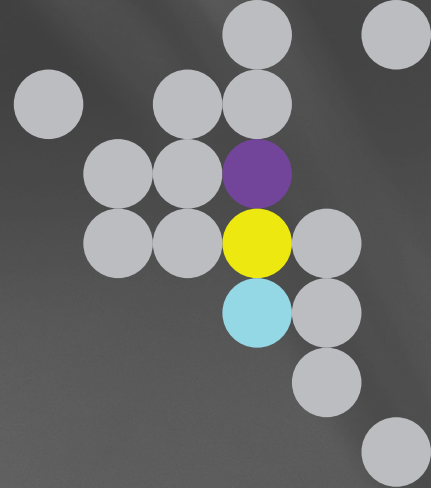


○ CLEANR  
GRUPA



# Unaudited results for the twelve months

ENDED 31 DECEMBER 2022

# Content

Page 3 About AS CleanR Grupa

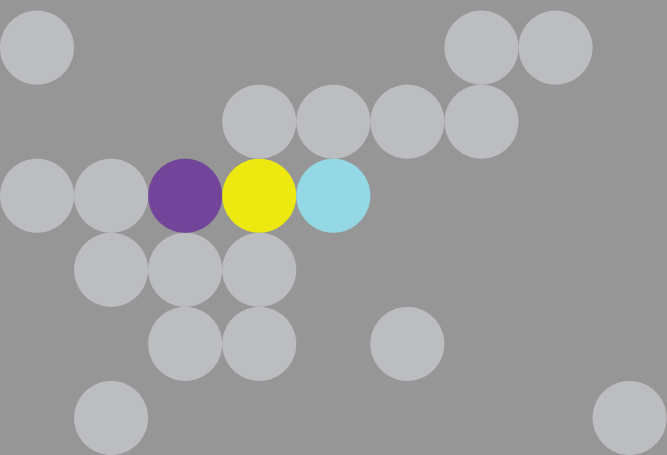
Page 4 Operational and strategic highlights 2022

Page 5 Financial highlights

Page 6 Future outlook 2023

Page 7 Consolidated financial statements  
for the twelve months of 2022

Page 12 Investor contacts



# About CleanR Grupa

CleanR Grupa (hereinafter also—the Group) is a group of leading companies in the environmental services sector in Latvia. Group’s companies provide daily services of waste management, premises cleaning, roads and urban maintenance, as well as the realm of property management to over 50 thousand customers all over the country in total servicing more than half a million of population of Latvia. With the use of innovative, digital, tailor-made solutions, we provide top-quality products and services, superior customer service while also making sure we take sincere care of the environment.



## Market leader no.1 in waste management, commercial cleaning, and urban environment management

- 100% local capital company
- Full waste management cycle— **from collection to sorting to recycling**
- >50 000 customers
- **Highest level of digitalization** in the environmental services industry in Latvia
- >500 000 serviced people in Latvia
- **Leader in sustainable and climate-neutral solutions**
- >1300 employees

## YEAR 2022 IN NUMBERS

<b>3</b> First underground waste containers launched in Riga	<b>19</b> waste-sorting workshops conducted all over Latvia	<b>2</b> M&A deals concluded: SIA Zaļā Josta and SIA RSC Noma
<b>240 000€</b> Allocated to employees to mitigate effects of energy crisis	<b>15 000 000€</b> worth of bonds issued	



CleanR, the largest company of CleanR Grupa,—a Platinum member of the Sustainability Index, **the leading sustainability ranking in Latvia**



CleanR—**a family-friendly company**



CleanR Grupa—**a member of Mission Zero**, a safe workplace initiative

# 2022

## a year of change and growth



Last year for CleanR Grupa and its companies was marked by change and growth, where external challenges alternated with internal restructuring processes and growth. In 2022, the Group improved its corporate governance model by reorganizing its flagship company—CleanR—, creating separate businesses, with an aim for each of the set-up companies to focus on its core business area, thus facilitating more rapid growth. Corporate governance is conducted by the parent company, defining a horizontal strategy in the area of environmental services and providing its subsidiary companies with the necessary tools, knowledge, and experience. Yet, the vertical development of subsidiary companies, including the planning of M&A deals, investments, and organic growth, is facilitated at each company individually. The management of the Group's companies has been put in the hands of industry professionals with extensive experience in the respective business fields, combining it with corporate governance experts, who joined the Group's management team last year, laying the foundation for faster organic growth in combination with conclusion of M&A deals. To finance more rapid development and growth of the Group's companies, in December 2022, CleanR Grupa issued corporate bonds, attracting funds worth EUR 15 million.

In 2022, CleanR Grupa concluded two major acquisition deals, acquiring SIA RSC Noma, the largest construction waste management company in Latvia, and a majority stake in SIA Zājā josta, which at the end of last year was merged with SIA Eko Rija, the Group's existing extended producer responsibility system provider. This has substantially strengthened the Group's presence in the commercial and industrial waste management segment, where the Group is represented through CleanR Verso, which manages packaging material recovery.

In the area of waste management, last year in Latvia was marked by the achievement of one of the key goals of the circular economy. The significant increase in the waste disposal tariff made it economically justified to recycle and sort waste, reducing the amount of waste ending up in landfills. In the context of these statutory changes, the Group's companies made significant investments in both the modernization of its packaging waste sorting facility in Riga, by automating its processes, and expanding its industrial material recovery plant Nomales. Also, last year the Group launched its first plastic recycling facility, running it in a test mode. In addition, the Group continued running its social and environmental campaigns, where it keeps raising awareness of waste recycling in society. Total investments in 2022 amounted to EUR 9.7 million, with the funds coming from the previous year's profits and operating cash flow.

The general economic and geopolitical climate had an impact on the Group's performance in 2022, yet, despite the hikes in energy and fuel prices, which have had an adverse effect on the waste collection and recycling business, and inflationary pressure on employee pay and raw material supply for Vizii un Vizii Urban, the Group managed to both increase its turnover and profits, compared to 2021. Vertical integration in the area of waste management (from collection to recycling) will allow the Group to further diversify economic risks related to fluctuations in the raw material costs, which were profound in 2022, whereas market consolidation observed in the commercial cleaning and urban environment maintenance segments will boost the competitiveness of the Group's companies also in these segments.

**GUNTARS LEVICS un INTA LIEPA**  
CleanR Grupa Management Board members



# Financial highlights

## Stability and growth amid challenging economic climate

Despite the challenging conditions and unpredictability of Latvia's financial markets and economy, CleanR Grupa achieved revenue growth of 26%, predominantly driven by the increase in the state-imposed waste disposal tariff and subsequent indexation of the waste management fee to the customers. Although the Group saw a substantial increase in the operating costs in 2022, caused by the rise in energy prices, which significantly affected the waste collection and sorting business lines, and inflationary pressures on employee pay and supply chains, which made an impact on the environmental services business, the Group managed to sustain its profits and increase EBITDA by 4%, reaching EUR 10.6 million (compared to EUR 10.1 million in 2021).

The negative effects of inflation, which also caused a rise in labor and energy costs in 2022, were mitigated by the tariff indexation to the customers, as well as improvements made to the equipment and efficiency by investing in sustainable solutions and modern technology. Investments made in automated waste sorting machinery and large-scale underground waste containers are only a few of the many investment projects implemented in 2022.

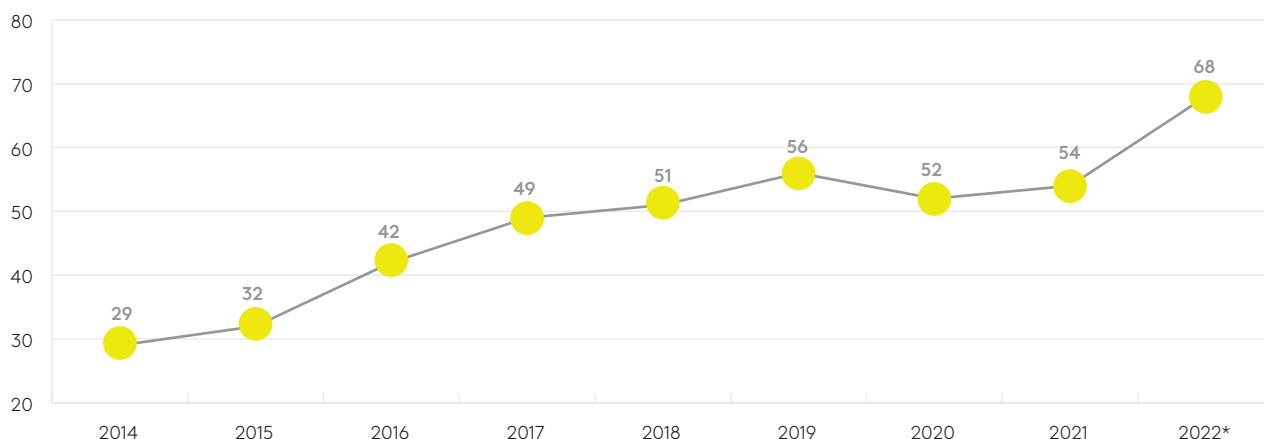
**LINDA RIRDANCE**

Chief Financial and IT Officer  
at CleanR Grupa



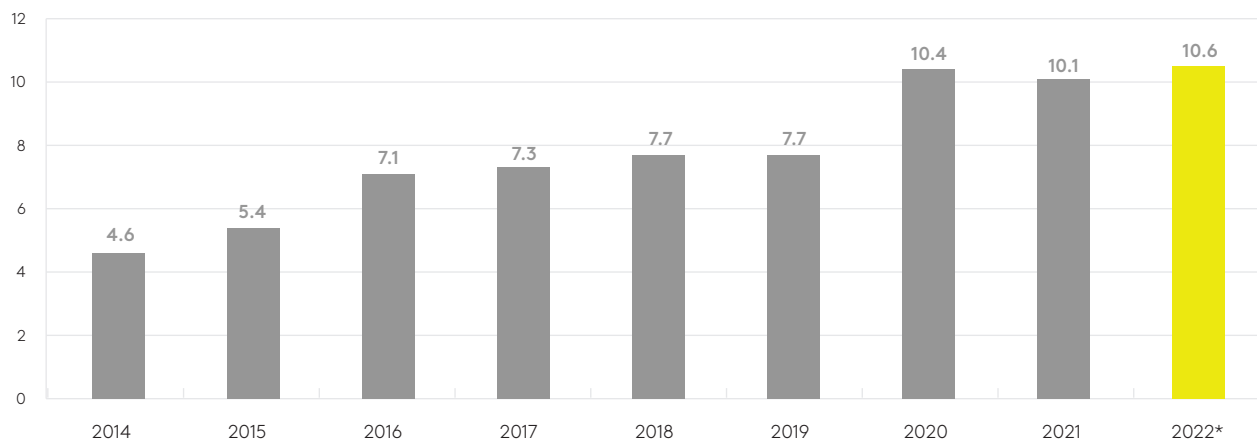
### Turnover (in million EUR)

\*unaudited data



### EBITDA (in million EUR)

\*unaudited data



# 2023

## A year of dynamic growth amid tough economic climate

### Digitization of customer service

Development and deployment of MANAI VIDEI, a single multi-channel customer service platform, across the whole Group to enhance the customer satisfaction level.

### Efficiency & productivity

With respect to the waste management business—pursuit of the principles of the circular economy and Green Deal aims in Latvia through the improvement of the recyclable waste collection infrastructure and development of the most cutting-edge industrial material recovery facility in Eastern Europe.

With respect to the environmental services business—diversification of services through solutions facilitating climate neutrality and digitalization of production.

### Workplace safety & employee well-being

Focus on improvement of the workplace safety and achieve the sustainability goal of zero injuries in the workplace.

Providing a growth-enhancing work environment where everyone feels empowered and can realize their full potential.

### Corporate governance

Strengthening of the corporate governance model, following the best international practice, and ensuring openness and transparency in relationships with all the stakeholders.

### Sustainability

Implementation of a long-term sustainability strategy according to the UN Sustainable Development Goals and start of an annual non-financial reporting practice.

# Income Statement

for the twelve months ended 31 December 2022

EUR	2022	2021
Revenue	68 101 454	53 778 895
Cost of sales	-57 845 978	-44 294 071
<b>Gross profit</b>	<b>10 255 476</b>	<b>9 484 824</b>
Selling expenses	-778 943	-620 725
Administrative expenses	-6 024 661	-4 090 251
Other operating income	2 429 869	1 737 200
Other operating expenses	-1 397 069	-1 250 227
Revenue from participation	958 628	334 078
Revenue from other securities and loans which formed long-term financial investments	0	755 114
<b>EBIT</b>	<b>5 443 300</b>	<b>6 350 013</b>
Interest income and similar income	2 187	7 986
Interest expenses and similar expenses	-228 439	-169 861
Corporate income tax	-134 136	-238 215
<b>Net profit/ (loss) for the period</b>	<b>5 082 912</b>	<b>5 949 923</b>
Share of profit / (loss) of minority stockholders	398 960	524 514
<b>EBITDA</b>	<b>10 596 414</b>	<b>10 047 099</b>



# Statement of Financial Position

for the twelve months ended 31 December 2022

Assets, EUR	31.12.2022	31.12.2021
<b>Non-current assets</b>		
Intangible assets	8 726 276	6 581 539
Tangible assets	27 496 678	21 782 876
Long-term financial investments	7 725 688	10 013 512
<b>Total non-current assets</b>	<b>43 948 642</b>	<b>38 377 927</b>
<b>Current assets</b>		
Inventories	1 632 435	601 397
Receivables and other current assets	14 952 881	10 532 519
Cash and bank	18 178 726	7 465 969
<b>Total current assets</b>	<b>34 764 042</b>	<b>18 599 885</b>
<b>Total assets</b>	<b>78 712 684</b>	<b>56 977 812</b>





# Statement of Financial Position

for the twelve months ended 31 December 2022

Equity and Liabilities, EUR	31.12.2022	31.12.2021
<b>Equity</b>		
Share capital	346 000	346 000
Retained earnings	35 242 447	35 222 495
Non-controlling Interests	3 723 960	1 758 436
<b>Total equity</b>	<b>39 312 407</b>	<b>37 326 931</b>
<b>Total provisions</b>	<b>525 425</b>	<b>218 036</b>
<b>Non-current liabilities</b>		
Loans and borrowings	18 477 558	3 702 611
Other non-current liabilities	5 645 618	4 714 647
<b>Total non-current liabilities</b>	<b>24 123 176</b>	<b>8 417 258</b>
<b>Current liabilities</b>		
Loans and borrowings	1 142 792	2 421 683
Trade payables	7 603 835	4 263 587
Taxes and social insurance payments	1 290 243	1 142 488
Unpaid dividends	207 600	0
Other liabilities	4 507 206	3 187 829
<b>Total current liabilities</b>	<b>14 751 676</b>	<b>11 015 587</b>
<b>Total equity and liabilities</b>	<b>78 712 684</b>	<b>56 977 812</b>



# Statement of changes in equity

for the twelve months ended 31 December 2022

EUR	Share capital	Convertible bond	Retained earnings (accumulated loss)	Current year's profit (loss)	Non-controlling Interests	Total
<b>As at 31 December 2020</b>	<b>36 000</b>	<b>310000</b>	<b>25 446 500</b>	<b>5 179 325</b>	<b>1 682 665</b>	<b>32 654 490</b>
Transfer of prior year's profit/ (loss)	-	-	5 179 325	-5 179 325	-	0
Increase (decrease) of share capital	310 000	-310000	-	-	-	0
Dividends	-	-	-828 739	-	-448 743	-1 277 482
Acquisition of subsidiary company	-	-	-	-	-	0
<b>Profit/ (loss) for the year</b>	-	-	-	<b>5 425 409</b>	<b>524 514</b>	<b>5 949 923</b>
<b>As at 31 December 2021</b>	<b>346 000</b>	<b>0</b>	<b>29 797 086</b>	<b>5 425 409</b>	<b>1 758 436</b>	<b>37 326 931</b>
Transfer of prior year's profit/ (loss)	-	-	5 425 409	-5 425 409	-	0
Dividends	-	-	-4 664 000	-	-201 908	-4 865 908
Acquisition of subsidiary company	-	-	-	-	1 768 472	1 768 472
<b>Profit/ (loss) for the year</b>	-	-	-	<b>4 683 952</b>	<b>398 960</b>	<b>5 082 912</b>
<b>As at 31 December 2022</b>	<b>346 000</b>	<b>0</b>	<b>30 558 495</b>	<b>4 683 952</b>	<b>3 723 960</b>	<b>39 312 407</b>



# Transactions with related parties

31.12.2022, EUR	Intra-group entities <sup>1</sup>	Companies controlled by beneficial owner	Other related parties <sup>2</sup>
<b>Receivables from related parties</b>			
Loans issued	7 780 402	-	-
Trade and other receivables	2 408 266	-	279 693
<b>Borrowings and payables:</b>			
Loans received	7 780 402	-	-
Trade and other payables	2 408 266	-	-
31.12.2022, EUR	Intra-group entities	Companies controlled by beneficial owner	Other related parties
<b>Income and expenses</b>			
Sales to related parties	3 635 900	-	1 523 229
Purchases from related parties	-3 635 900	318 750	10 988
Interest income	84 778	-	-
Interest expense	-84 778	-	-

<sup>1</sup>Intra-group entities: Subsidiaries of AS CleanR Grupa

<sup>2</sup>Other related parties are entities which are under control or joint control of the shareholders of the Group, but not part of the Group

# CLEANR GRUPA

Dedicated to people and planet



## Investor contacts



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