



## AS CleanR Grupa

*incorporated and registered in the Republic of Latvia with registration number  
40103799972*

### **PROGRAMME FOR THE ISSUANCE OF BONDS IN THE AMOUNT OF UP TO EUR 50 000 000**

This Base Prospectus (the "**Base Prospectus**") was prepared for the programme (the "**Programme**") for the offering of bonds (the "**Bonds**") of AS CleanR Grupa, a joint stock company (in Latvian – *Akciju sabiedrība*), incorporated in, and operating under the laws of the Republic of Latvia, and registered in Commercial Register maintained by the Register of Enterprises of Latvia under the registration number: 40103799972, legal address: Vietalvas iela 5, Rīga, LV-1009, Latvia, (the "**Issuer**") in the amount of up to EUR 50 000 000 (the "**Offering**") and admission thereof (the "**Admission**") to trading on the Baltic Bond List of AS Nasdaq Riga ("**Nasdaq**" or "**Nasdaq Riga**").

This Base Prospectus should be read and constructed together with any supplements hereto (if any) and any other documents attached herein and, in relation to any tranche of Bonds issue (the "**Tranche**"), with the Final Terms of the relevant Tranche (the "**Final Terms**"), as applicable. The Bonds may be issued under this Programme in one or more Series (the "**Series**"), and each Series may comprise one or more Tranches. The issue-specific summary shall be annexed to the Final Terms of each of the Tranche and shall be announced in the same order as the Base Prospectus and provided to the Latvian competent authority, the Bank of Latvia (in Latvian – *Latvijas Banka*, the "**Bank of Latvia**") together with the Final Terms.

Neither this Base Prospectus nor any Final Terms constitute an offer to sell or a solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Furthermore, the distribution of this Base Prospectus and/or any Final Terms in certain jurisdictions may be restricted by law. Thus, persons in possession of this Base Prospectus and/or any Final Terms are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Bonds shall be offered, as specified in the Base Prospectus and the Final Terms, subject to possible cancellation or modification of the Offering and subject to certain other conditions.

This Base Prospectus has been prepared and the Final Terms will be prepared by the Issuer in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council, as may be amended from time to time (the "**Prospectus Regulation**"), Commission Delegated Regulation (EU) 2019/980, as may be amended from time to time (the "**Delegated Regulation**"). The Bank of Latvia (in Latvian – *Latvijas Banka*) in its capacity as the competent authority in Latvia under the Prospectus Regulation has approved this document as a Base Prospectus and has notified the approval of the Base Prospectus to the Estonian Financial Supervision Authority (in Estonian: *Finantsinspektsioon*; the "**EFSA**") and the Bank of Lithuania (in Lithuanian: *Lietuvos bankas*, the "**Bank of Lithuania**").

The approval by the Bank of Latvia of this Base Prospectus only means that it is meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the Bonds that are the subject of this Base Prospectus. Application will be made to Nasdaq Riga for Bonds issued under the Programme to be admitted to trading on the Baltic Bond List of Nasdaq Riga.

The Base Prospectus has been drawn up as a base prospectus in accordance with Article 8 of the Prospectus Regulation.

All the Bonds of the Issuer (when issued) will be dematerialized debt securities in bearer form and will be registered with Nasdaq CSD, SE ("**Nasdaq CSD**") in a book-entry form. When registering the Bonds of different Series, Nasdaq CSD will provide different ISIN to Bonds of different Series, unless in accordance with ISIN allocation standards, will be determined that the same ISIN shall be assigned to

the Bonds of different Series for any reason. Bondholders will be able to hold the Bonds through Nasdaq CSD participants including the Bank, such as investment firms and Custodians operating in any of the Baltic states.

MiFID II product governance - solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds 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 MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and respective retail clients are appropriate. Any person subsequently offering, selling or recommending the Bonds 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.

Article 5f of Regulation (EU) No. 833/2014 (as amended by Council Regulation (EU) No. 2022/328) and Article 1f of Regulation (EC) No. 765/ 2006 (as amended by Council Regulation (EU) No 2022/398) prohibit the sale of euro denominated transferable securities issued after 12 April 2022 or units of undertakings for collective investment (UCIs) providing exposure to such transferable securities, to any Russian or Belarusian national, any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus. This prohibition does not apply to nationals of a Member State or to natural persons holding a temporary or permanent residence permit in a Member State of the European Union, in a country member of the European Economic Area and Switzerland.

Before deciding to purchase the Bonds, prospective investors must make their own assessment as to the suitability of investing in the Bonds. Each prospective investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds and the merits and risks of investing in the Bonds;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Investment in the Bonds to be issued under the Programme involves certain risks. Prospective investors should carefully acquaint themselves with such risks before deciding to invest in the Bonds. The principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Bonds are discussed in Section 2 "Risk Factors" of this Base Prospectus. Should one or more of the risks materialize, this may have a material adverse effect on the cash flows, results of operations, and financial condition of the Issuer. If any of these risks materialize, the market value of the Bonds and the likelihood the Issuer will be able to fulfil its payment obligations under the Bonds may decrease, in which case the Bondholders could lose all or part of their investments.

Any previous discussions or presentations provided to prospective investors were solely for information purposes and the Bonds are issued in accordance with this Base Prospectus. A prospective investor should not make an investment decision relying solely upon the information provided to the prospective investor in any presentation or otherwise.

The Bonds have not been, and will not be, registered under the U.S. Securities Act 1933 (as amended) (the "**Securities Act**"), or with any securities regulatory authority of any state of the United States. This Base Prospectus or the Final Terms are not to be distributed to the United States or in any other jurisdiction where it would be unlawful. The Bonds may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (the "**Regulation S**"), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

The date of this Base Prospectus is October 23, 2025

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## 1 OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the General Terms and Conditions of any Tranche of Bonds, the applicable Final Terms. This overview must be read as an introduction in conjunction with the other parts of the Base Prospectus (including any documents incorporated therein). Any decision to invest in the Bonds should be based on a consideration by the investor of the Base Prospectus as a whole.*

*Words and expressions defined in the General Terms and Conditions of the Bonds below or elsewhere in this Base Prospectus have the same meanings in this overview. This overview constitutes a general description of the Programme for the purposes of Article 25(1) of the Delegated Regulation.*

<b>Issuer:</b>	AS "CleanR Grupa"
<b>Legal Entity Identified (LEI):</b>	984500048F64895F8065
<b>Programme Limit:</b>	Up to EUR 50 000 000 (fifty million euro) aggregate nominal amount of Bonds outstanding at any one time
<b>Risk Factors:</b>	Investing in Bonds issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Bonds are described in Section 2 "Risk Factors"
<b>Method of Issue:</b>	The Bonds shall be issued in Series. Each Series may comprise one or more Tranches of the Bonds. A separate ISIN will be assigned to each Series. The Notes of each Tranche will all be subject to identical terms, except that the Issue Dates and the Issue Prices may differ
<b>Form of the Bonds:</b>	The Bonds will be issued in dematerialized form and book entered with Nasdaq CSD SE
<b>Status and Security:</b>	The Bonds will constitute unsecured and unsubordinated obligations of the Issuer, ranking <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer, save for those preferred by mandatory provisions of law
<b>Trustee:</b>	A trustee has been appointed to represent the interests of the Bondholders in accordance with the General Terms and Conditions of the Bonds. Initially, CSC (Sweden) AB, reg. no. 556625-5476, with registered address at Sveavägen 9, 111 57 Stockholm, Sweden, has been appointed as Trustee
<b>Currency:</b>	EUR (euro)
<b>Denomination:</b>	The nominal amount of each Bond shall be specified in the Final Terms
<b>Issue Price:</b>	The Bonds may be issued at their nominal amount or at a discount or a premium to their nominal amount
<b>Minimum Investment Amount:</b>	The Bonds will be offered for subscription for a minimum investment amount that will be specified in the Final Terms
<b>Interest:</b>	The Bonds will bear annual interest rate, as specified in the Final Terms of particular Tranche
<b>Maturity:</b>	The Bonds shall be repaid in full at their nominal amount on the date which will be specified in the Final Terms. Each Tranche may have a maturity up to 5 (five) years
<b>Listing:</b>	Application will be made to Nasdaq Riga for admitting each Tranche to listing and trading on the official bond list (the Baltic Bond List) according to the requirements of Nasdaq Riga not later than within 3 (three) months after the Issue Date of the first Tranche of the Series and as soon as reasonably possible for any further Tranche of the same Series

<b>Taxation:</b>	All payments in respect of the Bonds by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (" <b>Taxes</b> "), unless the withholding or deduction of the Taxes is required by laws of Latvia. In such case, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the applicable laws for the amount so required to be withheld or deducted. The Issuer shall not be obligated to make any additional compensation to the Bondholders in respect of such withholding or deduction
<b>Rating:</b>	At the time of this Base Prospectus, neither the Issuer, nor the Bonds have been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process
<b>Governing Law:</b>	Latvian law
<b>Dispute Resolution:</b>	Any disputes relating to or arising in relation to the Bonds shall be settled solely by the courts of Latvia of competent jurisdiction
<b>Selling Restrictions:</b>	For a description of certain restrictions on offers, sales and deliveries of Bonds and on the distribution of the Base Prospectus in the United States of America, the EEA, UK, the Republic of Latvia, the Republic of Lithuania, the Republic of Estonia and other jurisdictions, see Section 4.7 "Distribution of the Base Prospectus and Selling Restrictions" of this Base Prospectus

## 2 DEFINITIONS

The following definitions will apply throughout this Base Prospectus unless the context requires otherwise. They are not intended as technical definitions and are provided purely for assistance in understating certain terms used in this Base Prospectus.

<b>Accounting Principles</b>	International Financial Reporting Standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).
<b>AML</b>	Anti-money laundering.
<b>Arranger</b>	Signet Bank AS, registration no. 40003076407, legal address at: Antonijas iela 3, LV-1010, Riga, Latvia.
<b>Articles of Association</b>	Articles of Association of the Issuer effective as of the date of this Base Prospectus.
<b>Associated Person</b>	In accordance with Latvian law - first and second-degree relatives, spouse or equivalent partner and any person sharing a common household for at least one year with the Controlling Shareholder.
<b>Audited Financial Reports</b>	Consolidated audited financial statements of the Group pertaining to the financial years ending on 31 December 2024 and 31 December 2023 prepared in accordance with Accounting Principles.
<b>Auditor</b>	Any of the following companies licensed to practice in the Republic of Latvia: (a) PricewaterhouseCoopers group entity; (b) ERNST & YOUNG group entity; (c) KPMG group entity; (d) Deloitte group entity; (e) BDO group entity; (f) Grant Thornton group entity.
<b>Bank of Latvia</b>	The Bank of Latvia (in Latvian: <i>Latvijas Banka</i> ) with its registered office in Riga, Latvia. The Latvian financial supervision authority.
<b>Bank of Lithuania</b>	The Bank of Lithuania (in Lithuanian: <i>Lietuvos bankas</i> ) with its registered office in Vilnius, Lithuania. The Lithuanian financial supervision authority.
<b>Bonds</b>	Bonds denominated in EUR with a fixed interest rate of the Issuer.
<b>Bondholder's meeting</b>	Bondholder's meeting has the meaning and shall be convened and conducted in accordance with the procedure set out in Subclause 12.23 of this Base Prospectus.
<b>Business Day(s)</b>	Business Day is a day when the Nasdaq CSD system is open and operational to effectuate T2S-eligible securities settlement transactions.
<b>Change of Control</b>	The occurrence of an event or series of events whereby, a person (natural person or legal entity) or group of persons acting in concert (directly or indirectly) other than Controlling Shareholder acquires the influence (whether by way of ownership of shares, contractual arrangement or otherwise) to: (a) cast or control the casting of more than 50% (fifty per cent) of the maximum number of votes that might be cast at a General Meeting of the shareholders of the Issuer; or (b) appoint or remove or control the appointment or removal of a majority of the management board or supervisory board members or other equivalent officers of the Issuer.

	For the avoidance of doubt, no Change of Control shall be deemed to have occurred for the purposes of this Prospectus if the Controlling Shareholder – whether directly, indirectly, or in concert with any Associated Persons - continues to hold, in aggregate, 50% (fifty per cent) plus 1 share or more of the total voting rights exercisable at a Shareholders' Meeting of the Issuer. A Change of Control does not occur in case of an initial public offering of the shares of the Issuer.
<b>CIT</b>	Latvian Corporate Income Tax.
<b>Commercial Law</b>	Commercial Law of Latvia, adopted on 13 April 2000.
<b>Commercial Register</b>	Commercial Register maintained by Register of Enterprises of Latvia.
<b>Compliance Certificate</b>	A certificate, in form and substance reasonably satisfactory to the Trustee, certifying that (A) the financial covenants set forth in Clause 12.14.1 were met as of the last day of each Relevant Period; (B) there was no breach of any other undertakings set forth in Clause 12.15; and (C) so far as it is aware, no Event of Default has occurred (the "Compliance Certificate"); provided that such Compliance Certificate shall not be delivered separately to the Trustee but the information contained therein shall be included in each Financial Report of the Issuer and the Financial Report (containing the respective Compliance Certificate) shall be delivered to the Trustee simultaneously with publishing.
<b>Controlling Shareholder</b>	<p>Guntars Kokorevičs, personal code 110773-11581, exercising control over the Issuer directly, indirectly or acting in concert with Associated Persons.</p> <p>As of the date of prospectus Controlling Shareholder is ultimate beneficial owner of the Issuer through Sabiedrība ar ierobežotu atbildību "TAK Capital", registration number: 40003926194, legal address: Vietalvas iela 5, Rīga, LV-1009, Latvia.</p> <p>For the avoidance of doubt, Guntars Kokorevičs shall be regarded as the Controlling Shareholder irrespective of any future changes in the formal ownership structure, provided that he or Associated Persons holds, in aggregate, 50% (fifty per cent) or more of the total voting rights exercisable at a Shareholders' Meeting of the Issuer.</p>
<b>Custodian</b>	A Nasdaq CSD participant directly or licensed credit institution or investment brokerage company that has a financial securities' custody account with Nasdaq CSD participant.
<b>Delegated Regulation</b>	Regulation (EU) 2019/980 of 14 March 2019 supplementing Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.
<b>Delisting Event</b>	Occurrence of the event whereby at any time following the listing of the Bonds, the Bonds are delisted from the Nasdaq Riga Baltic Bond List.
<b>Double Taxation Treaty</b>	General reference to any applicable tax treaty for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income that is concluded by Latvia, Estonia or Lithuania.
<b>EBITDA</b>	<p>Net profit of the Group for the Relevant Period calculated according to the most recent Financial Reports:</p> <ul style="list-style-type: none"> <li>(a) increased by any amount of tax on profits, gains or income paid or payable;</li> <li>(b) increased by any Finance Charges;</li> </ul>



	<p>(c) before taking into account any exceptional items which are not in line with the ordinary course of business and any non-cash items (such as e.g., asset revaluation or write-down);</p> <p>(d) before taking into account any gains or losses on any foreign exchange gains or losses;</p> <p>(e) increased by any amount attributable to the amortization, depreciation or depletion of assets;</p> <p>(f) increased by dividends received from associated undertakings as defined in the applicable legislative acts.</p>
<b>Employee Shares</b>	Share category owned by the employees of the Group under share option program of the Issuer, as further described in Section 10.1 "Share capital and shares".
<b>Equity Ratio</b>	Ratio of Total Equity to total assets, calculated according to the most recent Financial Report.
<b>ERS</b>	The Estonian Register of Securities, operated by Nasdaq CSD SE Estonian Branch, address Maakri 19/1, 10145 Tallinn, Estonia.
<b>Estonia</b>	The Republic of Estonia.
<b>Estonian Financial Supervision Authority</b>	The Estonian Financial Supervision Authority, a financial supervision institution with autonomous competence and a separate budget which conducts supervision over credit institutions, insurance companies, insurance intermediaries, investment firms, management companies, investment and pension funds as well as the payment service providers, e-money institutions and the securities markets that have been authorised by the Financial Supervision Authority in the name of the state and which is independent in its activities and decisions.
<b>EU</b>	The European Union.
<b>EUR</b>	Euro, the official currency of eurozone countries, including Latvia, Estonia, and Lithuania.
<b>Eurozone</b>	The economic and monetary union of the European Union member states, which have adopted euro as their single official currency.
<b>Event of Default</b>	Any event or circumstance set out in Clause 12.17 (Events of Default) of this Base Prospectus.
<b>Existing Bondholders</b>	Bondholders of Existing Bonds.
<b>Existing Bonds</b>	Secured debt securities due on 9 December 2025 with ISIN LV0000802676.
<b>Fair Market Value</b>	With respect to any asset, the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving any distress of either party, determined in good faith by the management board of the Issuer.
<b>Final Terms</b>	Document were specific terms of Bonds of the respective Tranche are included, please refer to Section 14 " <i>Form of Final Terms</i> ".
<b>Finance Charges</b>	<p>All recurring debt related expenses of the Group for the Relevant Period calculated according to the most recent Financial Reports:</p> <p>(a) including cash interest expense on Financial Indebtedness;</p> <p>(b) including cash interest expense on guarantees issued by a bank or insurance company;</p> <p>and excluding any payment-in-kind interest capitalized on loans from Related Parties and/or Subordinated Debt.</p>
<b>Financial Indebtedness</b>	The outstanding aggregate amount of total indebtedness according to the most recent Financial Report, including:

	<p>(a) monies borrowed and debt balances at banks or other financial institutions;</p> <p>(b) any amount raised pursuant to the issue of bonds or any similar instrument, including the Bonds;</p> <p>(c) the amount of any liability in respect of any financial lease;</p> <p>(d) any amount raised under any other transaction having the commercial effect of a borrowing and treated as a borrowing under Accounting Principles;</p> <p>(e) any derivative transaction based on mark-to-market value; and without double-counting any assurance against financial-loss in respect of a type referred to the above items (a) to (e).</p> <p>(f) but, excluding any Subordinated Debt.</p>
<b>Financial Reports</b>	The annual audited consolidated financial statements of the Group and the quarterly interim unaudited consolidated reports of the Group prepared in accordance with the Accounting Principles.
<b>General Meeting</b>	Meeting of the Issuer's shareholders, the highest governing body of the Issuer.
<b>Group</b>	The Issuer and its Subsidiaries.
<b>IAS</b>	International Accounting Standards.
<b>IFRS</b>	International Financial Reporting Standards.
<b>Interest Coverage Ratio or ICR</b>	The ratio of (i) Consolidated EBITDA to Consolidated Finance Charges for the Relevant Period; or (ii) if the Group has performed an Acquisition in the Relevant Period, the Pro-Forma EBITDA divided by Pro-Forma Finance Charges over the Relevant Period.
<b>Intra-Group</b>	Intra-Group means between or among the Issuer, any of its Subsidiaries (current or future) and any other entities forming part of the same consolidation group under Accounting Principles.
<b>Investor</b>	Retail investor, Institutional Investor and Existing Bondholder.
<b>ISIN</b>	International Securities Identification Number.
<b>Issue Date</b>	The issue date of each Tranche.
<b>Issuer</b>	AS "CleanR Grupa", registration number: 4010379997, legal address: Vietalvas iela 5, Rīga, LV-1009, Latvia
<b>Latvia</b>	The Republic of Latvia.
<b>Latvian Association of Certified Auditors</b>	Association of Certified Auditors of the Republic of Latvia.
<b>Listing</b>	Listing of Bonds on Nasdaq Riga Baltic Bond List.
<b>Listing Failure</b>	Failure to list Bonds on Nasdaq Riga Baltic Bond List within 3 (three) months after the Issue Date.
<b>Lithuania</b>	The Republic of Lithuania.
<b>Majority Bondholders</b>	<p>Bondholders who collectively (excluding the Issuer, its direct and/or indirect Shareholders and the Related Parties holding any Bonds) hold in aggregate the Bonds with the Nominal representing at least 1/2 (one half) of the aggregate nominal of all outstanding Bonds of the respective Series (as applicable) plus at least one additional Bond (excluding the Issuer, its direct and/or indirect Shareholders and the Related Parties holding any Bonds (if such Bonds exist)).</p> <p>If the required participation threshold of Majority Bondholders is not met during the initial Bondholders' Meeting or Written Procedure,</p>

	<p>the Issuer shall be entitled to convene a subsequent Bondholders' Meeting or initiate a new Written Procedure.</p> <p>For the purposes of such subsequent proceedings, "Majority Bondholders" shall be defined as those Bondholders who collectively (excluding the Issuer, its direct and/or indirect Shareholders and the Related Parties holding any Bonds) hold at least 2/3 (two thirds) of the aggregate nominal value of the Bonds held by all Bondholders participating in the relevant meeting or procedure.</p>
<b>Management Board</b>	The Management Board of the Issuer.
<b>Maturity Date</b>	The date when the Bonds shall be repaid in full at their Nominal Value under the respective Series.
<b>Member States</b>	The Member States of the European Union.
<b>MIFID II</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
<b>Nasdaq CSD</b>	Nasdaq CSD SE ( <i>Societas Europaea</i> ), the regional Baltic central securities depository (CSD), registration No. 40003242879, registered address Valņu iela 1, Rīga LV-1050, Latvia.
<b>Nasdaq Riga</b>	Nasdaq Riga AS, registration No. 40003167049, registered address at Valņu iela 1, Rīga, LV-1050.
<b>Net Debt</b>	The aggregate amount of the Financial Indebtedness of the Group minus the sum of cash and cash equivalents of the Group, including marketable securities, as per most recent Financial Report.
<b>Net Debt Leverage Ratio</b>	Net Debt, according to the most recent Financial Report, divided by (i) EBITDA; or (ii) if the Group has performed an Acquisition over the Relevant Period, the Pro-Forma EBITDA over the Relevant Period.
<b>Net Finance Charges</b>	Finance Charges after deducting any interest income relating to Cash and Cash equivalents for the Relevant Period derived from the most recent Financial Reports.
<b>Offer Price</b>	The price at which each Bond is to be issued or sold under the Offering.
<b>Offering</b>	The Retail Offering and the Institutional Offering jointly.
<b>Permitted Business</b>	Any businesses, services or activities that are the same as, or reasonably related, ancillary or complementary to, any of the businesses, services or activities in which the Group is engaged on the Issue Date, and reasonable extensions, developments or expansions of such businesses, services or activities, including outside the Baltic states.
<b>Permitted Distribution</b>	<p>Distribution is permitted if:</p> <ul style="list-style-type: none"> <li>(a) Equity Ratio after dividend payout is at least 50% (fifty per cent): no restrictions;</li> <li>(b) Equity Ratio after dividend payout is at least 40% (forty per cent): maximum 100% (hundred per cent) of audited consolidated annual profit for the year;</li> <li>(c) Equity Ratio after dividend payout is at least 30% (thirty per cent): maximum 50% (fifty per cent) of audited consolidated annual profit for the year.</li> </ul>
<b>Private Placement</b>	The non-public offering of the Bonds in Latvia and in selected member states of the European Economic Area to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and

	other types of investors in reliance on certain exemptions available under the laws of each jurisdiction where the Offering is being made.
<b>Procedure in Writing</b>	Procedure in Writing has the meaning and shall be convened and conducted in accordance with the procedure set out in Subclause 12.23 of this Base Prospectus.
<b>Pro-Forma EBITDA</b>	The sum of Consolidated EBITDA over the Relevant Period plus, to the extent not already reflected in Consolidated EBITDA, EBITDA over the Relevant Period of any other person or operating division or business unit of any other person acquired in an Acquisition during such period.
<b>Pro-forma Finance Charges</b>	The sum of the Consolidated Finance Charges over the Relevant Period plus, to the extent not already reflected in the Consolidated Finance Charges, Finance Charges over the Relevant Period of any other person or operating division or business unit of any other person acquired in an Acquisition during such period.
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public of admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
<b>Regulated Market</b>	The official bond list (the Baltic Bond List) of Nasdaq Riga, which is a regulated market for the purposes of the MIFID II.
<b>Related Parties</b>	Any person (natural person or legal entity) in relation to the Issuer or the Group defined as a "reporting entity" by the International Accounting Standards (IAS 24 - Related Party Disclosures).
<b>Relevant Period</b>	Each period of 12 (twelve) consecutive calendar months, fixed at the end of each calendar quarter.
<b>Sanctions</b>	Restrictive measures, namely, restrictions or prohibitions imposed pursuant to international public law, including restrictive measures adopted by the United Nations Security Council (UN), the European Union (EU), Office for Foreign Assets Control (OFAC) and by the Republic of Latvia.
<b>Section</b>	A Section of this Base Prospectus.
<b>Series</b>	Bonds may be issued in Series. Each Series may comprise one or more Tranches.
<b>Shareholder</b>	Natural or legal person(s) holding the share(s) of the Issuer at any relevant point in time.
<b>Subordinated Debt</b>	Unsecured debt of the Group in the form of loans from shareholders with maturity after the Maturity Date. The debt is subordinated to other more senior debts and these Bonds with respect to claims on assets or earnings and is fully or partly repayable only if: (a) the Group's existing and future financial and other covenants are met after the repayment; and/or (b) settlement of all obligations under these Terms of the Bonds Issue are made.
<b>Subscription Order</b>	Order to acquire the Bonds submitted by the Investor to its Custodian or the Arranger.
<b>Subscription Period</b>	The subscription period for each Tranche as specified in the Final Terms.
<b>Subsidiaries</b>	Means the entities which, at the date of this Base Prospectus, are Subsidiaries of the Issuer and are included in the consolidation of the Group, as set out in Section 7.6.2 of this Base Prospectus.
<b>Summary</b>	The summary of this Base Prospectus.

<b>Supervisory Board</b>	The Supervisory Board of the Issuer.
<b>The Baltic States, the Baltics</b>	The Republic of Latvia, the Republic of Estonia, and the Republic of Lithuania as a whole.
<b>Total Equity</b>	The aggregate book value of the Group's total equity (including minority interest, if applicable) on consolidated basis, increased by Subordinated Debt according to the most recent Financial Report.
<b>Tranche</b>	Bonds may be issued in Tranches.
<b>Trustee</b>	CSC (Sweden) AB, reg. no.556625-5476, address Sveavägen 9, 111 57 Stockholm, Sweden.

### 3 RISK FACTORS

*The prospective investors are advised to carefully consider the risk factors and other information provided elsewhere in this Base Prospectus. Investing in Bonds involves certain risks. Risk factors, understood as sources of uncertainty, are inherent in any business activity. Thus, investment in Bonds is open to various risks which may, independently or collectively, have an adverse effect on the Issuer's and Group's business operations, financial position, or business results and, thereby, the Issuer's and Group's ability to fulfil its obligations under the Bonds as well as the market price and value of the Bonds. As a result, investors could lose a part or all the value of their investments.*

*The risks and uncertainties described in this Section are not the only risks currently faced by the Issuer and the Group. In addition to the risks listed in this Section "Risk factors", the Issuer and the Group could be exposed to risks, of which the Issuer is not currently aware or which the Issuer considers immaterial at the moment, but which could affect the Issuer's or Group's business, and, thereby, the Issuer's and Group's ability to fulfil its obligations under the Bonds, as well as the market price and value of the Bonds. The risk factors are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Issuer and the Bonds are set out first, considering their potential negative effect for the Issuer and the probability of their occurrence. This does not imply that the remaining risk factors are ranked based on their materiality or comprehensibility, nor based on the probability of their occurrence.*

*The potential magnitude of each risk towards the business of the Issuer and the Group has been categorised as "low" or "medium" or "high" in the opinion of the Management Board at the date of this Base Prospectus. Risk categories have been provided for ease of reference and cannot be understood separately from the description of each risk. The Issuer and the Group may face number of the risk factors described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories, some risk factors could belong to more than one category and prospective investors should carefully consider all risk factors set out in this Section.*

#### **3.1 Risk Factors Relating to the Economic and Geopolitical Environment**

##### **3.1.1 Macroeconomic Risk**

The Group's operating and financial performance is materially linked to macroeconomic conditions in Latvia, which remains its principal market. In the financial year ended 31 December 2024, 96% of the Group's net turnover was generated from services provided and products sold in Latvia, with only 4% attributable to EU and EEA countries and 0.29% to other markets. As a result, the Group remains highly exposed to the Latvian economic cycle, including fluctuations in GDP growth, public sector budget allocations and private sector investment.

In 2024, Latvia experienced slower economic performance than anticipated, driven by elevated inflationary pressures, tightened monetary conditions and softening consumer and business sentiment. Although the Group achieved a year-on-year revenue increase of 19% to EUR 121.1 million, continued cost pressures particularly from energy, labour and logistics may lead to a slowdown in growth dynamics. The Group operates with over 1 800 employees and maintains a sizable transport fleet, both of which are sensitive to wage dynamics and fuel price volatility.

The Group's ability to maintain operating margins may be adversely affected if input cost inflation outpaces pricing adjustments, especially under long-term public contracts that lack full or real-time indexation mechanisms.

In addition, Latvia's economy is interdependent with broader developments within the Eurozone. Regional economic shocks, a decline in EU structural funding or tightening by the European Central Bank may adversely affect domestic liquidity conditions, investment sentiment and procurement pipelines in Latvia, indirectly impacting the Group's business volumes and project awards.

*The Issuer considers the macroeconomic risk as medium.*

##### **3.1.2 Geopolitical Risk**

Since the outset of Russia's military aggression against Ukraine in 2022, the geopolitical risk landscape in Eastern Europe has remained volatile. While the Group has no direct exposure to the Russian, Belarusian or Ukrainian markets, it is indirectly affected by the resulting economic and market instability, including elevated commodity prices and tighter credit conditions.

Supply chain disruptions, including restricted access to vehicle parts, containers or materials due to sanctions or supplier exits, may delay the execution of infrastructure upgrades. Inflationary spillovers from the regional conflict have already contributed to rising operational expenditures.

In addition, recent international trade measures, including the introduction of new United States tariffs in 2025, may indirectly affect the Group through potential impacts on its suppliers. While the Group has no direct exposure to such tariffs, any resulting increases in supplier costs or disruptions in supply chains could, depending on their duration and scope, may lead to higher procurement costs or delays in project execution, although such effects may not materialise.

Although the Group has not experienced a direct adverse operational or financial impact from the war to the date of this Base Prospectus, a deterioration in regional investor sentiment, further escalation of sanctions or a reassessment of political risk in the Baltics could reduce investor appetite, raise the Group's financing costs or constrain the award or renewal of public contracts.

*The Issuer considers the geopolitical risk as medium.*

### **3.1.3 Environmental Regulation Risk**

The Group is subject to extensive environmental, health and safety regulation, including on the management of municipal and hazardous waste, treatment emissions, soil and groundwater protection, and waste facility operation. These rules are implemented and enforced by a combination of EU, national, and local authorities and continue to evolve toward greater stringency.

Compliance requires ongoing investment in infrastructure, monitoring systems, staff training and reporting procedures. In some cases, the Group may face liability even where it has operated in accordance with its permits, for example, in cases of environmental damage caused by subcontractors, system failures or third-party breaches.

The development of new business lines or facilities is also subject to complex permitting and procedural requirements, including environmental impact assessments, municipal planning approvals and sector-specific licences. These processes may extend project lead times and add complexity to execution, and in certain cases can prevent projects from proceeding. Nevertheless, the Group has a proven ability to navigate such procedures and, in many instances, to persevere through regulatory hurdles to deliver projects successfully, albeit with longer lead times and higher upfront costs.

Moreover, the implementation of the EU Taxonomy Regulation and the sustainability disclosure obligations under the CSRD apply to the Group. These frameworks impose enhanced ESG transparency requirements, including granular disclosures on climate-related risks, resource use, pollution and circular economy. Compliance with these obligations increases the Group's administrative and compliance burden and may require adjustments to internal reporting systems, governance structures and risk management frameworks.

*The Issuer considers the environmental regulation risk as medium.*

### **3.1.4 Regulatory Environment Risk**

The Group's operations are subject to a complex and evolving framework of legal and regulatory requirements at municipal, national and EU levels. In particular, the waste management sector is impacted by EU directives such as the Waste Framework Directive (2008/98/EC), the Landfill Directive (1999/31/EC) and regulations arising from the European Green Deal and Circular Economy Action Plan.

Changes in applicable legislation may mandate higher recycling targets, new separate collection requirements (e.g., biowaste and textiles) or stricter landfill use limitations. In 2024, for example, the mandatory introduction of BIO waste sorting across Latvia created additional compliance and cost pressures for operators. The Group may be required to invest in new infrastructure or modify existing facilities to meet these and future obligations.

On the national and municipal level, Latvia continues to increase landfill taxes as a policy tool to incentivise sustainable waste management, which may affect the Group's cost structure. At the same time, inconsistent interpretations or amendments to municipal tender rules or service obligations may create legal uncertainty or delays in project execution. Failure to adapt to new legal or regulatory requirements may impair the Group's competitiveness, profitability or eligibility for new tenders.

At the same time, the Group recognises that evolving regulation is not only a source of compliance risk but also a driver of long-term growth. Regulatory change frequently creates opportunities for early movers to capture market share by developing innovative services, expanding into new waste streams and enhancing circular economy solutions. The Group therefore views regulatory developments as a catalyst for strategic repositioning and product innovation, with the potential to open new revenue lines and strengthen relationships with municipalities and other stakeholders.

*The Issuer considers the regulatory environment risk as low.*

### 3.1.5 Tax Risk

The Group's tax position may be adversely affected by changes in Latvian tax law or its interpretation, including corporate income tax, natural resource taxes and sector-specific levies. Although Latvia's tax framework is relatively stable, further alignment with EU environmental taxation and green financing goals may lead to increases in relevant taxes (e.g., landfill, packaging or carbon-related taxes).

Certain tax positions taken by the Group involve judgments by management, which may be challenged by tax authorities. If successful, such challenges could lead to additional tax liabilities, penalties or interest payments. However, there are no ongoing disputes or material tax uncertainties as of the date of this Base Prospectus.

*The Issuer considers the tax risk as low.*

## 3.2 Risk factors relating to the Waste Management and Environmental Services Industry

### 3.2.1 Climate Transition Risk

The waste management industry is increasingly subject to climate policy measures at EU, national and municipal levels. These include emissions reduction targets, enhanced energy efficiency standards and legal obligations relating to circularity, including the EU Climate Law, the Fit for 55 package, and Latvia's own National Energy and Climate Plan. The Group is exposed to the risk that it may not be able to fully align its operations or investments with tightening emissions caps, fuel efficiency targets or disclosure obligations, which may, in turn, affect access to public tenders, subsidies, or sustainable finance markets.

Failure to meet investor, client or regulatory expectations regarding emissions mitigation, climate disclosures (including under the CSRD), or transition readiness may also negatively affect the Group's reputation, funding costs or eligibility for certain public contracts.

As of the date of this Base Prospectus, the Group has reported greenhouse gas emissions across Scope 1, 2, 3 and 4. The Group's last reported full-year emissions for 2024, including Scopes 1, 2 and 3, totalled approximately 112 157 tCO<sub>2e</sub>, while its estimated avoided emissions reached approximately 228 026 tCO<sub>2e</sub>, resulting in a net positive contribution to both the climate and the economy. The Group has allocated a significant proportion of its planned FY2025 capital expenditure to low-carbon and Taxonomy-aligned investments, representing close to 50% of total investment. In addition, the Group intends to achieve full CSRD compliance with reporting obligations for the financial year ending 31 December 2027 (first disclosure in 2028).

The Group acknowledges that climate and greenhouse gas transition risks are material to its business; however, these risks are being actively managed through comprehensive reporting, targeted mitigation measures and sustained investment in low-carbon solutions. On this basis, the Issuer considers its overall exposure to climate transition risk as moderate.

*The Issuer considers the climate transition risk as medium.*

### 3.2.2 Industry Demand Risk from Waste Minimisation

The waste management industry is inherently volume-based, with revenues generally correlated to the quantity of waste collected and treated. As the Group's contracts typically do not guarantee minimum volumes, fluctuations in waste generation may influence revenue performance. Structural shifts towards waste prevention, re-use and recycling as encouraged by EU and national sustainability policies, as well as changing consumer behaviour are expected to possibly reduce volumes of mixed municipal waste, although this trend has in part been offset by an increase in separately collected fractions in recent years.

While such developments are aligned with long-term policy objectives and contribute to more sustainable waste management, they may moderate revenue growth under contracts that remain primarily variable in nature. The Group seeks to address these dynamics by expanding its range of services in separately collected waste, resource recovery and digital logistics solutions, which provide opportunities to capture value beyond simple tonnage. Over time, the ability to shift towards higher-margin and innovation-driven activities is expected to help balance the impact of declining residual waste volumes.

*The Issuer considers the industry demand risk from waste minimisation as medium.*



### 3.2.3 **Competition and Market Entry Risk**

The waste management and municipal services market in Latvia is currently concentrated, with a limited number of players operating at scale. The Group competes with both large integrated players and specialised operators across several business lines, including municipal and commercial waste collection, street and urban maintenance, indoor facility cleaning, construction and demolition waste collection and recycling, as well as other environmental and technical services. In the industrial and hazardous waste segment, competition is more fragmented but includes niche operators with established technical capabilities and long-standing client relationships.

The Group holds a strong competitive position in its core markets, supported by operational scale, a consistent compliance track record and long-term relationships with municipal and commercial clients. In Riga and other major urban centres, the Group is among the leading providers of waste collection, urban maintenance and related services. In addition, the Group has developed a meaningful presence in commercial facility cleaning, where it operates under open market conditions and has achieved a recognised market position.

Nevertheless, the Group is exposed to the risk of intensifying competition. Changes in procurement regulation and market liberalisation trends may lower barriers to entry, facilitating the participation of new domestic and international operators. EU-funded programmes and municipal green transition projects may also incentivise the entry of sustainability-focused firms with advanced digital solutions or ESG positioning. Such developments could place pressure on contract renewals, margins and market share across the Group's business lines.

*The Issuer considers competition and market entry risk as medium.*

### 3.2.4 **Fuel and Energy Market Volatility Risk**

The Group operates a fleet of vehicles and uses electricity-intensive equipment across its business segments, including winter services, bio-waste operations and facility cleaning. Volatility in fuel and electricity prices can materially increase operational costs. Although the Group experienced increases in diesel and electricity prices during 2022–2023 as a result of geopolitical and supply chain pressures, energy markets have since stabilised, and from 2024 onwards prices have remained broadly steady without material fluctuations.

Where underlying contracts lack indexation clauses or pass-through mechanisms, these cost increases may be borne directly by the Group, leading to reduced profitability. Moreover, electricity grid price developments and obligations to source from renewable providers may further limit the Group's flexibility. While the Group actively pursues energy efficiency and green procurement strategies, it cannot guarantee full mitigation of this risk.

In FY2024, the Group incurred EUR 5.2 million in fuel and electricity costs, representing approximately 5% of its total operating expenses. Indexation or pass-through clauses are currently embedded in the Group's active contracts representing approximately 50% of the Group's annual revenue.

*The Issuer considers fuel and energy market volatility risk as low.*

## 3.3 **Risk factors relating to the Business of the Group**

### 3.3.1 **Labour Market and Human Capital Risk**

The provision of waste collection, street maintenance and facility cleaning services is labor intensive and requires a stable and skilled workforce. The Group's ability to deliver services in accordance with contractual obligations and quality standards is dependent on the recruitment, retention and motivation of qualified personnel. Labor shortages, wage inflation or unfavorable demographic trends may limit the Group's operational capacity or require increased investment in training and automation.

In addition, the Group is dependent on its senior management and key technical personnel for the execution of its strategic priorities and maintenance of client relationships. The loss of such individuals, whether due to retirement, resignation or competitive hiring, may adversely affect business continuity and institutional knowledge. While the Group has implemented various retention and incentive programs, including a share option program for certain key personnel, there can be no assurance that it will not face human resource disruptions.

*The Issuer considers the labour market and human capital risk as high.*

### 3.3.2 Contract Structure and Public Client Risk

Depending on the business line, significant portion of the Group's services may be delivered under multi-year contracts with municipalities and public authorities. Such contracts are awarded through public procurement, often with strict technical specifications, compliance obligations and limited scope for renegotiation. Pricing and cost adjustment mechanisms may not always reflect real-time input costs and termination rights are generally limited unless triggered by contract breach or force majeure.

In addition, public procurement procedures themselves may give rise to risks, including reputational exposure in the event of complaints or challenges, as well as the risk of competing against bidders who may operate with unreported cost advantages, thereby distorting competitive conditions.

In certain cases, municipalities may elect to internalize services upon expiry or terminate contracts early under applicable administrative rules. While Latvian law places significant limits on commercial activities by public entities in markets where private operators are active, residual uncertainty remains at contract renewal or tender stage. The loss of a large public client or unfavorable terms at renewal, could materially affect the Group's revenue base.

The expiry of the Vides resursu centrs contract at the end of October 2025 illustrates this risk; while management currently operates on the assumption of business continuation, there remains a possibility that sorting operations may be curtailed or terminated if a renewal or new tender is not secured.

*The Issuer considers the contract structure and public client risk as medium.*

### 3.3.3 Technology and Systems Risk

The Group relies on digital platforms and information systems to manage its operations, including enterprise resource planning, transport routing and service scheduling software, environmental monitoring systems and customer engagement tools. The increasing digitalisation of waste management operations exposes the Group to risks related to system reliability and cyber security.

Failures in the Group's core IT infrastructure or third-party systems on which it relies may lead to disruptions in service provision, delays in regulatory reporting or breaches of contractual obligations. Furthermore, cyberattacks, data breaches or unauthorised access to systems may result in reputational damage, financial loss and legal liabilities, particularly in relation to the protection of personal data under the GDPR. The Group continues to invest in strengthening its IT governance, security frameworks and disaster recovery capabilities, although residual risk remains.

The Group had no major IT-related incidents in the past two years, which would have material effect on the Group's operations.

*The Issuer considers the technology and systems risk as medium.*

### 3.3.4 Acquisition and Integration Risk

The Group has completed several acquisitions in recent years and intends to continue pursuing strategic opportunities to expand its market presence and diversify its service portfolio. Acquisitions involve a few inherent risks, including the potential underestimation of liabilities and integration challenges. Difficulties in integrating newly acquired entities may divert management attention, lead to inefficiencies or result in failure to meet financial or strategic expectations.

Additionally, acquisitions may require significant capital investment, increase leverage or expose the Group to new regulatory regimes and compliance requirements. There is no assurance that future acquisitions will be successfully executed or that anticipated benefits will be realised within expected timeframes. *The Issuer considers the acquisition and integration risk as medium.*

### 3.3.5 Operational and Internal Control Limitations Risk

The Group's operations are exposed to risks arising from failures in internal processes, human error, equipment malfunction or third-party failures. Such operational risks may lead to service interruptions, environmental incidents or breaches of contractual and legal obligations. Although the Group has implemented internal control systems, risk management policies and business continuity procedures, no system can fully eliminate operational risk.

In particular, the Group's decentralised structure and operations across numerous municipalities throughout Latvia increase the complexity of ensuring uniform standards of compliance, safety and quality across all subsidiaries and contracts. Any deficiencies in operational oversight or incident response capabilities could have a material adverse effect on the Group's reputation and financial performance.

*The Issuer considers the operational and internal control limitations risk as medium.*

### **3.3.6 Insurance Coverage Risk**

The Group maintains insurance policies covering certain key risks, including public liability, property damage, vehicle accidents and environmental damage. However, not all risks are insurable on commercially acceptable terms, and certain exposures may be subject to exclusions, limitations or caps. In the event of a major incident or legal claim, the Group may incur liabilities more than its insured coverage or outside the scope of its existing policies. Furthermore, changes in insurance market conditions or claims history may lead to increased premiums, reduced coverage or non-renewal of existing policies. The Group's inability to obtain or maintain adequate insurance protection may adversely affect its financial resilience and capacity to absorb extraordinary losses.

In particular, the waste management sector is considered a high-risk segment by insurers regarding fire hazard risks during waste transportation and sorting, which in practice creates challenges in terms of both obtaining appropriate coverage and determining economically justified insurance premiums.

*The Issuer considers the insurance coverage risk as medium.*

### **3.3.7 Counterparty and Credit Risk**

The Group's contractual arrangements involve a range of public and private counterparties. In the private segment, particularly among commercial clients, there is a risk of delayed payments, defaults or insolvencies, which may result in increased bad debt expenses or disruptions in service provision. In addition, services provided directly to households expose the Group to the risk of non-payment by private individuals, which, although typically limited in quantum per client, may accumulate across the large customer base. While the public sector generally represents lower credit risk, delays in budget allocations or administrative processes may still affect the Group's cash flow timing. The Group applies internal credit control procedures to monitor and mitigate counterparty risk, but cannot fully eliminate exposure to non-performance.

*The Issuer considers the counterparty and credit risk as low.*

### **3.3.8 Litigation Risk**

The Group may from time to time be involved in legal or administrative proceedings arising from its commercial activities, public procurement participation, employment matters, or environmental compliance. While the Group is not currently involved in any litigation or dispute that is expected to have a material adverse effect, future claims or regulatory investigations may arise. Even if the Group prevails in such matters, the costs of defence, diversion of management resources and potential reputational harm may be significant. Any adverse judgments or settlements could negatively impact the Group's financial condition and business operation.

*The Issuer considers the litigation risk as low.*

### **3.3.9 Environmental Liability Risk**

The Group is subject to the "polluter pays" principle under Directive 2004/35/EC (Environmental Liability Directive), which imposes strict liability for environmental damage resulting from waste operations, even where the Group operates in accordance with permits. Liability may extend to remediation costs, administrative penalties and reputational impact.

In the last two years, the Group has been subject to 2 environmental audits and 5 notices requesting minor improvement of existing procedures. No material liabilities have arisen as at the date of this Base Prospectus.

*The Issuer considers the environmental liability risk as low.*

## **3.4 Risk relating to the Bonds**

### **3.4.1 Liquidity risk**

There is no assurance that an active secondary market will develop for the Bonds, or that such a market will be liquid. The Issuer does not intend to support the liquidity of the Bonds through market-making arrangements. Consequently, Bondholders may experience difficulty in selling the Bonds at prevailing market prices, prices reflecting fair value or at all. The liquidity of the Bonds may be negatively affected by adverse developments in the financial markets, changes in interest rates or deterioration in the credit quality of the Issuer.

#### 3.4.2 **Risk Relating to the Unsecured Nature of the Bonds**

The Bonds constitute direct, general, unsecured and unsubordinated obligations of the Issuer. They are not backed by any security or guarantee, and no assets of the Issuer or its Subsidiaries are pledged to support repayment. In the event of the Issuer's insolvency or liquidation, Bondholders will rank *pari passu* with other unsecured and unsubordinated creditors of the Issuer and behind any secured or preferential creditors. Accordingly, there is a risk that Bondholders may not recover all or part of their investment.

#### 3.4.3 **Repayment Risk**

The Issuer's ability to meet its obligations under the Bonds upon maturity or early redemption depends on its financial condition at the relevant time. Factors such as liquidity shortfalls, adverse economic developments or deterioration in the Group's financial position could impact the Issuer's repayment capacity. There is a risk that Bondholders may not receive full repayment of principal or interest.

#### 3.4.4 **Absence of Credit Rating**

The Issuer has not obtained a credit rating from any credit rating agency. The absence of a credit rating may limit the ability of certain investors to participate in the offering, reduce the secondary market liquidity of the Bonds and affect the price at which the Bonds may trade. Should the Issuer seek to obtain a rating in the future, there can be no assurance that such rating would be granted or, if granted, would not be subsequently downgraded, suspended or withdrawn. Any actual or anticipated change in, or absence of, a rating could adversely affect the market value of the Bonds.

#### 3.4.5 **Trustee Risk**

A Trustee will be appointed to act on behalf of the Bondholders and to represent their interests in accordance with the Trustee Agreement and applicable terms and conditions of the Bonds. The Trustee has not reviewed any marketing materials related to the Bonds, except for the General Terms and Conditions of the Bonds and the Final Terms. While the Trustee will act with due care and diligence, it may only take certain enforcement or protective actions upon the occurrence of specific events and when directed by a defined majority of Bondholders and subject to being indemnified or secured to its satisfaction. Consequently, there may be delays or limitations in the ability of Bondholders to enforce their rights individually or through the Trustee.

Furthermore, the Trustee does not owe any fiduciary or other duties to individual Bondholders beyond those expressly set out in the Trustee Agreement and Applicable Law. Bondholders are exposed to the risk that the Trustee's powers and responsibilities may not fully align with each Bondholder's individual interests or timing expectations.

#### 3.4.6 **Offering Cancellation and Delisting Risk**

Although the Issuer intends to apply for admission of the Bonds to trading on the regulated market of Nasdaq Riga (Baltic Bond List), there is no assurance that such admission will be granted or maintained. Delisting may occur due to regulatory changes, non-compliance with applicable rules or other circumstances beyond the Issuer's control, negatively affecting marketability and valuation.

In addition, the Issuer retains the right to modify the Subscription Period or cancel the offering of any Tranche under the Programme. Investors who have subscribed for Bonds may not be allocated Bonds as planned, potentially affecting their investment planning or portfolio allocations.

#### 3.4.7 **Price Risk**

The price of the Bonds in the secondary market may fluctuate due to changes in interest rates, inflation expectations, credit spreads, monetary policy, macroeconomic conditions or the Issuer's own credit profile. As a result, Investors who sell their Bonds prior to maturity may receive less than the original purchase price.

#### 3.4.8 **Early Redemption Risk**

The Issuer may, under certain circumstances and in accordance with the terms and conditions, redeem the Bonds prior to maturity. Early redemption may occur at a time that is disadvantageous to the Bondholders, for example when market interest rates are lower than the fixed rate of the Bonds. Bondholders may not be able to reinvest the proceeds on equally favourable terms with comparable risk profiles.

#### 3.4.9 **Bondholders' Meeting and Majority Bondholder Resolution Risk**

The terms of the Bonds permit modifications to be made by resolution of the Bondholders (or the Trustee acting on their behalf) passed in accordance with applicable thresholds. As a result, decisions may be adopted that are binding on all Bondholders, including those who did not participate in the

relevant vote or voted against the resolution. Such decisions may affect the Bondholders' rights, including the amount, timing or manner of payment under the Bonds.

#### 3.4.10 **Tax Risk**

Changes in applicable tax legislation or tax authority interpretations in Latvia or in the Bondholder's country of residence may negatively affect the returns under the Bonds. The Issuer will not compensate Bondholders for any tax liabilities, withholding obligations or increased tax burdens. Prospective Investors should consult their tax advisers regarding the tax consequences of acquiring, holding and selling of the Bonds.

## 4 INTRODUCTORY INFORMATION

### 4.1 Applicable Law

This Base Prospectus has been drawn up in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) and Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (the “**Delegated Regulation**”), in particular with Schedule 6 and 14 thereof. Latvian law shall apply to this Base Prospectus and any disputes arising from this Base Prospectus shall be settled in Latvian courts, except for when, according to the applicable law, the jurisdiction cannot be agreed on.

Please review the following important introductory information before reading this Base Prospectus.

### 4.2 Responsible Persons and Limitation of Liability

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation and for the purpose of giving information with regard to the Issuer and its Subsidiaries taken as a whole (the “**Group**”) and the Bonds which, according to the particular nature of the Issuer and the Bonds, is necessary to enable Investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.

The Issuer, represented by the members of its Management Board, accepts responsibility for the information contained in this Base Prospectus and in any Final Terms which complete this Base Prospectus for each Tranche of Bonds issued hereunder and declares that, to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and that Base Prospectus does not omit anything likely to affect the import of such information.

*signed with a safe electronic signature*

Chairman of the Management Board  
Juris Gulbis

*signed with a safe electronic signature*

Member of the Management Board  
Guntars Levics

*signed with a safe electronic signature*

Member of the Management Board  
Inta Liepa

*signed with a safe electronic signature*

Member of the Management Board  
Agita Baltbārde

### 4.3 Presentation of Information

#### 4.3.1 Approximation of numbers

Numerical and quantitative values in this Base Prospectus (e.g., monetary values, percentage values, etc.) are presented with such precision that the Issuer deems necessary to provide adequate and sufficient information on the relevant matter while avoiding an excessive level of detail. In some cases, quantitative values have been rounded up to the nearest decimal place or whole number to avoid an excessive level of detail. As a result, certain values may not necessarily add up to the respective totals because of the approximation. Exact numbers can be examined and derived from the Financial Statements to the extent that the relevant information is reflected therein.

#### 4.3.2 Currencies

In this Base Prospectus, financial information is presented in euro (EUR), the official currency of the EU Member States participating in the Economic and Monetary Union, including Latvia.

#### 4.3.3 Date of information

This Base Prospectus is drawn up based on information which was valid as of the date of the Base Prospectus. Where not expressly indicated otherwise, all information presented in this Base Prospectus (including the consolidated financial information of the Group, the facts concerning its operations and any information on the markets in which it operates) must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than the date of the Base Prospectus, this is identified by specifying the relevant date.

#### 4.3.4 **Third-party information and market information**

Certain information contained in this Base Prospectus have been obtained from third parties. Such information is accurately reproduced and, as far as the Issuer is aware and can ascertain from the information published by the third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Certain information regarding the markets in which the Group operates is based on the best assessment made by the Management Board. Reliable information pertaining to the markets in which the Group operates is not always available or conclusive. While all reasonable measures have been taken to provide the best possible assessment of information about the relevant area of activity, such information may not be relied upon as final and conclusive. Prospective investors are encouraged to conduct their own analysis of the relevant areas of activity or employ a professional consultant.

#### 4.3.5 **Definitions of terms**

In this Base Prospectus, terms with capitalised first letters have the meaning given to them in Section "Definitions", unless the context evidently requires the contrary, whereas the singular shall include plural and vice versa. Other terms may be defined elsewhere in the Base Prospectus.

#### 4.3.6 **References to the Issuer's Website**

This Base Prospectus contains references to the Issuer's website (<https://cleanrgrupa.lv/en/investors/>). The Issuer does not incorporate the information available on the website in the Base Prospectus, i.e. the information on the website is not part of this Base Prospectus and has not been verified or confirmed by the Bank of Latvia. This does not apply to the hyperlinks indicating information incorporated by way of reference.

### **4.4 Forward-Looking Statements**

This Base Prospectus includes statements that are or may be deemed to be "forward-looking statements". These forward-looking statements are based on opinions and best judgments by the Issuer or its Management Board relative to the information currently available to the Management Board. All forward-looking statements in this Base Prospectus are subject to risks, uncertainties, and assumptions regarding the future operations of the Issuer, the local and international macroeconomic environment and other factors.

These forward-looking statements can be identified in the Base Prospectus by the use of words including, but not limited to, "strategy", "anticipate", "expect", "anticipate", "believe", "estimate", "will", "continue", "project", "intend", "targets", "goals", "plans", "should", "would" and other words and expressions of similar meaning, or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements can also be identified in the way they do not directly relate to historical and current facts. They appear in a number of places throughout this Base Prospectus and include, but are not limited to, statements regarding the Group's or the Issuer's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Group, and the development of the markets and the industries in which members of the Group operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Base Prospectus. In addition, even if the Group's results of operations and financial position, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements (please see Section 2 "Risk Factors" of this Base Prospectus).

The Issuer is under no obligation to, and expressly disclaims any obligation to, update or alter the forward-looking statements in this Base Prospectus based on changes, new information, subsequent events or for any other reason.

The validity and accuracy of forward-looking statements is influenced by the general operating environment and the fact that the Group is affected by changes in domestic and foreign laws and regulations (including those of the European Union), taxes, developments in competition, economic, strategic, political, and social conditions, as well as other factors. The actual Group's results may differ from the Management Board's expectations due to changes caused by various risks and uncertainties, which could adversely impact the Group's operations, business, or financial results. As a result of these

risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward-looking statements.

#### **4.5 Approval of this Base Prospectus**

This Base Prospectus has been approved by the Bank of Latvia, as competent authority under the Prospectus Regulation. The Bank of Latvia only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The approval of this Base Prospectus should not be considered as an endorsement of the Bonds. The prospective investors should make their own assessment as to the suitability of investing in the Bonds.

#### **4.6 Important Information for Investors**

No person is authorised to give any information or to make any representation not contained in this Base Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Base Prospectus, any Final Terms nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer that any recipient of this Base Prospectus, any Final Terms or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer, to any person to subscribe for or to purchase any Bonds.

Each potential investor in the Bonds must make their own assessment as to the suitability of investing in the Bonds. In particular, each potential investor should:

- 1) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Base Prospectus;
- 2) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- 3) have sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- 4) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- 5) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Bonds are legal investments for it, (ii) Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

#### **4.7 Distribution of the Base Prospectus and Selling Restrictions**

The distribution of this Base Prospectus and any Final Terms may in certain jurisdictions be restricted by law, and this Base Prospectus and any Final Terms may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Bonds, or otherwise to permit a public offering of the Bonds,



in any jurisdiction other than the Republic of Latvia, the Republic of Lithuania and the Republic of Estonia. The Issuer expects persons into whose possession this Base Prospectus or any Final Terms comes to inform themselves of and observe all such restrictions. The Issuer does not accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of the Bonds is aware of such restrictions. In particular, this Base Prospectus and any Final Terms may not be sent to any person in the United States, Australia, Canada, Japan, Hong Kong, Singapore, Russia, Belarus or any other jurisdiction in which it would not be permissible to deliver the Bonds, and the Bonds may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any of these countries. Furthermore, this Base Prospectus and any Final Terms may not be addressed to any person who are Russian or Belarusian nationals or natural persons residing in Russia or Belarus or any legal persons, entities or bodies established in Russia or Belarus. The latter shall not apply to nationals of a Member State of the European Union, of a country member of the EEA or of Switzerland, or to natural persons having a temporary or permanent residence permit in a Member State of the European Union, in a country member of the EEA or in Switzerland within the meaning of Council Regulation (EU) No 833/2014 of 31 July 2014 (as amended), and nationals of a Member State of the European Union or natural persons having a temporary or permanent residence permit in a Member State of the European Union within the meaning of Council Regulation (EC) No 765/2006 of 18 May 2006 (as amended).

The Bonds have not been, and will not be, registered under the U.S. Securities Act 1933 (as amended) (the “**Securities Act**”), or with any securities regulatory authority of any state of the United States. This Base Prospectus or the Final Terms are not to be distributed to the United States or in any other jurisdiction where it would be unlawful. The Bonds may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (the “**Regulation S**”), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

The Bank of Latvia (in Latvian – *Latvijas Banka*), as competent authority under the Prospectus Regulation, has approved this Base Prospectus and has notified the approval of the Base Prospectus to the competent authority in Lithuania (the Bank of Lithuania (in Lithuanian – *Lietuvos Bankas*) and Estonia (the Estonian Financial Supervision Authority (in Estonian – *Finantsinspeksioon*)). However, in relation to each member state of the European Economic Area (the “**EEA**”) (except the Republic of Latvia, the Republic of Lithuania and the Republic of Estonia), the Issuer represents that it has not made and will not make any public offer of Bonds prior to that EEA member state’s authority receiving a certificate of approval of the Bank of Latvia attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation together with a copy of the Base Prospectus.

Accordingly, any person making or intending to make an offer within the EEA of Bonds which are the subject of an offering contemplated by this Base Prospectus and the relevant Final Terms (other than the offer of Bonds in the Republic of Latvia, the Republic of Lithuania and the Republic of Estonia) may only do so in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

**IMPORTANT – EEA RETAIL INVESTORS:** The Bonds have a fixed rate of interest, and the redemption amount is fixed as described in the Base Prospectus. Accordingly, no key information document pursuant to Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) has been prepared by the Issuer.

#### **4.8 References incorporated into this Base Prospectus**

The following documents have been incorporated into this Base Prospectus by references and are available at the Issuer’s website as follows:

- 1) the Group’s unaudited consolidated 6-month report for the financial period ended 30 June 2025: <https://cleanrgrupa.lv/en/investors/>;
- 2) the Group’s audited consolidated annual report for the financial year ended 31 December 2024: <https://cleanrgrupa.lv/en/investors/>;
- 3) the Group’s audited consolidated annual report for the financial year ended on 31 December 2023: <https://cleanrgrupa.lv/en/investors/>;
- 4) the Issuer’s Articles of Association: <https://cleanrgrupa.lv/en/investors/>.

The Financial Statements have been audited or reviewed by an independent auditor SIA “Grant Thornton Baltic Audit” (please see Section 7.9 “Statutory auditors” of this Base Prospectus).

The Financial Statements incorporate by reference the information requested in accordance with the Delegated Regulation.

#### **4.9 Documents on Display**

This Base Prospectus and each of the Final Terms will be made available in electronic form on the websites of the Bank of Latvia ([www.bank.lv](http://www.bank.lv)), Nasdaq Riga ([www.nasdaqbaltic.com](http://www.nasdaqbaltic.com)) and the Issuer (<https://cleanrgrupa.lv/en/investors/>) for the duration of the validity period of this Base Prospectus.

Any interested party may download the above documents from the Issuer's website free of charge or request the delivery of electronic copies of the documents from the Issuer or the Arranger.

## **5 INFORMATION ABOUT THE ISSUER**

The legal and commercial name of the Issuer is AS "CleanR Grupa". The Issuer is operating as a joint stock company (*akciju sabiedrība*), incorporated and registered under laws of Latvia. The Issuer was registered on 16 June 2014 with the Commercial Register of Register of Enterprises of Latvia.

The registration number of the Issuer is 40103799972 and the legal entity identifier (LEI) is 984500048F64895F8O65. The registered address of the Issuer is Vietalvas iela 5, Rīga, LV-1009, Latvia. The Issuer has been established for an indefinite period.

### **Contact details of the Issuer:**

E-mail: [info@cleanrgrupa.lv](mailto:info@cleanrgrupa.lv)

Telephone number: + 371 29 66 33 44

Website: <https://cleanrgrupa.lv/en/investors/>

## **6 REASONS FOR OFFER AND USE OF PROCEEDS**

The net proceeds from the Bonds issue under this Programme will be applied by the Issuer for the following purposes:

1. To refinance the Existing Bonds;
2. For general corporate purposes, including to finance the Group's expansion (M&A) activities.

The precise allocation of the net proceeds of each Tranche will be specified in the relevant Final Terms.

The estimated total expenses of the issue of the Bonds of each Tranche and estimated net amount of proceeds from the issue of Bonds of each Tranche will be provided in the Final Terms. Subject to market conditions and business development of the Issuer and the Group in the future, the manner and order of the above referred proceeds in this Section may differ from the anticipated plan.

The net proceeds from the Bonds issue of each Tranche are subject to the specific amount of financing attracted in the issue. The statements included herein shall be considered as forward-looking statements that are based on the best opinion of Management Board (for further information please see Section 4.4 "Forward-Looking Statements" of this Base Prospectus).

## 7 BUSINESS OVERVIEW

The key information on business operations of the Issuer and the Group is provided in this section, which shall be read alongside information that is provided elsewhere in this Base Prospectus, including but not limited to, Section 3 "Risk Factors" and Section 8 "Principal Markets".

### 7.1 Group profile and structure

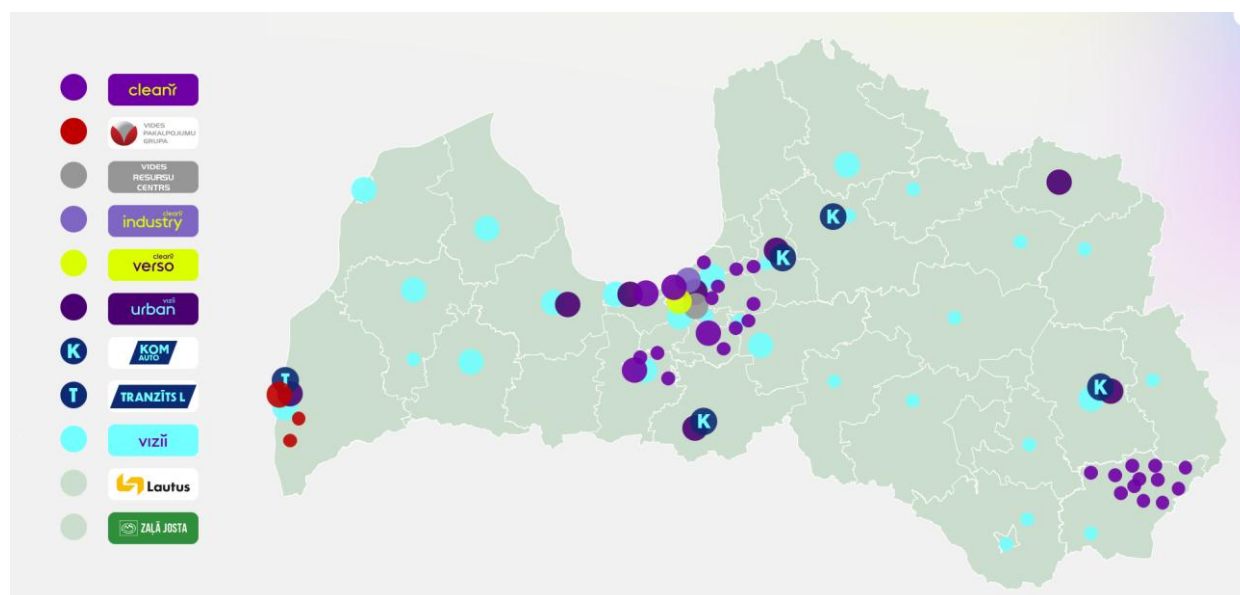
The Group is a leading environmental services platform in Latvia with a history of more than 80 years and roots dating back to 1944.

The Group today combines two strong pillars:

- (i) Waste Management, covering the full value chain from municipal, medical, hazardous, industrial waste collection to sorting and advanced recycling, and
- (ii) Environmental Services, comprising professional cleaning, facility services and urban infrastructure maintenance.

The Group operates nationwide, with a particularly strong market presence in Rīga, Jūrmala and Liepāja, and holds one of the leading positions across multiple market segments. As a 100% Latvian capital company, it employs more than 1 800 people in over 120 job positions and services over 500 000 people throughout Latvia. In 2024, the Group generated revenues of EUR 121.1 million and EBITDA of EUR 25.5 million, underpinned by a solid Equity Ratio of 51% and a conservative Net Debt Leverage Ratio of 0.06x. With a customer base exceeding 61 000, the Group combines scale with stability, allocating 50% of its capital expenditure to sustainable investments and maintaining a strong commitment to responsible growth.

The Group is structured around well-recognised brands and specialised subsidiaries, including: CleanR, Vides Pakalpojumu Grupa (household waste management), Lautus (medical and hazardous waste management), CleanR Verso (industrial, construction and demolition waste management), CleanR Industry (solid-recovered fuel (SRF) and recycled plastic producer), Vides Resursu Centrs (waste recycling and recovery, waste sorting), Zaļā josta (extended producer responsibility system provider), Vizii (indoor cleaning and facility services) and Vizii Urban, SIA Kom-Auto, SIA Tranzīts-L (urban and road maintenance).



Scope of CleanR Grupa business lines

Source: The Issuer

### 7.2 History and development

The Group has a long-standing heritage in environmental and municipal services in Latvia, with origins dating back to 1944. Over the past eight decades, the Group has evolved from a local public utility into the leading nationwide holding in waste management and related environmental services. Its development has been driven by a combination of organic growth, long-term municipal contracts, strategic acquisitions, diversification into adjacent service areas, and capital markets activity. This

trajectory has enabled the Group to establish its strong position in a circular economy and integrated environmental services in Latvia.

The principal milestones in the Group's history and development are summarised below:

<b>Year</b>	<b>Development</b>
<b>1944</b>	Establishment of the Road Transport Company of the Riga City Public Works Department (predecessor of CleanR)
<b>2014</b>	Company rebrands to CleanR; acquisition by Guntars Kokorevičs (current 100% owner of the Controlling Shareholder); acquisition of Eko Terra
<b>2015</b>	Launch of the largest municipal waste sorting centre in the Baltic region – Vides resursu centrs
<b>2016</b>	Launch of municipal waste management operations in Liepāja Municipality – Vides pakalpojumu grupa
<b>2020</b>	Launch of construction and demolition waste sorting and recovery centre Nomales; award of a 7-year waste management contract in Riga, covering 53% of the city's territory
<b>2021</b>	Launch of premises cleaning business as a subsidiary – Vizii, acquisition of 50% of road building and maintenance company Roadeks
<b>2022</b>	Establishment of the Issuer, capital markets debut with a EUR 15 million Existing Bond issue; acquisition of RSC Noma, a major construction & demolition waste management company; acquisition of a majority stake in Zaļā josta, an extended producer responsibility (EPR) system provider
<b>2023</b>	Subsidiaries begin operating independently (CleanR, CleanR Verso, Vizii Urban); completion of polymer processing plant; acquisition of urban services company KOM-AUTO
<b>2024</b>	Acquisition of medical and hazardous waste company Lautus; acquisition of majority stake in road maintenance company Tranzīts-L; celebration of the 80th anniversary of CleanR's operations; CleanR Industry starts operating as an independent subsidiary; Two new subsidiaries were formed – CleanR Industry and CleanR NĪ; Launch of ŠŪNA, the first environmental education pop up site; Launch of Latvia's first-ever circular economy index for local governments; Chairman of the Supervisory Board Guntars Kokorevičs – awarded as the National capital entrepreneur of the year; Nasdaq Baltic awards for the best investor relations in the First North bond market

### 7.3 Strategic vision of the Group

The Group's strategy is centred on consolidating its position as a leading integrated provider of environmental and urban servicing solutions in Latvia and the broader Baltic region. At the core of this strategy lies the provision of full-cycle urban servicing, ensuring that municipalities, businesses and communities benefit from a seamless, end-to-end service offering that spans waste management, recycling, street and road maintenance, cleaning, and environmental stewardship.

The Group's strategic vision is built on three pillars. First, as one of the most valuable private companies in Latvia, it is focused on ensuring a consistent and sustainable increase in company value. This is primarily achieved through organic growth, complemented by carefully selected investment opportunities, including M&A transactions. The Group continues to explore a number of potential investment opportunities, both in Latvia and across the wider region, positioning the Group to strengthen its market presence and capture further growth potential.

Second, the Group is committed to maintaining and further strengthening its position as a leading provider in the industry. It holds well-established positions in its core markets and is recognised as the circular economy leader in Latvia, supported by an integrated and efficient service model. A key strategic ambition is to achieve "landfilling to zero", pursued through continuous investment in advanced waste processing and recycling capabilities, with M&A activities supporting and accelerating this development. Sustainability lies at the core of this pillar, with the Group actively seeking to

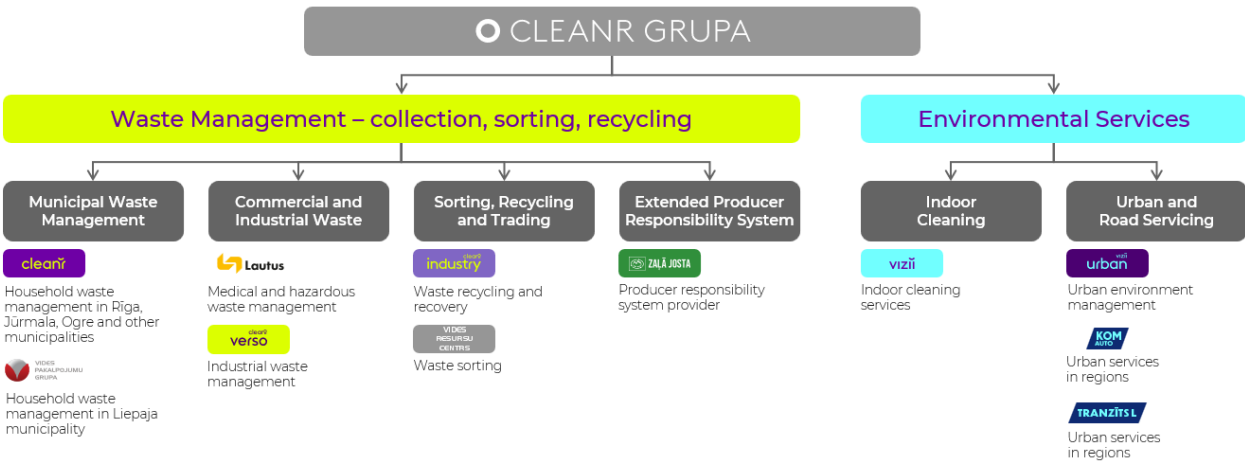
minimise its environmental footprint, increase recycling and recovery rates, and support clients in achieving their own environmental goals. By aligning its growth model with EU sustainability objectives and national regulatory frameworks, the Group is well positioned to capture opportunities in markets shaped by environmental compliance, circular economy principles and green procurement policies.

The third strategic pillar underpinning the Group’s growth strategy is Operational Efficiency. It is advanced through automation and robotisation, including robotic indoor cleaning, the electrification of outdoor maintenance and the introduction of app-based solutions that enable real-time monitoring and client feedback. Company has introduced app-based functionalities designed to enable real-time monitoring and feedback.

Fostering synergies across Group companies and striving for leadership in employee efficiency are overarching priorities throughout the Group’s future outlook Aiming to leverage synergies across the businesses to enhance logistics and centralise core processes, while optimising the use of its truck fleet and specialised equipment. The Group’s leadership in employee efficiency is supported by enhanced motivation programmes and management share options that align staff interests with the long-term success of the organisation.

Finally, the Group is committed to strengthening long-term relationships with municipalities and institutional clients, underpinned by reliability, innovation and compliance. Through this integrated strategy, CleanR Grupa aims to deliver resilient revenues, scalable growth and enhanced value for stakeholders, while advancing the transition towards a more sustainable and resource-efficient economy.

7.4 Business Areas of the Group



Source: The Issuer

Over the years, the Group has expanded and diversified its activities into two principal business areas: Waste Management, covering collection, sorting, recycling and related services and Environmental Services. These business areas are further structured into six subdivisions, comprising municipal waste management, commercial and industrial waste management, sorting, recycling and trading, the extended producer responsibility system, indoor cleaning, and urban and road servicing.

Waste management

7.4.1 Municipal waste management



The Group’s company SIA CleanR has more than 80 years of experience in municipal and household waste management in Latvia and is today recognised among the leading waste collection operators. CleanR serves over 500 000 inhabitants, corresponding to approximately 53% of the economically active Latvian population aged 15–74, and maintains a customer base of more than 58 000 clients across households, businesses and municipalities. For the six month period ended 30 June 2025, this business area accounted for approximately 36% of the Group’s revenue.

The Group's household waste management company's CleanR strong market position is underpinned by long-term municipal contracts, which together with regional operator Vides pakalpojumu grupa, trademark name for general partnership (in Latvian: *pilnsabiedrība*) Vides pakalpojumi Liepājai comprising SIA Clean R, SIA Tranzīts L Waste, and SIA EKO joma, are in major cities, including Rīga, Liepāja, Jūrmala and Jelgava, providing recurring revenues. Operations are delivered by a workforce of approximately 310 employees and supported by a modern fleet of 70 vehicles, of which around 85% are Euro VI or equivalent standard, reflecting continuous investment in low-emission transport and sustainability.



CleanR is a recognised innovator in the Latvian market. It is the only operator to have deployed a network of over 400 underground waste containers, reducing urban clutter, improving fire safety and hygiene, and lowering collection emissions by enabling route optimisation. In addition, CleanR operates Latvia's only automated public amenity site for separately collected waste, with the capability to process more than 30 distinct waste streams, thereby achieving high recovery rates and enhancing recycling outcomes.



Customer satisfaction is a central strategic priority. CleanR has implemented a comprehensive digital service platform, including a mobile app, web portal, chatbot and SMS communication tools, which enable efficient and user-friendly interaction with clients. These initiatives have contributed to consistently high customer satisfaction, evidenced by a strong and stable Net Promoter Score (NPS).

By combining scale, technological leadership and customer focus, the Group's companies ensure reliable, safe and environmentally responsible services, while supporting sustainable growth and reinforcing its long-term EBITDA margin development.

In Spring 2025 SIA CleanR acquired a 41.25% stake in SIA "KILUPE", a regional environmental services company operating, specialising in municipal waste management plus handling and sorting of construction / building refuse.

#### 7.4.2 Commercial and industrial waste



Through its subsidiary SIA Lautus, acquired in 2024, the Group has established a presence in the medical and hazardous waste management sector in Latvia. Operating since 1997, Lautus brings nearly three decades of expertise and is recognised among the leading healthcare waste management companies in Latvia, providing essential services to hospitals, clinics, and laboratories nationwide. For the six month period ended 30 June 2025, this business area accounted for approximately 12% of the Group's revenue.

Lautus delivers end-to-end solutions across the hazardous waste chain, from collection and transportation to recycling, disposal, and site rehabilitation. The company holds the necessary licences for hazardous waste management and has a proven track record in ensuring safe handling and compliance with regulatory standards.

In addition to its strong position in healthcare waste, Lautus is also one of the leading providers in vacuum pumping services, including the cleaning and maintenance of oil terminals, gas station pipelines, and reservoirs. Its capabilities extend to specialised high-pressure cleaning of industrial pipes and tanks, supporting operational safety in critical infrastructure.

The company also provides comprehensive liquid waste solutions, covering the collection and treatment of industrial wastewater, oils, and other liquids, as well as rapid response services for environmental emergencies. This breadth of services allows Lautus to serve a wide client base across industrial and public sectors.





Lautus employs approximately 50 staff and serves more than 2 500 customers, with extensive geographic coverage across Rīga, Jūrmala, Liepāja, Ventspils, Lielvārde and other regions of Latvia. Its integration into CleanR Grupa strengthens the Group's diversification into specialised environmental services, while also enhancing synergies with its existing municipal and industrial waste management operations

The Group conducts its industrial, construction and demolition ("C&D") waste management activities through its subsidiary SIA CleanR Verso, one of the leading operators in Latvia in this segment. CleanR Verso is responsible for the collection, sorting, recycling and onward sales of industrial, construction and demolition waste, as well as recyclable packaging materials.

Operations are conducted at two strategically located facilities in Rīga and Ropaži, which together enable efficient coverage of the country's most active construction markets. These facilities include advanced sorting lines, ensuring high recovery rates of secondary materials such as metals, wood, concrete, plastics and other recyclables. Non-recyclable streams are further directed to energy recovery in the form of refuse-derived fuel (RDF), contributing to the circular economy and reducing landfill reliance. For the six month period ended 30 June 2025, this business area accounted for approximately 12% of the Group's revenue.



CleanR Verso holds a strong competitive position in the Latvian C&D waste management sector, supported by long-term customer relationships across the construction, industrial and real estate sectors. The company serves a diverse customer base through a container fleet of more than 1 200 units and a specialised transport fleet of over 40 trucks, ensuring timely and reliable collection capacity.

CleanR Verso employs approximately 165 people and is a trusted partner for major construction and demolition contractors in Latvia. The subsidiary also acts as an important downstream supplier of recovered materials, both for domestic re-use and for sale into European recycling and secondary raw material markets.

The business benefits from the Group's broader expertise in waste management, including municipal and recycling operations, and from Latvia's growing regulatory and commercial emphasis on sustainable building practices and high C&D recycling targets. CleanR Verso is thus positioned as a cornerstone of the Group's industrial waste and recycling platform as well as the significant contributor to circularity goals as at the construction waste sorting and recycling centre, more than 90 % of all incoming material in 2024 was recycled and returned to the economy.

#### 7.4.3 Sorting, Recycling and Trading



The Group's sorting, recycling and trading activities are conducted through SIA CleanR Industry and SIA Vides Resursu Centrs, which together form a leading integrated platform for secondary raw-material recovery in Latvia and the Baltics. CleanR Industry, established following the Group's 2024 reorganisation, combines the plastics recycling plant in Ķekava with the industrial waste processing facility in Riga opened in 2023 and SRF production facility in Riga. The Ķekava "Gurnicas" site recycles up to 10 000 tonnes of plastics per annum, while Riga site produces more than 22 000 tonnes of high quality solid-recovered fuel (SRF) for cement kilns. It also trades recovered secondary raw materials for recycling and refuse derived fuels (RDF) for waste to energy plants. The segment has a robust export footprint, with 46% of revenue in the six months ended 30 June 2025 generated from Ireland, Poland, Germany, Sweden and other markets, and plans to commission a second solid-recovered fuel line and a dedicated RDF packaging facility by 2026 to support waste export operations. For the six-month period ended 30 June 2025, this business area accounted for approximately 12% of the Group's revenue.

Vides Resursu Centrs operates the region's largest municipal waste sorting facility, receiving unsorted waste from the greater Rīga metropolitan area under contract with Latvia's largest landfill operated by SIA "Getliņi eko". It processes and recovers recyclables and convert residual fractions into SRF for the cement industry and refuse-derived fuel (RDF) for waste-to-energy facilities in neighbouring countries, with a strategic objective of zero waste-to-landfill.

Across CleanR Industry and Vides Resursu Centrs combined, the segment processed approximately 317 000 tonnes of waste in 2024, served 69 contracted customers and employed 106 people, and accounted for 12% of the Group's consolidated revenues in the six months ended 30 June 2025. The Group is the No. 1 producer of alternative fuels in Latvia and an important contributor to the region's circular economy.

#### 7.4.4 Extended producer responsibility system provider



The Group conducts its extended producer responsibility (“EPR”) activities through SIA Zaļā josta, one of Latvia’s leading EPR system provider. Founded in 2002 and 55% acquired by the Issuer in 2022, Zaļā josta has established itself as a prominent market player in supporting producers and importers in fulfilling their statutory obligations under Latvian and EU law. For the six month period ended 30 June 2025, this business area accounted for approximately 14% of the Group’s revenue.

Zaļā josta enables its clients to achieve 100% exemption from the Natural Resources Tax by ensuring compliance with applicable waste management regulations. The company manages a broad portfolio of waste streams, including:

- PTA (Packaging, Disposable Tableware and Accessories) – ensuring the collection, recycling and recovery of packaging materials and single-use products;
- EEG (Electrical and Electronic Goods) – compliance services for manufacturers and importers of electronic and electrical equipment;
- EHP (Environmentally Hazardous Products) – management of waste containing oils, chemicals and other hazardous substances;
- TEX (Textiles) – collection and recycling of clothing and other textile products; and
- PSP (Products Containing Plastic) – compliance services for a wide range of plastic-containing goods.

In 2024, Zaļā josta managed the collection and recycling of 131 thousand tonnes of waste, operating through 3 800 client agreements across diverse industries. The company employs a specialised team of nine professionals who ensure regulatory compliance, high-quality customer service and efficient oversight of waste recovery streams.

In addition to its compliance services, Zaļā josta is widely recognised as a national leader in environmental education, engaging schools, municipalities and the wider public in awareness campaigns and initiatives promoting waste reduction and recycling. This reputation strengthens its relationships with regulators, municipalities and corporate clients, reinforcing its strong position in Latvia, while enhancing a common environmental literacy throughout Latvia.

As part of the Group, Zaļā josta benefits from operational synergies with the wider platform of municipal, industrial and recycling services, as well as access to a growing client base across multiple waste and compliance streams.

#### Environmental services

##### 7.4.5 Indoor cleaning



The Group’s indoor cleaning services are provided through SIA Vizii, which has operated as an independent entity since 2021, building on more than 15 years of accumulated expertise within the Group. Vizii is recognised as one of Latvia’s leading providers of commercial cleaning services, specialising in daily and deep cleaning for hospitals, retail chains, shopping centres, logistics hubs, sports facilities, manufacturing plants and public institutions.

Vizii applies INSTA-800-compliant cleaning standards, ensuring the highest levels of professional service quality across its portfolio of more than 400 serviced sites nationwide. The business combines certified supervisors with advanced digital tools, including QR-based time tracking at control points, radar-guided fourth-generation cleaning robots, and a proprietary VIZII App, which provides clients with real-time task assignment, transparency and performance monitoring.



A distinguishing feature of Vizii is its commitment to sustainability and innovation. It is the only Latvian cleaning company rated by EcoVadis, an international sustainability evaluation certificate. The company delivers measurable operational outcomes, including the collection of approximately 500 kilograms of debris daily, cleaning of 7.1 million square metres of premises every day, and consistent delivery of double-digit revenue growth, with 18.4% year-on-year growth in 2024.

With its combination of technology, sustainability credentials, and sector expertise, Vizii has positioned itself as a market benchmark in the professional cleaning industry in Latvia, complementing the Group’s broader portfolio of environmental and facility services. For the six month period ended 30 June 2025, this business area accounted for approximately 9% of the Group’s revenue.

#### 7.4.6 Urban and road servicing



The Group delivers a comprehensive range of urban and road servicing solutions through its subsidiary SIA Vizii Urban and its controlled affiliates SIA KOM-AUTO and SIA Tranzīts-L. With more than 20 years of operational experience, Vizii Urban is recognized as one of the leading operators in Latvia's municipal servicing market, responsible for street cleaning, public space maintenance, and greenery management in major Latvian cities, including Rīga, Jūrmala and Liepāja, as well as for large commercial and institutional clients, with significant share of the national market.



In 2023, the Group strengthened its regional presence through the acquisition of KOM-AUTO, a company providing street, sidewalk and green space maintenance across Cēsis, Līgatne, Bauska, Rēzekne and surrounding rural municipalities. In 2025, the Issuer further expanded by completion of acquiring a 51% majority stake in Tranzīts-L, which specialises in street, road and park maintenance, thereby complementing and broadening Vizii Urban's service offering.

The combined business unit operates the second-largest fleet of specialised equipment in Latvia, comprising over 150 trucks and tractors, second only to the state-owned Latvijas Valsts Ceļi. The fleet includes EURO VI and electric vehicles, positioning the Group advantageously in green procurement processes and ensuring compliance with environmental and public-sector sustainability standards.

Vizii Urban and its affiliates employ more than 400 employees and deliver year-round operations, including winter road maintenance covering more than 400 million square metres of snow removal annually, and summer servicing across approximately 80 000 kilometres of road infrastructure.



The segment demonstrates rapid revenue growth and strong operational performance, with EBITDA above the markets average. Leveraging its combined scale, fleet capacity, and geographic coverage, the Group maintains longstanding relationships with municipalities and commercial clients, reinforcing its strong position as one of the leading providers in urban servicing. For the six month period ended 30 June 2025, this business area accounted for approximately 14% of the Group's revenue.

### 7.5 Sustainability

The Group's long-term strategy is firmly anchored in the green transition and the advancement of circular economy principles. As one of the leading environmental services providers in Latvia, the Group has embedded sustainability across its operations, governance, and investment agenda, ensuring both regulatory compliance and proactive contribution to national and EU climate objectives.

The Group pursues climate neutrality by systematically reducing the carbon footprint of its operations, while simultaneously maximizing greenhouse gas (GHG) avoidance through recycling, reuse, and energy recovery. In 2024, 50% of the Group's capital expenditure was allocated to green or taxonomy-aligned projects, including the modernization of the vehicle fleet, expansion of recycling capacity, and deployment of low-emission technologies. This focus has resulted in a healthy net carbon balance, with avoided emissions substantially exceeding generated emissions.

Sustainability oversight is fully integrated into the Group's corporate governance framework. The Supervisory Board and Management Board are supported by sustainability working groups that drive strategic initiatives, monitor progress, and ensure compliance with EU regulations, including the EU Taxonomy for sustainable activities. The Group also extends sustainability principles into its supply chain by embedding sustainable procurement practices and by promoting responsible partnerships with municipalities, corporates, and institutions.

At an operational level, the Group actively fosters circularity across Latvia's waste management ecosystem. By 2024, CleanR Grupa had:

- Installed and operated more than 400 underground containers, achieving c.20% fuel savings on collection routes.
- Operated the Baltics' largest construction waste recycling center, returning more than 90% of construction materials (sand, gravel, crushed stone) into circulation annually.
- Produced over 21 000 tons of compost from organic streams, supporting circular agriculture.
- Facilitated the reuse of textiles, with 423 tons returned for second life, and managed an exchange platform for over 430 construction and repair items.
- Managed more than 220 000 tons of household waste at its sorting facilities, ensuring that only 16% of municipal waste was landfilled, well below EU averages.
- Produced secondary raw materials at scale, including 26 000 tonnes of paper and plastic packaging, 12 000 tons of wood, 18 000 tons of glass, and 6 000 tons of metals for reintroduction into production cycles.
- Generated more than 3 900 tons of plastic pellets and 40 000 tons of refuse-derived fuel (RDF), substituting virgin raw materials and fossil fuels.
- Processed more than 16 000 used Christmas trees annually into biomass for energy recovery.

Apart from its environmental commitments, the Group also focuses equally on the other two pillars of ESG: the "S" and "G" pillars.

It provides a safe, inclusive, and growth-oriented workplace for over 1 800 employees, underpinned by training, upskilling, a robust occupational safety system, and an attractive employee benefits program. To ensure fair representation of employees' interests, foster social dialogue, and promote their engagement in decision-making, CleanR Grupa has established an employee representation institution, the Employee Committee.

In parallel, CleanR Grupa plays an active role in environmental education, engaging with communities through various activities. In 2024, CleanR Grupa created a unique initiative for the first time implemented in Latvia - an environmental education pop-up site, ŠŪNA (CELL). It served as a platform where, through art, culture, science, and various forms of storytelling, the community's awareness of different environmental and climate issues was raised. Additionally, to promote a sustainable lifestyle and to educate people on proper waste sorting, the digital environmental education platform [videspratiba.lv](https://videspratiba.lv) has been launched.

Above all, CleanR Grupa strives to run and promote responsible, ethical, and transparent business operations. The Group focuses on the development of a responsible and ethical corporate culture – endorsing the Group's values not only within the Group, through joint Group policies, but also promoting its guiding principles across the whole value chain. CleanR Grupa has launched a new stakeholder engagement tool – a scientifically based assessment – the Latvian Circular Economy Index. The evaluation involves all Latvian municipalities. Within the framework of the assessment, the Group not only enhanced the engagement of one of the Group's major stakeholders but also increased their awareness about environmental services, the circular economy, and the responsible use of resources. The index is planned to be carried out every two years.

Additionally, such third-party recognitions, as the Bank of Latvia and Corporate Governance Council award for stakeholder engagement, the Latvian Employer Confederation Excellence Award for investment in corporate brand development, and the Platinum rating in the Latvian Sustainability Index, and the Nasdaq Baltic Awards for the Best Investor Relations in the First North Bond list, attest to the effectiveness of the Group's strategy in pursuing sustainable development and its ongoing efforts to nurture high corporate governance standards.

Thus, the Group has positioned itself as a recognised ESG leader in the Baltics, demonstrating that sustainability is not only a compliance obligation but also a driver of operational excellence, stakeholder trust, and long-term value creation.

## 7.6 Organisational structure

### 7.6.1 The Issuer

AS "CleanR Grupa"	
<b>Legal form</b>	Joint stock company (AS)
<b>Date and place of incorporation</b>	16 June 2014, Latvia, Register of Enterprises
<b>Registration number</b>	40103799972
<b>Legal address</b>	Vietalvas iela 5, Rīga, LV-1009, Latvia
<b>NACE Code and principal activities</b>	6421 - Activities of holding companies and 7010 - Activities of head offices
<b>Share capital</b>	EUR 13 818 297
<b>Number of shares</b>	In total 13 818 297 shares, which are divided in the following two categories: i) 13 300 000 shares are categorized as class "A" shares; ii) 518 297 are categorized as Employee Shares Please refer to Section 10 "Share capital, Shares, Major Shareholders, Articles of Association" of this Base Prospectus for further information regarding scope of rights attached to each share class of the Issuer
<b>Shareholders</b>	Please refer to Section 10 "Share capital, Shares, Major Shareholders, Articles of Association" of this Base Prospectus for further information regarding shareholding structure of the Issuer

### 7.6.2 The following entities are Subsidiaries of the Issuer, included in the consolidation:

Subsidiary name	Registration number	Principal activities	Participating interest of the Issuer or the Group company in the subsidiary	Parent company (shareholder)
SIA "Vizii Management"	40103625775	Activities of holding companies, activities of head offices	100%	The Issuer (AS "CleanR Grupa")
SIA "CDzP"	44103029458	Real estate brokerage; Real estate management for fee or on agreement basis	51%	SIA "Vizii Management"
SIA "Vidzemes ESKO 1"	40103626944	Engineering and related technical consulting services	51%	SIA "CDzP"
SIA "NĪA Nami"	40003650140	Lease and management of own or leased real estate; Real estate management for fee or on agreement basis	100% (sold 08.03.2024.)	SIA "Vizii Management"
SIA "Manas MĀJAS Tukums"	50003202011 (previous company name - SIA "Jauntukums")	Real estate management for fee or on agreement basis	100% (sold 08.03.2024.)	SIA "Vizii Management"



SIA "Vizii"	40203342270	General cleaning services; Other operations related to cleaning and maintenance of buildings and production plants	100%	SIA "Vizii Management"
SIA "Nebruk Jelgava"	40003519979	Real estate management for fee or on agreement basis	100% (sold 08.03.2024.)	SIA "Vizii Management"
SIA "Clean R"	40003682818	Collection of non-hazardous waste	100%	AS "CleanR Grupa"
SIA "Eko Terra"	40103199483	Collection of non-hazardous waste; Material recovery; Other resource recovery from waste	73%	SIA "Clean R"
Pilnsabiedrība "Vides pakalpojumi Liepājai"	40203013387	Collection of non-hazardous waste	51%	SIA "Clean R"
SIA "Vides resursu centrs"	40203040830	Material recovery; Energy recovery	53%	SIA "Clean R"
SIA "CREB Rīga"	50203166921	Activities of holding companies	100%	SIA "Clean R"
AS "TĪRĪGA"	40203215318	Collection of non-hazardous waste	90%	SIA "CREB Rīga"
SIA "Reģionālie vides pakalpojumi"	40203246695	Collection of non-hazardous waste	100%	SIA "Clean R"
SIA "Brīvais kalns"	40003744501	Activities of holding companies	100%	AS "CleanR Grupa"
SIA "CleanR Verso"	40203387162	Collection of non-hazardous waste	100%	AS "CleanR Grupa"
SIA "Vizii Urban"	40203413376	Other cleaning services	100%	AS "CleanR Grupa"
SIA "Zaļā josta"	40003600046	Material recovery	70% (until 21.02.2024.) 55% (from 21.02.2024.)	AS "CleanR Grupa"
SIA "Eko Energy"	50103181981	Recycling of sorted materials	100% (liquidated 11.09.2024.)	SIA "Zaļā josta"
SIA "Green Plastics"	40103573435	Production of initial forms of plastic	50.98% (sold 10.12.2024.)	SIA "Zaļā josta"
SIA "Nulles depozīts"	40203260133	Recycling of sorted materials	100% (liquidated 20.08.2024.)	SIA "Zaļā josta"
SIA "KOM-AUTO"	44103012409	Other cleaning services	100% (acquired on 28.04.2023.)	SIA "Vizii Urban"
SIA "Lautus"	40003554635	Waste collection; Non-hazardous waste collection; Hazardous waste collection	100% (acquired on 31.10.2024.)	SIA "Clean R"
SIA "CleanR Industry"	40203579044	Manufacture of plastics in primary forms	100% (from 01.08.2024.)	AS "CleanR Grupa"
SIA "CleanR NĪ"	40203579932	Renting and operating of own or leased real estate	100% (from 05.08.2024.)	AS "CleanR Grupa"
SIA "Tranzīts L"	42103017130	Cleaning and maintenance of areas and environmental improvement services	51%	SIA "Vizii Urban"
SIA "WasteTech"	40203617558	Developing waste-to-energy solutions	66%	AS "CleanR Grupa"
SIA "Lautus SPV"	40203661310	Activities of holding companies	100%	SIA "Clean R"
SIA "ĶILUPE"*	40003399703	Waste management service activities	41%	SIA "Clean R"

\*Acquired on 23 April 2025, not included in the consolidation.

## 7.7 Material contracts

The following section below provides summary of agreements entered by the Issuer and the respective Group entity that may be considered as material to the Group's business. Other than the agreements listed in this section and the contracts entered in the ordinary course of business, neither the Issuer nor any Group entity has entered into a material contract, which could result in any Group member being under obligation or an entitlement that is material to the Issuer's ability to meet the obligations to the Bondholders in respect of the Bonds being issued according to this Base Prospectus.

Type of Contract	Brief Description
Public Procurement Contracts	<p>Group has secured several significant public procurement contracts that are considered important due to their scale, duration, and strategic importance.</p> <p>These include SIA Vizii Urban contracts for the maintenance of the Riga city's transport structures in the Ziemeļi district and Vidzeme suburb until 2029 as well as agreements for maintenance of streets, roads, sidewalks, cleaning of beaches, planting of greenery, daily maintenance of territories, cleaning of public spaces, and venues in the cities of Jūrmala, Rēzekne, Tukums, Liepāja, Alūksne, Bauska, Sigulda and Cēsis.</p> <p>SIA CleanR agreements for collection of sorted and unsorted municipal waste in Rīga, Jūrmala, Ķekava, Ogre and Ropaži municipalities are also considered important.</p>
Financing and finance related agreements	<p>Group's financing and finance related material agreements include debt financing via bonds and lease liabilities.</p> <p>The Issuer has issued the Existing Bonds in the amount of 15 million euros, maturing on 9 December 2025. Existing Bonds are expected to be refinanced through an issue of these Bonds, representing a material obligation relevant to the issuer's ability to meet its commitments to security holders.</p> <p>The Issuer has lease liabilities to finance transport, heavy machinery and office premises.</p>

## 7.8 Legal proceedings

As at the date of this Base Prospectus, the Management Board is not aware of any pending or probable governmental, legal or arbitration proceedings that are likely to have a material effect on the financial position or profitability of the Issuer or the Group, or which would have had such effect in the past 12 (twelve) months.

## 7.9 Statutory auditors

SIA "Grant Thornton Baltic Audit", registration number: 50003946031, legal address: Blaumaņa iela 22, Rīga, LV-1011, Latvia, is the Group auditor for the accounting period covered by the historical (consolidated) financial information contained in this Base Prospectus. SIA "Grant Thornton Baltic Audit" is a certified auditor (license No. 183) and a member of the Latvian Association of Certified Auditors.

The financial year for the Issuer is from 1 January to 31 December.

## 8 PRINCIPAL MARKETS

*This section provides overview of the operating segments of the Group. This section provides summarized information relating to key developments and competitive edge of the Group's operating market, which has been obtained through diverse public and private sources. Information in this section is provided only for informative purposes. To the best of its abilities, the Management Board has sought to ascertain and accurately reproduce the following information, omitting no facts which could render the reproduced information misleading or inaccurate.*

*However, the Management Board accepts no further responsibility in respect to data and information contained in this Section. Prospective Investors should read this Section "Principal Markets" together with information provided elsewhere in this Base Prospectus, including Section 2 "Risk Factors", Section 110 "Selected Financial Information and Operating Data".*

### 8.1 Principal market and value-added services

For a detailed overview of the Group's activities, including the main service categories and operational segments, please refer to Section 7 "Business Overview".

When analysing the supply and demand dynamics of the principal markets in which the entities owned by the Group operate, it is important to note that individual service lines, such as municipal and household waste management, as well as commercial and industrial waste management - should not be treated as separate principal markets. Rather, they form part of broader environmental service categories that are integrated both operationally and strategically.

From the supply side, the Group's suppliers and partners - such as equipment manufacturers, recycling processors, and municipalities - are standard and often common across these service lines. On the demand side, the Group's clients - ranging from households and municipalities to commercial and industrial entities - typically seek environmental service solutions. For example, a municipality may contract the Group for both waste collection and street cleaning, while a commercial client may require premises cleaning and construction waste management.

### 8.2 Customer base

Building on this integrated market demand, the Group positions itself as a comprehensive environmental solutions provider with principal activities organised around two main verticals: (1) waste management services, which include waste collection, sorting, recycling, and producer responsibility system (PRS) operations; and (2) environmental services, which encompass premises cleaning, urban and road maintenance, and related infrastructure services. The Group's vertically integrated business model supports seamless service delivery across these activities, enhancing quality, efficiency and customer experience.












CleanR Grupa serves a broad and diversified customer base across both the public and private sectors, reflecting its nationwide presence and multi-sector expertise. Customers include local municipalities, government agencies and large private corporations operating in industries such as retail, logistics, healthcare, education and manufacturing. The Group's client portfolio encompasses over 9 400 business customers, more than 170 000 households in 5+ municipalities, including the largest urban centres such as Rīga, Jūrmala, Liepāja, and Jelgava.

Contract structures vary by business line and customer segment. In municipal waste management and urban servicing, services are typically awarded through public tenders with multi-year terms, underpinning stable cash flows. In the private sector, agreements tend to be more flexible and service-oriented, enabling tailored solutions and responsive delivery standards. Household customers are principally serviced through recurring municipal collection contracts and subscription-based waste management and cleaning services, supported by user-friendly digital tools and a customer-first approach.

Pricing mechanisms likewise differ across segments, ranging from regulated tariffs to market-based arrangements. In regulated segments, municipalities set tariffs through public procurement frameworks and, where applicable, pass-through mechanisms allow for adjustments to reflect changes in underlying cost drivers, such as landfill charges, or evolving compliance requirements. This framework supports revenue visibility while maintaining service quality and regulatory alignment.

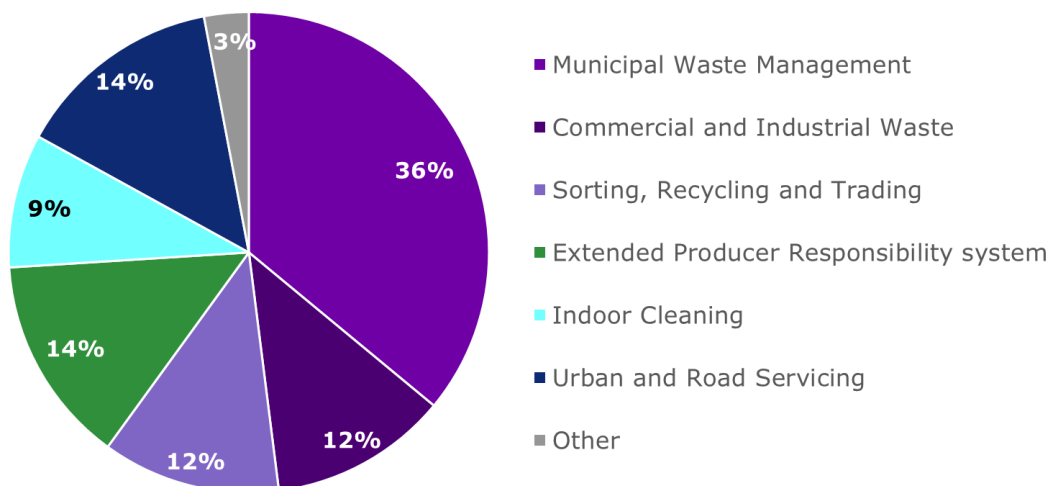


### 8.3 Business lines of the Group

	 	 	 			  
	Municipal Waste Management	Commercial and Industrial Waste	Sorting, Recycling and Trading	Extended Producer Responsibility System	Indoor Cleaning	Urban and Road Servicing
Customer base	<ul style="list-style-type: none"> <li>Over 10 local municipalities under long-term public tenders (5-7 years)</li> <li>Services waste management for 500 000+ inhabitants (c. 50% of Latvia's population)</li> <li>Contracts secured via public procurement, regularly renewed</li> </ul>	<ul style="list-style-type: none"> <li>Mix of public and private clients: medicine-related facilities, fuel stations, industrial sites</li> <li>Contract terms vary from short-term to 3 years. Partially tender-based</li> <li>Customers include major hospitals, airports, military facilities, construction &amp; demolition companies</li> </ul>	<ul style="list-style-type: none"> <li>Industry: recycles plastic waste to granules and exports mainly to EU and Ukraine, monthly volume agreements. Largest SRF<sup>1</sup> supplier for Schwenk Brocēni cement plant</li> <li>VRC: Municipal solid waste sorting for Getlini landfill and treatment of C&amp;I waste</li> </ul>	<ul style="list-style-type: none"> <li>Private clients including large and small producers and retailers</li> <li>Open-ended contracts without tendering</li> <li>Focus on price and service quality</li> <li>Customers mainly in food, electronics, beverages and construction</li> </ul>	<ul style="list-style-type: none"> <li>Mixed B2C and B2B clients, including municipalities and large corporates</li> <li>Clients include all major hospitals, retailers, telecoms, hotels across Latvia</li> <li>Contracts for 1-5 years, tenders or direct agreements</li> </ul>	<ul style="list-style-type: none"> <li>Primarily B2C: municipalities and state agencies</li> <li>B2B clients include logistics centers, large retail hubs, production sites</li> <li>Contracts mostly secured via public procurement, typically 3-5 years (B2C) or 1 year (B2B)</li> </ul>
Regulatory framework	<ul style="list-style-type: none"> <li>Fully regulated by EU Waste Framework Directive, Public Procurement Law, Latvian Waste Management Law, local municipal rules, general OSH regulation</li> <li>State Environmental Service (VVD) supervises enforcement</li> </ul>	<ul style="list-style-type: none"> <li>National Waste Management Law, Cabinet regulations for hazardous waste</li> <li>Supervised by State Environmental Service (VVD), Ministry of Environmental Protection, municipalities</li> <li>General OSH regulation</li> </ul>	<ul style="list-style-type: none"> <li>Strict environmental permits for plants, EU transboundary waste shipment rules, Public Procurement Law</li> <li>Enforced by State Environmental Service (VVD)</li> <li>General OSH regulation</li> </ul>	<ul style="list-style-type: none"> <li>Regulated by Ministry of Climate and Energy, State Environmental Service</li> <li>Regular audits and reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li>No sector-specific cleaning regulations</li> <li>Public Procurement Law</li> <li>General OSH and hygiene rules apply across industries</li> </ul>	<ul style="list-style-type: none"> <li>Regulated under commercial law, Public Procurement Law, Waste Management Law, local municipal regulations</li> <li>General OSH regulation</li> </ul>
Pricing	<ul style="list-style-type: none"> <li>Tariffs set via municipal tenders, regulated locally, and adjustable for cost changes</li> </ul>	<ul style="list-style-type: none"> <li>Tariff set for landfill disposal and includes natural resources tax (DRN)</li> </ul>	<ul style="list-style-type: none"> <li>Free market pricing, fixed price for Getlini landfill services</li> </ul>	<ul style="list-style-type: none"> <li>Agreement-based pricing, no regulated tariffs</li> </ul>	<ul style="list-style-type: none"> <li>Agreement-based pricing, no regulated tariffs</li> </ul>	<ul style="list-style-type: none"> <li>Contract pricing via public tenders or negotiated agreements</li> </ul>

Source: The Issuer

#### Revenue Split by Group's Business Lines:



Source: The Issuer

The Group operates in full compliance with European Union directives, national legislation and local municipal regulations, reinforcing its reputation as a trusted partner to public authorities and private clients alike. This combination of contractual visibility, sectoral diversification, and longstanding client relationships underpins the Group's strong and predictable revenue profile.

### 8.4 Competitive landscape overview

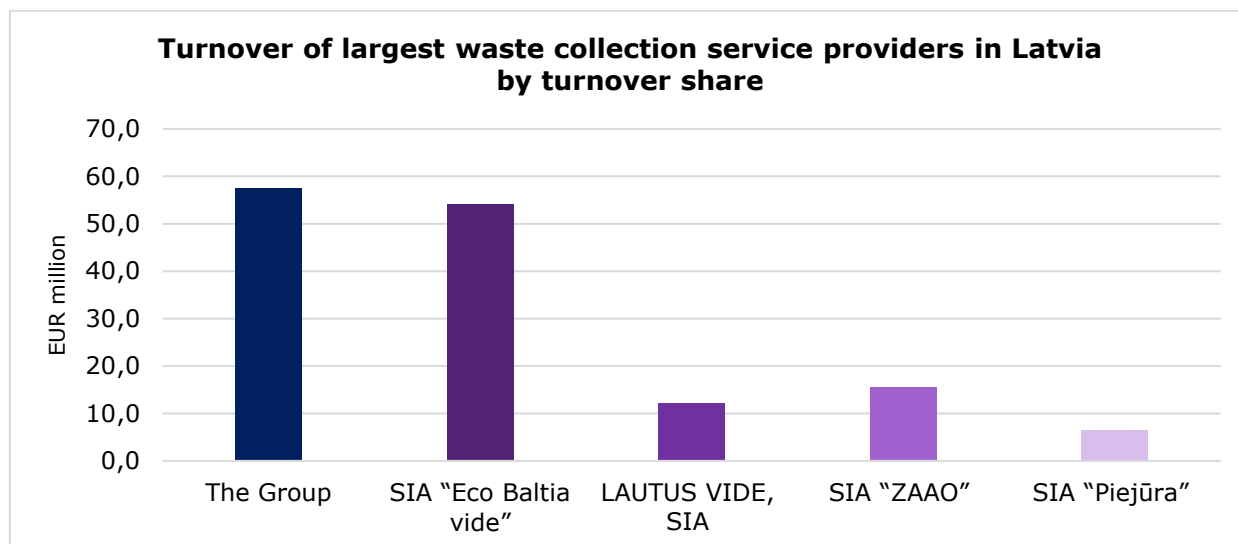
In its principal market activities, the Group operates in a competitive environment where several players are active across different service segments, with "Eco Baltia" group being the most notable competitor, as it provides services through a number of subsidiaries (such as SIA "Eco Baltia vide", SIA "LATVIJAS ZAĻAIS PUNKTS", SIA "Nordic Plast" and others) offering similar services as the Group's companies. At the same time, there are many other private companies as well as municipality-owned operators active in specific regions or business segments in the market.

## 8.5 Competitive landscape – waste management services

Waste management services in Latvia are delivered through a vertically integrated model covering municipal waste management; commercial and industrial waste; sorting, recycling and trading as well as extended producer responsibility system. The Group operates across all these stages and is recognised as one of the leading providers in several segments.

### 8.5.1 Municipal Waste Management

The Group provides the collection of sorted and unsorted household waste in Rīga, Jūrmala, Ogre, Ķekava and Ropaži municipalities, Inčukalns, Carnikava, Ikšķile, Tīnūži, Ozolnieki, Cena and Nīca parishes, as well as in the territory of Dagda. Household, commercial and industrial (C&I) waste collection services are primarily performed by SIA “Clean R” (municipal waste collection), SIA “CleanR Verso” (C&I and packaging waste), and SIA “Lautus” (hazardous and liquid waste collection). Revenue from waste collection services for the financial year ended 31 December 2024 amounted to EUR 57.5 million. The main competitors in this segment include SIA “Eco Baltia vide” (part of Eco Baltia group) with EUR 54 million turnover, LAUTUS VIDE, SIA with EUR 12.1 million turnover, and municipal companies such as SIA “ZAAO” (EUR 15.4 million) and SIA “Piejūra” (EUR 6.5 million). The generated income from waste collection services as per the Group’s audited consolidated annual report for the financial year ended 31 December 2024 was reported at EUR 57.5 million. Main competitors in this sector are SIA “Eco Baltia vide” (part of Eco Baltia group), the second largest private waste management company in Latvia (EUR 54 million turnover) and various smaller private and public collection companies such as SIA LAUTUS VIDE (EUR 12.1 million turnover), representing private sector and SIA “ZAAO” (EUR 15.4 million) with SIA “Piejūra” (EUR 6.5 million) representing public sector (municipality – owned enterprises).



Source: The Group’s audited consolidated annual report for the financial year ended 31 December 2024 and publicly available information. Please note that the graph represents the Group’s generated income from waste collection services only (EUR 57.5 million), excluding income from other services.

### 8.5.2 Commercial and Industrial Waste

The Group also operates in the collection and sorting of commercial and industrial waste, including construction and demolition waste. The Group is recognized as one of the leading service providers in this segment in Latvia. Largest competitors are locally owned companies such as SIA “G2Nika Mi”, SIA “Būvgružu pārstrāde”, SIA “Ekobaze Latvia”, SIA “Demontāža.lv”, SIA “Eco Baltia vide”.

### 8.5.3 Sorting, Recycling and Trading

Municipal solid waste sorting performed by SIA “Vides resursu centrs” - largest municipal waste sorting facility in Latvia, with annual throughput of 290 000 tons (maximum capacity 300 000 tons p.a.). The Group also operates 13 public amenity sites and carries out the sorting and further sale for recycling into new materials of separately collected and recyclable materials from residents and businesses – paper, cardboard, metal, plastic, glass. According to legislation all non sorted municipal waste is delivered to one out of ten regional waste management centers (formerly known as landfills), where Riga region is the largest in Latvia, managing approximately 50% of Latvian municipal non sorted waste.

SIA "Vides resursu centrs" volumes are secured by contract with landfill that was concluded because of public procurement process and is valid until late 2025. Approximately 75% of throughput consists of landfills wastage with other 25% provided by commercial contracts. SIA "Vides resursu centrs" will participate in upcoming tender for next period of 10 years. As of 11 September 2025 consultations with SIA "Getliņi eko" were concluded and it is expected that tender will be announced in Q4 2025. Nevertheless it is not possible for tenderer to conduct tender within end of term of existing contract, therefore it is expected that current contract will be prolonged for at least 3-6 months. In case of termination of contract treatment of volumes secured by commercial contracts (estimated 75% of turnover in 2025) will be moved to other Groups facilities.

Recycling involves the processing of sorted waste into secondary raw materials, including plastics and solid-recovered fuel. The Group's plastics recycling plant processes various used polymer packaging into high-quality polyethylene and polypropylene pellets for use in new products. Additionally, non-recyclable waste is converted into high-quality fuel, which serves as an alternative energy source in cement production and for generating heat and electricity. This is carried out by SIA "CleanR Industry". Plastic recycling market is considered European market if not at global scale, since approximately 95% of production (recycled pellets) are sold to customer Europe. Most notable companies that operate similar plants in Baltics are SIA "Nordic Plast" (Latvia), UAB "Plasta" (Lithuania), UAB "Somlita" (Lithuania), and UAB "Ecso" (Lithuania). In SRF production SIA "CleanR Industry" and SIA "Vides resursu centrs" combined Latvian market share is 70-75% and at this point fuel is delivered to SIA "Schwenk Latvia" Brocēni cement plant. Other cement plants that company is targeting are located in Finland, Sweden, Denmark and Germany.

The recyclables collection and sorting market is highly fragmented, where the Group estimates its share at 15–20%. Key competitors include SIA "G2Nika Mi", SIA "Būvgružu pārstrāde", SIA "Ekobaze", SIA "Demontāža.lv", and SIA "Eco Baltia vide". In recyclables, notable competitors are SIA "Eco Baltia vide", SIA "Ekobaze", and SIA "Grigeo recycling", the latter two being subsidiaries of Lithuanian companies.

Extended Producers' Responsibility System is managed by SIA "Zaļā josta", a leading extended producer responsibility system provider in Latvia, managing packaging waste, disposable tableware and cutlery, textiles, products containing plastics, hazardous goods, electrical and electronic equipment waste, enabling producers to obtain exemption from the natural resources tax. Reporting a EUR 17 million turnover for financial year 2024, SIA "Zaļā josta" is covering significant portion of the Latvian market in this sector. The remaining parts of the sector are mainly covered by SIA "Latvijas Zaļais punkts" (part of Eco Baltia group), which reported an EUR 12.6 million turnover for financial year 2024, as well as a few smaller competitors.

## **8.6 Competitive landscape – environmental services**

The Group delivers environmental services in Latvia through its subsidiaries, primarily SIA "Vizii" and SIA "Vizii Urban". These services can be structured into two operational segments – indoor cleaning as well as urban and road servicing.

### **8.6.1 Indoors cleaning services**

SIA "Vizii" delivers the daily cleaning of premises and general deep cleaning services of various complexity. SIA "Vizii" services are used by public institutions and private companies, and organizations of various sizes and industries, including medical institutions, shopping malls, well-known retail chains, sports centres, and Latvia's largest manufacturers. The indoor cleaning services sector in Latvia is highly saturated, with 479 companies registered under NACE code 81.21 (general building cleaning services). Within this competitive landscape, SIA "Vizii" is regarded as one of the market leaders, alongside major players such as SIA "Hagberg" and SIA "CHS", as well as a broad base of small and medium-sized providers.

In terms of market share among the leading competitors, SIA "Vizii" reported a turnover of EUR 10.5 million in the 2024 financial year. By comparison, SIA "Hagberg" and SIA "CHS" recorded revenues of EUR 18.9 million and EUR 7.8 million, respectively. The higher turnover achieved by SIA "Hagberg" is likely attributable to its broader service portfolio, which includes activities in related sectors such as real estate development, construction, and property management.

### **8.6.2 Urban and Road Servicing**

SIA "Vizii Urban" along with its subsidiary, SIA KOM-AUTO and SIA Tranzīts L, is an urban services company with 20 years of experience. It is also considered as a market leader contributing above 30% of market share (excluding inhouse service providers in municipalities), delivering a wide range of urban services, such as summer and winter maintenance of streets, sidewalks, and green spaces.

SIA "Vizii Urban" operates in all major cities and towns of Latvia. Main competitors are SIA "Hagberg", SIA "Pilsētas ekoserviss", SIA "Kulk" and others. Contracts are mainly based on public procurement long term contracts but not excluding commercial contracts. but not excluding commercial contracts. but not excluding commercial contracts.

## 8.7 Other activities of the Group

In addition to its core business segments, the Group generates a minor share of revenue from ancillary activities, including:

- Group's real estate management activities performed by SIA "CleanR NĪ" (generating 1.43% from the annual income in financial year 2024);
- technical maintenance services (generating 0.83% from the annual income in financial year 2024), as well as
- sludge acceptance,
- construction services and
- other minor activities.

Collectively, these activities account for approximately 3% of the Group's annual revenue and are therefore not considered to constitute a standalone principal market. These services are typically complementary to the Group's primary operations or arise from the efficient management of internal assets and infrastructure.

## 8.8 Geographic markets

The Group's activities are based in the Latvian market, whereas the sale of secondary raw materials is also made on an international level (paper, plastics). Overall, the net turnover in the reporting year generated by the services provided and products sold geographically can be broken down as follows: Latvia – 96%, EU and EEA countries – 4%, other markets – 0.29%.

Country	Net sales, EUR '000 (2024)
Latvia	115 702
EU and European Economic Area	5 045
Other countries	354
<b>TOTAL</b>	<b>121 101</b>

Source: *The Group's audited consolidated annual report for the financial year ended 31 December 2024*

## 8.9 Recent trends, development and significant change

The Group continues to operate in a dynamic regulatory and economic environment, with several trends and developments expected to influence its performance in the current financial year at the date of this Base Prospectus.

**Strategic expansion and reorganization.** In 2024, the Group completed a strategic reorganization, establishing two new subsidiaries - SIA "CleanR Industry" (recycling services) and SIA "CleanR NĪ" (own real estate property management) - to enhance operational efficiency and focus on core business lines. This structural change is expected to support long-term competitiveness and specialization.

**Mergers and acquisitions.** The Group expanded into the hazardous and medical waste management segment through the acquisition of SIA "Lautus" and increased its stake in SIA "Tranzīts L", and in Spring 2025 acquired a 41.25% stake in SIA "KILUPE", a regional environmental services company operating, specialising in municipal waste management plus handling and sorting of construction / building refuse. These transactions are expected to strengthen the Group's service portfolio and regional presence.

**Sustainability and circular economy.** The Group continues to invest in circular economy infrastructure, including underground waste containers, plastic recycling, and refuse-derived fuel production, as well as in low-emission fleet development. The Group's avoided emissions in 2024 exceeded its generated emissions by 103%, reflecting its strong environmental performance.

**Competition in urban services.** As of 14 April 2024, the Competition Council of Latvia has identified in its assessment that street and public square cleaning and maintenance services do not fall under the criteria outlined in Article 88 of the State Administration Structure Law.<sup>1</sup> This effectively implies that such services are not considered core public administration functions and, therefore, should be delegated to the private sector rather than performed by state or municipal entities.

While this interpretation is only declarative and has been subject to some backlash, it may nonetheless encourage municipalities to increasingly outsource these services. As a result, this regulatory development could create favourable conditions for the expansion of the Group's urban maintenance business line, potentially accelerating growth in this segment.

**Macroeconomic and geopolitical factors.** While the Group has demonstrated resilience, external factors such as inflation, energy prices, and geopolitical tensions may impact operational costs and investment planning. Nevertheless, continued investment in digital platforms (e.g., manai.videi.lv, ViziiApp) and automation (e.g., cleaning robots, other innovative equipment) is expected to enhance customer experience and operational efficiency for a competitive advantage.

**Industry transformation and regulatory developments.**

The European waste management sector is undergoing significant regulatory and structural change, driven by increased landfill taxation and stricter compliance requirements. The EU Packaging and Packaging Waste Regulation (PPWR), effective from 2030, will mandate minimum recycled content in packaging, supporting growth in plastics recycling and pollution reduction. The Group is well positioned to respond to these changes, having already opened one of the most advanced plastics recycling plants in the Baltics in 2023 and, in 2024, the region's most modern sorted waste collection centre.

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<sup>1</sup> 23 January 2024 Opinion of Competition Council of Latvia No. 1.7-2/85. Available: [https://www.kp.gov.lv/sites/kp/files/media\\_file/20240122\\_kvd\\_preilu-saimnieks-lidzdalibas-izvertejums.pdf](https://www.kp.gov.lv/sites/kp/files/media_file/20240122_kvd_preilu-saimnieks-lidzdalibas-izvertejums.pdf)

## **9 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

### **9.1 Governance Structure**

The Issuer and the Group seeks to implement and enforce a comprehensive corporate governance structure in line with best practices. The Issuer has a corporate governance structure, which consists of the Management Board, Supervisory Board and the Shareholders' Meeting, which is the highest governing body of the Issuer.

Pursuant to the Commercial Law of Latvia and Articles of Association of the Issuer, the Management Board is the executive institution of the Issuer, which carries out general and strategic management, as well as representation of the Issuer. The Management Board is elected by the Supervisory Board. In turn, the Supervisory Board is the oversight body of the Issuer, which represents the interests of the Shareholders between the Shareholders' Meetings and supervise the activities of the Management Board within the scope of Commercial Law and the Articles of Association. The Supervisory Board is elected by the Shareholders' Meeting. The Shareholders' Meeting is the supreme governance and decision-making body of the Issuer.

The business address of the members of the Supervisory Board, the Management Board is the registered legal address of the Issuer, which is Vietalvas iela 5, Riga, LV-1009, Latvia.

#### ***Audit committee***

At the date of this Base Prospectus, the Issuer does not have an audit committee. The audit committee of the Issuer will be elected in the next Shareholders' Meeting of the Issuer which will take place following the date of this Base Prospectus.

### **9.2 Management Board**

#### ***Responsibilities and functions***

Management Board of the Issuer is the responsible institution for management and supervision of the Issuer's affairs. It is responsible for the operations, accounting, administration of Issuer's property, commercial activities and other duties set by Articles of Association and applicable laws. Management Board is elected by the Supervisory Board and chairperson of Management Board is appointed by Supervisory Board from among the Management Board members. The Management Board has the obligation to report in writing regarding its activities to the Supervisory Board once every quarter, whereas at the end of the year – to the Shareholders' Meeting. The report shall reflect the results of commercial activities, economic conditions, circumstances affecting the economic situation, planned policies for commercial activities in the next accounting period, other significant aspects of the activity of the Issuer and other matters stipulated by law.

At the date of this Base Prospectus, the Management Board of the Issuer consists of four members who are elected by the Supervisory Board. Each member of the Management Board has the right to represent the Issuer together with another Management Board Member. According to Articles of Association, the decisions of Management Board are adopted with unanimous vote by all Management Board Members.

Articles of Association stipulate that for the following matters the Management Board requires prior written approval from the Supervisory Board:

- for deciding on the establishment of companies, increase or decrease of influence (participation) in other capital companies, representation of the interests of a participant (shareholder) in other capital companies (including, but not limited to, deciding on changes in the executive bodies of capital companies);
- for deciding on the acquisition, alienation (including sale), encumbrance, pledge of capital shares or shares of capital companies owned by the Issuer;
- for deciding on the liquidation and reorganization of companies;
- for deciding on the issuance of a guarantee, commercial pledge, mortgage or other security for the performance of obligations to any person on behalf of the Issuer;
- for deciding on the approval of the Issuer's budget and investments to be made in commercial development projects;
- for the adoption of any other significant decision or conclusion of a transaction specified in the regulations of the Management Board or for the conclusion of a transaction, the value of which exceeds EUR 20 000, calculating the limit separately for each type of transaction.

**List of Management Board members at the date of the Base Prospectus:**

First name, last name	Position	Appointment date	Term expiry date
Juris Gulbis	Chairman of Management Board	23 March 2023	23 March 2028
Inta Liepa	Management Board Member	1 June 2022	1 June 2027
Guntars Levics	Management Board Member	18 February 2022	1 June 2027
Agita Baltbārde	Management Board Member	18 July 2023	18 July 2028

**Professional experience and background of Management Board members****Juris Gulbis****Chairman of the Management Board**

Mr Juris Gulbis is the Chairman of Management Board of the Issuer with the right to represent the Issuer together with another Management Board Member.

Mr Gulbis graduated from Riga Technical University with a degree in Civil Engineering and Economics. He is an honorary graduate of Riga Technical University. Mr Gulbis holds an ACCA certificate in financial management and has supplemented his knowledge in business management at INSEAD and Stanford University. He was a long-serving Chief Executive Officer of Tet, a leading technology and entertainment company in Latvia, as well as Head of A.C.B. Grupa's subsidiary companies ACBR and 8CBR. Before that, he worked in financial management in food processing and financial companies in Latvia and abroad. He has been with the Issuer since 2023.



At the date of this Base Prospectus, outside the Issuer Mr Juris Gulbis is a management board member of SIA "ROADEKS", registration number: 40003371968. At the date of this Base Prospectus, outside the Issuer, Mr Juris Gulbis is a shareholder in AS "JDKML", registration number: 40103528446, in total holding 1.42% of shares. As at the date of this Base Prospectus positions and activities of Mr Juris Gulbis outside the Issuer are not significant with respect to the Issuer.

**Inta Liepa****Management Board Member**

Mrs Inta Liepa is the Management Board Member of the Issuer with the right to represent the Issuer together with another Management Board Member.

Mrs Liepa holds a bachelor's degree in law from Concordia International University in Estonia and a master's degree from Riga Graduate School of Law. She has completed the professional management education programme at the Baltic Institute of Corporate Governance (BICG). Mrs Inta Liepa has furthered her knowledge of mergers at the London School of Economics and Political Science, financial analysis and business valuation, and negotiation and dispute resolution at Harvard Law School.



She has worked as Head of the legal department of the Ministry of Finance of Latvia, Advisor to the Board of "Latvijas pasts", and Supervisory Board Member of "Pasažieru vilciens". Mrs Inta Liepa has an extensive experience in drafting legislation, and inter-institutional cooperation, including implementation of EU-funded projects, M&As, and corporate governance. She has been with the Issuer since 2021, also holding the position as the head of legal.

At the date of this Base Prospectus, Mrs Inta Liepa does not hold any other management board positions outside the Issuer and is not a shareholder outside the Issuer. As at the date of this Base Prospectus positions and activities of Mrs Inta Liepa outside the Issuer are not significant with respect to the Issuer.



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**Guntars Levics**  
**Management Board Member**

Mr Guntars Levics is the Management Board Member of the Issuer with the right to represent the Issuer together with another Management Board Member.

Mr Levics holds a master's degree in environmental and business management from the University of Latvia. He has completed the professional board member education programme at Baltic Institute of Corporate Governance (BICG). He is a long-standing member of the Latvian Waste Management Association representing the Latvian waste management industry in FEAD (European Waste Management Association) and is a member of the climate, environment and energy advisory board. With more than 20 years of experience in the waste management sector, he has been with the Issuer since its establishment. Mr Guntars Levics has supervised major waste management projects such as the largest waste sorting plant in the Baltics and the Group's first plastics recycling plant, both co-financed by EU funds.



At the date of this Base Prospectus, Mr Guntars Levics holds the following management board positions in other entities outside the Issuer: management board member of SIA "Zaļā josta", registration number 40003600046; SIA "HOPP", registration number: 40103321075; SIA "Vides resursu centrs", registration number: 40203040830; chairperson of the management board of SIA "CREB Rīga", registration number: 50203166921 and SIA "CleanR Industry", registration number: 40203579044. At the date of this Base Prospectus, outside the Issuer, Mr Guntars Levics is a shareholder in SIA "HOPP", registration number: 40103321075, in total holding 100% of shares. As at the date of this Base Prospectus positions and activities of Mr Guntars Levics outside the Issuer are not significant with respect to the Issuer.

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**Agita Baltbārde**  
**Management Board Member**

Mrs Agita Baltbārde is the Management Board Member of the Issuer with the right to represent the Issuer together with another Management Board Member.

Mrs Baltbārde holds a bachelor's degree in communication from Vidzeme University of Applied Sciences. She has graduated from Riga Technical University and Buskerud University College in Norway with a master's degree in innovation and business management. She has furthered her knowledge in strategic communication, circular economy, and sustainability in Cambridge and Yale University programmes. Mrs Agita Baltbārde has wealth of experience as a corporate communications and sustainability officer, as well as an investor relations expert at companies of various profiles. Mrs Agita Baltbārde has worked as Head of Communications for national electricity distributor Sadales tīkls and Cēsu alus, Latvia's largest beer brewery, an Advisor to the Minister of Economics of Latvia, as well as Chief Officer for Communication and Investor Relations at Eleving Group, a global financial technology company. She has been with the Issuer since 2022, also holding the position of chief officer for corporate affairs and sustainability.



At the date of this Base Prospectus, Mrs Agita Baltbārde does not hold any other management board positions or shareholdings outside the Issuer. As at the date of this Base Prospectus positions and activities of Mrs Agita Baltbārde outside the Issuer are not significant with respect to the Issuer.

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**9.3 Supervisory Board*****Responsibilities and functions***

The Supervisory Board is the responsible institution of the Issuer for representing interests of Shareholders between Shareholders' meetings and supervising Management Board as provided by Commercial Law and the Articles of Association. Amongst other matters, the main functions of the Supervisory Board provided by Commercial Law and Articles of Association include election and removal of Management Board members, monitoring that the business is conducted according to law, Articles of Association and decisions of Shareholders' Meeting, examining annual accounts of the Issuer, as well as other functions.

At the date of this Base Prospectus, the Supervisory Board of the Issuer consists of three members, who are elected for a five-year term by the Shareholders' Meeting. Members of the Supervisory Board elect a chairperson of the Supervisory Board and at least one deputy chairperson. A Supervisory Board member may be recalled from office by a decision of Shareholders' Meeting. One of the Supervisory Board members is independent. According to Articles of Association the Supervisory Board adopts the decisions with unanimous vote of all Supervisory Board members.



**List of Supervisory Board members as at the date of the Base Prospectus:**

First name and last name	Position	Appointment date	Term expiry date
Guntars Kokorevičs	Chairman of Supervisory Board	25 June 2024	25 June 2029
Harijs Krongorns	Deputy Chairman of Supervisory Board	25 June 2024	25 June 2029
Māris Mančinskis	Supervisory Board Member	3 October 2022	3 October 2027

**Professional experience and background of Supervisory Board members****Guntars Kokorevičs  
Chairman of the Supervisory Board**

Mr Guntars Kokorevičs is the Chairman of Supervisory Board of the Issuer.

Mr Guntars Kokorevičs graduated from RISEBA University of Business and Technology with a degree in international business management. Mr Kokorevičs holds a master's degree in business administration from the University of Latvia. He has more than 20 years of experience in the environmental services industry.

Mr Guntars Kokorevičs has an extensive experience in organizing mergers and acquisitions. He is a former Partner and Regional Representative of the global environmental services company "Veolia", and former CEO of the Riga Stock Exchange. Mr Kokorevičs currently serves as a vice president of the Employers' Confederation of Latvia (LDDK) and supervisory board member of Junior Achievement Latvia.

At the date of this Base Prospectus, outside the Issuer, Mr Guntars Kokorevičs is a management board member of SIA "TAK Capital", registration number: 40003926194; SIA "Investīciju risinājumi", registration number: 50003733891; SIA "TAK Investīcijas", registration number: 40203537426; executive of "LATVIJAS ATKRITUMU SAIMNIECĪBAS UZŅĒMUMU ASOCIĀCIJA", registration number: 40008013925. At the date of this Base Prospectus, outside the Issuer, Mr Guntars Kokorevičs is a shareholder in: SIA "TAK Capital", registration number: 40003926194, SIA "Investīciju risinājumi", registration number: 50003733891. As at the date of this Base Prospectus positions and activities of Mr Guntars Kokorevičs outside the Issuer are not significant with respect to the Issuer.

**Harijs Krongorns  
Deputy Chairman of Supervisory Board**

Mr Harijs Krongorns is the Deputy Chairman of Supervisory Board of the Issuer.

Mr Krongorns graduated from Riga Technical University with a degree in automation engineering. He has supplemented his knowledge in economics, financial management, and auditing in courses and educational programs at the Faculty of Economics of the University of Latvia, the Corporate Finance Institute, and PricewaterhouseCoopers. Mr Krongorns is a member of ACCA since 2001.

Mr Harijs Krongorns is skilled in corporate finance, management consulting, private equity and asset management as well as corporate law. He has served on the boards of several large Latvian companies, such as Valmieras piens, Latvijas balzams, and Laima. He has recorded history in consulting major M&A transactions in the environmental services industry, where he has been active for more than 20 years.

At the date of this Base Prospectus, Mr Harijs Krongorns does not hold management board positions or shareholdings in other entities outside the Issuer. As at the date of this Base Prospectus positions and activities of Mr Harijs Krongorns outside the Issuer are not significant with respect to the Issuer.



**Māris Mančinskis****Supervisory Board Member**

Mr Māris Mančinskis is the independent Supervisory Board Member of the Issuer.

Mr Mančinskis has education in finance management acquired from the University of Latvia, Hofstra University in the USA, and London Business School. He is a former long-serving Chairman of the Management Board of Swedbank Latvia. Mr Mančinskis is a Co-founder of the investment management company Vairo and Deputy Chairman of the supervisory board of AS "Agrolats Holding".



At the date of this Base Prospectus, outside the Issuer, Mr Māris Mančinskis holds management board positions in SIA "Arcade Invest", registration number: 40203016190, and is a chairperson of the management board of SIA "SOLinvestor", registration number: 40203357473. At the date of this Base Prospectus, outside the Issuer, Mr Māris Mančinskis is a shareholder in SIA "Arcade Invest", registration number: 40203016190, SIA "Kalnāji", registration number: 49203002737, SIA "SOLinvestor", registration number 40203357473, SIA "Z4 investīcijas", registration number: 40203161566. As at the date of this Base Prospectus positions and activities of Mr Māris Mančinskis outside the Issuer are not significant with respect to the Issuer.

**9.4 Conflicts of interest and other declarations**

At the date of this Base Prospectus, the Issuer is not aware of any conflicts of interest or potential conflicts of interest between the Issuer duties of the members of the Management Board and their private interests and/or their other duties.

## 10 SHARE CAPITAL, SHARES, MAJOR SHAREHOLDERS, ARTICLES OF ASSOCIATION

### 10.1 Share capital and shares

The Issuer's shares have been issued according to the Commercial Law. Any amendments to the rights or scope of the rights attached to these shares, as outlined in the Articles of Association, must follow the procedures specified in the Commercial Law. The Issuer is incorporated and operates as a joint stock company (in Latvian: *akciju sabiedrība*).

The Issuer's share capital is 13 818 297 euros. The share capital consists of 13 818 297 shares, which are divided in the following categories:

- i) 13 300 000 shares are categorized as class "A" shares;
- ii) 518 297 are categorized as Employee Shares of which 7 447 are currently held by the Issuer.

The nominal value of one class "A" share is EUR 1. The nominal value of one Employee Share is EUR 1. All class "A" shares are registered. All Employee Shares are non-transferable registered shares (in Latvian: *personāla akcijas*).

#### Issuer's shares

Share category	Amount	Nominal value	Share type
Class "A" shares	13 300 000	EUR 1	Registered shares
Employee Shares	518 297	EUR 1	Non-transferable registered shares

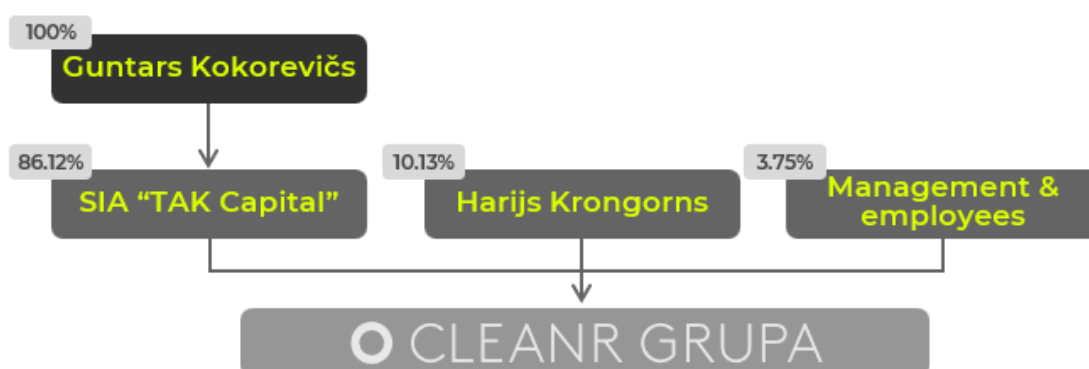
The Articles of Association outline the structure of the Issuer's share capital, which is divided into two distinct classes of shares, each providing its own scope of rights for Shareholders.

The Shareholder may alienate (including invest) and pledge his/her owned class "A" shares with the consent of the Shareholders' Meeting. If a Shareholder of the Issuer decides to sell his/her class "A" shares, the other Shareholders of the Issuer's Class "A" shares have a pre-emptive right to the Shares to be sold.

Employee Share gives the right to receive dividends, but is not entitled to a liquidation quota, does not grant voting rights, and cannot be pledged or otherwise encumbered, or alienated or transferred to any other person, except in favor of the Issuer.

A decision on the distribution and payment of dividends may be made for each category of Shares separately and disproportionately within one Share category, if 100% of the Issuer's voting Shareholders vote in favor of it.

### 10.2 Shareholders



Visualisation of the Issuer's shareholder structure

Source: the Issuer

The Issuer has a diverse group in its Shareholder structure, with each one holding different classes of shares that come with their own set of rights provided by Articles of Association and Commercial Law. As of the date of this Base Prospectus, the Issuer's Shareholders are as follows:

Shareholder	Share category	Nominal value	Total nominal value
SIA "TAK Capital"	Class "A" shares	EUR 1	11 900 000
Harijs Krongorns	Class "A" shares	EUR 1	1 400 000
Juris Gulbis	Employee Shares	EUR 1	280 000
Guntars Levics	Employee Shares	EUR 1	37 234
Valerijs Stankevičs	Employee Shares	EUR 1	37 234
Valdis Purvinskis	Employee Shares	EUR 1	29 787
Ģirts Baltrums	Employee Shares	EUR 1	29 787
Kristaps Balodis	Employee Shares	EUR 1	22 340
Inta Liepa	Employee Shares	EUR 1	22 340
Agita Baltbārde	Employee Shares	EUR 1	22 340
Jānis Taurenis	Employee Shares	EUR 1	14 894
Ēriks Timpars	Employee Shares	EUR 1	14 894
The Issuer*	Employee Shares	EUR 1	7 447

\*The Issuer maintains an active employee share option programme pursuant to which employees are regularly admitted as shareholders, resulting in frequent increases of the Issuer's share capital; under the terms of this programme, Employee Shares may, in certain circumstances, be withdrawn from an employee and re-allocated to the Issuer, in which case they are held in treasury and subsequently awarded in future option rounds.

### **Control and corporate governance**

Control within the Issuer's Shareholder structure is primarily held by the class "A" Shareholders, who are provided with voting rights at the Shareholders' Meeting. In total, there are 13 300 000 class "A" shares issued at the date of this Base Prospectus, each conferring one vote in the decision-making processes.

At the date of this Base Prospectus, there are two class "A" Shareholders. The largest among them is SIA "TAK Capital", registration number: 40003926194, with a total nominal value of 11 900 000 shares in the Issuer's share capital. The shareholder and ultimate beneficial owner of SIA "TAK Capital" is Mr Guntars Kokorevičs.

The second largest Shareholder of the Issuer is Mr Harijs Krongorns, with a total nominal value of 1 400 000 in the Issuer's share capital. Mr Harijs Krongorns is also the Deputy Chairman of the Supervisory Board of the Issuer. The ultimate beneficial owner of the Issuer is Mr Guntars Kokorevičs, exercising the control based on shareholding rights through SIA "TAK Capital". Mr Guntars Kokorevičs is also the Chairman of the Supervisory Board of the Issuer.

Management and employees of the Issuer hold in total 510 850 shares, while 7 447 shares as of the date of the Prospectus are held by the Issuer for distribution in the form of the Employee Shares as described below. Share capital under the share option programme will be increased for the purpose of granting Employee Shares.

The Issuer and the Group ensures that its governance is carried out according to best practice, including the corporate governance recommendations contained in the Corporate Governance Code approved by the Advisory Board for Corporate Governance at the Ministry of Justice of Latvia. The Issuer has a three-tier governance system consisting of the Management Board, Supervisory Board and the Shareholders' Meeting, each with specific duties as outlined by law and the Issuer's Articles of Association.

The Issuer's and the Group's governance model is designed to separate strategic and operative management, ensuring ethical, open, and transparent operations and governance free of a conflict of interest. Management board and supervisory board members of the Group are fully aware of what constitutes a conflict of interest and are informed of the steps to be taken in case of a conflict of interest.

The basic principles to prevent a conflict of interest are set out in the Group's conflict of interest prevention policy.

The basic values of the Group's business conduct and corporate culture are enshrined in the Group's code of conduct. The Group pursues the following principles in its operations and deals at all times: openness, integrity, loyalty, fairness, confidentiality, and professionalism. Corporate governance of the companies belonging to the Issuer is carried out by the management boards of the Group's companies. Members of the management boards are elected by the Shareholders' Meeting or supervisory board, if such exists, of the respective company.

#### ***Employee share incentive scheme (Employee Shares)***

The Issuer has implemented employee share option plan, providing the opportunity for certain Group's employees to become the holders of the Employee Shares in the share capital of the Issuer. The key aim of the share-based options is to increase the employee motivation through the possibility to benefit from the growth in the value of business.

The share-based option programme provides that the Employee Shares are granted free of charge to the share plan participants. The program includes vesting period, which may be different to various categories of employees, however in each case not less than 12 months for tax-incentive purposes. The total amount of Employee shares to be received in the share option conversion, cannot exceed 10% of the Issuer's paid-up share capital, when decision is made about granting share options.

### **10.3 Articles of Association**

According to NACE Code, the key activities of the Issuer are 6421 - activities of holding companies and 7010 - activities of head offices.

The current version of Articles of Association of the Issuer was approved by the Shareholders' Meeting on 19 May 2025 and is available at <https://cleanrgrupa.lv/en/investors/>.

#### ***Shareholders' Meeting***

The Shareholders' Meeting is the highest governing and decision-making body of the Issuer. The competence of the Shareholders' Meeting is set by law. Decisions of the Shareholders can be made only at a duly convened Shareholders' Meeting.

According to Articles of Association, the Shareholders' Meeting has a quorum if Shareholders representing 100% of the Issuer's class "A" Shares participate in it. The Shareholders' Meeting adopts all decisions by unanimous (100%) decision of the Issuer's class "A" Shareholders. In case of necessity, an extraordinary Shareholders' Meeting is convened.

According to Commercial Law, the Shareholders' Meeting, amongst other matters, appoints and recalls Supervisory Board Members and determines their remuneration, approves amendments to the Articles of Association, decides on reorganization matters, on Issuer's share capital matters, decides on profit distribution and appoints an auditor.

#### ***Supervisory Board and Management Board***

According to the Articles of Association the Supervisory Board of the Issuer is composed of three members. The Supervisory Board adopts the decisions at Supervisory Board meetings with the unanimous vote of all Members.

According to the Articles of Association the Management Board of the Issuer is composed of members, from which one member is the Chairman of the Management Board. Each Management Board Member has the right to represent the Issuer together with at least one other Member. For further information on the Supervisory Board and Management Board please refer to Section 9.29.2 "Management Board" and Section 9.3 "Supervisory Board" of this Base Prospectus.

## 11 SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The financial information contained in this Section is extracted from the consolidated audited financial statements of the Group pertaining to the financial years ending on 31 December 2024 and 31 December 2023 prepared in accordance with Accounting Principles (the “**Audited Financial Reports**”), which are incorporated into this Base Prospectus by reference.

The financial information in this Base Prospectus for the 6-month period ended 30 June 2025 has been derived or taken from the unreviewed consolidated interim financial statement of the Group for the 6-month period ended 30 June 2025 prepared in accordance with the Accounting Principles.

The Audited Financial Statements and the unreviewed consolidated interim financial statement of the Group for the 6-month period ended 30 June 2025 are further referred to as “**Financial Information**”.

### 11.1 Consolidated Financial Information of the Group

#### **Consolidated Statement of Comprehensive Income, EUR'000**

The table below sets out selected information from the Group’s consolidated statement of income for years ended 31 December 2023, 2024, and the six-month periods ended 30 June 2025 and 30 June 2024. All amounts are presented in EUR thousand.

	<i>Year ended 31 December</i>		<i>Six-month period ended 30 June</i>	
	<i>Audited</i>		<i>Unaudited</i>	
<i>Item</i>	<i>2023</i>	<i>2024</i>	<i>2024</i>	<i>2025</i>
Revenue	102 023	121 101	55 645	68 551
Cost of sales	(82 214)	(96 878)	(44 756)	(53 598)
<b>Gross profit</b>	<b>19 809</b>	<b>24 223</b>	<b>10 888</b>	<b>14 953</b>
Selling expenses	(2 123)	(2 490)	(1 310)	(1 038)
Administrative expenses	(6 051)	(6 577)	(3 261)	(4 251)
Other operating income	1 762	2 737	1 653	318
Other operating expense	(1 386)	(1 310)	(390)	(334)
Profit from investment in associates	770	213	542	1 167
Profit / (loss) from revaluation of investments	(11)	(43)	-	-
<b>EBIT*</b>	<b>12 770</b>	<b>16 754</b>	<b>8 122</b>	<b>10 814</b>
Interest income and similar expense	187	528	298	152
Interest expenses and similar expenses	(1 781)	(2 006)	(997)	(1 021)
<b>Profit before corporate income tax</b>	<b>11 176</b>	<b>15 276</b>	<b>7 423</b>	<b>9 945</b>
Corporate income tax	(931)	(1 805)	(39)	(693)
<b>Profit and comprehensive income for the reporting year</b>	<b>10 244</b>	<b>13 471</b>	<b>7 384</b>	<b>9 253</b>
Share of profit attributable to non-controlling interests	1 598	1 485	317	995
Share of profit attributable to the shareholders of the Parent company	8 647	11 986	7 067	8 258

\*for calculations of EBIT please refer to section Alternative Performance Measures below.

### Consolidated Statement of Financial Position, EUR'000

The table below sets out selected information from the Group's consolidated statement of financial position for years ended 31 December 2024, 2023, and the six-month period ended 30 June 2024, 2025. All amounts are presented in EUR thousand.

	Year ended 31 December		Six-month period ended 30 June	
	Audited		Unaudited	
Item	2023	2024	2024	2025
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Goodwill	4 895	8 011	4 895	9 045
Intangible assets	4 457	3 687	4 097	3 325
Property, plant and equipment	24 282	28 605	25 879	32 468
Rights of use assets	7 973	10 523	7 760	10 663
Advance payments for property, plant and equipment	1 427	564	1 028	264
Investments in associates	6 129	6 423	6 149	7 555
Other securities and investments	50	-	-	-
Other non-current assets	464	826	501	684
<b>Total non-current assets</b>	<b>49 677</b>	<b>58 639</b>	<b>50 309</b>	<b>64 005</b>
<b>CURRENT ASSETS</b>				
Inventory	2 013	1 846	1 965	1 575
Trade receivables and contract assets	18 067	20 228	17 085	20 829
Other current assets	1 022	1 572	1 387	2 460
Cash and cash equivalents	20 450	22 255	21 829	27 336
<b>Total current assets</b>	<b>41 551</b>	<b>45 901</b>	<b>42 266</b>	<b>52 200</b>
<b>Total assets</b>	<b>91 228</b>	<b>104 540</b>	<b>92 575</b>	<b>116 206</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	346	13 580	346	13 818
Reserves	-	11	11	182
Retained earnings	41 058	35 276	46 734	43 124
<b>Equity attributable to the shareholders of the Parent company</b>	<b>41 404</b>	<b>48 867</b>	<b>47 091</b>	<b>57 124</b>
Non-controlling interest	5 101	4 808	4 797	4 988
<b>Total equity</b>	<b>46 505</b>	<b>53 675</b>	<b>51 888</b>	<b>62 112</b>

<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Issued debt securities	13 753	-	13 812	
Loans from credit institutions and other borrowings	6 030	7 241	6 309	11 706
Deferred tax liabilities	1 322	1 933	525	2 210
Deferred income	1 963	1 360	1 966	1 331
Other non-current liabilities	3 145	2 308	2 559	1 909
<b>Total non-current liabilities</b>	<b>26 212</b>	<b>12 841</b>	<b>25 171</b>	<b>17 156</b>
<b>CURRENT LIABILITIES</b>				
Issued debt securities	-	13 874	-	13 939
Loans from credit institutions and other borrowings	2 052	2 764	1 931	3 954
Trade payables	7 711	6 834	6 167	7 002
Taxes and state mandatory social insurance payments	1 777	2 283	1 932	2 575
Deferred income	666	840	408	626
Unpaid dividends	-	1 945	-	206
Other current liabilities	6 306	9 485	5 078	8 635
<b>Total current liabilities</b>	<b>18 511</b>	<b>38 024</b>	<b>15 516</b>	<b>36 937</b>
<b>Total liabilities</b>	<b>44 723</b>	<b>50 866</b>	<b>40 687</b>	<b>54 093</b>
<b>Total equity and liabilities</b>	<b>91 228</b>	<b>104 540</b>	<b>92 575</b>	<b>116 206</b>

### **Consolidated Statement of Cash Flows, EUR'000**

The table below sets out selected information from the Group's consolidated statement of cash flows for years ended 31 December 2024, 2023, and the six-month period ended 30 June 2024, 2025. All amounts are presented in EUR thousand.

	<i>Year ended 31 December</i>		<i>Six-month period ended 30 June</i>	
	<i>Audited</i>		<i>Unaudited</i>	
<i>Item</i>	<i>2023</i>	<i>2024</i>	<i>2024</i>	<i>2025</i>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit before corporate income tax</b>	<b>11 176</b>	<b>15 276</b>	<b>7 423</b>	<b>9 945</b>
Adjustments for:				
decrease in value of property, plant and equipment and right of use assets	7 112	7 319	3 541	4 431
decrease in value of intangible assets	459	1 490	889	508
(profit)/ loss on disposal of property, plant and equipment	146	(38)	156	(66)
profit from investments in associates	(770)	(507)	(319)	(1 167)
profit from other non-current investments	11	-	11	-



interest and similar income	(187)	(528)	(298)	(152)
interest and similar expense	1 668	1 885	997	1 021
<b>Profit before adjustments of working capital and non-current liabilities</b>	<b>19 614</b>	<b>24 897</b>	<b>12 401</b>	<b>14 521</b>
(increase)/Decrease in receivables	(4 098)	(1 023)	1 832	(945)
Increase in inventory	(431)	189	48	272
(Decrease)/increase in payables	1 582	(28)	(3 606)	(1 123)
<b>Gross cash flow from operating activities</b>	<b>16 667</b>	<b>24 035</b>	10 675	12 725
Corporate income tax payments	(217)	(1 096)	(836)	(416)
<b>Net cash flow from operating activities</b>	<b>16 450</b>	<b>22 939</b>	<b>9 839</b>	<b>12 309</b>
<b>Cash flow from investing activities</b>				
Acquisition of subsidiaries, net of cash	(1 677)	(6 422)	-	(1 896)
Acquisition of property, plant and equipment and intangibles	(8 557)	(6 656)	(3 871)	(1 809)
Proceeds from sales of property, plant and equipment and intangibles	566	875	616	66
Loans issued and repayments			-	(30)
Dividends received	826	818	-	896
Interest received	187	519	281	150
<b>Net cash flow from investing activities</b>	<b>(8 655)</b>	<b>(10 867)</b>	<b>(2 974)</b>	<b>(2 623)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	(52)	(105)	(88)	(11)
Grants and donations received	252	342	149	92
Payments for leased assets	(1 763)	(3 121)	(1 412)	(1 274)
Interest paid	(1 745)	(1 843)	(938)	(956)
Dividends paid	(2 217)	(18 495)	(3 197)	(2 456)
Increase of share capital	-	12 954	-	-
<b>Net cash flow from financing activities</b>	<b>(5 525)</b>	<b>(10 268)</b>	<b>(5 486)</b>	<b>(4 605)</b>
<b>Net cash flow of the reporting year</b>	<b>2 271</b>	<b>1 805</b>	<b>1 379</b>	<b>5 081</b>
<b>Cash and cash equivalents at the beginning of the reporting year</b>	<b>18 179</b>	<b>20 450</b>	<b>20 450</b>	<b>22 255</b>
<b>Cash and cash equivalents at the end of reporting year</b>	<b>20 450</b>	<b>22 255</b>	<b>21 829</b>	<b>27 336</b>

## 11.2 Overview of the Group's financing sources

The Group's goal is to achieve a balanced financing structure to provide the Group with flexibility and support its growth plans.

### The Group's funding structure as of 30 June 2025 (EUR'000)

<i>Funding type</i>	<i>Funding amount</i>	<i>Comment</i>
Total equity	62 112	Share capital, undistributed profits and reserves
Issued debt securities	13 939	Bond issue with face value of EUR 15 million issued in 2022
Loans from credit institutions and other borrowings	15 660	Primarily lease liabilities to finance transportation, heavy machinery, and office premises
Trade payables	7 002	Payables to suppliers
Deferred income	1 957	Co-financing from EU and LIAA for various investment projects
Deferred tax liabilities	4 785	Expected tax liability on dividend distribution
Other liabilities	10 751	Accrued liabilities, unpaid dividends, savings fund of apartment buildings and other liabilities of such nature
<b>Total funding</b>	<b>116 206</b>	

## 11.3 Alternative performance measures (APM)

This Base Prospectus includes certain references to alternative performance measures (APMs) derived from the Group's Financial Information shown in the table below. This information should be viewed as supplemental to the Group's Financial Information. Investors are cautioned not to place undue reliance on this information and should note that the APMs, as calculated by the Group may differ materially from similarly titled measures reported by other companies including the Group's competitors.

The APMs presented in this section are not defined in accordance with IFRS. An APM should not be considered in isolation from or as substitute for any analysis of financial measures defined according to IFRS. The following tables present the selected APMs of the Group for the indicated periods or as of the indicated dates:

### Selected Alternative performance measures (EUR'000)

	<i>Year ended 31 December</i>		<i>Six-month period ended 30 June</i>	
	<i>Audited</i>		<i>Unaudited</i>	
<i>APM's</i>	<i>2023</i>	<i>2024</i>	<i>2024</i>	<i>2025</i>
Gross profit	19 809	24 223	10 888	14 953
Gross margin	19.4%	20.0%	19.6%	21.8%
EBITDA	19 893	25 502	12 128	16 329
EBITDA margin (%)	19.5%	21.1%	21.8%	23.8%
EBIT	12 770	16 754	8 122	10 814
EBIT margin (%)	12.5%	13.8%	14.6%	15.8%
Return on Assets	9.5%	11.5%	12.9%	11.3%

Net Debt	1 385	1 624	223	2 263
Current Ratio (x)	2.2x	1.2x	2.7x	1.4x
Total liabilities to equity ratio (x)	1.0x	0.9x	0.8x	0.9x
Net Cash flows from operating activities	16 450	22 939	9 839	12 309
Net Cash flows from investing activities	(8 655)	(10 867)	(2 974)	(2 623)
Net Cash flows from financing activities	(5 525)	(10 268)	(5 486)	(4 605)
<b>Financial Covenants</b>				
Net Debt Leverage Ratio (x)	0.07x	0.06x	0.01x	0.08x
Equity Ratio (%)	51.0%	51.3%	56.0%	53.5%
Interest Coverage Ratio (x)	11x	13x	12x	16x

## 11.4 Insight in the Group's Financial Standing

### Gross profit and Gross margin

Gross profit is a financial metric that measures a company's profitability by calculating the difference between revenue and the cost of goods sold (COGS) in absolute terms, while gross margin expresses the same difference as a percentage of revenue. Gross margin therefore represents the portion of revenue that exceeds the direct costs of producing goods or providing services.

The Group's gross margin has historically been around 20%. The principal cost items within COGS comprise landfilling expenses, employee salaries and waste collection costs. As of June 2025, the Group reported a gross margin of 21.8%, which is a 2.2 percentage point increase from June 2024. This improvement reflects efficiency gains arising from continuous investments in automation and robotization, as well as employee productivity initiatives.

### EBITDA and EBITDA margin

EBITDA means the net profit of the measurement period:

- increased by any amount of tax on profits, gains or income paid or payable;
- increased by Finance Charges;
- before taking into account any exceptional items which are not in line with the ordinary course of business and any non-cash items (such as e.g., asset revaluation or write-down);
- before taking into account any gains or losses on any foreign exchange gains or losses;
- increased by any depreciation and amortisation or depletion of assets;
- increased by dividends received from associated undertakings as defined in the applicable legislative acts.

Due to its limitations, EBITDA should not be considered in isolation, or as a substitute for financial information as reported under IFRS. Investors should not place undue reliance on this data.

No statement in this Base Prospectus is intended as a profit/EBITDA forecast and no statement in this Base Prospectus should be interpreted to mean that the earnings of the Group for the current or future years would necessarily match or exceed the historical published earnings of the Group.

The table below presents reconciliation of EBIT and EBITDA to the net profit:

	<i>Year ended 31 December</i>		<i>Six-month period ended 30 June</i>	
	<i>Audited</i>		<i>Unaudited</i>	
<i>EUR '000</i>	<i>2023</i>	<i>2024</i>	<i>2024</i>	<i>2025</i>
Net profit	10 245	13 471	7 384	9 253
Add Corporate income tax	931	1 805	39	693
Add Net Finance Charges	1 594	1 478	699	869
<b>EBIT</b>	<b>12 770</b>	<b>16 754</b>	<b>8 122</b>	<b>10 814</b>
Add Interest income and similar income	187	528	298	152
Add Depreciation and impairment of intangible assets	7 115	8 487	4 407	5 374
Add or subtract any exceptional items	(178)	(267)	(699)	(12)
<b>EBITDA</b>	<b>19 893</b>	<b>25 502</b>	<b>12 128</b>	<b>16 329</b>

As a result of the Group's positive revenue development in recent years, EBITDA has demonstrated strong growth. Key drivers of this performance include the organic growth of various business lines and the successful acquisitions of subsidiaries, which have allowed the Group to increase its market share in existing business areas, diversify its revenue streams and benefit from vertical integration and operational synergies.

EBITDA margin, expressed as EBITDA as a percentage of revenue over the Relevant Period, and it characterizes the profitability of the Group's core business operations.

Through continuous investments in automation and robotization, the Group has achieved steady growth in its EBITDA margin. In addition, the Group's sustained focus on acquisitions, having completed more than 8 M&A transactions since 2014, has further contributed to margin expansion. These acquisitions have diversified the Group's revenue base with businesses that inherently operate at profitability levels, such as commercial and industrial waste management or indoor cleaning, thereby enhancing the overall EBITDA margin of the Group.

### **EBIT and EBIT margin**

EBIT is calculated as net profit before finance income, finance expenses and corporate income tax, while EBIT margin is expressed as EBIT as a percentage of revenue of the Relevant Period. Similar to EBITDA, it reflects the profitability of the Group's underlying business without taking into account capital structure or taxes. The use of EBIT is customary in the industry in which the Group operates and provides investors with a better comparability to other companies operating in the same sector.

### **Return on Assets**

Return on Assets (ROA) is calculated by dividing the Group's net profit, adjusted for the share of profit attributable to non-controlling interests for the relevant period, by Total Assets at the beginning of the relevant period. ROA is a profitability measure that indicates how efficiently the company utilizes its assets to generate earnings.

The Group's consistent profitability has contributed to the steady rise of the Return on Assets over the past few years.

### **Net Debt**

Net Debt is calculated as the Group's Financial Indebtedness at the end of the year, less cash and cash equivalents. It is used in calculating the Net Debt Leverage Ratio, which the Group applies to monitor its capital structure.

	Year ended 31 December		Six-month period ended 30 June		
	Audited		Unaudited		
EUR '000	2023	2024	2024	2025	Explanation
Financial Indebtedness	21 834	23 879	22 052	29 599	Total Financial Indebtedness of the Group
<i>Issued debt securities</i>	<i>13 753</i>	<i>13 874</i>	<i>13 812</i>	<i>13 939</i>	<i>Secured debt securities under Existing Bonds, with maturity on 9 December 2025</i>
<i>Loans from credit institutions and other borrowings</i>	<i>8 081</i>	<i>10 005</i>	<i>8 240</i>	<i>15 660</i>	<i>Lease financing for transportation, heavy machinery, and office premises; bank loans and other borrowings</i>
Subtract Cash and Cash equivalents	20 450	22 255	21 829	27 336	
<b>Net Debt</b>	<b>1 385</b>	<b>1 624</b>	<b>223</b>	<b>2 263</b>	

The Group maintains a relatively low level of Net Debt, reflecting its ability to finance a substantial share of operations from retained earnings, supported by a strong cash position. The Financial Indebtedness of the Group primarily consists of Existing Bonds and lease liabilities, which account for almost the entire amount of the "Loans from credit institutions and other borrowings". Lease liabilities are mainly used to finance the acquisition of fixed assets of the Group, including transportation and heavy machinery, and office premises. In addition, an immaterial amount of bank financing is recognized under "Loans from credit institutions and other borrowings" in the amount of EUR 59 thousand as of 2024.

Over the last 3 years, the Group's Net Debt has increased largely in line with the expansion of its operations. Higher output has required additional equipment, transportation and heavy machinery, which is reflected in the increase of Net Debt in absolute terms.

### Current Ratio

Current Ratio is calculated by dividing the Group's current assets by its current liabilities. Current Ratio is a liquidity measure that indicates the Group's ability to meet its short-term obligations.

Historically, the Group's liquidity has been strong, with a Current Ratio above 2, indicating high capacity to meet short-term liabilities, primarily supported by a substantial cash reserve. In 2024 and June 2025, however, the ratio has been significantly affected by the approaching maturities for its Existing Bonds. As the Existing Bonds, which previously comprised a substantial portion of long-term liabilities, were reclassified as short-term liabilities, this had a material impact on the ratio. Nonetheless, the Current Ratio has remained above the threshold level of 1, indicating healthy liquidity position.

### Total liabilities to equity ratio

Total liabilities to equity ratio is calculated by dividing total liabilities by total equity. This ratio is a measure of financial leverage and indicates the extent to which the company is financing its operations through liabilities versus equity.

The Group's total liabilities to equity ratio has remained relatively stable and at a healthy level of around 1, reflecting a robust capital structure and capacity to finance its operations with equity and debt.

## **Net Cash Flows from operating activities**

Net Cash Flow from operating activities represents the net cash generated from the Group's principal revenue-generating activities. It is a key indicator of the Group's ability to generate cash to sustain operations and meet short-term obligations.

The Group has consistently displayed its capacity for generating cash from their core activities, with the operating cash flow continuously expanding in the recent years and exceeding the sum of investing and financing cash flows, underscoring the resilience of the Group's business model.

## **Net Cash Flows from investing activities**

Net Cash Flow from investing activities reflects cash used or generated through investments in long-term assets and other investments, including purchases or sales of property, plant and equipment (PPE), acquisitions, and divestitures. It shows how the extent of the Group's investments to support.

A portion of the Group's revenue growth and robust profitability is attributed to the continuous investments in heavy machinery, transportation equipment and other fixed assets. In the first half of 2025, the Group invested in the renewal of its fleet both in the waste management and street and road maintenance segments. In addition, the Group invested in waste container infrastructure, including the renewal of traditional containers, construction of underground container areas, and development of textile container infrastructure. The Group also continued to acquire specialized equipment units to further increase operational efficiency.

## **Net Cash Flows from financing activities**

Net Cash Flow from financing activities represents cash inflows and outflows related to the Group's capital structure, including borrowings, debt repayments, dividend payments, and equity issuances. It reflects how the Group funds its operations and growth.

In December 2024, the Group finalized a share capital increase in the amount of EUR 13.2 million, in line with its strategic decision to broaden the scope of provided services and expand operations across regions of Latvia. Apart from this one-off event, the financing cash flows of the Group are primarily driven by the steady growth in payments for leased assets in proportion to the growth of its operations. In addition, the Group has a personnel option scheme, established in 2024. In May 2025, the Group increased its share capital by issuing new shares to participants of the company's employee stock option plan, thereby expanding the Group's shareholder base to include senior executives enrolled in the program.

Other than mentioned above, please note that there have been no material changes in the Issuer's borrowing and funding structure since the last financial year.

### **11.5 Financial Covenants**

#### **Net Debt Leverage Ratio**

Net Debt Leverage Ratio is defined as Net Debt, according to the most recent Financial Report, divided by (i) EBITDA; or (ii) if the Group has performed an Acquisition over the Relevant Period, the Pro-Forma EBITDA over the Relevant Period.

This ratio is a measure of financial leverage and the Group's ability to repay its debt. It effectively indicates the number of years of operations required to repay all Financial Indebtedness, assuming constant earnings.

Given the Group's strong financial position and substantial cash reserves, its Net Debt Leverage Ratio has been close to zero over the last few years.

#### **Equity Ratio**

Equity Ratio is calculated by dividing the Total Equity of the Group by its total assets, based on the most recent Financial Report. It is a measure of capital structure that indicates the proportion of the Group's assets financed through equity rather than liabilities. A higher Equity Ratio reflects stronger financial independence and lower reliance on debt financing.

The Group's capital structure is dominated by equity financing, supported by years of profitable operations and shareholders' decisions to reinvest the majority of earnings into the business. As a result, the Equity Ratio has been consistently growing over the years and has been above the 50% mark since 2023.

## **Interest Coverage Ratio**

Interest Coverage Ratio is calculated as (i) the ratio of EBITDA to Finance Charges for the Relevant Period; or (ii) if the Group has performed an Acquisition in the Relevant Period, the Pro-Forma EBITDA divided by Pro-Forma Finance Charges over the Relevant Period. It is a measure of the company's ability to meet its interest obligations from operating earnings, effectively giving an indication as to how many years of Finance Charges payable can be covered with operational profits from a year of operations.

Reflecting the strong profitability of the Group and its conservative capital structure, the Interest Coverage Ratio has been above the double-digit level for the past three years, underscoring the Group's strong capacity to meet its interest obligations.

## **12 GENERAL TERMS AND CONDITIONS OF THE BONDS**

This Section (the "**General Terms and Conditions**") provides an overview of general terms and conditions of the Bonds, which together with the applicable Final Terms, constitute the terms and conditions of each Tranche. The General Terms and Conditions included in this Section shall apply to each Tranche. Specific terms and conditions specified in the applicable Final Terms may be different in respect of each individual Tranche. To identify each Series, the Final Terms shall stipulate a serial number of the respective Series.

The Shareholders' Meeting held on October 20, 2025 and the Supervisory Board meeting held on October 16, 2025, authorised the issuance, public offering and listing of the Bonds, and authorised the Management Board to approve the General Terms and Conditions, the Base Prospectus, the Final Terms and any of the documents thereto, as well as any amendments and supplements thereof.

Each Final Terms issued in respect of each issue of Bonds shall be approved by a separate resolution of the Management Board.

### **12.1 Type and class of the Bonds**

The Bonds are freely transferable unsecured bonds denominated in euro with the Nominal Value set forth in the Final Terms of the respective Tranche. The Bonds represent unsecured debt obligation of the Issuer towards the Bondholder.

### **12.2 Currency and Nominal Value**

The Bonds will be issued in euro (EUR). The Nominal Value (face value) of each Bond shall be specified in the Final Terms.

### **12.3 Form and Registration**

The Bonds are dematerialized debt securities in a bearer form and registered with Nasdaq CSD in a book-entry form with the securities settlement system governed by Latvian law.

Each Series will be assigned a separate ISIN (International Security Identification Number) code. Each Series may comprise one or more Tranches of the Bonds. The Bonds of each Tranche within the same Series will all be subject to identical terms, except that the Issue Dates and Issue Prices may differ. Investors may hold the Bonds through Nasdaq CSD participants participating in the Latvian SSS. Before commencement of the Offering of the new Series, Nasdaq CSD, upon request of the Issuer, will assign to the respective Series an ISIN code. The ISIN code of the respective Tranche will be specified in the Final Terms.

### **12.4 Status of the Bonds**

The Bonds constitute direct, general, unconditional and unsecured obligations of the Issuer and rank *pari passu* without preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be mandatorily preferred by applicable law. In the event of insolvency or liquidation of the Issuer, the Bondholders shall be entitled to participate in distributions on the same basis as other unsecured and unsubordinated creditors of the Issuer, in accordance with the priorities established under Latvian insolvency law and other relevant legislation. There are no contractual arrangements or intercreditor agreements in place that would result in the subordination of the Bonds to any other unsecured obligations.

The Bonds have not been rated by any credit rating agencies.

## 12.5 Applicable Law and Dispute Resolution

Each Issue of the Bonds shall be governed by the laws of Latvia.

Any disputes relating to or arising from the Issue will be settled solely by the courts of the Republic of Latvia of competent jurisdiction. Claims arising from the Bonds shall expire in accordance with the statutory terms of Latvian law.

## 12.6 Delivery and Transferability

The Issuer organises the registration of the Bonds in the Nasdaq CSD and their deletion from Nasdaq CSD upon their redemption. Only persons who have securities accounts (whether directly or via a nominee structure) with Nasdaq CSD can subscribe for or purchase the Bonds.

There are no restrictions on the transfer of the Bonds as they are described in the applicable Latvian law. However, any Bondholder wishing to transfer the Bonds must ensure that any offering related to such transfer would not be qualified as an offering requiring the publication of a prospectus in the meaning of the applicable law. Ensuring that any offering of the Bonds does not require publication of a prospectus under the applicable law is the obligation and liability of the Bondholder.

The Bonds can be transferred from one securities account to another by the registrar of Nasdaq CSD by way of debiting the first securities account and crediting the other securities account in the amount of the corresponding number of securities. Ownership of a Bond is deemed to have changed in respect of the Issuer as from the moment a relevant entry is made in Nasdaq CSD, i.e., when a Bond is transferred to the securities account of the respective Bondholder.

## 12.7 Rights and restrictions connected with the Bonds issue

- 12.7.1 Any Bondholder has the right to receive Interest and Nominal Value payments in accordance with the Clause 12.8 "Interest", Clause 12.10 "Maturity" of these General Terms and Final Terms of the respective Tranche, as well as exercise other rights fixed in these General Terms and Conditions and applicable laws of the Republic of Latvia.
- 12.7.2 The Issuer has the right to purchase the Bonds on the secondary market directly from the Bondholders. The Bonds that are purchased by the Issuer are held in Issuer's financial instruments' custody account and the Issuer has the right to sell the purchased Bonds to potential Investors and other Bondholders. The Issuer cannot cancel the purchased Bonds held in the Issuer's financial instruments' custody account, therefore decreasing the size of the Bonds issue.
- 12.7.3 The Bonds owned by the Issuer and/or its Related Parties are not eligible to participate in the voting in accordance with these General Terms and Conditions.

## 12.8 Interest

- 12.8.1 The Bonds shall bear annual interest rate (the "**Interest**") which shall be determined by the Issuer and specified in the Final Terms.
- 12.8.2 The Interest shall be paid on the dates specified in the Final Terms (the "**Interest Payment Date**") until the Maturity Date.
- 12.8.3 Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Bonds outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Maturity Date.
- 12.8.4 Interest shall be calculated on 30E/360 basis. The interest payment shall be determined according to the following formula:  
$$CPN = F * C * n/360$$
 where:  
CPN – amount of an interest in EUR;  
F – principal amount of Bonds outstanding;  
C – annual interest rate payable on the Bonds;  
n – number of days since the Issue Date or the last Interest Payment Date (as applicable) calculated on 30-day month basis.
- 12.8.5 Interest on the Bonds shall be paid through the Nasdaq CSD in accordance with the applicable rules of the Nasdaq CSD. The Bondholders list eligible to receive the interest on



the Bonds will be fixed at the end of the 5<sup>th</sup> (fifth) Business Day immediately preceding the Interest Payment Date.

- 12.8.6 Should any Interest Payment Date fall on a date which is not a Business Day, the payment of the interest due will be postponed to the next Business Day. The postponement of the payment date shall not have an impact on the amount payable.

## **12.9 Early Redemption at the option of the Issuer (call option)**

- 12.9.1 The Issuer may, subject to the conditions specified in the applicable Final Terms, redeem all (but not only part) of the Bonds prior to their Maturity Date at the redemption price (including any applicable premium) and together with accrued but unpaid interest as set out in the relevant Final Terms.:
- 12.9.2 Each Final Terms shall specify exact dates when the Issuer can exercise the early redemption (call option).
- 12.9.3 The Issuer can carry out call option in full amount of total outstanding Bonds under respective Series. The Issuer can exercise the full early redemption (call option) of the Bonds only on the Interest Payment Date.
- 12.9.4 Beginning 6 (six) months prior to the Maturity Date of the respective Series, the Issuer may exercise the early redemption (call option) of the Bonds at any time until the Maturity Date, subject to the Bondholder notification requirements outlined in Clause 12.9.5.
- 12.9.5 If the Issuer takes a decision on full or partial early redemption of the Bonds, the Issuer shall notify the Bondholders at least 20 (twenty) Business Days prior to the redemption date of the Bonds of the respective Series by publishing information on the website <https://cleanrgrupa.lv/en/investors/> and Nasdaq Riga information system. The Issuer shall also notify the Trustee of such early redemption by email without undue delay and in any case no later than simultaneously with such publication.
- 12.9.6 If the Issuer redeems the Bonds, the Issuer will pay the redemption payment in accordance with Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. The Nasdaq CSD regulations applicable on the day of preparation of these General Terms and Conditions are the Nasdaq CSD Rulebook and Corporate Action Service Description. The list of the Bondholders eligible to receive the redemption payment will be fixed at the end of the previous Business Day before the redemption payment date.

## **12.10 Early redemption at the option of Investors upon Change of Control (put option)**

- 12.10.1 In the event a Change of Control has occurred or is anticipated to occur, the Issuer has the obligation (in case of anticipated Change of Control – a right) to notify the Investors by publishing a relevant notice with sufficient details on its website <https://cleanrgrupa.lv/en/investors/> and via the Nasdaq Riga information system no later than 20 (twenty) Business Days after a Change of Control has occurred and at any time before the anticipated occurrence of a Change of Control ("Change of Control Put Notice"). The Issuer shall also notify the Trustee of the Change of Control and provide the Change of Control Put Notice by email without undue delay and in any case no later than simultaneously with such publication.
- 12.10.2 The Change of Control Put Notice shall include:
- 12.10.2.1 statement that a Change of Control has occurred or is anticipated to occur and that each Investor within a period of 10 (ten) Business Days has the right to require the Issuer to redeem all of such Investor's Bonds at a price equal to 100% (one hundred per cent) of Nominal Value together with Interest accrued to (but excluding) the respective redemption date ("Change of Control Put Date");
- 12.10.2.2 the Change of Control Put Date, which shall be not earlier than 10 (ten) Business Days and not later than 20 (twenty) Business Days from the date such notice is delivered to the Investors; however, if the notice is delivered before the occurrence of Change of Control, the Issuer may state that the redemption date on the Bonds is conditional upon on the occurrence of a Change of Control, in which case the Bonds will be redeemed not later than 20 (twenty) Business Days following the occurrence of Change of Control;
- 12.10.2.3 the record date;

- 12.10.2.4 that any Bond redeemed will cease to accrue interest after redemption, and any Bonds not redeemed will continue to accrue interest;
  - 12.10.2.5 description of the circumstances and relevant facts regarding the transaction or transactions that constitute a Change of Control; and
  - 12.10.2.6 a form of notice of exercise and a description of the procedures determined by the Issuer in cooperation with the Trustee that the Investor must follow to have its Bonds redeemed.
- 12.10.3 To exercise the Change of Control Put Option, the Investor must within a period of 10 (ten) Business Days after the date of publication of the Change of Control Put Notice submit to the Trustee a duly signed and completed notice of exercise in the form provided by the Issuer. The completed form shall be submitted to the Trustee by the Investor directly (physically signed form delivered by post or courier or electronically signed delivered by e-mail) or indirectly via the Investor's custodian, following the procedure described in the Change of Control Put Notice. The Trustee shall forward all the notices of exercise received during the designated time period to the Issuer within the next Business Day following the last day of the designated time period. If no notice of exercise has been received within the designated time period, it shall be considered that the Investor will not exercise its put option. No option so exercised may be withdrawn without the prior consent of the Issuer.
- 12.10.4 The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bonds on the Change of Control Put Date unless previously redeemed (or purchased and cancelled) in accordance with applicable regulations of the Nasdaq CSD. A Change of Control Put Exercise Notice, once given, shall be irrevocable without the prior consent of the Issuer.
- 12.10.5 If 75% (seventy-five per cent) or more in Nominal Value of the Bonds then outstanding have been redeemed pursuant to this Section, the Issuer may, on not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Investors given within 30 (thirty) days after the Change of Control Put Date, redeem on a date to be specified in such notice at its option, all (but not only some) of the remaining Bonds at 100% (one hundred per cent) of the Nominal Value plus accrued and unpaid Interest.

#### **12.11 Early redemption at the option of Investors upon de-listing or listing failure (put option)**

- 12.11.1 In case a De-listing Event or Listing Failure the Issuer has the obligation to notify the Bondholders by publishing a relevant notice with sufficient details on its website <https://cleanrgrupa.lv/en/investors/> no later than 20 (twenty) Business Days after a De-listing Event or Listing Failure has occurred. The Issuer shall also notify the Trustee of the De-listing Event or Listing Failure and provide the relevant notice by email without undue delay and in any case no later than simultaneously with such publication.
- 12.11.2 The notice shall include the following information:
- 12.11.2.1 that a De-listing Event or Listing Failure of the respective Series has occurred, and that each Investor within a period of 10 (ten) Business Days has the right to require the Issuer to redeem all of such Investor's Bonds at a price equal to 100% (one hundred per cent) of the Nominal Value plus accrued and unpaid Interest;
  - 12.11.2.2 the redemption date, which shall be not earlier than 10 (ten) Business Days and not later than 20 (twenty) Business Days from the date such notice is delivered to the Investors of the respective Series;
  - 12.11.2.3 the record date;
  - 12.11.2.4 statement that any Bond of the respective Series redeemed will cease to accrue interest after redemption and any Bond of the respective Tranche not redeemed will continue to accrue interest;
  - 12.11.2.5 description of the circumstances and relevant facts regarding occurrence of a De-listing Event or Listing Failure of the respective Series; and
  - 12.11.2.6 a form of notice of exercise and a description of the procedures determined by the Issuer in cooperation with the Trustee that the Investor must follow to have its Bonds redeemed.
- 12.11.3 To exercise the De-listing Event or Listing Failure of the respective Series put option, the Investor must within a period of 10 (ten) Business Days after the date of publication of the

Issuer's notice submit to the Trustee a duly signed and completed notice of exercise put option in the form provided by the Issuer. The completed form shall be submitted to the Trustee by the Investor directly (a physically signed form delivered by post or courier or electronically signed delivered by e-mail) or indirectly via the Investor's custodian. The Trustee shall forward all the notices of exercise received during the designated time period to the Issuer within the next Business Day following the last day of the designated time period. If no notice of exercise from the Investor has been received within the designated time period, it shall be considered that the Investor will not execute its put option. No option so exercised may be withdrawn without a prior consent of the Issuer.

- 12.11.4 The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bonds on the Change of Control Put Date unless previously redeemed (or purchased and cancelled) in accordance with applicable regulations of the Nasdaq CSD. A Change of Control Put Exercise Notice, once given, shall be irrevocable without the prior consent of the Issuer.
- 12.11.5 If 75% (seventy-five per cent) or more in Nominal Value of the Bonds of the respective Series then outstanding have been redeemed pursuant to this Section, the Issuer may, on not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Investors given within 30 (thirty) days after the redemption of the Bonds of the respective Series pursuant to this Section, redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Bonds of the respective Series at 100% (one hundred per cent) of the Nominal Value plus accrued and unpaid Interest.

## 12.12 Maturity

- 12.12.1 Each Series of the Bonds shall have a maturity up to 5 (five) years starting from the Issue Date. The Bonds shall be repaid in full at their Nominal Value on the maturity date, which will be specified in the Final Terms (the "**Maturity Date**"), or on the early redemption date.
- 12.12.2 The Issuer will pay the Nominal Value in accordance with Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. The Nasdaq CSD regulations applicable on the day of preparation of the Base Prospectus are Nasdaq CSD Rulebook and Corporate Action Service Description. The Nominal Value will be paid on the Maturity Date. The list of the Bondholders eligible to receive the Nominal Value will be fixed at the end of the previous Business Day before Maturity Date.
- 12.12.3 If the Maturity Date of the Bonds is not a Business Day, the Issuer will pay the Nominal Value of the Bonds on the next Business Day after the Maturity Date.
- 12.12.4 If the Issuer has failed to make Nominal Value payment in accordance with the deadlines specified in the General Terms and Conditions, the Bondholders shall have the right to submit claims regarding the repayment of the Nominal Value not earlier than after 10 (ten) Business Days following the Maturity Date.

## 12.13 Representations and Warranties of the Issuer

The Issuer represents and warrants to the Bondholders and the Trustee that at the Issue Date and for as long as any Bonds are outstanding:

- (a) the Issuer is a duly registered joint stock company (in Latvian: *akciju sabiedrība*) operating in compliance with the laws of Latvia;
- (b) all the Issuer's obligations assumed under this Base Prospectus are valid and legally binding to the Issuer and performance of these obligations is not contrary to the Issuer's Articles of Association, laws or any agreement concluded by the Issuer;
- (c) the Issuer has all the rights and sufficient authorisations to issue the Bonds, and fulfil obligations arising from issuing the Bonds, and the Issuer has performed all the formalities required for issuing the Bonds;
- (d) all information that is provided by the Issuer to the Bondholders and the Trustee is true, accurate, complete and correct as of the date of presenting the respective information and is not misleading in any material respect;
- (e) the Issuer is solvent, able to pay its debts as they fall due, there are no liquidation, compulsory execution, reorganization (except for any sale, disposal, merger, demerger, amalgamation, reorganization or restructuring between the Subsidiaries within the Group), or bankruptcy proceedings pending or initiated against the Issuer;
- (f) there are no court or arbitration proceedings pending or initiated against the Issuer where an unfavourable decision would, according to reasonable assessment of the Issuer, have a material adverse impact on the economic condition of the Issuer.

## 12.14 Financial Covenants

- 12.14.1 From the Issue Date of the Bonds to the date of repayment thereof, the Issuer and the Group undertakes to comply with the following financial covenants:
- (a) to maintain consolidated Interest Coverage Ratio of at least 3 (three) times, calculated for the Relevant Period at the end of each quarter;
  - (b) to maintain Equity Ratio of at least 30% (thirty per cent), calculated at the end of each quarter;
  - (c) to maintain Net Debt Leverage Ratio of maximum 3.5x (three point five times), calculated for the Relevant Period the end of each quarter.
- 12.14.2 Financial covenants set forth in Clauses (a) to (c) above shall be tested at the end of each quarter and proof of compliance with these covenants shall be included in every Financial Report of the Group.
- 12.14.3 The Issuer may in its sole discretion choose to calculate the financial covenants under Clauses (a) to (c) in accordance with the Accounting Principles.

## 12.15 General Covenants

From the Issue Date of the Bonds and as long as any Bond is outstanding, the Issuer and the Group shall undertake the following:

- 12.15.1 **Dividend restrictions:** not to pay dividends or make other distribution of profits to its shareholders except Permitted Distribution;
- 12.15.2 **No change of business:** not make substantial change to the general nature of the business of the Issuer, including but not limited to the commencement of any new business not being ancillary or incidental to the original business;
- 12.15.3 **No liquidation:** not to initiate or allow initiation of the Issuer's liquidation or similar proceedings and not the reduce the share capital of the Issuer;
- 12.15.4 **No transfer of intellectual property:** 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 that the Issuer and its Subsidiaries may transfer or grant such rights on an Intra-Group basis;
- 12.15.5 **Related party transactions:** to conduct any transaction with a Related Party on an arm's length basis and on terms no less favourable than would apply in a comparable transaction with an unrelated third party;
- 12.15.6 **Shareholder loan subordination:** all future loans received from the Issuer's shareholders must be subordinated to the Bonds;
- 12.15.7 **Financial reporting:** to publish consolidated annual reports for the Group prepared according to the Accounting Principles within 4 (four) months for each consecutive Financial Year. The Issuer shall also send all published reports to the Trustee by email without undue delay after such publication;
- 12.15.8 **Quarterly reporting and covenant compliance:** 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 12.14.1 (Financial Covenants) of these General Terms and Conditions. The Issuer shall also send all published reports to the Trustee by email without undue delay after such publication;
- 12.15.9 **Use of proceeds:** to ensure that the funds that are raised as a result of the Bonds issue are used only in accordance with Section 6 ("Reason for Offer and Use of Proceeds");
- 12.15.10 **Listing:** the Bonds are admitted to trading on Nasdaq Riga within 3 (three) months from the Issue Date of the first Tranche of the Series and as soon as reasonably possible for any further Tranche of the same Series;
- 12.15.11 **Auditor:** the Group shall ensure that its statutory auditor is at all times one of the Auditors;
- 12.15.12 **Compliance certification:** to include a Compliance Certificate within each Financial Report and to deliver such Financial Report (including the Compliance Certificate) to the Trustee at the same time as it is published on the Issuer's website;

- 12.15.13 **Negative pledge:** not to create, and to procure that none of the Subsidiaries (current or future) shall create, any mortgage, charge, pledge, lien or other security interest over any of their assets to secure (i) any other notes, bonds or other similar debt securities, or (ii) any obligations owed to a creditor other than a financial institution, save for guarantees granted in the ordinary course of business or if granting of such security is required by law.

## 12.16 Covenant Cure

- 12.16.1 The Issuer and Shareholders of the Issuer may cure or prevent a breach of the financial covenants in Clause 12.14.1 (and any Event of Default arising a result therefrom) if, prior to or within 90 (ninety) calendar days of the earlier of (i) the date on which the relevant Financial Report is to be published pursuant to these General Terms and Conditions and (ii) the date that such Financial Report was in fact published pursuant to the General Terms and Conditions for any Relevant Period in which such failure to comply was (or would have been) first evidenced ("**Breach Period**"), the Group received the cash proceeds of new shareholder injections from the shareholders of the Group (the "**Equity Cure**"), in an amount at least sufficient to ensure the financial covenants set forth under Clause 12.14.1 would be complied with if tested again as at the last date of the Breach Period.
- 12.16.2 Any new equity and/or Subordinated Debt provided in respect of such Breach Period shall be deemed to have been provided during the Breach Period (without double counting) in all relevant covenant calculations until the date it was deemed provided falls outside any subsequent Relevant Period.
- 12.16.3 If after the adjustment the requirement of the relevant financial covenant is met, then the requirement thereof shall be deemed to have been satisfied as at the relevant original date of determination of any default, Event of Default, occasioned thereby shall be deemed to have been remedied for the purposes of these General Terms and Conditions.

## 12.17 Events of Default

- 12.17.1 If an Event of Default has occurred and is continuing, the Investors representing at least 10% (ten per cent) of the total Nominal Value of the outstanding Bonds may, by written notice to the Issuer and the Trustee, declare the Bonds and accrued Interest to be prematurely due and payable (declare the occurrence of Event of Default).
- 12.17.2 If the Issuer confirms that an Event of Default in accordance with this Section has occurred or does not provide any information within 20 (twenty) Business Days from receipt of the written notice of the Investors, then the Issuer shall pay the Nominal Value of the Bonds along with the accrued Interest, within 10 (ten) Business Days from the occurrence of any of the aforementioned events, i.e. confirmation or non-response.
- 12.17.3 If the Issuer, within 20 Business Days from receipt of the written notice of the Investors objects the declaration of the Event of Default, the Trustee shall, within 20 Business Days from receipt of the objection by the Issuer, determine whether an Event of Default exists. If the Trustee, acting reasonably, requires more than 20 Business Days to determine whether and Event of Default exists, the Trustee shall send information regarding the time necessary for the decision and its' justification to the Issuer, which shall publish information according to Clause 12.21.. If the Trustee determines that the Event of Default has occurred and is continuing, the Trustee shall declare the Bonds and accrued Interest to be prematurely due and payable within 10 (ten) Business Days from the declaration by the Trustee. If the Trustee determines that no Event of Default exists or is continuing, the Trustee shall notify the Issuer of such determination, and it shall be considered that no Event of Default has occurred.
- 12.17.4 The Issuer shall publish information regarding the Investors representing at least 10% (ten per cent) of the principal amount of the outstanding Bonds declaring the occurrence of Event of Default and confirmation or denial of occurrence of Event of Default, as well as the determination of the Trustee as described in Section **Error! Reference source not found.** (if applicable) on its website <https://cleanrgrupa.lv/en/investors/> and on Nasdaq Riga information system (after the Bonds are listed and admitted to trading on Nasdaq Riga).
- 12.17.5 Each of the following events shall constitute an event of default (an "**Event of Default**"): (a) **Non-Payment:** Any amount of Interest on principal of the Bonds has not been paid within 10 (ten) Business Days from the relevant due date; (b) **Breach of Covenants:** The Issuer or the Group has violated the conditions of the Clause 12.14.1 "Financial Covenants" and has failed to remedy such violation as

according to Clause 12.1612.16 "Covenant Cure", or the Issuer does not perform or comply with any one or more of its other obligations set out in Clause 12.1512.15 "General Covenants", and the Issuer fails to remedy such a breach within 30 (thirty) calendar days from the date of the breach, unless such a default is incapable of being remedied;

- (c) **Breach of Other Obligations:** The Issuer does not comply with the General Terms and Conditions in any other way than as set out under item (a) Non-Payment; and (b) Breach of Covenants above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within 20 (twenty) Business Days after the Issuer becoming aware of the non-compliance;
- (d) **Cross Default:** If for the Issuer:
  - i. any Financial Indebtedness is neither paid when due nor within any applicable grace period;
  - ii. any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity, as a result of an event of default (however described);
  - iii. any commitment for any Financial Indebtedness is cancelled or suspended by a creditor, as a result of an event of default (however described);
  - iv. any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity, as a result of an event of default (however described); or
  - v. any security securing Financial Indebtedness over any asset is enforced by secured creditor.

Provided, however, the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (v) above exceeds a total of EUR 2 000 000 (two million euros or the equivalent thereof in any other currency); provided it does not apply to any Financial Indebtedness owed to a Subsidiary of the Group or Related Parties, or Subordinated Debt and other than proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 90 calendar days of commencement or, if earlier.

- (e) **Insolvency:** If the Issuer:
  - i. is declared insolvent or bankrupt by a court of competent jurisdictions or admits inability to pay its debts in case of lawful claims save for claims by Related Parties or claims within Group;
  - ii. an application to initiate insolvency or legal protection proceedings or similar proceedings of the Issuer or any other proceedings for the settlement of the debt of the Issuer is submitted to any court in any jurisdiction by the Issuer.

Other than: (a) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 90 (ninety) calendar days of commencement or, if earlier, the date on which it is advertised; and (b), in relation to the Issuer, solvent liquidations) in relation to: (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of the Issuer; (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Issuer or any of its assets; or (c) any analogous procedure or step is taken in any jurisdiction in respect of the Issuer.

## **12.18 Application from the proceeds from enforcement of the Bonds**

All payments by the Issuer relating to the Bonds following an Event of Default in accordance with Section 12.17 shall be distributed in the following order of priority:

- (a) **first**, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Trustee, (ii) other costs, expenses and indemnities relating to the Event of Default or the protection of the Investors' rights as may have been incurred by the Trustee, (iii) any non-reimbursed costs incurred by the Trustee for external experts, and (iv) any costs and expenses incurred by the Trustee that have not been reimbursed by the Issuer in relation to a Bondholders' Meeting or Procedure in Writing;
- (b) **secondly**, in or towards payment pro rata of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);

- (c) **thirdly**, in or towards payment pro rata of any unpaid principal under the Bonds; and
- (d) **fourthly**, in or towards payment pro rata of any other costs or outstanding amounts unpaid under these General Terms and Conditions.

### **12.19 Force Majeure**

The Issuer shall be entitled to postpone the fulfilment of its obligations hereunder, in case the performance is not possible due to continuous existence of any of the following circumstances:

- (a) action of any authorities, war, rebellion or civil unrest;
- (b) disturbances in postal, telephone or electronic communications which are due to circumstances beyond the reasonable control of the Issuer and that materially affect operations of the Issuer;
- (c) any interruption of or delay in any functions or measures of the Issuer as a result of fire or other similar disaster;
- (d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer; or
- (e) any other similar force majeure or hindrance which makes it unreasonably difficult to carry on the activities of the Issuer.

In such case the fulfilment of the obligations may be postponed for the period of the existence of the respective circumstances and shall be resumed immediately after such circumstances cease to exist, provided that the Issuer shall put all best efforts to limit the effect of the above referred circumstances and to resume the fulfilment of its obligations as soon as possible.

### **12.20 Further Issues**

The Issuer may, from time to time and without the consent of the Bondholders, create and issue further Bonds under the Programme during the validity term of this Base Prospectus, provided that the aggregate total amount of outstanding Bonds under the Programme at any time does not exceed EUR 50 000 000 and Issuer has complied with Financial Covenants under this Base Prospectus and Final Terms.

### **12.21 Notices**

- 12.21.1 For so long as the Bonds are not admitted to trading on Nasdaq Riga, all notices and reports to the Bondholders shall be published on the website of the Issuer (<https://cleanrgrupa.lv/en/investors/>). Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.
- 12.21.2 As of the day when the Bonds are admitted to trading on Nasdaq Riga, all notices and reports to the Bondholders shall be published on Nasdaq Riga information system, as well as on the website of the Issuer (<https://cleanrgrupa.lv/en/investors/>). Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.
- 12.21.3 Any notice or other communication to be made under or in connection with the Bonds:
  - 12.21.3.1 if to the Trustee, shall be given at the address specified on its website <https://www.cscglobal.com/service/about/csc-office-locations/sweden/> on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Trustee, initially: [trustee@intertrustgroup.com](mailto:trustee@intertrustgroup.com);
  - 12.21.3.2 if to the Issuer, shall be given at the address registered with the Latvian commercial register on the Business Day prior to dispatch or, if sent by email by the Trustee, to the email address notified by the Issuer to the Trustee from time to time.

### **12.22 Representation of the Bondholders**

Trustee is appointed to act on behalf of the Bondholders in accordance with these General Terms and Conditions and the Trustee Agreement. The Trustee will exercise certain rights and powers in its discretion or upon instruction by the Majority Bondholders, subject to indemnification as set out therein. Individual enforcement rights are limited and may be exercised by Bondholders only in specific circumstances.

Bondholders may, at their own expense, appoint separate representatives to protect their interests, provided such appointments do not conflict with the role or powers of the Trustee.

## **12.23 Bondholders' meetings and decisions**

### ***General provisions***

- 12.23.1 Decisions of the Bondholders under these General Terms and Conditions may be taken either at a Bondholders' Meeting or by way of a Procedure in Writing, as determined by the Trustee in consultation with the Issuer. Where the Issuer seeks a waiver or other consent from the Bondholders, it shall notify the Trustee accordingly, and the Trustee shall decide whether the matter is to be resolved at a Bondholders' Meeting or through a Procedure in Writing. Within three (3) Business Days of such notification, the Trustee shall instruct the Issuer to notify the Bondholders by way of a relevant announcement published on the Issuer's website and through the Nasdaq Riga information system (or, if applicable, any other regulated market on which the Bonds are admitted to trading). Trustee shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Procedure in Writing unless and to the extent it contains information provided by the Trustee.
- 12.23.2 The decisions of the Bondholders (including decisions on amendments of this Base Prospectus, these General Terms and Conditions) shall be passed at the Bondholders' Meeting or in Procedure in Writing at the choice of the Trustee. However, the Issuer after coordinating with the Trustee shall have a right to amend and clarify any manifest errors or other inconsistencies without the decision of the Bondholders, if such amendments are not prejudicial to the interests of the Bondholders.
- 12.23.3 The Trustee shall have a right to convene the Bondholders' Meeting or instigate a Procedure in Writing at any time and shall do so following a written request from the Issuer or the Bondholders who, on the day of the request, represent not less than one-tenth of the principal amount of the Bonds outstanding or the principal amount of the Bonds of the respective Series outstanding as applicable (excluding the Issuer and the Related Parties).
- 12.23.4 The Trustee may refrain from convening the Bondholders' Meeting or instigating the Procedure in Writing if (i) the suggested decision does not fall under the competence of the Bondholders, or (ii) the suggested decision is not in accordance with the applicable laws.
- 12.23.5 In case convening of the Bondholders' Meeting or instigation of the Procedure in Writing is requested to the Trustee by the Bondholders, the Trustee shall be obliged to convene the Bondholders' Meeting or instigate the Procedure in Writing within 1 (one) month after receipt of the respective Bondholders' written request.
- 12.23.6 All expenses in relation to the convening and holding the Bondholders' Meeting or a Procedure in Writing shall be covered by the Issuer.
- 12.23.7 Only those investors who were appearing in Nasdaq CSD as the Bondholders by the end of the 5th (fifth) Business Day prior to convening the Bondholders' Meeting the Bondholders' Meeting and only those were appearing in Nasdaq CSD as the Bondholders by the end of the 5th (fifth) Business Day after publishing an announcement on instigation of the Procedure in Writing or proxies authorised by such Bondholders, may exercise their voting rights at the Bondholders' Meeting or in the Procedure in Writing. The voting rights of the Bondholders will be determined on the basis of the principal amount of the Bonds held.
- 12.23.8 For the purposes of facilitating any Bondholders' Meeting or Procedure in Writing, or performing its functions under these Terms and Conditions, the Trustee shall be entitled to obtain information regarding the identity and holdings of the Bondholders directly from Nasdaq CSD. The Issuer shall, upon request of the Trustee, promptly issue any necessary authorisations to enable such access.
- 12.23.9 Without amending or varying these General Terms and Conditions, the Trustee may prescribe such further regulations regarding the convening and holding of the Bondholders' Meeting or the Procedure in Writing as the Trustee may deem appropriate. Such regulations may include e.g. a possibility for Bondholders to vote without attending the meeting in person, holding the Bondholders' Meeting in the form of a video conference etc.
- 12.23.10 If the adopted decision of the Bondholders refers to specifications of the Bonds and/or Interest calculation method, as well as the procedure of Interest payments and/or repayment of the Nominal Value, the Issuer shall inform Nasdaq CSD on these changes according to the regulation determined in the Nasdaq CSD rules.



### **Bondholders' Decisions**

- 12.23.11 A Bondholders' Meeting or a Procedure in Writing may make decisions that are binding on the Bondholders on a matter relating to these General Terms and Conditions. Consent of the Majority Bondholders is required to adopt any decision.
- 12.23.12 In case participation threshold of Majority Bondholders is not reached in the initial Bondholders' Meeting, Issuer shall be entitled to convene subsequent Bondholders' Meeting or initiate a new Procedure in Writing.
- 12.23.13 Bonds held by the Issuer, its direct or indirect shareholders and the Related Parties will not carry the right to vote at the Bondholders' Meetings and will not be considered in determining how many Bonds are outstanding for the purposes of the present Section of this Base Prospectus.
- 12.23.14 The Bondholders' Meeting and the Procedure in Writing can authorise a named person to take any necessary actions to enforce the decisions of the Bondholders' Meeting or the Procedure in Writing.
- 12.23.15 A matter decided at the Bondholders' Meeting or the Procedure in Writing is binding on all Bondholders of the outstanding Bonds or regarding the respective Series (as explained below), irrespective of whether they were present at the Bondholders' Meeting or participated in the Procedure in Writing. Decisions made at the Bondholders' Meeting or in the Procedure in Writing are deemed to have been received by the Bondholders at the time (i) they have been entered in the issue account maintained by Nasdaq CSD, or (ii) notified to the Bondholders by a notice published in English and Latvian on the Issuer's website <https://cleangrupa.lv/en/investors/> and the Nasdaq Riga information system (any such notice shall be deemed to have been received by the Bondholders when sent or published in the manner specified in this Clause), provided that a failure to do so shall not invalidate any decision made or voting result achieved. In addition, the Bondholders are obliged to notify subsequent transferees of the Bonds of the decisions taken at the Bondholders' Meeting or the Procedure in Writing.
- 12.23.16 Information about decisions taken at the Bondholders' Meeting or the Procedure in Writing shall be provided to the Bondholders in English and Latvian on the Issuer's website <https://cleangrupa.lv/en/investors/> and the Nasdaq Riga information system (any such notice shall be deemed to have been received by the Bondholders when sent or published in the manner specified in this Clause).
- 12.23.17 Consent of the Majority Bondholders of the aggregate principal amount of the Bonds outstanding **under the Programme** is required to:
- 12.23.17.1 amend the Base Prospectus,
- 12.23.17.2 decide on any other matters, except the matters provided for in the Clause 12.23.18.
- 12.23.18 Consent of the Majority Bondholders of the aggregate principal amount of the outstanding Bonds **of the respective Series** is required for the following decisions:
- 12.23.18.1 agreement with the Issuer to change the date, or the method of determining the date, for the payment of principal, interest or any other amount in respect of the relevant Series, to reduce or cancel the interest payable on any date in respect of the respective Series or to change the method of calculating the amount of interest or any other amount payable on any date in respect of the relevant Series;
- 12.23.18.2 approval of any other matters of technical nature relevant solely to the respective Series.

### **Procedure in Writing**

- 12.23.19 The Issuer may apply for a consent in accordance with the procedure set forth in Clause 12.23.1.
- 12.23.20 If a decision of the Bondholders is intended to be passed by the Procedure in Writing, then a respective communication of the Procedure in Writing shall be provided to the Bondholders by the Issuer in English and Latvian on the Issuer's website <https://cleangrupa.lv/en/investors/> and the Nasdaq Riga information system (any such notice shall be deemed to have been received by Bondholders when sent or published in the manner specified in this Clause). Communication to the Bondholders shall include:
- 12.23.20.1 each request for a decision by the Bondholders;
- 12.23.20.2 a description of the reasons for each request;

- 12.23.20.3 a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights;
- 12.23.20.4 information on where to receive a form for replying to the request (such form to include an option to vote "yes" or "no" for each request), as well as a form of a power of attorney;
- 12.23.20.5 instructions how to execute and submit a form for replying to the request;
- 12.23.20.6 the stipulated time period within which the Bondholder must reply to the request (such time period to last at least 10 (ten) Business Days from the communication pursuant this Clause) and a manner of a reply.
- 12.23.21 When the requisite consents have been received in a Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired.
- 12.23.22 If the Bondholder does not notify the Trustee about its decision on the respective matter submitted for approval within the term specified in the application, a Bondholder shall be deemed as not having voted the respective decision.
- 12.23.23 The Trustee shall count the received votes in Procedure in Writing and notify the Bondholders of the results of the voting within 1 (one) Business Day after the deadline for submitting the voting forms by publishing a relevant announcement on the Issuer's webpage and on the Nasdaq Riga information system.
- 12.23.24 The Bondholders shall submit signed voting forms either (i) directly to the Trustee, or through their respective Custodian by a deadline set in the application of the consent (waiver). The consent (waiver) is deemed to be granted, if the Majority Bondholders (excluding the Bonds owned by the Issuer, direct and indirect shareholders of the Issuer and Related Parties) have voted for granting the consent (waiver).

#### ***Bondholders' meeting***

- 12.23.25 If a decision of the Bondholders is intended to be passed at the Bondholders' Meeting, then a respective notice of the Bondholders' Meeting shall be provided by the Issuer to the Bondholders on the Issuer's website <https://cleanrgrupa.lv/en/investors/> and the Nasdaq Riga information system (any such notice shall be deemed to have been received by the Bondholders when sent or published in the manner specified in this Clause) no later than 10 (ten) Business Days prior to the meeting. Furthermore, the notice shall specify the time, place and agenda of the meeting, as well as any action required on the part of the Bondholders that will attend the meeting. No matters other than those referred to in the notice may be resolved at the Bondholders' Meeting.
- 12.23.26 The Bondholders' Meeting shall be held in Riga, Latvia, and its chairperson shall be appointed by the Bondholders' Meeting based on the proposal from the Trustee.
- 12.23.27 The Bondholders' Meeting shall be held in English. Representatives of the Issuer and persons authorised to act for the Issuer may attend and speak at the Bondholders' Meeting.
- 12.23.28 Minutes of the Bondholders' Meeting shall be kept, recording the day and time of the meeting, attendees, their votes represented, matters discussed, results of voting, and resolutions which were adopted. The minutes shall be signed by the keeper of the minutes, which shall be appointed by the Bondholders' Meeting. The minutes shall be attested by the chairman of the Bondholders' Meeting, if the chairperson is not the keeper of the minutes, as well as by one of the persons appointed by the Bondholders' Meeting to attest the minutes. The minutes from the relevant Bondholders' Meeting shall at the request of a Bondholder be sent to it by the Issuer.

#### **12.24 Duties of the Trustee**

- 12.24.1 The Trustee shall represent the Investors in accordance with these General Terms and Conditions.
- 12.24.2 When acting pursuant to these General Terms and Conditions, the Trustee is always acting with binding effect on behalf of Investors. The Trustee is never acting as an advisor to the Investors or the Issuer. Any advice or opinion from the Trustee does not bind the Investors or the Issuer.
- 12.24.3 When acting pursuant to these General Terms and Conditions, the Trustee shall carry out its duties with reasonable care and skill in a proficient and professional manner.

- 12.24.4 The Trustee shall treat all Investors equally and, when acting pursuant to these General Terms and Conditions, act with regard only to the interests of the Investors as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in these General Terms and Conditions.
- 12.24.5 The Trustee is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as trustee, without having to first obtain any consent from the Investors or the Issuer. The Trustee shall, however, remain liable for any actions of such parties if such parties are performing duties of the Trustee under these General Terms and Conditions.
- 12.24.6 The Issuer shall on demand by the Trustee pay all costs for external experts engaged by it:
- 12.24.6.1 after the occurrence of an Event of Default;
- 12.24.6.2 for the purpose for investigating or considering: (i) an event or circumstance which the Trustee reasonably believes is or may lead to an Event of Default; or (ii) a matter relating to the Issuer or these General Terms and Conditions the Trustee reasonably believes may be detrimental to the interests of the Investors under these General Terms and Conditions;
- 12.24.6.3 in connection with any Bondholders' Meeting or Procedure in Writing;
- 12.24.6.4 in connection with any amendment (whether contemplated by these General Terms and Conditions or not) or waiver under these General Terms and Conditions.
- 12.24.7 Other than as specifically set out in these General Terms and Conditions, the Trustee shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the financial condition of the Issuer and the Group, (iii) the performance, default or any breach by the Issuer or any other party of its obligations under these General Terms and Conditions, or (iv) whether any other event specified in these General Terms and Conditions has occurred or is expected to occur, and should the Trustee not receive such information, the Trustee is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Trustee does not have actual knowledge of such event or circumstance.
- 12.24.8 Notwithstanding any other provision of these General Terms and Conditions to the contrary, the Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 12.24.9 If in the Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Trustee) in complying with instructions of the Investors, or taking any action at its own initiative, will not be covered by the Issuer, the Trustee may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 12.24.10 The Trustee shall (i) review each Compliance Certificate included in the Financial Report to determine that it meets the requirements set out in these General Terms and Conditions and as otherwise agreed between the Issuer and the Trustee, (ii) check that the information in the Compliance Certificate is correctly extracted from the financial statements delivered pursuant to Clause 12.15.7 and 12.15.8 or other relevant documents supplied together with the Compliance Certificate, and (iii) verify that the Issuer according to its reporting in the Compliance Certificate meets the relevant financial covenant(s) or tests. For the avoidance of doubt, the Trustee shall only perform the review of Compliance Certificate described hereunder only to the extent the information provided in each Compliance Certificate corresponds to these General Terms and Conditions, financial statements delivered pursuant to Clause 12.15.7 and 12.15.8 or other relevant documents supplied together with the Compliance Certificate.
- 12.24.11 The Trustee shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Trustee, including the Compliance Certificate not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 12.24.12 The Issuer shall, upon request and within a reasonable time having regard to the volume and nature of the information requested, provide the Trustee with any documents and other assistance (in form and substance satisfactory to the Trustee), that the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the General Terms and Conditions and the Trustee Agreement.

## **12.25 Liability of the Trustee**

- 12.25.1 The Trustee will not be liable to the Investors for damage or loss caused by any action taken or omitted by it under or in connection with these General Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Trustee shall never be responsible for indirect or consequential loss.
- 12.25.2 The Trustee shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Trustee or if the Trustee has acted with reasonable care in a situation when the Trustee considers that it is detrimental to the interests of the Investors to delay the action in order to first obtain instructions from the Investors.
- 12.25.3 The Trustee shall have no liability to the Issuer or the Investors for damage caused by the Trustee acting in accordance with instructions of the Investors given in accordance with these General Terms and Conditions.
- 12.25.4 Any liability towards the Issuer which is incurred by the Trustee in acting under, or in relation to, these General Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Investors under these General Terms and Conditions.

## **12.26 Replacement of the Trustee**

- 12.26.1 Subject to Section 12.26.6, the Trustee may resign by giving notice to the Issuer, in which case the Investors shall appoint a successor Trustee at a Bondholders' Meeting convened by the retiring Trustee or by way of Procedure in Writing initiated by the retiring Trustee.
- 12.26.2 The Issuer shall immediately inform the Investors of receipt of the relevant notice of the resignation of the Trustee under Section 12.26.1 of these General Terms and Conditions. Unless provided otherwise in these General Terms and Conditions, the duties and obligations of the Trustee shall be deemed to have terminated upon the appointment of a successor Trustee and acceptance by such appointment of the successor Trustee and the execution of all necessary documentation to effectively substitute the retiring Trustee. In any case, the successor Trustee shall be an independent financial institution or other reputable company with the necessary resources to act as Trustee in respect of the Bonds.
- 12.26.3 No later than 60 (sixty) Business Days after the receipt of the relevant notice of the resignation of the Trustee under Section 12.26.1 of these General Terms and Conditions by the Issuer, a successor Trustee must be appointed by the Issuer and the Investors, who must take over the obligations of the retiring Trustee. If a successor Trustee has not been appointed within the term set out in this Section, the duties and obligations of the retiring Trustee shall be deemed to have terminated.
- 12.26.4 The retiring Trustee shall, at its own cost, make available to the successor Trustee such documents and records and provide such assistance as the successor Trustee may reasonably request for the purposes of performing its functions as Trustee under these General Terms and Conditions.
- 12.26.5 Upon the earlier of the resignation of the Trustee or the appointment of a successor Trustee, the retiring Trustee shall be discharged from any further obligation in respect of these General Terms and Conditions but shall remain entitled to the benefit of these General Terms and Conditions and remain liable under these General Terms and Conditions in respect of any action which it took or failed to take whilst acting as Trustee. Its successor, the Issuer and each of the Investors shall have the same rights and obligations amongst themselves under these General Terms and Conditions as they would have had if such successor had been the original Trustee.
- 12.26.6 In the event that there is a change of the Trustee, the Issuer shall execute such documents and take such actions as the new Trustee may reasonably require for the purpose of vesting in such new Trustee the rights, powers and obligation of the Trustee and releasing the retiring Trustee from its further obligations under these General Terms and Conditions and the Trustee Agreement. Unless the Issuer and the new Trustee agree otherwise, the new Trustee shall be entitled to the same fees and the same indemnities as the retiring Trustee.

**12.27 Issuer's undertakings relating to the Trustee Agreement**

- 12.27.1 The Issuer shall in accordance with the Trustee Agreement:
- 12.27.1.1 pay fees to the Trustee;
  - 12.27.1.2 indemnify the Trustee for costs, losses and liabilities;
  - 12.27.1.3 furnish to the Trustee all information requested by or otherwise required to be delivered to the Trustee; and
  - 12.27.1.4 not act in a way which would give the Trustee a legal or contractual right to terminate the Trustee Agreement.

**12.28 Trustee's privacy notice**

- 12.28.1 The Trustee may collect and process personal data relating to the Investors, their representatives and other persons nominated to act on behalf of the Investors pursuant to these General Terms and Conditions (name, contact details and, when relevant, holding of Bonds).
- 12.28.2 The Trustee's addresses, information regarding their processing of personal data and the contact details for its data protection officers can be found on the Trustee's website <https://www.cscglobal.com/service/privacy/>.

## 13 GENERAL TERMS AND CONDITIONS OF THE OFFERING

### 13.1 General Structure of the Offering of Bonds

- 13.1.1 The Programme consists of (i) a public offering ("**Retail Offering**") of the Bonds to retail investors and institutional investors (each a "**Retail Investor**") in the Republic of Latvia, the Republic of Lithuania, the Republic of Estonia; and (ii) private placement ("**Private Placement**") of the Bonds to institutional investors ("**Institutional Investor**") in certain Member States of the European Economic Area ("**EEA**") and to other selected Investors in each case pursuant to an exemption under Article 1 of the Prospectus Regulation; and (iii) a public exchange offer ("**Exchange Offering**") addressed to the holders of the Existing Bonds ("**Existing Bondholder**") in relation to their exchange with the Bonds as further described in the respective Final Terms and below. The Retail Offering, the Private Placement and the Exchange Offering together are referred to as the Offering. The Retail Investor, the Institutional Investor and the Existing Bondholder together are referred to as Investors.
- 13.1.2 The Bonds shall be issued in Series. Each Series may comprise one or more Tranches. Each Tranche will be subject to identical terms, except that the Issue Dates and the Issue Prices may be different in respect of different Tranches.
- 13.1.3 The Bondholders shall be prohibited to resell, transfer or deliver the Bonds to any person in a manner that would constitute a public offer of securities.
- 13.1.4 For the purposes of the Retail Offering, only such prospective Investors will be eligible to participate in the offering who at or by the time of placing their orders have opened securities accounts with entities of their choice, which are licensed to provide such services within the territory of the Republic of Latvia, of the Republic of Lithuania or of the Republic of Estonia and are members of Nasdaq Riga or have relevant arrangements with a member of Nasdaq Riga ("**Custodian**").
- 13.1.5 For the purposes of the Offering the Issuer may appoint sales agent ("**Sales Agent**"), to act as a Sales Agent in relation to the Offering of particular Tranche. The Sales Agent may act as a distributor and offer the Bonds of particular Tranche, including assist the Issuer with the relevant investor and marketing materials and approach the investor base concerning the Bonds offered under these General Terms and Conditions and Final Terms of particular Tranche. In any case, the particular Sales Agent information shall be indicated in the Final Terms of respective Tranche, if appointed.

### 13.2 Subscription for the Bonds

- 13.2.1 The subscription period (the "**Subscription Period**") for each Tranche shall be specified in the Final Terms. The Issuer may decide on shortening or lengthening the Subscription Period.
- 13.2.2 The Investors wishing to subscribe for and purchase the Bonds shall submit their orders to acquire the Bonds (the "**Subscription Orders**") at any time during the Subscription Period.
- 13.2.3 At the time of placing a Subscription Order, each Investor shall make a binding instruction for depositing the Bonds in a securities account maintained in its name and opened with a Custodian of their choice.
- 13.2.4 Upon submission of the Subscription Order the Investor shall authorise the Nasdaq CSD, Nasdaq Riga and the Issuer to process, forward and exchange information on the identity of the Investor and the contents of respective Investor's Subscription Order before, during and after the Subscription Period.
- 13.2.5 An Investor shall be allowed to submit a Subscription Order either personally or via a representative whom the Investor has authorised (in the form required by the applicable law) to submit the Subscription Order. An Investor shall ensure that all information contained in the Subscription Order is correct, complete and legible.
- 13.2.6 The Issuer reserves the right to reject any Subscription Order that is incomplete, incorrect, unclear or ineligible or that has not been completed and submitted and/or has not been supported by the necessary additional documents, requested by the Issuer, during the Subscription Period and in accordance with all requirements set out in the General Terms and Conditions of the Bonds.
- 13.2.7 All expenses associated with the acquisition and custody of the Bonds shall be the responsibility of the Bondholder, in accordance with the price list of the credit institution

or investment service provider through which the Bondholder purchases and holds the Bonds. The Issuer is not obligated to compensate for any such expenses incurred by the Bondholder.

13.2.8 Any consequences of form of a Subscription Order for the Bonds being incorrectly filled out will be borne by the Investor.

13.2.9 All Subscription Orders shall be binding and irrevocable commitments to acquire the allotted Bonds, with the exceptions stated below. The Subscription Orders shall not be considered valid and shall not be processed in case the purchase amount indicated in the Subscription Orders is less than the Minimum Investment Amount or the Subscription Orders were received after the Subscription Period. The Issuer has no obligation to inform the Investors about the fact that their Subscription Orders are invalid.

### **13.3 Retail Offering**

13.3.1 In order to subscribe to the Bonds, Retail Investor in the Republic of Latvia, the Republic of Estonia and the Republic of Lithuania must have a securities account with a Custodian. A Retail Investor wishing to subscribe for Bonds should contact its Custodian and submit the Subscription Order using the Subscription Order forms and methods (e.g., physically, over the internet or by other means) made available by the financial institution. Subscription Orders by the Custodians shall be filed through the Nasdaq Riga Auction System.

13.3.2 The total amount of the Bonds to be acquired and indicated in each Subscription Order shall be for at least the Minimum Investment Amount. The procedure of submission of the Subscription Orders shall be specified in the Final Terms if any additional information shall be provided.

### **13.4 Private Placement**

13.4.1 In respect of the Private Placement of the Bonds Institutional Investors wishing to purchase the Bonds may submit their Subscription Orders to the Arranger or the Sales Agent if appointed according to Final Terms, or their Custodian, which in turn shall submit the orders to the Arranger.

13.4.2 Institutional Investors shall submit their own Subscription Orders or Subscription Orders received from other Investors, if any, to the Arranger or the Sales Agent if appointed according to Final Terms.

13.4.3 Institutional Investors shall be entitled to place multiple Subscription Orders.

13.4.4 Institutional Investors shall contact the Arranger or the Sales Agent if appointed according to Final Terms, for information on detailed rules governing the placement of Subscription Orders, in particular the documents required if an order is placed by a statutory representative, proxy or any other person acting on behalf of an Investor.

### **13.5 Exchange Offering**

13.5.1 The exchange period (the "**Exchange Period**") for any Tranche of the first Series shall be specified in the Final Terms. The Issuer may decide on shortening or lengthening the Exchange Period. However, in any case, the Exchange Period cannot be longer than the Subscription Period of any Tranche of the first Series of Bonds.

13.5.2 By filling a respective corporate event notification to the Nasdaq CSD, within the Exchange Period of the Tranche, the Issuer may offer to all Existing Bondholders to exchange the Existing Bonds with the Bonds, as specified in the Final Terms of the first Tranche.

13.5.3 The Exchange Period for exchange of the Existing Bonds with the Bonds shall not be shorter than 10 (ten) Business Days.

13.5.4 The exchange ratio shall be specified in the Final Terms of the respective issue, including any number of the Existing Bonds that may be used for the exchange.

13.5.5 Existing Bondholders wishing to exchange the Existing Bonds can submit their instructions with their Custodian in writing using the offer form provided by the Custodian stating the number of the Existing Bonds to be exchanged (the "**Exchange Instruction**").

13.5.6 The Custodian shall in turn inform the Nasdaq CSD on the total number of the Existing Bonds to be exchanged with the Bonds of the respective Tranche and the Existing Bondholders who requested the exchange by the end of the Exchange Period.

13.5.7 The deadlines set by the Custodian or the Nasdaq CSD might also be earlier than the end of the Exchange Period.

- 13.5.8 The Existing Bondholder participating in the Exchange Offer may be entitled to a fee as compensation for the accrued interest on the Existing Bonds for the period from last interest payment date of the Existing Bonds until the Issue Date of the respective Tranche of these Bonds. In case such fee is applicable, the specific amount of fee shall be specified in the Final Terms of each respective Tranche. The fee would then be payable within 10 (ten) Business Days after the Issue Date and the record date for the fee of the respective Tranche, if applicable. For tax purposes the fee is treated as interest payment.
- 13.5.9 The Arranger assumes no warranty or liability regarding the receipt of Exchange Instructions placed before the end of the Exchange Period.
- 13.5.10 By submitting an Exchange Instruction for the exchange of the respective Existing Bonds with the Bonds, each Existing Bondholder shall authorise and instruct the Custodian to immediately block the total number of the respective Existing Bonds to be exchanged with the Bonds on the Investor's securities account until the settlement for the transaction is completed or until the respective Existing Bonds are released.
- 13.5.11 The number of the Existing Bonds on the Existing Bondholder's securities account to be blocked shall be indicated in the respective Final Terms, namely, how much Bonds would be applicable to be exchanged for one Existing Bond owned by the Existing Bondholder. An Existing Bondholder may submit an Exchange Instruction only when there is a sufficient number of the respective Existing Bonds on the Existing Bondholder's securities account. If the number of the respective Existing Bonds which are blocked is insufficient, the Exchange Instruction shall be deemed valid only in respect to the amount of a sufficient number of the respective Existing Bonds that are on the Existing Bondholder's securities account. If the Existing Bondholder holds more than one Existing Bond, it may exchange only a certain amount of Existing Bonds and not exchange others. However, the Existing Bondholder will not be able to exchange one Existing Bond for fewer than amount of Bonds indicated in the respective Final Terms and receive the surplus as a cash payment.

### **13.6 Withdrawal of the Subscription Orders**

- 13.6.1 An Investor may withdraw a Subscription Order for the Bonds of the respective Tranche by submitting a written statement to the credit institution or investment brokerage firm where the subscription was made at any time until the end of the Subscription Period of the respective Tranche.
- 13.6.2 Additionally, as set forth in Article 23 of the Prospectus Regulation, an Investor may withdraw a Subscription Order for the Bonds of the respective Tranche by submitting a written statement to the Custodian where the subscription was made at any time until the end of the Subscription Period of the respective Tranche if any supplement or amendment to the Base Prospectus is made public concerning an event or circumstances occurring before the allocation of the Bonds, of which the Issuer became aware prior to allocation of the Bonds, within 2 (two) Business Days as from the date of the publication of the supplement or amendment to the Base Prospectus.
- 13.6.3 An Investor shall be liable for payment of all fees and costs charged by a credit institution or an investment brokerage firm used by the Investor for the Subscription of the Bonds in connection with the withdrawal or amendment of the Subscription Order.
- 13.6.4 Following withdrawal of a Subscription Order, the repayments shall be made (or blocked funds shall be released) in accordance with the Subscription Order within 3 (three) Business Days following submission of a statement regarding withdrawal of the Subscription Order.

### **13.7 No Assignment or Transfer**

The rights arising out of this Base Prospectus in relation to the subscription for the Bonds (including, without limitation, pre-emption rights, rights arising from any Subscription Orders or any acceptance thereof) are not assignable, tradable or transferable in any way and any assigned or transferred rights will not be recognised by the Issuer and will not be binding on the Issuer.

There are no pre-emption rights associated with the Bonds. Therefore, no procedure for the exercise of any right of pre-emption has been adopted or produced for the purposes of the Offering. In addition, subscription rights are non-negotiable and non-tradeable, thus no procedures have been adopted or specific treatment provided thereof.



### **13.8 Payment for the Bonds**

- 13.8.1 By submitting a Subscription Order, each Retail Investor shall authorise and instruct the Custodian operating the Retail Investor's cash account connected to the Retail Investor's securities account to immediately block the whole subscription amount on the Retail Investor's cash account until the payment for the allotted Bonds is completed or until the funds are released in accordance with this Base Prospectus. The subscription amount to be blocked will be equal to the Offer Price multiplied by the amount of the Bonds, the respective Retail Investor wishes to subscribe for. A Retail Investor may submit a Subscription Order only when there are sufficient funds on the cash account connected to the securities account. If the blocked funds are insufficient, the Subscription Order will be deemed null and void to the extent funds are insufficient.
- 13.8.2 The Retail Investors who have not been allotted any Bonds or whose Subscriptions have been reduced will receive reimbursements of the payment made upon placing the Subscription Order (or the blocked funds will be released) in accordance with instructions provided by each such Retail Investor, as required under the procedures applicable in the investment firm or credit institution with which the Subscription Order was placed. The reimbursement will take place (or the blocked funds will be released) within 10 (ten) Business Days as from the end of the Subscription Period or from the date of the publication of the supplement to this Base Prospectus on the cancellation of the Offering. The payments shall be returned (or the blocked funds will be released) without any reimbursement for costs incurred by the Retail Investors in the course of subscribing for the Bonds and shall be net of all transfer expenses and without interest.
- 13.8.3 In respect of Private Placement of the Bonds the Institutional Investor shall consent to the obligation to ensure the subscription amount on the settlement date on the Delivery Versus Payment terms in accordance with Nasdaq CSD rules.
- 13.8.4 Payments for the Bonds are interest free.

### **13.9 Allotment**

- 13.9.1 The aggregate nominal amount of Bonds to be issued under each Tranche will be specified in the applicable Final Terms. The Issuer may, in the event of oversubscription, increase the aggregate nominal amount of the Bonds of a Tranche, subject to disclosure of such increase in the relevant Final Terms.
- 13.9.2 On the next Business Day following the end of the Exchange Offer Period and Subscription Period the Issuer will decide whether to proceed with the Offering of the Bonds of a Tranche or cancel the Offering of the respective Tranche.
- 13.9.3 In case the Offering of the Bonds of a Tranche is cancelled, the Issuer will publish an announcement on its website as well as submit this information to the Bank of Latvia.
- 13.9.4 In case the Issuer decides to proceed with the Offering of the Bonds of a Tranche the following actions shall be taken on the next 3 Business Days following the Subscription Period or about that date.

#### ***Allotment of the Bonds to the Investors***

- 13.9.5 The Issuer will establish the exact number of the Bonds to be allotted to the Existing Bondholders who have participated in the Exchange Offer, by submitting their Exchange Instructions. All Existing Bondholders who have elected to participate in the Exchange Offer shall be allotted the Bonds fully, observing the exchange ratio.
- 13.9.6 The Issuer will establish the exact amount of the Bonds to be allotted with respect to each Subscription Order.
- 13.9.7 As a general principle, if the total number of the Bonds subscribed for (including the Bonds exchanged during the Exchange Offer) is equal to or less than the number of the Bonds and the Issuer decides to proceed with the Offering of the respective Tranche of Bonds, the Bonds will be allotted based on the Subscription Orders placed.
- 13.9.8 In case the total number of the Bonds subscribed for is higher than the number of the Bonds and the Issuer decides to proceed with the Offering, the Bonds may be allocated to them in an entirely discretionary manner of the Issuer.
- 13.9.9 If any additional provisions would be applied to the allocation of the separate Tranche Bonds, these will be specified in the Final Terms for the Offering of the relevant Tranche.
- 13.9.10 The division of Bonds between the retail and institutional investors has not been predetermined. The Issuer will determine the exact allocation at its sole discretion.

- 13.9.11 Under the same circumstances, all Investors shall be treated equally, whereas depending on the number of Investors and interest towards the Offering, the Issuer may set minimum and maximum number of the Bonds allocated to one investor, which will apply equally to both – the Retail Investors and the Institutional Investors. If such approach is chosen, it will be further specified in the respective Final Terms.
- 13.9.12 The allocation shall be aimed to create a solid and reliable Investor base for the Issuer.
- 13.9.13 The Issuer shall be entitled to prefer its Existing Bondholders to other Investors.
- 13.9.14 Possible multiple Subscription Undertakings submitted by an Investor shall be merged for the purpose of allocation.

#### **Confirmations**

- 13.9.15 After completion of the allotment, the Investor shall receive a notification about partial or full satisfaction or rejection of the Subscription Order submitted by the Investor and the number of Bonds allotted to the investor if any. A confirmation shall be provided by the Custodian where an Investor has submitted his/her/its Subscription Order, the Arranger or Sales Agent if appointed according to Final Terms.

#### **Information about the Results of the Offering**

- 13.9.16 Information about the results of the Offering of each Tranche (amount of the Bonds issued and an aggregate principal amount of the respective Tranche) shall be published by the Issuer on the Issuer's website <https://cleanrgrupa.lv/en/investors/> as well as on Nasdaq Riga website [www.nasdaqbaltic.com](http://www.nasdaqbaltic.com). The exact date on which announcement will take place of the results of the Offering of particular Tranche, will be included in the Final Terms of the respective Tranche.

### **13.10 Cancellation, Suspension or Postponement of the Offering**

- 13.10.1 The Issuer may cancel the Offering of the Bonds of any Tranche at any time prior to the Settlement Date without disclosing any reason for doing so. The Issuer may also change the dates of opening and closing of the Subscription Period, or decide that the Offering of any of the Tranches will be postponed and that new dates of the Offering will be provided by the Issuer later.
- 13.10.2 In such an event, Subscriptions for the Bonds that have been made will be disregarded, and any Subscription payments made will be returned (or the blocked funds will be released) without interest or any other compensation.
- 13.10.3 Any decision on cancellation, suspension, postponement or changes of the dates of the Offering will be published in a manner compliant with applicable regulations, as well as market practices in Latvia.

### **13.11 Settlement and Delivery**

- 13.11.1 The settlement of the Offering will be carried out by Nasdaq CSD. The Bonds allocated to Retail Investors and Institutional Investors will be transferred to their securities accounts through the "delivery versus payment" method pursuant to the applicable rules of Nasdaq CSD simultaneously with the transfer of payment for such Bonds. The title to the Bonds will pass to the relevant Retail Investors and Institutional Investors when the Bonds are transferred to their securities accounts. If Retail Investor or Institutional Investor has submitted several Subscription Orders through several securities accounts, the Bonds allocated to such Retail Investor or Institutional Investor will be transferred to all such securities accounts proportionally to the number of the Bonds indicated in the Subscription Orders submitted for each account, rounded up or down as necessary. The settlement will take place on the Issue Date. All paid up Bonds shall be treated as issued.
- 13.11.2 For all the Existing Bonds to be exchanged with the Bonds, the Nasdaq CSD will instruct the relevant Nasdaq CSD participant to transfer the total number of the Bonds to its clients, which in turn will transfer specific number of the Bonds to each of the Investors.
- 13.11.3 On the Issue Date the Nasdaq CSD will delete a number of the Existing Bonds that were exchanged for the Bonds from each of its participants' accounts.
- 13.11.4 Dealing with the Bonds may begin when the Bonds allocated to Investors are transferred to their securities account which will take place on the date indicated in the Final Terms of the respective Tranche.

### **13.12 Listing and Admission to Trading**

- 13.12.1 The Issuer shall submit an application to list and admit to trading each Tranche of the Bonds on Nasdaq Riga Baltic Bond List.
- 13.12.2 The decision as to the listing and admission of Bonds to trading on Nasdaq Riga shall be adopted by the Board of Nasdaq Riga. The Issuer shall take all the measures, established in Nasdaq rules, needed that the Bonds would be admitted to trading on Nasdaq Riga as soon as practicably possible.
- 13.12.3 The Issuer expects that the Bonds of the first Tranche of the Series shall be admitted to trading on Nasdaq Riga within 3 (three) months after the Issue Date of the first Tranche of the Series and as soon as reasonably possible for any further Tranche of the Series. Disregarding this, the Issuer will put its best endeavours so that these terms would be as short as practicable possible.
- 13.12.4 The Issuer shall also put its best efforts to ensure that the Bonds remain listed on the Nasdaq Riga. The Issuer shall, following a listing or Admission to trading, take all reasonable actions on its part required as a result of such listing or trading of the Bonds.
- 13.12.5 The Issuer will cover all costs, which are related to the Listing of the Bonds on Nasdaq Riga.

### **13.13 Taxation**

*Tax legislation of the investor's member state and of the Issuer's country of incorporation may have an impact on the income received from the Bonds. The following is a general summary of certain tax considerations in Latvia in relation to the Bonds. It is not exhaustive and does not purport to be a complete analysis of all tax consequences relating to the Bonds, as well as does not take into account or discuss the tax implications of any country other than Latvia. The information provided in this section shall not be treated as legal or tax advice; and prospective investors are advised to consult their own tax advisors as to the tax consequences of the subscription, ownership and disposal of the Bonds applicable to their particular circumstances.*

*This summary is based on the laws of Latvia as in force on the date of this Base Prospectus and is subject to any change in law that may take effect after such date, provided that such changes could apply also retroactively.*

Latvia has entered into a number of tax conventions on elimination of the double taxation (Double Taxation Treaties), which may provide more favourable taxation regime. Therefore, if there is a valid Double Taxation Treaty with the country of a non-resident prospective investor, it should be also examined. The procedures for application of Double Taxation Treaties are provided in the Republic of Latvia Cabinet of Ministers' Regulations No. 178 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion" of 30 April 2001.

#### **13.13.1 Taxation of the Bondholders individuals**

##### ***Resident individuals***

An individual will be considered as a resident of Latvia for taxation purposes:

- if the individual's declared place of residence is in the Republic of Latvia; or
- if the individual stays in the Republic of Latvia 183 days or more within any 12-month period, starting or ending in the taxation year; or
- if the individual is a citizen of the Republic of Latvia employed abroad by the government of the Republic of Latvia.

In accordance with the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*) the interest income and interest equivalent income from the Bonds for resident individuals are subject to 25.5 per cent withholding tax, deductible by the Issuer before the payment.

Special rules apply if the transactions with the Bonds are made through an investment account within the meaning of the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*). In such case taxation of income is deferred until the moment when the amount withdrawn from the investment account exceeds the contributed amount. The applicable tax rate is 25.5 per-cent and rules on additional tax of 3 per-cent also apply.

The capital gains from the sale of the Bonds are subject to 25.5 per-cent tax, but the tax is payable by the individual him/herself.

An additional personal income tax of 3 per cent is applicable if the total yearly income of resident individual exceeds EUR 200 000.00 (which also includes interest income, capital gains, dividends, work remuneration and other income); additional tax is applicable to the excess amount. The obligation to pay additional tax is determined upon submission of the annual report and is payable by the individual him/herself.

### **Non-resident individuals**

An individual will be considered as a non-resident of Latvia if the individual does not qualify as a resident individual under Latvian laws.

In accordance with the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*) the interest income from the Bonds being circulated publicly as well as income from the alienation of the publicly circulated Bonds are not subject to tax in Latvia.

Each non-resident individual, however, should always seek professional advice and determine if any tax obligations with regards to taxation and reporting are applicable under the domestic law of his/her country of residence.

#### **13.13.2 Taxation of the Bondholders entities**

##### **Resident entities**

An entity will be considered as a resident of Latvia for tax purposes if it is or should have been established and registered in Latvia in accordance with the legislative acts of Latvia. This also includes permanent establishments of foreign entities in Latvia.

Interest (coupon) income and a capital gain from the Bonds constitute a part of the beneficiary's – Latvian company's – overall income. The CIT obligation is deferred to the moment of profit distribution (dividends, interim dividends) or deemed profit distribution (e.g., deemed dividends, non-business expenditure, bad debts provisions/write-off, loans to the related persons, transfer pricing adjustments, liquidation quota) of the beneficiary – Latvian company. The tax is assessed and paid based on the CIT Return filed for a taxation period (a month or year).

Profit distributions are taxed at the rate of 20% of the gross amount of the distributions (tax base is divided by 0.8 and then tax applied at the rate of 20% resulting in the effective rate of 25%).

**Please note:** The Issuer will not withhold any Latvian tax on payments of interest or redemption amounts to resident entities; any applicable tax obligations must be settled directly by the recipient.

##### **Non-resident entities**

An entity will be considered as a non-resident of Latvia if the entity does not qualify as a resident entity under Latvian laws.

In accordance with the Corporate Income Tax Law of Latvia (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) the interest income and income from the alienation of the Bonds for non-resident entities, generally, is not taxable in Latvia. Non-resident entity interest (coupon) income and a capital gain from the Bonds in Latvia may under certain circumstances be subject to CIT if obtained from pursued economic activity, such as security and commodity contracts brokerage, or activities related thereto, especially by using permanent establishment in Latvia.

**Please note:** The Issuer will not withhold any Latvian tax on payments of interest or redemption amounts to non-resident entities; each non-resident entity is responsible for determining and complying with any tax obligations in its country of residence.

#### **13.13.3 Taxation of low-tax non-residents**

In general, payments (including interest payments) to non-residents located, registered or incorporated in a no-tax or low-tax country or territory as defined in the Regulations of the Cabinet of Ministers No. 333 "List of Low-Tax or No-Tax Countries and Territories", adopted on 27 June 2023; effective as of 1 July 2023 ("**Low-Tax Non-Latvian Residents**") are subject to withholding tax of 20 per-cent if the payer is a Latvian legal entity.

However, pursuant to Article 5(6) of the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) payments by Latvian legal entities to Low-Tax Non-Latvian Residents for securities publicly circulated in the EU or EEA are exempt from withholding tax if made at the market price.

## 14 FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Bonds issued under the Base Prospectus*

**Final Terms dated [●]  
AS "CleanR Grupa"**

**Issue of EUR [●] Bonds due [●]  
under the Programme for the Issuance of Bonds  
in total amount of up to EUR 50 000 000**

Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions of the Bonds set forth in the Base Prospectus dated [●] (the "Base Prospectus") for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

This document constitutes the Final Terms of the Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus.

The Base Prospectus has been published on the Issuer's website <https://cleanrgrupa.lv/en/investors/>. A summary of the individual issue is annexed to these Final Terms.

- |  |                           |
|--|---------------------------|
| 1. Issuer:                             | AS "CleanR Grupa"         |
| 2. Currency:                           | EUR                       |
| 3. Series number:                      | [●]                       |
| 4. Tranche number:                     | [●]                       |
| 5. ISIN:                               | [[●]]                     |
| 6. Aggregate principal amount:         | EUR [●]                   |
| 7. Number of Bonds:                    | [●]                       |
| 8. Nominal amount of the Bond:         | EUR [●]                   |
| 9. Issue Date:                         | [●]                       |
| 10. Annual Interest Rate:              | [●]                       |
| 11. Interest Payment Dates:            | [●]                       |
| 12. Maturity Date:                     | [●]                       |
| 13. Call Option Dates and description: | [●]                       |
| 14. Minimum Investment Amount:         | [●]                       |
| 15. Issue Price of the Bond:           | [●]                       |
| 16. Yield:                             | [[●] / [Not applicable.]] |

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

- |  |                           |
|--|---------------------------|
| 17. Additional undertakings (if applicable):         | [[●] / [Not applicable.]] |
| 18. Subscription Period:                             | [●]                       |
| 19. Procedure for submission of Subscription Orders: | [●]                       |
| 20. Exchange Period:                                 | [[●] / [Not applicable.]] |
| 21. Exchange Ratio:                                  | [[●] / [Not applicable.]] |

22. Accrued interest payable to Existing Bondholders per one Bond: ☐
23. Procedure for submission of Exchange Instructions: ☐ / [Not applicable.]
24. Procedure for allocation of the Bonds ☐
25. Procedure for settlement of the Bonds: ☐
26. Existing Bonds subject to exchange: ☐ / [Not applicable.]
27. Estimated total expenses of the issue of the Bonds: ☐
28. Estimated net amount of the proceeds from the Issue of the Bonds: ☐
29. Name of the Arranger: Signet Bank AS, registration number: 40003043232, legal address: Antonijas iela 3, Riga, LV-1010, Latvia.
30. Name of the Sales Agent ☐ / [Not applicable.]
31. Rating: ☐.
32. Information about the securities of the Issuer that are already admitted to trading: ☐ / [Not applicable.]

These Final Terms have been approved by the Management Board of the Issuer at its meeting on *[date]* *[month]* *[year]*.

Riga, *[date]* *[month]* *[year]*

☐

**THE ISSUER**  
**AS "CleanR Grupa"**

(registration No. 40103799972, legal address: Vietalvas iela 5, Rīga, LV-1009, Latvia)



**ARRANGER**  
**Signet Bank AS**

(registration No. 40003043232, legal address: Antonijas iela 3, Rīga, LV-1010, Latvia)



**LEGAL COUNSEL TO THE ISSUER**  
**ZAB Eversheds Sutherland Bitāns SIA**

(registration No. 40203329751, legal address: Marijas iela 2A, Rīga, LV-1050, Latvia)

EVERSHEDS  
SUTHERLAND  
BITĀNS

THIS DOCUMENT IS SIGNED WITH SAFE ELECTRONIC SIGNATURES CONTAINING TIME STAMPS