

Results Y2023

Investor Call
8th of May 2024

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Target market

The target market assessment by the product manufacturer Signet Bank AS has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients, and retail clients, each as defined in Directive 2014/65/EU (MIFID II); (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate.

Any person subsequently offering, selling or recommending the Bonds (a Distributor) should take into consideration the manufacturer's target market assessment, however, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

With you today



Juris Gulbis
Chairman of the
Management Board

International experience in
company transformation
and development of
innovative business models.

Has been a long-serving
CEO of Tet, a technology and
entertainment company, as
well as Head of subsidiary
companies of road
construction Group A.C.B.
Before that, has worked for
different food processing
and financial companies.

With CleanR Grupa since
March 2023



Juta Jakobsone
Chief Financial
Officer

Seasoned manager with
extensive experience in
handling the finances of
large companies.

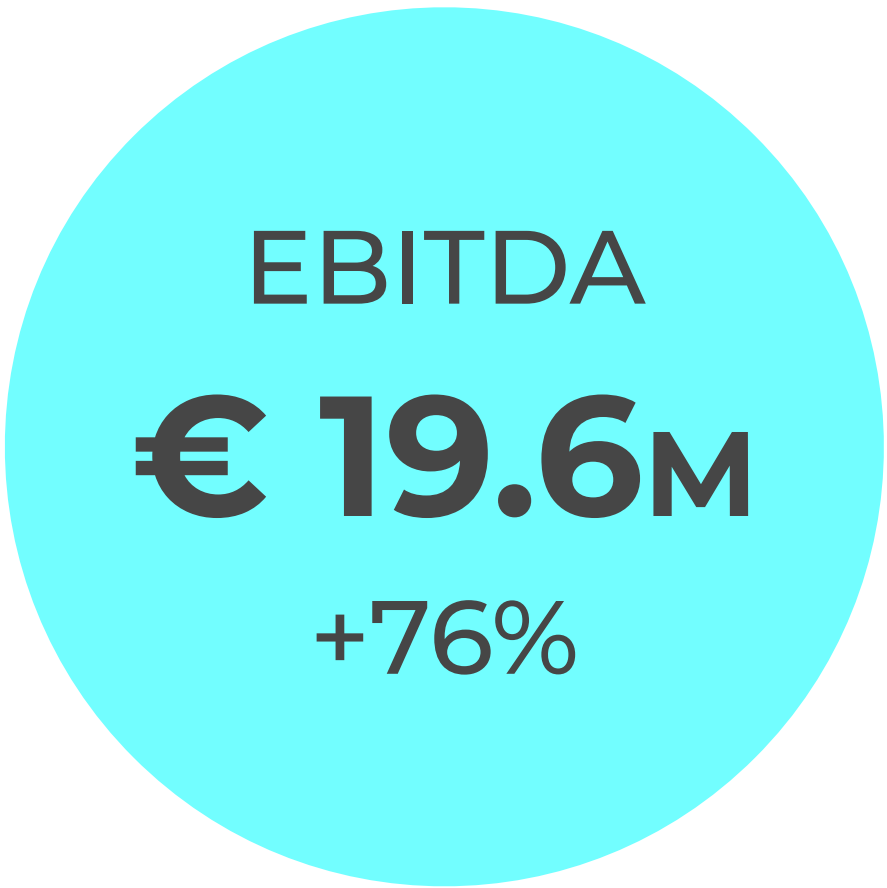
19 years of experience in
Latvian food manufacturing
and processing companies,
as well as of grocery retail
chains—Financial Director
of as SIA Orkla Latvija and
SIA Putnu Fabrika Ķekava,
as well as SIA Linde pārtika
(ELVI retail chain).

With CleanR Grupa since
June 2023

Overview of Our Group



Financial Growth



The group is entering new markets

Waste management services expanded in Ropaži, Ķekava and Latgale region. Urban servicing started in Cēsis, Bauska and Sigulda.



Launching a plastic recycling plant

The most modern plastic recycling plant in Ķekava with the capacity to recycle plastics that could not be recycled in Latvia until now.



Focus on ESG and circular economy

First ESG report launched in environmental services industry in Latvia with strong commitment to long-term positive change.



Present in bond market
to finance growth efforts

Presence in bond market to finance growth via
M&A and investments in new business lines.
Industry consolidator with proven track record—
more than 6 M&A transactions in past 10 years.

€15M

Bonds at
Nasdaq Baltics
First North

100%

Latvian capital
company

1.6K+

Employees in the
group

50K+

Customers in
Latvia

500K+

Serviced inhabitants
in Latvia

4 ISO

Certificates
received

Certificates: Quality 9001:2015, Environment 14001:2015, Occupational
Safety 45001:2018, Energy Management 50001:2018.



Pioneers in ESG,
digitisation and
efficiency

Looking into the future. Making shift to clean-tech
company. Proud to have the highest digitalisation
level in the industry. Making the Group increasigly
lean and efficient.

Member of safe workplace
initiative Mission Zero



Employer open to diversity
and inclusion



Silver award "Safest
company car fleet"



Company that provides
family-friendly workspace



Platinum Award at the
Sustainability Index



EXCELLENCE ACROSS ENVIRONMENTAL LIFE-CYCLE



Municipal waste managment



cleanř

The largest and most experienced operator since 1944.

Providing full waste management cycle from collecting to sorting and recycling waste, thus driving circular economy principles in Latvia.

Plastic recycling plant launched in 2023.

Commercial and industrial waste management

cleanř
verso

The fastest growing business segment in Group`s portfolio.

One of the largest service providers, which offers construction and bulkywaste collection.

In 2020 established construction waste sorting and processing center "Nomales".

Waste sorting



VIDES
RESURSU
CENTRS

The largest waste sorting facility in the Baltics

Serves all waste management companies in Riga

Waste sorting facility is located in Getliņi, nearby Riga.

Indoor cleaning



VIZĪ

In September 2021 indoor cleaning subsidiary "VIZII" launched.

One of the largest service providers offering innovative cleaning solutions (robotic tech, nanotech, spraywash equipment, etc.) in offices, shopping centers and production areas. More than 500 facilities served. Major customers: Rimi, LMT, Maxima, Riga East Clinical University Hospital, etc.

Urban and road servicing

vizĪ
urban

We provide daily sanitary territory maintainance, including cleaning of pedastrian areas, parks, grass cutting as well as specialized service for public roads maintenance in winter.

Major customers: Jurmala, Rezekne, Tukums, Liepaja, Sigulda, Bauska, Cēsis, Riga and Riga region municipalities

Producer responsibility system

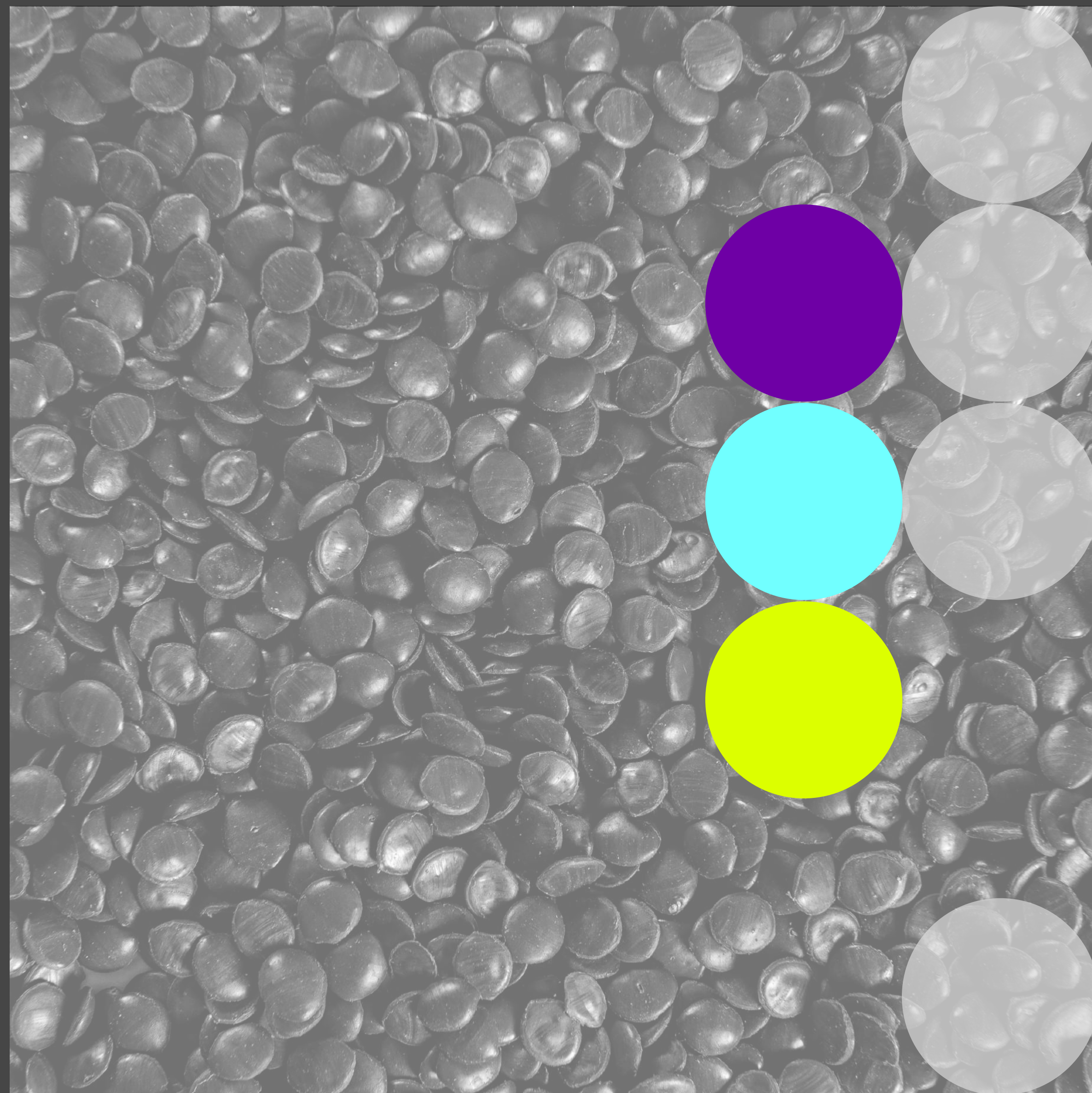


ZAĻĀ JOSTA

By acquiring SIA "Zaļā josta" business is widened for managing used packaging and servicing companies with management of Natural Resources Tax.

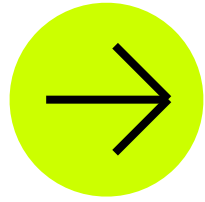
Responsibility system enables producers for exemption from packaging tax by joining voluntarily PRS that ensures collection and recycling of used packaging.

Main Industry Trends



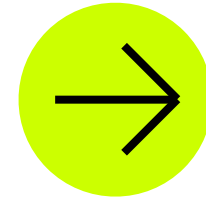
TEN CHANGES TO LOOK FORWARD TO

01



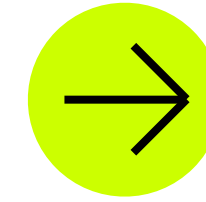
Consolidation of waste management regions and creation of **Regional Waste Management Centers** – marks industry`s regional development for the next 7 years

02



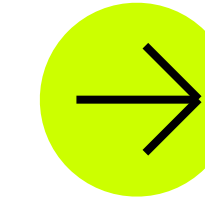
Extended producer responsibility scheme – introduces **EPR for textile** from July, 2024. Also widened EPR applied for plastic packaging.

03



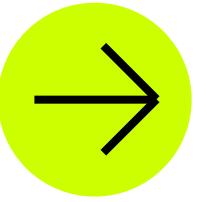
WtE versus disposal project highlights waste disposal problem (EU target 10% of waste landfilled by 2035) and non existent waste-to-energy capacities in Latvia

04



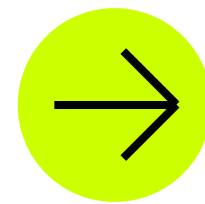
Mandatory BIO waste collection system from January, 2024—expands new business opportunities for waste collection operators

05



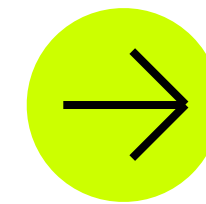
Waste management industry governance transfers to Ministry of Climate and Energy

06



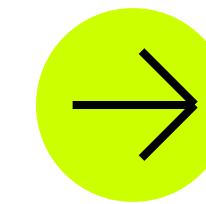
Launch of Group`s **plastic recycling plant**, followed by legislative change applying widened EPR for plastic packaging

07



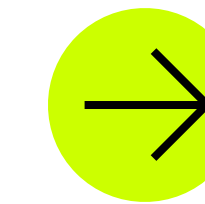
ESG impacts fleet development – Group has "**the greenest" fleet in industry** with majority of EVs in passenger cars and increasing number of CNG fuel in heavy duty vehicles

08



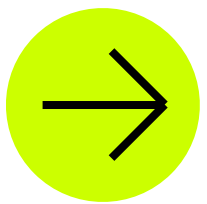
Changes in the **Riga road maintenance** business – insolvency of Ceļu pārvalde

09



Liberalization of regional markets – Bauska and other municipalities shifted from inhouse to outsource services








10








Road maintenance business faces EU **«Green Deal»** - ESG requirements elevated fleet development, 1st 100% electrical roads` vacuum cleaner introduced in Riga

CleanR Grupa Highlights 2023



Waste Management	cleanr	cleanr verso
Baltics' most modern plastic recycling plant in Ķekava		
Expanding municipal waste business in Ropaži and Latgale		
123 underground waste containers at the Riga apartment blocks, also in Jurmala		
More than 200 textile waste containers placed in Latvia for inhabitants		
A majority stake in Zaļā josta , a producer responsibility system provider, acquired		
Construction waste management company RSC NOMA acquired		
New material recovery facility launched - 92 000 tons of materials recovered		

Environmental Services	vizīl	vizīl urban
Urban cleaning company KOM-AUTO in Cēsis acquired		
Urban environment servicing expanded in Riga, Bauska and Sigulda		
Servicing a Baltic sea beach area cleaning in the length of 30 km		
Indoor cleaning services in a new – medical services industry with Riga East Clinical University Hospital		
Introducing a digital customer service tool – mobile quality control app		

Covenant Compliance



FINANCIAL COVENANT COMPLIANCE AND UNDERTAKINGS

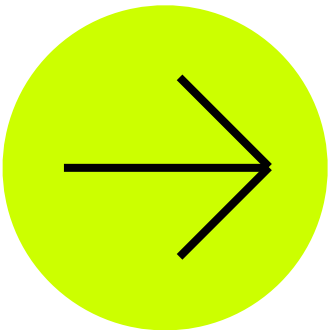
Consolidated Interest Coverage Ratio to maintain consolidated Interest Coverage Ratio of at least 3 (three) times; calculated for the Relevant Period at the end of each quarter
Equity Ratio to maintain Equity Ratio of at least 30% (thirty per cent) calculated at the end of each quarter
Net Debt Leverage Ratio to maintain Net Debt Leverage Ratio of maximum 3.5x (three point five times), calculated for the Relevant Period at the end of each quarter
Not to pay dividends or make other distribution of profits to its shareholders except Permitted Distribution Permitted Distribution only
Not make substantial change to the general nature of the business of the Issuer and the Pledged Subsidiaries from that carried on at the Issue Date (including, but not limited to, the commencement of any new business not being ancillary or incidental to the original business);
Not to initiate or allow initiation of the Issuer’s liquidation or similar proceedings and not to reduce the share capital of the Issuer
All future loans received from the Issuer’s shareholders must be subordinated to the Notes
To publish consolidated unaudited quarterly reports for the Group with management comments, prepared according to Accounting Principles, by the end of the second month following the end of each respective quarter. The reports should also include information if the Issuer is compliant with the financial covenants set out in Clause 12 (Financial Covenants) of these Terms of the Notes Issue
To request the admission to trading of the Notes on First North within 12 (twelve) months after the Issue Date and submit Terms of the Issue and company description with Nasdaq Riga. The Notes shall be listed on First North only in case Nasdaq Riga approves the Notes for listing
To publish consolidated annual reports for the Group prepared according to the Accounting Principles within 4 (four) months for each consecutive Financial Year. Starting from Financial Year 2023, the Financial Reports should be audited by Auditor (KPMG, EY, PWC, Deloitte or Grant Thornton)
Not to sell, present, change, rent, license, invest, or otherwise transfer into utilization the right to use the trademarks of the Issuer and the Subsidiaries, except the Issuer or its Subsidiaries are permitted to rent the right to use the trademarks further to their Subsidiaries
Issuer shall not create or permit to subsist mortgage, pledge or any other security interest (each a “Security”), other than a Permitted Security, upon the whole or any part of its present or future business, undertaking, assets or revenues to secure any Financial Indebtedness without at the same time or prior thereto securing the Notes equally and rateably therewith

Requirement	Fact	
>3	11	✓
>30%	51%	✓
<3.5	0.07	✓
Permitted Distribution only		✓
		✓
		✓
No loans acquired		✓
		✓
Listed since 31 January 2023		✓
Audited by Grant Thornton Baltics		✓
		✓
Permitted Security only		✓

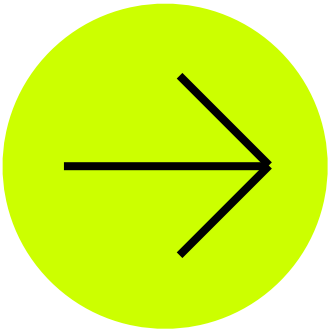
Business Outlook 2024 - 2025



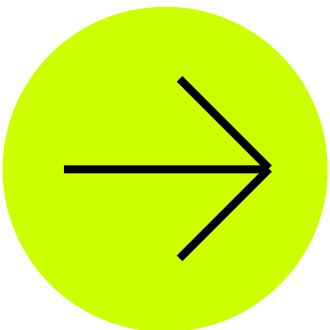
Main Focus Areas



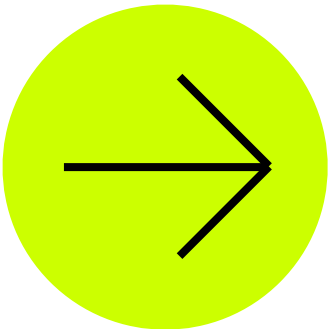
Development of recycling business



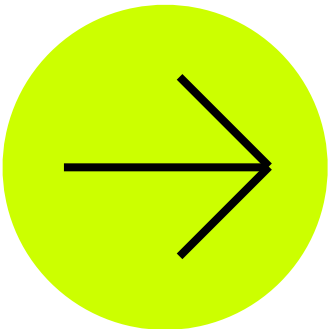
Organic growth in waste management business



Expansion to the Baltic region



Development of full waste management life cycle



Growth through M&A in other environmental services

Main External Factors



Focus on ESG



LONG-TERM ESG STRATEGY IS COMPLETED

In 2023

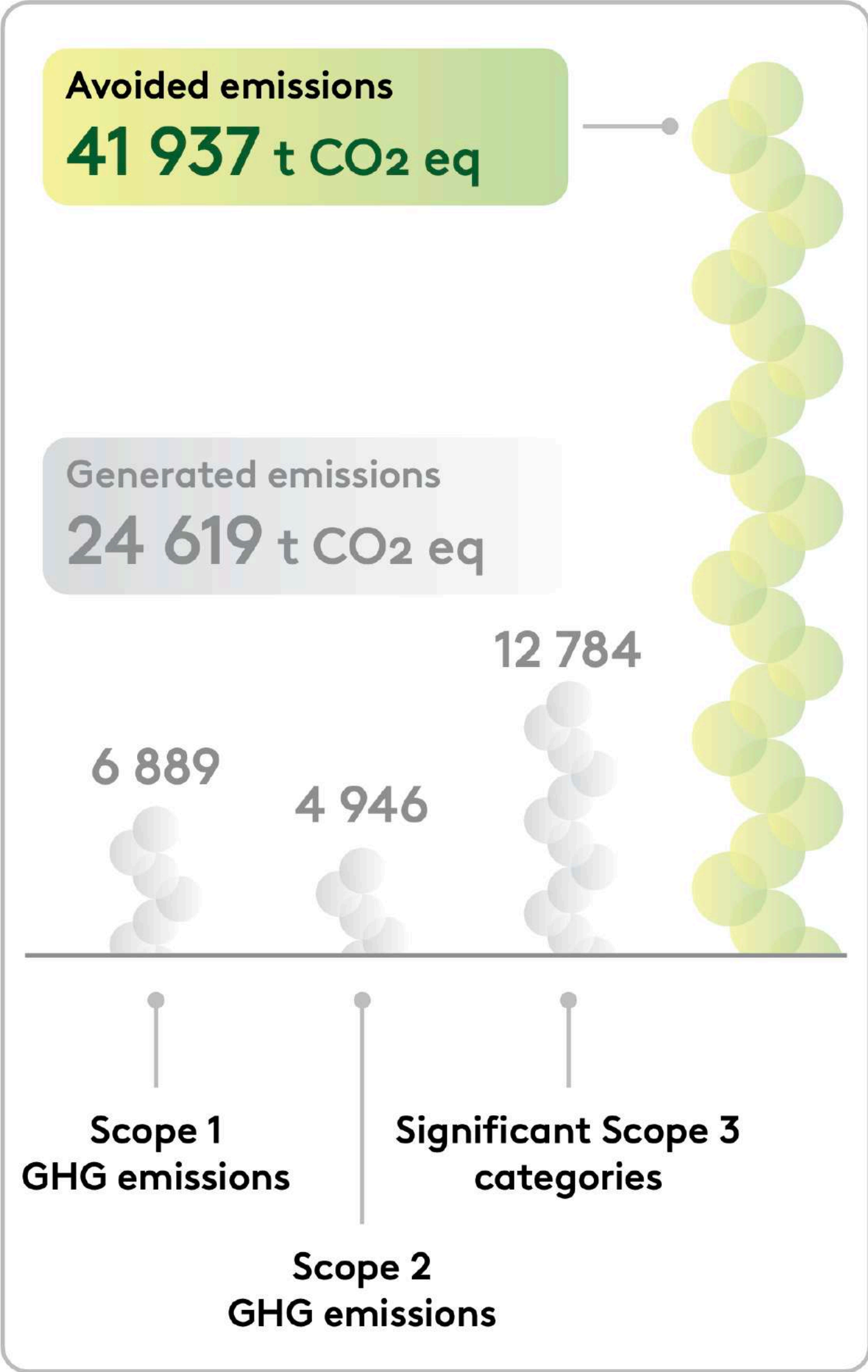
- First sustainability report in the waste management industry ✓
- CO2 footprint calculated – approaching net zero target by having avoided emmissions outnumbered over the released ones ✓
- 20 new electric cars purchased, thus increasing the proportion of electric vehicles in its passenger car fleet to 42% ✓
- Climate risk assessment done ✓
- Climate governance plan put in place ✓

Highlight 2024

- Circular economy in focus – new measurment tool for local municipalities ✓
- Leadership in environmental education ✓

Already in year 2023 we avoided more emissions than we generated

Source: CleanR
Sustainability
Report 2023



In 2023

Expansion of the Group`s Council
and Board



First Corporate Governance
Statement released



Whistleblowing system created

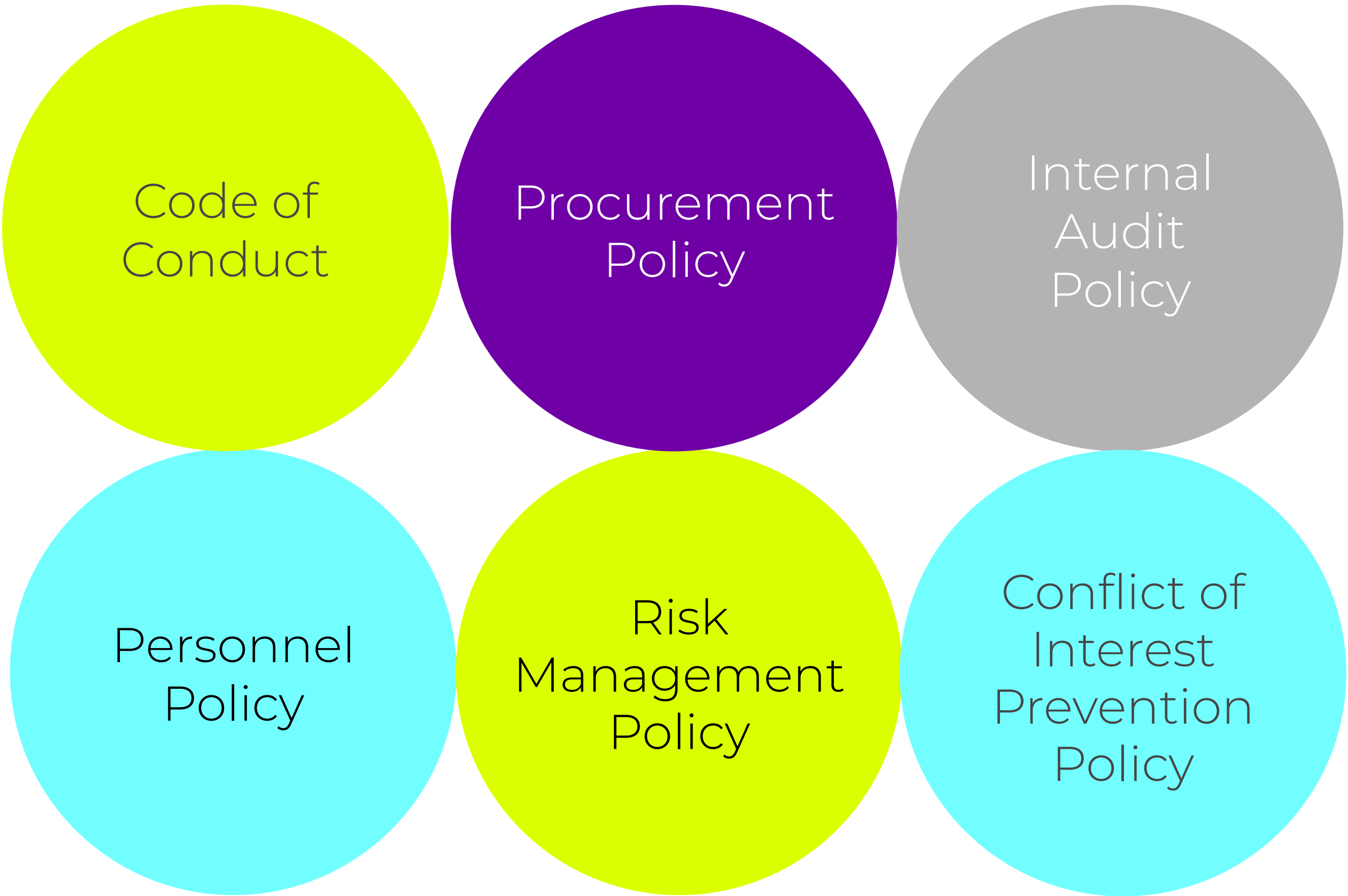


Highlight 2024

Share options
scheme implemented



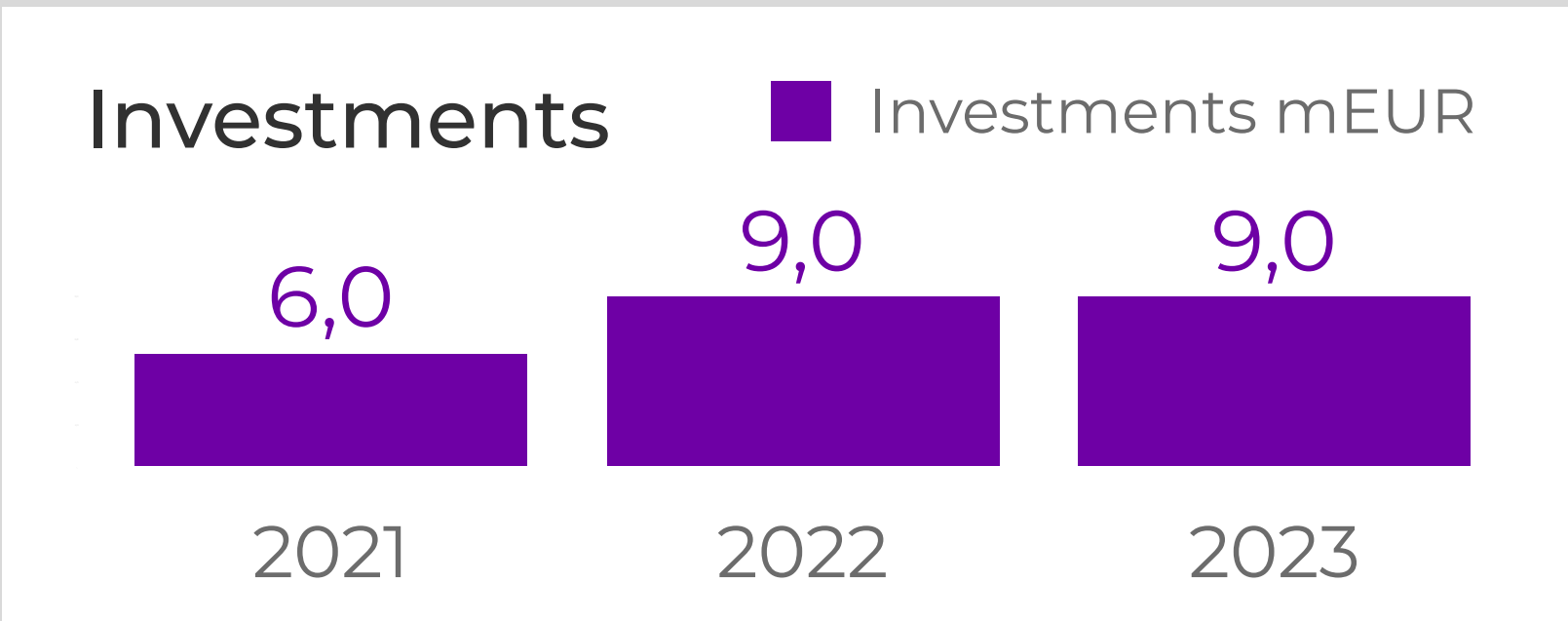
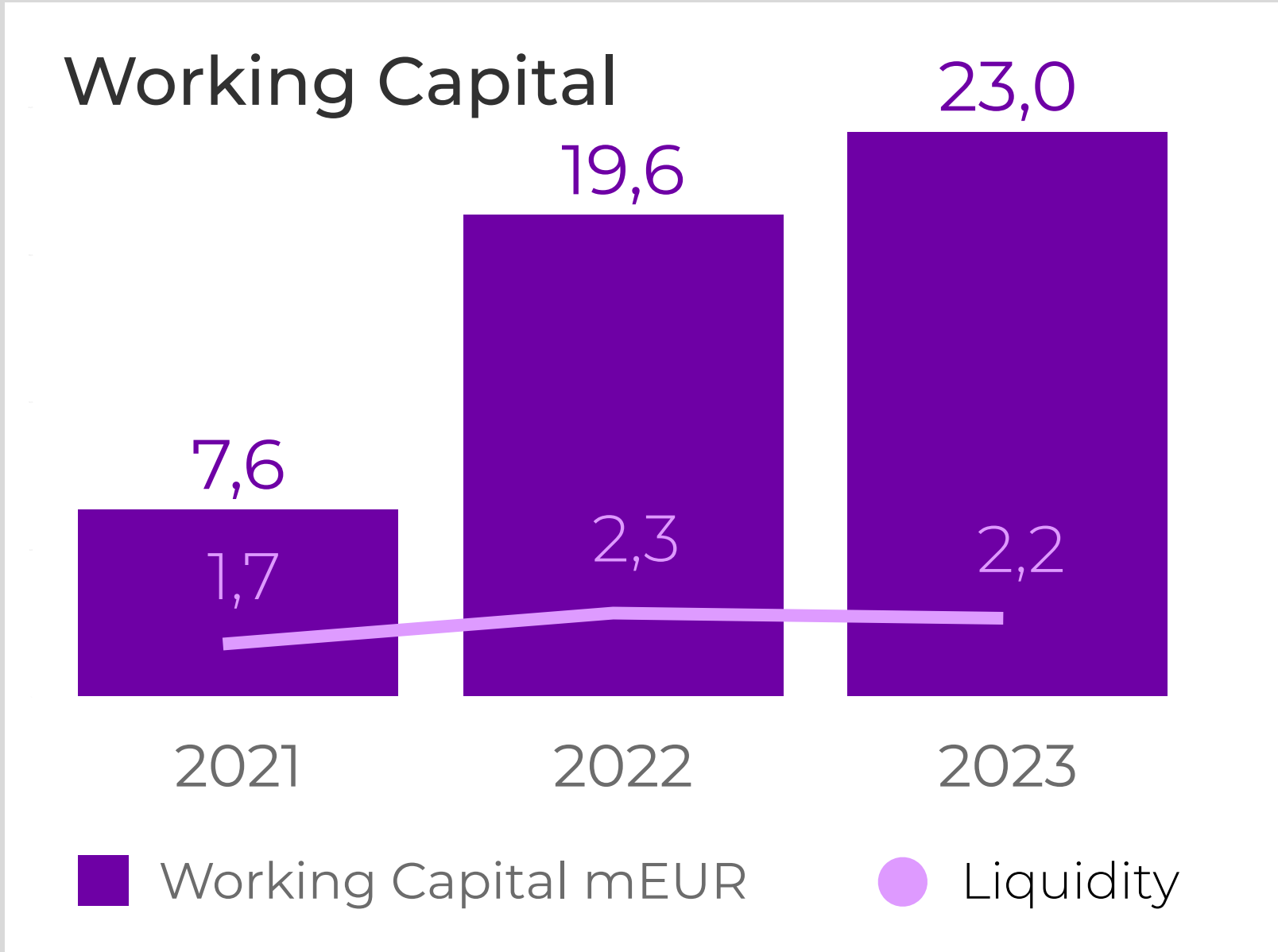
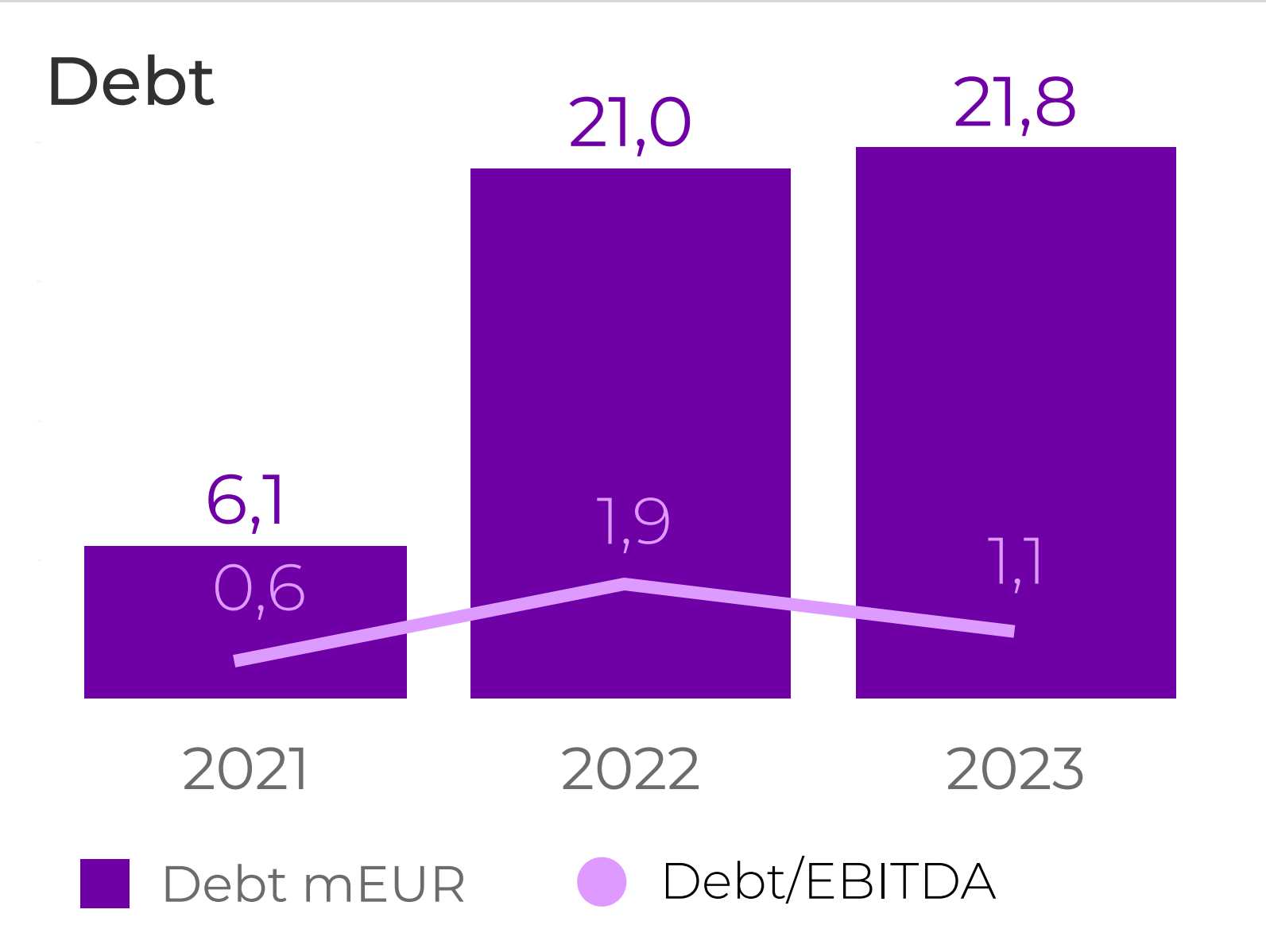
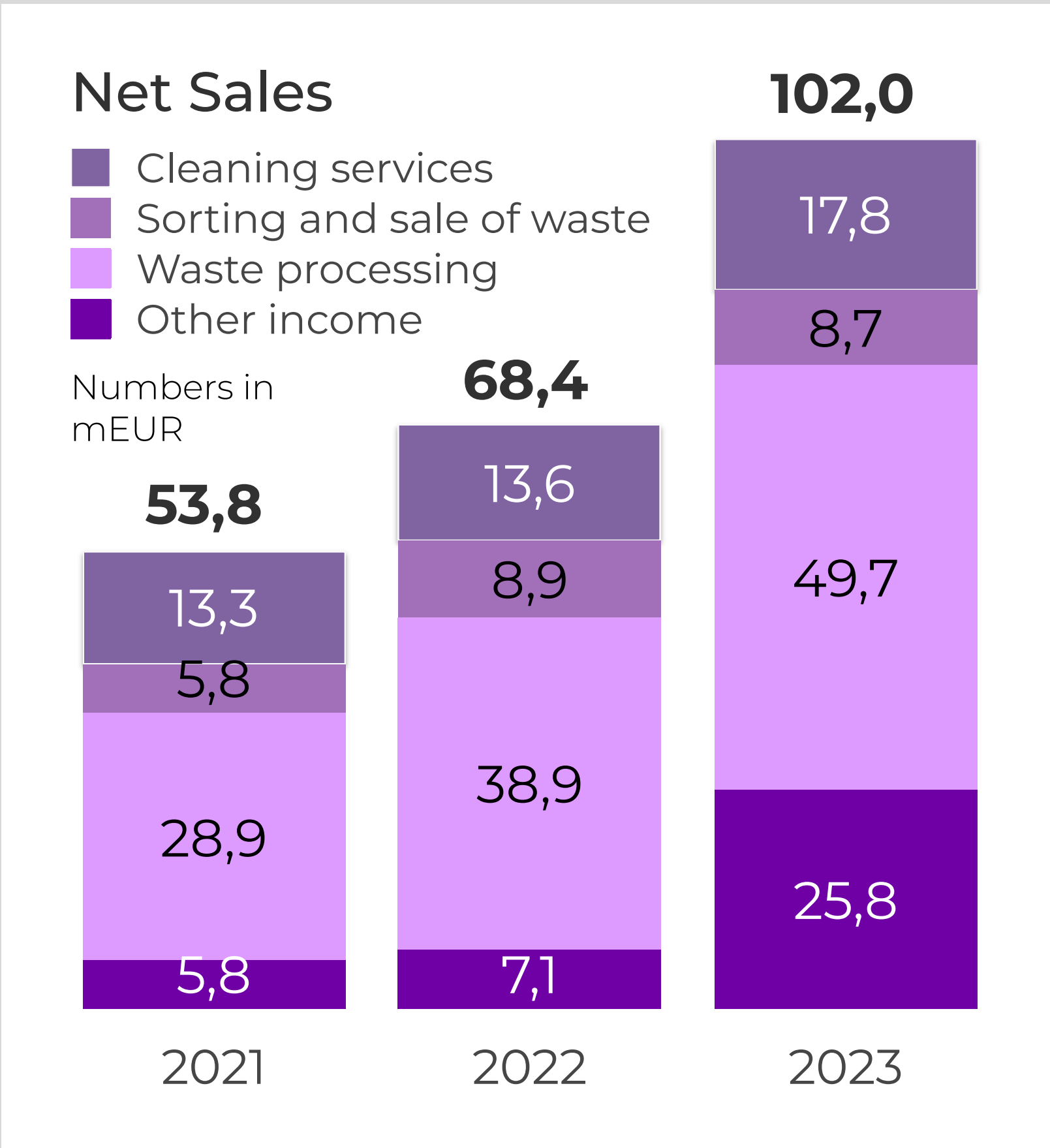
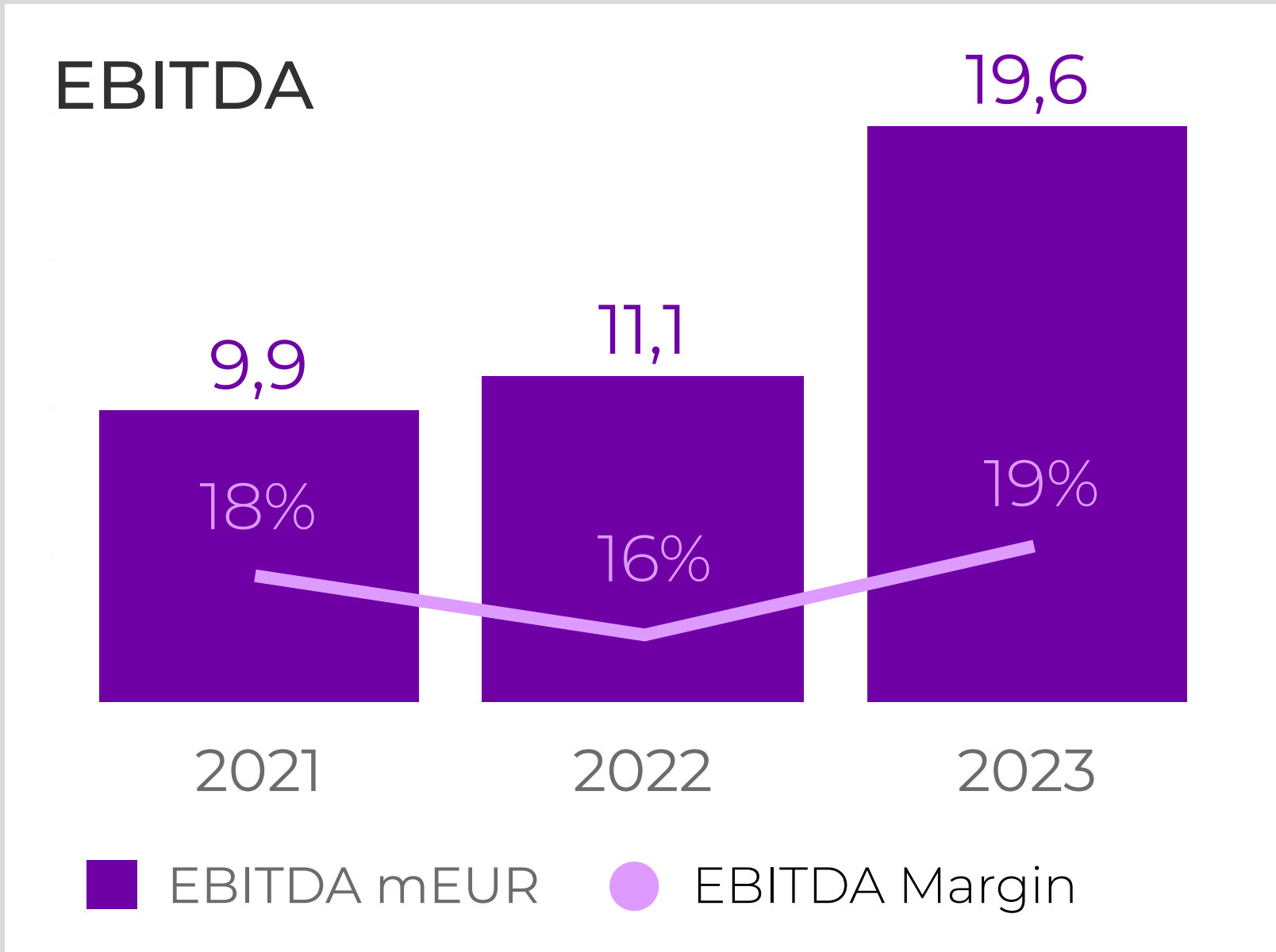
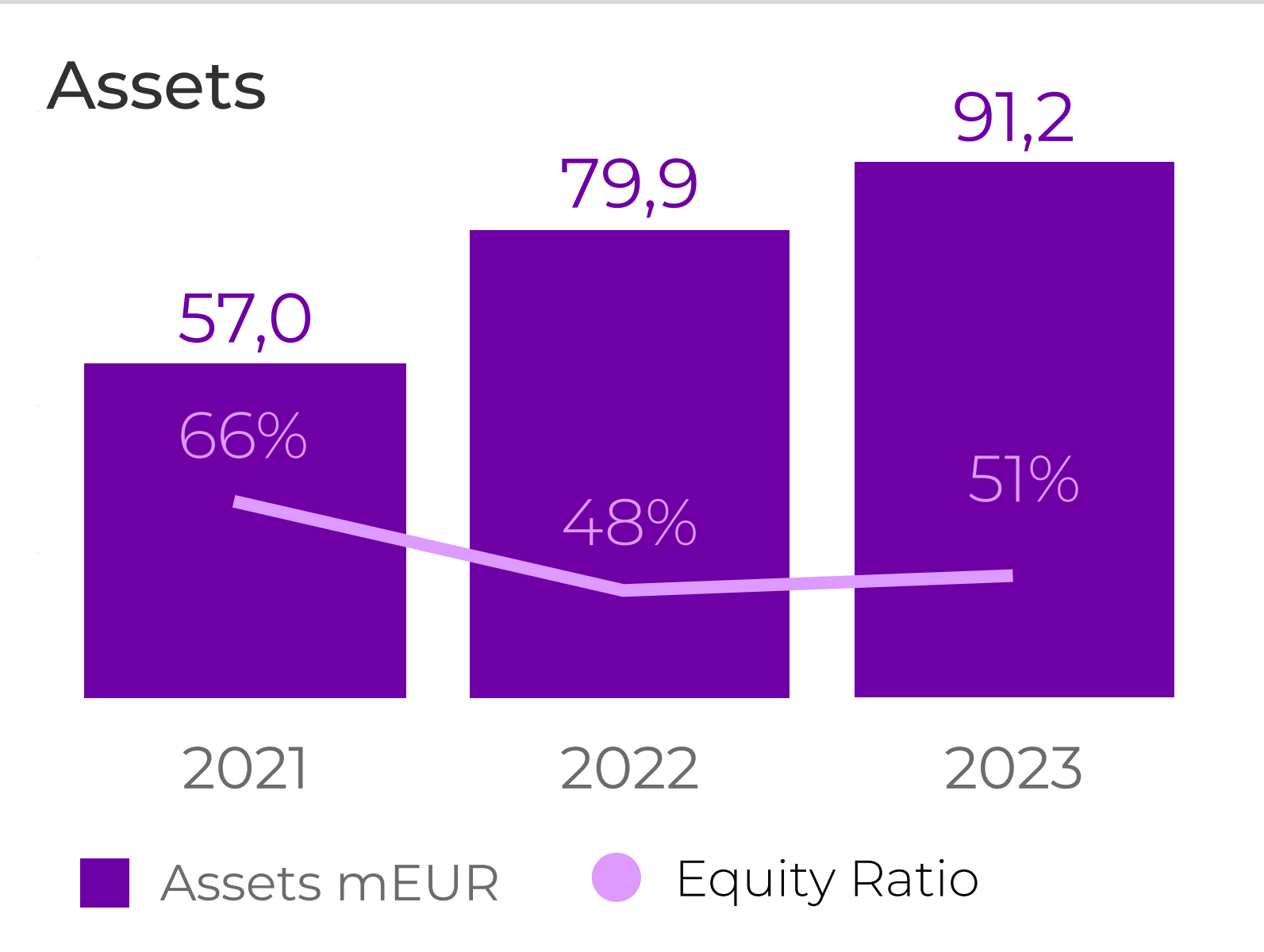
Main corporate governance policies set in place:



Financial Highlights 2023



KEY FINANCIALS



Dedicated to people and planet



Thank You

Investor Call
8th of May 2024