

 CLEANR
GRUPA

Important legal information

This document (the "Document") has been drawn up and made public solely for the purposes of listing the securities of AS CleanR Grupa, registration number 40103799972, legal address at Riga, Vietalvas iela 5, Latvia (the "Issuer") and admitting them to trading in multilateral trading facility First North operated by Nasdaq Riga AS. This Document is not and should not be construed as an offer to sell or solicitation of an offer to buy any securities. The Issuer has made all reasonable efforts to ensure that this Document provides an accurate overview of the Issuer's business activities, financial standing, and the Notes issue. The information contained in this Document is published for the assistance of recipients but is not to be relied upon as authoritative or taken in substitution for the exercise of judgement by any recipient.

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Investors are advised to carefully read the information contained in this Document, including the risk factors, before making a decision to purchase the Notes. Each potential investor should make his or her own analysis, and should consult his or her own financial, legal, business or tax advisers to fully understand the benefits

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Responsible persons

The Issuer and its management board are responsible for the information contained in this Company Description and Securities Note (Terms of the Notes Issue signed on 2 December 2022) in the attachment.

Hereby we, the members of the board of AS CleanR Grupa, Guntars Levics and Inta Liepa, certify that, by paying sufficient attention to this purpose, the information included in the Company Description and Securities Note is true, in accordance with the facts, and no information which may affect its meaning is concealed therein.

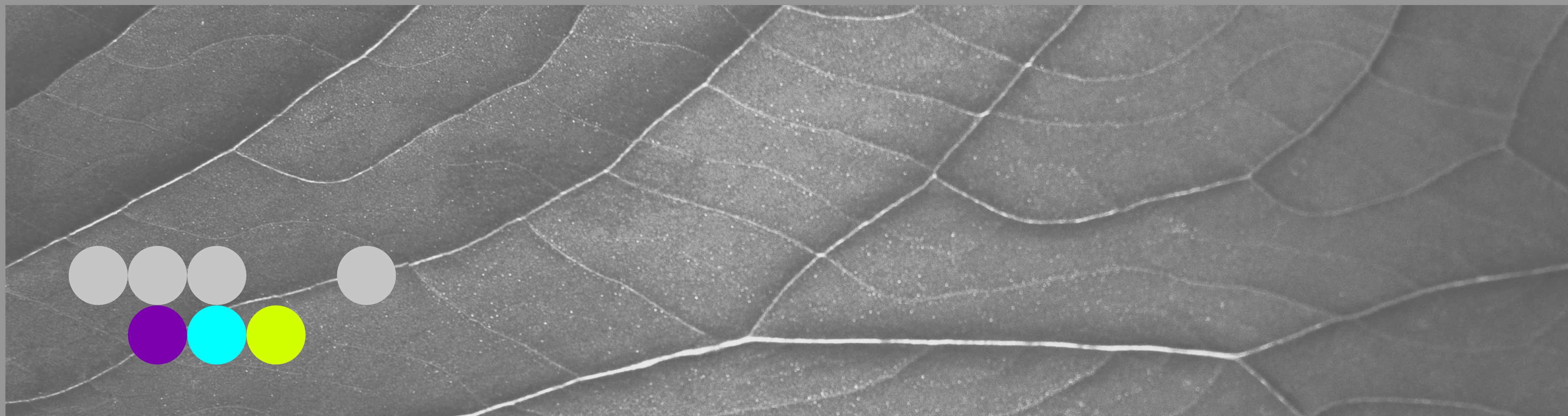


Guntars Levics
Member of the Board



Inta Liepa
Member of the Board

Executive Summary



Group at a Glance

- Leading Latvian environmental services Group
- Provides full waste management life-cycle – from collecting and sorting to recycling
- The largest waste management service provider in capital city Riga. Also servicing 3 major Latvian cities as well as numerous towns and municipalities
- Industry consolidator with proven track record; since 2014 has performed more than 5 M&A transactions
- Making shift to clean-tech company by restructuring the Group into more lean and efficient organization
- Developing focus to ESG principles by creating value in all the stakeholder parties
- Highest digitalisation level in industry
- Debut in bond market in order to finance growth via M&A and investments in new business lines

Brands:

cleanr

Waste management

**cleanr
verso**

Industrial and commercial waste management

VIZĪ

Premises cleaning and property management

**vizī
urban**

Maintenance of territories and roads

100%

Latvian capital company

>50 000

customers in Latvia

>1300

employees

>500 000

serviced inhabitants of Latvia

Market leader No.1

Waste management, Premises cleaning and Maintenance of urban territories and roads

53.8 million €

turnover (2021)

0.9 million €

Net Debt (2021)

10.1 million €

EBITDA (2021)

**Platinum
category**

Sustainability index

4 ISO certificates:

Quality
ISO 9001:2015
Environment
ISO 14001:2015
Occupational safety
ISO 45001:2018
Energy management
ISO 50001:2018

Note on definitions used in this Document:

The bond Issuer means AS «CleanR Grupa» and the Group means the Issuer and its Subsidiaries.

The Issuer does not undertake client-facing operations and its main purpose is for attracting financing and disbursing funds to the Group's companies.

The business operations described in this Company Description refer to the Group's companies. All financial covenants are tested on Group level, hence emphasis on Group performance and results in the Company Description.

For more than 75 years

Road transport company of the Riga City Public Works Department.



L&T acquires Hoetika.

First steps in the provision of pavement maintenance services.

The first client is Jurmala municipality.

cleanr

CleanR company is purchased (100%) by Guntars Kokorevičs, previously CEO of Riga Stock Exchange and Regional manager of Veolia Group.

The purchase of the companies Eko Terra and Eko Rija.



With the brand "Vides pakalpojumu grupa" CleanR launches municipal waste management in Liepāja.

VIZĪI

Spin-off of premises cleaning business under subsidiary VIZII.

CleanR acquires 50% shares of roads building and maintenance company "Roadeks".

1944 1990 2004 2005 2007 2010 2014 2015 2016 2020 2021 2022



The only and exclusive waste management service provider in Riga

2010

The first steps in providing property management services.

The company starts offering road maintenance services.

The first customer is Riga International Airport.



In the territory of "Getliņi" CleanR launches the largest municipal waste sorting centre in the region - Vides Resursu centrs.

Establishes the construction waste sorting and recycling centre "Nomaļes".

For the next 7 years new agreement on waste management signed with Riga municipality.

CleanR Grupa acquires 70% shares of producer responsibility system provider company "Zaļā josta"

Opening of a polymer processing plant.

CleanR Grupa acquires "RSC Noma" - major construction & demolition waste management company.

Services

cleanr

Household waste management

- The largest and most experienced operator since 1944 offering the widest range of waste management services.
- The largest household waste sorting centre in the region, the Environmental Resource Centre.
- Works in Riga, Liepaja, Jurmala, Stopini, Ozolnieki, Incukalns, Jelgava, etc.

cleanr verso

Commercial and industrial waste management

- One of the largest service providers, which offers construction and bulky waste collection.
- The fastest growing business segment in Group`s portfolio.
- In 2020 the construction waste sorting and processing center "Nomales" established.
- Goal is to promote the legalisation of the market for this service, so that when receiving the service, the customer could be sure that the waste goes to the place intended for it.

vizii

Premises cleaning

- In September 2021 premises cleaning subsidiary "VIZII" launched.
- One of the largest service providers offering innovative cleaning solutions (robotic technologies, nanotechnologies, spraywash equipment, etc.) in offices, shopping centers and production areas.
- More than 500 facilities served with more than 750 employees.
- Major customers: Rimi, LMT, Maxima, Spice shopping mall, etc.

vizii domus

Property management

- Management of apartment properties. In addition to the services provided by standard house management departments, our customers also have access to the maintenance of the area adjacent to the building, cleaning of premises and other additional services.
- Management of apartment buildings is provided in Riga, Jelgava, Cesis and Tukums.

vizii urban

Maintenance of territories and roads

- We provide daily sanitary territory maintenance, including cleaning of pedestrian areas, parks, grass cutting as well as specialized service for public roads maintenance in winter.
- Major customers: Jurmala, Rezekne, Tukums, Liepaja, Valmiera, Riga and Pieriga municipalities, Maxima, Rimi, Neste, Spice shopping mall, Knauf, etc.

Roadex

Building of Roads

- Segment that is developed throughout Latvia since acquisition of SIA Roadeks. Intention to develop this business line as strong and ambitious market player servicing major cities and municipalities, as well as private sector customers around the country.

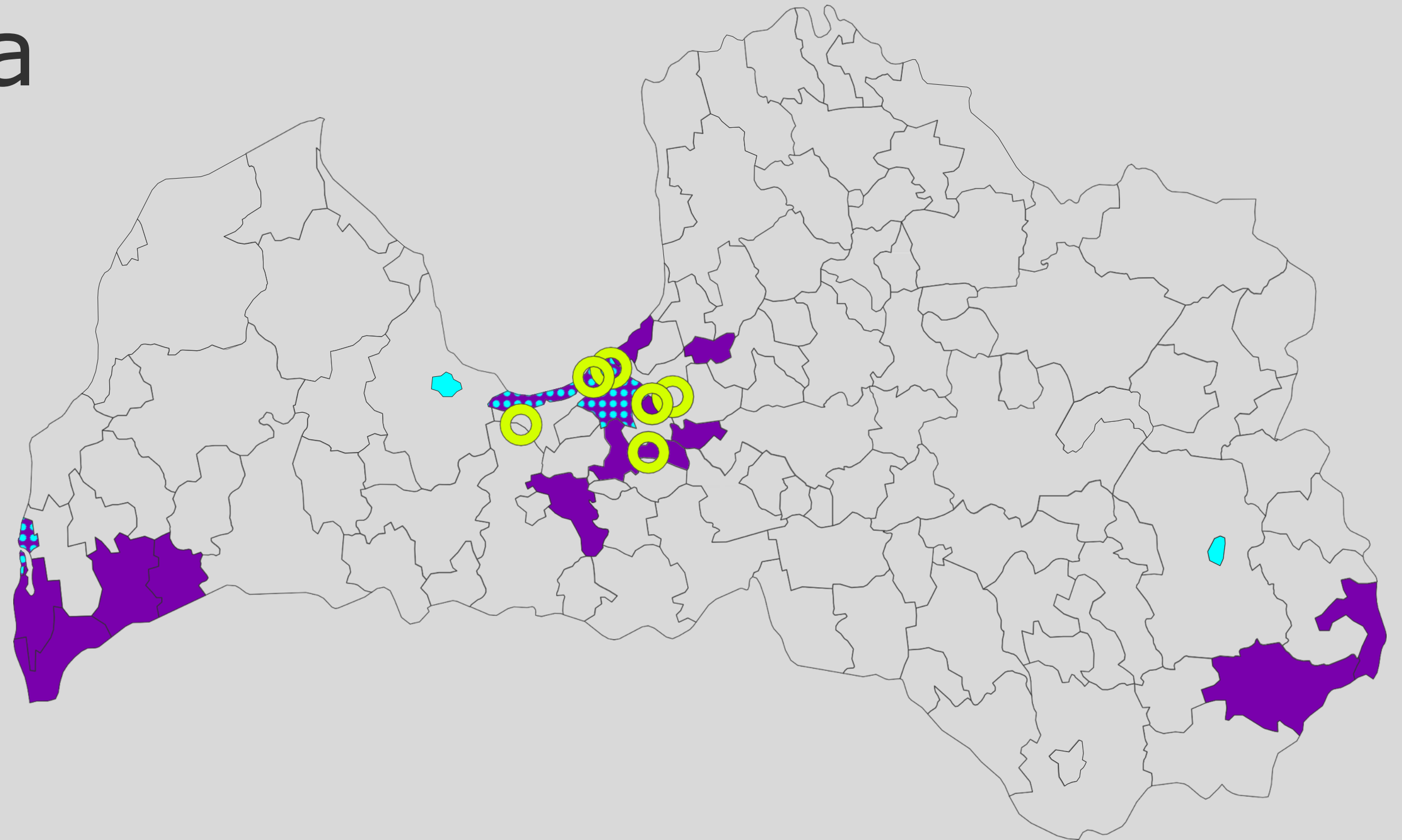


Management of used packaging

- By acquiring SIA "Zaļā josta" there is business line widened for managing used packaging and servicing companies with management of Natural Resources Tax. There is intention to invest and develop this business line in near future.
- Acquisition of SIA "Zaļā josta" shares expands activities in producers responsibility system. Producers responsibility system enables producers to have an exemption from packaging tax by joining voluntarily PRS (Zaļā josta) that ensures collection and recycling of used packaging.

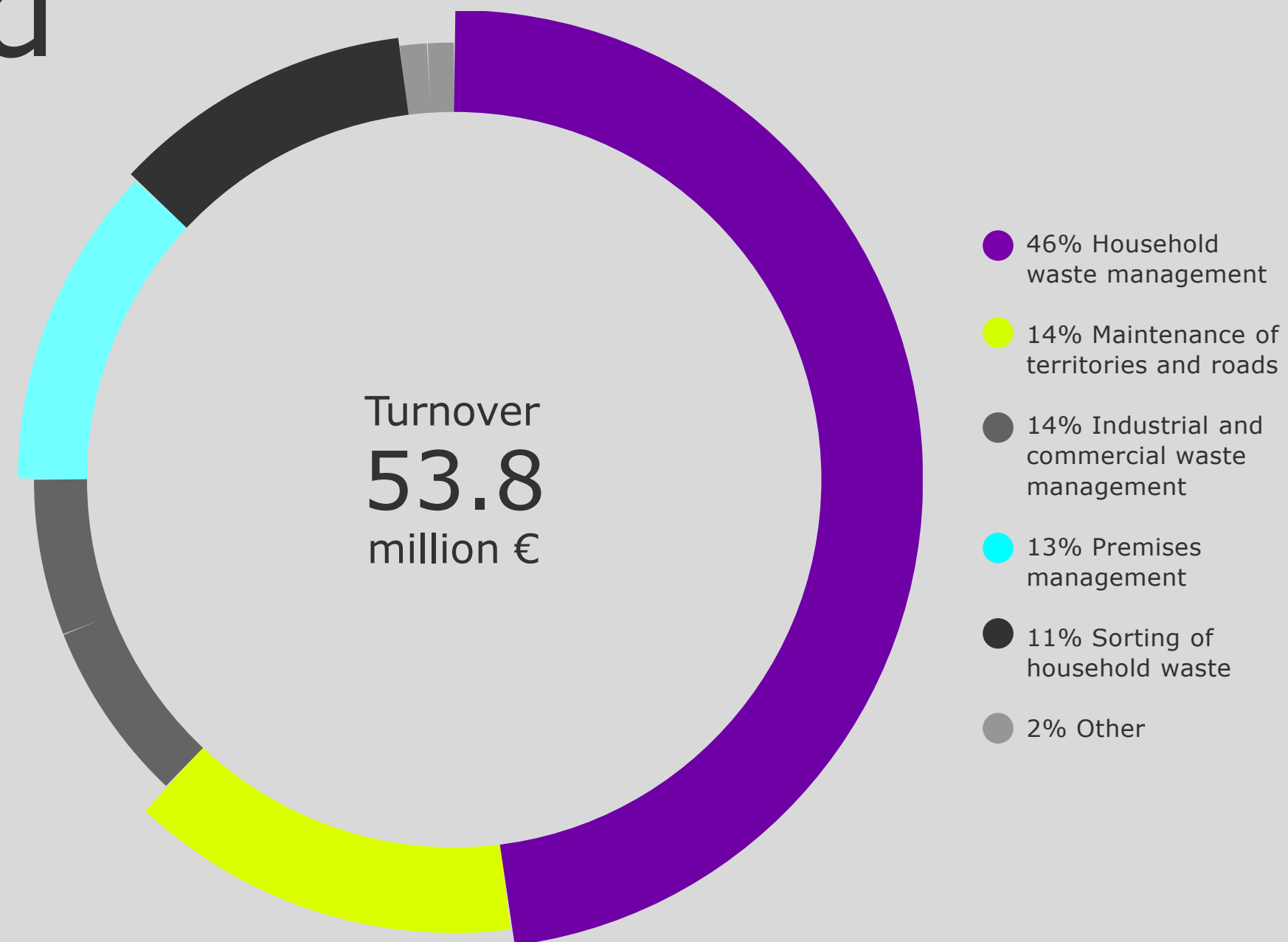
CleanR Grupa services in Latvia

-  CleanR services
-  Vizii Urban services
-  Sorting facilities
 - Riga – 2 sorting facilities
 - Stopini – 2 sorting facilities
 - Babite novads – 1 sorting facility
 - Kekava – Recycling center "Gurnicas"

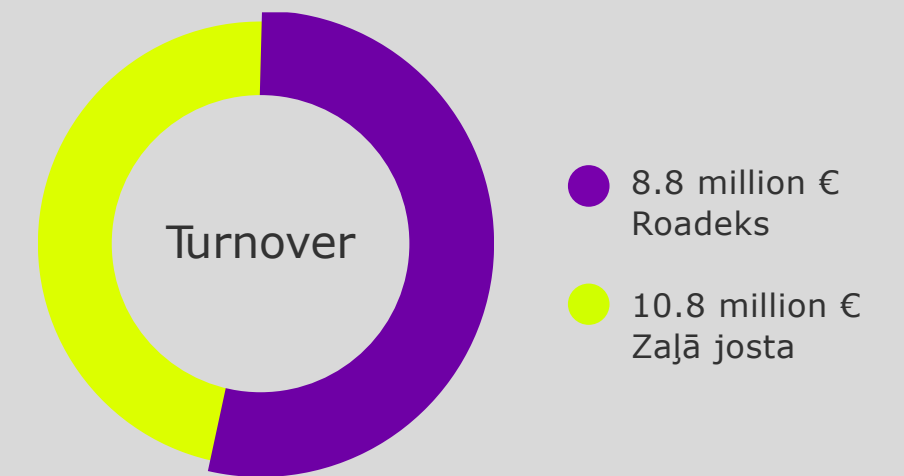


CleanR Grupa consolidated financial results

2021



Associated
companies:



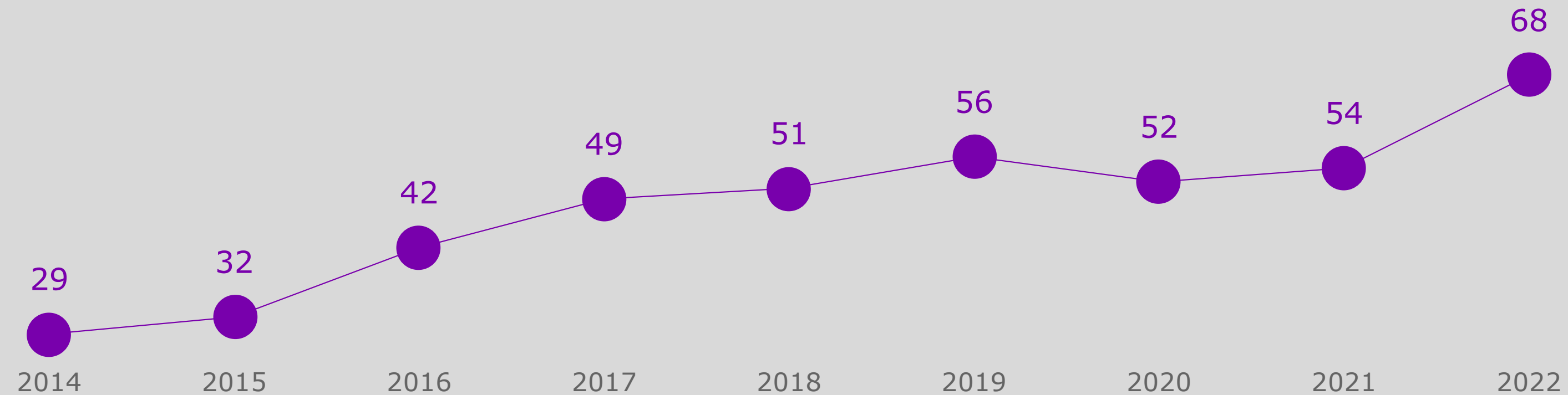
CleanR Grupa consolidated financial results

2021



CleanR Grupa consolidated financial performance

● Turnover
(Million €)

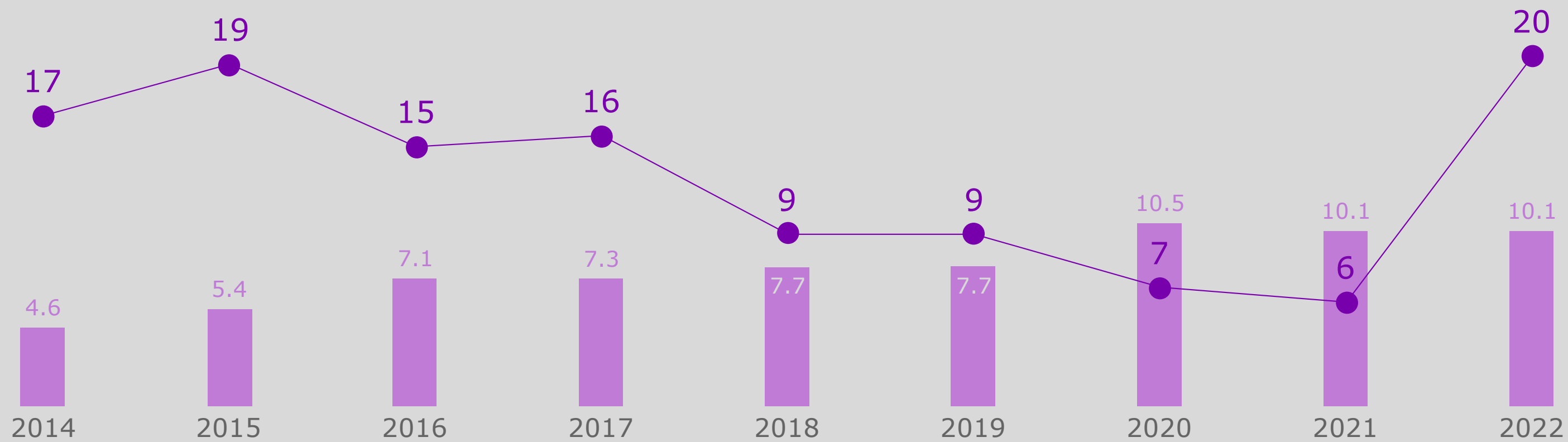


* Unaudited results FY 2022

CleanR Grupa consolidated financial performance

EBITDA
(Million €)

Debt
(Million €)



* Unaudited results FY 2022

5 goals in 5 years

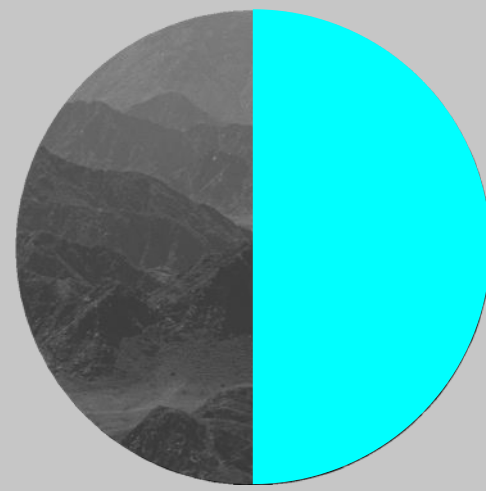


Goal No 1

More sorting, processing, producing

We will reach following targets by end of 2026:

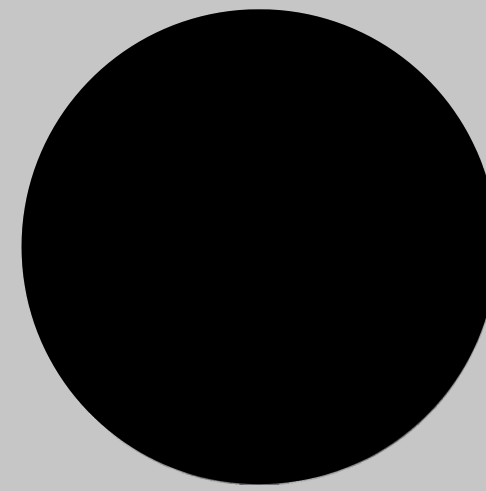
- 50% of waste will be collected via separate collection
- 10% of collected waste will be recycled in our facilities



Goal No 2

NO to diesel fuel

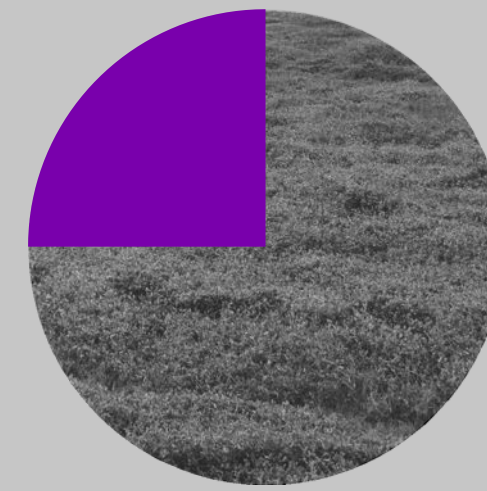
We aim to abandon diesel in our trucks by 2027



Goal No 3

Wider development in environmental services

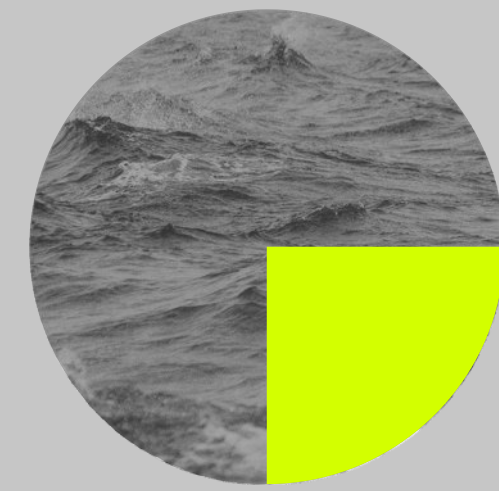
We aim to expand in road construction and maintenance



Goal No 4

Customers' first choice

United omnichannel customer platform launched by end of 2024



Goal No 5

ESG focused company - leader in industry

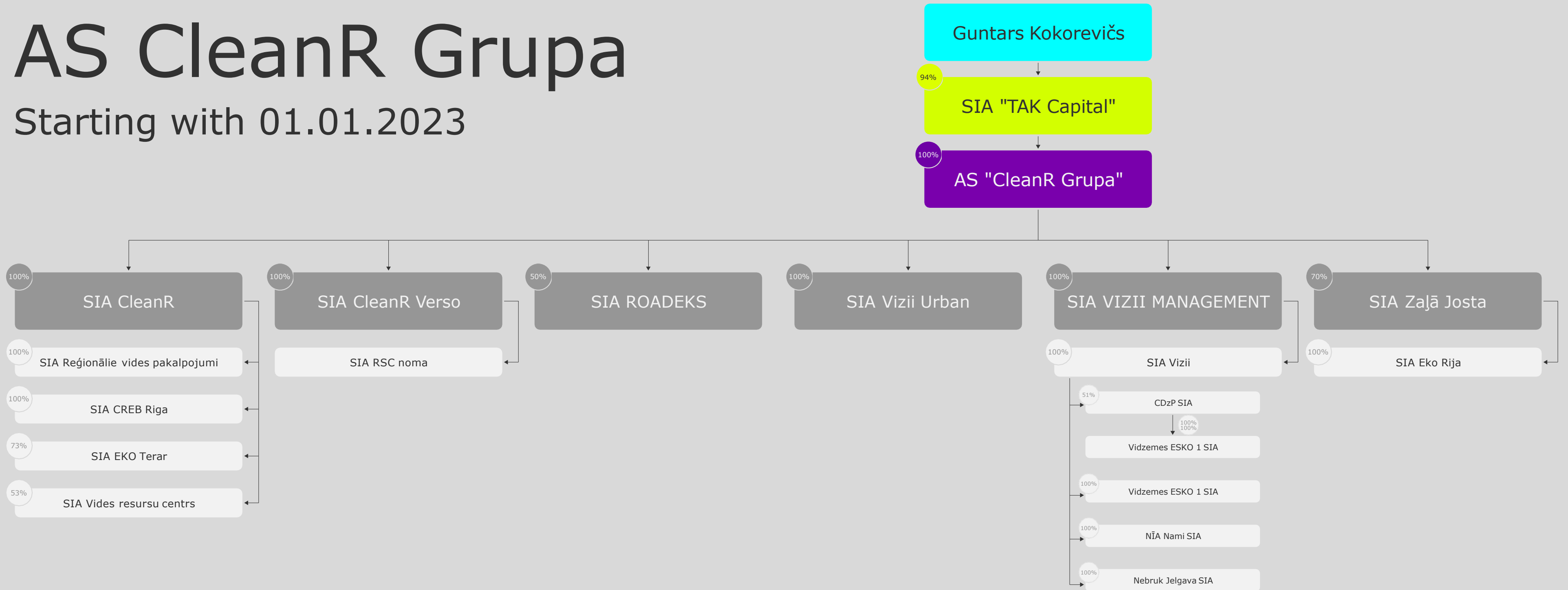
Leader in industry with first non financial ESG report for FY 2022

Group overview



AS CleanR Grupa

Starting with 01.01.2023



*after M&A between VIZII and NIA Grupa, there will be joint company VIZII established with 2 major business lines: premises cleaning in Vizii Telpas and property management in Vizii Nami where all previously mentioned regional branches will be gathered.

CleanR Grupa governance

Supervisory board



Guntars Kokorevičs

Chairman of the Supervisory Board

Founder and chairman of the Supervisory Board of CleanR Grupa. More than 17 years' experience in environmental industry, including partnership and regional representation of the global leading environmental services company "Veolia". Vice President of Employers' Confederation of Latvia (LDDK), former CEO of Riga Stock exchange.



Harijs Krongorns

Member of the Supervisory Board

Member of the Supervisory Board of CleanR Grupa. Extensive board member experience in large Latvian companies. Recorded history in consulting major M&A transactions in the environmental services industry. ACCA member since 2001.



Māris Mančinskis

Member of the Supervisory Board

Member of the Supervisory Board of AS "CleanR Grupa". Extensive board member experience in large companies – was a long-time CEO of Swedbank Latvia, also non-executive Board Member and investor in fuel and convenience retailer KOOL. Currently is Deputy Chairman of the Board of Directors of Agrolats Grupa, Member of Executive Committee of the Latvian Olympic Committee, as well as Member of the Board of Directors of the Moldova commercial bank "Victoriabank" as a nominated director of the European Bank for Reconstruction and Development.

Board



Guntars Levics

Member of the Board

17 years experience in waste management industry. Developed significant waste management projects, like, establishment of the largest sorting plant in Baltics, first plastic recycling plant for CleanR Grupa - both co-financed by EU funds.



Inta Liepa

Member of the Board

More than 10 years of legal work experience in companies of various sizes, extensive experience in the development of legal acts and cooperation with state administration institutions. Considerable experience in the implementation of EU fund projects. Experience in improving the corporate governance of companies.

Management team of CleanR Grupa subsidiaries

Board of CleanR



**Valerijs
Stankevics**

Chairman of the Board,
CEO

Board of CleanR Verso



**Aleksandrs
Ugorenko**

Chairman of the Board,
CEO

Board of Vizii



**Jānis
Uzulnieks**

Chairman of the Board,
CEO

Board of Vizii Urban



**Valdis
Purvinskis**

Chairman of the Board,
CEO

Board of Zaļā josta



**Jānis
Lapsa**

Chairman of the Board,
CEO



**Aldis
Remesis**

Board member,
Head of Sales



**Dace
Sakena**

Board member,
Head of Legal and
Administration



**Ģirts
Baltrums**

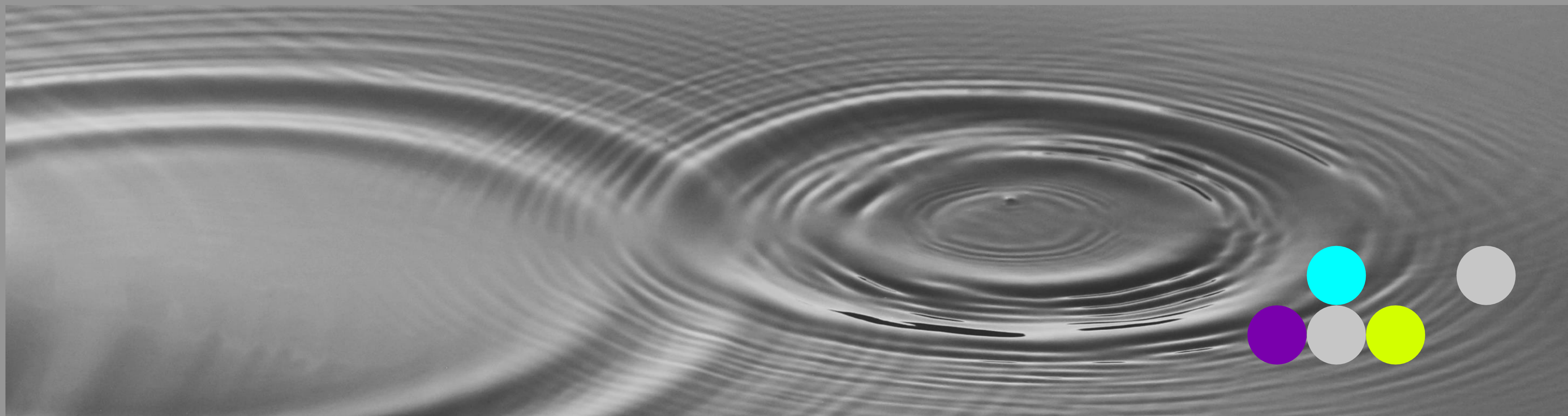
Board member,
COO



**Mārtiņš
Krūmiņš**

Board member,
CFO

Business overview



Municipal waste management

cleanr

Leading and the most experienced operator in Latvia

- Since year 1944
- Largest portfolio of services. Collects both unsorted and separated waste, i.e. paper, plastic and metal, as well as glass. The first company in Latvia that started separate bio waste collection. Manages 9 public amenity sites in different municipalities. 25% of the collected waste is collected separately and sent for further processing. The first company to install underground containers in Riga.
- Operating area: Riga, Liepaja, Jurmala, Ropazi, Ozolnieki, Incukalns, Jelgava and others
- Main competitors: SIA Eco Baltia vide, SIA ZAAO, SIA Lautus



No.1
in Latvia

40%
market share

270
employees

>50 000
customers

>500 000
serviced inhabitants of Latvia

70
waste transportation vehicles

Commercial and industrial waste management



The fastest growing business area in the Group.

After completing acquisition of RSC Noma will be undoubtedly leading C&D waste management company, that already operates 2 presorted packaging waste facilities in Riga and most advanced C&D waste sorting plant "Nomales" near Riga. Aiming to achieve 100k+ tons of handled waste in 2022.

CleanR Verso is a role model for developing standards for sorting and recycling construction waste in Latvia.

- Main competitors: SIA Ekobaze, SIA Eco Baltia vide, SIA G2, SIA Demontaza

Services:

- Collection and sorting of commercial and industrial waste
- Collection of presorted packaging waste (mostly paper and plastics, as well as glass)
- Sorting of presorted packaging waste
- Sales of recycled materials



40%
market share (goal in 2023)

130
employees

25
trucks

520
large-size containers

Urban territories and road maintenance

vizī urban

Group company that provides street, road, public and private outdoor space maintenance services in Latvia for nearly 20 years.

In 2021, in order to expand the range of services, Group acquired 50% of the road construction company SIA Roadeks, enabling the CleanR Group to increase capacity in routine road maintenance and to boost capacity in the road construction sector.

- Operating area: Riga and suburb areas, Jurmala, Rezekne, Tukums, Liepaja
- Biggest customers: Rimi, Maxima, Neste, shopping mall Spice, Knauf and others
- Main competitors: SIA Hagberg, AS Latvijas autoceļu uzturētājs,

764 km

of roads cleaned and maintained

30

cleaning equipment vehicles

70

vehicles for road maintenance in winter



Indoor cleaning

VIZĪ

Group company specializing in indoor cleaning

One of the leading indoor cleaning services providers in Latvia offering innovative cleaning solutions (using robotic technologies, nanotechnologies, modern equipment, etc.) for offices, shopping centers, and industrial areas.

- Since 2005 – one of the CleanR business lines
- Since 2021 – independent Group company
- Biggest customers: Rimi, Maxima, Olainfarm, Latvijas Balzams and others

750
employees

> 500
sites in Riga and Latvia



Producer responsibility system provider

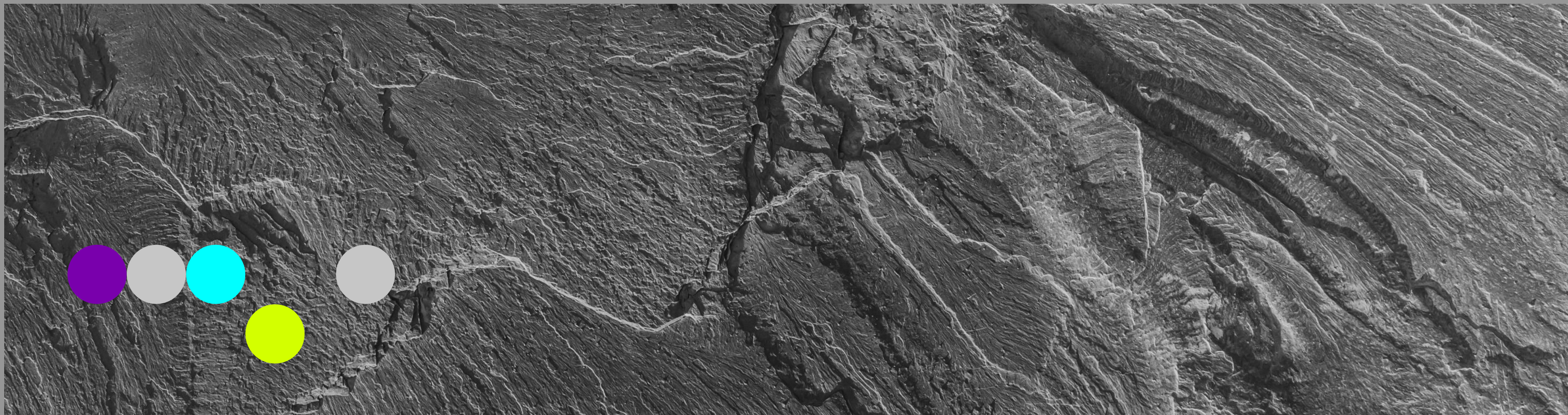


Servicing the management system of used packaging thus providing an opportunity for the customers to obtain a 100% exemption from Natural Resources Tax.

In 2022 CleanR Grupa acquired 30% of the second largest Natural Resources Tax management company SIA Zaļā josta, thus developing the service application in its full life-cycle. Group intention lies in further development of this segment continuing acquisition process where agreement already is reached to acquire another 40% of shares.



Financial Overview



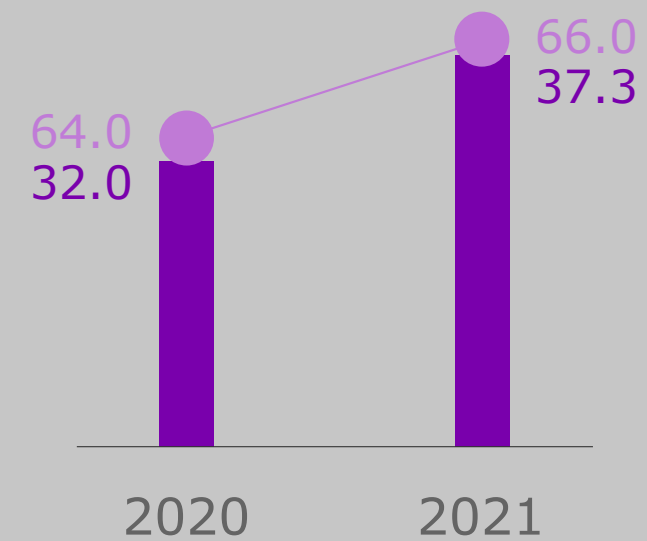
Key financials

Equity

(million EUR)

Equity ratio

(%)

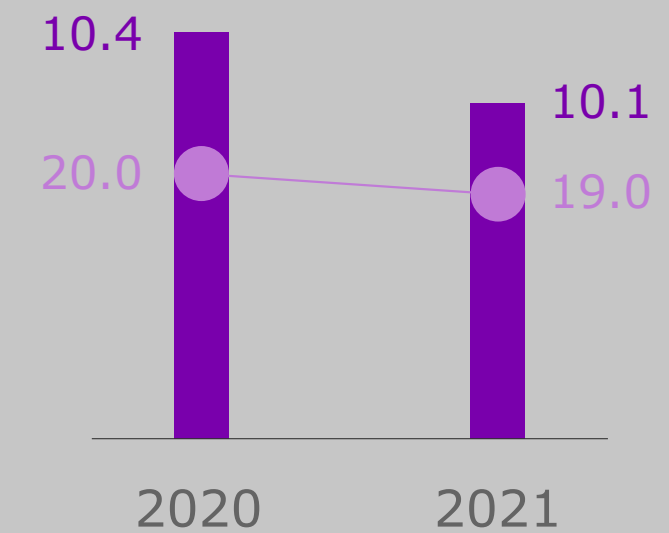


EBITDA

(thousand EUR)

EBITDA margin

(%)

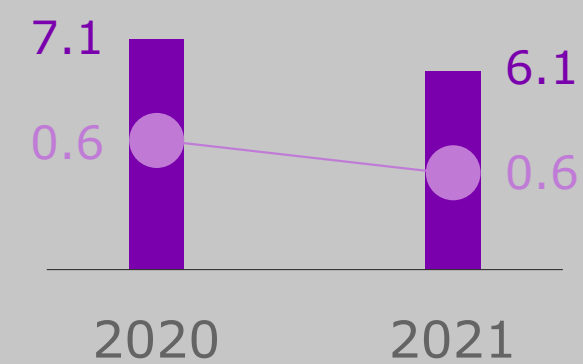


DEBT

(thousand EUR)

DEBT/EBITDA ratio

(%)

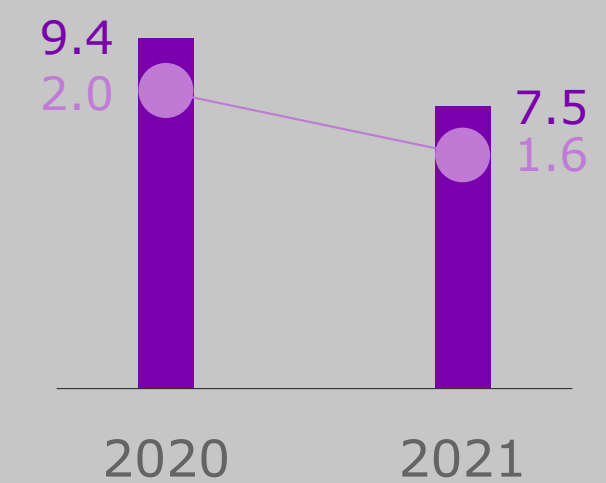


Working capital

(thousand EUR)

Liquidity

(%)

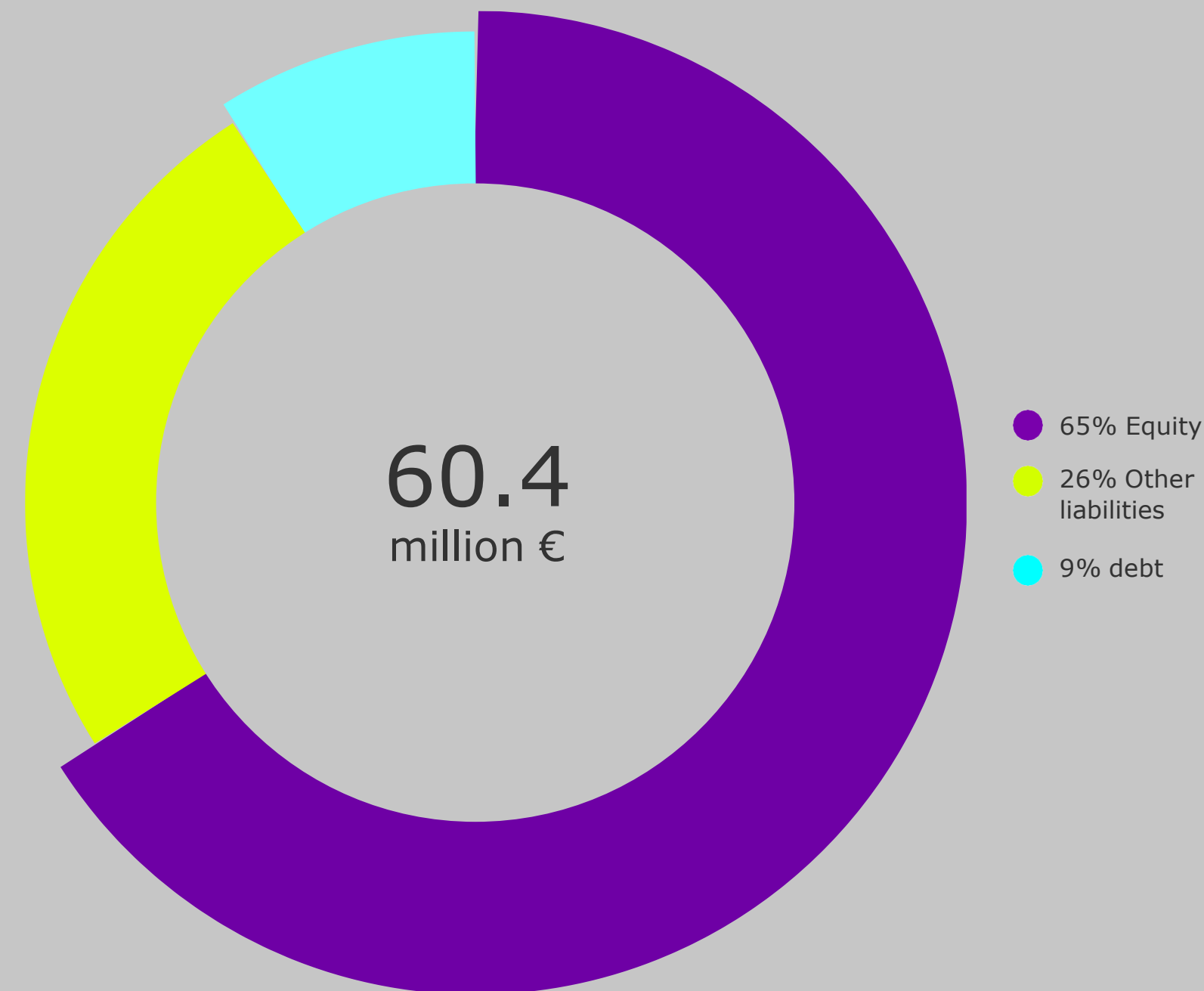


Funding structure

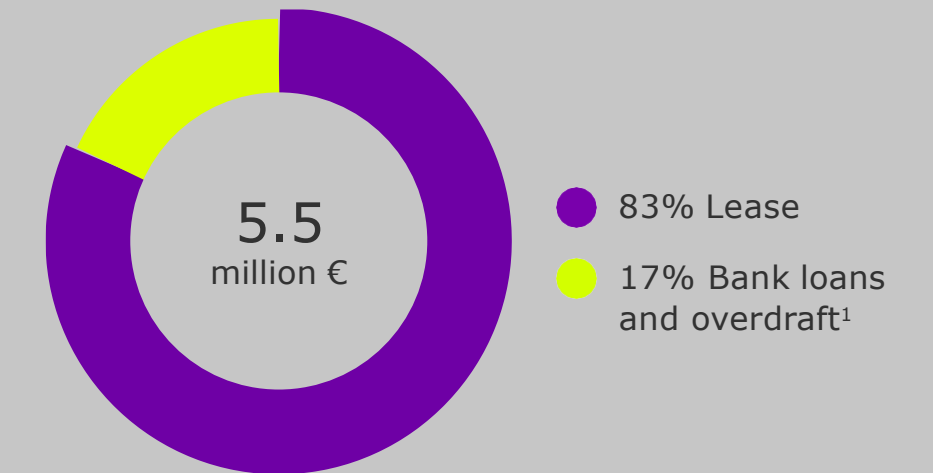
30.06.2022

Diversified funding structure, balanced between Bank, Insurance company and Dealer lease

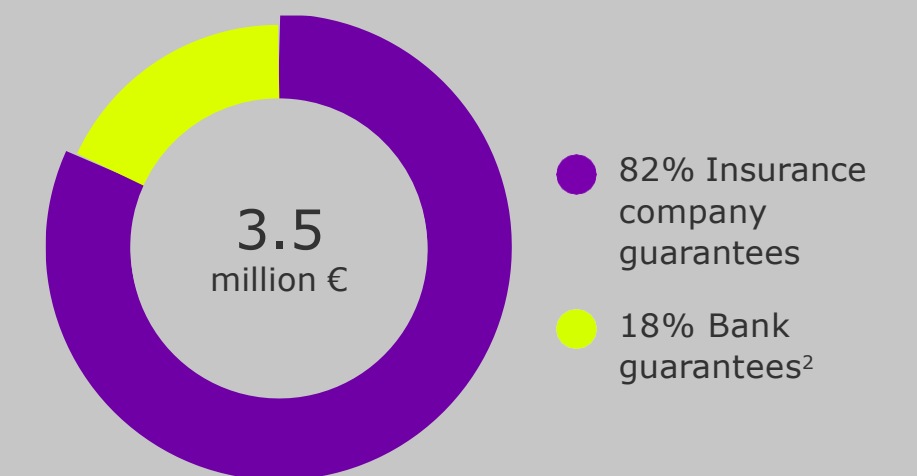
Balance sheet equity and liabilities



Debt



Off-balance sheet liabilities



1) Bank overdraft secured by the commercial pledge on assets (EUR 2.6 mln)

2) Bank guarantees secured by the commercial pledge on assets (EUR 2 mln)

Income Statement

	Audited	Audited	Unaudited
(thousand EUR)	2020	2021	2022 6M
Sales	52 115	53 779	33,214
Cost of sales	-43 069	-44 294	-28,152
Gross profit	9 046	9 485	5,062
Selling and distribution expenses	-447	-621	-346
Administrative expenses	-3 603	-4 090	-2,294
Other operating income	2 563	2 834	1,019
Other operating expenses	-1 392	-1 250	-754
Interest and similar expenses	-207	-170	-98
Operating profit	5 960	6 188	2,590
Income tax expense	-250	-238	-116
Profit for the period	5 709	5 950	2,474
EBITDA	10 493	10 100	5,167
EBITDA (%)	20%	19%	16%

Sales has increased by EUR 8 mln from EUR 25 mln in 6M 2021 to EUR 33 mln in 6M 2022.

Waste disposal costs has increased by EUR 4 mln from EUR 6 mln in 6M 2021 to EUR 10 mln in 6M 2022. By Latvian law changes in waste disposal, tariffs are subject of immediate increase in sales price.

Adverse effects from cost inflation including labor and energy costs are mitigated by price indexation for customers and efficiency improvements as cost increase makes it economically viable to invest in advanced technology. Investments in automated sorting equipment and large volume underground bins being just few from many investment projects in 2022.

Average EBITDA margin over the last 3 years - 18%.

Balance Sheet

	Audited	Audited	Unaudited
(thousand EUR)	2020	2021	2022 6M
Intangible assets	7 290	6 582	7,222
Property and equipment ¹	19 957	21 783	23,398
Financial assets / investments ²	5 039	10 014	12,115
Non-current assets	32 286	38 378	42,735
Inventories	410	601	973
Trade receivables	6 732	7 483	8,800
Other current assets	2 410	3 050	3,270
Cash	8 899	7 466	4,647
Current assets	18 451	18 600	17,691
TOTAL ASSETS	50 737	56 978	60,425
Share capital	346	346	346
Retained earnings	25 447	29 797	34,772
Current year profit	5 179	5 425	2,160
Share of minority shareholders	1 683	1 758	1,871
TOTAL EQUITY	32 654	37 327	39,149
Commitments and Contingencies	158	218	97
Bank loans	1 407	204	235
Other loans (lease)	2 933	3 499	3,485
Other long term liabilities ³	4 566	4 715	6,351
Long term liabilities	8 906	8 417	10,071
Bank loans	1 726	1 205	692
Other loans (lease)	1 056	1 216	1,123
Other short term liabilities	6 236	8 594	9,294
Short term liabilities	9 018	11 016	11,109
Total liabilities	17 925	19 433	21,179
TOTAL EQUITY AND LIABILITIES	50 737	56 978	60,425

Investments in polyolefin processing plant project (increase in equipment).

Investments in SIA Zaļā josta and RSC capital shares (increase in investments).

Substantial share of profit is reinvested.

All major bank loans are repaid.

Including property 29% (EUR 7 mln);
Including equipment 71% (EUR 16 mln).

2) Including shares in Roadeks (EUR 5.4 mln),
Zaļā josta (EUR 1.9 mln), RSC (EUR 1.3 mln).

3) Including future earnings (EU funds) EUR 1.8 mln,
accrued income (property management) EUR 1.8 mln,
accrued income (personnel related) EUR 1 mln.

Sustainability Strategy



Sustainability in focus

Creating a long-term sustainability strategy according to ESG guidelines:

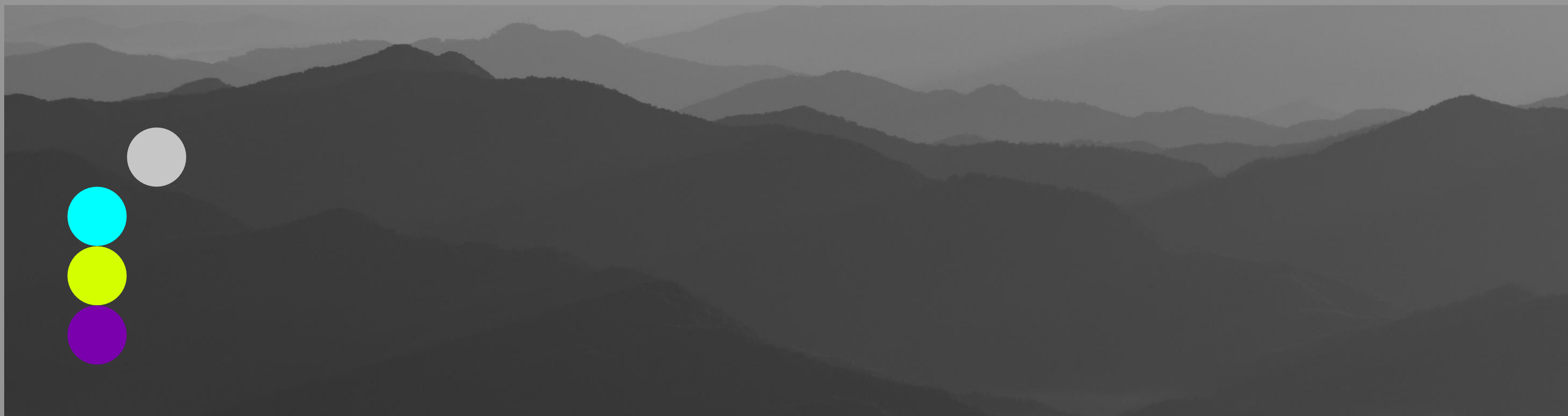
in 2022

- Stakeholder survey
- Materiality analysis
- Carbon footprint calculation and decarbonisation initiatives
- Defining priority areas
- Setting long-term goals and measurement system
- Creating a long-term sustainability strategy according to ESG guidelines

in 2023

- Start of non-financial reporting
- Initiatives to achieve sustainability goals and reduce CO₂ footprint

Transaction Overview



Use of proceeds

In order to increase and diversify Group revenues and EBITDA we are planning to invest in M&A, greenfield projects and expansion of existing facilities (modernization of sorting plants) at least EUR 15 mln. Main focus on circular economy and long term sustainability; as well as increasing Group's presence in areas where we are not present or present as minority player, including recycling facilities and road construction.



Term-sheet

Issuer	AS «CleanR Grupa»
Issue size	EUR 15,000,000
Maturity	9 December 2025, bullet
Type of notes	Secured bonds
Seniority of notes	SNDB – Senior Debt
ISIN	LV0000802676
Issue price	100.00%
Annual coupon, coupon frequency	3M EURIBOR + 6.5% p.a., paid quarterly
Collateral	Commercial pledge on the shares of Material Subsidiaries of AS «CleanR Grupa»
Call Option	@102% after Year 2 @100.5% 3 months before maturity
Nominal value	EUR 1,000
Put Option	In case of Change of Control @101%
Type of Placement	Private placement
Admission to trading	Nasdaq Riga First North Bond list
Financial covenants (based on consolidated data)	<ul style="list-style-type: none"> • Consolidated interest coverage (EBITDA / Interest) ratio of at least 3x • Minimum Equity / Assets ratio of 30% • Maximum Net Debt / EBITDA ratio of 3.5x
Use of proceeds	Financing of M&A and investment program
Arranger and Certified Adviser	Signet Bank AS
Legal Advisor and Collateral Agent	ZAB Eversheds Sutherland Bitāns SIA

Certified Adviser

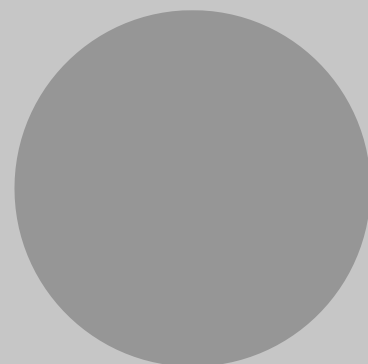
Signet Bank AS acts as the
First North Certified Adviser
for AS CleanR Grupa



Official name:	Signet Bank AS
Registration number:	40003043232
Main field of activity:	Banking services
Address:	Antonijas iela 3, Riga, LV-1010, Latvia
Web page:	www.signetbank.com

Signet Bank AS is advising AS CleanR Grupa with the preparation of admission documents. The agreement is valid from the day of submitting the application for admission to trading on First North to Nasdaq Riga until the actual first trading day of the Notes on First North platform.

Certified Adviser and employees of the Certified Adviser do not have any direct or indirect shareholdings in the Issuer and are not represented in Board of the Issuer.



Representative
Kristiāna Janvare

CFA

E-mail: Kristiana.Janvare@signetbank.com
Phone: +371 67 081 128

Investor Rights

Any Noteholder has the right to receive Coupon and Nominal Value payments in accordance with the Clause 10.2. "Coupon payment procedure" and 11.1. "Repayment at maturity", as well as exercise other rights fixed in the Terms of the Notes Issue and Legal Acts of the Republic of Latvia.

Status of the Notes: The Notes rank pari passu with other secured obligations of the Issuer. The Notes are secured with a commercial pledge of first rank over shares of SIA "Clean R", SIA "Vizii Urban" and SIA "CleanR Verso" (Collaterals). In case of the insolvency of the Issuer, the Noteholders will be entitled to recover their investment on the same terms as other creditors in the respective claims' group according to the Applicable Laws.

Early redemption: Noteholders shall not have rights to demand early redemption of Notes (put option), except in case of occurrence of the events of default in accordance with the Clause 14. "Events of default". Additionally, in case a Change of Control has occurred or is anticipated to occur, each Noteholder within a period of 10 (ten) Business Days has the right to require the Issuer to redeem all of such Noteholder's Notes at a price equal to 101% (one hundred and one percent) of the Nominal Value plus accrued and unpaid Coupon.

Restrictions on free circulation of the Notes: The Notes are freely transferable debt securities and can be pledged. However, the Notes cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under the Applicable Laws.

Representation of the Noteholders: The Collateral Agent is authorized to act with the Collaterals in favour of all the Noteholders in accordance with these Terms of the Notes Issue and the Collateral Agent Agreement. The Noteholders have no rights to act with the Collaterals directly, yet at the same time there are no restrictions set for Noteholders' right to create and/or authorize an organization/person that represents the legal interests of all Noteholders or part thereof. In case of the insolvency of the Issuer each Noteholder has the right to represent their own interests in creditors' meetings. The Noteholders will have equal rights for satisfaction of their claims with other creditors in the same claims' group.

Rights if Issuer breaches its obligations¹

Noteholders representing at least 10% (ten percent) of the principal amount of the outstanding Notes may by written notice to the Issuer declare the occurrence of Event of Default. If the Issuer confirms that Event of Default in accordance with Clause 14.2.1 has occurred or does not provide any information within 30 (thirty) Business Days, then the Issuer shall pay all Noteholders the Nominal Value of the Notes along with the accrued Coupon and default interest in accordance with Clause 15 (Default Interest) within 20 (twenty) Business Days from the occurrence of any of the aforementioned events, i.e., confirmation or non-response. If the Issuer is unable to pay, the Noteholders representing at least 10% (ten percent) of the principal amount of the outstanding Notes may act in accordance with Clause 20.5 (Enforcement of the Collaterals).

Each of the events or circumstances set out in below shall constitute an event of default:

- Non-payment (Clause 14.1.(a));
- Breach of Financial Covenants (Clause 14.1.(b));
- Breach of Undertakings (Clause 14.1.(c));
- Financial Indebtedness (Clause 14.1.(d));
- Insolvency (Clause 14.1.(e)).

¹For full overview, please refer to the Terms of the Notes Issue

Risk factors

Risks related to Group's business and industry:

- Group operates in competitive industries
- Group faces certain risks associated with providing services to public sector
- Certain municipalities could decide to take over services provided by the Group
- Group operates in a regulated industry
- Group's long-term contracts can hinder its ability to react rapidly and appropriately to new situations
- Decrease in waste collection would cause a decrease in the fees collected by the Group
- Group is exposed to the risks of raw material price fluctuations
- Group's business could be adversely affected if it fails to adapt to technological developments
- Group faces risks associated with its acquisition strategy
- Group's insurance coverage may not be sufficient
- Group's leverage might increase in the future
- Loss of key personnel members could adversely impact business

- Group may not be able to attract and retain appropriately skilled employees
- Group is exposed to operational risks
- Group is exposed to counterparty credit risk
- Group might be involved in litigation in the ordinary course of business

Risks related to the economic and regulatory environment:

- Adverse effects of economic slowdown
- Potential impact of a new wave of global pandemics
- Adverse effects of geopolitical developments
- Adverse effects of changes in regulatory environment
- Effects of doing business subjected to environmental regulations
- Potential changes in local tax regime

Risks related to Notes:

- Notes repayment risk
- No limitation on issuing additional debt
- Liquidity risk
- Delisting risk
- Price risk
- Early redemption risk
- Tax risk
- Resolutions of Noteholders' risk
- Risk that some Investors might have more preferential terms than others

Risks associated with the Collaterals:

- Risks associated with Collateral Agent Agreement
- Collateral Risk
- Risks associated with Parallel Debt
- Enforcement subjected to procedures and limitations set in Terms of the Notes Issue and Collateral Agent Agreement
- Rights of Investors depend on Collateral Agent's actions and financial standing

Transactions with related parties

The parties are considered related when one party has a possibility to control the other one or has significant influence over the other party in making financial and operating decisions. Related parties of the Group are shareholders who could control or who have significant influence over the group in accepting operating business decisions, key management personnel of the Group including close family members of any above-mentioned persons, as well as entities over which those persons have a control or significant influence, including subsidiaries.

30.06.2022, EUR m	Intra-group entities ¹	Companies controlled by beneficial owner ²	Other related parties ³
Receivables from related parties:			
Loans issued*	2.81		
Trade and other receivables**	7.85		0.45
Borrowings and payables:			
Loans received	2.81		
Trade and other payables	7.85	0.09	0.09
6M 2022, EUR m			
Income and expenses:***			
Sales to related parties	1.22		0.43
Purchases from related parties	-1.22	-0.15	
Interest income	0.05		
Interest expense	-0.05		

1 Intra-group entities: Subsidiaries of AS CleanR Grupa

* Loans issued to SIA Energijas risinājumi.RIX and AS Tīrīga

** Other receivables - unpaid dividends in amount of 7,1Mio and 0,75Mio intra-group day-to-day transactions to ensure compliance with customers contracts.

*** Income and expenses 1,22mio – intra-group day-to-day transactions to ensure compliance with customers contracts. Major related parties – SIA «Vides resursu centrs», SIA «Eko rija», SIA «Vizii».

2 Companies controlled by beneficial owner: Investīciju risinājumi SIA.

3 Other related parties are entities which are under control or joint control of the shareholders of the Group, but not part of the Group.

Other statements

Legal proceedings

Issuer is not and recently has not been involved in any legal proceedings, and none of the Group companies has been involved in any material legal proceedings. It must be acknowledged though that one of the Issuer's minority owners and supervisory board member Mr. Harijs Krongorns is involved in legal proceedings regarding provision of terrestrial TV programs in digital format. It must be emphasized that those legal proceedings are not connected with the Issuer or any of the Group companies or their businesses.

Important agreements

Groups services differ depending on type of services provided by its subsidiaries. Municipal waste management predominantly provides its services on the basis of public procurement contracts that grants exclusive terminated right to provide such service in each municipality where Group operates or its part. The Group's largest contract is with Riga municipality (term: Feb 2027) that covers approximately one third of the Group's 2022 revenue. Similar to municipal waste management urban territories maintenance and road cleaning services are also provided mainly to municipalities directly, although there are also commercial agreements in place. Largest contracts in urban maintenance are with Jurmala, Rezekne and Liepaja municipalities. Industrial and commercial waste management services as well as premises cleaning services are conducted mainly based on commercial contracts and there is high diversity of these contracts in Groups portfolio.

Substantial changes in financial situation of the Group

As of the publication of the last financial statement, the financial situation or performance of the Issuer has not worsened. The Issuer is unaware of any factors, claims, obligations, or events which would negatively affect the financial situation or performance of the Issuer in the future.

Significant and recent known trends

On 24 February 2022, the Russian Federation invaded the Republic of Ukraine. As a result of the military actions undertaken by Russian Federation, numerous restrictive measures and sanctions have been imposed against the Russian Federation at the EU and global level. Various economic sectors and global markets have been affected by these geo-political events.

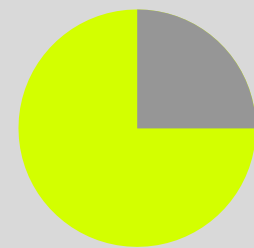
Information about the issuer

The Issuer does not undertake client-facing operations and its main purpose is for attracting financing and disbursing funds to the Group's companies. The business operations described in this Company Description refer to the Group's companies. All financial covenants are tested on Group level, hence emphasis on Group performance and results in the Company Description.

Appendix

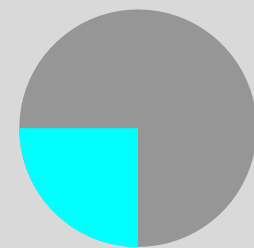


CleanR Group in professional associations



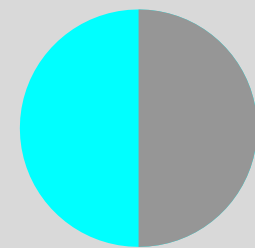
FEAD

European Waste Management Association



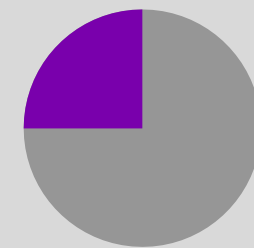
LASA

Waste Management Association of Latvia



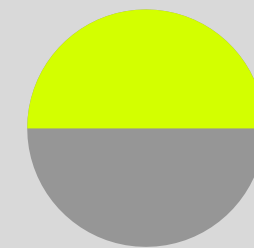
LASUA

Latvian Association of Waste Management Companies



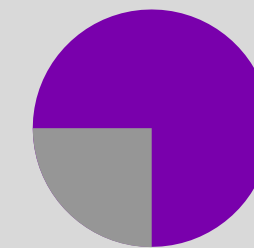
LDDK

Employers' Confederation of Latvia



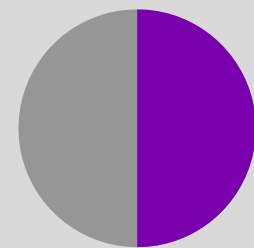
LPUAA

Professional Cleaning and Facility Management Association of Latvia



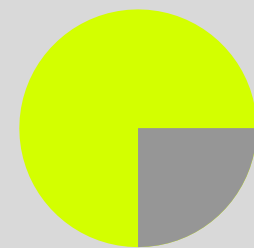
LTRK

Latvian Chamber of Commerce and Industry



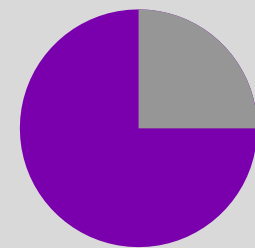
LBP

Partnership of Latvian Constructors



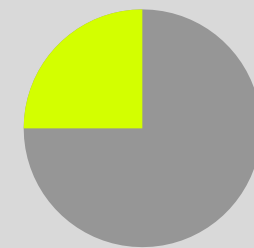
LPVA

Latvian Association for People Management



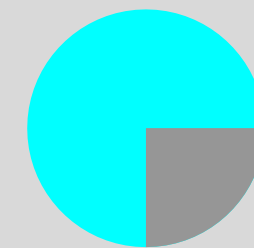
GS1L

GS1 Latvia



BEA

Business Efficiency Association



BNAL

BNA Latvia

Appendix

Terms of the Notes Issue signed on 2 December 2022

Audited consolidated financial report of AS CleanR Grupa for the year 2021

Audited standalone financial report of AS CleanR Grupa for the year 2021





○ CLEANR
GRUPA

Dedicated to
people and planet