

○ CLEANR
GRUPA



Unaudited results for the twelve months

ENDED 31 DECEMBER 2023

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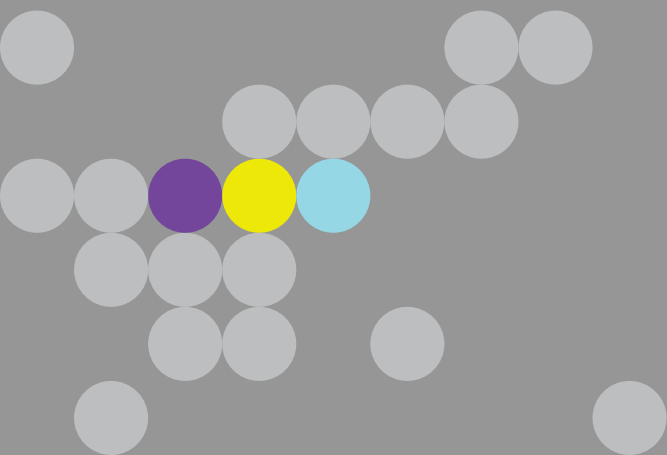
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About CleanR Grupa

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**



CleanR Grupa – Most desirable employer in environmental services sector



CleanR – Family-friendly company



CleanR Grupa – Member of Mission Zero, a safe workplace initiative



CleanR – Silver award "Safest company car fleet"



Employer open to diversity and inclusion

Twelve months 2023 at a glance

Business expansion



Acquisition of **KOM AUTO**



Acquisition of **RSC Noma**



Acquisition of a majority stake in **Zaļā josta**, an extended producer responsibility system provider

CLEANR GRUPA



First sustainability report in industry



42% EVs of passenger vehicles fleet



Expansion of the Council and Board

cleanr

In "Tirmāja" campaign waste collected in Riga and Pieriga



9 tons of textiles



112 tons of electronics

In Riga and Jurmala

34 sites with

123

underground containers set up



>200 textile containers



cleanr verso

Opening of the most modern materials recovery plant



92 000 tons of materials recovered



Acquisition of RSC Noma, a construction waste management business

cleanr vizii urban

Now also in towns of Bauska and Sigulda



Beaches tidied in the length of 30 km



Acquisition of KOM-AUTO in town of Cēsis



>400 tons of trash removed

cleanr vizii

Cleaning of premises of Riga East Clinical University Hospital



5 in-patient departments

Launch of a digital communication and customer service tool—first mobile service quality control app



Year 2023 – year of dynamic development amid challenging economic climate

Last year was the first year for CleanR Grupa under the new corporate governance model and group structure. As a result of the reorganization, in January last year, we set up several subsidiary companies, which before had been business functions of CleanR, a group subsidiary. We created Vizii Urban, an urban services company, and CleanR Verso, an industrial and construction waste management business. It was the second full year of operation for Vizii, a commercial premises cleaning company. Also, CleanR Grupa increased its stake in Zaiļā josta, an extended producer responsibility system provider.

We now see that the aim of the reorganization have been achieved—we have stepped up the capacity of the newly-established subsidiary companies and honed our corporate governance model by capitalizing on the wealth of experience accumulated by CleanR over the years. While maintaining their group identity and pursuing common goals, each of the group companies continued to provide their clients with a wide range of services, including both their specialized services and services provided by the group.

The transformation of the specialized functions into full-fledged subsidiary companies have encouraged strong and dynamic growth through agile management and a precise business focus. With a primary focus on the two of our core business lines—waste management and environmental services—we have managed to build our business muscles in both segments, gained experience, and taken a leadership role.

The group's 2023 development strategy focused on several areas—efficiency and productivity, workplace safety and employee wellbeing, digitization of the customer service, corporate governance, and sustainability.

We have delivered on our promises in each of these areas.

Efficiency & productivity

- With respect to the waste management business—the 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 materials recovery facility in Eastern Europe. An important milestone for the Latvian waste management industry was the opening of the CleanR plastic recycling plant in the first quarter of 2023.
- With respect to the environmental services business—diversification of services through solutions facilitating climate neutrality and digitalization of production.

Workplace safety & employee well-being

- Implementation of an internal workplace safety campaign, to improve safety at work.
- Providing a growth-enhancing work environment where everyone feels empowered and can realize their full potential.

Digitization of customer service

- Development and deployment of MANAI VIDEI, a single multi-channel customer service platform, across the whole group.

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.



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

Financial performance – stable growth



The group’s financial indicators for 2023 manifest rapid growth—the group has achieved a record turnover of EUR 101 million, an increase of 48%, compared to 2022. The gross profit margin in 2023 increased by 108%, EBITDA—by 77%.

The value of the group’s assets in 2023 reached EUR 91 million, which is an increase of 13%, compared to 2022, while its equity has grown by 21%, which has allowed it to maintain a strong equity position of 51%.

As of 2023, the group’s financial reports are prepared according to the international financial reporting standards.

Revenue growth by 48%	Gross profit margin 21%
EBITDA EUR 19,7 million	Strong equity position 51%

FINANCIAL COVENANTS	31 Dec 2023	REQUIREMENTS
Interest Coverage Ratio	10	>3
Equity Ratio	51%	>30%
Net Debt Leverage Ratio	0,07	<3,5



JUTA JĀKOBSONE
Group’s Chief Financial and IT Officer

Income Statement

for the twelve months ended 31 December 2023

EUR	01.01.2023.-31.12.2023.	01.01.2022.-31.12.2022.
Revenue	101 349 031	68 391 548
Cost of sales	(79 926 293)	(58 077 001)
Gross profit	21 422 738	10 314 547
Selling expenses	(1 716 969)	(792 762)
Administrative expenses	(8 235 564)	(5 560 120)
Other operating income	1 630 645	1 868 408
Other operating expenses	(1 174 247)	(740 173)
Profit from investments in associates	768 248	877 664
EBIT	12 694 851	5 967 564
Interest income and similar income	287 854	2 186
Interest expenses and similar expenses	(1 882 036)	(300 916)
Corporate income tax	(943 736)	(419 948)
Net profit for the period	10 156 933	5 248 886
Share of profit attributable to non-controlling interest	1 604 126	387 238
EBITDA	19 694 283	11 143 707



Statement of Financial Position

for the twelve months ended 31 December 2023

Assets, EUR	31.12.2023.	31.12.2022.
Non-current assets		
Intangible assets	8 986 069	8 312 186
Property, plant and equipment and right-of-use assets	33 869 468	30 102 019
Non-current investments and financial assets	6 690 776	6 647 319
Total non-current assets	49 546 313	45 061 524
Current assets		
Inventory	2 085 874	1 574 921
Receivables and other current assets	18 445 292	15 061 843
Cash and cash equivalents	20 449 792	18 179 061
Total current assets	40 980 958	34 815 825
Total assets	90 527 271	79 877 349



Statement of Financial Position

for the twelve months ended 31 December 2023

Equity and Liabilities, EUR	31.12.2023.	31.12.2022.
Equity		
Share capital	346 000	346 000
Revaluation reserve for long-term investments	7 600	-
Retained earnings	40 937 917	34 187 553
Non-controlling interest	5 095 541	3 718 601
Total equity	46 387 058	38 252 154
Non-current liabilities		
Loans and borrowings	19 941 992	19 237 880
Other non-current liabilities	7 386 499	7 113 439
Total non-current liabilities	27 328 491	26 351 319
Current liabilities		
Loans and borrowings	1 884 829	1 740 591
Trade payables	8 061 329	6 633 630
Taxes and state mandatory social insurance payments	1 810 749	1 270 665
Unpaid dividends	-	207 600
Other current liabilities	5 054 815	5 421 390
Total current liabilities	16 811 722	15 273 876
Total equity and liabilities	90 527 271	79 877 349



Statement of changes in equity

for the twelve months ended 31 December 2023

EUR	Share capital	Revaluation reserve for long-term investments	Retained earnings/ (accumulated loss)	Current year's profit/ (loss)	Non-controlling interests	Total
As at 31 December 2021	346 000	-	29 797 086	5 425 409	1 758 436	37 326 931
IFRS implementation adjustments 2021	-	-	(1 232 589)	-	-	(1 232 589)
Transfer of prior year's profit	-	-	5 425 409	(5 425 409)	-	-
Dividends	-	-	(4 664 000)	-	(201 908)	(4 865 908)
Acquisition of subsidiary	-	-	-	-	1 774 835	1 774 835
Profit for the year	-	-	-	4 861 648	387 238	5 248 886
As at 31 December 2022	346 000	-	29 325 906	4 861 648	3 718 601	38 252 155
Transfer of prior year's profit	-	-	4 861 648	(4 861 648)	-	-
Dividends	-	-	(1 815 000)	-	(194 062)	(2 009 062)
Acquisition of subsidiary	-	-	12 556	-	(33 124)	(20 568)
Revaluation reserve	-	7 600	-	-	-	7 600
Profit for the year	-	-	-	8 552 807	1 604 126	10 156 933
As at 31 December 2023	346 000	7 600	32 385 110	8 552 807	5 095 541	46 387 058

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Transactions with related parties

for the twelve months ended 31 December 2023

31.12.2023, EUR	Intra-group entities ¹	Companies controlled by beneficial owner ²	Other related parties ³
Receivables from related parties:			
Loans issued	2 097 557	-	-
Trade and other receivables	15 629 919	939	842
Borrowings and payables:			
Loans received	2 097 557	-	-
Trade and other payables	15 629 919	-	-
31.12.2023, EUR	Intra-group entities ¹	Companies controlled by beneficial owner ²	Other related parties ³
Income and expenses:			
Sales to related parties	19 339 310	5 109	723 371
Purchases from related parties	(19 339 310)	(107 750)	(924 436)
Interest income	218 912	-	-
Interest expense	(218 912)	-	-

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



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