



Unaudited results for the three months

ENDED 31 MARCH 2023

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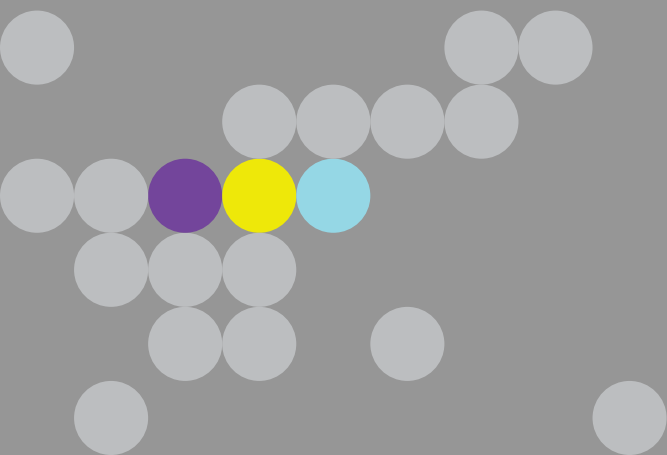
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About CleanR Grupa

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
- >50 000 customers
- >500 000 serviced people in Latvia
- >1500 employees
- Full waste management cycle – **from collection to sorting to recycling**
- **Highest level of digitalization** in the environmental services industry in Latvia
- **Leader in sustainable and climate-neutral solutions**

First quarter at a glance



Best employer



Family-friendly company



Member of Mission Zero, a safe workplace initiative

First quarter – dynamic and eventful

2023 has commenced with a new and dynamic phase at CleanR Grupa – following last year’s corporate reorganization, we have set up several new Group subsidiaries which now operate as independent companies. The new companies CleanR Verso and Vizii Urban’s focus is on retention of existing clients and attraction of new ones, investment in modernization of infrastructure and automation of services to offer high quality services in the industrial waste management and urban environment maintenance sectors.

The beginning of the year has been dynamic, abounding with several investment projects. In January, CleanR Verso opened its new cutting-edge material recovery facility. The EUR 1.2 million investments made last year have allowed the facility to double its total production capacity and increase the amount of certain sorted materials more than 20 times.

In March, the Group’s largest company – CleanR – opened the most modern plastic recycling plant in the Baltics in the Ķekava municipality, giving a possibility to recycle plastics that until now could not be recycled in Latvia. CleanR Grupa invested EUR 5.4 million in building and equipping the plant, of which EUR 1.26 million came from the European Union’s Cohesion Fund, with the rest – 65% – being the company’s own money. At the beginning of this year, CleanR expanded geographically, starting to manage municipal waste in the towns of Vangāži and Garkalne in the Ropaži municipality.

The beginning of the year was also marked by the publication of the Group’s first Sustainability Report, which has initiated annual non-financial reporting at CleanR Grupa to inform the Group’s stakeholders and society of the Group’s progress in achieving its sustainability targets. CleanR Grupa is the first company in the Latvian environmental services sector to report on its sustainability performance. Even though the EU’s Corporate Sustainability Reporting Directive requires CleanR Grupa, as one of the largest Latvian companies,

to start reporting on corporate sustainability as of 2025, we have chosen to start publishing our sustainability report already now before the formally set deadline. The Group’s companies lay the foundation of Latvia’s circular economy, primarily because of the strict sustainability standards we apply in our daily operations. We are truly pleased with the recognition received from our existing and prospective employees who have nominated CleanR Grupa as Latvia’s most attractive employer in the environmental services industry, thus earning a spot in Latvia’s Top 50 Employers rating. This nomination recognizes the care we take of our employees and the effort we make to build a growth-oriented workplace, knowing that employees are the greatest asset of our Group companies.

Financial performance – aimed at steady growth

2023 has started well for CleanR Grupa – compared to the same quarter last year, the Group has increased its revenues by 37%, reaching EUR 21.7 million, and EBITDA by 61%, reaching EUR 3.6 million.

Given the investments made during 2022 to modernize and automate our waste sorting technology, as well as the drop in energy costs in 2023, the Group has managed to substantially increase its gross profits, achieving both an increase in gross profits of EUR 1.9 million and profitability – 5.5 percentage points (Q1 2023 profitability – 17.7%, Q1 2022 – 12.2%).

The largest share of the Group’s revenues is derived from the waste management services, which was significantly influenced by the increase in the state-imposed landfill tariff and subsequent tariff indexation. Also, in 2022 the Group acquired several companies to strengthen its presence in the commercial and industrial waste management segment, as well as packaging waste and extended producer responsibility segments, allowing the Group to achieve an increase in turnover and profits in 2023.



JURIS GULBIS, GUNTARS LEVICS and INTA LIEPA
Management board of CleanR Grupa



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.

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.

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.

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 three months ended 31 March 2023

EUR	2023 Q1	2022 Q1
Revenue	21 667 456	15 818 160
Cost of sales	-17 821 386	-13 882 059
Gross profit	3 846 070	1 936 100
Selling expenses	-319 778	-6 121
Administrative expenses	-1 893 604	-1 127 289
Other operating income	850 572	428 352
Other operating expenses	-347 280	-185 661
Losses from participation	-81 800	0
EBIT	2 054 180	1 045 381
Interest income and similar income	39 399	428
Interest expenses and similar expenses	-344 291	-48 473
Corporate income tax	-7 677	-3 156
Net profit/ (loss) for the period	1 741 611	994 180
Share of profit / (loss) of minority stockholders	311 659	143 140
EBITDA	3 550 891	2 207 084



Statement of Financial Position

for the three months ended 31 March 2023

Assets, EUR	31.03.2023	31.03.2022
Non-current assets		
Intangible assets	8 299 613	6 337 796
Tangible assets	27 463 694	21 572 723
Long-term financial investments	6 172 422	9 103 070
Total non-current assets	41 935 729	37 013 589
Current assets		
Inventories	1 730 415	939 462
Receivables and other current assets	16 423 546	11 220 653
Cash and bank	18 263 206	8 501 229
Total current assets	36 417 167	20 661 344
Total assets	78 352 895	57 674 933



Statement of Financial Position

for the three months ended 31 March 2023

Equity and Liabilities, EUR	31.03.2023	31.03.2022
Equity		
Share capital	346 000	346 000
Revaluation reserve for long-term investments	5 870	0
Retained earnings	35 939 153	35 520 737
Non-controlling Interests	4 182 590	1 901 576
Total equity	40 473 613	37 768 313
Total provisions	346 823	178 775
Non-current liabilities		
Loans and borrowings	17 556 620	3 536 122
Other non-current liabilities	6 497 323	4 916 453
Total non-current liabilities	24 053 943	8 452 575
Current liabilities		
Loans and borrowings	1 072 701	1 737 126
Trade payables	6 860 361	5 353 018
Taxes and social insurance payments	1 420 288	1 138 301
Unpaid dividends	207 600	50 000
Other liabilities	3 917 566	2 996 825
Total current liabilities	13 478 516	11 275 270
Total equity and liabilities	78 352 895	57 674 933



Statement of changes in equity

for the three months ended 31 March 2023

EUR	Share capital	Convertible bond	Retained earnings (accumulated loss)	Current year's profit (loss)	Non-controlling Interests	Total
As at 31 December 2020	36 000	310000	25 446 500	5 179 325	1 682 665	32 654 490
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
Profit/ (loss) for the year	-	-	-	5 425 409	524 514	5 949 923
As at 31 December 2021	346 000	0	29 797 086	5 425 409	1 758 436	37 326 931
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	-	-	-	-	1 774 835	1 774 835
Profit/ (loss) for the year	-	-	-	4 473 036	387 238	4 860 274
As at 31 December 2022	346 000	0	30 558 495	4 473 036	3 718 601	39 096 132
Transfer of prior year's profit/ (loss)	-	-	-4 473 036	4 473 036	-	0
Dividends	-	-	-368 000	-	-	-368 000
Acquisition of subsidiary company	-	-	-154 330	-	152 330	-2 000
Revaluation reserve	-	5 870	-	-	-	5 870
Profit/ (loss) for the year	-	-	-	1 429 952	311 659	1 741 611
As at 31 March 2023	346 000	5 870	25 563 129	10 376 024	4 182 590	40 473 613

Transactions with related parties

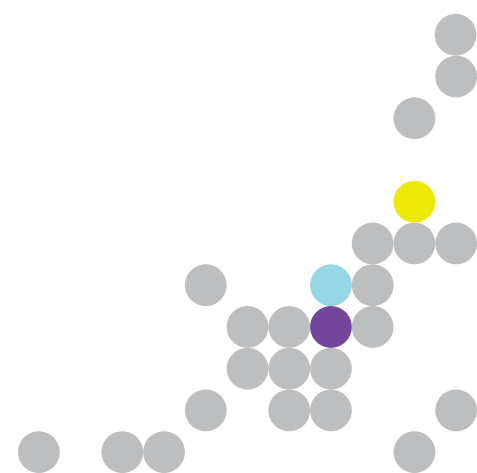
for the three months ended 31 March 2023

31.03.2023, EUR	Intra-group entities ¹	Companies controlled by beneficial owner ²	Other related parties ³
Receivables from related parties:			
Loans issued	562 159	-	-
Trade and other receivables	11 975 495	1 777	13 211
Borrowings and payables:			
Loans received	562 159	-	50 000
Trade and other payables	11 975 495	-	33 331
31.03.2023, EUR	Intra-group entities ¹	Companies controlled by beneficial owner ²	Other related parties ³
Income and expenses:			
Sales to related parties	4 059 703	1 132	83 361
Purchases from related parties	-4 059 703	-60 000	-118 205
Interest income	20 114	-	-
Interest expense	-20 114	-	-

¹ Intra-group entities: Subsidiaries of AS CleanR Grupa

² Companies controlled by the beneficial owner: cooperation partners

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



CLEANR GRUPA

Dedicated to people and planet



Investor contacts



Inta Liepa

Member of the Group's
Management Board

inta.liepa@cleanrupa.lv



Agita Baltbārde

Group's Chief Officer for
Corporate Affairs and Sustainability

agita.baltbarde@cleanrupa.lv