3	17.0	2028
Sickness-related absences (%)	6.0	6.4	4.5	2028

PERSONNEL

In the first quarter of 2026, the average number of employees converted into full-time equivalents was 1,881 (1,839). At the end of the review period, L&T had a total of 2,249 (2,219) full-time and part-time employees.

Number of employees at end of the period	1-3/2026	1-3/2025	1-12/ 2025
Group	2,249	2,219	2,236
Finland	2,148	2,124	2,133
Sweden	101	95	103

SHARES AND SHARE CAPITAL

Traded volume and price

The demerger of Lassila & Tikanoja was completed on 31 December 2025, and trading in the shares of Lassila & Tikanoja Plc commenced on Nasdaq Helsinki on 2 January 2026. During the review period, a total of 3.3 million shares in the Company were traded, representing 8.8% of the average number of shares outstanding. The value of trading amounted to EUR 25.5 million. The Company's own share acquisitions are not included in the trading figures. The highest share price was EUR 8.35 and the lowest EUR 7.25. The closing price was EUR 7.38. At the end of the review period, the market capitalisation of the Company's share capital, excluding treasury shares held by the Company, amounted to EUR 281.0 million.

Own shares

During the review period, the Company acquired a total of 150,000 of its own shares. During the review period, the Company transferred a total of 14,288 treasury shares in its possession to 19 key employees covered by the Group's share-based incentive scheme. The transferred shares represent the share-based portion of the rewards payable under the share-based incentive scheme for the years 2023–2025. At the end of the review period, the Company held a total of 135,712 treasury shares.

On 23 March 2026, the Company announced that it had completed the repurchase of its own shares, which was originally announced by a stock exchange release on 27 February 2026. The share repurchase programme commenced on 3 March 2026 and ended on 20 March 2026. A total of 150,000 shares were acquired, corresponding to approximately 0.4% of all shares in Lassila & Tikanoja Plc. The average purchase price was EUR 7.6893 per share.

Share capital and number of shares

The company's registered share capital amounts to EUR 80,000 and the number of outstanding shares was 38,076,012 at the end of the review period.

Share-based incentive plans

The purpose of the Lassila & Tikanoja's long-term incentive plans is to commit their participants to the long-term interests and to enhance the shareholder value, as well as to offer a competitive, ownership-based reward scheme.

The company has the following share-based incentive plan under which share rewards remain to be paid on the balance sheet date:

A performance-based share-based incentive scheme for 2023–2027, with ongoing three-year performance periods for 2024–2026 and 2025–2027. The vesting of rewards for the 2024–2026 performance period is based on the following performance criteria: return on capital employed (ROCE) and relative total shareholder return (rTSR). The vesting of rewards for the 2025–2027 performance period is based on the following performance criteria: return on capital employed (ROCE), revenue growth in 2025–2027 and relative total shareholder return (rTSR). The rewards payable based on the 2024–2026 and 2025–2027 performance periods have been converted into shares of the new Lassila & Tikanoja on the basis of the price formation of the new Lassila & Tikanoja share following the listing. The rewards payable based on the performance periods will be paid no later than five months after the end of the performance period as a combination of shares and cash.

A performance-based share-based incentive scheme for 2026–2030, comprising three (3) performance periods of three (3) years each, covering the calendar years 2026–2028, 2027–2029 and 2028–2030. The Board of Directors decides on the performance criteria of the scheme and the targets set for each performance criterion at the beginning of each performance period. Any rewards payable under the scheme will be paid after the completion of each performance period. For the 2026–2028 performance period, the vesting of rewards is based on the following performance criteria: adjusted return on capital employed (ROCE) (30%) in 2026–2028, revenue growth (30%) in 2026–2028, relative total shareholder return (rTSR) (30%) in 2026–2028, and reduction of carbon footprint (ESG) (10%) in 2026–2028. The rewards payable for the 2026–2028 performance period correspond to a maximum value of approximately 218,677 shares of Lassila & Tikanoja Plc, including the portion payable in cash. The target group of the share-based incentive scheme for the 2026–2028 performance period comprises approximately 25 key employees, including the Group's President and CEO and the members of the Group Management Team.

Shareholders

At the end of the review period, the company had 24,676 shareholders. Nominee-registered holdings accounted for 12.2% of the total number of shares.

Flagging notifications

On 30 January 2026, Lassila & Tikanoja Plc received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act, according to which the shareholding of Protector Forsikring ASA in Lassila & Tikanoja decreased below the 5 per cent threshold on 29 January 2026.

Authorisations for the Board of Directors

The Annual General Meeting of Lassila & Tikanoja Plc, which was held after the review period, on 28 April 2026, resolved on authorising the Board of Directors of the Company to the repurchase of the Company's own shares using the company's unrestricted equity. In addition, the Annual General Meeting authorised the Board of Directors to decide on a share issue and the issuance of special rights entitling to shares.

By virtue of the authorisation, the Board of Directors is authorised to decide on the repurchase and/or acceptance as pledge of a maximum of 2,000,000 Company's own shares using the Company's non-restricted equity. This number of shares corresponds to approximately 5.2% of the Company's total number of shares on the date of the notice to the Meeting. The authorisation is valid for 18 months.

By virtue of the authorisation, the Board of Directors is authorised to decide, in one or more instalments, on the issuance of new shares or shares possibly held by the Company through a share issue and/or the issuance of option rights or other special rights entitling to shares, as referred to in Chapter 10, Section 1 of the Finnish Companies Act, so that by virtue of the authorisation altogether 2,000,000 shares may be issued and/or conveyed at a maximum. This number of shares corresponds to approximately 5.2% of the Company's total number of shares on the publication date of the notice to the meeting. The authorisation is valid for 18 months.

RESOLUTIONS BY THE ANNUAL GENERAL MEETING

The Annual General Meeting of Lassila & Tikanoja Plc, which was held after the review period, on 28 April 2026, adopted the financial statements and consolidated financial statements for the financial year 2025, discharged the members of the Board of Directors and the President and CEO from liability, and adopted the Remuneration Report for the Company's governing bodies as well as the Remuneration Policy for the governing bodies. The Annual General Meeting resolved on the use of the profit shown on the balance sheet and the payment of dividend, the composition and remuneration of the Board of Directors, the election and remuneration of the Auditor, the election and remuneration of the Sustainability Reporting Assurance Provider and authorising the Board of Directors to decide on the repurchase of the Company's own shares and on a share issue and the issuance of special rights entitling to shares.

The Annual General Meeting resolved that a dividend of EUR 0.42 per share be paid on the basis of the balance sheet to be adopted for the financial year 2025. The dividend will be paid in two instalments. The first dividend instalment of EUR 0.21 per share will be paid to shareholders who on the record date of the first dividend instalment, 30 April 2026, are registered in the Company's shareholders' register held by Euroclear Finland Oy. The payment date of the first dividend instalment will be 8 May 2026. The second dividend instalment of EUR 0.21 per share will be paid to shareholders who on the record date of the second dividend instalment are registered in the Company's shareholders' register held by Euroclear Finland Oy. The record date and payment date of the second dividend instalment shall be resolved by the Board of Directors in its meeting preliminarily scheduled for 18 September 2026. The record date of the second dividend instalment would then be on or about 22 September 2026, and the payment date of the second dividend instalment on or about 1 October 2026.

The Annual General Meeting confirmed the number of members of the Board of Directors as five (5) in accordance with the proposal of the Shareholders' Nomination Board. All of the current members of the Board of Directors, Tuija Kalpala, Teemu Kangas-Kärki, Sakari Lassila, Jukka Leinonen and Anna-Maria Tuominen-Reini were re-elected to the Board until the end of the next Annual General Meeting. Jukka Leinonen was re-elected as the Chair of the Board and Sakari Lassila was re-elected as the Vice Chair.

The Annual General Meeting elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as the auditor of the Company. PricewaterhouseCoopers Oy has announced that it will name Samuli Perälä, Authorised Public Accountant, as the auditor with principal responsibility.

The Annual General Meeting elected PricewaterhouseCoopers Oy, Authorised Sustainability Audit Firm, as the sustainability reporting assurance provider of the Company. PricewaterhouseCoopers Oy has announced that it will name Samuli Perälä, Authorised Sustainability Auditor, as the responsible authorised sustainability auditor.

The resolutions of the Annual General Meeting are described in more detail in the stock exchange release published on 28 April 2026.

BOARD OF DIRECTORS

The members of Lassila & Tikanoja Plc's Board of Directors are Tuija Kalpala, Teemu Kangas-Kärki, Sakari Lassila, Jukka Leinonen and Anna-Maria Tuominen-Reini. Lassila & Tikanoja Plc's Annual General Meeting, held after the review period on 28 April 2026, elected Jukka Leinonen as the Chairman of the Board and Sakari Lassila as the Vice Chairman.

In its constitutive meeting, held after the review period on 28 April 2026, the Board of Directors elected the members of the Audit Committee and the Personnel and Sustainability Committee from amongst its members. Teemu Kangas-Kärki (Chairman), Sakari Lassila and Anna-Maria Tuominen-Reini were elected to the Audit Committee. Jukka Leinonen (Chairman), Sakari Lassila and Tuija Kalpala were elected to the Personnel and Sustainability Committee.

CHANGES IN THE GROUP EXECUTIVE BOARD

Lassila & Tikanoja Plc announced on 16 February 2026, that a member of Lassila & Tikanoja Plc's Group Executive Board, Hilppa Rautpalo (Senior Vice President, Legal, HR and EHSQ), has announced her decision to leave the company to take up a new position outside the organization by August 2026 at the latest.

Lassila & Tikanoja Plc announced on 19 March 2026, that Eero Hautaniemi, who has served as President and CEO of Lassila & Tikanoja Plc since 2019, has informed the company of his wish to step down from his position no later than 30 June 2027. The Board of Directors of the company has initiated the recruitment process for a new President and CEO.

EVENTS AFTER THE REVIEW PERIOD

Lassila & Tikanoja Plc announced on 7 April 2026 that the Company's Annual Report 2025 has been published and is available at www.lt.fi/en/investors/reports-and-presentations. The Annual Report includes the Report of the Board of Directors and the Financial Statements for 2025, the Auditor's Report, the Assurance Report on the Sustainability Report, as well as the Corporate Governance Statement and the Remuneration Report.

After the review period, on 1 April 2026, Lassila & Tikanoja acquired the entire share capital of Sand & Vattenbläst i Tyringe AB (SVB) in Sweden. Lassila & Tikanoja expanded into the Swedish process cleaning services market in 2022 by acquiring a 70 per cent stake in Sand & Vattenbläst i Tyringe AB (SVB). On 1 April 2026, Lassila & Tikanoja exercised the purchase option included in the original share purchase agreement and acquired the remaining shares of SVB. The acquisition supports the implementation of Lassila & Tikanoja's strategy and strengthens its position in the Swedish industrial services market. SVB has been fully consolidated into the Group's financial statements since 1 February 2022 based on control. The deferred consideration related to the redemption of the 30 per cent non-controlling interest has been presented under financial liabilities. The final purchase price of the shares amounted to SEK 65.8 million. As a result of exercising the purchase option, this liability was derecognised from the balance sheet, and the increase in ownership to 100 per cent has no other impact on the consolidation of SVB in the Group's consolidated financial statements.

NEAR-TERM RISKS AND UNCERTAINTIES

General economic uncertainty may affect the level of economic activity among customers and the development of material volumes, which may reduce the demand for L&T's services.

Lassila & Tikanoja's business is susceptible to economic fluctuations and changing market conditions and variations in the industries of L&T's customers may affect the demand for L&T's services and solutions.

Lassila & Tikanoja's business lines are competitive, and increased competition or failure in reacting to competitive situations may result in L&T losing market position.

Lassila & Tikanoja's business is sensitive to fluctuations in the pricing and supply of materials, raw materials, and capital goods.

The Finnish Waste Act was amended in July 2021. Under the reforms to the Waste Act, municipalities take on a larger role in organising the collection of packaging materials and biowaste from housing properties. As a consequence of the reform, L&T's direct customer agreements with housing properties on the separate collection of packaging waste and biowaste were transferred to municipalities for competitive bidding gradually between 1 July 2022 and 1 July 2025. L&T estimates that, as a result of municipalisation, approximately EUR 100 million of the Finnish waste management market will be moved out of the scope of free competition between 2024 and 2028. L&T participates in the competitive tendering of municipal contracts and is a significant operator in municipal contracts. Nevertheless, L&T estimates that the overall impact of the change will be negative for the company.

Lassila & Tikanoja may become liable for environmental damages, which could result in significant costs and reputational harm.

The company has several ERP system roll-outs under way. Temporary additional costs arising from system deployments and establishing the operating model may weigh down the company's result.

Lassila & Tikanoja's merger and acquisition activities expose L&T to various risks that may have a material adverse effect on its business operations.

Lassila & Tikanoja operates in a labour-intensive industry and failures in recruiting skilled personnel, losing senior managers or key employees or other disruptions in the availability or work capacity of personnel may adversely affect L&T's business, and it may fail in recruiting and retaining people with the required skill set.

Lassila & Tikanoja's operations and services rely largely on data networks and digital solutions, and any malfunctions in and breaches or attacks targeting such networks and solutions as well as potential failures in information system development projects as well as lack of adequate data processing agreements may adversely affect the business and financial position of L&T and lead to reputational damage.

The geopolitical situation involves uncertainty stemming from Russia's war of aggression, the crisis in the Middle East and the United States' trade and tariff policy. The indirect effects of these factors on general economic activity and cost levels in Finland and Sweden may adversely affect net sales and profitability.

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Key figures of the Group

Key figures

In EUR million, unless otherwise indicated	1-3/2026	1-3/2025 Carve-out	1-12/2025 Carve-out
Net sales	94.8	89.4	426.6
Net sales growth, %	6.0	n/a	0.7
Adjusted EBITDA	11.5	12.8	84.3
Adjusted EBITDA margin, %	12.1	14.3	19.8
EBITDA	11.0	14.0	79.8
EBITDA margin, %	11.6	15.7	18.7
Adjusted EBITA	0.2	2.6	40.6
Adjusted EBITA margin, %	0.3	2.9	9.5
Operating profit	-0.8	3.5	34.2
Result for the period	-0.5	4.0	25.7
Earnings per share, EUR ¹	-0.01	0.11	0.67
Net cash flow from operating activities after investments	-3.2	3.6	41.4
Net cash flow from operating activities after investments per share, EUR ¹	-0.08	0.09	1.08
Gross capital expenditure	4.3	3.4	41.7
Equity / share, EUR	4.49	n/a	4.52
Capital employed	362.1	322.6	360.4
Return on capital employed, % (ROCE)	9.3	n/a	10.6
Return on equity, % (ROE)	10.7	n/a	12.1
Net interest-bearing liabilities	161.5	n/a	150.2
Net debt / Adjusted EBITDA (rolling 12 months)	1.9x	n/a	1.8x
Equity ratio, %	35.1	n/a	35.0
Gearing, %	94.5	n/a	86.9
Average number of employees in full-time equivalents (FTEs)	1,881	1,839	1,907
Number of employees at the end of the period	2,249	2,219	2,236
Share issue-adjusted number of shares, 1,000 shares			
average during the period	38,177	n/a	38,212
at the end of the period	38,076	n/a	38,212
average during the period, diluted	38,327	n/a	38,320

¹ Q1 2025 calculated based on the number of shares at the date of the demerger 31 December 2025.

Differences between the actual figures and the carve-out principles affect the presentation of certain key performance indicators. Key figures based on equity, interest-bearing liabilities and net interest-bearing liabilities are presented only as at 31 March 2026 and 31 December 2025, as the information for earlier periods prepared on a carve-out basis does not reflect the capital and financing structure of Lassila & Tikanoja. For the calculation of key figures based on the number of shares, the number of shares at the date of demerger, 31 December 2025, has been applied for Q1 2025.

Reconciliation of alternative performance measures

The company discloses certain other widely used performance measures that can for the most part be derived from the income statement and balance sheet. The formulas for these performance measures are provided in the section Calculation of key figures. In the company's view, these measures clarify the result of operations and financial position based on the income statement and balance sheet.

EBITDA and Adjusted EBITDA to operating profit

MEUR	1-3/2026	1-3/2025 Carve-out	1-12/2025 Carve-out
Operating profit	-0.8	3.5	34.2
+ Depreciation, amortisation and impairment	11.8	10.5	45.5
EBITDA	11.0	14.0	79.8
Items affecting comparability:			
- Expenses arising from business restructurings	0.6	0.2	4.8
- Items related to the acquisition of business activities	-0.1	-1.5	-0.6
- Other items	0.0	0.0	0.3
Items affecting comparability total ¹	0.6	-1.3	4.5
Adjusted EBITDA	11.5	12.8	84.3

Adjusted EBITA to operating profit

MEUR	1-3/2026	1-3/2025 Carve-out	1-12/2025 Carve-out
Operating profit	-0.8	3.5	34.2
+ Amortisation of purchase price allocations to intangible assets from acquisitions	0.5	0.4	1.9
Items affecting comparability:			
- Expenses arising from business restructurings	0.6	0.2	4.8
- Items related to the acquisition of business activities	-0.1	-1.5	-0.6
- Other items	0.0	0.0	0.3
Items affecting comparability total ¹	0.6	-1.3	4.5
Adjusted EBITA	0.2	2.6	40.6

¹In the first quarter, the items affecting comparability include expenses relating to the demerger totalling EUR 0.6 million (0.2). In 2025, the items affecting comparability include expenses relating to the demerger totalling EUR 4.7 million.

Return on capital employed, % (ROCE)

MEUR	1-3/2026 Carve-out	1-12/2025 Carve-out
Capital employed, average at the end of the reporting period and the end of the comparison period	342.3	340.9
Operating profit	29.9	34.2
+ Financial income	0.3	0.2
+ Share of result of joint ventures	1.8	1.9
Return on capital employed (MEUR)	32.0	36.3
Return on capital employed, %	9.3	10.6

Return on equity, % (ROE)

MEUR	1-3/2026 Carve-out	1-12/2025 Carve-out
Result for the period (rolling 12 months)	21.2	25.7
Equity (average at end of the reporting period and end of the comparison period)	198.8	212.5
Return on equity, % (ROE)	10.7	12.1

Net interest-bearing liabilities¹

MEUR	31 Mar 2026	31 Dec 2025
Borrowings	125.0	125.0
Lease liabilities	52.2	48.6
Non-current interest-bearing liabilities	177.2	173.6
Lease liabilities	13.7	13.8
Borrowings	0.1	0.2
Current interest-bearing liabilities	13.8	13.9
Total interest-bearing liabilities	191.1	187.6
Cash and cash equivalents	29.5	37.4
Net interest-bearing liabilities	161.5	150.2

¹ In connection with the demerger, loans and cash and cash equivalents were transferred from Luotea (formerly Lassila & Tikanoja) to Lassila & Tikanoja. Further information is provided in Note 7 to the Interim Report, Financial assets and liabilities.

Gearing, %

	31 Mar 2026	31 Dec 2025
Net interest-bearing liabilities, MEUR	161.5	150.2
Equity, MEUR	171.0	172.8
Gearing, %	94.5	86.9

Gross capital expenditure reconciliation

MEUR	1-3/2026	1-3/2025 Carve-out	1-12/2025 Carve-out
Intangible assets of acquired businesses	-0.0	-	11.5
Property, plant and equipment of acquired businesses	-	-	1.0
Other additions to intangible assets	0.7	0.4	2.4
Other additions to property, plant and equipment	3.8	3.8	21.2
- adjustments ¹	-1.3	-1.0	-3.4
Acquisition of heavy rental equipment included in right-of-use assets	1.2	0.2	9.1
Gross capital expenditure	4.3	3.4	41.7

¹ The structural additions related to environmental provisions and the equipment additions related to presses and balers leased from the financing company, as well as equipment additions arising from the redemption of heavy metal rental equipment.

Net debt / Adjusted EBITDA (rolling 12 months)

MEUR	1-3/2026 Carve-out	1-12/2025 Carve-out
Net interest-bearing liabilities	161.5	150.2
Adjusted EBITDA (rolling 12 months)	83.0	84.3
Net debt / Adjusted EBITDA (rolling 12 months)	1.9x	1.8x

Equity ratio, %

MEUR	31 Mar 2026	31 Dec 2025
Equity	171.0	172.8
Statement of financial position total	502.2	509.7
Advances received	-15.0	-16.1
Total	487.2	493.7
Equity ratio, %	35.1	35.0

Key figures by quarter

In EUR million, unless otherwise indicated	1-3/2026	10-12/2025 Carve-out	7-9/2025 Carve-out	4-6/2025 Carve-out	1-3/2025 Carve-out
Net sales	94.8	111.2	116.1	109.9	89.4
Adjusted EBITDA	11.5	20.3	27.1	24.2	12.8
Adjusted EBITDA margin, %	12.1	18.2	23.3	22.0	14.3
EBITDA	11.0	16.0	26.1	23.6	14.0
EBITDA margin, %	11.6	14.4	22.5	21.5	15.7
Adjusted EBITA	0.2	9.0	15.7	13.3	2.6
Adjusted EBITA margin, %	0.3	8.1	13.5	12.1	2.9
Operating profit	-0.8	4.2	14.2	12.3	3.5
Result for the period	-0.5	3.2	10.1	8.4	4.0
Earnings per share, EUR ¹	-0.01	0.08	0.26	0.22	0.11

¹ All quarters of year 2025 are calculated based on the number of shares at the date of the demerger 31 December 2025.

Calculation of key figures

Key figure	Definition
Earnings per share (EUR)	Result for the period attributable to the equity holders of the parent company / adjusted average basic number of shares
Diluted earnings per share (EUR)	Result for the period attributable to the equity holders of the parent company / adjusted average diluted number of shares
Equity per share (EUR)	Equity attributable to the equity holders of the parent company / adjusted basic number of shares at the balance sheet date
Operating profit	Operating profit as presented in the income statement.
EBITDA	Operating profit excluding depreciation, amortisation and impairment.
EBITDA margin, %	EBITDA as a percentage of net sales.
Items affecting comparability	Substantial costs arising from business restructurings or acquisitions, gains and losses from divestments and costs arising from the discontinuation of businesses as well as other material items outside ordinary course of business.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.
Adjusted EBITDA margin, %	Adjusted EBITDA as a percentage of net sales.
Adjusted EBITA	Operating profit excluding amortisation and impairments of acquisition-related intangible assets, adjusted for items affecting comparability.
Adjusted EBITA margin, %	Adjusted EBITA as a percentage of net sales.
Net cash flow from operating activities after investments	Net cash flow from operating activities according to the consolidated cash flow statement, less net cash flow from investing activities as presented in the cash flow statement.
Net cash flow from operating activities after investments per share, EUR	Net cash flow from operating activities after investments per share, EUR / adjusted average basic number of shares
Interest-bearing liabilities	Borrowings + lease liabilities + cash pool liabilities to related parties

Key figure	Definition
Capital employed	Equity + interest-bearing liabilities
Return on capital employed, % (ROCE)	(Operating profit + financial income + share of the result of joint ventures, rolling 12 months) / (equity + interest-bearing liabilities ((average of the end of the reporting period and at the end of the comparison period))
Gross capital expenditure	Investments in intangible assets, acquisitions of heavy rental equipment included in right-of- use assets, and investments in property, plant and equipment, excluding additions to constructions related to environmental provisions, excluding additions of equipment related to compactors and balers leased from finance companies, as well as respective assets acquired through business combinations.
Return on equity, % (ROE)	Result for the period (rolling 12 months) / invested equity (average at end of the reporting period and end of the comparison period)
Net interest-bearing liabilities	Interest-bearing liabilities - cash-pool receivables from related parties - cash and cash equivalents
Net debt / Adjusted EBITDA	Net interest-bearing liabilities / adjusted EBITDA (rolling 12 months)
Gearing, %	Net interest-bearing liabilities / Equity
Equity ratio, %	Equity / (statement of financial position total - advances received)
Average number of employees in full-time equivalents (FTEs)	Average number of full-time equivalent employees during the reporting period.
Number of employees at the end of the period	Number of employees at the end of the review period, total full-time and part-time employees.

Primary financial statements

Consolidated income statement

MEUR	1-3/2026	1-3/2025 Carve-out	1-12/2025 Carve-out	Note
Net sales	94.8	89.4	426.6	2
Other operating income	0.6	1.1	3.4	
Materials and services	-29.6	-25.2	-126.2	
Employee benefit expenses	-34.3	-32.9	-141.9	
Other operating expenses	-20.6	-18.5	-82.2	
Depreciation, amortisation and impairment	-11.8	-10.5	-45.5	4
Operating profit	-0.8	3.5	34.2	
Financial income	0.1	0.0	0.2	
Financial expenses	-1.9	-1.1	-4.9	
Exchange rate differences (net)	-0.0	0.1	0.1	
Financial income and expenses	-1.8	-1.0	-4.6	
Share of the result of joint ventures	1.7	1.7	1.9	
Result before taxes	-1.0	4.2	31.6	
Income taxes	0.5	-0.2	-5.8	
Result for the period	-0.5	4.0	25.7	
Attributable to:				
Equity holders of the parent company	-0.5	4.0	25.7	
Earnings per share for result attributable to the equity holders of the parent company, EUR:				
Basic ¹	-0.01	0.11	0.67	
Diluted ¹	-0.01	0.11	0.67	

Consolidated statement of comprehensive income

MEUR	1-3/2026	1-3/2025 Carve-out	1-12/2025 Carve-out	Note
Result for the period	-0.5	4.0	25.7	
Other comprehensive income, net of tax				
Items that may be reclassified to profit or loss				
Currency translation differences	-0.1	0.5	0.5	
Other comprehensive income, total	-0.1	0.5	0.5	
Total comprehensive income, after tax	-0.6	4.5	26.3	
Attributable to:				
Equity holders of Lassila & Tikanoja	-0.6	4.5	26.3	

¹ Q1 2025 is calculated based on the number of shares at the date of the demerger 31 December 2025.

Consolidated statement of financial position

MEUR	31 Mar 2025			Note
	31 Mar 2026	Carve-out	31 Dec 2025	
ASSETS				
Non-current assets				
Goodwill	125.5	119.3	125.7	4
Other intangible assets	37.3	34.8	38.2	4
Total intangible assets	162.8	154.1	163.8	
Right-of-use assets	63.4	52.1	60.1	4
Other property, plant and equipment	147.7	152.9	150.9	4
Total property, plant and equipment	211.1	205.0	211.0	
Shares in joint ventures	20.9	20.6	19.2	
Other shares and holdings	0.1	0.1	0.1	
Other non-current receivables	0.3	0.4	0.4	7
Total other non-current assets	21.3	21.2	19.8	
Total non-current assets	395.3	380.2	394.6	
Current assets				
Inventories	9.2	9.3	9.9	
Trade receivables	50.8	43.7	51.5	7
Contract assets	13.1	10.6	12.3	
Income tax receivables	0.2	0.2	-	
Cash-pool receivables from related parties	-	0.1	-	7,8
Other current receivables	4.1	2.8	4.1	7
Cash and cash equivalents	29.5	1.0	37.4	7
Total current assets	106.9	67.6	115.2	
Total assets	502.2	447.9	509.7	

Consolidated statement of financial position

MEUR	31 Mar 2025			Note
	31 Mar 2026	Carve-out	31 Dec 2025	
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the equity holders of the parent company				
Share capital	0.1	-	0.1	
Currency translation differences	-0.3	-0.2	-0.2	
Invested unrestricted equity reserve	19.0	-	19.0	
Invested equity	-	226.8	-	
Retained earnings	152.3	-	154.0	
Total Equity	171.0	226.5	172.8	
Liabilities				
Non-current liabilities				
Deferred tax liabilities	21.9	21.7	22.4	
Pension liabilities	-	0.1	0.1	
Provisions	7.1	6.1	6.3	6
Borrowings	125.0	0.2	125.0	7
Lease liabilities	52.2	43.3	48.6	7
Other liabilities	6.0	6.3	7.0	7
Total non-current liabilities	212.2	77.8	209.5	
Current liabilities				
Borrowings	0.1	0.5	0.2	7
Cash-pool liabilities to related parties	-	41.0	-	7,8
Lease liabilities	13.7	11.0	13.8	7
Trade and other payables	99.8	90.3	108.0	7
Income tax liabilities	5.2	0.4	5.3	
Provisions	0.2	0.4	0.3	6
Total current liabilities	119.0	143.5	127.4	
Total liabilities	331.2	221.3	336.9	
Total equity and liabilities	502.2	447.9	509.7	

Consolidated statement of cash flows

MEUR	1-3/2026	1-3/2025 Carve-out	1-12/2025 Carve-out	Note
Cash flows from operating activities				
Result for the period	-0.5	4.0	25.7	
Adjustments				
Income taxes	-0.5	0.2	5.8	
Depreciation, amortisation and impairment	11.8	10.5	45.5	4
Financial income and expenses	1.8	1.0	4.6	
Gains and losses on sale of tangible and intangible assets	-0.0	-0.0	-0.2	
Share of result of joint ventures	-1.7	-1.7	-1.9	
Provisions	-0.1	-0.3	-0.8	6
Other adjustments	-0.3	-1.6	-0.5	
Net cash generated from operating activities before change in working capital	10.5	12.2	78.4	
Change in working capital				
Change in trade and other receivables	-0.1	1.4	-8.8	7
Change in inventories	0.7	-0.1	-0.2	
Change in trade and other payables	-6.9	-3.5	8.7	7
Change in working capital	-6.3	-2.2	-0.3	
Interest and other financial expenses paid	-1.3	-1.1	-4.7	
Interest and other financial income received	0.1	0.0	0.2	
Income taxes paid	-0.3	-0.0	-0.1	
Net cash from operating activities	2.7	8.9	73.4	
Cash flows from investing activities				
Acquisitions of subsidiaries and businesses, net of cash acquired	-	-	-11.1	3
Purchases of intangible assets and property, plant and equipment	-5.9	-5.5	-22.8	4
Proceeds from sale of intangible assets and property, plant and equipment	0.0	0.1	0.3	
Dividends received from joint venture	-	-	1.6	8
Dividends received from other non-current investments	-	-	0.0	
Net cash from investing activities	-5.9	-5.3	-32.0	
Net cash from operating and investing activities	-3.2	3.6	41.4	
Cash flows from financing activities				
Cash pool financing with the former Lassila & Tikanoja	-	29.3	-11.6	7, 8
Equity financing with the former Lassila & Tikanoja, net	-	-30.1	20.5	
Repayments of long-term borrowings	-0.1	-0.1	-0.9	7
Repayments of lease liabilities	-3.5	-3.2	-13.7	
Purchase of own shares	-1.2	-	-	
Net cash from financing activities	-4.7	-4.1	-5.7	
Net change in cash and cash equivalents	-7.9	-0.5	35.7	
Cash and cash equivalents at the beginning of the period	37.4	1.9	1.9	
Effect of changes in foreign exchange rates	0.0	-0.3	-0.2	
Cash and cash equivalents at the end of the period	29.5	1.0	37.4	7

Consolidated statement of changes in equity

MEUR	Invested equity and retained earnings	Share capital	Currency translation differences	Invested unrestricted equity reserve	Retained earnings	Total equity
Invested equity on 1 January 2025	252.8	-	-0.7	-	-	252.1
Result for the period	4.0					4.0
Translation difference			0.5			0.5
Total comprehensive income	4.0	-	0.5	-	-	4.5
Share-based benefits	0.0					0.0
Equity transactions with the former Lassila & Tikanoja Group	-30.1					-30.1
Invested equity on 31 March 2025	226.8	-	-0.2	-	-	226.5
Equity on 1 January 2026	-	0.1	-0.2	19.0	154.0	172.8
Result for the period					-0.5	-0.5
Translation difference			-0.1			-0.1
Total comprehensive income	-	-	-0.1	-	-0.5	-0.6
Share-based benefits					-0.1	-0.1
Purchase of own shares					-1.2	-1.2
Equity on 31 March 2026	-	0.1	-0.3	19.0	152.3	171.0

In the demerger, and in accordance with the Demerger Plan, Luotea's (the former Lassila & Tikanoja) financing arrangements transferred to Lassila & Tikanoja comprised a EUR 75 million bond, term loans of EUR 35 million and EUR 15 million, as well as the related accrued interest liabilities. These items have not been included in the company's comparative period carve-out financial information. As a result, at the demerger date of 31 December 2025, the company's equity decreased and the amount of liabilities increased.

Notes

1. Basis of preparation

Lassila & Tikanoja has operated as an independent legal group since 31 December 2025. Lassila & Tikanoja Plc was incorporated through the partial demerger of Luotea Oyj (formerly Lassila & Tikanoja plc), which was completed on 31 December 2025. The financial information presented in this Interim Report is based on the actual figures of the independent group from the effective date of the partial demerger onwards, and on carve-out financial information for the period prior to the effective date of the partial demerger.

This Interim Report has been prepared in compliance with the IAS 34 Interim Financial Reporting standard. The Interim Report has been prepared in compliance with the IFRS standards and interpretations in force as at 31 December 2025, as well as the new and amended standards and interpretations effective from 1 January 2026. IFRS financial reporting standard amendments that became effective after 1 January 2026 have not had a material impact on the interim report.

The financial figures presented in this Interim Report are based on actual figures for the financial information for 2026 and the statement of financial position as at 31 December 2025, and on a carve-out basis for the other financial information for 2025. The carve-out principles are consistent with the carve-out principles presented in the 2025 financial statements.

Lassila & Tikanoja has one operating and reportable segment (Circular Economy business). Net sales by service area are presented in Note 2. Net sales.

Differences between actual figures and the carve-out principles affect the presentation of certain key figures. Key figures based on equity, interest-bearing liabilities and net interest-bearing liabilities are presented only as at 31 December 2025 and as at 31 March 2026, as the carve-out financial information for prior periods does not reflect the capital and financing structure of Lassila & Tikanoja. In calculating per-share key figures, the number of shares outstanding at the date of the demerger, 31 December 2025, has been used for the comparative period of the first quarter.

The carve-out financial information does not necessarily reflect what the combined results of operations, financial position or cash flows would have been had Lassila & Tikanoja operated as an independent legal group and prepared separate consolidated financial information for the periods presented. Nor does the carve-out financial information necessarily indicate the future results of operations, financial position or cash flows of Lassila & Tikanoja.

The information in this Interim Report is presented in millions of euros unless otherwise stated. All figures have been rounded and, accordingly, the sum of individual figures may differ from the totals presented.

Further information on the basis of preparation is available in the Lassila & Tikanoja Plc consolidated financial statements as at 31 December 2025. This Interim Report is unaudited.

2. Net sales

Disaggregation of revenue

Net sales consist of services for which revenue is recognised over time, products for which revenue is recognised at a point in time as well as lease income. Services for which revenue is recognised over time include sales revenue from long-term service agreements, separately ordered services and the project business. Services for which revenue is recognised at a point in time include revenue from the sale of equipment and materials.

MEUR	1-3/2026	1-3/2025 Carve-out	1-12/2025 Carve-out
Long-term service agreements	60.1	64.4	282.1
Separately ordered services	15.9	10.6	74.7
Project business	3.7	1.4	10.2
Sales of equipment and materials	14.3	12.2	56.2
Lease income	0.8	0.8	3.4
Total net sales	94.8	89.4	426.6

Net sales by service area

The service offering of Lassila & Tikanoja's business is divided into the following three business lines: Waste management and recycling, Hazardous waste and remediation and Industrial services and water treatment.

The waste management and recycling business line consists of nationwide waste collection and recycling services. Collection services cover all waste fractions generated from companies' operations, such as plastics, construction and confidential waste. In addition to corporate waste management, Lassila & Tikanoja produces collection and logistics services to, among others, municipalities and the public sector.

The hazardous waste and remediation business line includes comprehensive hazardous waste collection and recycling services, as well as remediation services, such as the remediation of contaminated soil, reception and utilisation of side streams and construction of waste management areas.

The industrial services and water treatment business line consists of support services for industry and production facilities, such as process equipment cleaning and sewer maintenance services, as well as water treatment services. These services ensure customer's process continuity and efficiency.

MEUR	1-3/2026	1-3/2025 Carve-out	1-12/2025 Carve-out
Waste management and recycling	64.5	63.7	278.1
Hazardous waste and remediation	15.4	12.5	73.0
Industrial and water	16.0	14.0	81.3
Net sales between service areas	-1.0	-0.7	-5.9
Total net sales	94.8	89.4	426.6

3. Business acquisitions

Business acquisitions 2026

There were no business acquisitions in the first quarter of 2026. A minor adjustment was made to the total consideration relating to the acquisition of RecondConcept i Ånge AB. The adjustment did not have any material impact on the Group's figures.

Business acquisitions 2025

On June 2, 2025, Lassila & Tikanoja Plc's subsidiary L&T Ympäristöpalvelut Oy acquired the pallet business of Stena Recycling Oy. The annual net sales of the business have been approximately EUR 10 million. The acquisition strengthens Lassila & Tikanoja's service offering and supports the growth of its circular economy business in line with L&T's growth strategy. As a result of the business acquisition, Lassila & Tikanoja's pallet business will employ just over 30 people across four locations. In the fair value measurement, intangible assets based on customer relationships amounting to EUR 3.7 million and goodwill amounting to EUR 3.4 million were identified. Goodwill is primarily based on a broader service network, a stronger service offering, and future development prospects. The goodwill is tax-deductible.

On 1 December 2025, Lassila & Tikanoja Plc's subsidiary L&T Teollisuuspalvelut Oy acquired the entire share capital of Viemärihuolto Reinikka Oy. In the fair value measurement, intangible assets based on customer relationships amounting to EUR 0.9 million and goodwill amounting to EUR 1.4 million were identified. The goodwill is primarily based on a broader service network, a strengthened service offering and future growth prospects.

On 1 December 2025, Lassila & Tikanoja Plc's Swedish subsidiary Sand & Vattenbläst i Tyringe AB (SVB) acquired the entire share capital of RecondConcept i Ånge AB, a company providing process-cleaning services in Sweden. In the fair value measurement, intangible assets based on customer relationships amounting to EUR 0.4 million and goodwill amounting to EUR 1.6 million were identified. The goodwill is primarily based on a strengthened service offering and future growth prospects. In connection with the transaction, Lassila & Tikanoja recognised a EUR 1.1 million contingent consideration (earn-out) within non-current liabilities. The contingent consideration is measured at fair value and is based on the development of RecondConcept i Ånge AB's EBITDA in 2026 and 2027.

4. Intangible and tangible assets

Changes in goodwill

MEUR	31 Mar 2025,		
	31 Mar 2026	Carve-out	31 Dec 2025
Carrying amount at the beginning of the period	125.7	118.8	118.8
Business acquisitions	-0.0	-	6.4
Exchange differences	-0.1	0.5	0.5
Carrying amount at the end of the period	125.5	119.3	125.7

Changes in other intangible assets

MEUR	31 Mar 2025,		
	31 Mar 2026	Carve-out	31 Dec 2025
Carrying amount at the beginning of the period	38.2	35.1	35.1
Business acquisitions	-	-	5.1
Other capital expenditure	0.7	0.4	2.4
Disposals	-	-0.0	0.3
Amortisation and impairment	-1.5	-0.8	-4.9
Exchange differences	-0.0	0.1	0.2
Carrying amount at the end of the period	37.3	34.8	38.2

Changes in property, plant and equipment

MEUR	31 Mar 2025,		
	31 Mar 2026	Carve-out	31 Dec 2025
Carrying amount at the beginning of the period	150.9	155.3	155.3
Business acquisitions	-	-	1.0
Other capital expenditure	3.8	3.8	21.2
Disposals	-0.2	-0.2	-0.3
Depreciation and impairment	-6.7	-6.4	-26.7
Exchange differences	-0.1	0.4	0.4
Carrying amount at the end of the period	147.7	152.9	150.9

Changes in right-of-use assets

MEUR	31 Mar 2025,		
	31 Mar 2026	Carve-out	31 Dec 2025
Carrying amount at the beginning of the period	60.1	54.8	54.8
Business acquisitions	-	-	1.0
Other capital expenditure	7.5	1.1	21.4
Disposals	-0.6	-0.6	-3.2
Depreciation and impairment	-3.7	-3.3	-14.0
Exchange differences	-0.0	0.1	0.1
Carrying amount at the end of the period	63.4	52.1	60.1

Capital expenditure for intangible assets is mainly related to information systems. Capital expenditure for property, plant and equipment and right-of-use assets are mainly related to machine and equipment purchases. No impairments were recognised during the reporting period or the comparative period.

5. Capital commitments

MEUR	31 Mar 2025,		
	31 Mar 2026	Carve-out	31 Dec 2025
Intangible assets	0.2	0.1	0.1
Tangible assets	8.3	9.0	9.0
Total	8.5	9.1	9.1

Capital commitments are mainly related to information systems and machine and equipment purchases.

6. Provisions

Obligations covered by environmental provisions

The Group has leased site that it uses as landfill from the city of Kotka. In Varkaus, the Group uses a site for intermediate storing, processing and final disposal of contaminated soil. At the expiry of the leases or at the discontinuation of operations, the Group is responsible for site restoration comprising landscaping and post-closure environmental monitoring called for in the terms and conditions of environmental permits.

The Munaistenmetsä landfill site in Uusikaupunki serves as a final disposal area for municipal waste, contaminated soil and industrial by-products.

The material recycling centre in the landfill area in Oulu receives, processes and recovers various types of waste and side streams, such as industrial waste, contaminated soil, construction and demolition waste as well as municipal waste.

The landfill area in Pori receives and processes gypsum, construction and demolition waste as well as contaminated soil and other smaller items. The new environmental permit became legally valid in December 2025. The new environmental permit covers the applied-for new reception and processing operations for both non-hazardous and hazardous waste. Construction of the hazardous waste operations will commence in spring 2026.

Other provisions

Other provisions consist mainly of provisions for restructuring as well as restoration provisions for leased premises.

Provisions in the statement of financial position

MEUR	31 Mar 2025		
	31 Mar 2026	Carve-out	31 Dec 2025
Non-current provisions	7.1	6.1	6.3
Current provisions	0.2	0.4	0.3
Total	7.2	6.5	6.6

Changes in provisions

MEUR	Environmental provisions	Other provisions	Total
Provisions at 1 Jan 2026	6.3	0.3	6.6
Additions	0.9	0.0	0.9
Used during the period	-0.0	-0.1	-0.1
Effect of discounting	-0.1	-	-0.1
Provisions at 31 Mar 2026	7.1	0.2	7.2

MEUR, Carve-out	Environmental provisions	Other provisions	Total
Provisions at 1 Jan 2025	6.3	0.6	6.9
Used during the period	0.0	-0.2	-0.2
Effect of discounting	-0.1	-	-0.1
Provisions at 31 Mar 2025	6.1	0.4	6.5

7. Financial assets and liabilities

Financial assets and liabilities by category

31 Mar 2026, MEUR	Amortised cost	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level
Non-current financial assets				
Other shares and holdings		0.1	0.1	3
Other receivables	0.1		0.1	
Current financial assets				
Trade and other receivables	50.9		50.9	
Cash and cash equivalents	29.5		29.5	
Total financial assets	80.5	0.1	80.6	
Non-current financial liabilities				
Borrowings	125.0		125.0	2
Lease liabilities	52.2		52.2	
Contingent consideration		1.1	1.1	3
Current financial liabilities				
Borrowings	0.1		0.1	2
Lease liabilities	13.7		13.7	
Interest liabilities	2.2		2.2	
Deferred consideration		6.0	6.0	3
Trade and other payables	36.4		36.4	
Total financial liabilities	229.7	7.2	236.8	

31 Mar 2025, Carve-out, MEUR	Amortised cost	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level
Non-current financial assets				
Other shares and holdings		0.1	0.1	3
Other receivables	0.3		0.3	
Current financial assets				
Trade and other receivables	43.7		43.7	
Cash pool receivables from related parties	0.1		0.1	
Cash and cash equivalents	1.0		1.0	
Total financial assets	45.1	0.1	45.2	
Non-current financial liabilities				
Borrowings	0.2		0.2	2
Lease liabilities	43.3		43.3	
Current financial liabilities				
Borrowings	0.5		0.5	2
Cash pool liabilities to related parties	41.0		41.0	
Lease liabilities	11.0		11.0	
Deferred consideration		5.4	5.4	3
Trade and other payables	31.6		31.6	
Total financial liabilities	127.7	5.4	133.1	

Trade and other receivables do not include tax receivables and accruals, and trade and other payables do not include statutory liabilities (e.g. tax liabilities), accrued expenses and deferred income. The fair values of balance sheet items measured at amortised cost do not differ significantly from the carrying amounts of the balance sheet items.

In accordance with the Demerger Plan and the loan terms, the following Luotea's financing arrangements were transferred to Lassila & Tikanoja as part of the demerger: EUR 75 million unsecured notes, EUR 35 million and EUR 15 million term loans, and a EUR 40 million revolving credit facility. These external loans have not been included in comparative carve-out financial information of the company.

The unsecured notes will mature in the second quarter of 2028 and bear fixed annual interest at the rate of 3.375 per cent. The notes are linked to sustainability targets, which include reducing the company's own greenhouse gas emissions (Scope 1 and 2) and decreasing subcontractors' fuel usage in transportation (Scope 3).

The EUR 35 million and EUR 15 million term loans as well as the EUR 40 million revolving credit facility will mature in the second quarter of 2028, with a two-year extension option included in the agreements. At the balance sheet date, the revolving credit facility was unused. The financing arrangements include following financial covenants: equity ratio and net debt to EBITDA ratio. Compliance with the covenant terms is monitored on a quarterly basis.

Reconciliation of financial liabilities measured at fair value according to the level 3

MEUR	1-3/2026	1-3/2025 Carve-out	1-12/2025
Carrying amount at the beginning of the period	7.3	6.7	6.7
Additions during the period	-	-	1.1
Change in fair value	-0.1	-1.6	-0.9
Exchange differences	-0.1	0.3	0.4
Carrying amount at the end of the period	7.2	5.4	7.3

Deferred consideration is related to the acquisition of 70 per cent share of Sand & Vattenbläst i Tyringe AB ("SVB") that offers process cleaning services in Sweden. The acquisition took place on 1 February 2022. SVB has been consolidated with 100 per cent share in Lassila & Tikanoja and, in connection with the arrangement, Lassila & Tikanoja recognised in financial liabilities an estimate of the deferred consideration related to the acquisition of non-controlling interest. At the end of the reporting period, the carrying amount of the deferred consideration totalled EUR 6.0 million. After the reporting period, on 1 April 2026, Lassila & Tikanoja exercised the purchase option included in the original share purchase agreement and acquired the remaining shares of SVB.

Addition in 2025 is related to the acquisition of RecondConcept i Ånge AB in December 2025. In connection with the transaction, Lassila & Tikanoja recognised a EUR 1.1 million contingent consideration (earn-out) within non-current liabilities. The contingent consideration is measured at fair value and is based on the development of RecondConcept i Ånge AB's EBITDA in 2026 and 2027. At the end of the reporting period, the carrying amount of the contingent consideration totalled EUR 1.1 million.

There were no changes in financial assets measured at fair value according to the level 3 during the reporting period or the comparative period.

8. Related-party transactions

Related parties of Lassila & Tikanoja comprise the Group's subsidiaries, the joint venture (Laania Oy) as well as L&T Sickness Fund, which was established on 31 December 2025 in the partial demerger of the former L&T Sickness Fund (currently Luotea Sickness Fund). Related parties also include the key management personnel of the Lassila & Tikanoja Group (members of the Board of Directors, the President and CEO and members of the Group Executive Board) and their close family members and entities over which they exercise control.

Until the date of the demerger, 31 December 2025, the related parties of the New Lassila & Tikanoja also included the former Lassila & Tikanoja plc and the former Lassila & Tikanoja Group's subsidiaries that did not belong to the New Lassila & Tikanoja, the key management personnel of the former Lassila & Tikanoja Group and their close family members and entities over which they exercise control, as well as the former L&T Sickness Fund.

The contributions paid by the group companies to the L&T sickness fund during the reporting period amounted to EUR 0.1 million (0.1). The Group has transactions between the group companies in the ordinary course of business.

Transactions with the former Lassila & Tikanoja Group

Until the date of the demerger, the New Lassila & Tikanoja's related parties included the former Lassila & Tikanoja plc and the former Lassila & Tikanoja's subsidiaries other than the New Lassila & Tikanoja entities. The New Lassila & Tikanoja's business transactions with the former Lassila & Tikanoja Group until the date of the demerger are presented in the following table. Transactions with the former Lassila & Tikanoja are conducted at arm's length prices.

MEUR	1-3/2025	1-12/2025
Net sales	0.1	1.0
Purchases of materials and services	-0.1	-0.2
Other operating expenses	-0.2	-0.5
Financial income	0.0	0.1
Financial expenses	-0.4	-2.1
Cash pool receivables	0.1	-
Trade and other receivables	0.0	-
Cash pool liabilities	41.0	-
Trade and other payables	0.1	-

Sales by Lassila & Tikanoja to companies belonging to the former Lassila & Tikanoja Group consist of items typical of ordinary business operations, such as subcontracting services and sales of materials and supplies. Purchases and other operating expenses mainly comprise subcontracting service fees and other service purchases. Financial income and expenses consist of interest related to cash pool receivables and liabilities. Trade and other receivables as well as trade and other payables consist of items arising from ordinary business operations.

Transactions with the joint venture

Lassila & Tikanoja's business transactions with Laania Oy are presented in the following table. The former Lassila & Tikanoja plc has also provided guarantees for Laania's financing arrangements. These guarantees have been allocated to the New Lassila & Tikanoja in the carve-out financial information. In the final quarter of 2025, the guarantees for Laania's financing arrangements provided by the former Lassila & Tikanoja were released. In 2025, Laania paid dividends totalling EUR 1.6 million to the New Lassila & Tikanoja.

MEUR	1-3/2026	1-3/2025	1-12/2025
Net sales, 2025 carve-out	1.2	1.3	2.7
Purchases of materials and services, 2025 carve-out	-0.3	-0.2	-0.8
Trade and other receivables	0.1	0.0	0.0

9. Commitments and contingent liabilities

MEUR	31 Mar 2025		
	31 Mar 2026	Carve-out	31 Dec 2025
Collaterals for own commitments			
Mortgages on rights of tenancy	0.2	0.2	0.2
Company mortgages	0.5	0.5	0.5
Other securities	0.0	0.0	0.0
Bank guarantees required for environmental permits	27.8	24.2	26.2
Other bank guarantees	8.0	6.9	7.8
Morgages under own control			
Company mortgages	0.1	-	-
Liabilities on behalf of the joint venture			
Bank guarantees	-	16.5	-

Lassila & Tikanoja has a 55% holding in Laania Oy, a joint venture established on 1 July 2022 together with Neova. The amount of the liabilities on behalf of the joint venture is disclosed as Lassila & Tikanoja's share of the maximum amount of liability, in relation to Lassila & Tikanoja's holding. In the final quarter of 2025, the guarantees provided for Laania's financing arrangements were released.

Lassila & Tikanoja is involved in a few disputes related to the ordinary business operations, the outcomes of which are not expected to have a material impact on Lassila & Tikanoja's financial position.

Helsinki 5 May 2026

LASSILA & TIKANOJA PLC

Board of Directors
Eero Hautaniemi
President and CEO

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Lassila & Tikanoja is a leading Nordic circular economy company committed to unleashing the potential of circularity together with its customers and partners. Our services include waste management and recycling, hazardous waste and remediation services as well as industrial services and water treatment. Our goal is to strengthen an efficient infrastructure in society and promote the sustainable use of materials by transforming waste streams into valuable raw materials. L&T employs approximately 2,300 people in Finland and Sweden and is listed on Nasdaq Helsinki.

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