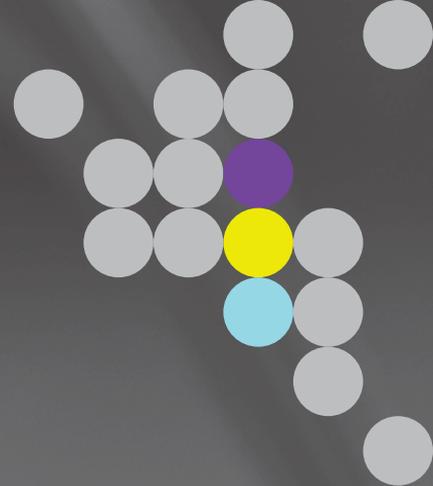


○ CLEANR  
GRUPA



# Unaudited results for the nine months

ENDED 30 SEPTEMBER 2023

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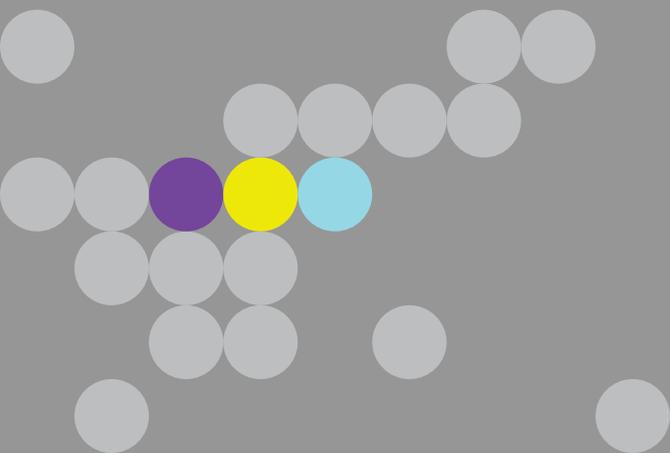
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# About CleanR Grupa

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
- 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**
- >1500 employees

## Nine months at a glance:

- CleanR Grupa expands its Management Board – on July 2023 **Agita Baltbārde assigned as a member of the Management Board**

- CleanR Grupa has purchased **20 new electric cars**, thus increasing the proportion of electric vehicles in its passenger car fleet to **42%**

- **Vizii Urban**, Group's subsidiary, **has expanded geographically** and since July takes care of **Sigulda city** territories, since august – also in **Bauska city**



CleanR Grupa – Best employer



CleanR – Family-friendly company



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

# In focus: regional expansion in urban services segment and circular economy

The first nine months of 2023 for CleanR Grupa were marked by geographical business expansion which allowed the Group to strengthen its position in the urban services segment. Since July, Vizii Urban, the Group's urban environment maintenance company, has been providing its cleaning services in the town of Sigulda, and since August—in the town of Bauska. In the summer, Vizii Urban also took care of the Baltic Sea seashore at the length of 30 km—in the towns of Jūrmala and Liepāja, as well as the Vakarbuļļi beach in Riga—coastal areas highly popular with the inhabitants. From the Jūrmala beaches alone, the company removed 435 tons of trash this summer.

In the summer of 2023, Vizii Urban was signed as the main partner of the National Song and Dance Festival with respect to the tidying of the festival venues in Mežaparks and the Daugava stadium. During the 12 days of the festival, more than 40 of our employees worked round the clock to keep the venues neat and tidy for the participants and spectators.

In the field of municipal waste management, we focused on the implementation of circular solutions. Two of the Group's subsidiaries—CleanR and Zaļā josta—carried out a highly successful campaign called Tīrmāja (Clean House) promoting waste separation in Riga, the Ropaži municipality, Ķekava, and Jūrmala, particularly focusing on the collection of textiles and electronics. CleanR continued investing in the modernization of infrastructure—in September, the company set up two underground garbage sites for separate municipal waste collection in Jūrmala. At the same time, CleanR continued installing underground waste containers in the country's capital, with an aim to set up a total of 34 underground waste collection sites by the end of the year. In addition, this summer CleanR tested the use of a modern, user-friendly waste collection solution widely used on the beaches around Europe—semi-hidden containers—on the beaches of Dubulti and Majori. During the pilot project, a total of eight such garbage bins were installed. In the future, the company may consider installing such containers in other municipalities where it provides its waste management services.

In August this year, the Group's subsidiary companies CleanR and Zaļā josta took part in the Riga City Festival by offering the city's residents and guests informative and educational activities on zero-waste lifestyle, waste sorting, and responsible attitude toward the environment in several of the city's neighborhoods.

In the third quarter of this year, modernization works were started at the "CleanR Verso" construction and industrial waste sorting area "Nomales", as a result of which new infrastructure will be built in 2024 and new technologies for more efficient construction waste sorting and processing will be purchased.

In the first nine month of 2023, the Group also invested in activities promoting climate neutrality. To reduce its environmental impact, CleanR Grupa acquired 20 new electric vehicles thus increasing the share of electric passenger cars across the Group's companies to 42%. It significantly exceeds the overall figure for Latvia, where only 0.5% of the cars are powered by electricity. Also, the Group seeks to expand the use of alternative energy for its heavy vehicles, increasingly giving preference to practically the only green energy source available in Latvia for trucks—compressed natural gas—, as well as upgrading its vehicle fleet to meet the highest ecological standards.

For the Group, the summer of 2023 was also marked by the implementation of several of its sponsorship and support projects. One of the projects was the Leadership School organized by Junior Achievement Latvia, which brought together the youth from 15 schools around the country. Among other things, the pupils faced several CleanR Grupa-posed challenges related to climate neutrality and sustainability and had to seek solutions that promote waste sorting. Likewise, with the support of CleanR, students at the Latvian University of Life Sciences and Technologies also sought alternative waste sorting solution at a Green-tech hackathon. In addition, CleanR continued supporting the twenty-four-hour basketball tournament Krastu mačs, a long-lasting basketball event happening during the Riga City Festival, and, over the summer, encouraged the youth to lead a responsible lifestyle at Ghetto Games, the largest street sport and street culture movement. Also, to reduce waste generated by the fashion industry, CleanR Grupa supports Backdoor Market—a sustainable streetwear community and brand creating clothes and accessories using zero-waste and upcycling methods. The brand focuses on high-quality materials, recycling by-products generated during production.



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

# Financial performance – sustained positive growth



CleanR Grupa ended the nine-months period with results which not only meet but also exceed the set goals. The revenues generated over the three quarters of 2023 have grown by 40.7% to a total of EUR 70.7 million, compared to the same period in 2022. EBITDA has increased by EUR 5.3 million or 61%, reaching EUR 14 million. The gross profit margin in the first three quarters of 2023 grew by 5 percentage points (in the three quarters of 2023—19.6%, in the three quarters of 2022—14.6%). The largest share of the revenues was derived from the waste management business.

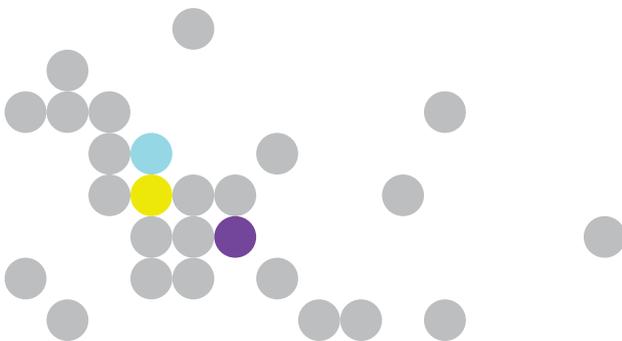
CleanR Grupa continues investing in modern and automated waste sorting technology and sites, as well as in acquisition of vehicles and modernization of infrastructure, which allows it to run sustainable operations and ensures positive financial results in the future.

<b>Revenue growth by</b> <span style="font-size: 24pt; color: purple;">41%</span>	<b>Gross profit margin</b> <span style="font-size: 24pt; color: purple;">20%</span>
<b>EBITDA EUR</b> <span style="font-size: 24pt; color: purple;">14</span> million	<b>Strong equity position</b> <span style="font-size: 24pt; color: purple;">55%</span>

FINANCIAL COVENANTS	30 Sep 2023	REQUIREMENTS
Interest Coverage Ratio	12	>3
Equity Ratio	55%	>30%
Net Debt Leverage Ratio	-0,05	MAX 3,5



**JUTA JĀKOBSONE**  
Group's Chief Financial and IT Officer



# 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

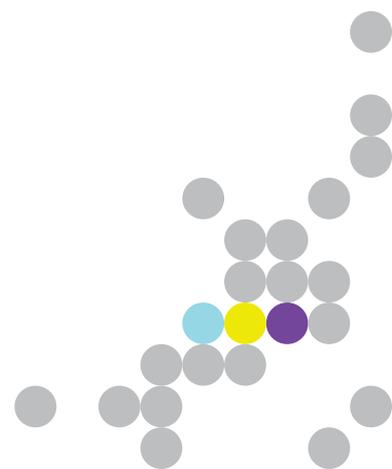
Implementation of a long-term sustainability strategy according to the UN Sustainable Development Goals and start of an annual non-financial reporting practice.



# Income Statement

for the nine months ended 30 September 2023

EUR	01.01.2023.-30.09.2023.	01.01.2022.-30.09.2022.
Revenue	70 651 433	50 220 746
Cost of sales, cost of goods sold, cost of services rendered	(56 771 617)	(42 904 184)
<b>Gross profit</b>	<b>13 879 816</b>	<b>7 316 562</b>
Selling expenses	(1 074 476)	(559 445)
Administrative expenses	(6 071 194)	(3 500 888)
Other operating income	2 733 529	1 571 438
Other operating expenses	(1 182 387)	(722 408)
Revenue from participation	681 939	480 121
<b>EBIT</b>	<b>8 967 227</b>	<b>4 585 380</b>
Interest income and similar income	143 620	1 799
Interest expenses and similar expenses	(1 213 770)	(123 156)
Corporate income tax	(135 731)	(126 794)
<b>Net profit for the period</b>	<b>7 761 346</b>	<b>4 337 229</b>
Share of profit of minority stockholders	1 294 110	397 226
<b>EBITDA</b>	<b>13 959 783</b>	<b>8 657 466</b>



# Statement of Financial Position

for the nine months ended 30 September 2023

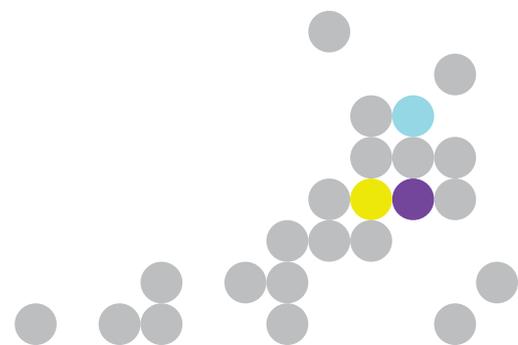
Assets, EUR	30.09.2023.	30.09.2022.
<b>Non-current assets</b>		
Intangible assets	9 096 989	6 931 878
Tangible assets	28 511 013	25 681 066
Long-term financial investments	6 562 361	12 337 128
<b>Total non-current assets</b>	<b>44 170 363</b>	<b>44 950 072</b>
<b>Current assets</b>		
Inventories	2 080 433	1 180 799
Receivables and other current assets	16 836 187	10 551 425
Cash and bank	19 082 174	4 996 544
<b>Total current assets</b>	<b>37 998 794</b>	<b>16 728 768</b>
<b>Total assets</b>	<b>82 169 157</b>	<b>61 678 840</b>



# Statement of Financial Position

for the nine months ended 30 September 2023

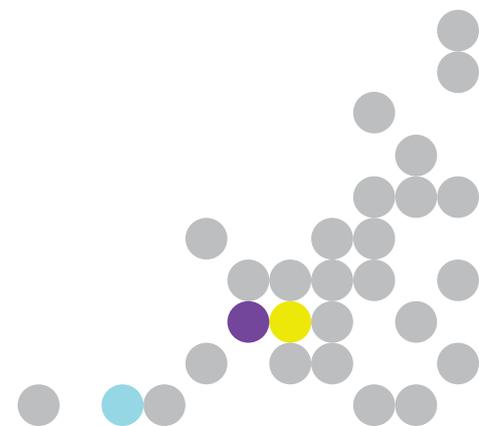
Equity and Liabilities, EUR	30.09.2023.	30.09.2022.
<b>Equity</b>		
Share capital	346 000	346 000
Revaluation reserve for long-term investments	5 870	-
Retained earnings	40 124 437	38 442 498
Non-controlling Interests	4 970 979	1 953 754
<b>Total equity</b>	<b>45 447 286</b>	<b>40 742 252</b>
<b>Total provisions</b>	<b>262 476</b>	<b>209 934</b>
<b>Non-current liabilities</b>		
Loans and borrowings	17 192 156	3 488 847
Other non-current liabilities	6 656 754	5 955 454
<b>Total non-current liabilities</b>	<b>23 848 910</b>	<b>9 444 301</b>
<b>Current liabilities</b>		
Loans and borrowings	1 165 315	2 058 845
Trade payables	5 660 766	4 600 233
Taxes and social insurance payments	1 924 628	1 056 786
Other liabilities	3 859 776	3 566 489
<b>Total current liabilities</b>	<b>12 610 485</b>	<b>11 282 353</b>
<b>Total equity and liabilities</b>	<b>82 169 157</b>	<b>61 678 840</b>



# Statement of changes in equity

for the nine months ended 30 September 2023

EUR	Share capital	Revaluation reserve for long-term investments	Retained earnings/ (accumulated loss)	Current year's profit/ (loss)	Non-controlling interests	Total
<b>As at 31 December 2021</b>	<b>346 000</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)	-	-
Dividends	-	-	(4 664 000)	-	(201 908)	(4 865 908)
Acquisition of subsidiary company	-	-	-	-	1 774 835	1 774 835
<b>Profit/ (loss) for the year</b>	-	-	-	<b>4 473 036</b>	<b>387 238</b>	<b>4 860 274</b>
<b>As at 31 December 2022</b>	<b>346 000</b>	-	<b>30 558 495</b>	<b>4 473 036</b>	<b>3 718 601</b>	<b>39 096 132</b>
Transfer of prior year's profit/ (loss)	-	-	4 473 036	(4 473 036)	-	-
Dividends	-	-	(1 220 000)	-	(194 062)	(1 414 062)
Acquisition of subsidiary company	-	-	(154 330)	-	152 330	(2 000)
Revaluation reserve	-	5 870	-	-	-	5 870
<b>Profit/ (loss) for the year</b>	-	-	-	<b>6 467 236</b>	<b>1 294 110</b>	<b>7 761 346</b>
<b>As at 30 September 2023</b>	<b>346 000</b>	<b>5 870</b>	<b>33 657 201</b>	<b>6 467 236</b>	<b>4 970 979</b>	<b>45 447 286</b>



# Transactions with related parties

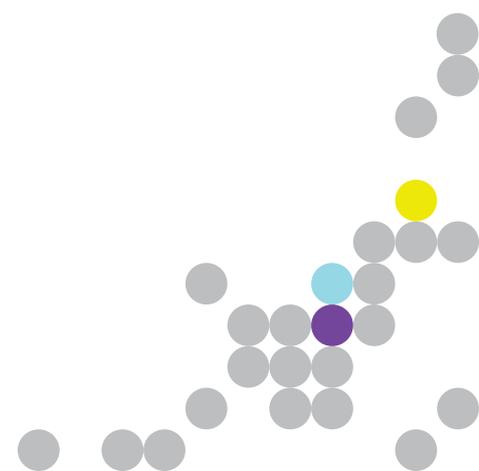
for the nine months ended 30 September 2023

30.09.2023, EUR	Intra-group entities <sup>1</sup>	Companies controlled by beneficial owner <sup>2</sup>	Other related parties <sup>3</sup>
<b>Receivables from related parties:</b>			
Loans issued	3 049 935	-	-
Trade and other receivables	14 784 626	985	71 578
<b>Borrowings and payables:</b>			
Loans received	3 049 935	-	750
Trade and other payables	14 784 626	-	-
30.09.2023, EUR	Intra-group entities <sup>1</sup>	Companies controlled by beneficial owner <sup>2</sup>	Other related parties <sup>3</sup>
<b>Income and expenses:</b>			
Sales to related parties	13 124 446	3 312	509 339
Purchases from related parties	(13 124 446)	(170 000)	(662 185)
Interest income	136 039	-	-
Interest expense	(136 039)	-	-

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

<sup>2</sup> Companies controlled by the beneficial owner: cooperation partners

<sup>3</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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Legal affairs

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Agita Baltbārde

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