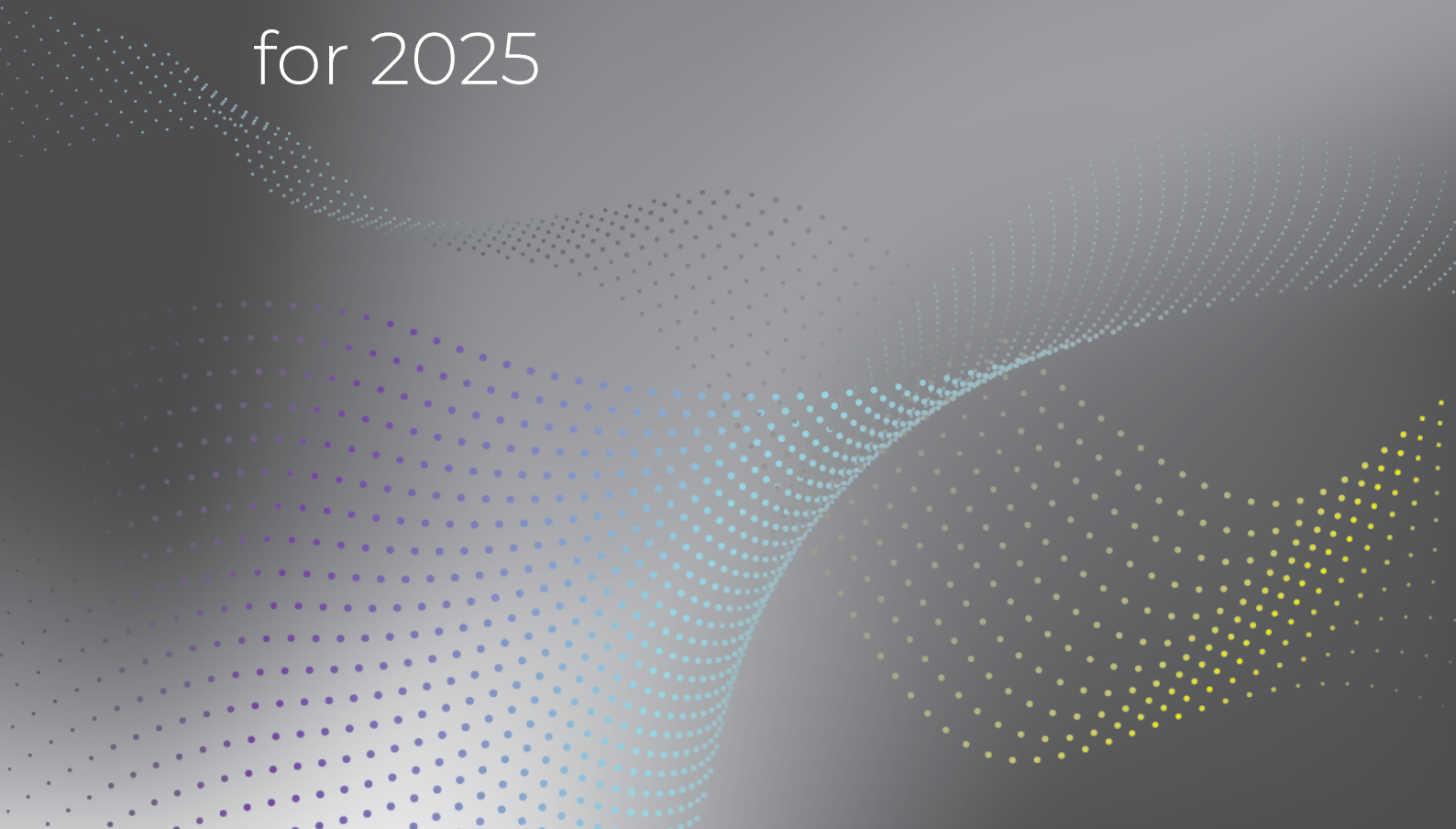


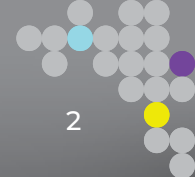


 CLEANR
GRUPA

CONSOLIDATED ANNUAL AND SUSTAINABILITY REPORT

for 2025





CONTENT

INTRODUCTION	3
ABOUT CLEANR GRUPA	3
KEY EVENTS AND ACHIEVEMENTS IN 2025	5
KEYNOTE FROM THE MANAGEMENT	6

SUSTAINABILITY STATEMENT

8

GENERAL INFORMATION	9
GOVERNANCE	11
STRATEGY	30
IMPACT, RISK AND OPPORTUNITY MANAGEMENT	37

ENVIRONMENTAL INFORMATION	42
CLIMATE CHANGE	43
POLLUTION PREVENTION	54
CIRCULAR ECONOMY	58

SOCIAL INFORMATION	63
OWN WORKFORCE	64
AFFECTED COMMUNITIES	77
CUSTOMERS AND END-USERS	81

GOVERNANCE INFORMATION	88
BUSINESS CONDUCT	89

APPENDICES TO SUSTAINABILITY STATEMENT	96
--	----

CONSOLIDATED ANNUAL REPORT

107

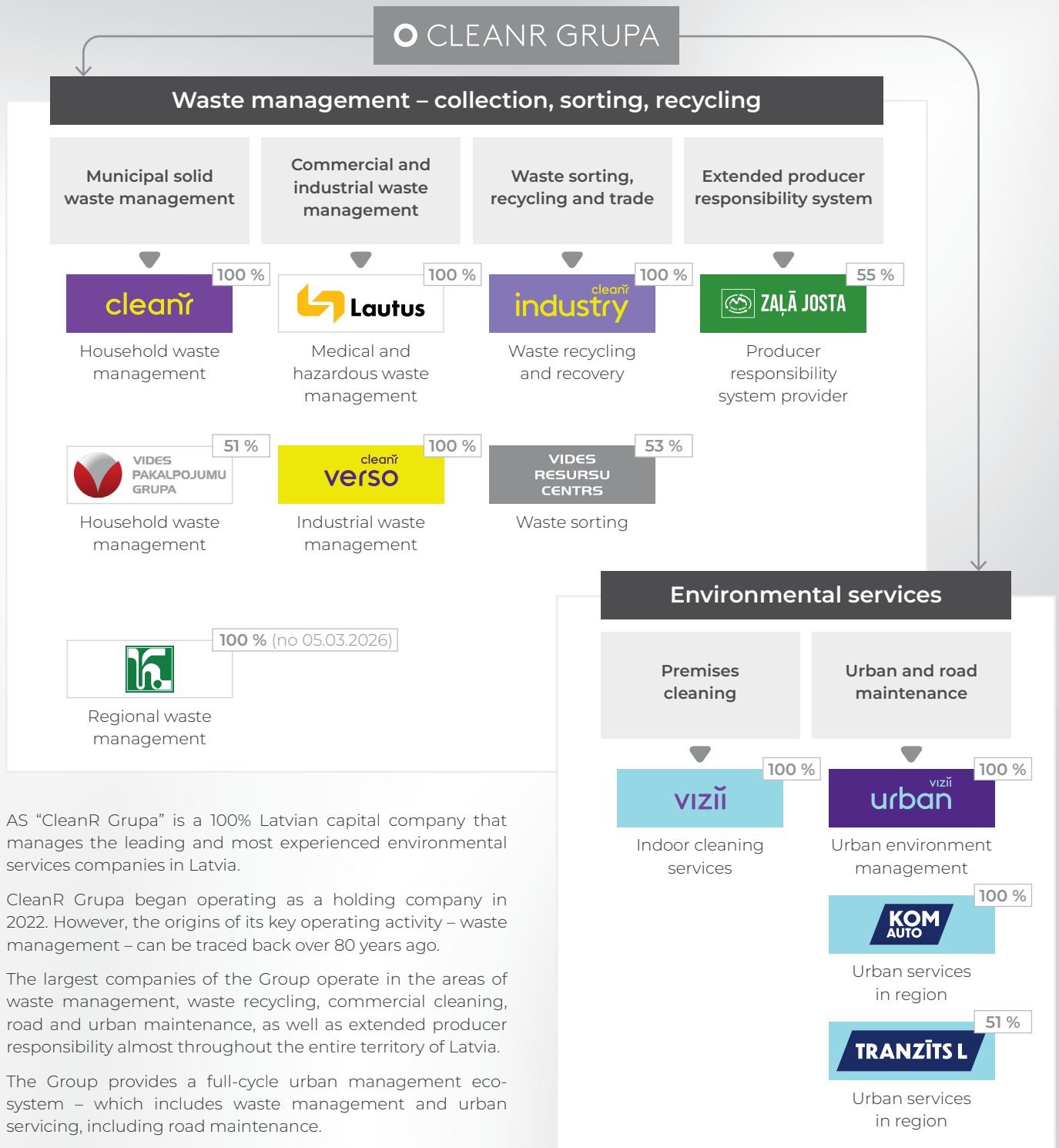
GENERAL INFORMATION	108
MANAGEMENT REPORT	111
STATEMENT OF MANAGEMENT RESPONSIBILITIES	114
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	115
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	119

INDEPENDENT AUDITORS' REPORT

152



ABOUT CLEANR GRUPA



AS “CleanR Grupa” is a 100% Latvian capital company that manages the leading and most experienced environmental services companies in Latvia.

CleanR Grupa began operating as a holding company in 2022. However, the origins of its key operating activity – waste management – can be traced back over 80 years ago.

The largest companies of the Group operate in the areas of waste management, waste recycling, commercial cleaning, road and urban maintenance, as well as extended producer responsibility almost throughout the entire territory of Latvia.

The Group provides a full-cycle urban management ecosystem – which includes waste management and urban servicing, including road maintenance.

● **100 %**
Latvian capital company

● **> 1 800**
employees in
> 170
jobs

● **> 40**
different services

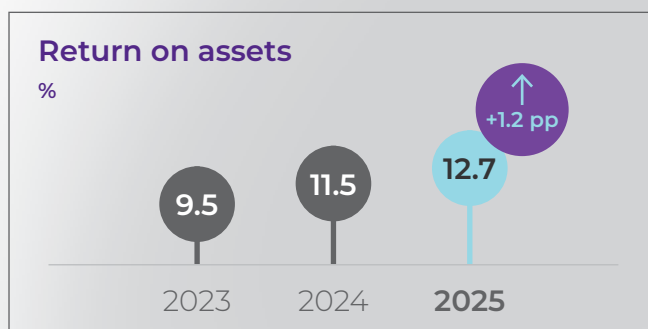
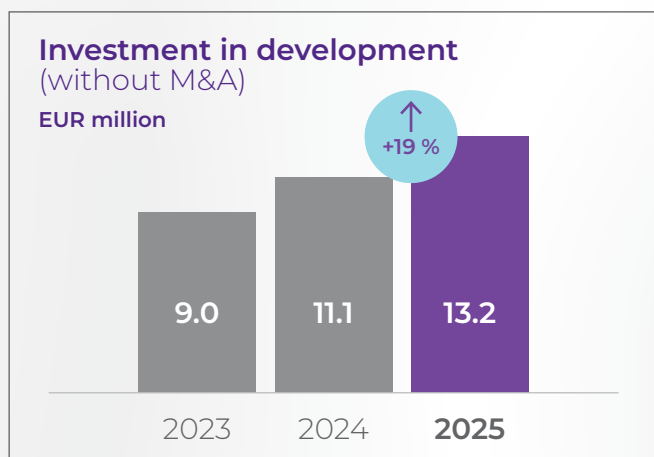
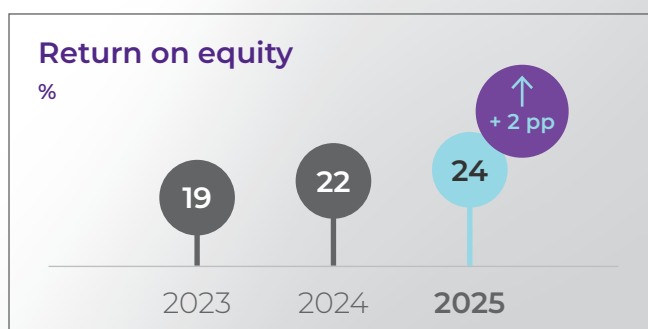
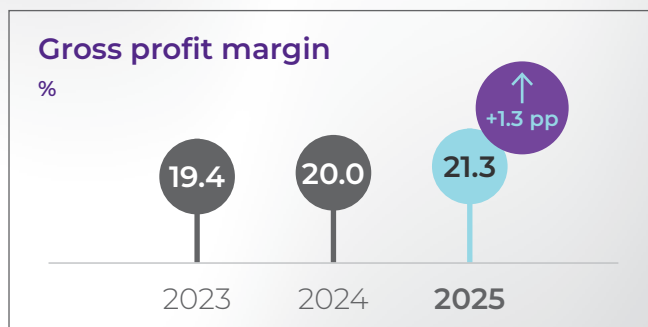
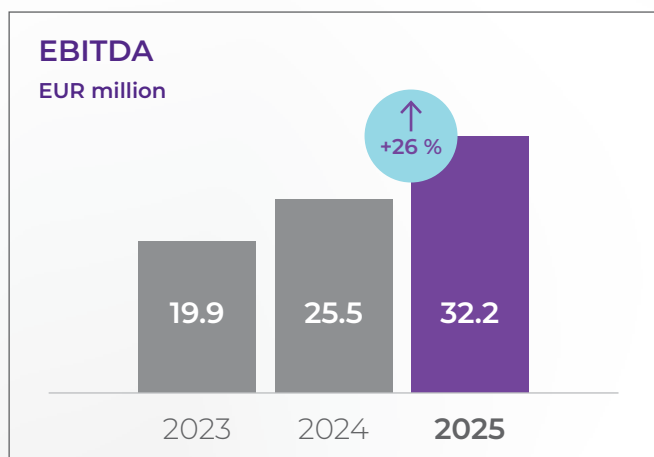
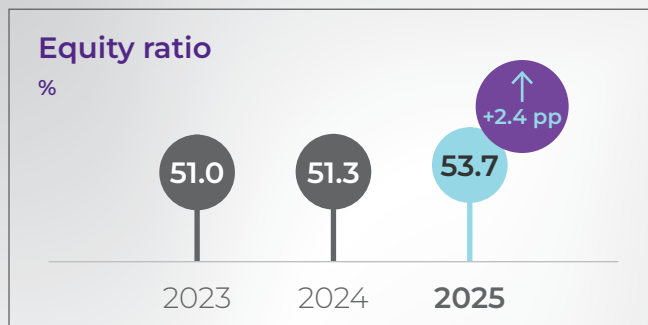
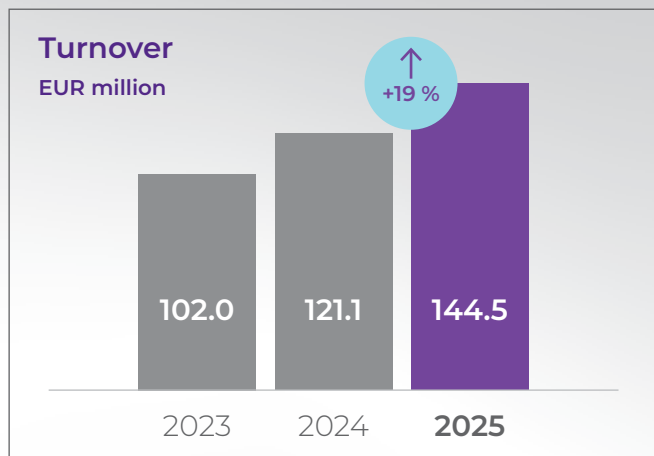
● **> 730 000 t**
of various types of
waste managed

● **> 62 000**
customers

● **> 500 000**
serviced people in
Latvia

● **> 49 %**
of capital investments
meet the criteria for
sustainable economic
activities

FINANCIAL RESULTS



KEY EVENTS AND ACHIEVEMENTS IN 2025

CLEANR GRUPA

“Nasdaq Baltic Awards 2025” for **best investor relations** and the bell ceremony in Times Square, New York



Refinancing of AS “CleanR Grupa” **bonds in the amount of 15 million euros**

Ranked **in the top ten** of Top101.lv's list of most valuable companies **in the corporate governance category as the only local capital, privately owned company**



Excellence Award for transparency in sustainability reporting from the international “**ESG Transparency Awards 2025**”



The Employee Council established for which the “**Project of the Year 2025**” **award** received from the Latvian Association for People Management



“**Family-Friendly Workplace**” status renewed

Silver award in the Society Integration Foundation's “**Employer open to diversity**” assessment



cleanr industry

5 800 t of plastic pellets produced, which is 54% more than in 2024

23 000 t of refuse-derived fuel produced, which is 74% more than in 2024

cleanr verso

Expanded vehicle fleet – **12 vehicles** for construction waste management

Automated route planning system implemented

ZAĻĀ JOSTA

New services – management of plastic-containing products and energy storage batteries

A modern **data recording system “PAKA+”** and a **customer reporting portal** implemented

VIZĪ

A digital training system for cleaning staff – **E-Skola** implemented

Expanded robotized cleaning – more than **120 robots**

cleanr

Tenders won – to provide household waste management services in **Liepāja, Jūrmala, Ogre, and Ķekava**

The most modern automated sorted waste collection site in Latvia opened at 5b Vietalvas Street in Riga

Latvia's first 800 m² bio-waste composting site opened in Ikšķile

8 new EURO VI-class waste collection and 2 container washing trucks purchased

During the reporting year, **33 underground container sites** constructed, with **135 containers**, reaching a total of 100 sites with 395 underground containers

Acquisition of 41.25% of the shares in the waste management company **SIA “Ķilupe”**



A new **900 m² sorted waste collection site** opened in Liepāja

Lautus

> 100 new agreements concluded to provide healthcare, industrial waste, and hazardous waste management

A new service introduced: **cleaning of internal sewerage networks**

vizi urban

Acquisition of 51.02% shares in the urban services company **SIA “Tranzīts L”**

EUR > 5 million – investment in the urban maintenance vehicle fleet

Automated route planning system implemented

The tender to provide **beach cleaning services** in Jūrmala won

KOM AUTO

Became **the largest private road dust removal company** in Latvia

KEYNOTE FROM THE MANAGEMENT

In 2025, CleanR Grupa continued to pursue development and growth by improving its financial results and expanding its regional presence. The Group strengthened its position in the environmental management and urban maintenance sector by investing in infrastructure and technological upgrades and by carrying out environmental education initiatives. During the reporting period, the Group received the “Nasdaq Baltic Awards 2025” for best investor relations, as well as several awards recognizing the development of the work environment and the pursuit of the circular economy.

Financial results

The consolidated revenue of the CleanR Grupa for year 2025 reached 144.5 million euros, 23.4 million euros, or 19%, more than in the previous year, thus maintaining stable growth dynamics.

The EBITDA increased by 6.7 million euros in the reporting period and reached 32.2 million euros, compared to 25.5 million euros a year earlier. EBITDA profitability increased to 23.0%, which is 1.9 percentage points more than in 2024, when the indicator reached 21.1%.

Gross profit increased to 30.8 million euros, showing an increase of 6.6 million euros compared to the previous year, while gross profit profitability reached 21.3%.

Total investments in the Group's business development (excluding acquisitions and mergers) reached 13.2 million euros, which is 19% more than in 2024.



Waste management

By winning a tender organized by the Ogre municipality, Group's waste management company CleanR has been providing waste management services in the rural territories of Ikšķile and Tinuži since February 2025, and in the towns of Ķekava and Baldone since June. CleanR will provide waste management services in these territories for the next seven years.

To diversify and expand its environmental services regionally, CleanR acquired 41.25% of the shares of regional waste management company SIA “Ķilupe” in the reporting period, and in January 2026, the Competition Council granted permission for the merger of SIA “Clean R” with SIA “Ķilupe”. Subsequently, in March 2026, the company was acquired, making CleanR the sole owner of SIA “Ķilupe”.

In March, CleanR continued its investment in waste-sorting infrastructure by opening the most modern sorted waste collection site in Latvia, which is also the first fully automated waste-sorting site in Rīga. In September, Latvia's first bio-waste composting site opened in Ikšķile, using a sustainable water system for composting. In turn, the company Vides pakalpojumu grupa opened a new sorted waste collection site in Liepāja during the reporting period.

By purposefully investing in modernizing waste management infrastructure, CleanR expanded its underground waste container network last year, currently operating 100 waste-sorting areas with 395 underground containers in the capital city Rīga and Jūrmala.

To continue pursuing the strategic goal of reducing land-filled waste, the Group company CleanR Industry, which specializes in waste recycling, has significantly increased its RDF (refuse-derived fuel) output. The company has begun expanding RDF production and preparing it for export, which will allow to reduce the volume of waste deposited in landfills by diverting it to waste regeneration. The volume of recycled plastic waste has also increased significantly.

During 2025, Group company Lautus continued its systematic development and implementation of initiatives that strengthen its position in medical and hazardous waste management and in the vacuum-pumping services segment. The company continued implementing the newly purchased vacuum-pumping machinery in daily processes, ensuring greater service availability. The operation of the new internal sewage network maintenance service was also strengthened. The company's professional capabilities are also confirmed by victories in public procurement competitions, further servicing the Emergency Medical Service, Riga 1st Hospital, and the Institute of Stomatology of Riga Stradiņš University.

CleanR Verso, an industrial, construction, and demolition waste management company, updated its vehicle fleet by purchasing several specialized vehicles to transport construction and demolition waste containers and to support the efficient operation of the construction waste sorting and recycling center.

The Group's producer responsibility system provider, Zaļā josta, expanded its service range in the first half of 2025, introducing a new system in Latvia for managing plastic-containing products and batteries intended for energy storage.

Several public education initiatives were also implemented during the reporting period. The youth environmental education campaign “Tirai Latvijai” has expanded its cooperation with the popular school competition “ČēČē Čempionāts”. The annual CleanR and Zaļā josta mobile waste collection campaign, “Tirmāja”, collected 1.3 thousand tons of sorted waste across 18 trips in various municipalities across Latvia.

KEYNOTE FROM THE MANAGEMENT (continued)



Urban maintenance

In July 2025, acquisition of the regional road maintenance company SIA "Tranzīts L" was finalized when the Competition Council approved the agreement, allowing Vizii Urban to acquire a majority in Tranzīts L. During the reporting period, Vizii Urban invested more than five million euros in renewing its fleet and technical equipment – 25 new technical units, including 16 new trucks that meet EURO VI emission standards and four electric vacuum units for sidewalk maintenance were purchased. Vizii Urban's fleet has also been renewed with the purchase of more than 50 pieces of technical equipment.

At the same time, Vizii Urban won a contract of maintenance of the Jūrmala beach area and swimming area in Riga during the spring-autumn season. KOM-AUTO, Vizii Urban's regional subsidiary, continued strengthening its position by winning several procurements in the first half of the year for road maintenance in the spring-summer season, ensuring dust removal in Valmiera, Rēzekne, and Burtnieki municipalities, as well as in the territories of the Līgatne and Amata in Cēsis municipality, including gravel road works in the territory of the Līgatne. During the reporting period, KOM-AUTO expanded its operations in the regions by 65%, becoming the largest private road dust removal company in Latvia.

Corporate governance

In May and November, CleanR Grupa 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 personnel option scheme established in 2024. At the end of the reporting period, CleanR Grupa refinanced its bonds for 15 million euros, which was significantly oversubscribed by 2.5 times. Demand for the bonds from institutional and private investors reached 37.8 million euros, significantly exceeding the target of the bond offering – 15 million euros. This bond issue is an important step in a new bond program of up to EUR 50 million, designed to support the Group's further development and growth.

At the same time, CleanR Grupa continued promoting environmental education and a circular lifestyle by setting up "ŠŪNA", an environmental education concept space, in Cēsis, Latvia's capital of culture. The space offered several practical and educational activities devoted to the environment, climate, and circularity.

Group actively engaged in national circular economy processes, organizing the Latvian Circular Economy Forum in November in cooperation with the Riga Energy Agency and gathering more than 350 circular economy enthusiasts. In December, with the support of CleanR Grupa, a new public space for residents and city guests called "Pietura" was opened in the Liepāja concert hall "Lielais Dzintars" – a place where creative ideas make sustainability an everyday experience and offer the public the opportunity to experience it in a very close, understandable way.

In 2025, CleanR Grupa's Chairman of the Council, Guntars Kokorevičs, was repeatedly elected to the Council of the Employer's Confederation of Latvia (LDDK), serving as a member and vice-president. Kokorevičs will continue to serve on the LDDK Council for the next three years, working to strengthen the Latvian business environment and defend employers' interests.

In the last quarter of 2025, the Group experienced a rich amount of awards: in December, CleanR Grupa received the status of the 'Family-Friendly Workplace', won silver status evaluation for the diversity enhancement in the company, and, for the first time, won an international assessment: the highest, excellence level, in sustainability reporting – "ESG Transparency Awards". At the end of the reporting period, the CleanR Grupa received the highest recognition from the Latvian Association for Personnel Management for establishing the employee representation institution – the Employee's Council. CleanR Grupa was included in the TOP101 list of the most valuable companies in Latvia, compiled by Nasdaq Riga and Prudentia, becoming the only private Latvian capital company among the TOP10 in corporate governance, alongside state- and municipal- owned companies.

Management Board of CleanR Grupa



Juris Gulbis

Chairman of the Board



Inta Liepa

Board Member



Guntars Levics

Board Member

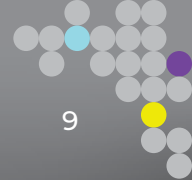


Agita Baltbārde

Board Member

SUSTAINABILITY STATEMENT

This version of the Sustainability Statement is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the Statement takes precedence over this translation.



GENERAL INFORMATION

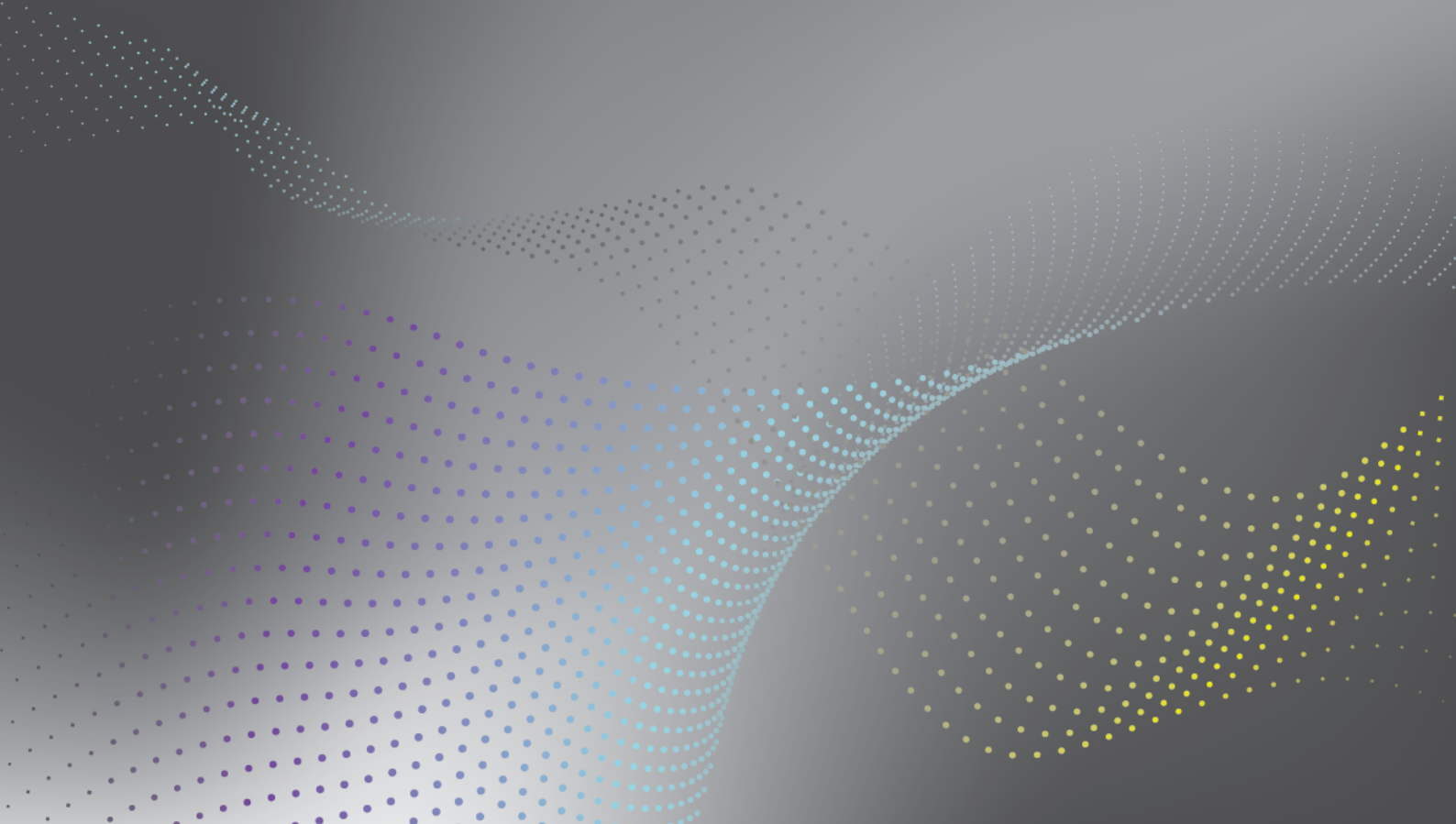


ENVIRONMENTAL INFORMATION

SOCIAL INFORMATION

GOVERNANCE INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS



General basis for preparation of sustainability statements (BP-1)

AS "CleanR Grupa" Consolidated Sustainability Statement for 2025 (hereinafter referred to as the "Sustainability Statement" or "Report") has been prepared in accordance with the requirements of the Law on Sustainability Disclosures of the Republic of Latvia, it includes an EU Taxonomy Statement and has been prepared by gradually implementing the requirements of the Delegated Regulation (EU) 2023/2772 as regards sustainability reporting standards (hereinafter – ESRS).

The reporting period is from January 1, 2025, to December 31, 2025.

The Statement has been prepared based on the information disclosed by AS "CleanR Grupa" holding (hereinafter CleanR Grupa, the Group, or Holding) companies and their business units, as well as data on their operations. The Statement uses reliable, verifiable, and substantiated data.

The scope of the Consolidated Sustainability Statement applies to the companies directly or indirectly owned by the Group, in which the AS "CleanR Grupa" has full operational control. All the companies included in the scope are listed in the Appendix. Where the data pertains to a particular company or companies, or to additional companies, this is indicated.

The Sustainability Statement includes impacts, risks, and opportunities that refer not only to the Group's activities but also to the upstream and downstream value chain of the Group or its companies. Where indicators include estimated value chain data derived from indirect sources and secondary data, this is indicated.

To ensure comparability with previous reporting periods, data for the previous year or the two preceding years is disclosed where possible. If information has not been compiled or is not available or is not applicable to the Group or its company, this is indicated in each relevant case with N/A – information is not available, has not been compiled, or is not relevant.

CleanR Grupa has not utilised the opportunity to refrain from disclosing any specific (sensitive) information relating to intellectual property, know-how, or innovation. Regarding the Group's future operations, information about anticipated changes or matters currently under negotiation is not provided. In the Board's view, the omitting of this information does not hinder understanding of the company's impact, results, or planned development.

To avoid repetition, an option to incorporate information by reference is used. Most frequently, references are made to the following sections and subsections: "The role of administrative, management and supervisory bodies", "Description of the processes to identify and assess material impacts, risks, and opportunities", "Interests and views of stakeholders".

Limited assurance has not been performed on the Sustainability Statement.

Email address for inquiries regarding the Consolidated Financial Statements, as well as suggestions and questions regarding the Sustainability Statement: info@cleanrgrupa.lv.

Disclosures in relation to specific circumstances (BP-2)

During the reporting year, the Group reassessed its material sustainability aspects by performing a new double materiality analysis (DMA) in line with the ESRS. The Group's priority sustainability topics are largely unchanged. Only minor wording changes were made to certain topics and subtopics, some new aspects were identified within the ESRS subtopics. Subtopics that did not meet the materiality threshold in the new analysis, such as payment practices, are no longer included. Accordingly, the structure of this Statement is based on the new DMA.

The Statement covers the status of the Group's sustainability targets for 2023–2025, while also providing an insight into the Group's strategic priorities and targets for 2026–2028. A detailed description of the DMA process and its results is available in the section "Description of the processes to identify and assess material impacts, risks, and opportunities".

The Sustainability Statement uses the ESRS time horizons: short term – 1-year, medium term – 1 to 5 years, long term – more than 5 years.

The information provided by the value chain was not used in this Statement. Secondary data was used for GHG emissions calculations in Scope 3 categories, as it was not possible to obtain reliable and accurate data from value chain participants with reasonable effort. Over the next three years, the Group will strive to improve the accuracy of the indicators and their calculations by engaging the relevant value chain participants. The calculations have not been third-party verified.

Compared to the previous year, the sustainability information provided for the reporting year includes data on the urban services company SIA "Tranzīts L", in which a 51.02% stake was acquired in July 2025. Data is included for the six months of the reporting year.

In 2025, the Group prepared a detailed methodology document for GHG emissions calculation and described the data collection process. Subsequently, the assumptions underlying GHG emissions calculations in Scope 3 were reviewed, revealing an inaccuracy in the previous year's calculations. To ensure data comparability, emission calculations for 2023 and 2024 were adjusted. In parallel, the assumptions for avoided emissions calculations were reviewed, leading to additions to the methodology. As a result, avoided emissions for the previous year were recalculated. Detailed information on these changes is reported in "Climate Change (E1-6)", subsection "Cross Scopes 1, 2, and 3 and total GHG emissions."

Pursuant to the ESRS phase-in provisions for disclosure requirements, CleanR Grupa uses the option to commence gradual reporting according to the ESRS Appendix C1 on the datapoints concerning the anticipated financial effects from impacts, risks and opportunities in the material sustainability areas (E1-9, E2-6, E5-6). As for the rest of the datapoints, the Group has collected and disclosed information to the extent possible and available on the end date of the reporting period.

GOVERNANCE

The role of the administrative, management and supervisory bodies (GOV-1)

CleanR Grupa seeks to implement and enforce a comprehensive corporate governance structure in line with best practice. The Group's management (executive) bodies are the boards and board members of the joint-stock company (hence – also in Latvian AS) and Group companies, as they exercise the highest decision-making mandate. The supervisory or non-executive body is the AS "CleanR Grupa" Supervisory Council.

In the reporting year, the CleanR Grupa management and supervisory bodies included a total of 22 individuals. The share of the members of the CleanR Grupa management and supervisory bodies constituted 1%.

AS "CleanR Grupa" Management Board maintains a gender balance – it includes two men and two women. Overall, in the reporting year the CleanR Grupa management and supervisory bodies included a total of three women and 18 men. The CleanR Grupa Supervisory Council had one independent council member.

To ensure employee representation and engagement in decision-making, in the reporting year, the CleanR Grupa employee representation institution, the Employee Council, was established (see section "Own Workforce").

CleanR Grupa's governance model is designed to separate strategic and operational management. The Group's corporate governance is ensured by the Shareholders, the Group's Council and Management Board, as well as the boards of the subsidiary companies. Each of them, according to the Latvian Commercial Law, the Articles of Association, and individual authorisation agreements, has its responsibilities and mandates.

Composition and diversity of management and supervisory bodies			2023		2024		2025	
Standard	Data point	Description	Number	%	Number	%	Number	%
GOV-1	21 a	Number of executive members (board members, incl. subsidiaries)	10	77 %	20	87 %	18	86 %
GOV-1	21 a	Number of non-executive members (council members)	3	23 %	3	13 %	3	14 %
GOV-1	21 d	Percentage of members of administrative, management, and supervisory bodies by gender (council and board members, incl. subsidiary companies)	13	1 %	23	1 %	21	1 %
GOV-1	21 d	Board gender diversity ratio (including subsidiary companies; women/men)	–	25 %	–	25 %	-	17 %
GOV-1	21 e	Percentage of independent council members	1	33 %	1	33 %	1	33 %



The role of the administrative, management and supervisory bodies (GOV-1) (continued)

AS “CleanR Grupa” Management Board members’ areas of responsibility and reporting lines are reflected in the company’s organizational chart. The managers and directors of the key operational areas, who are directly subject to the AS “CleanR Grupa” Management Board, such as the head of human resources, finance, sustainability, process and risk management, procurement, etc., have oversight of the respective areas at the Group level. The policies determine the competent body or the job post in charge of implementation thereof.

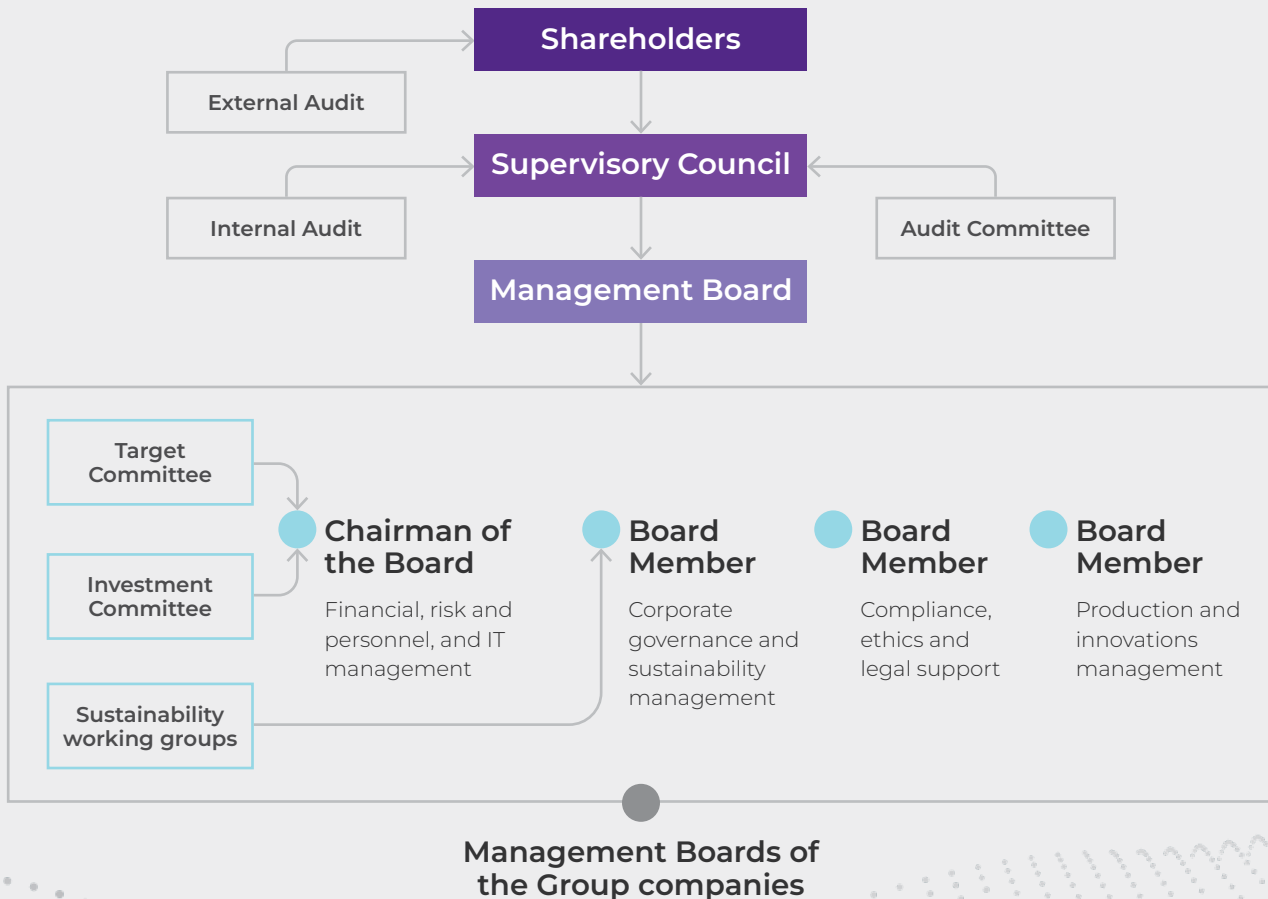
The Group has set targets for its material impact areas. The sustainability-related material area target implementation is overseen by the Group’s Sustainability Manager, while the achievement of the set targets is ensured by the heads of the respective areas. The other material business target-setting and monitoring thereof is ensured by the Group’s Target Committee. The targets and their implementation for the Group and its subsidiary companies are approved by the CleanR Grupa Supervisory Council.

The Group’s Board regularly informs the Council on the implementation of set targets, including sustainability-related KPIs, as well as the implementation of the policies, processes, and effectiveness of actions. Progress achieved toward the set targets in the reporting year is reflected in the thematic sections of the Statement and the Appendix.

The CleanR Grupa Management Board and the Supervisory Council have direct access to the sustainability-related special knowledge, as well as indirect access to it through the Group’s management team. The Group’s Board includes a member who is an expert in corporate relations and sustainability matters; thus, at the regular board as well as management team meetings, an expert’s opinion on the company operations from the sustainability perspective is ensured.

The management and supervisory bodies are provided with sustainability-related information every month in the form of progress reports. Once a year, the Group’s Management Board and then the Supervisory Council receive a progress report on the achievement of the Group’s sustainability targets. At the same time, no less than once a year, the Sustainability Manager raises sustainability-related topics at the administrative staff’s quarterly meetings (forum). If needed, the Board and the Council members may acquire knowledge and training in sustainability matters from internal and external experts.

Overall, the CleanR Grupa Management Board and Supervisory Council members possess long-standing experience in various industries and posts, including a wealth of experience in the environmental services sector; therefore, they are aware of the impacts, risks and opportunities arising from the company’s operations, its services and products.



The composition and responsibilities of the management and supervisory bodies

AS “CleanR Grupa” Shareholders’ Meeting

A shareholders’ meeting is convened in the cases and manner specified in the Latvian Commercial Law. In case of need, extraordinary shareholders’ meetings are convened. During the reporting year, six meetings were held.

The main responsibilities of the Shareholders’ Meeting:

- appoint and recall council members, as well as its committee members,
- determine the compensation for members of the council and its committees,
- approve to the Articles of Association, and the amendments thereof,
- decide on the changes in the company’s equity capital,
- decide on reorganization,
- appoint the external auditor,
- approve the Group’s annual report and decide on the use of profit.

AS “CleanR Grupa” Shareholders



AS “CleanR Grupa” Supervisory Council

The Council consists of three council members, one of whom is an independent member. According to the Commercial Law and the Shareholders’ decision, members of the Supervisory Council are appointed for a term of five years. Council meetings take place according to an approved meeting schedule, but no less than once a month. If needed, extraordinary council meetings are convened. The Council makes decisions by unanimous vote of all its members. During the reporting year, 24 council meetings were held, attended by all members.

The responsibilities of the Supervisory Council:

- approve the Group’s operational and sustainability strategy and monitor its implementation,
- review and approve the operating budget and supervise its execution,
- supervise the board,
- supervise internal audit and risk management,
- appoint and recall board members, determine their remuneration,
- approve the general operational principles (policies),
- review matters for which, according to the Articles of Association, the Board requires prior approval from the Council,
- make sure that the company operates according to the relevant laws, Articles of Association, and decisions of the Shareholders’ Meeting.

AS “CleanR Grupa” Supervisory Council



Guntars Kokorevičs

Chairman of the Supervisory Council

Term of office 25.06.2029.

- Founder of AS “CleanR Grupa”, with over 20 years of experience in the environmental services industry,
- Extensive experience in mergers and acquisitions,
- Former partner and regional representative of the global environmental services company “Veolia”,
- Former CEO of the Riga Stock Exchange,
- Graduated from RISEBA University of Business and Technology with a degree in international business management,
- Master of Business Administration (University of Latvia).



Harijs Krongorns

Deputy Chairman of the Supervisory Council

Term of office 25.06.2029.

- Recorded history in consulting major M&A transactions in the environmental services industry, where he has been active for more than 20 years,
- Served on councils of major Latvian companies including “Valmieras piens”, “Latvijas Balzams”, and “Laima”,
- Holds a degree in automation engineering from Riga Technical University,
- Furthered expertise in economics, finance, and auditing through programs at University of Latvia, Corporate Finance Institute, and “PwC”,
- A member of ACCA since 2001.



Māris Mančinskis

Independent Member of the Supervisory Council

Term of office 02.10.2027.

- Former long-time Chairman of the Management Board at “Swedbank Latvia”,
- Co-founder of investment management company “Vairo”,
- Currently Deputy Chairman of the Supervisory Council at AS “Agrolats Holding”,
- Studied finance management at the University of Latvia, Hofstra University (USA), and London Business School (United Kingdom).

The composition and responsibilities of the management and supervisory bodies (continued)

Audit Committee

The Audit Committee was established on November 28, 2025, by a resolution of the Shareholders' Meeting of AS "CleanR Grupa". The Committee consists of three members, one of whom is a member of the Supervisory Council. The Committee was elected for a term of three years.

The responsibilities of the Audit Committee:

- supervise the preparation of the annual and consolidated financial statements, including the consolidated sustainability report,
- supervise the effectiveness of the Group's internal quality control, risk management and internal audit systems in relation to the annual reports,
- oversee the selection process for certified auditor candidates,
- supervise the audit of the annual report and the consolidated annual report,
- inform the Council of the conclusions reached by the certified auditor during the audit of the annual report and provide an opinion thereon,
- at least annually, submit a written report to the Group Supervisory Council on its activities and the fulfilment of the tasks assigned to the Committee.

Audit Committee members



**Ingūna
Ābele**

Committee Member

- Since 2009, has been serving as Head of the Tax Practice and Certified Tax Adviser at the law firm "WALLESS",
- Previously served as Head of Tax Consultations at the law firm "Loze, Grunte & Cers" and as Certified Tax Adviser at SIA "Ernst & Young Baltic",
- Bachelor of Law (University of Latvia) and Master of Economics (University of Latvia).



**Natālija
Cudečka-Puriņa**

Committee Member

- Professor at BA School of Business and Finance of the University of Latvia,
- Also serves as an international consultant on industrial symbiosis for the United Nations Development Programme,
- Previously, worked in climate change and sustainability consulting at the international consulting firm "Ernst & Young Baltic" and served as Head of the Environmental Quality and Waste Management Department at the Ministry of Environmental Protection and Regional Development,
- Master of Business Administration (University of Salford, United Kingdom) and Doctor of Business Administration (BA School of Business and Finance).



**Harijs
Krongorns**

Committee Member

For information on experience and education, see the previous page.

The composition and responsibilities of the management and supervisory bodies (continued)

AS “CleanR Grupa” Management Board

The Management Board consists of four elected board members. Each board member has the right to represent the company together with at least one other board member. Board meetings take place once a week, the decisions are taken in line with the restrictions set in the Articles of Association.

The main responsibilities of the Board:

- jointly represent and manage the company and its assets,
- ensure that the company's operations comply with the relevant legislative acts, the Articles of Association, and the Council's and Shareholders' decisions.
- perform the shareholder functions at the Group's subsidiary companies,
- implement the Group's strategic direction, development plans, targets, and policies,
- ensure preparation and execution of the Group's annual budget.

AS “CleanR Grupa” Management Board

Juris Gulbis

Chairman of the Management Board



- Joined AS “CleanR Grupa” in 2023,
- Experienced business leader with strong financial management expertise in the food processing and financial sector companies, both in Latvia and abroad,
- Former CEO of “Tet” and Head of “A.C.B. Grupa” subsidiaries “ACBR” and “8CBR”,
- Holds a degree in civil engineering and economics from Riga Technical University,
- Holds an ACCA certificate in financial management and has furthered his knowledge in business management at INSEAD and Stanford University.

Responsibilities and competences:

economic impact (financial results), corporate targets, risk and opportunity management, own workforce – engagement, employee well-being, development; process digitization, IT and cybersecurity, procurement management, oversight of lobbying activities.

Guntars Levics

Member of the Management Board



- Over 20 years in waste management; with CleanR Grupa since inception,
- Led major EU-funded projects, including the Baltics' largest waste sorting plant and first plastics recycling facility,
- Member of European Waste Management Association, serves on the Advisory Council on Climate, Environment, and Energy (the Ministry of Climate and Energy),
- Master of Environmental and Business Management (University of Latvia),
- Completed the Professional Board Member Programme at the Baltic Institute of Corporate Governance,
- Currently also serves as a board member of SIA “Clean R”, SIA “CleanR Industry”, SIA “Vides resursu centrs”, and SIA “Zaļā josta”.

Responsibilities and competences:

production management, implementation of circular economy solutions, innovation, environmental compliance, energy efficiency, and engagement in industry policy-making.

Agita Baltbārde

Member of the Management Board



- Since 2022, Chief Officer for Corporate Relations and Sustainability at AS “CleanR Grupa”,
- Former Head of Communications at “Sadales tīkls”, an advisor to the Minister of Economics of Latvia, as well as former Chief Officer for Communication and Investor Relations at “Eleving Group”,
- Bachelor of Communication (Vidzeme University) and Master of Innovation & Business Management (Riga Technical University & Buskerud University, Norway),
- Furthered knowledge in communication, circular economy, and sustainability in Cambridge and Yale, completed the Professional Board Member Programme at the Baltic Institute of Corporate Governance,
- Since 2025, is a European Climate Pact Ambassador in Latvia.

Responsibilities and competences:

corporate governance, communication and sustainability reporting, investor relations, stakeholder management, promotion of the circular economy, public environmental awareness, community support, representation of interests.

Inta Liepa

Member of the Management Board



- Head of Legal at AS “CleanR Grupa” since 2021,
- Former Head of Legal at the Ministry of Finance (Latvia), advisor at “Latvijas pasts”, and Supervisory Council member at “Pasažieru vilciens”,
- Bachelor of Law (Concordia International University, Estonia) and Master of Law (Riga Graduate School of Law),
- Furthered her knowledge of mergers and acquisitions at the London School of Economics and Political Science, and of financial analysis, negotiation, and dispute resolution through a programme at Harvard Law School.

Responsibilities and competences:

corporate governance, compliance and business ethics, investor relations, due diligence (M&A), responsible supply chain, data security, and privacy protection.

CORPORATE GOVERNANCE STATEMENT

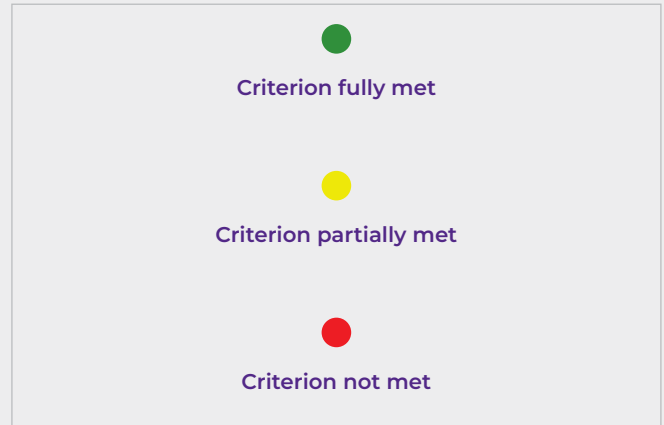
The joint-stock company "CleanR Grupa" is a private company with 100% Latvian capital. Its main activities according to the NACE classification (version 2.1) are 64.21 Activities of holding companies and 70.10 Activities of head offices.

AS "CleanR Grupa" (hereinafter – CleanR Grupa or the Group) manages Latvia's most experienced companies in the environmental services sector.

Since February 4, 2026, "CleanR Grupa" has become a public interest entity, and its bonds are listed on the stock exchange; accordingly, this statement has been prepared in accordance with Section 56.2 of the Financial Instruments Market Law, thoroughly assessing the Group's compliance with the fundamental good governance principles listed in the "Corporate Governance Code" (updated in December 2025, hereinafter – the Code) prepared by the Corporate Governance Advisory Board of the Ministry of Justice of the Republic of Latvia.

The Code stipulates that a company is considered to comply with its requirements even in cases where it does not adhere to certain principles, provided that any deviation from the specific principle has been appropriately disclosed and explained. Accordingly, this statement uses the recommended "traffic light" principle to indicate which criteria CleanR Grupa meets in full, which it meets partially, and which it does not meet at all, providing references to facts or circumstances during the reporting year that justify compliance or non-compliance with the principle. If a criterion is not applicable to the Group, it is marked as N/A.

The Corporate Governance Statement is a part of the annual, consolidated annual and sustainability report. The statement is published on the CleanR Grupa website cleanrgrupa.lv/korporativa-parvaldiba in Latvian and cleanrgrupa.lv/en/corporate-governance in English.



COMPANY STRATEGY

Principle #1

The company has developed a current strategy that sets out its goals and focus on long-term value growth

Criterion	Evaluation/Description
The company has a current strategy, the draft of which is developed by the management board.	● CleanR Grupa develops its business strategy every three years and updates it annually as needed. At the end of 2025, a draft of the CleanR Grupa's development strategy for 2026–2028 was prepared.
The supervisory council participates in the strategy development process and approves the strategy at a supervisory council meeting.	● CleanR Grupa's development strategy is currently undergoing approval.
The supervisory council oversees the implementation of the strategy.	● The Management Board of AS "CleanR Grupa" reports to the Supervisory Council monthly on the Group's performance and the progress made toward meeting its financial and non-financial targets.
The company's management board implements the strategy and regularly reports to the council on its implementation.	●

CORPORATE CULTURE AND ETHICAL CONDUCT

Principle #2

The company develops a code of conduct for its internal culture and ethical behaviour, which serves as a standard of conduct for the company's management and employees

Criterion	Evaluation/Description
The supervisory council defines the company's core values.	● The core values of CleanR Grupa are defined in the "Code of Ethics". The core values of the Group's corporate culture are also enshrined in several other internal documents: Group policies, processes, and Internal work regulations. The key policies are available on the CleanR Grupa's website cleanrgrupa.lv/en/corporate-governance .
The management board prepares and the supervisory council approves the code of internal culture and ethical conduct.	● The current "Code of Ethics" was approved by the Management Board and subsequently by the Supervisory Council in 2023. During the reporting year, the Supervisory Council, followed by the Management Board and administrative staff, defined the Group's values (core behaviours). In 2025, the process of updating the "Code of Ethics" was initiated.
The management board ensures compliance with the internal code of conduct and ethics in the company's day-to-day operations and acts if a violation of the code of conduct is identified.	● Compliance with ethical standards within the Group is overseen by AS "CleanR Grupa" Management Board, which correspondingly acts if a violation of the "Code of Ethics" is identified and reported. The Group has adopted a "Whistleblowing Policy" and developed a digital solution called the "Trust Line". Through this channel, any interested party can raise concerns regarding potential violations in the Group's operations, including violations of ethics. Violations of the "Code of Ethics" can also be reported through other channels available to employees. Violations are recorded within the Group's risk management system in the Jira – ORM registry. The Management Board assesses situations promptly, independently, and objectively, ensuring that the person mentioned in the report or a representative of the relevant function is not involved in the investigation.

INTERNAL CONTROL SYSTEM, RISK MANAGEMENT, AND INTERNAL AUDIT

Principle #3

The company has an internal control system, the effectiveness of which is supervised by the council

Criterion	Evaluation/Description
The company has a documented internal control system, for the establishment of which the management board is responsible.	<p>● The internal control system is integrated into the risk management system, which is defined in the Group's "Risk Management Policy" and "Risk Management Process".</p> <p>The management boards of the Group and its companies conduct self-assessments of the internal control system. The companies' internal controls (policies, processes) are formally documented and maintained so that any responsible person can understand what, why, how, when, and in what manner controls are applied. An assessment of the internal control system is provided as a result of each audit.</p>
The internal auditor assesses the effectiveness of the internal control system, using a risk-based approach, and reports the results of the assessment to the board.	<p>● The Head of Internal Audit reports monthly to the Supervisory Council on audits conducted within the Group, audit findings, as well as tasks and deadlines for addressing relevant risks and deficiencies and improving processes.</p> <p>Internal audit provides an overall risk-based assessment of the Group's internal control system prior to the approval of next year's audit plan.</p>
The council reviews the assessment of the effectiveness of the internal control system.	<p>● Once a year, prior to approving the audit plan for the coming year, the Council evaluates the overall effectiveness of the internal audit and the Group's internal control systems.</p>

Principle #4

The company identifies, assesses, and monitors the risks associated with its operations

Criterion	Evaluation/Description
The management board develops and the supervisory council approves the company's risk management policy.	<p>● The Management Board of AS "CleanR Grupa" has developed, and the Supervisory Council has approved the "Risk Management Policy". The "Risk Management Process" was revised in 2025 and approved by the Management Board (August 4, 2025).</p>
The management board develops and the supervisory council approves the material risk appetite—the risks the company is willing to assume to achieve its operational objectives.	<p>● The aforementioned documents define the principles of risk management, risk categories, assessment procedures, and follow-up actions. In accordance with this procedure, the Supervisory Council approves the risk appetite for high and critical risks.</p>
Based on the assessment of identified risks, the management board implements risk management measures.	<p>● During risk assessment, measures are identified and implemented for high and critical risks. The implementation of these measures is monitored at the Group level. In addition, the occurrence of risks – i.e., risk incidents recorded in the Jira ORM system – is reported to the Group's Management Board once a week.</p>
At least once a year, the supervisory council reviews the management board's reports on risk management measures and the implementation of the risk management policy.	<p>● The Group Management Board's report on risk management measures and the implementation of the risk management policy within the Group for 2025 was presented to the Supervisory Council in March 2026.</p>

Principle #5

The company has established an internal audit unit that independently and objectively evaluates the company's operations

Criterion	Evaluation/Description
The company has an internal auditor (a department or a specialist) who is functionally independent from the management board and reports to the supervisory council.	<p>● The Group has established and maintains an independent internal audit unit that reports directly to the Supervisory Council of AS "CleanR Grupa"; its purpose is to provide independent, objective assurance and consulting services with the aim of improving the Group's operations and enhancing its value.</p>
The supervisory council appoints and dismisses the internal auditor.	<p>● The appointment of the Head of Internal Audit has been approved by the Supervisory Council. The two internal auditors in the Internal Audit Department were appointed by the Council member responsible for the audit area.</p>
The internal auditor develops and implements a risk-based internal audit strategy and plan, which is approved by the supervisory council.	<p>● Internal audits are based on the principles described in the "Internal Audit Policy" (updated December 16, 2025) and are conducted in accordance with the Annual Audit Plan approved by the Supervisory Council of AS "CleanR Grupa."</p>
The internal auditor informs the management board and the supervisory council about the work of the internal audit, the implementation of the strategy and plan, the audit results, and recommended actions to address deficiencies, if any have been identified.	<p>● Internal audit reports, which include audit findings, recommendations, and corrective actions to mitigate identified risks, are regularly reported to the Group's Management Board and the Supervisory Council.</p> <p>During the reporting year, 10 planned and two unscheduled audits were conducted. The audits examined the internal controls of the Group's subsidiaries and production facilities.</p> <p>A total of 163 recommendations were provided to address deficiencies and improve internal controls.</p>

EXTERNAL AUDITOR

Principle #6

The company has an independent external auditor

Criterion	Evaluation/Description
The supervisory council and the audit committee, if one has been established, determine the criteria for selecting the external auditor.	● In 2025, the Supervisory Council established the criteria for selecting external auditors for the Group and its subsidiaries. Starting in 2026, the Supervisory Council will carry out this process in collaboration with the Audit Committee, which was established in November 2025.
The company has an independent external auditor with appropriate qualifications and reputation.	● The auditor for the Group companies and the Group is selected before the end of the current financial year through a tender process – based on the most economically advantageous offer, considering both the price of the service and the qualifications of the personnel involved in the audit. The auditor for the Group is appointed by the Shareholders' Meeting. When selecting an external auditor, the auditor's independence is ensured, and any potential conflict of interest or threat to the auditor's independence is prevented. The audit firm SIA "KPMG Baltics", license No. 55, was appointed as the auditor of AS "CleanR Grupa" consolidated annual report for 2025 by a decision of the Shareholders' Meeting.
The term of office of a single external auditor does not exceed five years, thereby ensuring the rotation of the auditor's representatives.	● The external auditor is appointed and approved annually, ensuring the necessary rotation of auditor representatives.

ELECTION OF SUPERVISORY COUNCIL MEMBERS

Principle #7

The company ensures transparent procedures for the election and removal of council members

Criterion	Evaluation/Description
The company has established procedures for the selection and removal of council members.	● The principles for the election and removal of supervisory council members are set forth in the "Personnel Policy".
The company provides timely and sufficient information to its shareholders regarding council members who are nominated for election or re-election.	● The Supervisory Council members are elected by resolution of the Shareholders' Meeting; shareholders are informed in a timely manner of the draft resolution and its supporting documents. Taking into account the ownership structure of the Group's parent company – AS "CleanR Grupa" – and shareholder representation on the Supervisory Council, the established selection procedure applies primarily to the selection, election, and revocation of independent council members to ensure the diversity in the council's composition – variety of expertise, and independent oversight in accordance with the principles of good corporate governance.
The size of the council is appropriate to the nature of the company's operations.	● The Articles of Association stipulate that the supervisory council consists of three members. Given the industry and the Group's structure, the management considers the size of the Supervisory Council to be appropriate.
The supervisory council members are elected for a term not exceeding five years.	● Supervisory Council members are elected for a five-year term.

Principle #8

The members of the supervisory council collectively possess the necessary experience and expertise

Criterion	Evaluation/Description
The council possesses a range of skills, experience, and knowledge, including expertise in the relevant sector, enabling it to fully carry out its duties.	● The members of the Supervisory Council have all the necessary skills and knowledge and expertise to effectively oversee the operations of the Group. Information about the Council's composition and experience is available on the website cleanrupa.lv/en/about-us .
The composition of the council is determined in accordance with the principles of diversity.	● The composition of the Supervisory Council is determined to ensure a diverse range of experience, competencies, and knowledge necessary to fully and effectively oversee the operations of the Group. The company does not currently implement or apply any other diversity principles regarding the composition of the Council.
Both genders are represented on the council.	● During the reporting year, one gender was represented on the Supervisory Council.
The management board develops an induction training program and provides introductory training to new council members.	● New members of the Supervisory Council are provided with training on the company's operations. There were no changes in the composition of the Council during the reporting year.

ELECTION OF SUPERVISORY COUNCIL MEMBERS (continued)

Principle #9

The supervisory council has independent members

Criterion	Evaluation/Description
The company assesses and the shareholders determine the proportion of independent council members.	● In 2023, the Supervisory Council evaluated and the Shareholders' Meeting approved the appointment of one independent member to the Council.
At least half of the council members are independent.	● One of the three Supervisory Council members is an independent member.
Candidates for independent council members submit a confirmation of their compliance with the independence criteria.	● Prior to being elected, the independent council member confirmed compliance with the independence criteria.
Prior to council elections, the company assesses the independence of council members based on available information.	● Prior to the election an independence assessment was conducted based on the available information. There were no changes in the composition of the Supervisory Council during the reporting year.

PRINCIPLES FOR DETERMINING THE REMUNERATION OF THE SUPERVISORY COUNCIL AND MANAGEMENT BOARD

Principle #10

The company has a remuneration policy implemented

Criterion	Evaluation/Description
The company has introduced a remuneration policy, which has been developed by the management board, reviewed by the supervisory council and approved by the shareholder meeting.	● The Group has developed and the Supervisory Council has approved the "Group Compensation and Remuneration Policy". Pursuant to Section 292, Clause 2 ¹ of the Commercial Law, one of the supervisory council's tasks is to approve the Company's general operating principles and its development and financial objectives, as well as to oversee their implementation. In the company's view, which is also consistent with the company's current approach, it is essential that the key policies and operating principles be approved by the Supervisory Council.
Once a year, the supervisory council determines the financial and non-financial goals to be achieved by the management board, their impact on the variable part of remuneration and controls their fulfilment.	● The basic principles for the remuneration of members of the management boards of Group companies are set out in the "Remuneration and Compensation Policy". Financial and non-financial targets are set annually for the Group as a whole and for each subsidiary individually; these are also incorporated into the individual targets of Management Board members in accordance with their areas of responsibility and influence the variable portion of their remuneration. The achievement of these targets is monitored by the Targets Committee and the Supervisory Council.
No variable part of remuneration is determined for supervisory council members, and no compensation is paid in case of dismissal or resignation from office.	● There is no variable component of remuneration for members of the Supervisory Council, nor are they entitled to any compensation in the event of removal or resignation.
Once a year, the management board prepares a report on the remuneration granted to each current and former management board and supervisory council member.	N/A This criterion does not apply. CleanR Grupa's shares are not listed on a stock exchange; therefore, this requirement regarding a report on the remuneration does not apply to the company.

ORGANIZATION OF THE SUPERVISORY COUNCIL'S WORK AND DECISION-MAKING

Principle #11

The company's supervisory council's work organisation is clear and understandable

Criterion	Evaluation/Description
The supervisory council organises its work in accordance with regulations of the supervisory council and the work calendar.	<p>● The Supervisory Council meetings are held in accordance with an approved schedule, at least once a month. The Council adopts decisions by unanimous vote of all members. Extraordinary Council meetings are convened as necessary. During the reporting year, 24 Supervisory Council meetings were held, all of which were attended by all Council members.</p> <p>A separate Supervisory Council regulations document has not been developed because, in addition to the provisions set forth in the Articles of Association and the Commercial Law, there are no aspects that would need to be addressed in regulations that would justify the usefulness of the document.</p>
The supervisory council holds at least one separate supervisory council meeting per year to discuss the company's strategy and its implementation.	<p>● During the reporting year, three meetings of the Management Board and the Supervisory Council were held to review the implementation of the Group's strategy and to discuss the new medium-term strategy.</p>
The company's budget provides the financing necessary to ensure the operation of the supervisory council.	<p>● The company's budget provides for the funding necessary to support the Supervisory Council's operation, including funding for training council members and covering expenses related to the performance of their duties. The Management Board provides the technical equipment necessary for the Supervisory Council's work.</p>
Once a year the supervisory council conducts a self-assessment of the work of the supervisory council and reviews its results at the supervisory council meeting.	<p>● Prior to submitting the annual report for approval at the Shareholders' Meeting, the Supervisory Council conducts a self-assessment of its work and submits it to the Shareholders' Meeting for review.</p>
Each year, the supervisory council assesses whether its membership possesses the appropriate experience and expertise, including whether it has sufficient capacity and adheres to the principles of diversity.	<p>● As part of the Supervisory Council's annual self-assessment, the adequacy of the Supervisory Council's expertise and capacity is also discussed.</p>
The supervisory council has assessed the need to establish committees.	<p>● On November 28, 2025, the Shareholders' Meeting adopted a decision to establish an Audit Committee and elected its members (see Principle #12.1). It has been determined that the establishment of other committees is not currently necessary.</p>

Principle #12

The supervisory council takes informed and well-balanced decisions

Criterion	Evaluation/Description
The supervisory council has access to information prepared by the management board necessary for decision-making in a timely manner and in sufficient amount.	<p>● Information regarding the items on the meeting agenda and the information prepared by the Board that is necessary for the Supervisory Council to make decisions is available no later than three days before the Supervisory Council meeting.</p>
The supervisory council determines the procedure for the circulation of information, including the right of the supervisory council to request from the management board information, which the supervisory council needs to make decisions.	<p>● The Supervisory Council has determined the scope, format, and submission deadlines for the financial and non-financial information to be submitted to the council meetings.</p>
A supervisory council member analyses the information and prepares proposals for decisions to be adopted by the supervisory council.	<p>● When making decisions, the Supervisory Council analyses the information received and assesses the risks and the short- and long-term impact on the company's value, sustainability, and development.</p>
When making decisions, the supervisory council assesses the risks, short-term and long-term impact on the company's value, sustainability and responsible development.	<p>● In draft council decisions, the Management Board includes information on the decision's impact on the company or the Group. If necessary, the Supervisory Council requests additional information from the company's management to facilitate informed decision-making. The decisions, as well as the rationale for them, are recorded in the minutes of the Supervisory Council meeting.</p>

ORGANIZATION OF THE SUPERVISORY COUNCIL'S WORK AND DECISION-MAKING

(continued)

Principle #12.1

A committee prepares proposals for supervisory council decision making

Criterion	Evaluation/Description
The supervisory council determines the tasks and the procedures for organisation of work of the committee.	● The Shareholders' Meeting have approved the Audit Committee's regulations, which define the committee's responsibilities and operating procedures. The regulations are available on the Group's website.
The supervisory council establishes a committee of at least three supervisory council members with appropriate experience and expertise in the field of work of the committee (remuneration, nomination, audit or another field).	● The Council has only three members, and, in accordance with the requirements of the Financial Instruments Market Law, one council member and two independent committee members have been elected to the Audit Committee, with expertise in the areas of annual report auditing, internal control, and sustainability reporting and governance, respectively.
The committee analyses the information and makes proposals for decisions by the supervisory board, as well as informs the supervisory council of the work of the committee.	● One Audit Committee meeting was held during the reporting year. The meeting reviewed matters related to the audit of the annual report and approved the Annual Internal Audit Plan, which was subsequently recommended for approval and approved by the Council.

PREVENTION OF CONFLICT OF INTEREST

Principle #13

Management board and supervisory council members are clearly aware of the manifestations of conflicts of interest and are informed of the action to be taken in the event of a conflict of interest

Criterion	Evaluation/Description
Supervisory council defines the indications of a conflict of interest and identifies the conflict-of-interest prevention and management procedures.	● The Management Board has developed, and the Supervisory Council has approved the "CleanR Grupa Conflict of Interest Prevention Policy." The policy defines the indications of a conflict of interest and the reporting procedure.
Supervisory council or management board members do not participate in decision-making on matters in which the company's interests conflict with the interests of the supervisory board, management board members or persons related to them.	● No such decisions were reviewed during the reporting period.
Persons subject to the obligation of prevention of conflicts of interest participate in trainings on dealing with conflicts of interest on a regular basis.	● The company organizes such training sessions once every two years; during the reporting year, no training on the prevention of conflicts of interest was organized for the relevant personnel. Such training was organized in 2024 and is planned for next year.

SHAREHOLDERS' MEETING

Principle #14

The company provides shareholders with information on conduction of shareholder meetings timely providing all the information necessary for decision-making

Criterion	Evaluation/Description
The company informs shareholders in a timely manner about the agenda, course and voting procedures of the shareholder meeting, as well as about any related changes.	● Shareholders' meetings are convened and held in accordance with the company's Articles of Association and the Commercial Law. During the reporting year, six shareholder meetings of AS "CleanR Grupa" were held.
The company ensures that shareholders have the opportunity to review draft resolutions and accompanying documents in a timely manner, including through the use of digital tools.	● Shareholders are notified of meetings and the matters to be reviewed at such meetings in accordance with the procedures set forth in the Commercial Law. It should also be noted that at all Shareholders' Meetings of AS "CleanR Grupa" to date, including during the reporting year, all voting capital has been represented; in such cases, pursuant to the second paragraph of Article 276 of the Commercial Law, the meeting is considered legal regardless of the time, manner, or venue of its convening. This meeting may also discuss matters not included on the agenda and adopt resolutions on them, provided that all shareholders with voting rights unanimously agree.
The company provides shareholders with an opportunity to submit questions on the matters included in the agenda and draft decisions before the shareholder meeting.	● Draft resolutions and the accompanying documents provide detailed, clear, and complete information regarding the matter under consideration.
The draft decisions and the documents attached to them provide detailed, clear and complete information on the matter under consideration.	●

Principle #15

The company promotes effective shareholder involvement in decision-making and a participation in shareholder meetings

Criterion	Evaluation/Description
The company provides shareholders with the opportunity to participate in the shareholders' meeting in person or remotely, in compliance with the necessary safety and technical measures.	● Shareholders of AS "CleanR Grupa" are given the opportunity to participate in shareholder meetings both in person and remotely, observing the necessary safety and technical measures.
The company determines the appropriate duration of the shareholders meeting and provides the shareholders with the opportunity to express their opinions during the meeting and obtain the information necessary for decision-making.	● The duration of the meeting is determined based on the agenda items, allowing for additional time for discussion if necessary.
The company invites management board and supervisory council members, candidates for supervisory council members, auditors and internal auditors, as well as other persons to participate in the shareholder meeting in accordance with the matters to be considered at the meeting.	● Depending on the matters to be discussed, specific representatives from Group companies or external experts, the internal auditor, or – for example, in the case of approving the annual report – the external auditor participate in the Shareholders' Meeting.
The shareholder meeting makes decisions in accordance with the previously announced draft decision.	● Well-founded draft decisions are prepared for all items on the agenda. Shareholders may propose amendments to a decision or propose a different decision in the cases and in accordance with the procedures set forth in the Commercial Law.

Principle #16

The company develops and discusses dividend policy with shareholders

Criterion	Evaluation/Description
The company has developed and published an up-to-date dividend policy.	● In 2025, a draft Dividend policy was developed and discussed at the Shareholders' Meeting. The policy has not been approved and, accordingly, has not been made public.
The dividend policy has been discussed with the shareholders during the shareholder meeting.	●

TRANSPARENCY OF THE COMPANY'S OPERATIONS

Principle #17

The company informs shareholders and other stakeholders on a regular basis and in a timely manner of business operations, financial results, management and other relevant issues of the company

Criterion	Evaluation/Description
The company discloses complete, accurate, objective, up-to-date and true information in a timely manner.	<p>AS "CleanR Grupa" is a capital market participant, and during the reporting year, all material information was published on the Nasdaq stock exchange's information platform; but since February 4, 2026, upon becoming a regulated market participant, information has also been published on the Bank of Latvia's information system, including on the CleanR Grupa website cleanrgrupa.lv/en and on the LinkedIn account. The Group discloses current, complete, accurate, objective, and truthful information regarding the operations of the joint-stock company and the Group.</p> <p>The company pays special attention to information intended for publication and confidential information. AS "CleanR Grupa" has developed an "Internal Information Disclosure Procedure," established procedures for the circulation of information, and selected the responsible for responding to questions from investors and other stakeholders, as well as for liaising with the media.</p>
The company provides information to all shareholders simultaneously and in equal measure, using previously agreed-upon communication channels for this purpose, taking into account both technological capabilities and the needs of shareholders.	<p>CleanR Grupa shareholders are provided with information simultaneously and in the same amount.</p> <p>Current information for investors is provided in the stock exchange information disclosure system, the Bank of Latvia information disclosure system, as well as on the website, in the annual financial and interim reports, as well as on the social network LinkedIn, and twice a year – at investor webinars.</p>
The company discloses information about the company's management, strategy or lines of business on the website and publishes financial statements as well as other information in accordance with Annex No. 1.	<p>CleanR Grupa on its website publishes the consolidated interim and annual financial statements, as well as consolidated sustainability reports, news about the Group's governance. It also contains a presentation about the Group, which includes detailed information about the business areas, the Group's development strategy.</p>
The company provides information in both Latvian and at least one other official language of the European Union.	<p>The Group provides information in Latvian and English.</p>

Principle #18

A transparent governance system has been established for corporate groups to ensure the implementation of corporate governance principles within the companies

Criterion	Evaluation/Description
Members of the management board and supervisory council of a subsidiary within the group act primarily in the interests of the subsidiary.	<p>The members of the board of the subsidiaries within the Group act primarily in the interests of the subsidiary, but there are also cases where the interests of the Group have prevailed over the interests of individual companies.</p> <p>During the reporting year, there were no transactions in the Group's subsidiaries that would have been in the interest of the parent company only.</p>
The group has established transparent procedures for implementing group-level strategies, financial objectives, and policies.	<p>The Group ensures a transparent procedure for the implementation of Group-level strategy, financial targets and policies. The Group's subsidiaries, in which AS "CleanR Grupa" is a majority shareholder, either directly or indirectly, and over which it exercises full operational control, are managed by establishing uniform policies and processes, as well as by developing and approving a common Group business development strategy and setting financial and non-financial targets. The Group's and its subsidiaries' targets are prepared by the Targets Committee and subsequently approved by the Supervisory Council.</p> <p>The strategy is developed by the subsidiaries' management boards in collaboration with the CleanR Grupa Management Board; it is approved and its implementation is monitored by the Supervisory Council.</p>
The company provides comprehensive and transparent information about its operations within the group.	<p>AS "CleanR Grupa" provides comprehensive and transparent information about its operations and those of its subsidiaries within the Group – this information is available both on the websites of individual subsidiaries (where available) and on the Group's – the parent company's – website cleanrgrupa.lv/en, as well as in the annual financial and non-financial reports.</p>

APPENDIX NO. 1: INFORMATION TO BE PUBLISHED ON THE COMPANY'S WEBSITE

Criterion	Evaluation/Description
Information about the company – its history of establishment and operations, registration details, address, description of the industry, main types of business activities, and the company's position within the group structure (if applicable).	● Information about the company is available on the CleanR Grupa website at cleanrupa.lv/en , including details on the Group's main business activities, management structure, history of establishment and industry, registration details, and address. Detailed information about the Group is available in the issue terms/prospectus and in the presentation for the investors in English: cleanrupa.lv/en/investors .
Information on the company's strategic objectives.	● Available on the website in the Group presentation at cleanrupa.lv/en/investors and in the sustainability reports at cleanrupa.lv/en/sustainability .
Articles of Association.	● cleanrupa.lv/en/corporate-governance
Information on the company's corporate governance structure (interaction between the shareholders/members' meeting, the council, its committees, the management board, the auditor, the internal auditor, the Audit Committee, etc.).	● cleanrupa.lv/en/corporate-governance
The company's Code of Internal Culture and Ethical Conduct.	● Code of Ethics is available at cleanrupa.lv/en/corporate-governance .
Information on the company's compliance with current standards of good business (e.g., in the areas of sustainability, the environment, and information technology).	● Available at cleanrupa.lv/en/corporate-governance and in the reports published.
Key company policies (those listed in Appendix 2 to the Code and/or other policies).	● cleanrupa.lv/en/corporate-governance
Shareholders and beneficiaries:	
Information about the company's shareholders who hold at least 5% of the company's shares (indicating the date on which this information was prepared).	● Information about the company's shareholders who hold at least 5% of the company's shares is available on the website under "About us" cleanrupa.lv/en/about-us and under "Corporate Governance" cleanrupa.lv/en/corporate-governance , including information that is updated annually and published in the annual corporate governance statement and/or sustainability report cleanrupa.lv/en/sustainability .
Information about the company's beneficiaries (indicating the date on which this information was prepared).	● Information about the company's true beneficiary is available on the website at cleanrupa.lv/en/about-us in the presentation for investors – cleanrupa.lv/en/investors , as well as in the published annual corporate governance statements at cleanrupa.lv/en/corporate-governance and/or sustainability reports at cleanrupa.lv/en/sustainability .
The number of issued, paid-in, and voting shares, bonds, or other financial instruments of the company.	● cleanrupa.lv/en/investors
Management Board and Council:	
Structure of the Management Board and the Supervisory Council.	● cleanrupa.lv/en/about-us
Information about each member of the company's supervisory council and the management board: <ul style="list-style-type: none"> • term of office (for the council only), • position and area of responsibility (if specified), • professional work experience and education, • current information on positions held in other companies, • current information on company shares owned, • statistics on attendance at council meetings (for the council only). 	● Information about the members of the Supervisory Council and the Management Board, their work experience, education, and other positions held, information on shares (if owned) is published and available at: cleanrupa.lv/en/about-us , including in the bond issue terms, which are available on the website under the "Investors" section. The Management Board's areas of responsibility are outlined in the Group's presentation, available at: cleanrupa.lv/en/investors , as well as in the sustainability reports cleanrupa.lv/en/sustainability .

APPENDIX NO. 1: INFORMATION TO BE PUBLISHED ON THE COMPANY'S WEBSITE (continued)

Criterion	Evaluation/Description	
Management Board and Council:		
Information about independent council members: <ul style="list-style-type: none"> which council members are considered independent, the criteria used to determine a council member's independence. 	●	<p>The website indicates which Council member is the independent one: cleanrupa.lv/en/about-us.</p> <p>Although not specified on the website, this assessment was conducted in accordance with the independence criteria set forth in the Code prior to the council member taking office.</p>
Compensation policy for the management board and supervisory council and remuneration report.	●	<p>"Remuneration and Compensation Policy" is available at: cleanrupa.lv/en/corporate-governance.</p> <p>CleanR Grupa shares are not listed on a stock exchange; therefore, the requirement regarding the remuneration report does not apply to the company.</p>
Procedures for the selection and dismissal of members of the supervisory council and management board approved by the company.	●	<p>The procedure is outlined in the "Personnel Policy": cleanrupa.lv/en/corporate-governance.</p>
Information on the Council committees and the Audit Committee: committee regulations; information on committee members.	●	<p>The Audit Committee was established in November 2025. The committee regulations and information regarding the composition of the Audit Committee are available: cleanrupa.lv/en/corporate-governance.</p>
Financial and non-financial reports and information:		
The company's financial statements and reports for at least the last 3 fiscal years: <ul style="list-style-type: none"> annual reports (including consolidated reports, if prepared) and auditor's reports (if prepared), interim reports and quarterly reports. 	●	cleanrupa.lv/en/investors
The company's sustainability reports for at least the last three financial years, if available.	●	cleanrupa.lv/en/sustainability
Corporate governance statements for at least the last three financial years, if available.	●	cleanrupa.lv/en/corporate-governance
The company's financial calendar or a calendar of other significant and planned communication events.	●	cleanrupa.lv/en/investors
Information for shareholders and investors:		
Information on scheduled and past shareholders' meetings, as well as resolutions.	N/A	The shares of AS "CleanR Grupa" are not listed on the stock exchange; this requirement does not apply to the company.
The company's dividend policy and information on dividends paid (for at least the last 10 years of the company's operations).	N/A	The company's Dividend policy is currently being developed and is expected to be published in 2026. The shares of AS "CleanR Grupa" are not listed on the stock exchange; information regarding dividends paid does not apply to the company.
Announcements and material information for investors published by the company, including investor presentations, video recordings of investor events, forecasts (if any), announcements regarding mergers or acquisitions, etc.	●	The webpage section cleanrupa.lv/en/investors features presentations, webinar recordings, and reports, while the section cleanrupa.lv/en/news/ publishes all the latest information, including news about mergers and acquisitions.
Company representative responsible for communications (e.g., investor relations specialist).	●	Contact information is available on the website: cleanrupa.lv/en/investors .

APPENDIX NO. 2: KEY COMPANY POLICIES

Key policies	Evaluation/Description/Link to the webpage	
Risk Management Policy	●	cleanrgrupa.lv/en/corporate-governance
Compensation Policy	●	cleanrgrupa.lv/en/corporate-governance
Dividend Policy	●	The company's Dividend policy is currently being developed and is expected to be published in 2026.
Internal Culture and Ethical Conduct Policy	●	"Code of Ethics": cleanrgrupa.lv/en/corporate-governance .
Supervisory Council and Management Board Member Selection Policy	●	"Personnel Policy": cleanrgrupa.lv/en/corporate-governance .
Conflict of Interest Prevention Policy	●	cleanrgrupa.lv/en/corporate-governance
Other key policies mentioned in the Code:		
Internal Control and Audit Policy	●	cleanrgrupa.lv/en/corporate-governance
Information Management and Security Policy	●	The company complies with all applicable external regulatory requirements, including those in the field of cybersecurity. The Group has developed an "Internal Information Disclosure Procedure," but it is not publicly available. Principles of information confidentiality are incorporated into several other internal regulations of the Group, including employment contracts and internal work regulations.
Information Disclosure, Circulation, and Confidentiality Policy	●	
Whistleblowing Policy	●	cleanrgrupa.lv/en/corporate-governance
Fair Competition Policy	●	cleanrgrupa.lv/en/corporate-governance
Sustainability Policy	●	cleanrgrupa.lv/en/corporate-governance
Crisis Management and Business Continuity Policy	●	cleanrgrupa.lv/en/corporate-governance
Key compliance policies:		
Business Partner Due Diligence Policy	●	"The Procedure for due diligence on business partners" has been prepared; it is not made public.
Sanctions Risk Management Policy	●	"The Sanctions risk management process" is incorporated into the Procedure for due diligence on business partners; it is not it is not made public.
Personal Data Processing Policy	●	"Privacy Policy": cleanrgrupa.lv/en/privacy-policy .

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

The "CleanR Grupa Sustainability Policy" lays down the strategic framework, approach, and key sustainability principles at the Group, as well as the governance structure over sustainability matters.

According to the policy, the CleanR Grupa Management Board is responsible for devising and implementing the sustainability strategy in line with the overall business strategy. The Supervisory Council has oversight of the strategy implementation. The Group's board member responsible for corporate relations and sustainability matters regularly provides updates on sustainability-related topics at the board and council meetings, as well as ensures external communication regarding the Group's plans and progress towards its sustainability targets. The Group's Sustainability Manager works out an action plan to implement the strategy and achieve the targets and coordinates its deployment across the Group.

In the reporting year, the Group had set up the following working groups: Services Management, Work Environment and Safety, Environment and Energy Efficiency, and Corporate Governance. These working groups included the managers and specialists of the Group companies with expertise in the respective areas.

In 2025, two Corporate Governance work group meetings, one Work Environment and Safety work group meeting, and one Environment and Energy Efficiency and one Services Management work group meeting took place. The working groups' primary focus was on identifying and analysing the Group's material sustainability-related impacts, risks, and opportunities, which served as the basis for the double materiality analysis and the identification of material sustainability topics.

During the reporting year, reports were presented to the CleanR Grupa's Management Board and the Supervisory Council on:

- progress toward sustainability targets and activities undertaken,
- the process and results of the Double materiality analysis, proposed targets for the next strategic period in priority areas,
- internal documents developed for sustainability management: the sustainability report preparation process, GHG calculation methodology, and amendments to the "Sustainability Policy".

At the end of 2025, the Group's "Sustainability Policy" was updated, and changes were made to the sustainability governance approach. To ensure more transparent and efficient progress toward sustainability targets and implementation of the tasks set for their achievement, starting 2026, the four sustainability working groups that have been operating to date have been merged into a single Group-level Sustainability Working Group. The working group's core membership has been established, additional experts to be invited as required.

Integration of sustainability-related performance in incentive schemes (GOV-3)

The "CleanR Grupa Remuneration and Compensation Policy" lays down the general principles governing the pay of the Group employees, including the management board members' compensation. The implementation of the Remuneration Policy is overseen by the Target Committee, the Group's Human Resources and Administrative Director, as well as the Internal Audit.

Every year, the Target Committee sets, and the Group Council approves corporate targets for the Group and subsidiary companies, which simultaneously are the individual targets of the board members according to their area of responsibility. The terms of and changes in the incentive schemes of the Group and its subsidiary company management bodies are reviewed and approved by the Group Board and then the Council.

In the reporting period, the sustainability target "To increase the share of separately collected and recyclable waste in the total amount of municipal waste collected" has been included in the CleanR management board members' incentives scheme; in terms of its "weight", the target constituted 15% of all targets set. Every month, CleanR updated the Council on the progress achieved towards the set target at the council meetings. This target is important for both the Group's financial sustainability, as well as the Latvia's environmental targets (see section "Circular Economy").

Statement on due diligence (GOV-4)

Due diligence is an integral part of the Group's business decision-making and risk management process. Due diligence is conducted to identify, prevent, and mitigate any actual and potential adverse impacts on the Group, its employees, customers, and their rights, as well as on the environment.

The Group seeks to follow best practices, including the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, and to base the Group's due diligence process on the core elements defined therein.

Core elements of due diligence	Topic revealed in the section of the Statement
1. Embedding due diligence in governance, strategy and business model	Role of management and supervisory bodies; Strategy, sustainability issues in the Group's strategy; Description of the business model; Sustainability governance; descriptions of Group policies in thematic sections E1-1; E2-1, E5-1, S1-1, S3-1, S4-1, G1-1.
2. Engaging with affected stakeholders in all key steps of the due diligence	Stakeholder interests and views (SBM-2); Descriptions of stakeholder engagement in the thematic sections: S1-2, S3-2, S4-2.
3. Identifying and assessing adverse impacts	Material impact, risks, and opportunities, and their interaction with the strategy and business model (SBM-3); Description of the process for identifying and assessing material impacts, risks, and opportunities (IRO-1), including: S1-3, S3-3, S4-3, G1-4.
4. Taking actions to address those adverse impacts	Thematic subsections of the Statement describing the activities carried out in relation to the relevant sustainability area: E1-3, E2-2, E5-2, S1-4, S3-2, and S4-4.
5. Tracking the effectiveness of these efforts and communicating	Thematic subsections of the Statement describing achievement of targets and reporting to stakeholders on progress made: E1-4, E2-3, E5-3, S1-5, S1-10, S1-13, S1-14, S1-17, G1-1, G1-2, G1-5.

Risk management and internal controls over sustainability reporting (GOV-5)

CleanR Grupa has an independent Internal Audit unit reporting to the CleanR Grupa Council. Its task is to provide independent, unbiased advice and assurance, with the aim of improving the Group's operations and increasing its value. The role of the internal audit is to help the Group to achieve its targets by using a systematic and disciplined approach to risk management, assessment, and improvement of controls, including over sustainability reporting.

Internal audits are carried out in line with the principles described in the "Internal Audit Policy" (updated on 16.12.2025) and according to the CleanR Grupa Annual Audit Plan, which is approved by the Supervisory Council. The CleanR Grupa Management Board and the Council regularly receive reports from the Internal Audit containing recommendations and corrective measures to mitigate identified risks.

The internal audit has identified several risks in sustainability reporting:

- data quality and completeness risk, which may lead to significant errors in the Sustainability Statement if appropriate controls or accurate methodology are not in place,
- GHG emissions calculation accuracy risk, as inaccurate calculations may lead to reporting the carbon footprint incorrectly,
- timely data availability risk: if information from internal or external sources is delayed, it may affect the ability to meet reporting deadlines.

The identified risks are mitigated by a regular review of the methodology and introduction of additional controls (for example, data comparison between business units, stricter deadlines, and appointment of responsible employees). In addition, to improve GHG emissions data accuracy and prevent inaccuracies, international standards, such as the GHG Protocol, are used.

During the reporting year, the Internal Audit reviewed the achievement of the sustainability targets, as well as reviewed the developed "GHG Emissions Calculation Methodology" and the calculations, providing relevant recommendations to ensure data completeness and integrity, as well as reviewed the "Procedure for Preparing the AS "CleanR Grupa" Sustainability Report".

Next year, Internal Audit will adopt a risk-based approach. It will focus on strengthening sustainability reporting, data quality, and the effectiveness of controls. This will enable the Group to better plan, measure, and report on sustainability targets and relevant indicators. The CleanR Grupa Audit Committee will ensure strategic oversight and the independence of Internal Audit with respect to sustainability reporting. The Committee has approved the inclusion of the sustainability reporting process audit in the 2026 Annual Audit Plan. Internal Audit will report to the Audit Committee on initiated or completed checks, significant risks identified, key deficiencies, the status of recommendation implementation, and adherence to deadlines.

STRATEGY

Strategy, business model and value chain (SBM-1)

CleanR Grupa, in its mid-term strategic vision, has set **the goal of strengthening its position in integrated environmental and urban management services in Latvia**, including expanding its operations in the Baltic region.

This vision is based on providing comprehensive environmental services, ensuring that municipalities, businesses, and local communities **benefit from a seamless, end-to-end service** (see the next section, "Business model description," for details).

The Group's strategic vision is closely linked to sustainability and is based on three main pillars:

1 Consistent and sustainable increase in company value

As one of the most valuable private companies in Latvia, AS "CleanR Grupa" 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.

2 Fostering the circular economy

The Group 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 customers 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.

3 Operational efficiency and synergies

The third strategic pillar underpinning the Group's growth strategy is operational efficiency. The Group strives to make the most of opportunities for robotization, automation, and digitalization across all areas of operation, as well as to strengthen synergies across all companies by centralizing and improving key business processes and optimizing the use of logistics, the truck fleet, and specialized equipment within the Group. To promote efficiency, the Group offers incentive programs to its employees, including a stock option plan for senior executives, thereby aligning employee interests with the organization's long-term success.

Sustainability focus:



Process optimization; reducing costs and environmental impact, increasing energy efficiency and productivity,



Fostering of circular economy; use of waste as a resource, increasing the share of sorted, quality, reusable materials, reducing the amount of land-filled waste,



Customer satisfaction, customer service process digitization, and environmental education,



Improvement of employee experience, fostering engagement, employee safety and well-being, training, leadership, and succession development.

Strategy, business model and value chain (SBM-1) (continued)

Business model description

The largest companies in the CleanR Grupa operate in the fields of waste management, recycling, commercial cleaning, urban maintenance, and extended producer responsibility systems.

The Group offers integrated services, including:

- 1 **full-cycle waste management:** from the collection of municipal, healthcare, hazardous, industrial, and construction waste to sorting, recycling, and disposal, as well as
- 2 **environmental services:** commercial cleaning, and all-season urban maintenance – including the maintenance of public areas, streets, and roads.

The Group's vertically integrated business model enables it to provide customers with seamless, full-cycle services, ensuring efficiency, quality, and a positive customer experience.

The Group's customers include companies and organizations of various sizes and segments – private companies, state and local government agencies, and capital companies, as well as private individuals. Its customer base comprises more than 9,800 corporate customers and 170,000 households in Latvia. The Group's companies provide services in 37 municipalities, including Latvia's largest cities – Riga, Cēsis, Jūrmala, Liepāja, and Jelgava.

The Group's companies secure contracts by participating in public procurement. The contracts entered vary in duration and type of procurement depending on the specific nature of each business segment. Multi-year public procurement contracts are typical in municipal procurement for household waste management and urban maintenance. Contracts with private companies are generally more flexible and focused on customer needs and service.

Pricing for services varies across different segments. It is determined by both regulator-approved tariffs and the free market. In regulated segments, municipalities set tariffs through public procurement, allowing for cost increases and tariff adjustments, for example, due to changes in waste management costs (e.g., landfill costs) or regulatory requirements.

The Group's companies provide services only in Latvia, but the products are also sold abroad. The main products of CleanR Grupa companies are sorted packaging materials—paper, cardboard, and glass, including plastic pellets and flakes produced at the plastic recycling plant, as well as recycled construction waste and refuse-derived fuel (RDF).

CleanR Verso (as of January 1, 2026, CleanR Industry) sells its sorted packaging materials both locally and exports them to European Union countries. Materials recovered during the construction waste recycling process – such as soil, gravel, and wood – are primarily sold locally to private individuals and companies in the manufacturing and construction sectors in Latvia.

The CleanR Industry Plastic recycling plant specializes in the recycling of various types of used polymer packaging. High-quality polyethylene or polypropylene pellets are produced from the recycled plastic waste, which are used as raw materials in the manufacture of various new products. The produced plastic pellets are exported to countries such as Poland, Germany, Lithuania, Finland, Estonia, the Czech Republic, Sweden, Ireland, and Italy. The quality of the products is attested by the "RecyClass" certificate.



Meanwhile, at the CleanR Industry's waste treatment centre and at Vides resursu centrs' sorting facility, high-quality RDF is produced from non-recyclable industrial waste and the sorted household waste residues. It is used as an alternative fuel in cement production, as well as in waste-to-energy plants as fuel for heat and electricity generation.

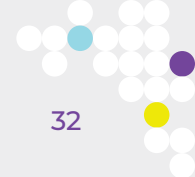
The Groups' recycling facilities implement the principles of circular economy, facilitating Latvia's landfilled waste reduction target.

The Group offers a wide range of services in the field of urban and commercial cleaning. Urban maintenance is carried out with increasing use of mechanized, robotic, and digital solutions, which allow tasks to be performed in higher quality and with greater efficiency.

Overall, during the reporting year, the Group's net revenue from services rendered and products sold, broken down by geographic markets, was as follows: Latvia 95%, EU and EEA countries 4.3%, and other markets 0.7%. CleanR Grupa companies do not manufacture products or provide services that are banned in any of the markets.

The Group's average number of employees during the reporting year was 1,849. Total revenue for the reporting year was EUR 144.5 million. Net revenue breakdown by major sectors: 44% from waste management, 15% from waste recovery, 10% from waste sorting, and 23% from environmental services (cleaning services).

The sustainability-related targets are closely intertwined with the Group's key businesses, its products and services, including the customers and other affected stakeholders in Latvia, where the Group companies provide their services. These sustainability targets are reported in the "Metrics in relation to material sustainability matters" section of the Statement, as well as in the Appendix.



Strategy, business model and value chain (SBM-1) (continued)

Description of the value chain

In the previous reporting period, CleanR Grupa conducted its key business line value chain analysis. The Group's key resources for the provision of services and production were assessed, key suppliers identified, the main groups of customers and markets analysed. In 2025, the value chain was reviewed, and the impacts, risks, and opportunities across the entire value chain were reassessed.

The Group's upstream value chain includes more than 2,300 suppliers and business partners. The Group's downstream value chain comprises more than 62,000 customers.

The Group relies on its human resources, employee competencies, experience and knowledge to provide its services and conduct its business. The Group's most significant material resources required to support its core operations include fuel, electricity, specialised vehicles and equipment, spare parts for maintaining vehicles and production equipment, waste collection containers and bags, supplies for maintaining commercial premises and the urban environment, and purchased plastic waste materials used in plastic recycling, including water. Waste is certainly considered a significant resource for the Group's companies as it is used as a raw material for sorting and further recycling.

IT equipment and systems are significant to support and run key business operations, to plan waste collection and urban maintenance logistics, as well as to automate production processes and customer service.

The sourcing of the key material resources takes place through procurement in line with the Group's established procurement practice by concluding agreements with suppliers.

The collection, sorting, and recycling of waste as a resource is conducted responsibly, meeting the requirements of the pollution permits, decreasing the Group's impact on the environment and society.

To promote a value-driven and responsible value chain, the key risks and opportunities have been identified across all value chain links (see the thematic sections of the Statement).

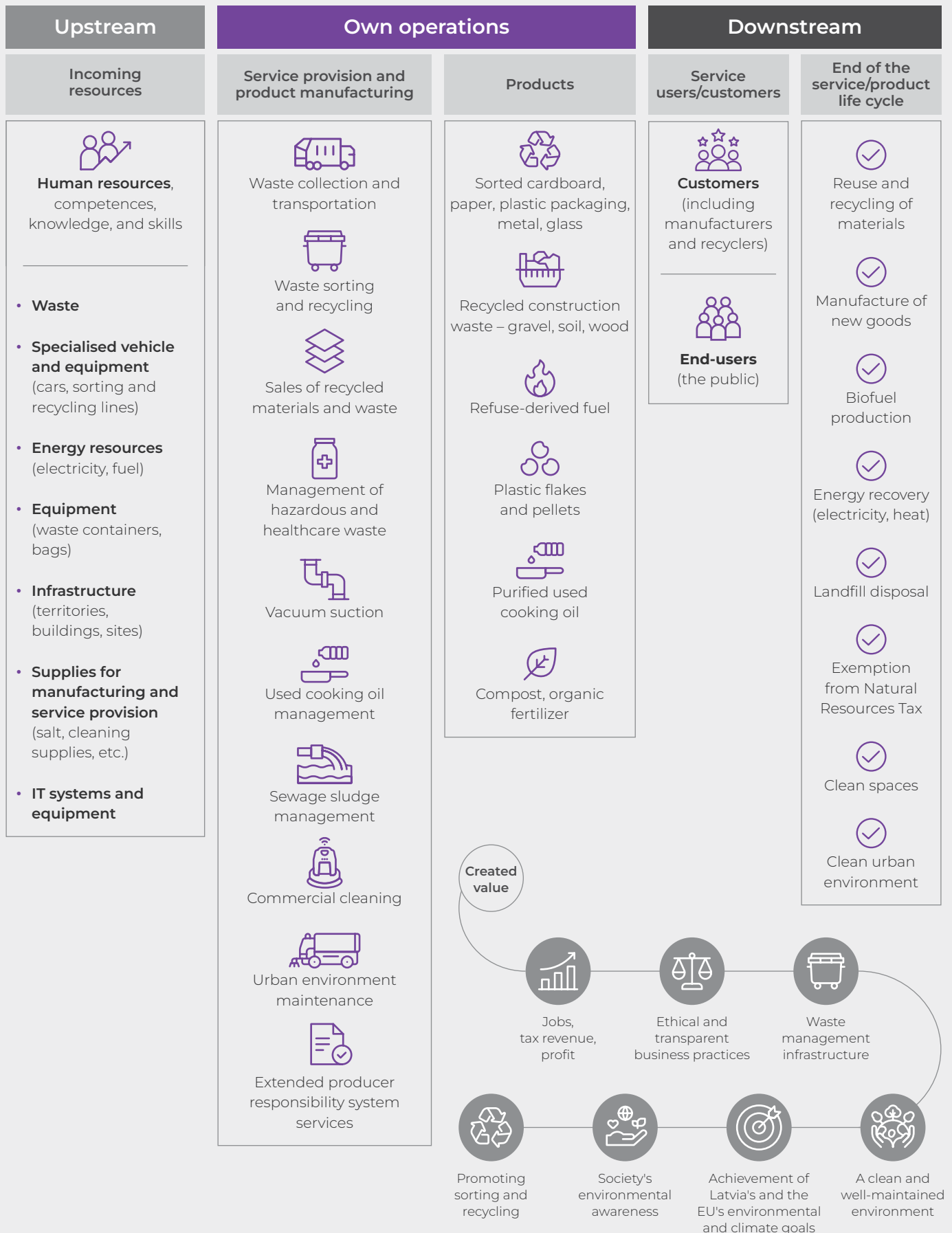
At the same time, the Group companies play a significant role in other actors' value chains both as a customer and as a supplier. This binds the Group to act as a reliable business partner. The Group's key principles of business conduct have been defined in the "Group's Code of Ethics", the "Group's Code of Conduct for Suppliers", as well as other Group policies, procedures, and processes.

The Group seeks to create value across the whole value chain. It strives not only to generate economic value for its shareholders and the state but also to contribute to all its stakeholders by addressing their needs.



Strategy, business model and value chain (SBM-1) (continued)

CleanR Grupa value chain



Interests and views of stakeholders (SBM-2)

Cooperation with stakeholders is an essential part of the CleanR Grupa's business. During the process of defining the Group's strategic sustainability framework and materiality assessment in late 2025, the Group's most significant stakeholders were identified anew. Interaction and collaboration with them take place regularly and in various forms: through discussions and exchanges of views, surveys, consultations, and partnerships.

CleanR Grupa seeks to find out its stakeholders' views and needs to learn what value it can create for the respective audiences. Therefore, it regularly carries out activities to ascertain its stakeholders' needs and expectations. The Group's stakeholders' views, expectations, and priorities form the basis of the Group's strategy, as well as facilitate improvement of its business model and processes.

The Group's management and supervisory bodies are informed of the stakeholders' views and interests, including their sustainability-related impacts. This takes place by gathering survey, interview, or other measurement data, analysing customer complaints and suggestions in the weekly and monthly reports to the Group Board and the Council, as well as during the due diligence and risk assessment process, for example, before concluding a new agreement and/or launching new cooperation projects.

During the reporting year, no significant changes were made to the Group's business model or strategy as a result of stakeholder engagement. The insights gained from due diligence processes – comments and suggestions from stakeholders regarding the improvement of service delivery and customer service quality processes, were considered.

In the next reporting period, the Group will continue its established practice in stakeholder engagement. CleanR Grupa is planning to continue its initiative – “The Latvian Circular Economy Index”, a scientifically based tool that engages all Latvian local governments. In addition, during the reporting year, the CleanR Grupa launched another new initiative to raise public awareness of the circular economy – in collaboration with the Riga Energy Agency, the first “Latvian Circular Economy Forum” was organized (see the “Circular Economy” section).

The above-mentioned initiatives significantly boost relationships with the stakeholders for implementation of the circular economy in Latvia – policymakers, local governments, NGOs and the academic sector, environmental services companies, and state economy data managers, increasing understanding and fostering transition to circular economy and responsible use of resources in the country.

The table on the next page summarizes the Group's key stakeholders, the nature and frequency of their engagement, and their impact on the company, indicating the areas in which the views of these stakeholders are considered. A more detailed description of the engagement activities carried out during the reporting year is available in the relevant thematic sections of the Statement.

Interests and views of stakeholders (SBM-2) (continued)

Stakeholder/ category	Engagement type and frequency	Impact on the operations of the Group companies (areas in which the stakeholders' views have been considered)
Employees (A)	<ul style="list-style-type: none"> Annual Group employee opinion survey Consultations with employees (representatives) and employee surveys as needed Weekly meetings and quarterly forums for administrative staff New Employee Day every two to three months Regular internal communications, engagement activities, and contests Working groups (sustainability, energy efficiency, etc.) Annual events for employees and their families 	<ul style="list-style-type: none"> Work environment improvements, premises renovations, work uniforms, employee benefit packages, etc. Establishment of the Employee Council during the reporting year Definition of the Group's values Work safety initiative "Drošinātājs" Employee of the Year and Team of the Year awards Christmas event for children, summer event for Group company employees and their families, etc. <p><i>For more, see in the "Own workforce" section</i></p>
Customers: private entities and other service users (end-users) (A)	<ul style="list-style-type: none"> Annual customer satisfaction surveys Daily communication via the customer service center and the customer self-service platforms (website and app) Annual waste collection campaigns in the areas served by the Group's companies Regular environmental education events 	<ul style="list-style-type: none"> Improving the quality of services and customer service Developing digital self-service channels Innovative solutions to ensure service accessibility, e.g., construction of sorting areas, operation of materials exchange points, continuation of mobile specific waste collection teams (the "Tirmāja" campaign) Environmental awareness-raising activities, both in person and through active communication in the media and on social networks <p><i>For more, see sections "Customers and End-Users" and "Affected Communities"</i></p>
Customers: legal entities, state institutions, local governments, private businesses (A) (U)	<ul style="list-style-type: none"> Annual customer satisfaction surveys and interviews Regular in-person and remote meetings Communication as part of the due diligence process prior to commencing cooperation Annual client/stakeholder events Annual industry conference Survey on the Group's key sustainability topics every three years Long-term research tool – the Latvian Circular Economy Index for municipalities every two years 	<ul style="list-style-type: none"> Service improvements and new services – e.g., during the reporting year – introduction of an internal sewer cleaning service Innovative, customized technological solutions – construction of underground container sites, robotic cleaning solutions Innovative digital quality management solutions – development of ViziiApp During the reporting year – an event for corporate clients was organized, along with the first Latvian Circular Economy Forum Environmental education events both in person and via direct communication, e.g., quarterly electronic newsletters During the reporting year – a survey on the Group's key sustainability topics Preparatory work for the Latvian Circular Economy Index to take place in 2026 <p><i>For more, see sections "Customers and End-Users" and "Circular Economy"</i></p>
Society (local communities) (A)	<ul style="list-style-type: none"> Biannual waste sorting habits survey Consultations, individual meetings, and public hearings with representatives of affected communities as needed (including, for example, in the case of new development projects) Regular environmental education activities 	<ul style="list-style-type: none"> Targeted communication activities and events on waste sorting: workshops on waste sorting at city festivals, etc. Informing the society about services and environmental topics through the media and social media Consultations and meetings with communities regarding the impact of our facility operations Additionally, conducting voluntary environmental measurements to monitor environmental quality and mitigate negative impacts Survey of residents' opinion and waste sorting habits during the reporting year <p><i>For more, see sections "Affected communities" and "Pollution Prevention"</i></p>
Suppliers, business partners (A) (U)	<ul style="list-style-type: none"> Communications as part of the due diligence process prior to establishing a business relationship Annual supplier evaluations Exchange visits A survey on the Group's key sustainability topics every three years 	<ul style="list-style-type: none"> Development of a unified Group supplier management and procurement system Encouraging suppliers to comply with sustainability requirements and ensuring their adherence to the Code of Ethics During the reporting year – a survey on the Group's material sustainability topics <p><i>For more, see section "Business Conduct"</i></p>

(A) Affected stakeholders: individuals or groups whose interests are affected or could be affected positively or negatively by the undertaking's activities and its direct and indirect business relationships across its value chain.

(U) Users of sustainability statements: primary users of general-purpose financial reporting.

Interests and views of stakeholders (SBM-2) (continued)

Stakeholder/ category	Engagement type and frequency	Impact on the operations of the Group companies (areas in which the stakeholders' views have been considered)
Investors (U)	<ul style="list-style-type: none"> Regular financial and non-financial reports, in accordance with the annual calendar Online webinars for investors twice a year 	<ul style="list-style-type: none"> Development of the Group's medium-term strategy During the reporting year – two online webinars for investors, reporting on annual and semi-annual financial and non-financial results
Banks, financiers, insurers (U)	<ul style="list-style-type: none"> Regular financial reports and disclosures Survey on the Group's material sustainability topics every three years 	<ul style="list-style-type: none"> Effective management of the Group's financial and non-financial data Risk and opportunity management Investments in EU Taxonomy-aligned activities During the reporting year – a survey on the Group's key sustainability topics <p><i>For more, see section "Climate change"</i></p>
Shareholders (A)	<ul style="list-style-type: none"> Shareholders' Meeting Shareholders' decisions and Letter of Expectations Regular dialogue 	<ul style="list-style-type: none"> Development and implementation of the Group's medium-term business and sustainability strategy Achievement of corporate (incl. sustainability) targets
Policy makers and supervisory institutions (U)	<ul style="list-style-type: none"> Regular dialogue Participation in ministry working groups and committee meetings Industry conferences Joint projects Annual reviews of operating permits A survey on the Group's material sustainability topics every three years. 	<ul style="list-style-type: none"> Stating the Group's position on relevant regulations Ensuring compliance with the terms of contracts and operating permits Maintaining quality management (ISO) systems Securing EU co-financing – participation in EU LIFE and similar programs During the reporting year – a survey on the Group's material sustainability topics <p><i>For more, see section "Business Conduct"</i></p>
Industry and lobbying associations (U)	<ul style="list-style-type: none"> Regular dialogue Participation in working groups Sharing best practices at seminars, public events, and conferences A survey on the Group's material sustainability topics every three years 	<ul style="list-style-type: none"> Transparent representation of the Group and sector interests Promoting the circular economy – increasing sorting and recycling, development of the producer responsibility system In the reporting year – survey on the Group's material sustainability topics <p><i>For more, see section "Business Conduct"</i></p>
NGOs, Industry experts (incl. academic sector) (U)	<ul style="list-style-type: none"> Regular dialogue, cooperation projects (e.g. research) Working in groups, sharing best practices in workshops and public events, conferences Exchange visits A survey on the Group's material sustainability topics every three years Long-term instrument – Assessment of the Circular Economy Index for Latvian municipalities every two years 	<ul style="list-style-type: none"> Support projects – support for innovation and research During the reporting year, the first Latvian Circular Economy Forum was organised Exchange visits within the framework of the Baltic Circular Hotspot In the reporting year – survey on the Group's material sustainability topics During the reporting year – preparations for the Latvian Circular Economy Index assessment in 2026 <p><i>For more, see section "Business Conduct" and "Circular Economy"</i></p>

(A) Affected stakeholders: individuals or groups whose interests are affected or could be affected positively or negatively by the undertaking's activities and its direct and indirect business relationships across its value chain.

(U) Users of sustainability statements: primary users of general-purpose financial reporting.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The Group's material impacts, risks and opportunities (IROs) are closely linked and stem from the Group's strategy, business model and the areas in which it operates. Impacts are generated both in its own operations and in the upstream and downstream value chain. IROs are directly linked to both actual and potential negative and positive environmental and societal impacts, and vice versa, in the short and medium term. All material opportunities are exploited and are part of the Group's business strategy.

Material impact on the environment

The CleanR Grupa companies have a substantial positive impact on the state's transition to the circular economy, using waste as a resource and returning materials to circulation. Big impact on climate change in terms of GHG emissions arises from own activities; it is related to the use of specialized vehicles in waste collection and the provision of urban maintenance services. However, the largest impact has been identified in Scope 3 emissions, arising from the need to use services or obtain resources for running the company's operations.

The Group ensures responsible prevention of pollution, implementing proper waste collection, sorting, and recycling, and ensuring pollution monitoring. Its areas of activity already render and, within the next five years, are likely to render opportunities to develop new services or modify the existing ones due to the pursuit of the EU's Green Deal objectives. To seize the opportunities, resources to develop innovative and efficiency-driving solutions have been planned in the Group's strategy and business plan.

Material impacts on society

CleanR Grupa largely depends on human resources and the availability of the workforce. More than 83% of the employees are engaged in physical work – logistics, indoor and outdoor cleaning, waste sorting. The Group companies allocate the necessary resources and run activities, which ensure proper training and foster a safe and enabling work environment and working conditions, including regularly revising and improving the benefits package. The Group seeks to educate its employees and boost their competence to ensure high performance and service quality. Special attention is paid to manager development and succession planning.

Significant impact and opportunities in the downstream value chain arise from cooperation with customers and end users. The Group places great importance on customer satisfaction – improving the experience, including ensuring digital accessibility and security of services, as well as fair, open and understandable communication about services, their environmental and social impact. In addition, the Group is aware of its opportunities to influence the change of society's habits, which is especially important for the implementation of the principles of the circular economy in the field of waste management, and ensures continuous environmental education of society.

Material impacts on business conduct

CleanR Grupa has a positive impact on the development of a competitive, ethical, fair, and transparent business environment. Thanks to the Group companies' long-standing experience in the environmental services sector, the Group has exerted a substantial influence on devising an efficient and competitive legal framework for the industry and business environment. Consistent and active engagement in industry policy making, therefore, is one of the Group's priorities.

The Group companies work with suppliers and business partners in Latvia and abroad. When concluding contracts and organizing procurements, it has an opportunity to embed sustainable principles and promote a responsible approach to business, therefore, the implementation of a unified Group procurement and due diligence process in relation to suppliers is a focus of the Group's medium-term strategy.

In the management's opinion, the Group's strategy, business model, and methods of operation ensure resilience against external and internal risks, emphasizing the Group's ability to adapt, prevent material impacts of the identified risks, and seize opportunities.

In the next years, to implement the Group's strategy, it is planning to invest in process improvements and digitization, vehicle fleet, production automation, infrastructure development, premises, and working conditions improvements. The Group is expecting to increase its capacity by concluding mergers and acquisitions.

The IROs and their management are reflected in more detail in each of the thematic sections of this Statement. The financial risks for the Group have been addressed in the Consolidated Financial Statements.

Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

The identification and management of the risks and opportunities of the CleanR Grupa companies lies at the basis of the strategic planning, as well as daily operations and processes. Risk management is conducted centrally at the parent company to ensure a consistent and comprehensive approach to risk management at all Group companies. The approach to risk and opportunity management is defined in the "Group's Risk Management Policy" and "Risk Assessment Guidelines". The main purpose of the process is to identify and assess threats and opportunities that are essential for maintaining and growing the value of the company, implementing the Group's strategy and achieving its goals.

Approach to assessing sustainability risks, opportunities and impacts

In 2025, CleanR Grupa carried out a new Double Materiality Assessment (hereinafter – DMA) to determine the material sustainability topics for the next medium-term strategy period. The aim of the process was to identify and assess the impacts, risks and opportunities (hereinafter – IRO) that are significant for both the Group's development and society as a whole, and, based on them, to determine the material sustainability areas in accordance with the thematic categorisation of the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS).

Double materiality means that the assessment of sustainability topics is done from two perspectives:

- **impact materiality**, which describes how the company's operations impact the environment, society and business, and
- **financial materiality**, which reflects how sustainability topics affect the company's operations, value, financial position, and cash flow.

The materiality assessment was performed by following the steps described below.

Identification of IROs

The identification of the initial IROs was initiated based on the Group's previous materiality assessment, annual business risk assessment, other industry, including foreign companies, practices, as well as the topics and sub-topics defined by the ESRS.

86 IRO factors were identified in the process. After refining the IROs and combining related topics, 75 IROs were retained, of which 24 impact factors, 33 risks and 18 opportunities were further assessed. During the DMA process, the list of IROs was reviewed and refined several times, considering the opinion of the management, experts and members of the working groups. For each IRO, the Group, Group company or companies to which the impact, risk or opportunity is most directly related was indicated. After own and stakeholder assessments, 17 impacts, 23 risks and 12 opportunities were identified as material.

In accordance with the ESRS, the following parameters were defined for each IRO:

- **nature of the impact** (positive or negative, actual or potential),
- **time horizon** (short-term: up to 1 year, medium-term: 1–5 years, long-term: more than 5 years),
- **location in the value chain** (upstream – U, downstream – D, or within the Group's own processes/operations – O).

In accordance with the ESRS, impacts were assessed based on:

- **severity** (how severe/significant the impact is),
- **scope** (how many people or how much territory it affects),
- **irremediability** (how difficult it is to mitigate the consequences in the event of a negative impact),
- **probability** (how certain it is that the impact will occur and within what timeframe).

Physical climate risks were not assessed within the scope of this DMA. The climate risk assessment conducted by the Group in 2024 is still relevant.

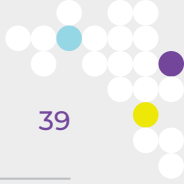
Expert interviews and thematic working groups

The initial list of IROs was validated through expert interviews and four thematic working groups (environment, employees, services, and governance groups). Representatives from all CleanR Grupa companies participated in the working groups, ensuring both a group-level and individual company perspective. During the discussions, impact, opportunity, and risk factors were discussed, clarified, and supplemented, and were further evaluated in subsequent stages.

Management's Assessment

The list of IROs refined by the working groups was submitted to CleanR Grupa management for assessment. All IRO factors were assessed on a scale of 1 to 5, with separate scales for (1) risks and opportunities, (2) impact on the environment and society, and (3) impact on employees.

Following management's assessment, all ratings were detailed in accordance with the parameters set by the ESRS. For impact factors, the final assessment of parameters remained on a scale from 1 to 5, but for risks and opportunities, a traditional risk management approach was used, multiplying probability by potential consequences, resulting in risk and opportunity assessments ranging from 1 to 25.



Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1) (continued)

Engagement of external stakeholders

External stakeholders were engaged through an online survey. The survey was available in two languages – Latvian and English – and 102 respondents participated. The survey was dominated by representatives of private-sector companies, local governments, and CleanR Grupa suppliers, and the majority of respondents (70%) described their cooperation with the Group as regular.

Survey respondents were asked to assess impact factors in the environmental, social, and governance areas using a similar rating scale (1–5) as in the management assessment. Based on the survey results, one impact factor was upgraded to material.

DMA matrix and the results

The materiality threshold for assessing impact factors was set at 3.5, while for risks and opportunities it was 9. By compiling the results of surveys of management and external stakeholders, a DMA matrix was created in which sustainability topics are classified into four groups:

- 1 impact materiality (sustainability topics where the Group has a significant impact on the environment or society),
- 2 financial materiality (sustainability topics where ongoing processes may impact the Group's operations and results),
- 3 double materiality (sustainability topics where both impact and financial materiality are present) and
- 4 non-material sustainability topics.

Overall, the Group's priority sustainability topics remain unchanged, with only minor changes to the wording of certain topics and subtopics. The process also identified new aspects, such as cybersecurity, which is a company-specific topic. Those previous sub-topics that did not exceed the materiality threshold as a result of the new materiality analysis (e.g., payment practices) are no longer included. Accordingly, the structure of the statement is based on the new DMA.

Materiality matrix (at ESRS subtopic level)

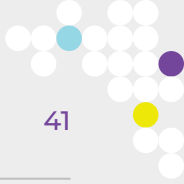


Disclosure Requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)

In accordance with the materiality assessment and the ESRS information disclosure requirements, the Sustainability Statement covers the following topics:

ID ESRS	ESRS subtopic	Sub-subtopics included (aspects of material impact)	Pages
Environment			
E1 Climate change	<ul style="list-style-type: none"> Energy Climate change mitigation Climate change adaptation 	<ul style="list-style-type: none"> Energy consumption GHG emissions Innovative solutions Climate risk management 	30–40
E2 Pollution	<ul style="list-style-type: none"> Pollution (air, water, soil) 	<ul style="list-style-type: none"> Ensuring a clean environment Compliance with the terms of permits for polluting activities 	41–44
E5 Resource use and circular economy	<ul style="list-style-type: none"> Waste Resource outflows related to products and services 	<ul style="list-style-type: none"> Incoming resources – waste Promoting the circular economy – returning materials to the economy 	45–49
Social			
S1 Own Workforce	<ul style="list-style-type: none"> Working conditions Equal treatment and opportunities for all 	<ul style="list-style-type: none"> Safe and healthy working conditions for employees Employee loyalty, promotion of professional growth and skills development, and succession planning Fair and transparent compensation Implementation of an employee representation mechanism 	51–63
S3 Affected communities	<ul style="list-style-type: none"> Communities' civil, political and social rights 	<ul style="list-style-type: none"> Public engagement and consideration of public opinion in the discussion of development projects Promoting environmental awareness 	64–67
S4 Consumers and end-users	<ul style="list-style-type: none"> Information-related impacts Personal safety of consumers and/or end-users Social inclusion of consumers and/or end-users 	<ul style="list-style-type: none"> Information about the services Responsible and proactive service communication Data security and privacy Service innovation, digital accessibility 	68–75
Governance			
G1 Business conduct	<ul style="list-style-type: none"> Corporate culture Management of relationships with suppliers Corruption and bribery Political engagement and lobbying activities 	<ul style="list-style-type: none"> Creating an open and ethical culture Effective data protection, cybersecurity (group-specific topic) Quality and sustainability requirements (risk monitoring) Prevention of conflicts of interest, corruption and bribery Active engagement in industry policy-making 	76–83

The table with the data points that derive from other EU legislation listed in ESRS 2 Appendix B can be found in the Appendix of the Statement.

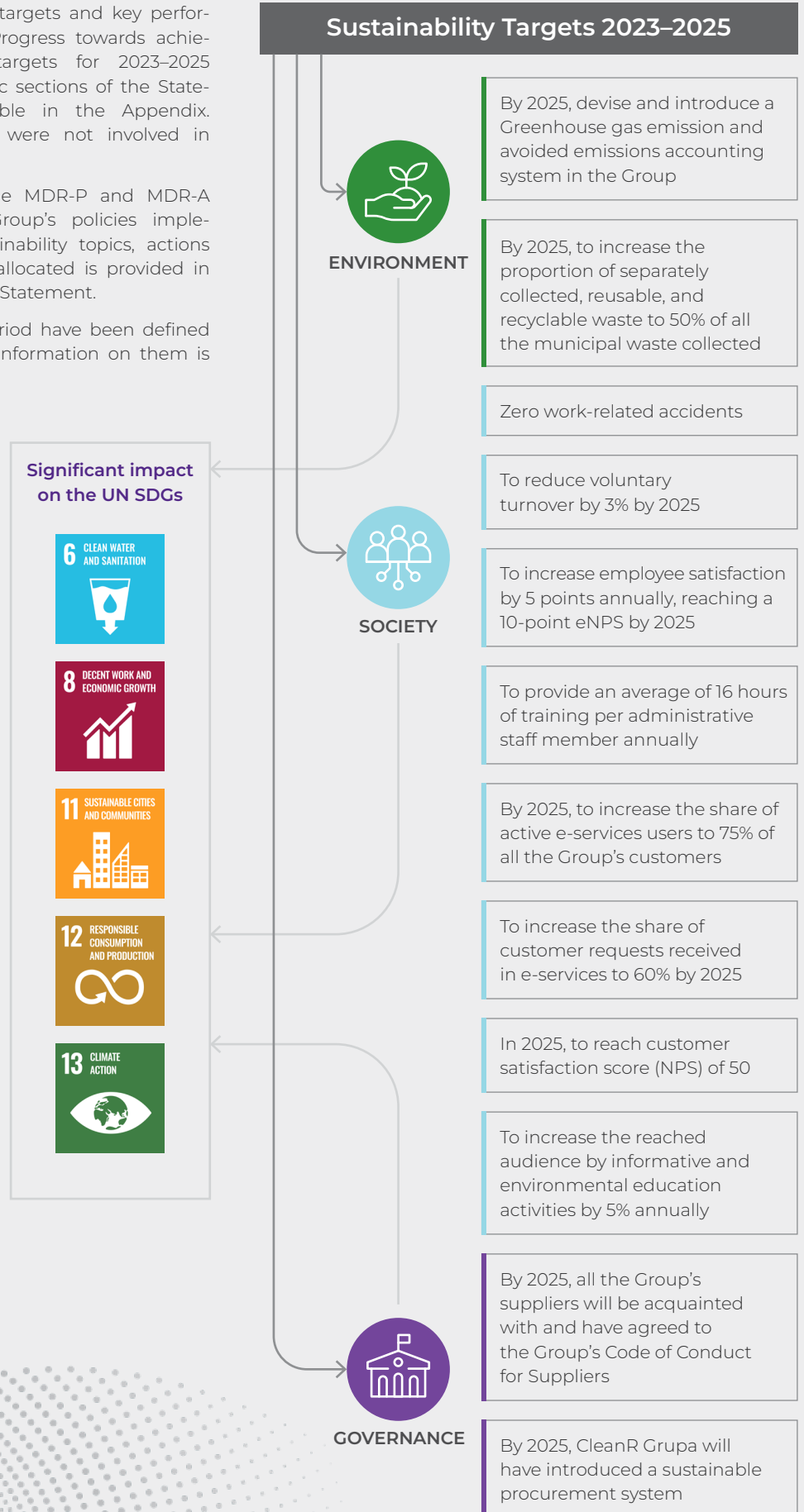


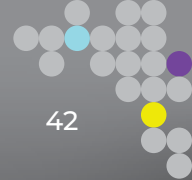
Metrics in relation to material sustainability matters (MDR-M)

For each priority sustainability area targets and key performance indicators have been set. Progress towards achieving the Group's sustainability targets for 2023-2025 is described in the relevant thematic sections of the Statement, and a summary is available in the Appendix. The Group's external stakeholders were not involved in setting the targets.

Information in accordance with the MDR-P and MDR-A reporting requirements on the Group's policies implemented to manage material sustainability topics, actions taken and planned, and resources allocated is provided in the relevant thematic sections of this Statement.

The targets for the next strategy period have been defined during the reporting year and the information on them is provided in the thematic sections.





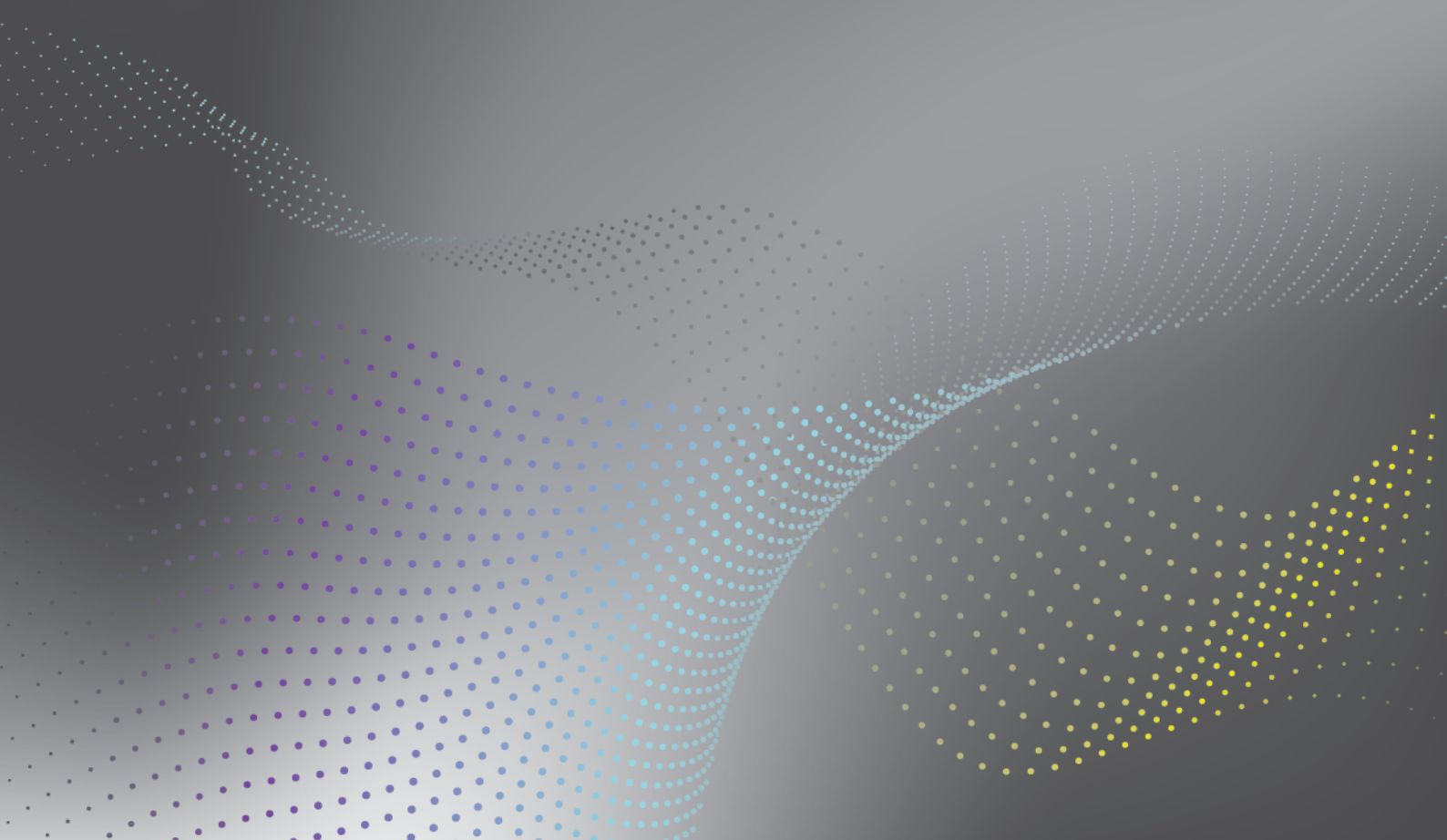
GENERAL INFORMATION

ENVIRONMENTAL INFORMATION

SOCIAL INFORMATION

GOVERNANCE INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS



CLIMATE CHANGE

STRATEGY

CleanR Grupa has committed to measuring, monitoring, and mitigating its impact on the environment in the long term, reviewing its habits and efficiency, as well as implementing new environmentally friendly solutions. The Group seeks to promote circularity by both creating new services and ensuring initiatives fostering climate neutrality.

Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV-3)

In connection with reducing climate impact, the Group has set a target to increase the proportion of separately collected, reusable, and recyclable waste to 50 % of all the municipal waste collected by 2025. This target was included in the Group company's CleanR board members' incentives scheme, and in terms of its "weight", the target constituted 15 % of all targets set (see section "Circular economy").

Transition plan for climate change mitigation (E1-1)

In March 2024, the CleanR Grupa Management Board and, subsequently, the Supervisory Council reviewed a report on the Group's climate impact and risks and took note of the Group's high-level transition plan for mitigating climate change. This plan includes only the most significant planned activities for climate impact mitigation and adaptation to climate change.

The plan's key activities, or decarbonization measures, include:

- modernization and electrification of the vehicle fleet,
- transitioning to renewable energy sources, gradually introducing the use of renewable energy, including sustainable fuels,
- reducing the environmental impact of the services provided – by implementing sustainable solutions and ensuring the efficiency of production processes,
- the efficient use of resources and improved energy efficiency.

In the next reporting year, the Group plans to prepare a detailed version of its climate plan for the medium-term strategy period, as well as set emission reduction targets for its own operations at least until 2030.

Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

The Group companies seek to adapt their strategies and business models to reduce impact on the environment and ensure the transition to a sustainable economy, to limit global warming, and foster the achievement of Latvia's GHG emissions reduction targets for 2030¹.

The potential locked-in GHG emissions from the Group's key assets are primarily related to production sites – sorting and recycling facilities, as well as specialised vehicles.

The Group's main products – plastic pellets and flakes, sorted packaging materials, recycled construction waste, and RDF – are produced using electricity. By increasing production capacity, energy consumption will increase.

The use of transport run on fossil fuels is related to the Group companies' financial and technological possibilities – i.e., the option to use specialised vehicles which ensure efficient waste collection and loading processes, as well as urban maintenance works outside cities or in remote areas of the Latvian countryside, as well as the possibility to use the machinery all year round.

The above circumstances may affect the ability to reduce GHG emissions and increase transition risks in the future. Therefore, the Group companies will consider gradually shifting to the use of green or self-produced electricity in production facilities. Regarding transport, the Group is planning to transition to zero or low-emission vehicles or the use of renewable diesel. Currently, the Group does not plan to fully give up using diesel-powered vehicles.

The Group assessed its economic activities according to the Taxonomy Regulation (see further subsection "EU Taxonomy Statement"). The economic activities of the CleanR Grupa companies are not connected with coal, oil, or gas. The company has not been excluded from the EU Paris-aligned benchmarks. The key actions carried out in the reporting period have been addressed in the next subsection "Actions and resources in relation to climate change (E1-3)".

¹ Latvia's GHG emissions reduction target within the sectors uncovered by the EU's emissions trading scheme, such as energy, transport, production processes and product manufacturing, agriculture, and waste management, for 2030 is 17%, compared to 2005. Source: <https://www.europarl.europa.eu/topics/lt/article/20180208STO97442/siltumnicefekta-gazu-emisiju-samazinasana-es-valstu-merki-lidz-2030-gadam>

Description of the processes to identify and assess material climate-related impacts, risks and opportunities (ESRS 2 IRO-1)

The material impacts, risks, and opportunities related to energy, climate change mitigation and climate change adaptation, were identified during the materiality assessment (see section “Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)”).

An assessment of the Group’s climate risks was conducted in 2024 across its core business areas, and it is still valid today. During the risk assessment process, the Group considered the scenarios and forecasts prepared by the UN Intergovernmental Panel on Climate Change (IPCC), European Environment Agency, and Latvian Environment, Geology and Meteorology Centre.

The forecasts show that the physical expression of climate change in Latvia will be limited to certain weather conditions, whose severity and frequency will gradually grow; however, no critical changes in the weather conditions are anticipated in the short or medium term that would have a material impact on the operations of the Group companies.

A mapping and resilience analysis of actual and potential climate risks was carried out, and a summary of the most significant risks to the Group’s business and assets (including locations of production facilities) that may affect the Group’s operations in the short to medium term was prepared. At the same time, the opportunities that climate change can bring were also evaluated. Based on the assessment, a proposal for short-term and mid-term climate adaptation and transition activities was devised. The climate risk resilience analysis was conducted primarily for the Group’s own operations, while also examining the impact on the upstream and downstream value chains.

The results of the climate risk and resilience assessment show that climate impacts are identifiable in the short- and medium-term in each of the Group’s current areas of activity. Potentially, the Group’s business areas see more opportunities than risks in the context of climate change, but their successful exploitation depends on forward-looking decision-making in each business line and the ability to adapt the business model.

Transition risks are most often related to opportunities to develop additional activities by expanding the range of services provided, while in the short term, additional revenues may be generated by weather-related emergencies at customer sites and the need to deal promptly with the consequences of these situations.

The Group will continue to monitor technological, as well as regulatory developments, both globally and locally, to be able to respond promptly to its stakeholders’ urgent needs. Alongside monitoring the business opportunities created by climate change and technological advances, the Group will also keep track of its employee well-being and their ability to perform their duties efficiently in the given circumstances.

The main transition risks are listed in the table on the next page; a detailed assessment of physical risks is available in the 2024 Sustainability Report (see cleanrgrupa.lv/en/sustainability). An update of climate risks is planned for 2026, including newly acquired companies.

At the same time, while conducting mitigation activities to address the physical and transition risks caused by climate change and pursuing opportunities arising from them, the Group also seeks to reduce its climate impact. The Group’s climate impact is assessed annually through GHG emission calculations.

Description of the processes to identify and assess material climate-related impacts, risks and opportunities (ESRS 2 IRO-1) (continued)

Impacts, risks and opportunities related to energy and climate change mitigation

IRO type	IRO description	Nature of impact (+) or (-)	Time horizon ¹	Value chain impact ²	Company ³	IRO management/impact on business model and strategy
Impacts	Energy-intensive processes that generate GHG emissions	Actual (-) impact	1; 1-5; >5	O	CR, VPL, CRV, CRI, VRC, L, UREM	The Group's operations involve energy intensive processes, both in terms of logistics (fuel) and the electricity consumption of manufacturing equipment (processing, sorting). Companies optimize energy consumption by streamlining routes, adjusting equipment configurations, and controlling idle modes. Energy management systems have been implemented at four companies.
	Efforts to reduce GHG emissions by implementing alternative solutions	Potential (+) impact	1-5; >5	O	CR, VPL, CRV, CRI, VRC, L, UREM	The Group assesses its GHG emissions, works to reduce them in its core operations by gradually modernizing its vehicle fleet, optimizing routes and production processes, and utilizing green electricity procurement and solar panel solutions.
	Promoting emission reduction in various industries	Actual and potential (+) impact	1-5; >5	U, D	CR, VPL, CRV, CRI, VRC, L, ET	The Group actively promotes waste sorting, ensures separate waste collection and recycling, significantly reducing the volume of waste sent to landfills, returning resources to the economy and thus reducing the need to use new materials. The reuse of materials reduces energy and water consumption and, consequently, greenhouse gas emissions.
Risks (transitional risks)	Requirements to reduce GHG emissions both in own operations and throughout the value chain – and inability to adapt to these requirements	Potential (-) impact	1; 1-5; >5	U, O, D	Group	Stricter requirements for low-emission vehicles can have a significant impact on costs. The requirement to reduce GHG emissions may result in additional costs associated with the transition to a low-carbon economy and renewable resources. Failure to adapt to these requirements means an inability to meet the sector's targets, comply with related procurement requirements, and achieve business growth.
	Increased requirements and the need to improve the energy efficiency of buildings	Potential (-) impact	1; 1-5; >5	O	Group, NĪ	This may affect the company's core assets and create a need to plan investments, for example, to reduce heat loss and adjust ventilation/cooling systems.
	Regulatory changes in the industry – calling for a more rapid increase in the volume of separately collected and recycled waste	Potential (+) impact	1; 1-5	O	CR, VPL, CRV, CRI, ZJ, L, ET	This may entail high costs for implementing waste collection, sorting, and recycling infrastructure and solutions, as well as adjustments for transportation and increasing capacity. At the same time, it may create opportunities to expand the Group's business operations and/or increase production volumes.
Opportunities	Increased demand for services related to the requirements of climate change mitigation and the implementation of circular economy principles	Potential (+) impact	1; 1-5	O, D	CR, VPL, CRV, CRI, ZJ, L, ET, UREM	Growing demand for modern waste management infrastructure, sustainable management of industrial (construction) and other recyclable waste, as well as regional and urban maintenance, including e.g., potential demand for storm and flood cleanup services.
	Increasing competitiveness and reducing costs through energy efficiency improvements	Actual and potential (+) impact	1-5	O	CR, VPL, CRV, CRI, ZJ, L	Strategic, timely, and phased modernization of the vehicle fleet and the introduction of robotic cleaning solutions can provide competitive advantages as well as the ability to attract employees. The broader implementation of energy efficiency measures in the areas with the greatest impact can reduce costs.

¹ Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

² Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

³ Group – IRO refers to all CleanR Grupa companies.

CR – CleanR
L – Lautus
NĪ – CleanR NĪ
ET – Eko Terra
ZJ – Zaļā josta
V – Vīzīi

VPL – Vides pakalpojumi Liepājai
CRV – CleanR Verso
CRI – CleanR Industry
VRC – Vides resursu centrs
UREM – urban and regional environment maintenance companies – Vīzīi Urban, KOM-AUTO, Tranzīts L

Policies related to climate change mitigation and adaptation (E1–2)

To manage its material impacts, risks and opportunities related to climate change mitigation and adaptation, the Group has adopted the “Sustainability Policy” (updated on 16.12.2025.) and the “Environmental and Energy Management Policy” (updated on 16.12.2025.). The policies are published and available for the stakeholders on the CleanR Grupa website. One of the members of the Management Board is responsible for implementing environmental policy and overseeing this area within the Group.

The policies stipulate that the Group monitors its climate impact by tracking resource consumption and greenhouse gas emissions. Based on this data, plans and implements targeted, practical measures to reduce emissions and improve energy efficiency.

Sustainability matters addressed in these policies include responsibility for own actions related to climate by ensuring compliance with the requirements of agreements, permits, and environmental legislation, ongoing monitoring of own climate impact and prevention, efficient use of resources and energy efficiency, stakeholder engagement and education on industry climate impact and environmental protection, ongoing improvement of the environmental and energy management system.

The environmental and energy management system of the Group’s largest companies – SIA “Clean R”, SIA “CleanR Industry”, SIA “Vides resursu centrs”, SIA “Vizii” have been certified according to ISO standards: ISO 14001:2015 and ISO 50001:2018. The environmental management system of SIA “Vizii Urban”, SIA “CleanR Verso” and SIA “Lautus” has been certified according to ISO 14001:2015. In each of the business lines, specific environmental aspects and risks are monitored, targets are set, and specific activities and operations are planned for their implementation. A system for environmental target monitoring has been introduced.

Actions and resources in relation to climate change policies (E1–3)

In the reporting year, the Group continued calculating its GHG emissions and performed specific climate impact mitigation actions within the Group.

Modernization of the vehicle fleet and implementation of innovative technological solutions

As part of their efforts to mitigate climate change and adapt to it, the Group’s companies purchased new vehicles to provide waste management, regional, and urban services.

During the reporting year, CleanR and Vides pakalpojumi Liepājai together purchased 10 new compressed natural gas (CNG)-powered waste collection vehicles.

Vizii Urban acquired 25 units of equipment, including 17 new EURO VI emission trucks and four electric vacuum machines for sidewalk maintenance. Vizii Urban also supplemented its fleet of vehicle equipment by purchasing more than 50 pieces of equipment and various types of attachments.

The company CleanR Verso purchased 12 vehicles compliant with EURO VI emission standards for construction waste management. Meanwhile, Lautus acquired three new specialized vehicles for the collection and transport of non-hazardous and hazardous waste.

During the reporting year, the commercial cleaning company Vizii began using an additional 22 cleaning robots equipped with artificial intelligence, bringing the total number to 124 units. The use of this equipment reduces the environmental impact, significantly optimizes cleaning processes, and reduces energy and water consumption, while ensuring a high level of cleanliness.

Energy efficiency, resource efficiency, and process optimization

In 2025, work on energy efficiency continued. The Group insulated a roof, continued replacing lighting in the production facilities and the office, upgraded the ventilation systems.

To reduce fuel consumption in waste collection processes, waste collection routes are regularly reviewed and optimized, and fuel consumption is analysed even at the level of individual vehicles. Furthermore, it has been calculated that, thanks to the newly constructed underground container sites and the large capacity of the containers, the impact on service delivery has been significantly reduced – the number of times containers have been emptied on the relevant routes has been 30,000 fewer than it would have been with standard containers.

The companies CleanR Verso, Vizii Urban, Tranzīts L, and KOM-AUTO have introduced an automated route planning system to improve route planning efficiency, which ensures more precise and rational planning of construction waste collection and urban cleaning routes, reducing fuel consumption and generating fewer emissions.

In addition, Vizii Urban calibrates and inspects its street-gritting equipment every year before the winter season to ensure that, when treating roadways with anti-skid materials, the amount of material spread is both optimal and in line with customer requirements.

The Group has made capital investments and operating expenditures to support the implementation of decarbonization measures. Total capital expenditures (CapEx) made during the reporting year to mitigate climate impact within the Group amounted to more than EUR 3 million, which included the purchase of new clean vehicles, the modernization of production lines, the procurement of green energy, and the implementation of solutions for more efficient use of resources and improved energy efficiency in buildings. The amount is included in the key performance indicators, which have been calculated according to the Commission Delegated Regulation (EU) 2021/2178 and are included in the “EU Taxonomy Statement”.

In the next reporting year, the company plans to continue decarbonizing its operations and implementing solutions to mitigate climate impacts and foster adaptation to climate change. Investments will continue in the modernization of the vehicle fleet, the streamlining of production processes (line upgrades and the purchase of robots), and the improvement of energy efficiency. The implementation of the activities depends directly on market conditions (prices), the availability of the company’s own financial resources, and their allocation during the fiscal year.

Targets related to climate change mitigation and adaptation (E1–4)

In 2024, CleanR Grupa completed the implementation of a GHG emissions calculation system and, in 2025, made updates to the calculation methodology. In the next reporting year, the Group plans to prepare a detailed version of the climate plan for the medium-term strategy and to set emission reduction targets for its own operations at least until 2030.

At the same time, several targets related to climate impact mitigation have already been set for the 2026–2028 period. Over the next three years, the Group will aim to reduce energy intensity, ensure that at least 40% of the Group's annual investments align with the EU Taxonomy, increase the amount of separately collected waste, and maintain a 98% rate of materials returned to the economy from the construction waste recycling centre.

Energy consumption and energy resource structure (E1–5)

According to the sustainability information disclosure requirements, companies with operations in high climate impact sectors must report on energy intensity and energy consumption in absolute value, including the share of renewable energy in their overall energy mix. Pursuant to Commission Delegated Regulation (EU) 2022/1288, companies with operations in high climate impact sectors conduct economic activities indicated in the NACE classification sections A to H, as well as L; that includes the Group's waste management and recycling businesses – SIA “Clean R”, SIA “CleanR Industry”, SIA “CleanR Verso”, PS “Vides pakalpojumi Liepājai” and SIA “Vides resursu centrs”, SIA “Eko Terra”, SIA “Zaļā josta” and SIA “Lautus”.

In the reporting period, the Group's overall energy consumption arising from the activities in high climate impact sectors reached 40.254 MWh; energy consumption from fossil sources accounted for 37,251 MWh, with the largest share made up of transport fuel. In 2025, the consumption of compressed natural gas has increased significantly, due to the increase in the share of clean vehicles in waste management.

The share of renewable energy in total consumption reached 7.5%, which is 17% more than in the previous period. The largest part of the increase was due to the use of green electricity at the municipal waste sorting facility.

Compared to the previous reporting period, the Group's overall energy consumption arising from the activities in high climate impact sectors has grown by 15%. Meanwhile, energy intensity per net revenue has decreased by 2.2% and is 0.374 MWh per one thousand euros.

Energy consumption and energy resource structure	2023	2024	2025	Changes from 2024, %
(1) Fuel consumption from coal and coal products (MWh)	0	0	0	N/A
(2) Fuel consumption from crude oil and petroleum products (MWh)	17 317	17 272	19 731	14%
(3) Fuel consumption from natural gas (MWh)	4 102	4 010	5 935	48%
(4) Fuel consumption from other fossil sources (MWh)	86	143	722	404%
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	9 610	11 244	10 863	-3%
(6) Total fossil energy consumption (MWh)	31 115	32 669	37 251	14%
Share of fossil sources in total energy consumption (%)	89	94	93	-1%
(7) Consumption from nuclear sources (MWh)	0	0	0	N/A
Share of consumption from nuclear sources in total energy consumption (%)	0	0	0	N/A
(8) Fuel consumption for renewable sources, including biomass (MWh)	3 682	2 139	134	-94%
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	0	0	2 736	N/A
(10) The consumption of self-generated non-fuel renewable energy (MWh)	0	85	132	57%
Energy consumption and energy resource structure	3 682	2 223	3 002	35%
(1) Fuel consumption from coal and coal products (MWh)	10,6	6,4	7,5	17%
(2) Fuel consumption from crude oil and petroleum products (MWh)	34 797	34 892	40 254	15%

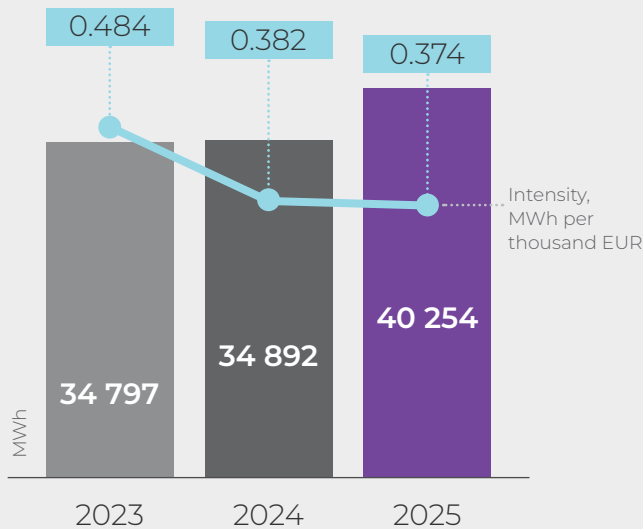
Energy consumption and energy resource structure (E1-5) (continued)

Energy intensity per net revenue

Energy intensity per net revenue	2023	2024	2025	Changes from 2024, %
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/ thousand EUR)	0.484	0.382	0.374	- 2.2 %

In the reporting year, the Group's total net revenue amounted to EUR 144,523,788. Of this, EUR 107,623,175 was used for the energy intensity calculation, while EUR 36,900,613 was excluded. The net revenue from activities in high climate impact sectors is aligned with the financial statements and included in the total consolidated amount reported under the "Net Revenue" line item in the financial report.

Total energy consumption from activities in high climate impact sectors and intensity Years 2023-2025



Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

GHG emissions calculations were performed in accordance with the standards developed by the Greenhouse Gas Protocol (GHGP), namely: The GHG Protocol Corporate Accounting and Reporting Standard, the GHG Protocol guidance document "Scope 2 Guidance", and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. During the reporting year, the CleanR Grupa developed a process for compiling GHG emissions data and a calculation methodology.

While developing the Group's detailed GHG emissions methodology document, an inaccuracy was identified in the Scope 3, Category 1 calculations for 2023 and 2024. Consequently, the emissions calculations for these years have been adjusted – reducing the total (market-based) GHG emissions by 22,485 t CO₂eq and 33,395 t CO₂eq, respectively.

The reduction was achieved by excluding GHG emissions from purchased waste, as these emissions are already accounted for in the Scope 1 and/or 3 emissions of value chain actors. Additionally, due to the specifics of one company's operations, waste management costs were excluded from the calculation, as they do not represent the costs of managing waste generated by the company itself. In addition, during the reporting year, the Group began using an international emissions factor database, thereby ensuring more up-to-date and accurate factors for Scope 3 emissions calculations. The accuracy of these calculations is particularly important for setting future emission reduction targets. The underlying assumptions and approach to the Group's GHG emissions calculations are set out in the Appendix.

The "GHG Emission Statement" includes those Group companies that are directly or indirectly under the full operational control of AS "CleanR Grupa". Compared to the previous reporting year, the calculations include Tranzits L, a company acquired in June 2025, and its data for the six months of the reporting year. The definitions and boundaries of the Group's value chain have not changed, and there have been no significant changes in the companies' business activities.

The Group's companies are not participants in the EU Emissions Trading System, and the Group's emissions are not offset. The Group's companies do not participate in projects financed by carbon credits (E1-7) and do not apply an internal carbon price (E1-8).

Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6) (continued)

GHG Emission Statement

Compared to the previous year, the Group's total gross GHG emissions increased by 9% during the reporting year; however, when assessed relative to revenue, GHG emissions decreased by 10%, which is a more objective indicator, taking into account the expansion of the Group.

As the number of companies under the Group's control and the volume of services provided by these companies expanded, fuel consumption for transportation increased, leading to a corresponding rise in Scope 1 emissions.

Compared to the previous year, total Scope 2 emissions (market-based) have decreased, largely due to the volume of green electricity used.

Total gross Scope 3 emissions have increased by 8%, with the greatest impact coming from the further processing of sold products (sorted materials, produced pellets, etc.), downstream transportation, capital investments, and emissions from purchased goods and services.

GHG emissions scope/year	2023	2024	2025	Changes from 2024, %
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions (tCO₂eq)	6 302	6 590	8 274	26 %
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	N/A
<i>incl. biogenic emissions</i>	6.54	10.46	9.80	- 6 %
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions (tCO₂eq)	5 183	5 895	7 221	22 %
Gross market-based Scope 2 GHG emissions (tCO₂eq)	4 562	5 014	4 973	- 1 %
<i>incl. biogenic emissions</i>	0.66	0.35	0.03	- 92 %
Significant Scope 3 GHG emissions				
Total Gross indirect (Scope 3) GHG emissions (tCO₂eq)	53 643	66 414	71 562	8 %
1. Purchased goods and services	6 359	6 899	6 899	0 %
2. Capital goods	6 567	7 488	7 808	4 %
3. Fuel and energy-related activities	1 909	1 999	2 293	15 %
4. Upstream transportation and distribution	1 226	1 183	1 108	- 6 %
5. Waste generated in operations	N/A*	N/A	N/A	N/A
6. Business traveling	N/A	N/A	N/A	N/A
7. Employee commuting	1 131	1 397	1 384	- 1 %
8. Upstream leased assets	N/A	N/A	N/A	N/A
9. Downstream transportation	811	925	1 097	19 %
10. Processing of sold products	35 639	46 524	50 974	10 %
11. Use of sold products	N/A	N/A	N/A	N/A
12. End-of-life treatment of sold products	N/A	N/A	N/A	N/A
13. Downstream leased assets	N/A	N/A	N/A	N/A
14. Franchises	N/A	N/A	N/A	N/A
15. Investments	N/A	N/A	N/A	N/A
Total GHG emissions				
Total GHG emissions (location-based) (tCO₂eq)	65 127	78 899	87 058	10 %
Total GHG emissions (market-based) (tCO₂eq)	64 506	78 018	84 810	9 %

* N/A – not applicable/relevant.

Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6) (continued)

GHG emission intensity

GHG emissions per net revenue (t CO ₂ eq/thousand EUR)	2023	2024	2025	Changes from 2024, %
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/thousand EUR)	0.684	0.669	0.614	- 8 %
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/thousand EUR)	0.677	0.662	0.598	- 10 %

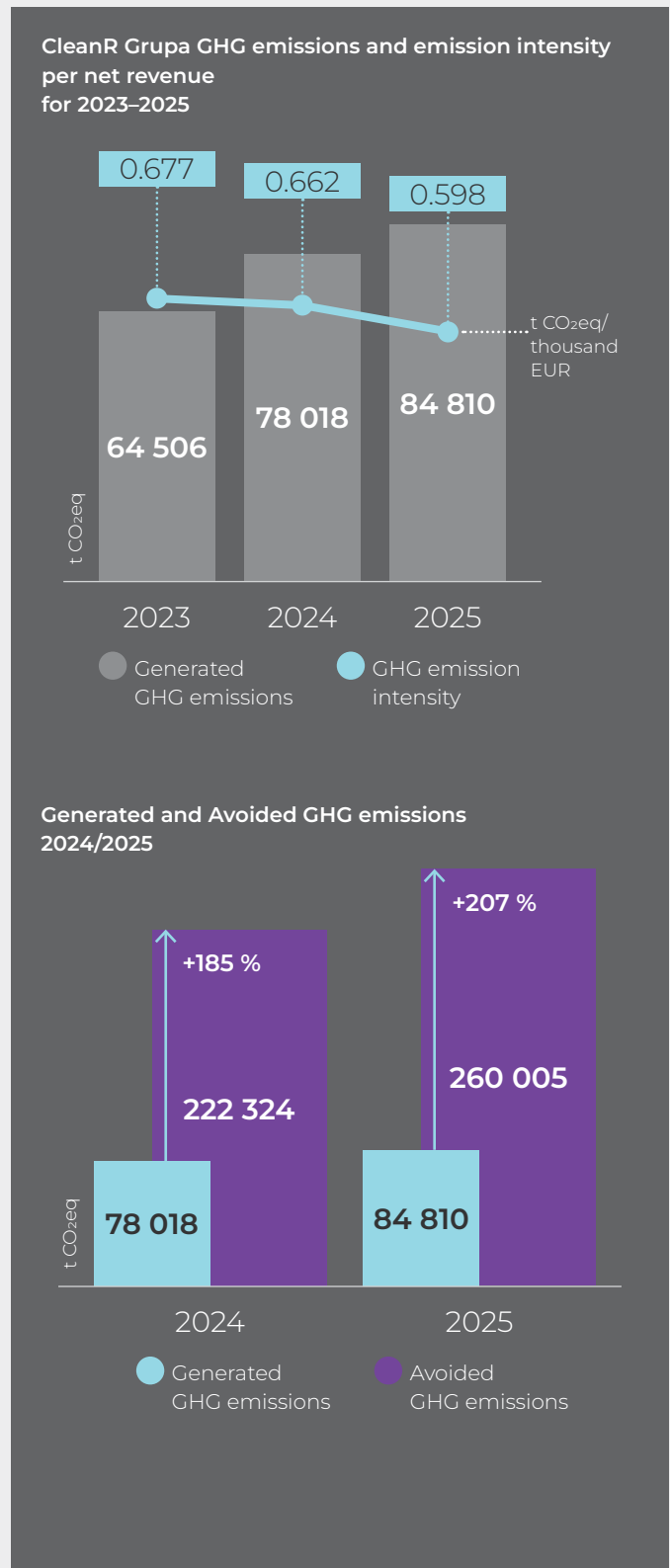
For the intensity calculation, the net revenue figure was used, comprising the revenue generated by the companies under the Group's full financial and operational control. In the reporting year, the Group's total net revenue amounted to EUR 144,523,788. Of this, EUR 141,786,892 was used for the GHG emissions intensity calculation, while EUR 2,736,896 was excluded. The net revenue figure is aligned with the financial statements and included in the total consolidated amount reported under the "Net Revenue" line item in the financial report.

Avoided emissions

The Group's companies not only generate emissions but also, through separate waste collection, sorting, and recycling, ensure a reduction in GHG emissions both in their own operations and throughout the downstream value chain – at the customer and national levels.

The calculation of avoided emissions is indicative, based on two scenarios: a comparison of the end-of-life stages of materials (cardboard, plastic, glass, etc.) – emissions that would result if the materials were landfilled are compared with emissions resulting from their collection, recycling, or reuse. The calculations use emission factors from the DEFRA database, data from reports submitted to the State Environmental Service regarding the volumes of waste sorted, recycled, and sent for recycling by Group companies, and emissions from Group companies' waste transportation and sorting.

In the reporting year, thanks to the activities of CleanR Grupa, 260,005 tonnes of CO₂ equivalent emissions were avoided. In 2025, the Group companies avoided 207% more emissions than they generated by own activities. Compared to 2024, this indicator has grown by 22 percentage points.



EU Taxonomy Statement

To facilitate the implementation of the EU's Green Deal targets and promote sustainable investment, in 2020, the EU adopted Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (hereinafter – Taxonomy Regulation/Taxonomy).

The Taxonomy Regulation identifies six environmental objectives:

- 1 climate change mitigation,
- 2 climate change adaptation,
- 3 the sustainable use and protection of water and marine resources,
- 4 the transition to a circular economy,
- 5 pollution prevention and control,
- 6 the protection and restoration of biodiversity and ecosystems.

The Commission Delegated Regulations (EU) 2021/2139, (EU) 2023/2486 and (EU) 2026/73 lay down criteria companies must use to assess whether a particular economic activity fosters the implementation of any of the above-mentioned objectives while causing no harm to any of the other objectives.

In line with the requirements of the Corporate Sustainability Reporting Directive and the Sustainability Reporting Standards, non-financial undertakings are required to disclose in their annual sustainability report the share of their key performance indicators (KPIs) – turnover, capital expenditure and operating expenses – that are attributable to taxonomy-eligible and taxonomy-aligned economic activities.

CleanR Grupa has assessed its economic activities in accordance with the Taxonomy in 2024 and 2025. Compared to the previous year, the assessment includes the company Lautus, which was acquired at the end of 2024, and the company Tranzīts L, acquired in the summer of 2025.

At the initial stage of the assessment, Taxonomy-eligible activities (those included in the Taxonomy scope or list), and the non-eligible ones were identified.

Taxonomy non-eligible activities include the operations of the Group companies which provide commercial cleaning, urban maintenance services, and holding company management – companies being SIA "Vizii", SIA "Vizii Urban", SIA "KOM-AUTO", SIA "Tranzīts L", SIA "Vizii Management", AS "CleanR Grupa" and SIA "WasteTech".

The second step assessed the compliance of each relevant activity with the technical screening criteria defined to achieve the climate change mitigation or the circular economy transition objective, while at the same time assessing whether these activities "do not cause significant harm" to other environmental objectives, and subsequently – whether the activities comply with the minimum social safeguards set out in Article 18 of the Taxonomy Regulation.

In accordance with Commission Delegated Regulation (EU) 2026/73, the alignment of the economic activities of SIA "CleanR NĪ" and SIA "Eko Terra" with the Taxonomy criteria was not assessed, as their turnover and operating expenses account for less than 10% of the Group's total KPI's.

All economic activities of the Group companies comply with the minimum social safeguards and minimum governance criteria. The company pursues policies and processes that foster observance of human rights, conflict-of-interest prevention, payment of taxes, and fair competition. The Group has introduced a work-related accident prevention and management system. The Group makes sure its companies operate in accordance with the relevant laws and regulations. In the reporting period, no incidents have been detected or reported in any of the above-mentioned areas; thus, it has been concluded that the Group companies comply with the minimum safeguards in the fields of social security and governance.

The activities of CleanR Grupa companies related to waste transportation, sorting, and recycling (material recovery) have been recognized as aligned with the Taxonomy: SIA "Clean R", SIA "CleanR Industry", SIA "CleanR Verso", PS "Vides pakalpojumi Liepājai", SIA "Vides resursu centrs", SIA "Zaļā josta", SIA "Lautus".

Taxonomy-eligible activities

Group subsidiary company and its economic activity according to NACE 2.1.	Activity type according to the Taxonomy Regulation
SIA "Clean R" 38.11. Collection of non-hazardous waste	5.5. Collection and transport of non-hazardous waste in source segregated fractions
SIA "CleanR Industry" 20.16 Manufacture of plastics in primary forms	3.17. Manufacture of primary plastics
SIA "CleanR Verso" 38.11. Collection of non-hazardous waste	5.5. Collection and transport of non-hazardous waste in source segregated fractions
SIA "CleanR NĪ" 68.20. Rental and operating of own or leased real estate	7.7. Acquisition and ownership of buildings
SIA "Eko Terra" 38.11. Collection of non-hazardous waste	5.6. Anaerobic digestion of sewage sludge
PS "Vides pakalpojumi Liepājai" 38.11. Collection of non-hazardous waste	5.5. Collection and transport of non-hazardous waste in source segregated fractions
SIA "Vides resursu centrs" 38.21. Materials recovery	5.9. Material recovery from non-hazardous waste
SIA "Zaļā josta" 38.21. Materials recovery	5.9. Material recovery from non-hazardous waste
SIA "Lautus" 38.11. Collection of non-hazardous waste 38.12. Collection of hazardous waste	2.3. Collection and transport of non-hazardous and hazardous waste

EU Taxonomy Statement (continued)

Approach to key performance indicator calculations

The calculations have been made according to the Taxonomy Regulation, Commission Delegated Regulations (EU) 2021/2178, and related documents. They are based on the considerations and assumptions described below. The Group made sure that the mentioned indicators are not simultaneously applied to several activities of the Taxonomy.

Turnover

The proportion of Taxonomy-eligible and Taxonomy-aligned activities in the Group revenue has been determined, considering the aforementioned assessment, the Group's accountancy policy and approach, the activity type, product and services revenue analysis, for example, revenues from waste management, container rental, transportation services, and product sales.

Operating expenses

The proportion of Taxonomy-eligible and Taxonomy-aligned activities in the Group expenses has been determined, considering the aforementioned assessment and assessing expenses according to the activity type. Operating expenses (OpEx) include expenses related to running the company's daily operations, for example, personnel costs, advertising and marketing, administrative costs and other. The cost analysis does not consider the costs of the mutual services provided between the Group companies.

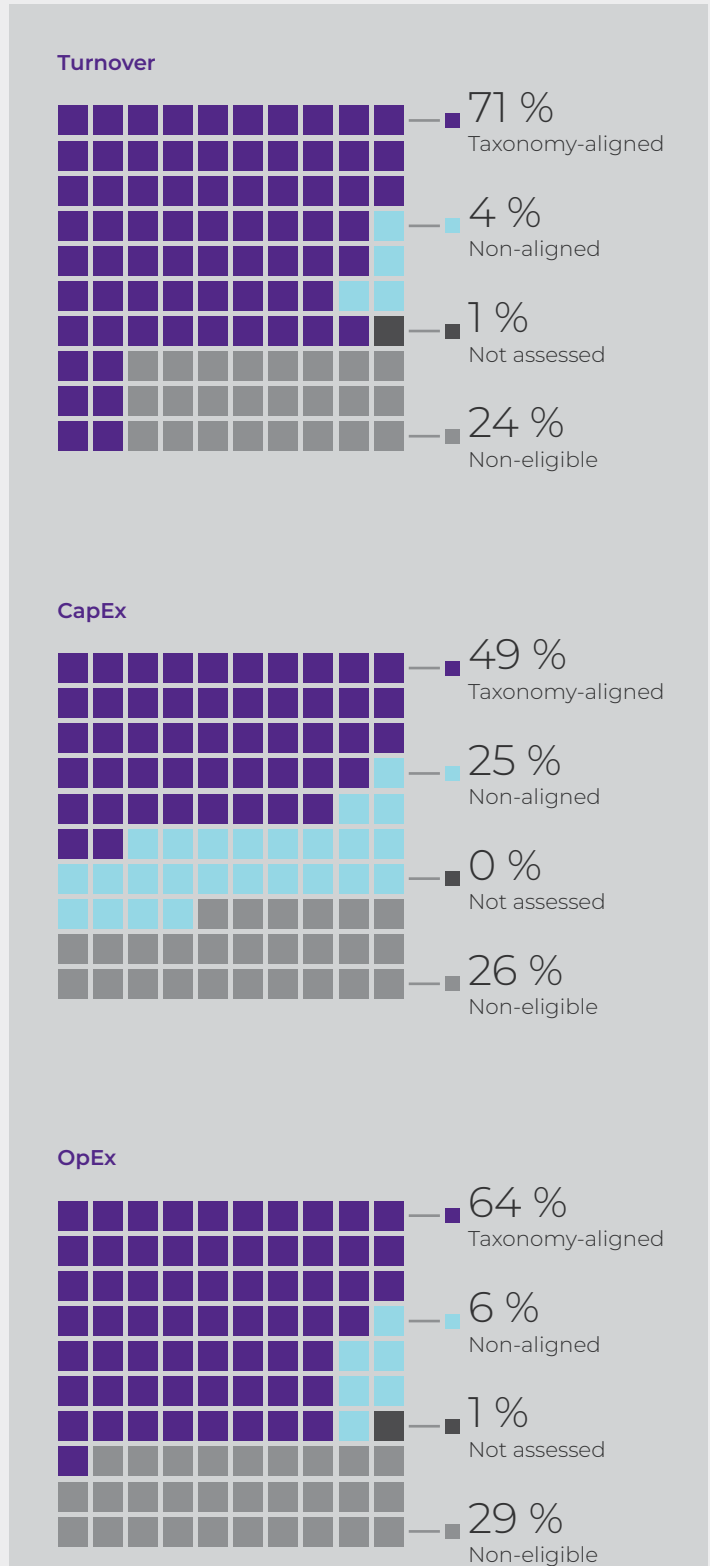
Capital investments

The capital investments (CapEx) analysis was conducted by looking at each capital investment position individually to determine whether each concrete position was Taxonomy-aligned. This analysis also included subsidiary companies whose basic operations are not Taxonomy-eligible. This approach ensured that the Statement includes all those Group-made capital investments which foster sustainable development and contribute to the environmental objectives set by the Taxonomy Regulation.

Calculation results

In the reporting year, Taxonomy-eligible turnover constituted 76%, from which 71% were aligned. Eligible operational costs were 71%, from which 64% were Taxonomy-aligned, whereas Taxonomy-eligible capital investments constituted 74%, from which 49% were assessed as Taxonomy-aligned.

Over the next three years, by balancing out its business growth with the Taxonomy objectives, the Group will seek to retain a share of Taxonomy-aligned investments of at least 40%.



EU Taxonomy Statement (continued)

Breakdown by environmental objectives of Taxonomy-aligned activities
Year 2025

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
KPI*	M EUR	%	M EUR	%	%	%	%	%	%	%	%	%	%	%	M EUR	%
Turnover	141.8	76 %	100.3	71 %	67 %	0 %	0 %	4 %	0 %	0 %	0 %	0 %	0 %	1 %	81.3	70 %
CapEx	13.2	74 %	6.5	49 %	45 %	0 %	0 %	4 %	0 %	0 %	0 %	0 %	0 %	0 %	5.3	50 %
OpEx	130.8	71 %	83.9	64 %	62 %	0 %	0 %	2 %	0 %	0 %	0 %	0 %	0 %	1 %	64.5	64 %

* Detailed data by the main types of KPI are available in the Appendix.

- 1 Key performance indicators
- 2 Total
- 3 Proportion of Taxonomy-eligible activities
- 4 Taxonomy-aligned activities
- 5 Proportion of Taxonomy-aligned activities
- 6 Climate Change Mitigation
- 7 Climate Change Adaptation
- 8 Water
- 9 Circular Economy
- 10 Pollution
- 11 Biodiversity
- 12 Proportion of enabling activities
- 13 Proportion of transitional activities
- 14 Not assessed activities considered non-material
- 15 Taxonomy-aligned activities in previous financial year (2024)
- 16 Proportion of Taxonomy-aligned activities in previous financial year (2024)

POLLUTION PREVENTION

Description of the processes to identify and assess material pollution-related impacts, risks and opportunities (ESRS 2 IRO-1)

The material impacts, risks, and opportunities related to pollution prevention were identified during the materiality assessment (see section "Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)").

CleanR Grupa companies provide waste collection, transportation, sorting, recycling, hazardous and healthcare waste management, as well as urban maintenance services, which, among other things, include the collection of waste (e.g. at bus stops, etc.).

The companies ensure responsible pollution prevention, collecting, sorting, and recycling waste properly, monitoring pollution in their operations.

The waste management sector is regulated by the Waste Management Law, the Law on Pollution and the Cabinet of Ministers (CM) regulations issued on their basis. In accordance with the current regulatory framework, all waste operations are classified as polluting activities, which may be carried out only after obtaining the relevant permits. The specific impacts and risks associated with pollution are identified in the process of obtaining these permits, including in the environmental impact assessment process, if applicable.

Polluting activity permits are issued by the State Environmental Service (SES). The permits include the conditions that the company must comply with: limits for polluting activities (e.g. waste flows and volumes, waste handling, limits for emissions of polluting substances into the air, soil or water), as well as the reporting procedure in accordance with the

permit requirements, thus aiming to minimise adverse impacts on the environment and human health.

CleanR Grupa have been issued a total of 33 polluting activity permits – for waste collection and transportation, trade and intermediation, sorted waste collection and storage sites, operation of stations for sorting and transshipment of separately collected waste, as well as operation of waste processing facilities. Information on the main polluters is available in the polluting activity permits, which are available in the public data register of the SES. The most material impact in relation to pollution from own activities is generated by five of the Group's facilities. They are listed in the subsection "Air, water and soil pollution (E2-4)".

The Group companies regularly provide the necessary consultations and communication with stakeholders, including the industry supervisory institutions – the SES, the Energy and Environment Agency (previously the State Environmental Monitoring Bureau) and other competent authorities, as well as representatives of the relevant municipalities, in order to identify and monitor the significant impacts related to the identification of potential environmental risks and aspects and the reduction of pollution.

Every year, by April 1, CleanR Grupa companies submit a report on the fulfilment of permit requirements and environmental monitoring results for the previous year to the State Environmental Service. Detailed environmental measurement data are provided to the "Latvian Environment, Geology and Meteorology Centre".

Pollution-related material impacts, risks and opportunities

IRO type	IRO description	Nature of impact (+) or (-)	Time horizon ¹	Value chain impact ²	Company ³	IRO management/impact on business model and strategy
Impact	Ensuring a clean environment	Actual and potential (+) impact	1; 1-5; >5	U, O, D	CR, VPL, CRV, L, UREM	The Group's companies ensure access to sanitation services – preventing pollution caused by waste generated by residents and organizations. Responsible waste management and urban maintenance reduce environmental pollution, including dust, odours, various harmful substances, and other forms of pollution that can degrade the quality of life and the state of the environment.
Risks	Polluting activity permit violations	Potential (-) impact	1; 1-5; >5	O	CR, CRV, CRI, L, VPL, VRC, ET	Significant violations of waste management regulations can cause risks to the environment and people, as well as reputational and financial risks to the Group. Violations may result in increased inspections by regulatory authorities and financial and administrative consequences; therefore, compliance with the requirements set forth in the permits is continuously monitored and improved (through additional controls, incident analysis, internal audits, etc.).
	Fire/ignition caused by hazardous waste	Potential (-) impact	1; 1-5	U, O, D	CR, CRV, CRI, L, VPL, VRC	The risk of fire increases when hazardous waste, particularly electrical equipment containing lithium-ion batteries, ends up in household and separately collected waste. This risk exists during waste collection, as well as during sorting and recycling processes. This can cause environmental damage, ruin recyclable materials, result in damage to equipment and vehicles, as well as pose a danger to employees. To mitigate this risk, various technological preventive measures are being implemented alongside employee training on how to act in emergencies. Additionally, ongoing public awareness campaigns are being conducted to promote proper waste sorting.

¹ Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

² Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

³ Group – IRO refers to all CleanR Grupa companies.

CR – CleanR
L – Lautus
NĪ – CleanR NĪ
ET – Eko Terra
ZJ – Zaļā josta

V – Vīzī
CR – CleanR
L – Lautus
NĪ – CleanR NĪ
ET – Eko Terra

ZJ – Zaļā josta
V – Vīzī
VPL – Vides pakalpojumi Liepājai
CRV – CleanR Verso
CRI – CleanR Industry

VRC – Vides resursu centrs
UREM – urban and regional environment maintenance companies – Vīzī Urban, KOM-AUTO, Tranzīts L

Policies related to pollution (E2-1)

The Group's approach to pollution mitigation has been defined in the Group's **"Sustainability Policy"** (updated on 16.12.2025.) and the **"Environmental and Energy Management Policy"** (updated on 16.12.2025.). CleanR Grupa and its subsidiary companies are committed to operating in line with the relevant laws and regulations, agreements and standards, polluting activity permit terms, and best business practice. According to the "Environmental and Energy Management Policy", the Group companies ensure ongoing air, water, and soil pollution monitoring in line with the approved environmental programmes, and plan and implement measures to reduce environmental impact. When providing services and implementing projects, the Group assesses the risks and applies preventative measures to prevent or mitigate its impact on the environment and people.

CleanR Grupa has approved the **"Procedure for Reducing Environmental Impact in Emergency Situations"**. It defines situations that are considered environmental emergencies, such as spills of petroleum products or chemicals, improper waste composition on-site or in the cargo, fires (ignition of the waste cargo, burning of waste), and other incidents that may have an impact on the environment. It establishes processes for reporting incidents and the actions to be taken in emergencies to control the situation and limit negative impacts.

The management boards of the Group companies are responsible for compliance with the provisions of the issued permits, signed agreements, and relevant laws and regulations. At the Group level, the permit-related matters are overseen by the Environmental Adviser to the Management Board.

Group companies CleanR, CleanR Industry, Vides resursu centrs, CleanR Verso, Lautus, Vizii, Vizii Urban have implemented international environmental quality standards according to ISO 14001:2015 and health and safety management systems in line with the quality standard ISO 45001:2018. As part of the system, risks related to air, environmental, and water pollution are also assessed and monitored, environmental incidents are recorded, and corrective measures are implemented as necessary.

In addition, in the field of bio-based raw material recovery – the collection of fats, used cooking oil, and food waste – Lautus has successfully passed a recertification audit and renewed its International Sustainability and Carbon Certification (ISCC). ISCC is a recognized, voluntary certification system that ensures raw material traceability along the supply chain and attests to stringent quality control processes, social and environmental standards, including reducing carbon emissions in the company's operations.



Actions and resources related to pollution (E2-2)

The Group allocates the necessary technological, human, and financial resources for pollution monitoring and mitigation; every year, the Group plans activities to mitigate its adverse impact.

The Group's guiding principle in pollution management is to reduce the negative, pollution-related impact to a minimum, ensuring pollution monitoring and appropriate preventative measures.

Permits for polluting activities are subject to regular preventive assessments of operating conditions, waste volumes, compliance monitoring measures, and daily compliance monitoring, which result in permit reviews and, if necessary, revisions and amendments to permit conditions in accordance with actual circumstances, waste volumes, and the activities carried out with them. Meanwhile, the SES conducts regular reviews of operational documentation, on-site inspections of facilities, and assessments of the compliance of waste transport destinations in accordance with the waste management permit issued to the operator to ensure compliance with the established requirements.

In accordance with the permits issued, measurements of soil, wastewater, groundwater and air quality are conducted at intervals determined for the relevant environmental aspect at the Group's waste management and polluting activity facilities. The permits for polluting activities issued to the company specify emissions limits for pollutants. The environmental specialist responsible for the site monitors the measurements, their frequency and the test results to ensure that the permissible emission values specified in the permits are not exceeded.

The Group companies assess and ensure the operations of the waste recycling facilities and machinery according to the Best Available Techniques (BAT) in the industry. The Group keeps up to date with new technologies in waste management, implementing them in its operations as necessary and possible.

During the reporting year, the Group's companies underwent three scheduled thematic inspections by the State Environmental Service and received five minor notices of non-compliance. These did not result in any material liabilities. In all cases, the non-compliances were related to the volume, duration, and/or appropriate location of temporary waste storage, and the need to improve waste record-keeping. The companies conducted the situation analysis and implemented corrective measures.

Action plans implemented at particular sites

The Group's companies invest in vehicle fleet renewal every year. During the reporting year, CleanR and Vides pakalpojumi Liepājai in total purchased 10 new compressed natural gas (CNG)-powered waste collection trucks. CNG is a cleaner fuel because it produces fewer GHG emissions and harmful pollutants – fine dust and nitrogen oxide (NOx) particles – during combustion. In addition, CNG-powered garbage trucks operate much more quietly, causing virtually no noise pollution in the surrounding environment. To achieve its fleet renewal goals, CleanR plans to purchase six additional new CNG vehicles in 2026, thereby increasing the proportion of CNG-powered specialized vehicles to 35%.

In autumn 2024, a project to reconstruct and renovate the rainwater drainage system was launched at CleanR's premises on Vietalvas Street in Riga. As part of this project, certain sections of the rainwater drainage system were reconstructed during the reporting year, including replacing a 66-metre section of rainwater sewer, flushing the sewer network, replacing and levelling seven sewer manholes, and cleaning the pavement to prevent sand, debris, etc. from entering the drainage system. This will improve the flow capacity of the drainage system and reduce the accumulation of rainwater in the area.

During the reporting year, at the CleanR Verso construction waste sorting and recycling centre "Nomales," a firewater pond, essential for maintaining the fire safety system, was put into operation. The water from it is also used for regular dust suppression during the crushing and sorting of construction debris. In addition to the requirements set forth in the permits, the company conducted and will continue to conduct voluntary dust emission measurements twice a year. In 2025, the company also conducted voluntary soil contamination measurements at three locations in the vicinity of the recycling centre.

CleanR Industry has upgraded the dust aspiration system at its plastics recycling facility, which will ensure a cleaner environment by removing dust and fumes, protect employee health, extend the service life of equipment, and significantly reduce the risk of fire.

Improvement of the fire safety system

In recent years, the waste management sector has been facing challenges regarding fire safety. Hazardous waste, such as electrical equipment containing lithium-ion batteries, ends up in both household and separately collected waste. The risk of fire associated with crushing these batteries during waste collection and/or sorting is increasing. This can result in environmental harm, such as air or soil contamination, damage to recyclable materials, equipment, and vehicles, and pose risks to employees.

During the reporting year, all instances of waste ignition or smouldering identified at the Group's companies were promptly resolved using internal resources, without causing significant damage or harm to the environment.

In 2025, a fire safety specialist joined CleanR NĪ to oversee and improve the fire safety systems in the offices and especially in production facilities managed by the Group's companies.

The Group's goal is not only to ensure basic fire safety requirements but also to find the latest and most effective solutions to help prevent incidents. Thermal imaging cameras are installed along the production lines to detect and alert staff to fires in a timely manner. Fire extinguishing balls and capsules are also used to help extinguish fires in their initial stages. The most effective turbo fire extinguishers have been installed and are used for fire suppression.

Actions in the field of fire safety during the reporting year:

- **Modernization of the fire detection and the alarm system at Vietalvas 5 territories:** The automatic fire detection and the alarm system were fully installed and certified. All premises of the facility were equipped with the necessary detectors and sirens, and the relevant technical documentation was prepared,
- **Electrical system safety:** An inspection of the electrical wiring was conducted and technical defects were rectified, ensuring the system's compliance with operational standards,
- **Optimization of the fire hydrant infrastructure:** An additional underground fire hydrant was installed on the premises, and water supply within the internal water supply system was streamlined. The layout of the fire hydrants in the sorting plant was optimized to ensure free and unobstructed access to them,
- **Improvements to the sorted material storage area:** The new outdoor storage area that meets the insurance companies' requirements was set up to serve the sorting facility's needs,
- **Fire safety equipment audit and monitoring:** A comprehensive audit of fire extinguishers was conducted, resulting in the optimization of their number and the implementation of a monthly monitoring system for fire safety equipment,
- **Staff training:** In-depth practical and theoretical training on emergency response procedures was provided to security and production staff. In addition, special training was provided to personnel performing fire-hazardous work.

During the reporting year, the State Fire and Rescue Service conducted an unscheduled inspection of the premises at Vietalvas 5. The inspection concluded that the system complies with all regulatory requirements.

Targets related to pollution (E2–3)

CleanR Grupa has not set a specific target related to pollution. The Group acts as a diligent and accurate owner, ensuring compliance with the relevant laws and regulations, agreements, and polluting activity permit terms, **pursuing zero cases of non-compliance**.

By doing so, the Group companies contribute to the target of UN SDG 12 “**Ensure sustainable consumption and production patterns**”, namely its fourth sub-target – ensuring the environmentally sound management of chemicals and all types of waste, significantly reducing their release into air, water, and soil, thereby minimizing their adverse effects on human health and the environment.



Pollution of air, water and soil (E2–4)

According to the ESRS E2 requirements, an undertaking must disclose the amount of each pollutant if it exceeds the threshold values specified in the European Pollutant Release and Transfer Register. In the reporting year, the threshold values specified in the register were not exceeded at any of the CleanR Grupa facilities.

In 2025, due to the increase in the number of customers and the volume of waste, and the need to expand routes to ensure the service, the amount of the diesel fuel used exceeded the limit set in CleanR's permit by 7.7%, resulting in a proportional increase in volatile organic compound emissions. Accordingly, the natural resources tax was calculated for the excess volumes.

Compared to the previous year, CleanR Verso has amended the air pollution emission limit for the construction waste sorting and recycling centre “Nomales” in connection with the production expansion: the emission limit project was recalculated to account for the increase in wood chipping. Vides resursu centrs began groundwater monitoring.

During the reporting year, there were no environmental incidents that caused a significant environmental impact – namely, pollution.

Reporting and accounting methodology for pollution-related measurements

Data gathering for accounting and reporting is overseen by the environmental manager of the respective company. Emission measurements and calculations are outsourced. The air pollutant emission calculations are conducted according to the Cabinet of Ministers regulations on the development of Stationary Pollution Emission Sources Limit Projects. The air emission calculation results are registered in the emission logbook. The logbook should also contain the initial data, based on which emission calculations are made – raw material consumption, and the length of the machinery process. The soil and groundwater quality are tested by testing separate parameters according to an industry-specific, lab-accredited method. Wastewaters are tested at an accredited lab according to the standards set by the Republic of Latvia or international (ISO) standards.

Group companies' key facilities where environmental monitoring is performed

Company/Site	Monitoring of the environmental aspect			EC* specified annual emission limit (Not exceeded/Exceeded)	Installations subject to EU BAT conclusions	
	✓ Monitored	✗ Not monitored			+	–
	Air	Water	Soil		Yes	No
CleanR						
Sorted waste collection and storage area, waste storage and treatment facility, including transport base/refuelling site	✓	✓	✓	Not exceeded		–
CleanR Industry						
Plastic waste processing facility	✓	✓	✗	Not exceeded		–
CleanR Verso						
Construction waste sorting and recycling centre	✓	✓	✗	Not exceeded		–
Vides resursu centrs						
Municipal waste sorting facility	✓	✓	✗	Not exceeded		+
Lautus						
Sorting and handling station, waste collection, storage, and regeneration site	✗	✓	✗	Not exceeded		–

* Regulation (EU) 2024/1244 of the European Parliament and of the Council of 24 April 2024 on reporting of environmental data from industrial installations, establishing an Industrial Emissions Portal and repealing Regulation (EC) No 166/2006 (Annex II).

CIRCULAR ECONOMY

STRATEGY

CleanR Grupa views the circular economy as a smart economic model that facilitates the efficient use of resources. Turning waste into a resource by sorting and recycling it, thus reducing landfilled waste, underpins the Group's strategy. By increasing the share of separately collected and recycled waste, the Group aims to become a role model for the circular economy in Latvia. At the same time, CleanR Grupa makes a significant contribution to educating the Latvian public in environmental matters, fostering the country's transition to a circular economy.

Description of the processes to identify and assess material impacts, risks and opportunities related to the circular economy (ESRS 2 IRO-1)

The material impacts, risks, and opportunities related to circular economy were identified during the materiality assessment (see section "Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)").

The CleanR Grupa business model and operations are embedded in the circular economy. The Group's waste management and recycling companies – CleanR, Vides pakalpojumi Liepājai, CleanR Industry, CleanR Verso, Vides resursu centrs, Eko Terra, Lautus, as well as the producer responsibility system company Zaļā josta are closely intertwined with the circular economy and significantly foster its implementation.

Material impacts, risks and opportunities related to the circular economy

IRO type	IRO description	Nature of impact (+) or (-)	Time horizon ¹	Value chain impact ²	Company ³	IRO management/impact on business model and strategy
Impact/ Opportunity	Promoting implementation of the circular economy	Actual and potential (+) impact	1; 1-5; >5	U, O, D	CR, CRV, CRI, VRC, VPL, L, ZJ, ET	The Group promotes the principles of the circular economy by implementing the core principles of the waste management hierarchy, including: public education and engagement to reduce waste volumes, as well as campaigns and initiatives to promote the separate collection of various types of waste.
Opportunities	Improving the quality and reuse potential of recycled materials	Potential (+) impact	1-5	O, D	CRV, L	The Group's companies have the potential to improve the quality of recycled materials (e.g., construction waste) by reducing waste contamination and enhancing the material's reusability, but legislative changes are also required so that a wider range of materials could be returned to the market.
	New or expanded waste management opportunities resulting from the Group's expansion and/or innovation	Actual and potential (+) impact	1-5; >5	U, O, D	Group	By developing new business areas and services, such as the management of hazardous and healthcare waste, plastic waste recycling, food and industrial oil management, the production of RDF, and the implementation of underground container infrastructure, the Group provides sustainable waste management solutions, including valuable resources for various industries.
Risks	Due to improper sorting, the quality of separately collected materials and the volume of recyclable waste is insufficient	Potential (-) impact	1; 1-5	U, O, D	CR, CRV, CRI, VPL, VRC	The Group's operations in the waste management sector depend on the volume and quality of separately collected and recyclable waste; however, insufficient public awareness and improper sorting pose risks. Insufficient collection of separately collected waste, or a high volume of low-quality materials for sorting or further recycling, may create a risk of failing to meet national and Group targets, may create a risk to the fulfilment of contract terms, thereby reducing both return on investment and revenue.
	Contamination of materials with hazardous waste	Actual and potential (-) impact	1; 1-5	O, D	CR, VPL, CRV, CRI, VRC	Hazardous waste discarded by customers is periodically found in household waste, separately collected waste, and waste intended for recycling. Examples include lithium-ion batteries, syringes, and asbestos waste in construction debris. Chemical residues are also found in containers sent for plastic recycling. In such cases, damage may be caused to the company's equipment and employees. Waste recycling may be hindered. The Group maintains an incident log for these cases. Upon identification, such waste is removed and sent for appropriate disposal.
	Insufficient demand for recycled materials	Actual and potential (-) impact	1-5	O, D	CRI	Insufficient demand for recycled materials, such as HDPE, LDPE, and PP pellets, as well as competition from cheaper non-recycled materials and low-quality pellets from third countries, could jeopardize the plant's profitability. To mitigate this risk, the group is seeking new markets and collaborating with local partners, as well as actively engaging in the improvement and development of industry legislation to promote the use of recycled materials.

¹ Short-term time horizon – 1 year, mid-term: 1–5 years, long-term over 5 years.

² Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

³ Group – IRO refers to all CleanR Grupa companies.

CR – CleanR
L – Lautus
NĪ – CleanR NĪ
ET – Eko Terra
ZJ – Zaļā josta

V – Vizii
CR – CleanR
L – Lautus
NĪ – CleanR NĪ
ET – Eko Terra

ZJ – Zaļā josta
V – Vizii
VPL – Vides pakalpojumi Liepājai
CRV – CleanR Verso
CRI – CleanR Industry

VRC – Vides resursu centrs
UREM – urban and regional environment maintenance companies – Vizii Urban, KOM-AUTO, Tranzits L

Policies related to circular economy (E5-1)

The CleanR Grupa operations are determined by the relevant national and EU legislation and industry-related planning documents, including the EU's Circular Economy Action Plan, Waste Framework Directive (2008/98/EK), the Latvian Waste Management Law, the National Waste Management Plan for 2021–2028, and the Action Plan on Transition to Circular Economy 2020–2027. The principles and national targets set in these policy documents are binding on the CleanR Grupa companies.

The principles of the circular economy are also embedded in the Group's **"Environmental and Energy Management Policy"** (updated on 16.12.2025). This policy outlines the Group's commitment to responsible environmental practices, legal compliance, and the efficient use of resources in its operations. It also emphasises the Group's engagement with stakeholders and its support in implementing circular solutions.

CleanR Grupa companies pursue responsible and circular commercial practices by maximising resource efficiency, minimising operational waste, rigorously sorting waste, and directing materials for reuse or recycling. Wherever feasible, water from production processes is recovered and reused.

The basic principles of the policy are implemented by pursuing the Group's business strategy and aims, fulfilling the responsibilities set out in the pollution permits, and adhering to internal instructions and quality control processes relating to waste collection, sorting, and recycling. This also includes complying with the requirements of ISO 14001 (where implemented) for environmental management systems. The boards of each subsidiary company are responsible for implementing the policy in their everyday operations. At Group level, one AS "CleanR Grupa" board member is responsible for circular manufacturing, while another – for promoting the circular economy.

Actions and resources related to resource use and circular economy (E2-2)

Every year, CleanR Grupa allocates the necessary technological, human, and financial resources, as well as plans activities that promote the circular economy to increase the amount of separately collected waste and waste recycling.

Significant investments were made during the reporting year to promote the circular economy, including the development of infrastructure for separate waste collection, new technological solutions for material recovery, and public awareness campaigns.

Solutions for material recovery

In 2025, the CleanR Verso construction waste sorting and recycling center "Nomaļes" received more than 120,000 tons of waste. 99% of this waste was sorted, recycled, and returned to the economy.

During the reporting year, a new pre-sorting line was installed at "Nomaļes"; its use ensures cleaner sorting of materials recoverable from construction waste, as other contaminants such as plastic film, wood, or metal are removed.

Construction waste is processed into various fractions of gravel, crushed stone, and soil, which are used to raise ground levels and construct pedestrian and temporary roads; the larger fractions are used in the construction of gabions. Recovered metal, plastic, glass, cardboard, and other material fractions are sent for use as raw materials for new products or for production of refuse-derived fuel. Wood is used to produce furniture panels and construction materials, while wood chips are used in gardening as mulch or as fuel in boiler houses.

At the CleanR Verso's (from 01.01.2026 CleanR Industry) secondary materials sorting centre, 70% of all incoming packaging materials were sent for recycling, while approximately 30% of the materials that could not be reused were used to produce refuse-derived fuel. Waste recovery is another circular-economy solution and an opportunity to mitigate climate change – an option to reduce and prevent emissions from landfills and from the use of fossil fuels.

The biodegradable waste collected by CleanR and Vides pakalpojumi Liepājai is sent to recycling complexes, where it is turned into biogas. At the same time, the collected used cooking oil is handed over to refineries to produce biofuel. Textiles are handed over for reuse or energy production. Used tyres are recycled into, for example, surfacing materials for sports grounds and children's playgrounds, new tyres, and bitumen plasticisers.

During the reporting year, the CleanR Industry Plastic recycling plant and the waste-to-energy facility continued their operations. Investments were made to modernise and improve their operations.

The plastic recycling plant produced 5,800 tons of plastic pellets from plastic waste. These pellets become new products. The plant received a certificate from RecyClass, a European plastic packaging recycling assessment organisation. This certificate confirms the quality of the plant's work processes and their compliance with EU standards. It also certifies the origin of the plastic pellets. In line with circular economy principles, the plant produces pellets only from separately collected plastic waste.

Likewise, investments were made to improve the automation of Vides resursu centrs' waste-sorting facility to increase the recovery of polymers, paper, and glass from unsorted household waste.

Actions and resources related to resource use and circular economy (E2–2) (continued)

Infrastructure investments

Significant progress has been made in the construction of underground container infrastructure. During the reporting year, 33 underground container sites were built, with 135 underground containers in Riga and Jūrmala. By the end of the reporting year, **395 underground containers** had already been installed, with a total of **100 underground container sites** constructed.

During the reporting year, **the modernized sorted waste collection site** at 5b Vietalvas Street in Riga was opened. Nearly 400,000 euros were invested in the construction and modernization of the site; part of this amount was co-financed by the European Union's LIFE program and the Ministry of Smart Administration and Regional Development. It was designed based on best practices, providing the opportunity to dispose of various types of waste in one location – textiles, construction waste, bulky items, organic waste, wood waste, glass, PET, paper, and cardboard packaging, as well as used electronics.

A special new feature at the site is **the exchange point for usable items and materials**, where people can give a second life to various useful items. The exchange point accepts undamaged, clean, and functional electrical appliances (such as refrigerators and small household appliances), design and interior items in good condition (mirrors, lamps, etc.), undamaged dishes, books, and building materials (such as tools, paint, tiles, etc.).

In early 2025, an 800-square-meter **biodegradable waste composting site** was opened in Ikšķīle, where the wastewater generated during the compost irrigation process is collected and reused to moisten the compost. However, in Liepāja a new 900-square-meter **site for separately collected waste** was opened.

Raising public awareness of the circular economy

During the reporting year, ongoing initiatives were continued, and new initiatives promoting the circular economy were launched at the national and international levels.

Latvian Circular Economy Index

During the reporting year, preparatory work continued for the implementation of the "Latvian Circular Economy Index" measurement in municipalities in 2026. The index was launched in 2024 with the aim of reflecting the dynamics of the circular economy's development in Latvia in a regular, comparable, and evidence-based manner. It is conducted every two years and serves as a practical support tool for policymakers and decision-makers, also contributing to the practical implementation of the European Union's circular economy goals.

The index is a scientifically grounded assessment initiated by AS "CleanR Grupa," with the methodology developed by a team of Latvian scientists. The index is based on surveys of local governments and the public, as well as an analysis of publicly available data. To learn more, see cleanrupa.lv/en/circular-economy.



The First Latvian Circular Economy Forum

In November 2025, in Riga, in collaboration with the Riga Energy Agency, with the aim of creating a space for the exchange of experiences, the generation of new ideas, discussions, and collaboration, the first "Latvian Circular Economy Forum" was held, bringing together around 350 participants – businesses, local governments, state institutions, scientists, non-governmental organizations, and community representatives – to jointly seek solutions for a sustainable and circular future. As part of the forum, four co-creation sessions of the Latvian Circular Economy Index were held on resource management, business transformation, and public engagement.



Baltic Circular Hotspot

As a co-founder of the "Baltic Circular Hotspot," the CleanR Grupa continued its work within the Nordic-Baltic cooperation platform, which aims to strengthen collaboration between the Nordic and Baltic countries in the field of the circular economy. The hotspot's mission is to promote awareness of the circular economy's potential, share information within the sector, launch significant international projects, and support policy development and regulatory frameworks by leveraging best practices from the Baltic and Nordic countries. Work on the action plan continued, experience-sharing visits took place (e.g., to Greenland), and a stakeholder survey was conducted.



Initiative "pRASmīgi!"

To raise awareness among businesses about the role of producer responsibility systems in reducing the environmental footprint, the three largest producer responsibility system (EPR) operators – SIA "Zaļā josta", AS "AJ Power Recycling", and SIA "Latvijas Zaļais punkts" – jointly organized four working sessions for industry professionals, entrepreneurs, and experts on various EPR product groups: packaging, electrical equipment, environmentally hazardous goods, and textiles.



Information on other key activities carried out in the field of environmental education is available in the "Affected Communities" section.



Targets related to circular economy (E5-3)

CleanR Grupa had set a target to increase the share of separately collected, reusable, and recyclable waste of all municipal waste collected to 50% by 2025. The target was not implemented to the extent anticipated; however, since the beginning of 2022, the proportion of waste collected separately increased by 12 percentage points.

Non-performance is related to overoptimistic forecasts of separately collected waste volumes for certain waste types, such as biodegradable waste and textiles. It may also be attributed to relatively low customer engagement and waste-sorting skills, especially with biodegradable waste. As a result, separately collected waste often had to be classified as municipal waste and, due to the low quality (contamination with other waste), could not be handed over for further sorting and recycling.

Given the progress made toward this target to date, the plan is to maintain this target for the next strategy period.

Implementing the target contributes to UN Sustainable Development Goal 12: **“Ensure sustainable consumption and production patterns”**. It aims to significantly reduce waste generation by 2030 through prevention, reduction, recycling, and reuse. These measures also support Latvia’s national environmental goal: to landfill only 10% of municipal waste (by weight) by 2035.



Considering the above, the Group will continue its efforts to actively educate the public about waste sorting and the possibilities to reduce not only individual environmental impact, thus promoting the circular economy, but also their own waste management expenses.

Resource inflows and resource outflows (E5-4, E5-5)

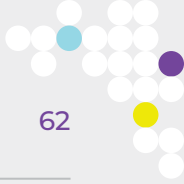
Incoming and outgoing material flows directly related to the Group companies’ own operations are relatively small. Examples of such incoming material flows include purchased goods and equipment, including waste, while outgoing flows directly related to the companies’ own operations include waste collected by the companies, as well as produced and recovered materials.

CleanR Grupa treats waste as a valuable resource, sorting and recycling it to return it to the economy as materials as much as possible.

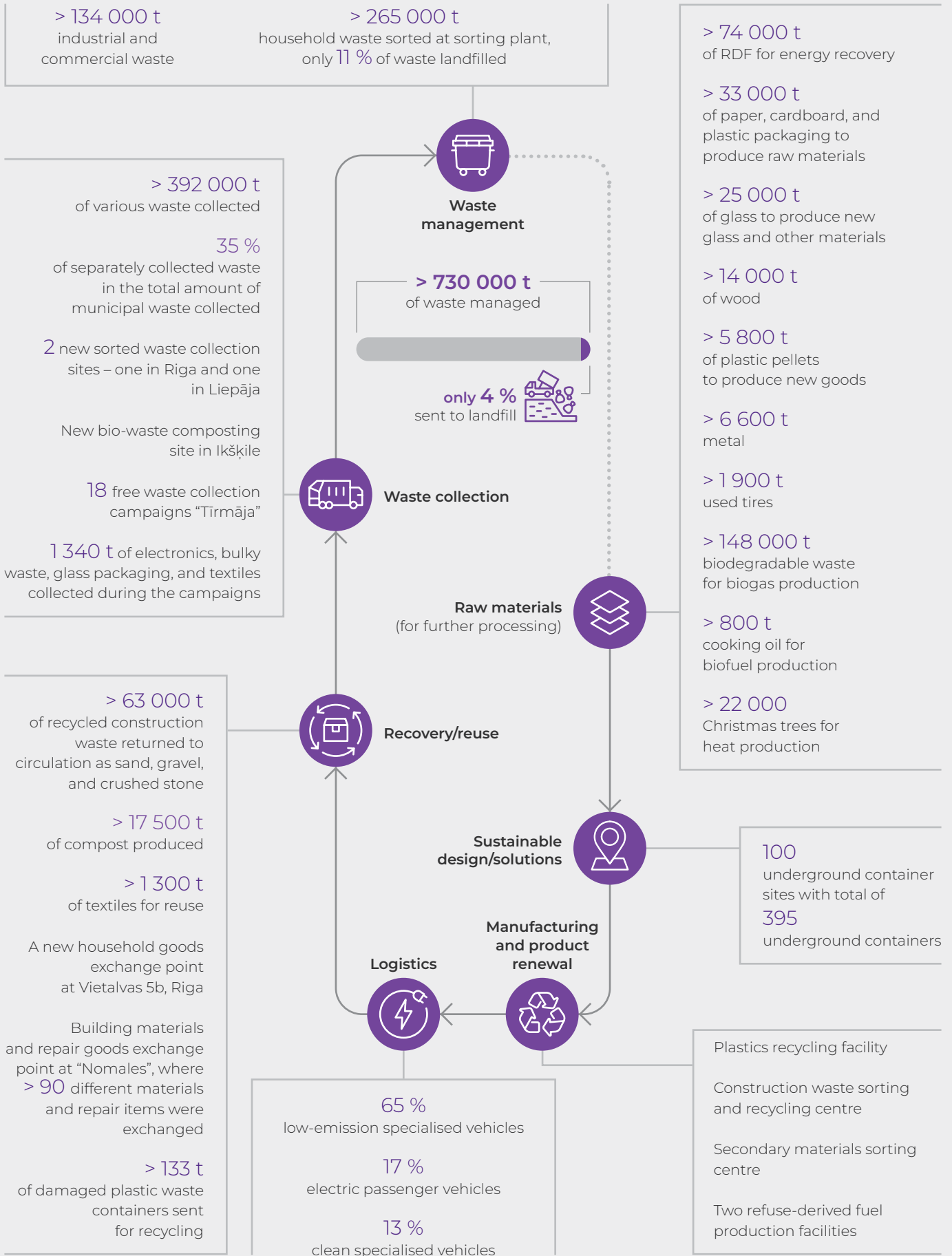
During the reporting year, **over 730,000 tonnes of waste** were managed by the Group, and **only four per cent** of this volume was **sent to landfills** for disposal.

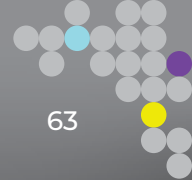
Target	BASE 2022	TARGET 2023	RESULT 2023	RESULT 2024	RESULT 2024	TARGET 2025	RESULT 2025
The share of separately collected, reusable, and recyclable waste of all municipal waste collected by the Group, %	23 %	27 %	30 %	40 %	33 %	50 %	35 %





Circularity at CleanR Grupa in 2025





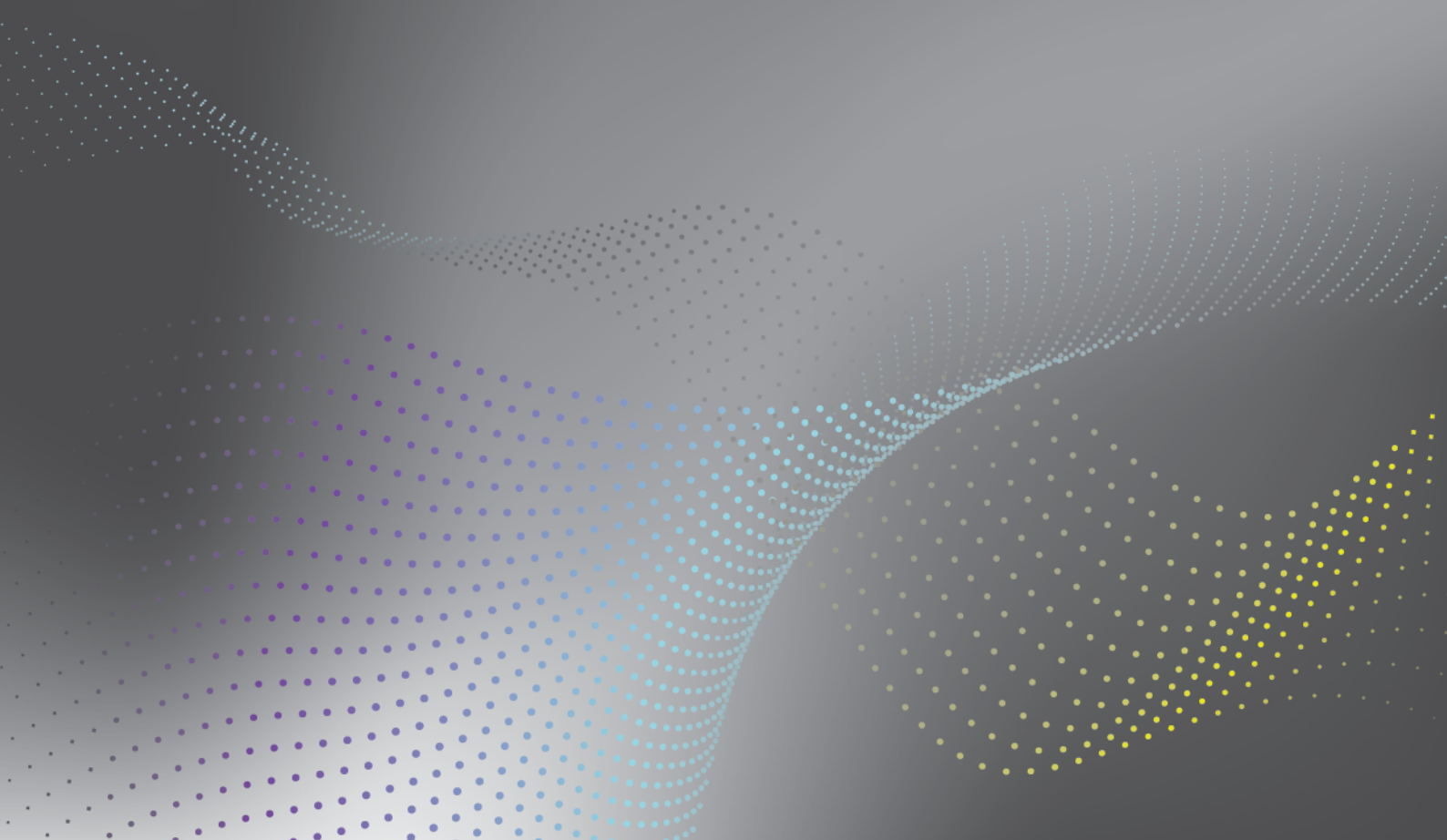
● GENERAL INFORMATION

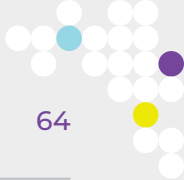
● ENVIRONMENTAL INFORMATION

SOCIAL INFORMATION

● GOVERNANCE INFORMATION

● CONSOLIDATED FINANCIAL STATEMENTS





OWN WORKFORCE

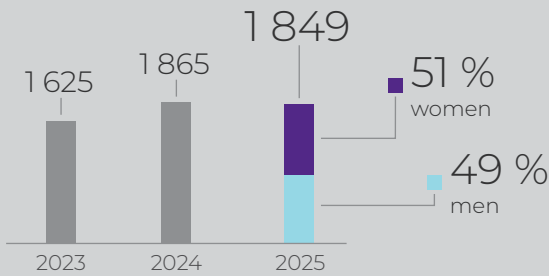
STRATEGY

The power of CleanR Grupa lies in its people – professionals in their field, who manage smartly, decide bravely, cooperate openly, and work consistently.

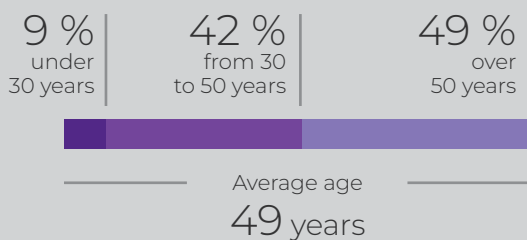
One of the company’s top priorities is employee well-being – their health and safety. CleanR Grupa strives to build an inclusive and growth-oriented workplace where everyone feels recognized and can realize their potential.



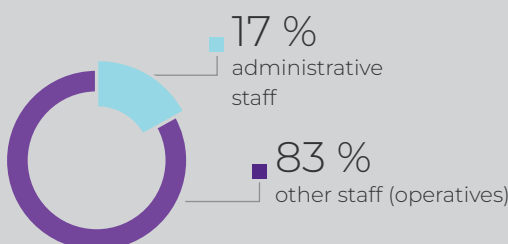
The number of employees (at the end of the year)



Employee age structure (2025)



Employees by category (2025)



Material impacts, risks and opportunities and their interaction with strategy and business model (S1-SBM3)

The material impacts, risks and opportunities related to own workforce were identified during the materiality assessment (see section “Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)”).

The CleanR Grupa employees are its key stakeholders. The CleanR Grupa personnel’s interests, views, and rights directly affect and are considered in managing and improving business processes.

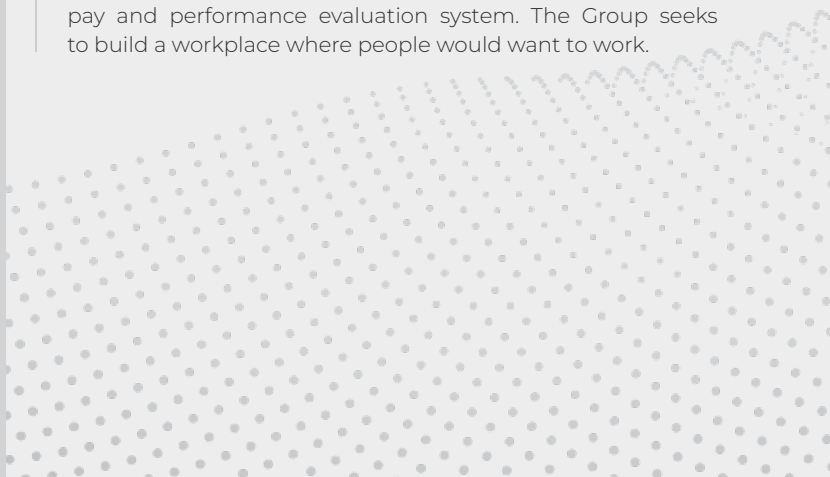
The scope of the information contained in this Statement includes all the people in own workforce who can be materially affected by the company. The “CleanR Grupa Personnel Policy” and actions carried out in the reporting year apply to all people in its own workforce. The Group’s material impacts are closely related to and arise from the business lines of the Group’s companies and service specifics, including dependency on employees.

Eighty-three per cent of the Group’s workforce are employed in physical work – waste collection, sorting, and recycling, commercial cleaning and urban maintenance. These are the areas of activity where the availability of workforce is topical. In these businesses, employees can work full- or part-time, as well as do shifts. CleanR Grupa ensures that its work processes prevent any risk of labour rights, including human rights, violations.

At all the Group companies, employee training and competence development are important to ensure service quality and performance. A special focus is placed on developing the competence of the administrative staff and managers of all levels.

The Group companies increasingly utilize new IT, technological, and technical solutions. The implementation of these solutions is closely linked to the target of running greener and climate-neutral operations. The Group gives an opportunity to acquire new skills for workers of different ages – for example, to drive the newest waste haulers, to use logistics and work planning/management apps, to navigate and monitor robots in commercial cleaning.

The Group is committed to maintaining a team of professional employees with low staff turnover. Therefore, one of the Group’s personnel strategy objectives is employee attraction and retention, as well as improvement of employee experience by ensuring an equal and transparent pay and performance evaluation system. The Group seeks to build a workplace where people would want to work.



Material impacts, risks and opportunities and their interaction with strategy and business model (S1-SBM3) (continued)

Material impacts, risks and opportunities (IROs) in relation to own workforce

IRO type	IRO description	Nature of impact (+) or (-)	Time horizon ¹	Value chain impact ²	Company ³	IRO management/impact on business model and strategy
Impact	Clear, transparent remuneration system	Actual and potential (+) impact	1; 1-5	O	Group	A clear and transparent remuneration system ensuring that every employee is informed and fully understands their remuneration and factors that influence it, fostering employee motivation, loyalty, and the achievement of Group goals.
	Implementation of the work performance evaluation system	Potential (+) impact	1-5	O	Group	Gradual implementation of a clear work performance evaluation system fosters employee understanding of the anticipated results and facilitates implementation of clear incentives schemes.
	Implementation and running of an employee representation institution at the Group	Actual and potential (+) impact	1; 1-5; >5	O	Group	In the reporting year, the Group established the Employee Council, which includes representatives from all subsidiary companies and represents employees' interests in discussions with management. Together with the employer, the council develops new initiatives to, for example, boost employee motivation, improve the workplace, and address other issues.
	Promoting a safety culture at Group level	Actual and potential (+) impact	1; 1-5	O	Group	Employees speak more openly about safety issues, and this is also being positively recognised at management level. Depending on the specifics of their work, every employee is provided with the necessary protective equipment, as well as regular occupational safety training and initiatives to foster a conscious safety culture within the Group.
Risks	Risks related to occupational safety and health	Potential (-) impact	1; 1-5; >5	O	CR, CRV, CRI, VPL, VRC, L, UREM, V	Eighty-three per cent of the Group's workforce is employed in physical work. Employees involved in waste collection, sorting and recycling may encounter hazardous materials such as lithium-ion batteries, chemical residues and medical waste, as well as dust from packaging and construction debris, all of which pose an increased health risk. Therefore, the company provides regular mandatory health check-ups and occupational safety training for employees.
	Employee exposure to occupational safety and health risks while working at customer sites	Potential (-) impact	1	O, D	UREM, V	When working at customer sites, employees of the Group's companies must comply with the procedures in effect there. The Group conducts risk assessments of the work environment and, if required, additional inspections at the customer's premises if there is information or reasonable suspicion that working conditions (including physical, psycho-emotional, etc.) do not meet the requirements for a safe work environment.
	Violations of labour rights	Potential (-) impact	1; 1-5	O	Group	Failure to comply with regulatory requirements can pose financial and reputational risks. To ensure compliance with labour and human rights standards, the Group implements processes and mechanisms to monitor compliance. If a complaint is received regarding potential violations, the situation is assessed and changes are made to internal processes and/or employees are provided with additional training, if it is determined that the complaint stems from insufficient communication of the employment or human rights aspects. Seminars on the practical application of the Labour Law are organised for managers.
	Inability to attract employees	Actual and potential (-) impact	1; 1-5	O	Group, especially CR, CRV, CRI, VPL, VRC, L, UREM, V	The Group faces challenges in recruiting employees, as work in the waste management and cleaning sectors is perceived as physically demanding and unattractive. Moreover, there are compensation issues in certain areas. It is difficult to recruit employees for physical work, particularly as the average age of the existing workforce is gradually increasing, and the need to attract new employees is growing. The Group works on the employer brand.

¹ Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

² Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

³ Group – IRO refers to all CleanR Grupa companies.

CR – CleanR
L – Lautus
NĪ – CleanR NĪ
ET – Eko Terra
ZJ – Zaijā josta
V – Vīzī

VPL – Vides pakalpojumi Liepājai
CRV – CleanR Verso
CRI – CleanR Industry
VRC – Vides resursu centrs
UREM – urban and regional environment maintenance companies – Vīzī Urban, KOM-AUTO, Tranzīts L

Material impacts, risks and opportunities and their interaction with strategy and business model (S1-SBM3) (continued)

Material impacts, risks and opportunities (IROs) in relation to own workforce (continued)

IRO type	IRO description	Nature of impact (+) or (-)	Time horizon ¹	Value chain impact ²	Company ³	IRO management/impact on business model and strategy
Opportunities	Building an employer branding at the Group and company levels	Actual and potential (+) impact	1-5	○	Group	The Group works to build a unified employer brand to help attract and retain employees, particularly in the Pierīga region, where competition for labour is the fiercest. The group is developing an attractive incentive system for employees, including a benefits package, which will help attract and retain employees.
	Strengthening a culture of growth	Actual and potential (+) impact	1-5	○	Group	The Group is purposefully building a culture of learning, growth, and engagement. In 2025, the "Growth Code" learning platform was launched, which expands learning opportunities for employees and fosters a culture of initiative and efficiency.
	Enhancing managerial competencies	Actual and potential (+) impact	1; 1-5	○	Group	Given the crucial role that managers play in employee satisfaction, professional development, and the achievement of company goals, special attention is paid to developing the competencies of first- and middle-level managers, with a focus on team management, change management, and communication skills.
	Establishment and targeted implementation of succession planning	Actual and potential (+) impact	1-5; >5	○	Group	To ensure the continuity of skills, knowledge, and work processes, the Group is gradually implementing a succession planning approach. This includes an assessment of critical positions and personnel, as well as the identification of employees with growth potential; risk mitigation plans have been developed. Their implementation involves targeted skill development, including allocating the necessary budget to foster the growth and motivation of younger colleagues, while also promoting intergenerational collaboration.

¹ Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

² Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

³ Group – IRO refers to all CleanR Grupa companies.

CR – CleanR
L – Lautus
NĪ – CleanR NĪ
ET – Eko Terra
ZJ – Zaļā josta
V – Vizii

VPL – Vides pakalpojumi Liepājai
CRV – CleanR Verso
CRI – CleanR Industry
VRC – Vides resursu centrs
UREM – urban and regional environment maintenance companies –
Vizii Urban, KOM-AUTO, Tranzīts L

Policies related to own workforce (S1-1)

The **"CleanR Grupa Personnel Policy"** defines the guiding principles for sustainable human resources management. Its main objective is to implement a unified, modern and efficient HR management at the Group to attract qualified, professional and motivated employees ensuring high efficiency of the company's operations, as well as to ensure respect for the rights of the Group and its employees in labour relations, improve work organisation and promote employee development and loyalty. The policy applies to all people in the Group's own workforce. Its implementation across the Group companies is overseen by the Group's Human Resources and Administrative Director.

The Group runs its operations and engages with its staff in accordance with the Constitution of the Republic of Latvia, labour laws and regulations, including international legal frameworks on human rights and fundamental rights at work: UN Guiding Principles of Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and OECD Guidelines for Multinational Enterprises, as well as the UN Universal Declaration of Human Rights and the Ten Principles of the UN Global Compact.

CleanR Grupa follows all the relevant human rights aspects in its relations with its employees: it ensures employment transparency, prohibition of forced and mandatory labour, obeys restrictions on employment of children, ensures

fair pay, social protection, safe work environment, equality, equal treatment and opportunities, obeys prohibition of discrimination, violence and harassment, ensures protection of privacy and personal data, development of competencies (right to education), fosters work-life balance, respects freedom of thought and speech, and rights of association to defend one's interests.

According to the **"CleanR Grupa Personnel Policy"**, the Group maintains an inclusive work environment which encourages diversity and precludes discrimination based on ethnicity, age, gender, disability, sexual orientation, religious beliefs, political opinions, marital status, social background, and the like. It ensures that employee selection, pay, assessment, and career opportunities are based on a person's knowledge, experience, professionalism, and performance, as well as a decent attitude towards work and the Group's values.

The CleanR Grupa approach to own workforce engagement is described in the next section of this Statement.

The **"CleanR Grupa Remuneration and Compensation Policy"** lays down the key principles of determining pay. The Group tries to ensure that each employee gets paid and recognized based on their performance and the market situation. The Group's remuneration system stipulates equal pay for equal work to both men and women, regardless of their age.

Policies related to own workforce (S1-1) (continued)

The “**CleanR Grupa Code of Ethics**” lays down the principles of professional ethics for employees, and the key values of ethical business conduct, underpinning the Group’s operations. The code stipulates that the Group pursues a working environment free from discrimination, prejudice, disrespectful attitudes, intimidation, and any type of violence.

The “**CleanR Grupa Internal Working Regulations**” ensure a uniform understanding of employment relations between the company and employees, a rational use of work time, increasing of work efficiency, favourable working conditions, nondisclosure duty and public communication, personal data processing, and prevention of a conflict of interest.

The Group has introduced an **Occupational Health and Safety Management System**, which is implemented according to the laws and regulations of the Republic of Latvia and the requirements of ISO 45001 Occupational Health and Safety Management Systems (see section “Occupational health and safety S1-14”).

The “**CleanR Grupa Whistleblowing Policy**” provides every employee as well as a third party with a chance to report on potential labour rights, ethics, or human rights violations via the “Trust Line”, the Group’s whistleblowing system (cleanrgrupa.lv/en/contacts).

Processes for engaging with own workers and workers' representatives about impacts (S1-2)

To ensure the due diligence process in impact areas, the company pursues consistent cooperation with its own workforce. At the highest managerial level, employee engagement is overseen by the CleanR Grupa Chairman of the Board. The Human Resources and Administrative Director is responsible for the employee engagement process and ensures that the process outcomes are used to improve the workplace and processes.

Employee engagement takes place both directly and indirectly through employees’ direct supervisors and business unit managers, as well as through the Employee Council set up in the reporting year.

The Council was set up to address several issues related to the Group’s internal communication and employee engagement – to ensure faster feedback, establish an alternative communication channel and a procedure for making suggestions and expressing opinions related to the company’s development. During the reporting period, four Employee Council meetings were held.

CleanR Grupa was awarded the 2025 “Project of the Year” by the Latvian Association for People Management for establishing the Employee Council. The award was given for the establishment of a sustainable employee representation system which strengthens inclusive work environment and principles of good governance.

Employee views have a direct impact on the Group’s decisions and actions, the aim of which is to manage the actual and potential impacts. Depending on the activity, employee engagement is practiced via regular and annual surveys or during, for example, work group meetings or quarterly employee forums. Consultations, communication, and inquiries

take place both before and after actual events and activities, validating the company’s choices and ideas, listening to arguments, drawing conclusions, and, where appropriate, implementing changes into the processes.

Key employee engagement activities last year:

- **Establishment of the Employee Council and its elections** – the turnout in the employee representation institution elections was 50% of employees from each Group company. A total of 252 candidates applied to sit on the council; 24 employees were elected, representing all the Group companies,
- **Annual employee opinion survey**, in which employees were asked to give their opinion on the work processes and activities. Employee suggestions and comments received were carefully reviewed to identify the potential risks and opportunities for improvements in the work environment and processes. For example, considering employees’ opinions and wishes, the 2025 health insurance policy offer was improved,
- To find out employee views and foster their engagement in decision-making, **several employee online surveys were carried out**; for example, among office staff – on naming meeting rooms, naming CleanR’s virtual customer service assistant, open webinar themes; among a wider range of employees – a survey on the contents of the benefits package,
- **The work safety initiative “Drošinātājs”** – employees continued to engage in identifying workplace risks (see subsection S1-4),
- Throughout the year, employees were encouraged **to contribute to the Group’s social media content** by participating in videos containing tips for customers on how to use the Group’s services,
- **A workshop on “How do we want to work tomorrow and how to assess our performance?”** organized as part of the employee forum, with the aim to define the CleanR Grupa values and respective actions to be further used in the development of the work performance management system,
- To foster a culture of gratitude around the Group, at the end of the year, employees were encouraged to say thanks to their colleagues through **the Christmas gratitude cards exchange activity**.

Engagement effectiveness

To assess the effectiveness of employee engagement, the Group looks at the event attendance, email open-rate ratio, as well as employee survey response rate. Overall, the response rate for employee surveys is set to at least 30%, which is a universally recognized metric to measure employee survey validity.

The employee survey worth pointing out in terms of engagement was the one on the benefits package, which, also thanks to the communication of the Employee Council, involved 721 staff members. At the same time, the annual employee opinion survey was filled out by 49% or 958 Group employees, which is the highest score in the last three years. The Christmas card activity saw about 340 cards exchanged. Over the year, 22 employees got involved in the social media content creation.

Processes to remediate negative impacts and channels for own workers to raise concerns (S1–3)

The CleanR Grupa's company culture is aimed toward transparency and cooperation. Its objective is to manage the impacts and risks, as well as cooperation with its own workforce, in a way that does not require remediation, which may include financial or non-financial compensation, apology, fines, or repairing the damage, etc.

To manage the company's potential negative impacts on own workforce, the Group has established and made available several channels which employees may use to raise their concerns, communicate their needs, and make suggestions. CleanR Grupa seeks to ensure that its grievance mechanisms comply with Principle 31 of the United Nations Guiding Principles on Business and Human Rights – ensuring accountability for their fair operation, building stakeholder trust, promoting transparency and access, and enhancing awareness of procedures and deadlines, as well as by taking notice of the lessons learnt and encouraging continuous improvements to prevent negative future impacts.

The CleanR Grupa employee grievance channels to raise needs and concerns:

- Regular department or unit **meetings**,
- A chance to **approach** their subsidiary company **representative on the Employee Council** or submit questions in written form via the council **email**,
- Annual employee **opinion surveys**,
- A chance to **turn to the direct manager or personnel manager** during working hours to address topical issues,
- The personnel management **system HoP**, which is available to all employees, offers a chance to send a written free-form application to the administration (human resources specialists),
- **"Drošinātājs"** initiative offers employees a chance to report work safety risks,
- **"Trust Line"** – the whistleblowing channel on the Group's homepage. Employees may also report concerns by writing to trauksme@cleanrgrupa.lv, as well as by completing a paper form and using a designated mailbox located at the Group's office.

The employee grievances received in written form, as well as third-party requests, are reviewed according to the general procedure, providing an immediate confirmation of their receipt (if personalized). The issues are resolved through dialogue, and in certain cases, written responses are prepared. Grievances expressed orally are dealt with immediately. The CleanR Grupa Employee Council Regulations lay down the procedure for dispute resolution.

Depending on the nature of the issue, as well as whether the grievance/suggestion has been filed anonymously or in a personalized form, the feedback on employee suggestions and their implementation is provided through the following channels:

- For office staff, via the internal "CleanR Grupa news",
- On administrative staff forums,
- On TV screens in offices and at relaxation areas at production sites, or on news boards,
- For the service provision staff, information is given at meetings, via WhatsApp or SMS, as well as through Employee Council representatives or direct managers,
- Through contacting the grievance/suggestion submitter personally.

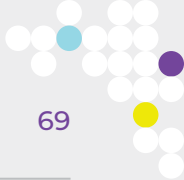
An overview of the issues addressed through the whistleblowing channel (if any) is included in the Annual Sustainability Statement. The company ensures confidentiality and whistleblower protection. Personal data is protected and pseudonymized in line with the relevant laws and regulations.

During onboarding, employees are informed of the key internal regulations, including the above-mentioned channels. The information on the reporting and communication channels and possibilities is also included in the New Employee Day presentation materials. Also, once a year, the staff are reminded of the channels on the administrative staff forums, and on TV screens. Additionally, to provide the new employees with the relevant information together in one place, in the reporting period, the Group set up the New Employee Portal.

In the next reporting period, the Group plans to establish a new communication channel for the Group managers to discuss topical personnel management issues – "Managers' afternoon".

To date, the company has not purposefully assessed employees' awareness of all reporting channels or their trust in them. One of the most effective channels last year was the "Drošinātājs" initiative. It is expected that the annual employee opinion survey will become a significant channel for expressing views, and that awareness of and employee trust in the Employee Council will increase.

Overall, the employee opinion survey revealed that employees value highly their chance to freely express their opinions and make suggestions about workplace improvements – the Group's average reaching five points out of six.



Action on material impacts on own workforce, and effectiveness of those actions (S1-4)

The Group has allocated the necessary resources and introduced a number of measures to mitigate the negative and advance the positive impacts on own workforce.

Last year, the Group carried on its best practice initiated in the previous reporting periods, which included work environment and working condition improvements, training opportunities, benefits package, internal communication improvements (for example, putting up extra screens at manufacturing plants), events for employees and their families.

The results and relevance to employees of those activities are regularly assessed to make sure the activities are effective, suitable, and valuable to employees. Employees themselves are also involved in the process. The impact of the activities and the effectiveness of actions may also be assessed through the internal and external audits (ISO), as well as by carrying out external assessments, which provide suggestions for improvement.

All the key programmes, initiatives, and actions described further are aimed at fostering positive impacts and preventing and mitigating negative impacts on own workforce, promoting the achievement of the objectives of the Group's personnel policy and strategy.

Benefits package

To take care of its employees and support them in various life situations, foster work-life balance, as well as motivate and retain staff, CleanR Grupa provides its employees with a generous benefits package.

Considering employee opinions, in the reporting period, the Group made changes to its benefits package (in force as of 1 January 2026) – increased the bonus in the event of marriage, the support to the family upon an employee's death, support upon a first-degree relative's death, as well as increased vision correction compensation, from now on available once a year.

To boost office staff's well-being, we also provide employees with drinking water, tea, coffee, and fruit twice a week. At the production facilities, employees are provided with drinking water, tea or coffee, and a warm lunch.

Corporate events

To increase awareness, motivation, and the sense of belonging, the following events and activities were organized in the reporting year:

- **A garden party at Salaspils' Botanical Garden**, which gathered 450 Group employees and their family members,
- **A Christmas movie event for employees' children:** the special holiday season film screening event was attended by a total of 260 employees' children; 87 children received gift cards to regional cinemas; Christmas gifts were received by 530 children all over Latvia,
- **Employee-of-the-Year and Team-of-the-Year award ceremony:** in 2025, 109 applications about 80 colleagues were received; a total of 26 employees received prizes,
- **3 administrative staff forums,**
- **5 New Employee Days**, onboarding 55 new administration colleagues,
- **Various team-building events** for employees of the Group companies (e.g., hikes, dinners, go-carts, etc.),
- **49 weekly CleanR Grupa newsletters** sent to the administrative staff (the Q4 open rate reached 60%, an increase of 7% on Q1). In addition, the informative TV screen network was expanded to 14 screens put up at the central office as well as relaxation areas at the manufacturing plants; the remote content management functionality allows delivering fast information updates to employees.



Referral bonus



Health insurance after the trial period



Accident insurance 24/7 as of day one



Compensation for vision correction devices



A gift

- on the employee's wedding,
- on the birth of a child

A gift on a work anniversary



Support

- upon a first-degree relative's death,
- to the family upon the death of a Group employee



A bonus on employee suggestions, boosting productivity and ensuring financial gain for the company



Flexitime and remote work for office staff



Extra holidays on important life events:

- Employee birthday if it falls on a weekday
- September 1, if an employee has a child learning in the 1st to 3rd grade (including)
- On children's graduation days (kindergarten, 9th grade, 12th grade, college, vocational school, university)
- On children's wedding day

Action on material impacts on own workforce, and effectiveness of those actions (S1-4) (continued)

Workplace and work safety improvements

To identify workplace risks as timely as possible, as well as engage employees in the implementation of the work safety system, the Group continued running the "Drošinātājs" initiative. It gives every employee a chance (also anonymously) to report on workplace risks and on the necessary improvements in the work environment.

Last year, employees submitted 12 reports or risk cards. Within the initiative, the risks identified by employees included insufficient lighting, insecure steps, flooring, unsafe roads/territories, workplace or equipment. Out of the 12 reports, 10 have been sorted out, while two are in process.

In the reporting period, the Group carried out repair works at production sites, equipped the premises with new furniture, changed lighting at warehouses, introducing more economical lighting, installed shoe and clothing driers, improved the Vietalvas Street 5 territory, expanded the parking lot. Also, 35 height-adjustable desks were purchased for the office staff.

In addition, in the reporting period, the Group made significant and extensive fire security improvements at all the sites belonging to the Group (see section "Pollution prevention").

The Group pays special attention to employee health, i.e., by running mandatory health checks (MHC). During the year, employees were regularly offered a chance to perform health check-ups at the office or production sites. Overall, a total of 13 health checks were organized: 12 at the Group headquarters and 1 at Vides resursu centrs. In the reporting year, a total of 1,070 employees underwent MHC.

To ensure more effective staff instruction and access to work safety documentation electronically, the Group continued implementing its work safety system "Meemo".

Succession and promotion of development

To ensure that staff turnover, long-term incapacity to work, or other factors do not result in the loss of skills and knowledge or the interruption of work processes that may negatively affect employee workload and service quality, the Group gradually introduces a succession planning approach. In the reporting period, the Group assessed the key roles and identified employees with growth potential. It is now working on the crucial role as well as employee short- and long-term substitution and contingency plans. These plans envisage equipping younger colleagues with skills, increasing competencies and motivation, fostering cooperation between employees of different generations, and digitising processes and information.

To read more about the training offered in the reporting period, see subsection "Training and skills development metrics" further in this section.

Resources for material impact management

All the previously mentioned activities require human as well as financial resources. These resources the Group companies allocate in their annual budgets in line with their strategic priorities for that period. The allocated financial resources reached over EUR 1.3 million. In the next reporting period, a similar amount is foreseen. The allocation of these resources to activities and initiatives (employee training, catering, mobility, etc.) depends on a company's financial abilities, which in turn is related to the state's taxation policy – tax breaks granted to employers.

Short-term employee benefits are recorded as current expenditure in the period; part of the related operating costs for the above activities are recorded as "Other personnel costs" under "Personnel expenses and headcount" in the financial statement.

The policy implemented by CleanR Grupa contributes toward UN Sustainable Development Goal 8: **"Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"**:



- By modernizing technology and innovating across all business lines, the Group seeks to reach a higher level of economic productivity.
- By protecting employees' rights and building a safe workplace, ensuring equal pay for equal work, encouraging a respectful attitude, and a work environment encouraging growth and skill development, the Group ensures decent work for men and women, the youth, and people with disabilities.

In 2025, the second year in row, CleanR Grupa won **the silver award** in the **"Employer open to diversity"** assessment organized by the Society Integration Foundation, attesting to its systematic work toward building an inclusive, safe, and open workplace; also, the Group repeatedly acquired **a Family-friendly company's status**, attesting to its care for its employees by offering work-life balance and a safe and supportive working environment. The status has been granted for the next three years.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (SI-5)

To promote and measure the implementation of the Group's policies, the effectiveness of activities, at the end of 2022, CleanR Grupa set its three-year targets. Since the previous year, the target definitions and calculation methodology have not changed. The information on the achievement of the targets, the insights gained and improvements made as a result of the activities is provided to the Group's Board, Group's Council, and on the staff forum.

One of the Group's impact areas is employee well-being – their health and safety. Consequently, the Group has set a target to have zero work-related accidents. In 2025, the trend remained upward – the frequency of recordable work-related incidents also grew (see subsection “Health and safety at work”). In the next reporting period, the Group plans to pay more attention to the prevention of serious work-related accidents; it has set a target of zero serious work-related accidents.

Employee well-being and job satisfaction are reflected in the voluntary turnover; therefore, we have set a target to decrease its rate by at least 1% annually. In the reporting year, the voluntary turnover increased by three per cent, reaching 26%, which may be explained by the processes of change implemented in the reporting period, as well as mergers and acquisitions.

At the same time, the Group's employee satisfaction score (eNPS) reached 8% or 17.7 percentage points, failing to achieve the desired 19.7 increase against the base level. In the next reporting period, the Group aims to continue measuring employee satisfaction and reach an eNPS of 10, which, according to the research firm ERDA, is a satisfactory eNPS at large production companies. Overall, the Group's annual opinion survey revealed that nearly 74% of employees were satisfied with their daily work.

It is important for CleanR Grupa to have knowledgeable and competent employees, therefore, one of its targets in 2025 was to ensure that one administrative employee spends an average of two full working days a year acquiring new knowledge.

In the reporting year, the Group continued improving its training application and accounting system to ensure reliable and complete information about the completed trainings and hours devoted to learning. The gathered data reveals that the average number of hours spent reached 18 hours per administrative staff member.

In the next reporting period, the Group plans to retain this metric; also, given its focus on the development of managerial skills, the Group has set a target for manager engagement in its management development programme called “The Growth Code”.

Work environment/Own workforce

Targets	BASE 2022	TARGET 2023	RESULT 2023	TARGET 2024	RESULT 2024	TARGET 2025	RESULT 2025
Work-related accidents	8	0	22	0	31	0	39
Work-related accident rate, TRIR index¹	0.8	0	2	0	2.8	0	2.9
Reduced voluntary turnover² by at least 1% annually (excluding commercial cleaning business)	- 1 %	- 1 %	- 5 %	- 1 %	- 3 %	- 1 %	+ 3 %
Voluntary turnover (excluding commercial cleaning business)	31 %	30 %	26 %	25 %	23 %	22 %	26 %
Increase in employee satisfaction (eNPS) compared to the base year	- 9.7	+ 9.8	+ 16.5	+ 16.5	- 9.3	+ 19.7	+ 17.7
The average number of training hours per administrative employee annually	13	15	15	16	11	16	18

¹ TRIR = total recordable incident rate * 200 000 h/total number of hours worked. According to the U.S. Bureau of Labor Statistics, the best practice TRIR benchmark stands at 3 points.

² This target does not include data from the commercial premises cleaning business due to the specificity of this sector. According to research by the company “Figures Baltic Advisory”, in 2024 the average voluntary turnover rate in Latvia was 14%, while the average overall turnover rate was 20%.

Characteristics of the undertaking's employees, diversity (S1-6, S1-7, S1-9)

As at the end of the reporting period, CleanR Grupa¹ employed 1,849 employees. In the reporting period, the average number of employees grew by nearly 14%, reaching 1,847 people. The Group ensures a healthy gender balance as well as employs people of various ages.

The mean age of the Group's employees is 49. The Group employs people in more than 170 different jobs. Eighty-three per cent of the staff work in production and service provision, while 17% are made of office or administrative staff.

S1-6 Characteristics of the employees			2023		2024		2025	
Standard	Data point	Description	Number	%	Number	%	Number	%
S1-6, SBM-1	40a, 50a, 50b	Number of employees at the end of the year ¹	1 625	-	1 865	-	1 849	-
S1-6	50a, 52	Women	852	52 %	1 006	54 %	939	51 %
S1-6	50a, 52	Men	773	48 %	859	46 %	910	49 %
S1-6	50a, 52	Other	0	0 %	0	0 %	0	0 %
S1-6	50a, 52	Information not provided	0	0 %	0	0 %	0	0 %
S1-6		Number of employees by category	-	-	-	-	-	-
S1-6		Number of administrative employees	180	11 %	277	15 %	313	17 %
S1-6		Other employees (worker positions)	1 445	89 %	1 588	85 %	1 536	83 %
S1-6, SBM-1	40a, 50a, 50b	Average number of employees	1 561	-	1 628	-	1 847	-
S1-6	50b	Information on employees by contract type	-	-	-	-	-	-
S1-6	50b(i), 2a	Full-time employees ²	1 614	99 %	1 830	98 %	1 011	55 %
S1-6	50b(i)	Women	843	-	1 007	-	383	-
S1-6	50b(i)	Men	771	-	823	-	628	-
S1-6	50b(ii)	Part-time employees	11	1 %	35	2 %	838	45 %
S1-6	50b(ii)	Women	9	-	3	-	556	-
S1-6	50b(ii)	Men	2	-	32	-	282	-
S1-6	50b(iii)	Non-guaranteed hours employees	0	0 %	0	0 %	0	0 %
S1-6	50b(iii)	Women	0	-	0	-	0	-
S1-6	50b(iii)	Men	0	-	0	-	0	-
S1-6	50c	Total number of employees who have left the undertaking (employee turnover)	1 558	103 %	1 569	96 %	1 682	91 %
S1-6	50c	Employee turnover without the commercial cleaning business	650	91 %	606	71 %	677	70 % ³
S1-6	50c	Number of employees who have voluntarily left the undertaking (voluntary employee turnover)	622	40 %	567	35 %	794	43 %
S1-6	50c	Voluntary turnover without the commercial cleaning business	185	26 %	194	23 %	260	26 %
S1-7	55a	Number of non-employee workers in the undertaking's own workforce	N/A	N/A	N/A	N/A	N/A	N/A ⁴
S1-8	60	Total employees covered by collective bargaining agreements	N/A	N/A	N/A	N/A	N/A	N/A ⁵
S1-9	66a	Number of employees at top management level (council, boards)	13	-	23	-	21	-
S1-9	66a	Women	2	15 %	4	17 %	3	14 %
S1-9	66a	Men	11	85 %	19	83 %	18	86 %
S1-9	66b	Employees by age group	-	-	-	-	-	-
S1-9	66b	Under 30 years	112	7 %	156	8 %	159	9 %
S1-9	66b	Between 30 and 50 years	715	44 %	803	43 %	772	42 %
S1-9	66b	Over 50 years	798	49 %	907	49 %	919	49 %

¹ Employee information includes companies under full operational control of CleanR Grupa: CleanR, CleanR Verso, CleanR Industry, CleanR NĪ, CleanR Grupa, Vizii, Vizii Urban, KOM-AUTO, Tranzits-L, Vides pakalpojumi Liepāja, Vides resursu centrs, Eko Terra, Lautus, Zaļā josta, WasteTech, Vizii Management.

² During the reporting year, a contract type field was added to the HR management systems, allowing for the precise filtering and identification of an employee's contract type.

³ The number of employees who have left (excluding the commercial cleaning business) divided by the total number of employees (excluding the commercial premises cleaning business).

⁴ Information not compiled.

⁵ Information not applicable; no collective agreement has been concluded.

Adequate wages, compensation metrics (S1-10, S1-16)

The Group seeks to provide each of its employees with competitive pay and recognition commensurate with their job and performance. The Group's remuneration system stipulates equal pay for equal work to both men and women, regardless of their age.

The Group's remuneration system comprises compensation for work as well as various additional financial and non-financial benefits. The procedure for granting fringe benefits and the remuneration criteria are described in the Group's internal normative documents (employee fringe benefits order, pay and bonus regulations) in accordance with the laws and regulations governing employment relationships.

To ensure competitive salaries in line with the company's financial abilities, the Group uses qualitative data on pay in the market and, once every two years, takes part in the Figures Baltic Advisory salary survey.

To implement a structured and transparent remuneration system, strengthen fairness and objectivity, market data comparability, as well as the implementation of the Pay Transparency Directive (EU) 2023/970, in the reporting year, the Group cooperated with the consulting firm Figures Baltic Advisory to conduct job scaling across the Group.

The process evaluated 1,631 employees and 172 job titles, which were grouped into 60 job families, clarifying the actual scope of each position, its level of responsibility, its job family, and its corresponding level within the organizational structure. As a result, a structured job and level matrix was created, and the market salary level for each position was determined.

Managers at all levels were involved in determining job levels, whose future responsibility is the consistent and transparent implementation of the newly created system in all the Group's companies. The results were integrated into the 2026 budget planning process.

At CleanR Grupa, the adequate wage criterion complies with the minimum wage determined in the Republic of Latvia. According to this criterion, 100% of the Group's employees receive an adequate wage. In the reporting period, the gender pay gap did not exceed 5%, and it is by 1% lower than in the previous period.

Standard	Data point	Description	2023	2024	2025
S1-10	70	All employees are paid adequate wage , in line with the minimum wage criterion	N/A ¹	100 %	100 %
S1-16	97 a	Gender pay gap ²	4 %	6 %	5 %
S1-16	97 b	Annual total remuneration ratio (the annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees)	N/A	6.34	10.49

¹ Data was not compiled and analysed.

² Given the very different nature of the Group's businesses, the calculations were made separately for each company; the overall Group gap is measured as a weighted average. The calculations use the 2025 data (and dynamics) on wages and pay, paid wages, bonuses, allowances, additional payments.

Social protection (S1-11)

All CleanR Grupa employees are covered by social protection. The Group companies ensure 100% social protection for all people in own workforce in the event of sickness, unemployment, employment injury, acquired disability, parental leave, and retirement.

Standard	Data point	Description	2023	2024	2025
S1-11	74	All employees in own workforce are covered by social protection (through public programs and benefits offered, against income loss due to significant life events)	100 %	100 %	100 %

Training and skills development metrics (S1–13)

The “CleanR Grupa Personnel Policy” puts forth a target to ensure qualified, professional, and motivated employees who would drive the company’s efficiency; therefore, the Group **promotes a learning and knowledge exchange culture aimed at employee growth and competence development.**

The Group ensures internal and external training, organized individually and in groups. Employees may develop their skills and knowledge on their own or manager’s initiative. The training is aimed at developing varied skills and competencies and raising qualifications.

For employees working in production and service provision, a special focus is placed on work and fire safety training, development of knowledge and skills needed to perform everyday duties, as well as qualification raising or acquisition, for example, to operate vehicles or machinery.

All these employees undergo introductory and repeated training on work and fire safety. Depending on the job, they are provided with access to work instructions (e.g., on the app or in the Meemo system), process descriptions, and manuals. In certain areas, acquired knowledge checks are performed, for example, in commercial cleaning, where a supervisor or quality control specialist inspects the work process and work quality on the site, documenting the inspection in the check protocols.

In the reporting year, the Group company Vizii set up an e-school. Using the e-school platform, employees working in commercial cleaning get a chance to acquire the basics necessary to perform their duties. The new platform allows employees to learn at a time and pace convenient for them. Currently, the e-school offers two training modules: “Cleaning basics” and “Latvian language”. Upon registration, an employee acquires a personal profile through which they can access all the materials and follow their progress. The Group plans to regularly supplement the e-school with new thematical modules and sees it as significant support in employee induction and improvement of professional skills.

The Group also pays special attention to improving the managers’ communication and managerial skills at all levels. In the reporting period, the Group developed a first- and middle-level managerial competence model and a management training programme called “The Growth Code” – a programme that will help managers acquire and develop the competencies necessary for successful team leadership. In the reporting period, 19 first-level and nine middle-level managers graduated from the programme.

To foster a culture of growth and development, the Group established a new tradition of “Open lecture cycles” – annual webinar series for employees on various work- and private life-related themes. Administrative staff was offered 12 online webinars. Next year, these webinars will be continued.

Overall, in the reporting period, one administrative staff member devoted an average of 18 hours to learning. The Group’s employees participated in more than 140 different training events, both internal and external seminars and conferences.

The trainings covered a wide range of themes in the following areas:

- Data analysis, BI and Excel skills,
- Artificial intelligence and automation,
- Digital transformation and IT solutions,
- Cybersecurity, IT and physical safety,
- Management, leadership, and personal growth,
- Communication, customer service,
- Quality, processes, and audits,
- Sustainability, environment, circular economy,
- Rights, procurements, and compliance,
- Finance, tax, and corporate governance.

Standard	Data point	Description	2022	2023	2024	2025
S1–13	83 b	Average number of training hours per person (administration) ¹	13	15	11	18
S1–13	83 a, b	Average number of training hours by gender	N/A ²	N/A	N/A	
		Women				21
		Men				14
S1–13	83 a	Percentage of employees who participated in regular performance and career development reviews	N/A	N/A	N/A	N/A

¹ Data obtained from the company HOP system, training registries, and from invoices in financial accounting systems.

² N/A – data was not available for that year. Regarding the data point on measures to assess performance improvement and career development – the Group plans to implement a performance evaluation system in 2026.

Health and safety at work (S1-14)

The Occupational Health and Safety System (OHSS) at the CleanR Grupa companies complies with the provisions of the relevant laws and regulations and ISO 45001:2018 standard. The OHSS applies to the entire own workforce. The Group's Human Resources and Administrative Director makes sure the Group implements a consistent health and safety system across the Group.

At the following Group companies: CleanR, CleanR Industry, Vizii, Vizii Urban, CleanR Verso, Lautus, Vides resursu centrs, the OHSS is certified according to ISO. The system is audited externally and certified accordingly. At the rest of the Group companies, although the OHSS is not certified, it is controlled internally. In the view of the management, all the consolidated companies where CleanR Grupa exercises full operational control fall within the scope of the certified system, given that the certified system is maintained by the specialists of the parent company following common principles.

During the certification, recertification and monitoring audits carried out in 2025 at the aforementioned companies, no non-compliance was detected. Opportunities for improving the system have been identified.

Employees are informed of work safety requirements and the respective job-related workplace risks. The Group's companies provide induction trainings, workplace briefings, as well as purpose-based and thematic trainings. The Group's companies regularly carry out workplace risk assessment and devise Occupational Health and Safety Action Plans, setting out specific actions to be taken to improve the working environment and conditions. Employees receive personal protective equipment (PPE), and we make sure our equipment, devices, and tools are safe by performing the necessary maintenance checks and replacements. During the reporting period, the Group companies underwent more than 202 monitoring visits.

In the next reporting period, in addition to the work safety officer visits, the Group plans to conduct regular internal audits and planned inspections at production sites, performed by the respective site managers.

To make sure employees have access to PPE, since last year, the production premises in Vietalvas Street have been

equipped with two PPE cupboards; employees may open them using their employee card and access the protective equipment they need – safety goggles, gloves or a reflective vest.

In line with the job duties, workplace risk assessment, and the relevant legislation, employees must undergo mandatory health checks. During the reporting period, the Group offered its employees a chance to undergo these health checks in the office or at production facilities. In the reporting period, a total of 1,070 employees underwent mandatory health checks.

Contrary to the work performed at own sites, when working at a client's site, the Group employees must follow the rules and procedures in force there. The Group's or outsourced external work safety officers may inspect a client's site if there is information or reasonable doubt that the working conditions (i.e., physical, psycho-emotional, etc.) may not be safe enough. In such cases, the respective Group company prepares an assessment report on the working conditions. Therefore, the Group strengthens cooperation and communication with its clients' representatives to ensure a physically and emotionally safe working environment.

To identify workplace risks as early as possible, as well as to foster employee engagement in strengthening the Group's work safety system, in the reporting year, the Group continued running its "Drošinātājs" initiative (see section S1-4).

Work-related accidents

Accidents at work in the Group are recorded and investigated according to the procedure set forth by legislation. In 2025, there were 39 accidents recorded at the Group companies, of which five were classified as serious. Thus, there has been a significant increase in the number of days lost due to work-related injuries or accidents.

Accidents at work mostly arise from employee negligence and rush while getting around, including slipping, as well as violations of safety requirements. The increase in the incident rate in the reporting period was affected by the increase in the average number of employees. The Group's total recordable incident rate in 2025 stood at 2.9 per hundred full-time employees.

Standard	Data point	Description	2022	2023	2024	2025
S1-14	88a	Percentage of people in own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines (ISO)	100 %	100 %	100 %	100 %
S1-14	88b	Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	0	0	0
S1-14	88c	Number of recordable work-related accidents for own workforce	8	22	31	39
S1-14	88c	Rate of recordable work-related accidents for own workforce (under ESRS) ¹	4	10	14	15
S1-14	88d	Number of cases of recordable work-related ill health of employees (acquired during the reporting year)	N/A ²	N/A	N/A	0
S1-14	88e	Number of days lost due to work-related injuries and accidents	275	455	1 236	2 501

¹ Accident frequency = Number/own personnel total hours worked * 1 000 000 h.

² N/A – data for the respective year were not available or were not collected and analysed.

Incidents, complaints and severe human rights impacts (S1-17)

In the reporting period, no serious human rights impacts or incidents related to own workforce were recorded across the Group. One report was received through the Group's whistleblowing channel related to the service quality of CleanR; it was transferred to CleanR's Customer Service Centre to be sorted out accordingly.

At one of the Group's companies, there was a report from an employee, registered in the Group's incident register, which included a grievance about impolite communication from a colleague. The situation was settled through dialogue.

In the reporting period, the Employee Council received five employee reports, one of which may be classified as a grievance. The grievance was related to a benefit payment to an employee. The case was reviewed and sorted out. The other four cases contained suggestions for workplace improvements, three of which have been resolved, one – in process.

In the reporting period, the Group has not faced fines, sanctions, or severe damages payments in relation to the social and human rights matters.

Standard	Data point	Description	2023	2024	2025
S1-17	103a	Number of incidents of discrimination	0	0	0
S1-17	103b	Number of complaints filed through channels for people in own workforce to raise concerns	2	2	2
S1-17	103b	Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0	0	0
S1-17	AR103	Percentage of reports resolved	100 %	100 %	100 %
S1-17	103c	Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed, EUR	0	0	0
S1-17	104a	Number of severe human rights issues and incidents connected to own workforce	0	0	0
S1-17	104a	Number of severe human rights issues and incidents connected to own workforce that are cases of non-respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	0	0	0
S1-17	104b	Amount of fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce, EUR	0	0	0

AFFECTED COMMUNITIES

CleanR Grupa recognizes its impact, dependency and responsibility toward its stakeholders, which also include local communities and society at large.

Interests and views of stakeholders (ESRS 2 SBM-2)

The Group's operations and development are closely linked to and dependent on positive cooperation with local communities and representatives of society. Negative relations with affected communities can disrupt the Group's operations and harm its reputation. Therefore, CleanR Grupa companies strive to build relationships with affected communities by respecting their human rights, including civil and political rights, using dialogue and consultation as the primary approach, and adhering to the fundamental principles of open communication and ethics.

The main group of affected communities consists of people who live or work near the Group's production facilities and sites. Potential impacts on affected communities include noise, dust, or odours associated with production processes, as well as wind-blown debris that may litter the surrounding area.

CleanR Grupa companies operate their production facilities in accordance with the issued pollution permits, taking care to prevent negative impacts on people and the environment by implementing systematic pollution monitoring in their operations. Specific pollution-related impacts and risks are identified during the process of obtaining these permits, including through an environmental impact assessment (EIA) where required by applicable regulations.

The Group's companies strive on a daily basis to provide the necessary consultation and communication with stakeholders, including, where appropriate, representatives of local residents and communities – for example, neighbourhood councils, local government representatives acting as their authorized representatives, as well as with industry oversight bodies – the State Environmental Service and other competent authorities – to identify and monitor the significant impacts of the company's operations related to potential negative effects on local communities and their rights.

In the event of business expansion or the establishment of new production facilities, the company provides information about the planned activities and, in accordance with regulatory requirements, engages the community in public consultations, conducts surveys, and provides channels for expressing concerns and, if necessary, opportunities for remediation.

In 2025, the company conducted the Double materiality assessment process, which included a stakeholder survey; among the respondents were, for example, also representatives of neighbourhood associations.

Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

The material impacts, risks, and opportunities related to affected communities were identified during the materiality assessment (see section "Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)").

Material impacts, risks and opportunities related to affected communities

IRO type	IRO description	Nature of impact (+) or (-)	Time horizon ¹	Value chain impact ²	Company ³	IRO management/impact on business model and strategy
Impact	Promoting environmental awareness	Actual and potential (+) impact	1; 1-5; >5	U, D	Group, primarily, CR, ZJ, VPL, CRV, VRC, CRI, L	Providing environmental education programs for various segments of society helps to raise their awareness and improve their knowledge and skills in responsible waste management and the circular economy.
	Ensuring a clean environment	Actual and potential (+) impact	1; 1-5; >5	U, O, D	CR, VPL, CRV, L, UREM	The Group's companies ensure access to sanitation – preventing pollution caused by waste generated by residents and organizations. Responsible waste management and urban cleaning help reduce environmental pollution, which can degrade quality of life and environmental conditions.
Impact/opportunity	Involvement of affected communities in the discussion of development projects	Actual and potential (+) impact	1; 1-5	U, D	Group, primarily CRV, VRC, CRI, L	When planning development projects, the Group listens to and considers the views of external stakeholders. Engagement and consultation take place within the framework of procedures established by the state and voluntary measures (surveys, consultations).
Risk	Implementation of development projects delayed or suspended due to objections from community members	Actual and potential (-) impact	1; 1-5	O	Group, primarily CRV, VRC, CRI, L	Despite this involvement, there is a possibility that the Group's development projects may be delayed or suspended temporarily due to certain stakeholders, including community representatives, and that additional requirements may be imposed regarding the implementation and monitoring of operations.

¹ Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

² Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

³ Group – IRO refers to all CleanR Grupa companies.

CR – CleanR
L – Lautus
NĪ – CleanR NĪ
ET – Eko Terra
ZJ – Zaijā josta
V – Vīzīi

VPL – Vides pakalpojumi Liepājai
CRV – CleanR Verso
CRI – CleanR Industry
VRC – Vides resursu centrs
UREM – urban and regional environment maintenance companies – Vīzīi Urban, KOM-AUTO, Tranzīts L

Policies related to affected communities (S3-1)

In accordance with the **"Sustainability Policy"**, the Group identifies and listens to the views of its stakeholders. The needs and views of stakeholders are essential and are considered in the development of services, the improvement of business processes, and planning.

In accordance with the **"Environmental and Energy Management Policy"** and the **"Sustainability Policy"**, the Group regularly informs the public about its operations, including activities in the areas of environmental protection and energy efficiency. Each year, the Group improves and expands the content and scope of the information provided to stakeholders and educates them on environmental and circular economy issues, involving stakeholders in the process.

The **"Sponsorship and Support Policy"** defines the key areas of community support, one of which is investment in the local community, by organizing and supporting various events and initiatives in the areas of public welfare, innovation, and environmental protection (education).

The **"Risk Management Policy"** and **"Risk Management Guidelines"** establish responsibilities and common principles of risk management within the Group to ensure the timely identification and reporting of risks and the resolution of adverse impacts, including those affecting the communities. The **"Procedure for Reducing Environmental Impact in Emergency Situations"** outlines specific actions to be taken in cases where a situation arises during business operations (e.g., a waste ignition) that could have a significant negative impact on the environment and society.

In accordance with the **"CleanR Grupa Whistleblowing Policy"**, any interested party, including representatives of local communities, may submit a report to the Group's whistleblowing system, **"Trust Line"**, available on the CleanR Grupa website, if there are suspicions of violations of the law or community rights.

Processes for engaging with affected communities about impacts (S3-2)

The involvement and consultations with affected communities take place both within the framework of state-mandated procedures – such as the environmental impact assessment process – and through voluntary measures (surveys, consultations). Requirements for the environmental impact (EIA) assessment procedure in Latvia are set forth in the Law **"On Environmental Impact Assessment"** and Cabinet of Ministers Regulation No. 18 of January 13, 2015, **"Procedure for Assessing the Environmental Impact of a Proposed Activity and Approving the Proposed Activity"**. In accordance with the law, the EIA procedure is coordinated and supervised by the Energy and Environment Agency. The annexes to the law list activities for which the EIA procedure is mandatory and activities for which a preliminary assessment must be conducted. The State Environmental Service conducts the preliminary assessment and decides whether the full EIA procedure applies to the activity.

Waste management and recycling are polluting activities that require an initial EIA; however, in cases where the activities involve the management of a specific type of waste, exceed a certain volume of waste, or require a change in land use status, the law requires changes to the zoning plan, and a full EIA process is conducted accordingly, including the adoption of a municipal decision and public participation – ensuring a public consultation procedure.

At the end of the reporting year, to expand the operations of the company Lautus in **"Gurnicas"**, a request was submitted to the Ķekava Municipality, and an application was submitted to the State Environmental Service to obtain a Category A polluting activity permit for hazardous waste management. As of the date of this report, the municipality has adopted a decision, and the public consultation procedure has been conducted, with the information published in **"Latvijas Vēstnesis"**.

Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)

CleanR Grupa has established several channels through which representatives of affected communities can submit suggestions and express their needs or concerns in a form that is convenient for them:

- **by phone**, by calling the relevant Group company (phone numbers are listed on the companies' websites),
- **by email** – info@cleanrgrupa.lv or the relevant company's customer service or information email address listed on the company's website,
- **by sending an official letter** to the legal or email address of the relevant Group company,
- by leaving a message **on social networks** – in the comments on Facebook, LinkedIn, or TikTok, Instagram,
- by expressing concerns anonymously via the Group's **whistleblowing system, "Trust Line"** (cleanrgrupa.lv/en/contacts).

Representatives of affected communities may also use third-party channels (such as local or national government agencies) to voice their opinions and express their concerns.

In accordance with the principles of the due diligence process, in the event of negative impacts, appropriate remedial measures are ensured – mitigation of harm, as well as the implementation of additional preventive measures (e.g., additional environmental monitoring). The management of the relevant company ensures that resources for remediation are available and that the measures are effective.

Acting on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4)

During the reporting year, there were no instances of significant negative impacts that required substantial remediation measures. No reports regarding impacts on affected communities were recorded in the whistleblowing system. The Group's incident log recorded and resolved two complaints regarding impacts on the local community during the reporting year; one case involved noise at the Jūrmala facility during waste loading, and the other concerned dust emissions at the "Nomales" construction waste recycling centre.

A meeting was organised to discuss the dust emissions mentioned in the complaint. To address local community concerns, CleanR Verso, in addition to the dust-reduction measures already in place and stipulated by the permits, will conduct voluntary dust-emission measurements twice a year. The company also conducted additional soil contamination measurements at three locations near the recycling centre during the reporting year.

To promote cooperation with the public and affected communities, the Group will continue to provide information about its operations, the specifics of its current and planned services and activities, its processes, and their impact on the environment and people, including continuing its public environmental education initiatives.

Environmental education

Every year, CleanR Grupa companies make a significant contribution to the local community – by organizing and supporting public environmental education, awareness, and engagement activities.

The member of the board of AS "CleanR Grupa" responsible for corporate communications and sustainability is responsible for implementing a unified approach and managing environmental education at the group level.

Environmental education activities are organized both by carrying out the environmental education functions delegated by the State Environmental Service and local governments with which waste management contracts have been concluded, including the requirements specified in various Cabinet of Ministers regulations, and by supporting and implementing extensive company-initiated activities that increase public awareness and knowledge of environmental issues and an environmentally friendly lifestyle.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5)

To assess the impact and effectiveness of activities in the field of environmental education, a goal has been set to increase the audience reached by environmental education activities by at least 5% annually compared to the previous year.

During the reporting year, the audience reached through environmental education activities and events exceeded 6.2 million people, exceeding the annual target by 59%. Next year, the Group plans to continue environmental education activities and has set goals for the next period.

Affected communities

Targets	BASE 2022	TARGET 2023	RESULT 2023	TARGET 2024	RESULT 2024	TARGET 2025	RESULT 2025
The audience reached by environmental education activities increased by 5% annually, %	–	+ 5 %	+ 75 %	+ 5 %	+ 197 %	+ 5 %	+ 59 %
The audience reached (through websites, social networks, the Group's newsletters, on-site events), number	754 865	792 608	1 318 762	1 384 700	3 911 426	4 106 997	6 211 743

Key environmental education activities in 2025

Attendees/participants

EDUCATIONAL & INFORMATIONAL EVENTS

Environmental education pop-up site "ŠŪNA":

From May 15 to June 30, 2025, "ŠŪNA" was located in Cēsis, at Rožu Square, offering city residents and visitors the opportunity to attend > 17 events on environmental and sustainability issues free of charge – organized by the company and its partner organizations.



> 2,000 residents of Cēsis and visitors to the city

"Latvian Circular Economy Forum"

On November 5, 2025, in Riga, the forum brought together entrepreneurs, local governments, state institutions, scientists, non-governmental organizations, and community representatives to jointly seek solutions for a sustainable and circular future. It was organized in collaboration with the Riga Energy Agency, with the aim of creating a space for the exchange of experiences, the birth of new ideas, discussions, and collaboration.



~ 350 participants

Zaļā josta **educational sessions** on waste reduction and sorting at 11 organizations and educational institutions.

> 853

CleanR and Zaļā josta **waste sorting master-classes** – 14 events.

> 27,350

"**Forest Days**" organized by Zaļā josta and Latvijas Valsts meži for schools and families in Tērvete; the event marked the conclusion of the environmental education campaign "Tirai Latvijai" in Latvian schools.

> 10,000

The new **Zaļā josta ambassador** – the mascot **Gruzis** was created, who educates the public about waste sorting in an engaging way on TikTok and at various events.

> 9,000 TikTok followers

As part of the nationwide **school campaign "Tirai Latvijai"**, a launch event took place at the Junior Achievement Latvia conference in Ķīpsala.

> 8,000 youths

videspratiba.lv – an informational platform on environmental topics, including waste sorting and the circular economy, was launched.

> 7,500 visitors

> 100 press releases highlighting environmental issues.

Virtual reality tour of the packaging sorting centre – attendees of public masterclasses can take a virtual tour of the sorting centre, see how sorting takes place, and learn about the volume of packaging waste and its further recycling.

Awareness campaign "A Place for Every Thing" – to promote understanding of waste sorting, highlight the importance of sorting, and emphasize the financial benefits for residents.

The series "Circular Economy in Action" in collaboration with "TV3" – showcasing real-life examples of how Latvia is progressing in implementing circular economy across various areas relevant to residents and local governments.

As part of the **"Sort Glass" informational campaign**, CleanR encouraged residents to sort glass and reminded them that they can request glass packaging sorting containers free of charge for both – family homes and apartment buildings.

PUBLIC ENGAGEMENT ACTIVITIES

The nationwide school campaign **"Tirai Latvijai"** collected **384,991 kg** of paper packaging and **31.6 t** of batteries.

353 schools

The **18 "Tirmāja" campaigns** organized by CleanR and Zaļā josta collected **1,340 t** of waste – including used electronics, bulky items, glass, packaging, textiles, and hazardous waste which is 9% more than last year.

> 13,500 applications

CleanR Verso and Zaļā josta's **used tire drop-off campaigns** – **500 t** of used car tires.

Zaļā josta and its partners' campaigns **"Elektrostediena"** and **"Elektrospoki"** collected **13.5 t** of used electrical appliances.

400

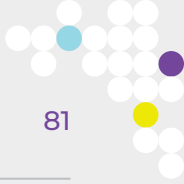
With the support of the CleanR Grupa, a new public space for residents and city guests called **"Pietura"** was opened in the Liepāja concert hall "Lielais Dzintars" – a place where creative ideas make sustainability an everyday experience and offer the public the opportunity to experience it in a very close, understandable way.

As part of the annual support provided to the **"Junior Achievement Latvia" Leadership Program**, the young leaders, commissioned by the CleanR Grupa, developed solutions to help raise public awareness of the circular economy, sustainable lifestyles, the importance of waste sorting, and environmental protection.

12 young leaders

Support and involvement in the events organized by the Riga City Council: **"Climate Days in Schools 2025"** and **"Climate Festival"** – by serving on the jury and evaluating student competition entries focused on exploring climate issues, reducing the ecological footprint and energy consumption, and creating innovative products.

26 schools | 130 teams



CUSTOMERS AND END-USERS

STRATEGY

CleanR Grupa recognises the importance of investing in efficiency, modernisation and infrastructure development to improve existing services, introduce new ones and increase customer satisfaction, while continuously developing customer competence in environmental education. The Group implements modern IT solutions to help monitor service quality and provide customers with remote self-service options.

Interests and views of stakeholders (ESRS 2 SBM-2)

Customer and end-users' views are considered when devising the Group's strategy, developing services, and improving business processes (see subsection "Interests and views of stakeholders").

Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

The material impacts, risks, and opportunities related to customer and end-users were identified during the materiality assessment (see section "Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)").

The largest companies of the CleanR Grupa holding operate in the areas of waste management and recycling, commercial cleaning, road and urban maintenance, as well as extended producer responsibility. The Group's customers include private persons, businesses of various sizes and industries, as well as private, state, municipal institutions and capital companies. The Group has over 62,000 customers all over Latvia, and its number of end-users amounts to over half a million.

The Group has identified its material impacts and risks related to its services and their impacts on its customers and the public and regularly monitors them. Every year, the Group allocates the necessary resources and implements the necessary measures to both prevent risks and advance positive impacts. Actions carried out to manage impacts have been described further in this section.

The Group seeks to implement superior customer service standards, leading to high customer satisfaction. The Group not only ensures physical access to services, for example, providing enough and different types of waste containers, properly equipped, sorted waste collection sites, or properly cleaned premises and urban territories, but also access to digital services – providing the Group's customers with remote self-service tools.

The Group aims to ensure faster, more convenient, and easier access to information about services, their execution status, payments, contracts, and electronic signing of contracts, using the self-service system. Furthermore, the Group seeks to make sure the services its companies offer are safe for the employees of the Group companies, customers, and the public, both in the digital and physical setting.



Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3) (continued)

Material impacts, risks and opportunities related to customers and end-users

IRO type	IRO description	Nature of impact (+) or (-)	Time horizon ¹	Value chain impact ²	Company ³	IRO management/impact on business model and strategy
Impacts	Improving service availability – introducing innovative solutions and digitizing processes	Actual and potential (+) impact	1-5	O, D	Group (primarily CR, VPL, L, UREM, V)	The Group's companies invest in an environmentally friendly vehicle fleet, modern urban cleaning equipment and innovative infrastructure solutions – the construction of underground container sites, as well as the implementation of modern digital customer service tools, promoting service availability, efficiency, and increasing customer satisfaction.
	Responsible and proactive service communication	Actual and potential (+) impact	1-5	U, O, D	Group (primarily CR, VPL, UREM)	The Group ensures that all service and marketing communications are transparent, fact-based, and comply with fair competition requirements. Proactive, timely, and regular information exchange between the company, customers (e.g., local governments), and end users reduces uncertainty and the risk of complaints, as well as improves the perception of the service. Insufficient or insufficiently active communication can have a negative impact.
	Customer and end-user satisfaction, and service quality	Actual and potential (+) impact		U, O, D	Group	Fluctuations in customer satisfaction can affect short- and medium-term revenue, as well as the long-term ability to secure contracts. To improve the customer experience and ensure service quality, independent quality audits are conducted, and continuous improvements are implemented across service processes, including customer communication, needs understanding, and attitude changes. Employees receive targeted training in customer service, safety, and other areas to improve the customer experience.
Risks	Data security and privacy	Potential (-) impact	1; 1-5	O, D	Group	The Group's companies comply with the requirements of the General Data Protection Regulation and periodically conduct internal and external audits in the areas of data protection and IT system security. Given the extensive processing of customers' personal and financial data, there is a risk of sensitive information leaks and unauthorized access, which could damage the company's reputation and have financial consequences.
	Insufficient understanding of waste sorting among customers and end-users	Actual and potential (-) impact	1; 1-5	O, D	CR, VPL, CRV, CRI, ZJ, L	A lack of understanding among customers regarding the importance of waste sorting and an insufficiently responsible attitude towards the disposal of hazardous waste, create risks and reduce opportunities for waste recycling. The Group's companies continuously educate customers by providing feedback on the quality of sorted materials, as well as consistently offering informational materials and environmental education activities.
Opportunity	Customization of segmented services and the development of a customer-centric internal culture	Potential (+) impact	1; 1-5	O, L	CRV, CRI, V, UREM, L, ZJ	The Group has the opportunity to further diversify its services and expand into new segments (not only B2G, but also B2C and B2B). Different customer groups are looking for specific service terms. It is necessary to continue developing a customer-oriented internal culture, the development and sale of targeted integrated services, ensuring a personalized approach, a service quality control system, and flexible problem-solving.

¹ Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

² Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

³ Group – IRO refers to all CleanR Grupa companies.

CR – CleanR
L – Lautus
NĪ – CleanR NĪ
ET – Eko Terra
ZJ – Zaiā josta
V – Vizii

VPL – Vides pakalpojumi Liepājai
CRV – CleanR Verso
CRI – CleanR Industry
VRC – Vides resursu centrs
UREM – urban and regional environment maintenance companies – Vizii Urban, KOM-AUTO, Tranzīts L

Policies related to customers and end-users (S4-1)

The Group's approach to the management of the aforementioned risks and opportunities has been embedded in several of its policy documents – the Group's "Sustainability Policy", "Information Security Policy" (approved on 22.08.2025), "Personal Data Processing Regulations" (approved on 06.10.2025), "The Code of Conduct", "Fair and Ethical Marketing Principles", as well as in a number of documents of the Group companies, such as, service descriptions and work safety instructions, cookie, privacy, and personal data processing policies, data safety incident management procedures, customer complaint handling procedures.

The Group's approach is aligned with the UN Guiding Principles on Business and Human Rights, as well as the principles defined by the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

The Group's "Code of Conduct" stipulates that an employee, on behalf of the Group, provides customers with services in an honest, fair, and professional manner in line with the customers' interests, and treats a customer or a potential customer favourably, politely, and tolerantly, regardless of the customer's or potential customer's financial situation, size of the deal, or the employee's personal attitude toward the customer or potential customer. An employee provides a customer with trustworthy, clear, accurate, and complete information about the Group and its services, revealing all the material risks, so the customer may fully understand the product or service they are offered.

The Group respects all aspects of human rights in relation to its customers. These primarily relate to privacy – physical and digital security of services, privacy and data protection, non-discrimination - ensuring accessibility and availability of services in both digital and physical environments, including access to quality information, as well as the right to freedom of expression - the ability to express opinions on the quality of services through different channels. Following the principles of due diligence, the Group provides appropriate remediation measures (e.g., compensation, apologies, etc.) when necessary.

The Group's IT system safety is managed by the Group's IT Director, and the management of data protection and privacy issues is overseen by a member of the CleanR Grupa Management Board in charge of legal affairs. The management of the Group's communications and marketing function is overseen by the Member of the Management Board of AS "CleanR Grupa" responsible for corporate communications and sustainability.

The customer relationship management and the service delivery process are managed by the board of each Group company, with functional responsibility for the process further delegated to employees – customer relations managers, experts, work managers, or sales managers. The members of the board ensure that the employees with responsibility for the process have the appropriate skills and are provided with regular development and training.

Processes for engaging with customers and end-users about impacts (S4-2)

Customers' views have a significant impact on the decisions made by the Group companies and the actions taken to manage impacts arising from service provision. Customer and end-user engagement primarily takes place directly, yet it may also happen through legitimate representatives, for example, as in waste management, where the interests of end-users may be represented by the local government representatives, property managers, or associations.

At Group level, stakeholder engagement is overseen by the CleanR Grupa Member of the Management Board, responsible for corporate communication and sustainability, while at the Group companies, customer engagement is the responsibility of one of the board members. Board members also make sure the customer survey results, and customer views are analysed and considered to improve the service and process quality when appropriate.

To assess customer engagement efficiency, the largest Group companies conduct annual customer satisfaction surveys. Also, a chance to obtain immediate customer feedback when a customer gets in touch with the Group's Customer Service Centre is utilised; following the contact, customers assess their experience by filling out a form. As a result, the company may immediately check the quality of the communication experience and customer satisfaction.

In addition, in its annual survey, CleanR asked customers to suggest locations for the installation of textile collection containers. Customer needs will be considered, and the recommended locations will be used for container placement next year.

During the reporting year, as part of the Double materiality analysis, a stakeholder survey was conducted. This survey included the Group's largest corporate customers. These customers also provided feedback on aspects related to service delivery and customer service when assessing the Group's sustainability impacts.

Every two years, CleanR conducts a survey on people's sorting habits and knowledge of waste sorting. The latest survey was conducted in early 2025 in collaboration with "Norstat Latvia". The data collected is used to plan and adapt strategies and initiatives for public education, aiming to improve not only people's knowledge but also the volume and quality of sorted waste.

Based on suggestions received through daily communication, surveys, and research, the Group's companies are implementing improvements to customer service and service provision (see subsection "Taking action on material impacts on customers and end-users").

Processes to remediate negative impacts and channels for customers and end-users to raise concerns (S4-3)

Group companies use dialogue with all stakeholders as a means to reach mutually agreed solutions. The Group's general approach ensures that, in line with the due diligence process, negative impacts are remediated through error correction, damage control, apology, compensatory damages, etc.

CleanR Grupa has set up several channels through which both customers and end-users can make their concerns and needs known directly to the company:

- **By phone**, calling the Customer Service Centre at 67111001 or reaching out to the respective company's contact person indicated in the agreement,
- **By email**, writing to the Customer Service Centre at kc@cleanr.lv or to the respective company's contact person indicated in the agreement,
- Waste management service users may get in touch by using the **e-services site manai.videi.lv** or **mobile app MANAI VIDEI**, as well as by visiting **the customer service centres**,
- **Via VizziApp**, commercial cleaning company Vizii customers may rate service quality,
- **Via social networks** customers may get in touch through Facebook, LinkedIn, or TikTok, Instagram,
- **By writing a letter** to the legal or electronic address of the respective Group company,
- Under the Whistleblowing Law, customers and end-users may also raise their concerns, using **"Trust Line", the Group's whistleblowing channel** (cleanrgrupa.lv/en/contacts).

Customers and end-users may also use third-party grievance mechanisms to (also anonymously) raise their concerns about the Group's actions, for example, through the Customer Rights Protection Centre or other state institutions, environmental NGOs, or public media. Issues raised through the media were addressed by preparing a written reply or by participating in the broadcasting programmes devoted to the issue.

The Group seeks to ensure that its grievance channels and mechanisms are effective in practice and comply with Principle 31 of the UN Guiding Principles on Business and Human Rights – they are available and trustworthy; it is clear and predictable when to expect a reply or a solution, they provide access to information, give advice and information sources (e.g., on the self-service platform, customer agreement data or materials on proper waste sorting).

Information on communication channels is available on the Group company websites, social network accounts, signed agreements, and the newsletters sent to customers.

The Group's companies gather insights from these channels and ensure continuous learning to improve them. The performance of these channels is continuously monitored. During operational meetings, the number of submitted requests/complaints, the reasons and nature of the issues raised, and the promptness of communications are analysed.

The Group treats customer complaints and suggestions responsibly, respecting customers' confidentiality, right to privacy, and ensuring data protection. Customer complaints are handled at each of the Group companies individually. Written customer complaints are reviewed and handled within 3 to 10 working days. In cases where an in-depth investigation of the situation is required, a reply to customers or third parties is provided no later than within the one-month deadline. Oral complaints are dealt with immediately.

Actions on material impacts on customers and end-users (S4-4)

The CleanR Grupa companies ensure that their operations and service provision comply with the laws and regulations, work permits, and the terms of the concluded agreements.

The Group companies seek to follow business practices that do not cause or advance negative impacts. The Group plans and allocates the necessary financial and human resources, as well as several measures to foster positive impacts on customers and the public.

The management of the above impacts and risks and the planning and implementation of the following measures involve various functional departments of the Group companies, as well as members of the parent company's management board, each in their area of responsibility, monitoring the strategic direction, as well as the Group's Process and Efficiency Manager, IT Director, legal function representatives, marketing and communication team specialists, as well as members of the respective Group subsidiary's business line – board members and those responsible for customer relationship and service management.

During the reporting year, the Group continued its best practices by implementing a range of measures that have a positive impact on customers and society – ensuring both digital and physical accessibility of services and enhancing the customer experience.

Investments in digitization

To ensure fast and easy access to information, as well as offer an option to request a service at a time convenient to the customer, in the reporting year, the Group continued developing its e-services site manai.videi.lv and mobile app MANAI VIDEI.

All customers who have signed a municipal waste management agreement have access to the e-services site and may also use the mobile app to:

- Request services,
- Read and sign agreements,
- See the waste removal schedule, request changes,
- Request container installation and change,
- Check and pay bills,
- Make inquiries,
- Request additional services, e.g., management of bulky waste or building refuse, container push-out, or container or territory locking/unlocking.

To improve customer experience, in 2025, on manai.videi.lv and cleanr.lv website a chatbot solution was implemented, providing customers with immediate answers to frequently asked questions about waste management services.

In total, 75 improvements of various kinds were made to self-service tools during the year – including new features, enhancements to existing features, and technical improvements that ensured their stable operation, thereby enhancing customer satisfaction.

Meanwhile, to encourage the use of the self-service system, nine video tutorials were produced during the reporting year, which are available on the CleanR [website](#).

Investments in service security and accessibility

Every year, CleanR Grupa companies invest in the safety of their services – in new, more modern, ergonomic, and manoeuvrable waste collection vehicles, urban cleaning vehicles and equipment, as well as in IT infrastructure and systems.

The Group ensures regular vehicle maintenance and inspections, as well as providing ongoing employee training on workplace safety and emergency procedures. Furthermore, improved technical equipment ensures service continuity and promotes customer satisfaction.

At the same time, the Group regularly raises its customer and public awareness of municipal waste collection and urban services safety on its social networking sites, in the media, and at local government meetings. The Group informs of the necessary public engagement to ensure access to waste containers, responsible parking outside blocks of flats, and on the driveways for the Group employees to be able to provide services properly and without additional risks. The Group calls on homeowners to take care of access roads, especially in winter, to ensure timely territory cleaning and waste collection.

The CleanR Grupa companies take care of customer privacy and protection of personal data by observing their right to lawful processing of personal data according to the relevant legislation – Personal Data Protection Law of Latvia, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and other applicable laws and regulations governing privacy and data processing.

Data processing on the e-services portal, app, and direct communication takes place, ensuring data confidentiality. Risks are managed by introducing several technical, organisational, and legal measures. The customer agreements include data protection clauses. The Group company homepages ask users to agree to the use of cookies and contain privacy and cookie policies. The Group also ensures authorised access to systems, firewalls, antivirus programs, runs annual safety audits and tests, employee training on data protection policies, risks, and reporting thereof.

During the reporting year, the new “CleanR Group Personal Data Processing Regulations” were approved, and training sessions on the application of these regulations were organized, with 61 administrative staff members participating. In September, annual training on general personal data protection took place, attended by 79 employees.

In addition, security audits of the customer self-service portal and app were conducted during the reporting year to ensure their compliance with modern security standards. A total of 46 improvements were implemented in 2025.

Actions on material impacts on customers and end-users (S4-4) (continued)

An assessment of the accessibility and usability of the MANAI VIDEI mobile app was conducted to ensure that the app is both convenient and intuitive to use, as well as responsive to the specific needs of various users. The audit findings were also applied to the usability and accessibility of the client portal. As a result, 13 accessibility improvements and 26 usability improvements were implemented.

Improvement of customer service processes and quality management

Based on suggestions received through daily communication and surveys, several improvements to customer service processes were implemented during the reporting year, with more to follow in the coming year. CleanR and CleanR Verso have started to improve their procedures for handling customer requests and complaints.

During the reporting period, commercial cleaning company Vizii continued to offer customers the VIZIIApp, the first mobile app that allows both customers and service users to evaluate cleaning work online and call an emergency cleaning team if necessary. A growing number of customers are using the app to submit feedback, including positive evaluations of the work performed as well as complaints. During the reporting year, the urban maintenance company Vizii Urban also used the app at three customer sites in the commercial sector to oversee territory maintenance services more effectively.

Availability of services – innovation and development of waste management infrastructure

During the reporting year, the Group's companies CleanR and Vides pakalpojumi Liepājai daily serviced more than 103,000 waste containers of various types throughout Latvia, supervised 310 sorting points, and ensured the operation of 12 sorted waste collection sites.

In 2025, more than 600 biodegradable waste containers, 1,600 sorted waste, and 1,000 glass containers had been installed.

CleanR continued to offer its customers the construction of underground container sites. The advantages of underground containers include improved physical accessibility for all users – including seniors and people with disabilities. The containers are more convenient and easier to open. This solution provides a cleaner and safer waste collection site, which also has a smaller environmental impact, as the containers have a larger capacity and waste collection from them is required much less frequently. During the reporting year, 33 underground container sites were constructed, with 135 underground containers in Riga and Jūrmala. By the end of the reporting year, 395 underground containers had been installed, and 100 sites had been constructed in total.

During the reporting year, the modernised sorted waste collection site at Vietalvas Street 5b in Riga was opened. The site is equipped with an interactive guide that provides visitors with information on the types of waste that can be disposed of and a self-service booth where they can pay for waste disposal. Vehicles can also enter the site to facilitate the disposal of larger and bulkier waste items.

A special new feature is the exchange point for reusable items and materials, where people can give useful items a second life.

Free-of-charge waste collection campaigns

To foster the availability of services, CleanR, together with two other Group companies – CleanR Verso and Zaļā josta – continued running Tirmāja, a free-of-charge waste collection campaign. During the campaign, mobile waste collection points were set up for used electronics, bulky waste, glass packaging, and textiles. The campaign team travels around residential blocks serviced by CleanR according to a set schedule, providing residents with a more convenient way to dispose of these waste types. This approach reduces the risk of such waste entering the general waste stream and ending up in landfill sites. Customers and their authorised representatives, such as property managers or residential block associations, may request the service at a time that suits them.

In 2025, 18 “Tirmāja” events took place in Riga, Carnikava, Ropaži municipality, Ķekava, and Jūrmala, rural territories of Baldone and Ozolnieki, and elsewhere.

Raising awareness about waste sorting

One of the initiatives and activities that generates significant additional positive impacts on both customers and society is the environmental education activities organised by CleanR Grupa companies. Customers and end users' lack of awareness of the importance of waste sorting, along with an insufficiently responsible attitude toward hazardous waste disposal, create risks and reduce opportunities for waste recycling. The Group's companies continuously educate customers by providing feedback on the quality of sorted materials and by consistently offering informational materials and environmental education activities (see section “Affected Communities”).

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4–5)

To manage the Group's material impacts and opportunities related to customers and end-users, in 2022, during the development of the Group's sustainability strategy, three-year targets were set. The information about the targets and results is included in the Annual Sustainability Statement and is available to all stakeholders.

The Group strives to meet the highest customer service standards, ensuring the highest possible level of customer satisfaction. Therefore, the Group has set a target to achieve a Net Promoter Score (NPS) of 50 by 2025, which is considered a very good score according to generally accepted global benchmarks. During the reporting year, the Group's NPS reached 47%.

To promote the advantages of using the e-services: website manai.videi.lv and the MANAI VIDEI app, the Group set a target to increase the number of customers using these tools.

In assessing the achievement of the set targets, it was concluded that the share of active e-service users increased by only two percentage points in the reporting year and reached 65%, which is a significantly lower indicator than planned. The share of customer applications received via the e-services, compared to the previous year, increased by three percentage points, reaching 52%, which is eight-percentage points lower than planned.

The targets were not met due to the lack of targeted activities in the reporting year, which was influenced by the change of the head of the customer service function.

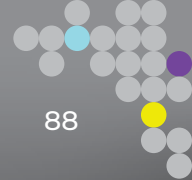
In the next reporting period, it is planned to continue monitoring the achievement of these targets, to provide training for customer service staff and to improve the information available on the website about communication and self-service channels, as well as to provide additional information about them on social networks, reaching a wider range of customers.

In general, customer satisfaction survey data shows that customers appreciate the digital solutions and self-service options offered. For example, customers rate the solutions offered by CleanR at 8.37 points out of 10 (7.96 in 2024).

Customers and end-users

Targets	BASE 2022	TARGET 2023	RESULT 2023	TARGET 2024	RESULT 2024	TARGET 2025	RESULT 2025
Group's Customer NPS*, %	47 %	48 %	47 %	48 %	45 %	50 %	47 %
Percentage of active e-services users of the Group's total customer base, %	52 %	60 %	58 %	68 %	63 %	75 %	65 %
Customer applications in e-services of all the applications received, %	30 %	40 %	42 %	48 %	49 %	60 %	52 %

* The CleanR Grupa's NPS was calculated as the weighted average NPS of CleanR, Vides Pakalpojumi Liepājai, CleanR Verso, Vizii Urban, Zaļā josta, CleanR Industry, and Vides resursu centrs, based on the number of customers. Note: An NPS from 31% to 50% is considered a very good result. <https://delighted.com/blog/what-is-a-good-nps-score>.



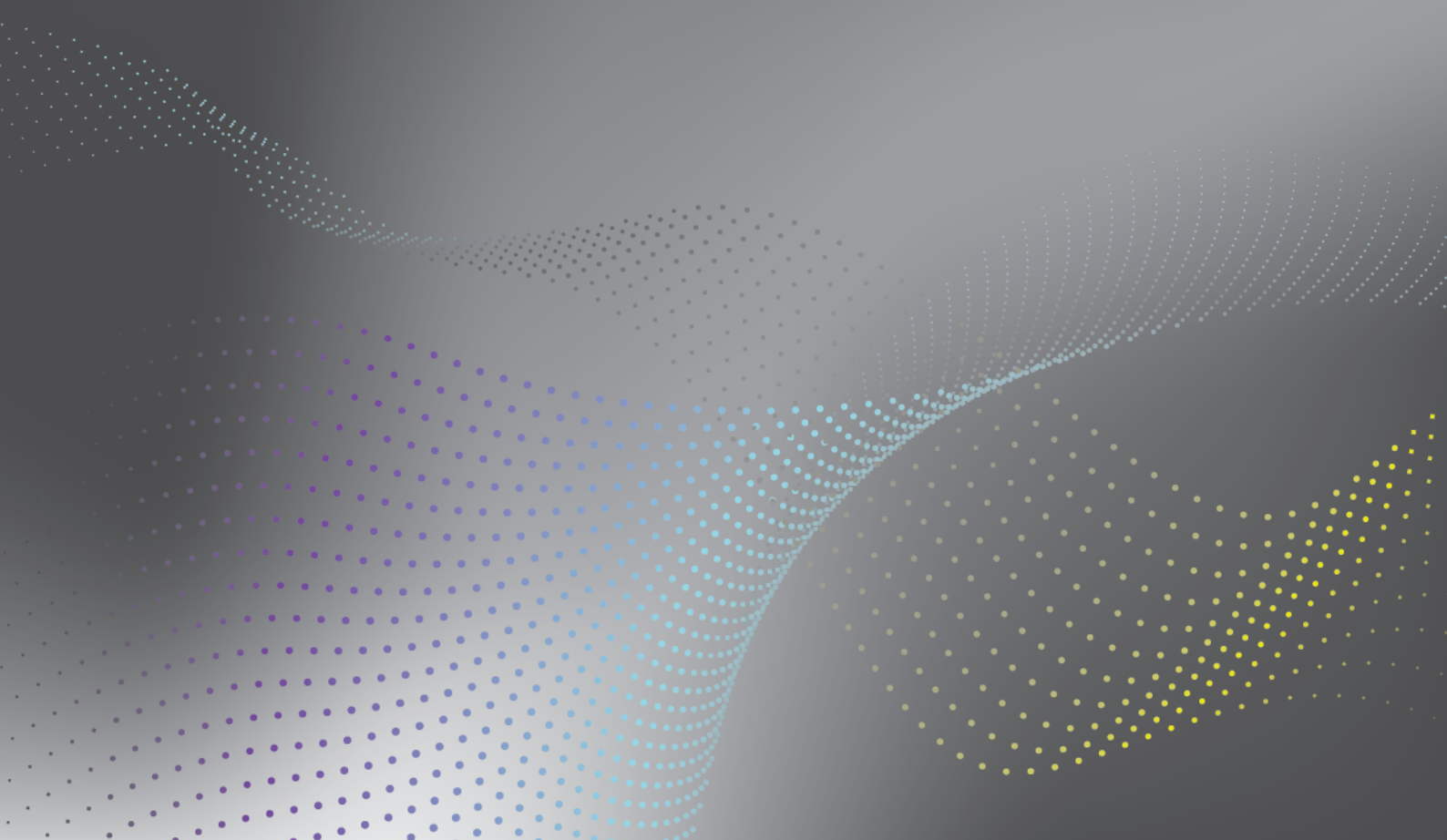
GENERAL INFORMATION

ENVIRONMENTAL INFORMATION

SOCIAL INFORMATION

GOVERNANCE INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS





BUSINESS CONDUCT

AS “CleanR Grupa” ensures responsible, open, ethical, and transparent business. This approach applies to all Group companies, including cooperation with all stakeholders. The Group strives to ensure that its management practices meet the highest standards.

During the reporting year, CleanR Grupa received several significant performance evaluations that confirm its sustainable development strategy and its dedicated efforts to ensure compliance with high governance standards:

- In the **“TOP 101 of Latvia’s Most Valuable Companies”** ranking by AS “Prudentia” and Nasdaq Riga, in the corporate governance assessment, CleanR Grupa was placed **in the top 10 as the only private company with local capital** among state and municipal enterprises,
- AS “CleanR Grupa” received the **“Nasdaq Baltic Awards” for best investor relations on the First North bond market** – to mark this recognition, the Group’s management rang the Nasdaq bell in Times Square, New York, at the end of reporting year,
- In 2025, the company received the highest rating – **“Excellence”** – in the international sustainability reporting transparency assessment **“ESG Transparency Awards 2025”**, confirming the transparency and maturity of CleanR Grupa’s non-financial reporting.



The management systems of the Group’s companies – CleanR, CleanR Industry, CleanR Verso, Vizii, Vizii Urban, Zaļā josta, Vides resursu centrs, and Lautus – have been certified in accordance with ISO 9001:2015, confirming that their quality management processes and practices comply with international standards.

ISO 9001:2015

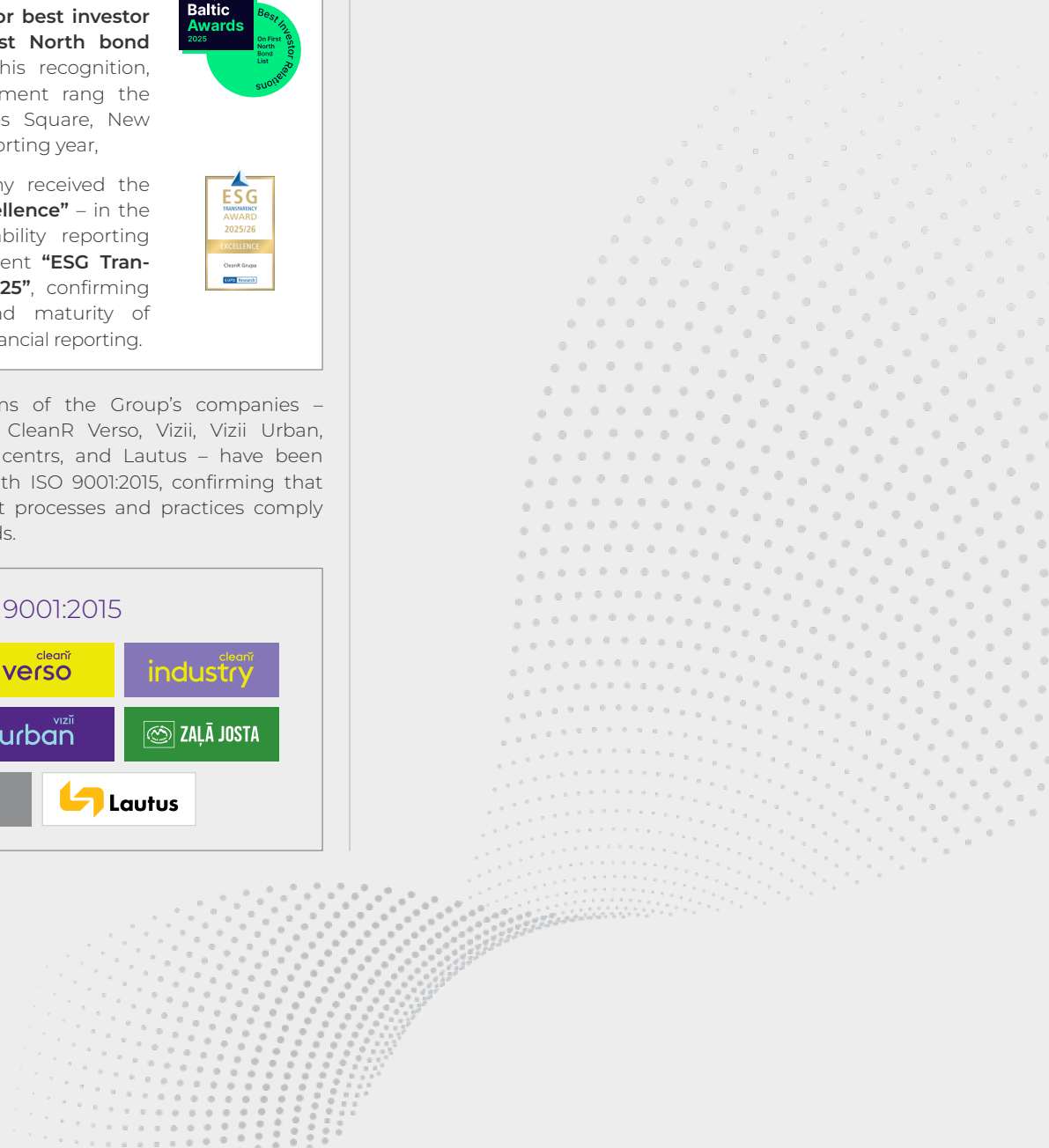


The role of the administrative, management and supervisory bodies (GOV-1)

The role of the management bodies, as well as the specific expertise related to corporate governance and business conduct, is described at the beginning of the Statement, in the “Governance” section.

Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO-1)

The material impacts, risks, and opportunities related to business conduct and corporate culture were identified during the materiality assessment (see section “Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)”).



Material impacts, risks and opportunities related to business conduct matters (ESRS 2 SBM-3)

IRO type	IRO description	Nature of impact (+) or (-)	Time horizon ¹	Value chain impact ²	Company ³	IRO management/impact on business model and strategy
Impact	Building an open and ethical corporate culture	Actual and potential (+) impact	1; 1-5	O	Group	To ensure the effective management, growth, and responsible operation of the diverse and constantly evolving Group, it is essential to foster a unified corporate culture and a shared understanding of ethical business conduct.
Impact/opportunity	Active engagement in industry policymaking	Actual and potential (+) impact	1; 1-5; <5	U, O, D	Group	The Group's companies' long-standing operations in the environmental services sector have a significant positive impact on the development of effective regulation and the industry, promoting faster adoption of circular economy principles and reducing regulatory barriers.
Risks	Competition law risks in the Group's expansion	Potential (-) impact		O, D	Group	The Group operates in a saturated market where competition is intense and where a limited number of companies are active in each of the Group's business areas. To manage competition law risks, the Group conducts regular employee training to promote awareness. Prior to mergers and acquisitions, the Group obtains the permission from the Competition Council.
	Conflict of interest, corruption and bribery risk	Potential (-) impact	1; 1-5; <5	U, O, D	Group, primarily CR, VPL, UREM, L, V	Given the Group's participation in public procurement, which includes contracts with local governments and state institutions, it is essential to manage potential risks that could give rise to suspicions of unethical conduct by the Group's companies. The Group has identified functions and positions that may be subject to a higher risk of conflicts of interest and corruption. Relevant policies are being implemented, and employee training is provided.
	Management of relationships with suppliers	Potential (-) impact	1; 1-5	U, O	Group	The Group collaborates with suppliers and partners both in Latvia and abroad, and the Group's successful operations also depend on predictable cooperation. Violations by suppliers or partners – whether regarding the provision and quality of services or failure to adhere to sustainability principles – can pose risks to reputation, financial risks, and endanger service continuity.
	IT system and cybersecurity risks	Potential (-) impact	1; 1-5	U, O, D	Group	The diversity of the information systems used, and the large volume of data stored and processed within them can pose significant cyber threats or other risks related to the operation of IT systems (e.g., business continuity).

¹ Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

² Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

³ Group – IRO refers to all CleanR Grupa companies.

CR – CleanR
L – Lautus
NĪ – CleanR NĪ
ET – Eko Terra
ZJ – Zaļā josta
V – Vīzī

VPL – Vides pakalpojumi Liepājai
CRV – CleanR Verso
CRI – CleanR Industry
VRC – Vides resursu centrs
UREM – urban and regional environment maintenance companies –
Vīzī Urban, KOM-AUTO, Tranzīts L

Business conduct policies and corporate culture (G1-1)

Compliance lies at the core of the Group's operations. In all its operations and transactions, the Group companies pursue openness, integrity, loyalty, fairness, confidentiality, and professionalism. The fundamental values of the Group's corporate culture are set forth in the Group's "Code of Conduct", the "Internal Working Regulations", and other policy documents. The key policy documents are available on the Corporate Governance section of CleanR Grupa's web page cleanrgrupa.lv/en/corporate-governance.

The Group's corporate culture is shaped by the basic operating principles enshrined in these policies. These values are blended into the Group's internal processes, for example, internal communication, manager training programmes, and employee performance evaluation.

When starting work, including on New Employee Day, employees are introduced to key policies, and once a year, at staff meetings and forums, they are reminded of the Group's core principles and values.

The Group's "Conflict of Interest Prevention Policy" lays down the basic principles of the prevention of a conflict of interest. "The Internal Working Regulations" also address conflicts of interest and the acceptance of gifts.

To identify, report, and investigate potential unlawful actions, as well as violations of the "Group's Code of Conduct" and other provisions, the Group has implemented several mechanisms and channels, including a whistleblowing system.

The CleanR Grupa whistleblowing system complies with the relevant legislative requirements. The Group has approved its "Whistleblowing Policy" and devised a digital whistleblowing tool – the "Trust Line". It allows the Group's stakeholders to raise their concerns about potential violations of the Group's governance policies with respect to ethics, corruption, conflict of interest, procurement practice, unethical conduct of business partners, and other cases prescribed by law.

During the reporting year, the above-mentioned digital solution was used once; one email was received. However, the message received was not related to the said issues, nor did it qualify as a whistleblower report in accordance with legal requirements. The email concerned the quality of services provided by SIA "Clean R". It was forwarded to the CleanR Customer Centre for further communication with the customer.

The Group is committed to investigating incidents promptly, independently, and impartially, ensuring that the investigation does not involve the person named in the report or a representative of the relevant function. The Group ensures confidentiality of the information and the whistleblower's protection. Personal data is protected and pseudonymized according to legislation.

The employees are informed about the whistleblowing options, whistleblowers' rights and responsibility, their protection, and the report review process during onboarding, at meetings, employee forums, and other internal communication channels. The whistleblowing process at the Group is overseen by the Group's Human Resources and Administrative Director.

Next year, the Group plans to define a unified approach and develop a system for training Group employees on corporate culture and ethics.

IT and cybersecurity

The Group's operations depend on information systems and digital solutions. The Group's companies generally use a large number of information systems that process vast amounts of data, and inadequate oversight of these systems can pose significant challenges – namely, risks to IT system security and cybersecurity.

The Group uses resource accounting and planning systems, transportation route and service planning software, environmental monitoring systems, customer service systems, and engagement tools. Disruptions to the Group's core IT infrastructure or third-party systems on which it relies may result in service interruptions, delays in the submission of legally required information (reports), and delays in fulfilling contractual obligations. Furthermore, cyberattacks, data breaches, or unauthorized access to systems could result in reputational damage, financial losses, and legal liabilities, particularly in relation to personal data protection. Therefore, the Group continues to invest in strengthening its IT management and security systems.

Furthermore, the Group includes waste management companies, which, under the "National Cybersecurity Law," are classified as providers of essential services and, accordingly, must comply with Cabinet Regulation No. 397 "Minimum Cybersecurity Requirements," and must ensure compliance with a range of requirements set forth in the regulations.

Accordingly, in 2025, the Group appointed a cybersecurity manager, documented IT security management processes, and approved the "Information Security Policy" and "Cybersecurity Policy". Training was also provided for 131 administrative staff members. A contract for "Security Operations Centre" services was signed, whereby the cybersecurity of the companies' IT systems is monitored around the clock using various sensors.

Over the past two years, the Group has not experienced any significant incidents related to information system security that have materially impacted the Group's operations.

Management of relationships with suppliers (G1-2)

The Group's mid-term sustainability strategy focuses on running a responsible supply chain and sustainable procurements. The Group's approach to responsible procurement management has been defined in the Group's "Procurement Policy" and the "Environmental and Energy Management Policy". The Group's main operating principles are aimed at an efficient use of resources, a transparent procurement procedure, free competition, and equal and fair treatment of suppliers.

Every year, the services, goods, and construction procurements run by the Group companies amount to several tens of millions of euros. Considering the expenses arising from procurements, the Group has a great opportunity to promote sustainability principles and a responsible approach to business on a larger scale.

The Group is fully aware that an inability to maintain existing business relationships with suppliers and subcontractors may adversely affect the Group's operations, financial position, cash flow, operational results, and business opportunities. The management of the relations with the suppliers is also important to ensure the continuity of supply of the resources essential to the Group's operations.

Considering these risks, the Group has established the "Business Partner Assessment Procedure". Prior to signing an agreement, the companies check the other party's solvency, tax payment discipline, whether the associated persons have not been sanctioned, as well as ask the supplier to agree to the Group's "Code of Conduct for Suppliers".

The "Code of Conduct for Suppliers" includes several essential pre-conditions to enter a business relationship with CleanR Grupa. The Code has been devised in line with the principles set forth in the UN Global Compact and not only requires a supplier to comply with the legislation governing their operations, but also:

- to observe human rights, take responsibility for the workplace, and ensure safety at work,
- ethical interaction and actions, fair competition, and prevention of a conflict of interest,
- prohibition of corrupt actions and fraud,
- protection of data and privacy,
- responsible attitude towards the environment.

In addition to the aspect of tax compliance and sanctions checks, no other specific social or environmental criteria were considered in the selection of suppliers during the reporting year. These will be applied to the extent possible upon implementation of the Group's procurement procedure.

In 2025, the Group appointed a Centralised Procurement Manager; subsequently, at the end of the year, a unified Group procurement policy was developed and approved by the Board in January 2026. Work has begun on implementing the system and a unified approach to supply chain management – the introduction of a Group supplier evaluation process.

Targets related to the management of material impacts

CleanR Grupa has set a target to make sure that by 2025 all its suppliers have read and agreed to the Group's "Code of Conduct for Suppliers", i.e. a respective clause including a reference to the Group's code or similar provisions of the other party on fair and transparent business practice has been included in all the signed contracts. A random sample analysis of contracts concluded by the Group during the reporting year revealed that a reference clause was included in 48% of the contracts concluded by the Group during the reporting year.

Next year, the Group will continue to include a reference and inform suppliers of our requirements, but this target will not be measured. We will continue the implementation of a unified procurement and supplier evaluation system within the Group, which will provide for a unified and more detailed assessment of cooperation and supplier compliance.

Targets	BASE 2022	TARGET 2023	RESULT 2023	TARGET 2024	RESULT 2024	TARGET 2025	RESULT 2025
All the Group's suppliers have accepted the Group's Supplier Code of Conduct (the clause included in contracts concluded during the year), %	–	80 %	80 %	90 %	37 %	100 %	48 %
A joint sustainable procurement system implemented in the Group, %	–	40 %	40 %	80 %	40 %	100 %	70 %*

* The process document was developed at the end of 2025, implementation of the system continues.

Prevention and detection of corruption and bribery (G1-3)

The Group's whistleblowing system is the main mechanism and channel for all its stakeholders to raise concerns about suspected cases of corruption or bribery. Additionally, the employees may raise their concerns through other channels at their disposal (see section "Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)").

To prevent potential allegations or incidents related to a conflict of interest, corruption, or bribery, CleanR Grupa has set its conflict-of-interest prevention principles, and the respective employees are informed of their duty to report such cases to the employer should they arise. "The Internal Working Regulations" clarify gift acceptance.

Information on all reports received and the outcome of their investigation, not only concerning allegations of corruption, is provided to the Management Board and the Supervisory Council and included in the annual Group Sustainability Statement.

Confirmed incidents of corruption or bribery (G1-4)

CleanR Grupa ensures compliance with all external laws and regulations governing the operations of its companies. During the reporting year, no charges were brought against the Group's companies, nor were any legal proceedings initiated in connection with violations of anti-corruption and anti-bribery laws, and no fines or other penalties were imposed.

Standard point	Data point	Description	2022	2023	2024	2025
G1-4	24 a	The number of convictions for violation of anti-corruption and anti-bribery laws	0	0	0	0
G1-4	24 a	The number of fines for violation of anti-corruption and anti-bribery laws, EUR	0	0	0	0
G1-4	25 a	The total number of confirmed incidents of corruption or bribery	0	0	0	0

Political influence and lobbying activities (G1-5)

Active engagement in the policymaking of the environmental services industry and the business environment, by also regularly engaging with the stakeholders, is an integral part of the Group's operations.

At CleanR Grupa, lobbying activities are generally overseen by the CleanR Grupa Chairman of the Board. One of the CleanR Grupa Board members is responsible for active engagement with the trade associations of the waste management industry. The decision to become a member of an organisation is taken by the whole Board. The Group has no legal duty to be a member of the associations or organisations representing their interests. The Group and its companies as commercial entities do not get involved with political parties, nor provide the parties or their representatives with financial or in-kind support.

Active engagement in industry policymaking

The Group's core business activities are regulated by external laws and regulations in the field of environmental protection. The main legislative act governing the industry is the Waste Management Law, followed by the Law on Pollution, Natural Resources Tax Law, as well as several other laws and regulations directly or indirectly related to the industry.

Upon assessing draft or amended laws, the development of the Group's position and its coordination with the involved parties takes place at several levels and cooperation models. A consensus must be reached at both the industry level and the Latvian Chamber of Commerce and Industry (LTK), where the interests of the market actors, for example, producers, merchants, and industry players, often clash. CleanR Grupa always seeks to reach an agreement or a similar position with other industry players, including the local governments, represented by the Latvian Association of Local and Regional Governments and the Large Cities Association.

The interests of the Group companies are already represented in the drafting process of the EU directive amendments through direct communication with state institutions – primarily the Ministry for Climate and Energy and the competent authorities subjected to it, for example, the State Environmental Service and the Latvian Environment, Geology and Meteorology Centre, as well as through other ministries, if required, to formulate the national position, and through industry associations – Latvian Circular Economy Association (LASUA), Latvian Waste Management Association (LASA), and European Waste Management Association (FEAD), which has a mandate to represent and lobby the interests of the industry before the European Commission.

In 2025, the CleanR Grupa joined two associations that bring together producer responsibility systems (hereinafter – EPR). One of them is the Textile PRO Forum, a voluntary platform bringing together companies and manufacturers involved in extended producer responsibility systems for textiles, and the other - the PRO Circularity Alliance, which brings together various EPRs from across Europe. The goal of both associations is to represent the interests of EPR companies in EU policymaking, coordinate positions, and develop targeted proposals from members.

AS "CleanR Grupa" and its subsidiaries are not registered in the EU Transparency Register because they do not directly engage in lobbying activities or express their views to EU institutions but rather do so through the industry associations.

In the reporting period, the CleanR Grupa companies took an active part in the following organisations:

- **LASUA**
Latvian Circular Economy Association
- **FEAD**
European Waste Management Association
- **Textile PRO forum**
Voluntary Cooperation Platform for Textile Product Manufacturers' Responsibility Organization
- **PRO Circularity Alliance**
European Association of Producer Responsibility Organization
- **LASA**
Latvian Waste Management Association
- **LPUAA**
Professional Cleaning and Facility Management Association of Latvia
- **LDDK**
Employers' Confederation of Latvia
- **LPVA**
Latvian Association for People Management
- **LTRK**
Latvian Chamber of Commerce and Industry
- **LBP**
Latvian Construction Association
- **CLEANTECH LATVIA**
- **LTK**
The Latvian Traders Chamber
- **LRGA**
The Association of Accountants of the Republic of Latvia
- **IAI**
Institute of Internal Auditors
- **CSR Latvia**
The Latvian Corporate Social Responsibility Platform

Political influence and lobbying activities (G1–5) (continued)

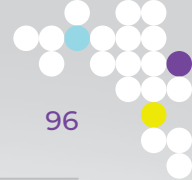
In the reporting period, CleanR Grupa stated its position and submitted several suggestions regarding legislative amendments:

- **Several activities were carried out in cooperation with the FEAD.** Work began in 2024 on evaluating EPRs in EU Member States, seeking opportunities to harmonize system operations and requirements, while simultaneously discussing the future development of EPRs within the framework of the new Circular Economy Act. Feedback was provided on the public consultation regarding the Circular Economy Act, considering the most significant proposals and industry priorities.
- The European Parliament adopted and the amendments to the Waste Framework Directive entered into force, which, among other things, establish requirements for textile waste management and the operation of EPR systems. Given that Latvia is one of the few European Union member states where textile EPR was introduced even before the entry into force of the unified European legislation, CleanR Grupa, through its participation in the above European associations, **shared its experience – both practical solutions and recommendations for the development of national regulations on textile EPR.**
- **Proposals have been put forward for the new Regulation (EU) 2025/40 on packaging and packaging waste,** which brought about significant changes to the regulatory framework for plastic packaging and packaging waste in 2025. This regulation benefits the European internal market, as it establishes uniform rules for all EU packaging, reducing the fragmentation of national regulations and facilitating the movement of goods within the single market, while creating stable and predictable demand for recycled plastic by setting mandatory recycled content requirements for plastic packaging, as well as improving recycling quality and the investment environment through design-for-recycling principles, strengthening separate collection and EPR systems, which collectively promote the circulation of materials at the EU level and improve the competitiveness of recycled plastic over virgin raw materials.
- CleanR Grupa **participated in the Working Group on the Reform of the Waste Transportation Accounting System,** where, together with representatives from the Ministry of Climate and Energy, the Latvian Environmental, Geological, and Meteorological Centre, and the State Environmental Service, actively engaged in the development of both regulatory frameworks and practical implementation, seeking the best possible solutions to facilitate and improve both daily work for operators and the flow of and quality of information.

- The Group's **interests were also represented on the Environment Subcommittee of the Saeima's Economic Affairs Committee,** where various issues of interest to the sector were discussed, such as an assessment of EPR's activities in packaging waste management, issues regarding the fulfilment of climate targets, the draft Economic Sustainability Law, as well as amendments to the Climate Law, the Pollution Law, and the Construction Law.
- As part of the Expert Council on the Chemical Industry and Related Sectors, coordinated by the Latvian Employers' Confederation, the Group participated in working sessions to discuss the development of professional qualifications and training content needed for the waste management sector.
- **In collaboration with "CSR Latvia", interests were represented in discussions with both the Foreign Investors' Council in Latvia and representatives of the Saeima regarding the promotion of sustainable procurement,** e.g., the incorporation of circular economy principles into public procurement, and, more broadly, sustainable procurement as a key tool for supporting corporate sustainability.

In 2025, Guntars Kokorevičs, Chairman of the CleanR Grupa Council, was re-elected as a board member and Vice President at the general meeting of the Latvian Employers' Confederation (LDDK). He will continue his work on the Board for the next three-year term, actively engaging in strengthening Latvia's business environment and advocating for employers' interests.

The Group regularly informs its stakeholders about its plans and progress in the industry development by publishing information about the activities on its social network accounts and in the media, as well as on the companies' websites.



APPENDICES TO SUSTAINABILITY STATEMENT



Appendix No. 1. Companies under full operational control of AS "CleanR Grupa" as at 31 December 2025, included in the scope of sustainability reporting

Group company/activity type	Parent company (shareholder/member)	Percentage of share capital ownership	Registered office address
AS "CleanR Grupa" Activities of holding companies, Activities of head offices	SIA "TAK Capital" Harijs Krongorns Personnel share holders	85.79 % 10.09 % 4.12 %	Vietalvas Street 5, Riga, LV - 1009, Latvia
SIA "Vizii Management" Activities of holding companies, Activities of head offices	AS "CleanR Grupa"	100 %	Vietalvas Street 5, Riga, LV - 1009, Latvia
SIA "Vizii" General cleaning of buildings, Other building and industrial cleaning activities	AS "CleanR Grupa"	100 %	Vietalvas Street 5, Riga, LV - 1009, Latvia
SIA "Clean R" Collection of non-hazardous waste	AS "CleanR Grupa"	100 %	Vietalvas Street 5, Riga, LV - 1009, Latvia
SIA "Eko Terra" Collection of non-hazardous waste, Materials recovery, Other resource recovery from waste	SIA "Clean R"	73 %	Vietalvas Street 5, Riga, LV - 1009, Latvia
Piilsabiedrība "Vides pakalpojumi Liepājai" Collection of non-hazardous waste	SIA "Clean R"	51 %	Vietalvas Street 5, Riga, LV - 1009, Latvia
SIA "Lautus" Waste collection, Collection of non-hazardous waste, Collection of hazardous waste	SIA "Clean R"	100 %	Kekavas municipality, Ķekavas parish, "Gurnicas", LV - 2123, Latvia
SIA "CleanR Industry" Manufacture of plastics in primary forms	AS "CleanR Grupa"	100 %	Vietalvas Street 5, Riga, LV - 1009, Latvia
SIA "CleanR Nī" Rental and operating of own or leased real estate	AS "CleanR Grupa"	100 %	Vietalvas Street 5, Riga, LV - 1009, Latvia
SIA "Vides resursu centrs" Materials recovery, Energy recovery	SIA "Clean R"	53 %	Vietalvas Street 5, Riga, LV - 1009, Latvia
SIA "WasteTech" Activities of holding companies	AS "CleanR Grupa"	66 %	Vietalvas Street 5, Riga, LV - 1009, Latvia
SIA "CleanR Verso" Collection of non-hazardous waste	AS "CleanR Grupa"	100 %	Vietalvas Street 5, Riga, LV - 1009, Latvia
SIA "Vizii Urban" Other cleaning activities	AS "CleanR Grupa"	100 %	Vietalvas Street 5, Riga, LV - 1009, Latvia
SIA "KOM-AUTO" Other cleaning activities	SIA "Vizii Urban"	100 %	Celtnieku Street 3, Cesis, LV - 4101, Latvia
SIA "Tranzīts L" Other cleaning activities	SIA "Vizii Urban"	51 %	Tērauda Street 3, Liepāja, LV - 3401, Latvia
SIA "Zaļā josta" Materials recovery	AS "CleanR Grupa"	55 %	Mūksalas Street 42A, Riga, LV - 1004, Latvia

The companies not included: AS "TĪRĪGA", SIA "CREB Rīga", SIA "Ropažu Enerģija", SIA "Lautus SPV", as they did not carry out active commercial activities during the reporting year. The company SIA "Ķīlupe", acquired in March 2026, is not included in the consolidation of sustainability reporting.

Appendix No. 2. CleanR Grupa sustainability targets 2023–2025

Environment/Climate change							
Targets	BASE 2022	TARGET 2023	RESULT 2023	TARGET 2024	RESULT 2024	TARGET 2025	RESULT 2025
To increase the proportion of separately collected and recyclable waste of all the municipal waste collected by the Group, %	23 %	27 %	30 %	40 %	33 %	50 %	35 %
To develop and implement a carbon footprint and avoided emissions accounting system in the Group, performance %	30 %	50 %	60 %	80 %	100 %	100 %	In place in 2024
Work environment/Own workforce							
Zero work-related accidents	8	0	22	0	31	0	39
Work-related accident rate (TRIR)	0.8	0	2	0	2.8	0	2.9
Decreased voluntary staff turnover by 1% each year (Without a commercial cleaning business)	- 1 %	- 1 %	- 5 %	- 1 %	- 3 %	- 1 %	+ 3 %
Voluntary turnover % (without a commercial cleaning business)	31 %	30 %	26 %	25 %	23 %	22 %	26 %
Employee satisfaction – eNPS increased from 2021, points	- 9.7 %	+ 9.8 %	+ 16.5 %	+ 16.5 %	- 9.3 %	+ 19.7 %	+ 17.7 %
Average number of training hours per administrative employee per year, hours	13	15	15	16	11	16	18
Customers and end-users							
Percentage of active e-services users of the Group's total customer base, %	52 %	60 %	58 %	68 %	63 %	75 %	65 %
Applications in e-services of all the applications received, %	30 %	40 %	42 %	48 %	49 %	60 %	52 %
Group's Customer NPS, %	47 %	48 %	47 %	48 %	45 %	50 %	47 %
The audience reached by environmental education activities increased by 5% annually, %	–	+ 5 %	+ 75 %	+ 5 %	+ 197 %	+ 5 %	+ 59 %
The audience reached (through websites, social networks, the Group's newsletters, on-site events), number	754 865	792 608	1 318 762	1 384 700	3 911 426	4 106 997	6 211 743
Corporate governance							
All the Group's suppliers have accepted the Group's Supplier Code of Conduct (the clause included in contracts concluded during the year), %	–	80 %	80 %	90 %	37 %	100 %	48 %
A joint sustainable procurement system implemented in the Group, %	–	40 %	40 %	80 %	40 %	100 %	70 %*

* The process document was developed at the end of 2025, implementation of the process (system) will continue next year.

Appendix No. 3. GHG emission calculation methodology

For emission calculations, DEFRA (gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025) and CLIMATIQ (climatiq.io/) conversion factor data for the relevant or closest available year, as well as information on the composition of electricity sources (residual mix) provided on the AS "Sadales tīkls" website (ast.lv/en/content/guarantees-origin/) were used.

- **Scope 1** GHG emissions include emissions from mobile and stationary combustion – the use of transportation fuels, and emissions from heating and cooling equipment.
- **Scope 2** GHG emissions include emissions from purchased electricity and heat.
- Calculations for the significant **Scope 3** GHG emission categories were performed using the average data method, relying solely on secondary data - emission factors available in the above databases.

To identify the Scope 3 emission categories relevant to the Group, an inventory was conducted based on estimated GHG emissions, assessing the applicability of each category and its impact on total emissions. The following Scope 3 categories were excluded from the calculation:

Category	Justification for exclusion
5. Waste generated in operations	The estimated emissions from the waste generated in operations constitute less than 1 % of total emissions. The recycling of the municipal and sorted waste generated is performed at the Group's own facilities, so the caused emissions are included in Scope 1 and 2 emissions.
6. Business travel	Based on the emission inventory, the estimated emissions from the average number of business trips per year constitute less than 1 % of total emissions.
8. Upstream leased assets	The Group companies lease premises and means of transport, containers, and other types of equipment from third parties; their impact has been considered in Scope 1, Scope 2, or Scope 3 category 2.
12. End-of-life treatment of sold products	The products made by the Group companies are intermediate products that are recycled into other products.
13. Downstream leased assets	The Group's key leased assets are within the Group; therefore, they are included in mutual payments and excluded from the calculation to avoid double-counting.
14. Franchises	Not applicable. The Group company products are not sold or distributed by other companies.
15. Investments	Not applicable. The Group does not offer financial services. The parent company's investments are included in the capital goods category.

For Scope 3 **Category 1** and **Category 2**, emissions calculations for services, as well as for most goods and fixed assets, were performed using an expenditure-based approach. Where possible, calculations are based on aggregated data regarding the volume of purchased goods (kg, litres, tons) and material type, multiplied by the relevant emission factors – the average emissions generated when producing one unit of the respective material or good. Emissions from purchased waste used for further processing within the Group are not included, as these emissions are already accounted for in the Scope 1 and/or Scope 3 emissions of other actors in the value chain, and in the Scope 1 or Scope 2 emissions of the Group's companies. Intra-group services are excluded from the calculations.

For the calculation of emissions from activities related to fuel and energy use – **Category 3 emissions** – the average data method was used, using emission factors from DEFRA. The company's consumption volumes were multiplied by the relevant emission factors for fuel, electricity, heat supply (well-to-tank) per unit of consumption (t or kWh).

For **Category 4**, the average data method was used to calculate emissions from the delivery of purchased goods. Since the Group's companies do not track the weight and distance made for purchased goods, raw materials, and capital investments, but maintain a separate accounting line item for delivery costs, GHG emissions for this category are calculated by multiplying the transportation costs of goods and raw materials by the emission factor for goods transportation per monetary unit (EUR).

To calculate **Category 7** emissions resulting from employees' commuting to and from work, a survey of employees was conducted in which they indicated the frequency of their commutes, the distance travelled, and the modes of transportation used. A representative sample of data was used for the calculations.

To calculate **Category 9** – downstream emissions from the transportation or delivery of the group's products (sorted cardboard, glass, manufactured plastic pellets, etc.) the official Latvian statistical data on average freight transport distances within and outside Latvia were used, taking into account the weight of the products and the emissions generated by the respective mode of transport – emissions from land freight transport (kg CO_{2e}/tkm).

Category 10 – Calculations of emissions from further processing of the Group's products are based on the assumption that 100% of the products sold are further processed into new materials or goods. The volume sold is multiplied by the relevant recycling emission factors (DEFRA, Climatiq). In accordance with the GHG Protocol, emissions from further processing of refuse-derived fuel are not included in the Group's GHG emissions, as those are included in Scope 1 emissions of other value chain actors (customers).

A new GHG emissions inventory is planned for next year.

Appendix No. 4. EU Taxonomy tables

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025

Economic Activities	Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible Turnover)	Taxonomy-aligned KPI (monetary value of Turnover)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned Turnover)	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		%	M EUR	%	%	%	%	%	%	%	(V)	(P)	%
Manufacture of plastics in primary form	CCM 3.17.	4 %	5.8	4 %	4 %	0 %	0 %	0 %	0 %	0 %			100 %
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5.	44 %	57.1	40 %	40 %	0 %	0 %	0 %	0 %	0 %			91 %
Anaerobic digestion of sewage sludge	CCM 5.6.	0 %	0.0	0 %	0 %	0 %	0 %	0 %	0 %	0 %			0 %
Material recovery from non-hazardous waste	CCM 5.9.	23 %	32.4	23 %	23 %	0 %	0 %	0 %	0 %	0 %			100 %
Acquisition and ownership of buildings	CCM 7.7.	0 %	0.0	0 %	0 %	0 %	0 %	0 %	0 %	0 %			0 %
Collection and transport of non-hazardous and hazardous waste	CE 2.3.	4 %	5.0	4 %	0 %	0 %	0 %	4 %	0 %	0 %			82 %
Sum of alignment per objective					67 %	0 %	0 %	4 %	0 %	0 %			
Total KPI (Turnover)		76 %	100.3	71 %	67 %	0 %	0 %	4 %	0 %	0 %	0 %	0 %	

Appendix No. 4. EU Taxonomy tables (continued)

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025

Economic Activities	Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible CapEx)	Taxonomy-aligned KPI (monetary value of CapEx)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned CapEx)	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		%	M EUR	%	%	%	%	%	%	%	(V)	(P)	%
Manufacture of plastics in primary form	CCM 3.17.	3 %	0.4	3 %	3 %	0 %	0 %	0 %	0 %	0 %			100 %
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5.	37 %	4.5	34 %	34 %	0 %	0 %	0 %	0 %	0 %			91 %
Anaerobic digestion of sewage sludge	CCM 5.9.	9 %	1.1	9 %	9 %	0 %	0 %	0 %	0 %	0 %			100 %
Freight transport services by road	CCM 6.6.	21 %	0.0	0 %	0 %	0 %	0 %	0 %	0 %	0 %		P	0 %
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	0 %	0.0	0 %	0 %	0 %	0 %	0 %	0 %	0 %	V		0 %
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	0 %	0.0	0 %	0 %	0 %	0 %	0 %	0 %	0 %	V		100 %
Collection and transport of non-hazardous and hazardous waste	CE 2.3.	4 %	0.5	4 %	0 %	0 %	0 %	4 %	0 %	0 %			97 %
Sum of alignment per objective					45 %	0 %	0 %	4 %	0 %	0 %			
Total KPI (CapEx)		74 %	6.5	49 %	45 %	0 %	0 %	4 %	0 %	0 %	0 %	0 %	

Appendix No. 4. EU Taxonomy tables (continued)

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025

Economic Activities	Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible OpEx)	Taxonomy-aligned KPI (monetary value of OpEx)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned OpEx)	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		%	M EUR	%	%	%	%	%	%	%	(V)	(P)	%
Manufacture of plastics in primary form	CCM 3.17.	7 %	9.1	7 %	7 %	0 %	0 %	0 %	0 %	0 %			100 %
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5.	36 %	42.8	33 %	33 %	0 %	0 %	0 %	0 %	0 %			92 %
Anaerobic digestion of sewage sludge	CCM 5.6.	0 %	0.0	0 %	0 %	0 %	0 %	0 %	0 %	0 %			0 %
Material recovery from non-hazardous waste	CCM 5.9.	22 %	29.1	22 %	22 %	0 %	0 %	0 %	0 %	0 %			100 %
Acquisition and ownership of buildings	CCM 7.7.	1 %	0.0	0 %	0 %	0 %	0 %	0 %	0 %	0 %			0 %
Collection and transport of non-hazardous and hazardous waste	CE 2.3.	3 %	2.9	2 %	0 %	0 %	0 %	2 %	0 %	0 %			82 %
Sum of alignment per objective					62 %	0 %	0 %	2 %	0 %	0 %			
Total KPI (OpEx)		71 %	83.9	64 %	62 %	0 %	0 %	2 %	0 %	0 %	0 %	0 %	

Appendix No. 5. Datapoints derived from other EU legislation, as listed in ESRS 2 Appendix B

Disclosure Requirement and related datapoint	SFDR ¹	Pillar ²	Benchmark regulation ³	EU Climate Law ⁴	Section in the Statement/ explanation
ESRS 2 GOV-1. Board's gender diversity, paragraph 21 (d)	X		X		Composition and functions of administrative, management and supervisory bodies (GOV-1)
ESRS 2 GOV-1. Percentage of independent board members, paragraph 21 (e)			X		Composition and functions of administrative, management and supervisory bodies (GOV-1)
ESRS 2 GOV-4. Statement on due diligence, paragraph 30	X				Due diligence statement
ESRS 2 SBM-1. Involvement in activities related to fossil fuel activities, paragraph 40 (d) i	X	X	X		Not applicable, the company does not operate in this sector
ESRS 2 SBM-1. Involvement in activities related to chemical production, paragraph 40 (d) ii	X		X		Not applicable, the company does not operate in this sector.
ESRS 2 SBM-1. Involvement in activities related to controversial weapons, paragraph 40 (d) iii	X		X		Not applicable, the company is not involved in these activities and does not operate in this sector
ESRS 2 SBM-1. Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv			X		Not applicable, the company does not operate in this sector.
ESRS E1-1. Transition plan to reach climate neutrality by 2050, paragraph 14				X	Climate change. A high-level description of the transition plan is provided.
ESRS E1-1. Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)		X	X		Climate change. Not excluded, not applicable.
ESRS E1-4. GHG emission reduction targets, paragraph 34	X	X	X		Climate change. Not currently determined.
ESRS E1-5. Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	X				Climate change, subsection: Energy consumption and energy mix (E1-5).
ESRS E1-5. Energy consumption and mix, paragraph 37	X				Climate change, subsection: Energy consumption and energy mix (E1-5).
ESRS E1-5. Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	X				Climate change, subsection: Energy consumption and energy mix (E1-5).
ESRS E1-6. Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	X	X	X		Climate change, subsection: Scope 1, 2, and 3 gross GHG emissions and total GHG emissions (E1-6).
ESRS E1-6. Gross GHG emissions intensity, paragraphs 53 to 55	X	X	X		Climate change, subsection: Scope 1, 2, and 3 gross GHG emissions and total GHG emissions (E1-6).
ESRS E1-7. GHG removals and carbon credits, paragraph 56				X	Not used. Climate change, subsection: Scope 1, 2, and 3 gross GHG emissions and total GHG emissions (E1-6).
ESRS E1-9. Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			X		Not currently reported. Application of the phase-in provisions.

¹ SFDR - Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

² Pillar 3 - Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR")

³ Benchmark Regulation - Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014

⁴ EU Climate Law - Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law")

Appendix No. 5. Datapoints derived from other EU legislation, as listed in ESRS 2 Appendix B (continued)

Disclosure Requirement and related datapoint	SFDR ¹	Pillar ²	Benchmark regulation ³	EU Climate Law ⁴	Section in the Statement/ explanation
ESRS E1-9. Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a)		X			Not currently reported. Application of the phase-in provisions.
ESRS E1-9. Location of significant assets at material physical risk, paragraph 66 (c)		X			Climate change. Asset exposure to risks and site assessments are carried out through climate risk assessment.
ESRS E1-9. Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)		X			Not currently reported. Application of the phase-in provisions.
ESRS E1-9. Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			X		Not currently reported. Application of the phase-in provisions.
ESRS E2-4. Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and soil, paragraph 28	X				Limits not exceeded. Pollution prevention, subsection: Air, water, and soil pollution (E2-4).
ESRS E3-1. Water and marine resources, paragraph 9	X				Not material, not disclosed. Water consumption is reported in the context of circular economy and GHG emissions.
ESRS E3-1. Dedicated policy, paragraph 13	X				Not material, not disclosed. The Group's environmental policy provides for water conservation and reuse in processes, where possible.
ESRS E3-1. Sustainable oceans and seas, paragraph 14	X				Not applicable. The Group and its companies' activities are not related to marine resources.
ESRS E3-4. Total water recycled and reused, paragraph 28 (c)	X				Not material.
ESRS E3-4. Total water consumption in m ³ per net revenue on own operations, paragraph 29	X				Not material.
ESRS 2- IRO 1 - E4, paragraph 16 (a) i	X				Not material. The Group's companies do not operate in or near biodiversity-sensitive areas.
ESRS 2- IRO 1 - E4, Paragraph 16 (b)	X				Not material. The Group does not cause negative impact on land degradation, desertification, or soil sealing.
ESRS 2- IRO 1 - E4, Paragraph 16 (c)	X				Not material. The Group does not directly affect endangered species.
ESRS E4-2. Sustainable land/agriculture practices or policies, paragraph 24 (b)	X				Not applicable, the Group or its companies do not operate in this sector.
ESRS E4-2. Sustainable oceans/seas practices or policies, paragraph 24 (c)	X				Not applicable. The Group and its companies' activities are not related to marine resources.
ESRS E4-2. Policies to address deforestation, paragraph 24 (d)	X				Not applicable. The Group and its companies' activities are not related to deforestation.
ESRS E5-5. Non-recycled waste, Paragraph 37 (d)	X				Not material.

¹ SFDR - Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

² Pillar 3 - Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR")

³ Benchmark Regulation - Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014

⁴ EU Climate Law - Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law")

Appendix No. 5. Datapoints derived from other EU legislation, as listed in ESRS 2 Appendix B (continued)

Disclosure Requirement and related datapoint	SFDR ¹	Pillar ²	Benchmark regulation ³	EU Climate Law ⁴	Section in the Statement/ explanation
ESRS E5-5. Hazardous waste and radioactive waste, paragraph 39	X				Not material
ESRS 2- SBM3 - S1. Risk of incidents of forced labour, paragraph 14 (f)	X				Own workforce. No incidents.
ESRS 2- SBM3 - S1. Risk of incidents of child labour, paragraph 14 (g)	X				Own workforce. No incidents.
ESRS S1-1. Human rights policy commitments, paragraph 20	X				Own workforce. Policies related to own workforce (S1-1).
ESRS S1-1. Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			X		Own workforce. Policies related to own workforce (S1-1).
ESRS S1-1. Processes and measures for preventing trafficking in human beings, paragraph 22	X				Not applicable. Not material.
ESRS S1-1. Workplace accident prevention policy or management system, paragraph 23	X				Own workforce, section: Occupational health and safety (S1-14).
ESRS S1-3. Grievance/complaints handling mechanisms, paragraph 32 (c)	X				Own workforce, section: Processes for remediation of negative impacts and channels for own workers to raise concerns.
ESRS S1-14. Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	X		X		No cases. Own workforce, section: Occupational health and safety (S1-14).
ESRS S1-14. Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	X				Own workforce, section: Occupational health and safety (S1-14).
ESRS S1-16. Unadjusted gender pay gap, paragraph 97 (a)	X		X		Own workforce, section: Adequate wages, indicators (S1-10).
ESRS S1-16. Excessive CEO pay ratio, paragraph 97 (b)	X				Pay ratio calculated against the highest-paid employee. Own workforce, section: Adequate wages, indicators (S1-10).
ESRS S1-17. Incidents of discrimination, paragraph 103 (a)	X				No cases. Own workforce, section: Incidents, complaints, and serious impact on human rights (S1-15).
ESRS S1-17. non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a)	X		X		No cases. Own workforce, section: Incidents, complaints, and serious impact on human rights (S1-15).
ESRS 2- SBM3 - S2. Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	X				Not material. The report does not include data on workers in the value chain.
ESRS S2-1. Human rights policy commitments, paragraph 17	X				Not material. The report does not include data on workers in the value chain.
ESRS S2-1. Policies related to value chain workers, paragraph 18	X				Not material. The report does not include data on workers in the value chain.

¹ SFDR - Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

² Pillar 3 - Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR")

³ Benchmark Regulation - Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014

⁴ EU Climate Law - Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law")

Appendix No. 5. Datapoints derived from other EU legislation, as listed in ESRS 2 Appendix B (continued)

Disclosure Requirement and related datapoint	SFDR ¹	Pillar ²	Benchmark regulation ³	EU Climate Law ⁴	Section in the Statement/ explanation
ESRS S2-1. Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	X		X		Not material. The report does not include data on workers in the value chain.
ESRS S2-1. Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			X		Not material. The report does not include data on workers in the value chain.
ESRS S2-4. Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	X				Not material. The report does not include data on workers in the value chain.
ESRS S3-1. Human rights policy commitments, paragraph 16	X				Affected communities. Policy regarding affected communities (S3-1).
ESRS S3-1. Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17	X		X		No cases.
ESRS S3-4. Human rights issues and incidents, paragraph 36	X				No incidents. Affected communities.
ESRS S4-1. Policies related to customers and end-users, paragraph 16	X				Customers and end-users. Policy regarding customers and end-users (S4-1).
ESRS S4-1. Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	X		X		No cases. Customers and end-users.
ESRS S4-4. Human rights issues and incidents, paragraph 35	X				No cases. Customers and end-users.
ESRS G1-1. United Nations Convention against Corruption, paragraph 10 (b)	X				Business conduct.
ESRS G1-1. Protection of whistle-blowers, paragraph 10 (d)	X				Business conduct.
ESRS G1-4. Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	X		X		No cases or penalties. Business conduct, section: Prevention and detection of corruption and bribery (G1-3).
ESRS G1-4. Standards of anti-corruption and anti-bribery, paragraph 24 (b)	X				Compliance with the legislation of the Republic of Latvia. Business conduct, section: Prevention and detection of corruption and bribery (G1-3).

¹ SFDR - Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

² Pillar 3 - Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR")

³ Benchmark Regulation - Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014

⁴ EU Climate Law - Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law")

CONSOLIDATED ANNUAL REPORT

**PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION
TOGETHER WITH INDEPENDENT AUDITORS' REPORT**

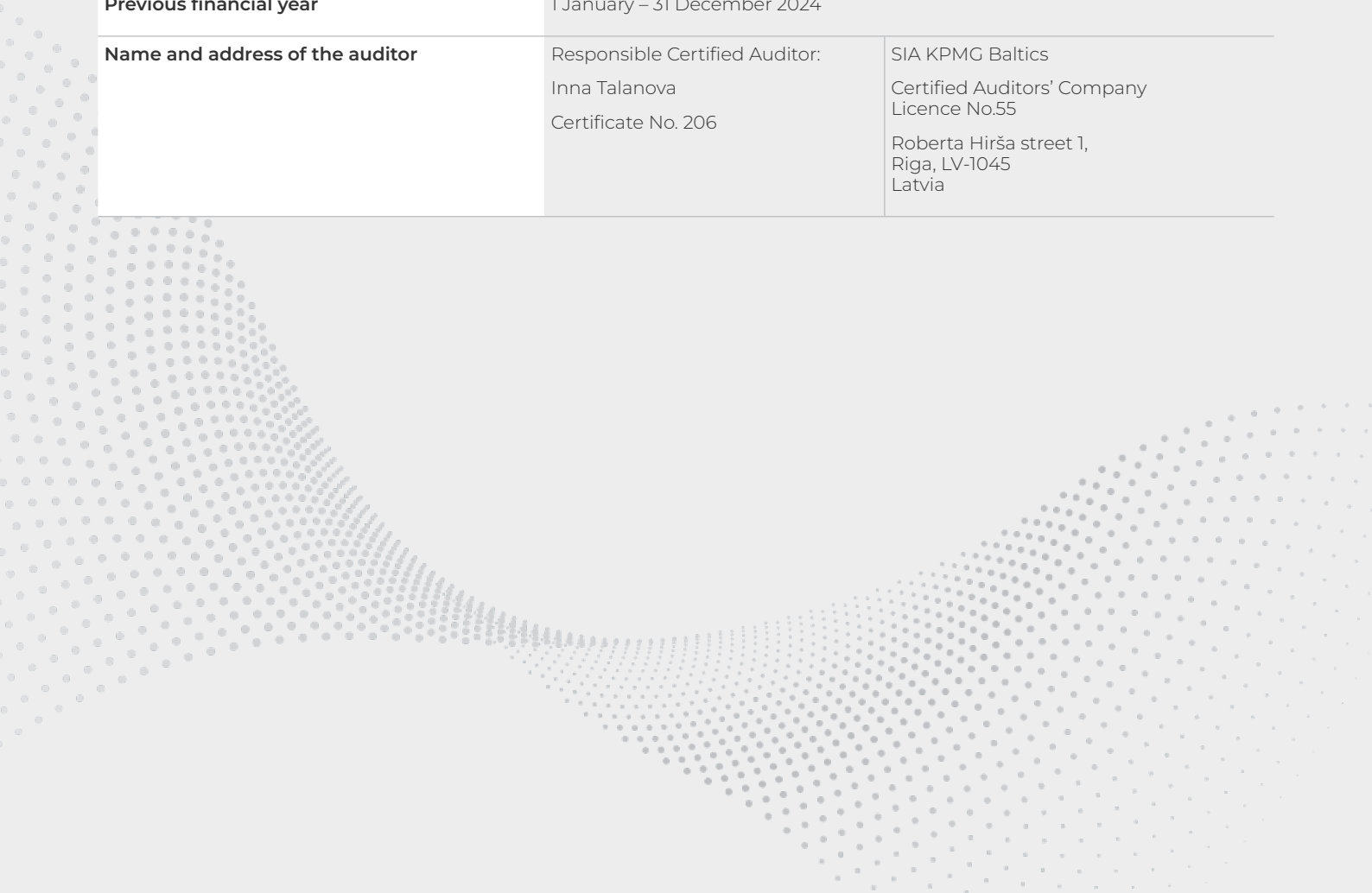
(TRANSLATION FROM LATVIAN)

** This version of annual report is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of annual report takes precedence over this translation.*



General Information

Name of the Parent company	AS CleanR Grupa	
Legal status of the Parent company	Joint stock company	
Number, place and date of registration of the Parent company	40103799972, Riga, 16 June, 2014	
NACE Code and type of operations of the Parent company	6421 Activities of holding companies 7010 Activities of head offices	
Legal address of the Parent company	Vietalvas street 5, Riga, LV-1009	
Board members of the Parent company	Juris Gulbis – Chairman of the Board Inta Liepa – Member of the Board Guntars Levics – Member of the Board Agita Baltbārde – Member of the Board	
Council members of the Parent company	Guntars Kokorevičs – Chairman of the Council Harijs Krongorns – Deputy chairman of the Council Māris Mančinskis – Member of the Council	
Person responsible for accounting in the Parent company	Anžela Vjaževiča – Chief accountant	
Financial year	1 January – 31 December 2025	
Previous financial year	1 January – 31 December 2024	
Name and address of the auditor	Responsible Certified Auditor: Inna Talanova Certificate No. 206	SIA KPMG Baltics Certified Auditors' Company Licence No.55 Roberta Hirša street 1, Riga, LV-1045 Latvia





General Information (continued)

Subsidiaries consolidated

Parent company	Subsidiary	Participating interest in the subsidiary	Type of operations of the subsidiary	Legal address of the subsidiary
AS CleanR Grupa	SIA Clean R	100%	Collection of non-hazardous waste	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA CleanR Verso	100%	Collection of non-hazardous waste	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA Vizii Urban	100%	Other cleaning services	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA Vizii Management	100%	Activities of holding companies, Activities of head offices	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA Brīvais kalns	100%	Activities of holding companies	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA CleanR Industry	100% (from 01.08.2024)	Manufacture of plastics in primary forms	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA CleanR Nī	100% (from 05.08.2024)	Renting and operating of own or leased real estate	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA Zaļā josta	70% (until 21.02.2024) 55% (from 21.02.2024)	Material recovery	Mūkusalas street 42A, Riga, LV - 1004, Latvia
AS CleanR Grupa	SIA WasteTech	18.28% (until 14.08.2025) 66.25% (from 14.08.2025)	Activities of holding companies	Vietalvas street 5, Riga, LV - 1009, Latvia
SIA WasteTech	SIA Ropažu Enerģija	100% (from 26.11.2025)	Steam and conditioning supply	Vietalvas street 5, Riga, LV - 1009, Latvia
SIA Clean R	SIA Reģionālie vides pakalpojumi	100%	Collection of non-hazardous waste	Vietalvas street 5, Riga, LV - 1009, Latvia
SIA Clean R	SIA CREB Rīga	100%	Activities of holding companies	Vietalvas street 5, Riga, LV - 1009, Latvia
SIA Clean R	SIA Lautus	100% (acquired on 31.10.2024)	Waste collection; Non-hazardous waste collection; Hazardous waste collection	Gurnicas, Ķekava Parish, LV-2123, Latvia
SIA Clean R	SIA Eko Terra	73%	Collection of non-hazardous waste; Material recovery; Other resource recovery from waste	Vietalvas street 5, Riga, LV - 1009, Latvia
SIA Clean R	SIA Vides resursu centrs	53%	Material recovery; Energy recovery	Vietalvas street 5, Riga, LV - 1009, Latvia
SIA Clean R	Pilnsabiedrība Vides pakalpojumi Liepājai	51%	Collection of non-hazardous waste	Vietalvas street 5, Riga, LV - 1009, Latvia
SIA Clean R	SIA WasteTech	47.97% (from 31.03.2025 until 14.08.2025)	Activities of holding companies	Vietalvas street 5, Riga, LV - 1009, Latvia
SIA Vizii Urban	SIA KOM-AUTO	100%	Other cleaning services	Celtnieku street 3, Cēsis, LV - 4101, Latvia
SIA Vizii Urban	SIA Tranzits L	49.01% (until 02.07.2025) 51.02% (from 02.07.2025)	Other cleaning services	Tērauda street 3, Liepāja, LV - 3401, Latvia
SIA CREB Rīga	AS TĪRĪGA	90%	Collection of non-hazardous waste	Vietalvas street 5A, Riga, LV - 1009, Latvia

All subsidiaries of the Group are involved in the consolidation.

General Information (continued)

Subsidiaries consolidated (continued)

Parent company	Subsidiary	Participating interest in the subsidiary	Type of operations of the subsidiary	Legal address of the subsidiary
SIA Vizii Management	SIA Vizii	100%	General cleaning services; Other operations related to cleaning and maintenance of buildings and production plants	Vietalvas street 5, Riga, LV - 1009, Latvia
SIA Vizii Management	SIA CDzP	51.08%	Real estate brokerage; Real estate management for fee or on agreement basis	Tirgoņu street 1, Cēsis, LV - 4101, Latvia
SIA Vizii Management	SIA NIA Nami	100% (sold 08.03.2024)	Lease and management of own or leased real estate; Real estate management for fee or on agreement basis	Brīvības street 155a, Riga, LV-1012, Latvia
SIA Vizii Management	SIA Jauntukums	100% (sold 08.03.2024)	Real estate management for fee or on agreement basis	Brīvības street 155a, Riga, LV-1012, Latvia
SIA Vizii Management	SIA Nebruk Jelgava	100% (sold 08.03.2024)	Real estate management for fee or on agreement basis	Krišjāņa Barona street 40a, Jelgava, LV-3001, Latvia
SIA CDzP	SIA Vidzemes ESKO 1	100%	Engineering and related technical consulting services	Tirgoņu street 1, Cēsis, LV - 4101, Latvia
SIA Zaļā josta	SIA Nulles depozīts	100% (liquidated 20.08.2024)	Recycling of sorted materials	Dēļu street 5, Riga, LV - 1004, Latvia
SIA Zaļā josta	SIA Eko Energy	100% (liquidated 11.09.2024)	Recycling of sorted materials	Radžu street 18, Riga, LV - 1057, Latvia
SIA Zaļā josta	SIA Green Plastics	50.98% (sold 10.12.2024)	Production of initial forms of plastic	Šķembu street 8, Riga, LV - 1057, Latvia
SIA Lautus	SIA Lautus SPV	100% (from 07.07.2025) reorganized 27.10.2025, adding SIA Lautus)	Activities of holding companies	Vietalvas street 5, Riga, LV - 1009, Latvia

All subsidiaries of the Group are involved in the consolidation.

Management Report

The principal activity of AS CleanR Grupa (hereinafter also referred to as the Parent Company) is the management of long-term financial investments. The companies in which AS CleanR Grupa has invested carry out the following business activities: investment management, waste management, sorting of recyclable materials separated from waste and the sale of sorted materials, urban maintenance, cleaning of premises and outdoor areas, residential property management, as well as the provision of various cooperation-based services to residents of multi-apartment buildings and other forms of cooperation aimed at managing and operating residential property management companies. The Group comprises 23 companies, of which the largest contributors to net turnover are SIA Clean R, SIA Zaļā Josta, SIA Vizii Urban and SIA CleanR Verso.

Information about the share capital of the Parent company of the Group

As at 31 December 2025, the registered and fully paid share capital of the Parent Company amounted to EUR 13 870 425, consisting of 13 870 425 shares, of which 13 300 000 are Category A shares and 570 425 are employee shares. The nominal value of each share is EUR 1.

Financial indicators of the Group

The Group's net revenue during the reporting period increased by EUR 23.4 million, or 19%, reaching EUR 144.5 million (2024: EUR 121.1 million). The largest share of revenue was

generated from waste management services, which increased by EUR 6.2 million in 2025 to EUR 63.8 million (2024: EUR 57.5 million).

This increase was partly driven by the rise in the state-regulated waste disposal tariff and the subsequent tariff indexation applied to the customers of the Group's companies. In 2025, the Group's subsidiaries continued to actively participate in public procurement tenders announced by municipalities and other contracting authorities for the provision of municipal waste management and urban maintenance services.

The Group's revenue growth, mergers and acquisitions activities, and initiatives to improve efficiency contributed to EUR 6.6 million increase in gross profit, bringing it to EUR 30.8 million. At the same time, the gross profit margin increased to 21.3% (2024: 20.0%).

The Group's EBITDA increased by 26%, in-line with the changes in gross profit, reaching EUR 32.2 million (2024: EUR 25.5 million).

The impact of rising costs, particularly increases in labour and waste disposal costs, was mitigated in 2025 through customer tariff indexation, as well as targeted investments aimed at improving production process efficiency. The Group continued to invest in sustainable solutions and modern technologies, including automated sorting equipment, underground container infrastructure, and CNG-powered or EURO VI emission standard compliant vehicles.

Comparison of financial indicators of the Group

	Unit	2025	2024	Delta
Net sales, including:	EUR '000	144 524	121 101	23 423
Income from waste processing	EUR '000	63 753	57 516	6 237
Income from cleaning services	EUR '000	33 854	26 210	7 644
Income from waste recovery	EUR '000	21 519	17 088	4 431
Income from waste recycling	EUR '000	13 917	10 290	3 627
Other income	EUR '000	11 481	9 997	1 484
Gross operating profit	EUR '000	30 788	24 223	6 565
Gross profitability	%	21.3%	20.0%	1.3 pp
Return on assets (ROA)	%	12.7%	11.5%	1.2 pp
Equity at the end of the reporting year	EUR '000	70 572	53 674	16 898
Current assets to short-term liabilities		2.5x	1.2x	+1.3x
Average number of employees during the year	number	2 056	1 924	+132
EBITDA*	EUR '000	32 208	25 502	6 706
Depreciation	EUR '000	10 136	8 519	1 617

*The EBITDA calculation, in accordance with the formula set out in the base prospectus of the bond issue, includes the Group's net profit before corporate income tax, interest payments and other debt-related expenses, depreciation and amortisation, and before exceptional items, non-cash items and the impact of foreign exchange fluctuations, and additionally includes dividends received from associated undertakings.

Financial indicators

	31.12.2025	31.12.2024	Delta
Gross profit margin, %	21.3%	20.0%	1.3 pp
EBITDA ratio, %	23.0%	21.1%	1.9 pp
Financial independence ratio	53.7%	51.3%	2.4 pp
Interest coverage ratio	15	13	3
Leverage ratio	(0.05)	0.06	(0.11)

Management Report (continued)

Performance of the Group

In the reporting year, the Group focused on targeted development and growth, both by improving its financial results and expanding its operations across regions. The Group strengthened its position in the environmental management and urban maintenance sector, invested in infrastructure and equipment modernization, and implemented environmental education initiatives. During the reporting year, the Group's parent company, AS CleanR Grupa, received the Nasdaq Baltic Awards 2025 recognition for best investor relations, as well as several awards acknowledging workplace environment development.

In January 2025, with the aim of reorganizing the Group's waste processing company SIA Vides resursu centrs, SIA WasteTech was established. Following the establishment of SIA WasteTech, the reorganization process of SIA Vides resursu centrs was carried out. In turn, SIA WasteTech established a subsidiary SIA Ropažu enerģija, which will focus on developing the waste recovery business line in Latvia and attracting strategic investors to the project.

In the reporting year, to diversify its services and expand its environmental management offerings in the regions, SIA Clean R, a company within the Group, acquired a 41.25% stake in SIA Ķīlupe. The transaction was carried out in two stages – first, in February 2025, SIA Clean R acquired 10% of the shares in SIA Ķīlupe, and in May, it increased its stake by an additional 31.25% of the shares. At the end of the reporting year, SIA Clean R submitted a merger notification to the Competition Council regarding the transaction, under which SIA Clean R plans to acquire 100% of the shares in SIA Ķīlupe. In January 2026, the Competition Council issued a positive decision, authorizing SIA Clean R to acquire the remaining 58.75% of the shares. This transaction is part of the long-term strategy to diversify the range of services and ensure sustainable development.

In July 2025, the acquisition of regional environmental services company SIA Tranzīts L was concluded, following the Competition Council's decision allowing SIA Vizii Urban, a Group company, to acquire the controlling stake (51%) in SIA Tranzīts L.

At the end of the reporting year, the Group's parent company, AS CleanR Grupa, refinanced bonds in the amount of EUR 15 million. During the public bond offering, investor demand exceeded the issuance volume by 2.5 times. Demand from institutional and private investors reached EUR 37.8 million, significantly surpassing the targeted offering size of EUR 15 million. This bond issue marks an important milestone in the Group's development strategy and represents the first step in the EUR 50 million bond programme intended to support the Group's future growth. As of 4 February 2026, the EUR 15 million bond issue by AS CleanR Grupa has been listed on the Nasdaq Baltic regulated exchange.

Maintaining their belonging to the Group and pursuing shared development goals, each company within the Group continued to provide customers with a wide range of services, comprising not each company's specialized offerings, but also the Group's common service offerings. The separation of specialized functions into separate companies has demonstrated that with a streamlined

administrative structure and clearly defined business focus, growth becomes dynamic and efficient.

In the reporting year, the strategy of the Group's parent company, AS CleanR Grupa, was revised and supplemented with a development vision through 2028, setting clear development goals and priorities for the 2026 to 2028 period. The strategy defines the Group's main strategic priorities and outlines the key developmental directions that will support the achievement of these objectives. Its core element is enhancing efficiency across all areas of the Group's operations.

In May and November 2025, the Group's parent company increased its share capital, allocating the newly issued shares to participants of the parent company's employee stock option plan, thereby expanding the shareholder structure to include the Group's senior executives, who were enrolled in the employee stock option scheme established in 2024.

The Group's largest companies have implemented and maintain an integrated management system for quality, environmental management, energy efficiency, and occupational health and safety in accordance with international standards: ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems, ISO 45001:2018 Occupational Health and Safety Management Systems. In certain Group companies where applicable, ISO 50001:2018 Energy Management Systems has been implemented and is maintained. The integrated management system implemented across the Group's companies paves the road towards climate-neutral, sustainable operations and development. It ensures continuous improvement in the quality of services provided, environmental and energy efficiency, as well as safe working conditions for employees.

During the reporting year, the Group continued to invest in employee well-being, reviewing and improving the range of benefits available to employees. Various events aimed at strengthening sense of belonging and loyalty were organized for employees and their families. At the same time, the Group enhanced employee involvement in the organization's development by establishing an employee council, which promotes dialogue between staff and management. The project for establishing the above-mentioned employee representative body received recognition from the Latvian Association for People Management during the reporting year. In addition, investments in improving the working environment continued, including upgrading workspaces and infrastructure, enhancing workplace safety with modern fire-safety solutions, and investing in modern equipment and technologies that increase productivity and facilitate daily work processes.

To raise public awareness about sustainable lifestyle and proper waste sorting practices, this spring the Group's subsidiary SIA Clean R, in collaboration with SIA Zaļā josta, launched a digital environmental education platform, www.videspratiba.lv. The website brings together practical information on waste sorting, circular economy, and environmental issues, offering a unified and reliable source for anyone seeking to make environmentally friendly decisions.

During the reporting year, the Group receives several awards recognising its corporate social responsibility, including the "Family-Friendly Workplace" designation, Silver status in the

Management Report (continued)

“Strength in Diversity” assessment, and, for the first time an international recognition – the highest Excellence level in sustainability reporting at the “ESG Transparency Awards”.

During the reporting year, CleanR Grupa was also included in the list of Latvia's most valuable companies – #TOPI01, compiled by Nasdaq Riga and Prudentia, becoming the only privately owned Latvian company among the top 10 companies recognised for corporate governance, alongside others representing state and municipal capital companies.

Detailed information on Group's sustainability achievements is included in the Group's sustainability reports, which are available on the website <https://cleanrgrupa.lv/ilgtspeja/>.

Risk exposure of the Group

Financial risks

The Group's operations are subject to various financial risks, including credit risk and liquidity risk. The Group continuously works to mitigate the potential negative impact of these financial risks. The Group's most significant financial instruments include issued bonds, bank loans, lease liabilities, trade receivables, and cash held to ensure liquidity.

To finance long-term investments, the Group secures appropriate long-term funding from credit institutions registered in Latvia, in the form of loans and leases. In the fourth quarter of the reporting year, the Group's parent company refinanced issued bonds in the amount of EUR 15 million. The purpose of the issued bonds is to support the financing of the Group's business and development projects.

For liquidity risk management, the Group's management closely monitors the payment terms of receivables and payables and regularly oversees payment discipline. Trade receivables are recorded at their recoverable value, and the Group implements a strict receivables monitoring policy to prevent the formation of long-term overdue balances. The Group cooperates only with customers whose credit-worthiness has been assessed and deemed acceptable.

In managing cash resources, the Group works with credit institutions that maintain a strong financial position and a high reputation in the financial market, thereby reducing counterparty credit risk.

At the end of the reporting year, the Group's exposure to credit and liquidity risks was assessed as limited, given the amount of long-term financing secured and the available cash resources ensuring liquidity.

Interest rate risk: The Group is exposed to the risk of changes in market interest rates in relation to its long-term and short-term liabilities, as well as lease liabilities that are subject to a variable interest rate. The Group manages interest rate risk by regularly assessing the borrowing interest rates available in the market.

Fire safety risks

Fire risk is one of the most significant operational and safety risks in the waste management sector, particularly in processes related to waste sorting, storage, and processing. The Group recognizes that a fire can cause substantial material losses, disrupt business continuity, and potentially

affect the environment and public safety; therefore, the Group develops compensatory mechanisms and maintains insurance coverage for these risks.

To reduce the likelihood of fire incidents and limit their potential consequences, the Group has implemented a range of preventive and risk-mitigation measures. These include enhancing fire-safety systems, such as installing automatic fire-alarm systems and local extinguishing equipment in strategically important areas, conducting regular inspections of fire-safety systems in accordance with regulatory requirements, and maintaining documented control procedures. The Group also ensures regular employee training and practical exercises in fire safety, including evacuation drills. In 2025, a comprehensive audit of electrical installations and equipment was carried out at the Group's major facilities.

Additionally, strengthened waste-storage controls are implemented to reduce the risk of self-heating and spontaneous combustion, with particular attention given to the handling of easily flammable materials. Fire-safety policies and procedures are regularly reviewed, taking into account incident analysis, industry best practices, and risk-management recommendations.

The Group maintains insurance coverage against fire-related losses, including damage to assets. At the same time, it should be noted that the waste management sector is considered a high-risk segment by insurers, which may affect both the availability of suitable insurance coverage and the level of insurance premiums. Under these conditions, the Group places particular emphasis on strengthening preventive fire-safety measures and internal control mechanisms to reduce risk exposure and ensure the long-term availability of insurance coverage.

The Group continues active cooperation with state and municipal fire-safety authorities and complies with regulatory requirements governing fire safety in the waste management sector. In cooperation with the State Fire and Rescue Service, site inspections were conducted to familiarize fire brigades with the current situation and equipment, and recommendations for improving site layout and infrastructure were received and implemented. In 2025, a civil-protection plan was developed for the Vietalvas street 5 territory.

Research and development activities

The Group's strategy is based on targeted development, shaping the Group as an efficient, competitive, and sustainable business entity. Implementing the strategy, significant emphasis is placed on investments in modern technologies and solutions that reduce production costs, enhance operational efficiency, and ensure sustainable resource use. At the same time, the Group continues to improve customer service quality by improving service accessibility and enhancing customer experience. The implementation of strategic priorities also relies heavily on the optimization of internal processes, introduction of digitalization solutions, and improvement of operational efficiency across all areas of the Group's activities.

Management Report (continued)

Outlook and Future Development of the Group

In 2026, the management of the Group's parent company will continue to refine and strengthen the Group's corporate governance model, adhering to internationally recognized best practices and ensuring a high level of openness and transparency in its relations with the Group's stakeholders. At the same time, in line with the defined strategy, work will continue on improving the Group's organizational structure and increasing process efficiency.

The Group will continue making targeted investments aimed at development of the business model and process optimization, promoting organic growth of the Group's companies. This development will be further supported by both completed and potential mergers and acquisitions, which will strengthen the Group's position in the industry and foster operational synergies.

Bringing together several leading companies in the environmental services sector, the Group's parent company recognizes its economic, social, and environmental impact. Therefore, in 2026, the Group will continue its strategic sustainability management, ensuring a balance between business development goals, European Union regulation requirements, and industry best practices.

A significant part of the Group's subsidiary's turnover is generated from the provision of waste management services in the territory of Riga. In the next reporting period, a procurement procedure for the provision of these services is expected.

Despite regulatory changes, the Group will continue its non-financial disclosure practice initiated in 2022 by preparing and publishing an integrated Group annual report that combines financial and sustainability information.

Events after the end of the reporting period

As of 4 February 2026, the EUR 15 million bond issue of AS CleanR Grupa has been listed on the Nasdaq Baltic regulated exchange.

In February 2026, with the aim of developing the Group's involvement in projects promoting circularity, the Group's parent company acquired a minority stake (19.8% of the registered, subscribed, and paid-in share capital) in SIA Wingo Deposit.

In January 2026, the Competition Council granted approval for the Group's company SIA Clean R to carry out a merger transaction with SIA Ķilupe, thereby increasing its ownership in the company to 100%. On 5 March 2026 the changes were registered in the Register of Enterprises.

No other events have occurred between the end of the reporting year and the date of signing these financial statements that would require any adjustments to these financial statements or to the notes thereto.

Statement of Management Responsibilities

The Board of the Parent company of the Group (hereinafter – the Management) is responsible for the preparation of the enclosed Consolidated financial statements.

The financial statements on pages 11 to 56 are prepared based on accounting records and supporting documents, and provide true and fair view on the Group's financial position as at 31 December 2025 and its financial performance and cash flows for the year then ended.

The financial statements have been prepared according to the IFRS Accounting Standards as adopted by the European Union (EU), on a going concern basis.

This is the third year when IFRS Accounting Standards have been applied to the preparation of the financial statements. Estimates and judgements made during preparation of these financial statements by the Management have been prudent and reasonable.

The Management is also responsible for maintaining appropriate accounting records that would provide a true and fair presentation of the financial position of the Group at a particular date and financial performance and cash flows and enable the Management to prepare the financial statements according to the IFRS Accounting Standards as adopted by the EU.

Consolidated Statement of Comprehensive Income

	Note	2025 EUR	2024 EUR
Revenue	1	144 523 788	121 101 456
Cost of sales	2	(113 735 365)	(96 878 386)
Gross profit		30 788 423	24 223 070
Selling expenses	3	(2 279 815)	(2 489 628)
Administrative expenses	4	(8 590 772)	(6 576 868)
Other operating income	5	1 522 092	2 736 756
Other operating expense	6	(880 275)	(1 309 531)
Profit from investments in associates	14 (b)	1 310 350	213 067
Loss from revaluation of investments		-	(42 900)
EBIT*		21 870 003	16 753 966
Interest income and similar income		322 092	528 130
Interest expenses and similar expenses	8	(2 164 309)	(2 006 096)
Profit before corporate income tax		20 027 786	15 276 000
Corporate income tax	9	(1 239 204)	(1 805 269)
Profit and comprehensive income for the reporting year		18 788 582	13 470 731
Of which:			
Share of profit attributable to non-controlling interests		2 132 856	1 484 572
Share of profit attributable to the shareholders of the Parent company		16 655 726	11 986 159

* See section a) of the Significant accounting policies of the Group for an explanation on the addition of a non-IFRS indicator.

Consolidated Statement of Financial Position

ASSETS	Note	31.12.2025 EUR	31.12.2024 EUR
NON-CURRENT ASSETS			
Goodwill	10	10 007 025	8 010 727
Intangible assets	11	3 056 189	3 687 191
Property, plant and equipment	12	26 642 164	28 604 643
Right of use assets	13	16 992 608	10 523 218
Advance payments for property, plant and equipment	12	247 019	564 223
Investments in associates	14	6 776 087	6 423 369
Other non-current assets	15	523 051	825 640
TOTAL NON-CURRENT ASSETS		64 244 143	58 639 011
CURRENT ASSETS			
Inventory	16	1 940 382	1 846 482
Trade receivables and contract assets	17	20 967 078	20 227 861
Other current assets	18	8 864 668	1 572 356
Cash and cash equivalents	19	35 290 881	22 254 601
TOTAL CURRENT ASSETS		67 063 009	45 901 300
TOTAL ASSETS		131 307 152	104 540 311
EQUITY AND LIABILITIES			
	Note	31.12.2025 EUR	31.12.2024 (reclassified) EUR
EQUITY			
Share capital	20	13 870 425	13 580 000
Reserves	20	129 575	10 926
Retained earnings		50 522 631	35 275 979
Equity attributable to the shareholders of the Parent company		64 522 631	48 866 905
Non-controlling interest	21	6 049 271	4 807 843
TOTAL EQUITY		70 571 902	53 674 748
LIABILITIES			
NON-CURRENT LIABILITIES			
Issued debt securities	22	13 943 112	-
Loans from credit institutions and other borrowings	23	14 801 743	7 240 720
Deferred tax liabilities	9	2 739 297	1 933 340
Deferred income	24	1 265 490	1 359 515
Provisions		1 241 050	947 349
Other non-current liabilities	25	42 187	520 000
TOTAL NON-CURRENT LIABILITIES		34 032 879	12 000 924
CURRENT LIABILITIES			
Issued debt securities	22	102 026	13 874 316
Loans from credit institutions and other borrowings	23	4 835 350	2 763 918
Trade payables		6 518 886	6 833 722
Taxes and state mandatory social insurance payments	26	2 436 808	2 282 893
Deferred income	24	414 527	839 508
Unpaid dividends		206 000	1 945 000
Other current liabilities	25	12 188 774	10 325 282
TOTAL CURRENT LIABILITIES		26 702 371	38 864 639
TOTAL LIABILITIES		60 735 250	50 865 563
TOTAL EQUITY AND LIABILITIES		131 307 152	104 540 311

Notes on pages 119 to 151 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

	Note	2025 EUR	2024 (reclassified) EUR
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before corporate income tax		20 027 786	15 276 000
Adjustments for			
decrease in value of property, plant and equipment and right of use assets		9 089 288	7 319 067
decrease in value of intangible assets		1 047 150	1 490 243
profit on disposal of property, plant and equipment		(129 428)	(37 941)
profit from investments in associates		(1 310 350)	(507 055)
interest and similar income		(322 092)	(528 130)
interest and similar expense		2 164 309	1 884 588
provisions (except for provisions for accounts receivable)		293 701	947 349
Profit before adjustments of working capital and non-current liabilities		30 860 364	25 844 121
Increase in receivables		(946 884)	(1 022 667)
(Increase)/ decrease in inventory		(92 101)	188 956
(Decrease) in payables		(415 067)	(975 499)
Gross cash flow from operating activities		29 406 312	24 034 911
Corporate income tax payments		(572 934)	(1 095 730)
Net cash flow from operating activities		28 833 378	22 939 181
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash		(1 993 653)	(6 421 817)
Acquisition of property, plant and equipment and intangibles		(2 254 972)	(6 656 143)
Proceeds from sales of property, plant and equipment and intangibles		797 045	874 525
Repayment of loans issued		30 000	-
Deposits in deposits		(7 000 000)	-
Dividends received		896 227	818 272
Interest received		782 014	518 536
Net cash flow from investing activities		(8 743 339)	(10 866 627)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(14 324 229)	(104 941)
Borrowings received		18 463 461	-
Grants and donations received		215 827	341 593
Payments for leased assets		(5 943 133)	(3 120 612)
Interest paid		(1 874 238)	(1 842 570)
Dividends paid		(3 591 447)	(18 494 994)
Increase of share capital		-	12 954 000
Net cash flow from financing activities		(7 053 759)	(10 267 524)
Net cash flow of the reporting year		13 036 280	1 805 030
Cash and cash equivalents at the beginning of the reporting year		22 254 601	20 449 571
Cash and cash equivalents at the end of reporting year	19	35 290 881	22 254 601

Consolidated Statement of Changes in Equity

	Share capital EUR	Share options reserve EUR	Retained earnings EUR	Equity attributable to the shareholders of the Parent company EUR	Non-controlling interest EUR	Total equity EUR
As at 31 December 2023	346 000	-	41 058 416	41 404 416	5 100 595	46 505 011
Comprehensive income						
Profit for the year	-	-	11 986 159	11 986 159	1 484 572	13 470 731
Transactions with the shareholders of the Group						
Increase of share capital	13 234 000	-	(280 000)	12 954 000	-	12 954 000
Share options reserve	-	10 926	(10 926)	-	-	-
Dividends	-	-	(17 832 765)	(17 832 765)	(2 607 229)	(20 439 994)
Acquisition of subsidiary	-	-	355 095	355 095	829 905	1 185 000
As at 31 December 2024	13 580 000	10 926	35 275 979	48 866 905	4 807 843	53 674 748
Comprehensive income						
Profit for the year	-	-	16 655 726	16 655 726	2 132 856	18 788 582
Transactions with the shareholders of the Group						
Increase of share capital	290 425	(290 425)	-	-	-	-
Share options reserve	-	409 074	(409 074)	-	-	-
Dividends	-	-	(1 000 000)	(1 000 000)	(852 447)	(1 852 447)
Exclusion of subsidiary	-	-	-	-	(38 981)	(38 981)
As at 31 December 2025	13 870 425	129 575	50 522 631	64 522 631	6 049 271	70 571 902

Notes to the Consolidated Financial Statements

General information on the Group

AS CleanR Grupa and its subsidiaries (hereinafter – the Group) provide a wide range of services: investment activities, waste management, sorting of recyclable materials separated from waste and the sale of sorted materials, indoor and outdoor cleaning services, residential property management, provision of energy efficiency services to residents of multi-apartment buildings, and other forms of cooperation aimed at managing and servicing residential property management companies. The Group consists of 23 companies, with the largest net turnover generated by SIA Clean R, SIA Zaļā Josta, SIA Vizii Urban, and SIA CleanR Verso. Information about the Group is provided in a separate section of this Annual report on pages 108 to 110.

On 16 January, AS CleanR Grupa together with an unrelated party established its subsidiary SIA WasteTech. The Company paid EUR 66 250 cash for acquiring 66.25% of shares. SIA WasteTech is established to promote waste regeneration station business. With this aim in view, on 31 March 2025 the reorganisation of SIA WasteTech was registered, investing into it assets and liabilities of SIA Vides resursu centrs related to creation and development of a waste regeneration station. During this reorganisation, AS CleanR Grupa paid compensation of EUR 197 874 to a third party for its shares in SIA Vides resursu centrs. As a result of the reorganisation, SIA Clean R became the largest shareholder of SIA WasteTech holding 47.97% of shares, while the investment held by AS CleanR Grupa reduced to 18.28%. On 14 August 2025, AS CleanR Grupa purchased 47.97% shares of SIA WasteTech from its subsidiary SIA Clean R for a cash consideration of EUR 417 352. As a result, the total share of the holding in WasteTech SIA increased to 66.25% ensuring direct control over this company.

On 2 July 2025, the Group company SIA Vizii Urban increased its shareholding in SIA Tranzīts L from 49.01% to 51.02%.

During the reporting year, the Group's subsidiary SIA Clean R established SIA Lautus SPV with a share capital of EUR 3 000, to which it sold its shares in SIA Lautus. SIA Lautus was merged into SIA Lautus SPV as part of the reorganization.

In the reporting year, in order to diversify services and expand the environmental management offer in the regions, SIA Clean R, a Group company, acquired 41.25% of the shares of SIA Ķilupe. The transaction was implemented in two stages – first, SIA CleanR acquired 10% of the shares of SIA Ķilupe in February 2025, and, in May, increased its participation in the share capital by another 31.25%.

The financial statements were approved by the Board of the Parent company on 29 April 2026. The financial statements are subject to approval by the Shareholders' Meeting, which is appointed by the Board of the Parent company after receipt of the Independent Auditors' Report.

Summary of significant accounting policies

This section sets out the significant accounting policies and valuation methods that have been applied in the preparation of these financial statements. These policies are applied consistently in the presentation of all comparative information unless stated otherwise.

a) General accounting and valuation principles

These Group's consolidated financial statements are prepared in accordance with IFRS Accounting standards (IFRS) as adopted by the European Union (EU) and interpretations issued by the IFRS Interpretations Committee (IFRIC) as endorsed by the EU. Due to the European Union endorsement process, this note also includes standards and interpretations that have not yet been endorsed for use in the European Union, as these standards and interpretations may have an impact on the financial statements of future periods when they are endorsed.

The financial statements are prepared on the historical cost basis. The statement of cash flows is prepared using the indirect method. The income statement is classified by function of expense.

The non-IFRS indicator EBIT is presented on the income statement. This is customary in the industry and enables investors with a better comparability with other companies operating in the same industry. For the purpose of these financial statements, EBIT is calculated as profit before finance income, finance expenses and corporate income tax. EBIT may be calculated differently in the financial statements of other companies.

The financial statements cover the period from 1 January to 31 December 2025.

In the reporting year, classification adjustments have been made to the comparative amounts for the previous reporting year so that information would be comparable with the data for 2025. The opening balance of the reporting year before adjustments coincides with the closing balance of the previous year.

While preparing these financial statements, the Group has not early adopted standards and interpretations that become effective for the annual periods starting on or after 1 January 2026 or are not yet endorsed by the EU. The most significant of those are:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (effective from 1 January 2026, adopted by the EU);
- Amendments Related to the Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (effective from 1 January 2026, adopted by the EU);
- Annual Improvements to IFRS Accounting Standards Volume 11 (issued on 18 July 2024) (effective from 1 January 2026, adopted by the EU);

Notes to the Consolidated Financial Statements (continued)

Summary of Group's significant accounting policies (continued)

- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024) (effective from 1 January 2027, adopted by the EU);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024) (effective from 1 January 2027, not yet adopted by the EU).

The Management of the Group evaluates the impact from adoption of these standards and interpretations on these financial statements. In addition to the above, the Company's Management has assessed the impact of other standards and interpretations that will be effective from 1 January 2026 and does not expect them to have a material impact on the financial statements.

b) Consolidation principles

Business combinations

Business combinations are accounted for using the acquisition method, except those acquired from parties under common control. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree and previously interest held in acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. The cost method is used to account for the acquisition of subsidiaries, other than those acquired from parties under common control.

Subsidiaries

The consolidated financial statements include subsidiaries that are controlled by the Parent company of the Group.

Control is achieved when the Parent company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Parent company of the Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Parent company of the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Consolidation of a subsidiary begins when the Parent company of the Group obtains control over the subsidiary and ceases when the Parent company of the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Parent company of the Group gains control until the date when the Parent company of the Group ceases to control the subsidiary. If the purchase date upon which the control is passed to the buyer of shares

as per agreement significantly differs from the date disclosed by the Company register, the date of transfer of control specified in the agreement is considered the date of purchase of the share or the date of investment.

Periods for the preparation of financial statements of the Parent company of the Group and subsidiaries are equal (except for SIA CleanR Industry and SIA CleanR NĪ, whose separate financial statements as at 31 December 2025 cover a period longer than 12 months; however, for consolidation purposes, the financial data of these companies is included based on a 12-month reporting period ending 31 December 2025). Consolidated financial statements are prepared using uniform accounting policies. Where necessary, the accounting policies and valuation principles applied by the subsidiaries of the Group are changed to ensure consistency with the Group's accounting policies and valuation principles.

Financial statements of the Parent company of the Group and subsidiaries thereof have been consolidated in the Group's financial statements by consolidating the respective assets, liabilities, revenue and expense items.

Non-controlling interest in the performance of the subsidiaries and equity, is presented separately within the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position.

Elimination of intra-group transactions

The consolidated financial statements comprise the financial statements of the Parent company and its subsidiaries for the year ended 31 December 2025. All intragroup transactions, intragroup balances and unrealised gains on intragroup transactions are eliminated during consolidation.

Goodwill

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in income statement as incurred. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Notes to the Consolidated Financial Statements (continued)

Summary of Group's significant accounting policies (continued)

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Impairment test is performed annually or more frequently if events or changes in circumstances indicate that it might be impaired. Loss from goodwill impairment is recognized in consolidated statement of comprehensive income.

Any negative amount of goodwill is recognized in income statement, after the management reassesses whether it has identified all the assets acquired and all liabilities and contingent liabilities assumed and reviews appropriateness of their measurement.

Goodwill is not amortized; instead, it is tested for impairment at the end of each financial period. Following initial recognition, goodwill is measured at purchase cost less any accumulated impairment losses. An impairment loss in respect of goodwill is not reversed.

c) Investments in associated companies

Investments in associated companies are presented using the equity method. In accordance with this method, the value of investment in the associated company is disclosed as a sum of goodwill at the acquisition date and proportion of shareholding in associates' equity at the balance sheet date.

At the end of the reporting period, the balance sheet value of the associate is increased or decreased proportionately to the share of the Group in the associate's profit or loss for the year (after the acquisition date) or any other changes in equity and/or permanent decrease in goodwill value to its refundable amount. Where necessary, the accounting policies and valuation principles applied by the associated companies of the Group are changed to ensure consistency with the Group's accounting policies and valuation principles. Profit distribution is recognised in the period subsequent to the reporting period subject to the shareholders decision on profit distribution.

d) Foreign currency translation

Functional and presentation currency

The financial statements are prepared, and all items are presented in euro (EUR), which is the functional and presentation currency of the Group and the Parent company. All items in the Group's financial statements are presented in EUR, unless stated otherwise.

Transactions and balances in foreign currencies

The Group maintains its accounts in euros. During the reporting period transactions in foreign currencies are recorded using euro foreign exchange reference rates that are published based on a regular daily reconciliation procedure between central banks of the European System of Central Banks and other central banks. At the end of the reporting year foreign currency cash balance, loans issued and borrowings taken denominated in foreign currencies, as well as other debtors' or creditors' debts payable in foreign currencies are translated from the foreign currency to euro

in accordance with the foreign exchange rates in force on the last date of the reporting year. The resulting profit or loss is charged to the income statement.

e) Intangible assets

Intangible assets are mainly comprised of costs of software and licences, as well as patents and trademarks. Where computer software is an integral part of the related hardware that cannot operate without that specific software, it is treated as property, plant and equipment.

Intangible assets are initially recognised at cost. Intangible assets have a finite useful life. After initial recognition, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and, where the carrying amount of the intangible investment is greater than its estimated recoverable amount, which is the highest of the fair value less costs to sell and the value in use of the intangible investment, the carrying amounts thereof are immediately reduced to the recoverable value by recognising the difference in the income statement. Impairment indicators are assessed at the end of each reporting date.

Recoverable value of intangible assets, which are not yet ready to be used, is determined annually, irrespective of whether there is any indication that it may be impaired. For the purposes of assessing impairment, intangible assets are grouped at the lowest level, for which there are separately identifiable cash flows.

Subsequent costs are included in the carrying amount of an intangible asset or recognised as a separate intangible asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Other costs are expensed in the income statement as incurred.

Intangible assets are amortized using the straight-line method over their useful lives. Intangible assets are amortised by 10% - 33% per annum.

Notes to the Consolidated Financial Statements (continued)

Summary of Group's significant accounting policies (continued)

f) Property, plant and equipment

Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated on a straight-line basis to reflect the consumption of each asset to its estimated residual value over its estimated useful life as follows:

	% per annum
Buildings and engineering structures	2.5 – 10
Technological equipment	10 – 25
Other PPE and inventory	10 – 50

Land is not depreciated, as its useful life is assumed to be infinite.

If separate components of an individual PPE item have different useful lives, such components are accounted for separately within property, plant and equipment. Residual values and useful lives of PPE items are reviewed and adjusted (if necessary) at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to the recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use, recognizing the difference in the income statement. Impairment assessment is carried out at each reporting date. For the purposes of assessing impairment, assets are grouped at the lowest level, for which there are separately identifiable incoming cash flows.

Any profit or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the property, plant and equipment item is derecognised.

Leasehold improvements are depreciated on a straight-line basis over the shorter of the estimated useful life of the leasehold improvement and the term of the lease.

Purchase costs of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Interest costs on borrowings to finance the construction of property, plant and equipment and other operating costs directly attributable to the construction of property, plant and equipment (costs of own labour, materials and other costs) are capitalized as part of the cost of the asset during the period that is required to complete and prepare the property for its intended use. Capitalisation of the borrowing costs is suspended during extended periods in which active developments are interrupted.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance

are charged to the income statement during the reporting period in which they are incurred.

g) Inventories

Inventories are carried at the lower of cost or net realisable value. Cost is calculated using the FIFO method. Net realisable value is the estimated selling price in the ordinary course of business less applicable costs to complete and variable selling costs. Where required, slow moving, obsolete or damaged inventories are written down, recognising expenses in the income statement.

h) Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

i) Financial assets

Group's financial assets include other securities and investments, loans issued, trade receivables, and cash and cash equivalents. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has no financial assets that are measured at fair value through other comprehensive income (FVTOCI).

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Notes to the Consolidated Financial Statements (continued)

Summary of Group's significant accounting policies (continued)

Subsequent measurement

After the initial measurement, financial assets, except for the assets recognized at fair value, are measured at the amortised cost by applying effective interest rate method less impairment. Amortised cost is calculated taking into account the purchase discount or bonus, as well as fees or costs, which form integral part of the effective interest rate.

Financial assets recognised at fair value are remeasured at each balance sheet date. The Group's FVTPL are comprised of other securities and investments, which the management of the Group has elected to present as such. Fair value of these instruments is determined based on the fair value of the underlying net assets.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire. The Group does not transfer the contractual rights to receive cash flows.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances of current account with banks and short-term deposits with maturity up to 90 days.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost and contract assets recognised under IFRS 15. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes,
- time value of money and
- all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

For trade receivables and contract assets without a significant financing component, the Group applies a simplified approach permitted by IFRS 9 and measures the allowance for impairment losses at expected lifetime credit losses from initial recognition of the receivables.

The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

As individual assessment is not possible due to the large number of individual balances, only the significant debtors are assessed individually. Receivables that are not individually assessed for impairment are classified into groups of receivables based on days overdue and are collectively assessed for impairment.

j) Financial liabilities

Initial recognition and measurement

The Group's financial liabilities consist of borrowings, issued debt securities, accounts payable to suppliers and contractors and other liabilities. Financial liabilities are classified as financial liabilities at amortised cost. Group determines classification of financial liabilities at the moment of initial recognition thereof. All the financial liabilities are initially measured at their fair value, less directly attributable transaction costs.

Subsequent measurement

After the initial recognition, financial liabilities are measured at their amortised cost by applying effective interest rate method.

Amortised cost is calculated taking into account the purchase discount or bonus, as well as fees or costs, which form integral part of the effective interest rate. Interest calculated under effective interest rate method is included in the income statement line item interest expenses and other similar expenses.

Derecognition

A financial liability is derecognized, if the obligation specified in the contract is discharged, cancelled or expired. Where there has been an exchange of existing financial instrument and new financial instrument, involving an existing lender, however with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the respective carrying amounts is recognized in consolidated statement of comprehensive income.

k) Offsetting financial instruments

Financial assets and liabilities are offset and net amount is presented in the statement on financial position only in case of valid legal rights to perform mutual offsetting and recognise the amounts, and there is intent to perform net settlements or sell the asset and settle the liabilities at the same time.

Notes to the Consolidated Financial Statements (continued)

Summary of Group's significant accounting policies (continued)

l) Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the PPE policy (section f) of the Summary of Group's significant accounting policies.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in income statement accordingly.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient for all such leases where there is a non-lease component and its separation is impracticable.

m) Grants

Grants received for specific capital-investments are accounted as deferred income that is recognized in income statement on a systematic basis over the useful lives of the property, plant and equipment items received or purchased for grants.

n) Employee benefits

Short-term employee benefits are recognized as a current expense in the period when employees render services. These include salaries, social insurance contributions, bonuses, accruals for unused annual leave and other benefits.

Notes to the Consolidated Financial Statements (continued)

Summary of Group's significant accounting policies (continued)

The Group makes social insurance contributions to the state-funded pension scheme in accordance with Latvian laws. The state-funded pension scheme is a defined contribution pension plan, and the Group is required to make contributions of statutory amount. The Group does not incur any additional legal or constructive obligations to make additional payments if the state-funded pension scheme is unable to meet its obligations to employees. Social insurance contributions are recognised as an expense on an accrual basis and recognised under Personnel expenses.

The accrued unused annual leave expenses are calculated by multiplying the number of days of unused leave at the end of the accounting year by the average daily salary during the last six months of the reporting year.

o) Share based payments

The Group recognises its Parent company issued share options as a share based payments and reflects the corresponding transactions in its financial statements. All the share options are equity instruments, providing certain employees with the right to receive shares of the Company, conditional to fulfillment of specific criteria listed in option emission regulations.

Initially share options are valued at their fair value on the grant date.

Share options are recognised as a share option reserve in equity. Upon fulfillment of criteria, reserve is decreased and share capital is recognised. Whenever there is a difference between the amount of share capital recognised and share option reserve, it is recognised as share premium.

p) Corporate income tax and deferred income tax

The corporate income tax consists of the income tax calculated for the reporting year and deferred income tax.

Current tax

Corporate income tax is calculated based on legislation enforced at the end of the reporting year. In case of reinvestment of profit, corporate income tax rate on retained earnings is 0%. Distributed profits are taxed at a rate of 20% of their gross amount or 20/80 of net expenses.

Corporate income tax on dividends is recognised as an expense in the income statement in the accounting period in which the dividend is declared and, for other items of deemed profit, when the cost is incurred within the accounting year, irrespective of when the payment is made.

Corporate income tax on deemed profit distribution (which does not meet the definition of corporate income tax per IAS 12) is recognised in the income statement as part of Other operating expenses.

Deferred income tax

Deferred taxes are calculated using the balance sheet liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the statement of financial position date.

In accordance with IAS 12 Income Taxes, when the income tax is payable at a higher or lower rate, depending on whether the profit is distributed, the current and deferred tax assets and liabilities are measured at the tax rate applicable to undistributed profits. In Latvia, the applicable rate for undistributed profits is 0%.

As a parent company controls the dividend policy of its subsidiaries, it is able to control the timing of the reversal of temporary differences associated with these investments including the temporary differences arising from undistributed profits. Therefore, in the consolidated financial statements the Group recognizes deferred tax liabilities on undistributed profit of its subsidiaries using tax rate applicable to distributed profits, if it expects to distribute profit in the foreseeable future. In cases the Parent Company of the Group has determined that subsidiary's profits will not be distributed in the foreseeable future, no deferred tax liability is recognised.

q) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the liability.

If the Group expects to receive reimbursement for some or all of the costs required to create the provisions, the reimbursement of those costs is recognised as a separate asset if, and only if, it is virtually certain that the expenses will actually be reimbursed. The cost of provisions is recognised in the Consolidated income statement, net of amounts recovered.

r) Revenue recognition

Revenue is recognised in accordance with IFRS 15 Revenue from contracts with customers, whereas principles for revenue recognition are prescribed. In order to determine, when and in what amount revenue should be recognised, the Group applies a five-step revenue recognition model. Depending on compliance with particular criteria, revenue is recognized:

- over the time by reflecting the Group company's fulfillment of the contract; or
- at a certain point in time.

Notes to the Consolidated Financial Statements (continued)

Summary of Group's significant accounting policies (continued)

IFRS 15 stipulates the principles the Group should comply with to present qualitative and quantitative information, which would provide the users of the financial statements with useful information on the nature, amount, time, and uncertainty of revenue and cash flow, which originates from a contract with customer.

IFRS 15 provides that the asset should be recognised for extra costs, arising from the acquisition of the contracts with customers, when the recovery of such expenses is expected over time. Taking into account the specifics of the operations of the Group, there are no contractual costs to be capitalised.

Revenue from contracts with customers is recognised based on fulfilment of performance obligations towards the customer. Revenue is recognised to the extent that reflects the remuneration expected by the Group to be received in exchange for goods or services provided. Model provides for revenue recognition once the services are provided and accepted by the customer even if these services are not invoiced, however, there is a high probability that the Group will receive the economic benefits arising from the transaction. Accounting policies for main types of revenue of the Group are described below.

Provision of services

Revenue generated from the services is recognised during the period of provision of these services according to the requirements and conditions of the contract.

Services included in the contract may be separated, and they are priced separately. Revenue from these services is recognised separately – in the period of provision of the service (once the service for the particular period is completed). Services are usually invoiced during the first 10 days of the month subsequent to the provision of the service, while in some cases prepayment invoices are in place. Payment for services is made on invoice basis with the average payment term of 20 days from the invoice date.

Key types of the services provided by the Group are:

1) Waste management

The Group provides the collection of sorted and unsorted household waste in Rīga, Jūrmala, Ogre, Ķekava and Ropaži municipalities, Sigulda municipality, Inčukalns, Carnikava, Ikšķile, Tinūži, Ozolnieki, Cena and Nīca parishes, as well as in the territory of Dagda Association. It also carries out separate collection of biodegradable and textile waste, providing the necessary infrastructure for this purpose. In parallel, the Group operates in the field of commercial and industrial waste management.

The Group also provides management of used packaging, single-use tableware and cutlery, textiles, plastic-containing products, environmentally harmful goods, and waste from electrical and electronic equipment, enabling producers to obtain exemption from the Natural Resources Tax.

The Group ensures that waste generated as a result of producers' economic activities is collected, processed, and returned to secondary circulation.

The Group is also engaged in hazardous waste management, including the collection and treatment of healthcare waste, ensuring complete and safe neutralisation of infectious waste, as well as the collection of liquid waste using vacuum technology and the performance of sanitation works throughout Latvia.

2) Waste sorting

The Group owns the largest household waste sorting centre in Latvia and the Baltics, with an annual capacity of 290 000 tonnes of waste per year. The Group also operates 12 sorted waste collection 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.

The Group's construction waste sorting and recycling centre provides construction waste sorting of up to 25 tonnes per hour, with the volume of recovered and reusable materials reaching more than 98%.

3) Recycling of waste

The Group's plastics recycling plant specialises in the processing of various types of used polymer packaging. From recyclable plastic waste, high-quality polyethylene or polypropylene pellets are produced, which are used as raw materials in the manufacture of various new products. In addition, at waste processing centres, high-quality fuel material (referred to locally as NAIK), produced from non-recyclable waste residues, is used as an alternative fuel in cement production, as well as in recovery stations as fuel for heat and electricity generation.

4) Revenue from cleaning services

The Group provides daily cleaning services for commercial, industrial, public spaces, and office premises of varying complexity, as well as general deep cleaning. In its operations, it uses innovative, robotic cleaning solutions and environmentally friendly cleaning agents.

5) Revenue from real estate management and maintenance fees

The Group provides residential building management and commercial property maintenance services in Latvian cities – Rīga, Cēsis, Sigulda, and Valmiera.

6) Services related to the environmental maintenance

The Group provides maintenance of territories, streets, roads, and urban environments. Maintenance services also include landscaping, beach cleaning, daily all-season area maintenance, cleaning of public spaces including event venues, as well as specialised services for the upkeep of public roads during the winter season.

Sale of goods

Revenue from sale of goods is recognised at the moment of transfer of control over the respective goods, which is usually the moment, when the Group has sold or supplied goods to the client, and the client has accepted the goods.

Notes to the Consolidated Financial Statements (continued)

Summary of Group's significant accounting policies (continued)

Other income

Other revenue from provision of services is recognised during the period of provision thereof. Other revenue from selling of materials is recognised, when the buyer has accepted them.

Interest income

Interest income is recognized in the consolidated statement of comprehensive income using the effective interest method on a time-proportionate basis, taking into account the actual performance of the asset.

s) Related parties

Related parties are defined as shareholders of the Group companies (except for non-controlling interests in related parties that are not related parties under IAS 24), members of the Council and the Board, their close relatives and companies in which they have a significant influence or control.

t) Subsequent events

Events after the reporting date that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Subsequent events that are not adjusting events are disclosed in the notes only when material.

u) Contingent liabilities and assets

Contingent liabilities are not recognised in these financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in these financial statements but disclosed when an inflow of economic benefits is probable.

v) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/ non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed within the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled within the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

w) Research and development costs

Research is a set of activities aimed at acquiring new knowledge, exploring research results or other ways of applying knowledge, evaluation and final selection, as well as searching for alternatives in terms of materials, equipment, products, processes, systems or services, formulation, development, evaluation and final selection. The costs of research are included in the income statement for the respective reporting period.

Development activities include the development of tools and equipment associated with the use of new technologies, as well as the development and testing of selected alternatives for new or improved materials, equipment, products, processes, systems, or services. The costs of development are shown as a long-term intangible investment in the balance sheet as Development costs. These costs include not only goods and services received from other companies, but also personnel, material and other costs incurred in research and development activities by the Group.

x) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilise the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Information to be disclosed as part of the Group's accounting policy and consolidated financial statements, foresees measurement of fair value of financial and non-financial assets and liabilities.

Notes to the Consolidated Financial Statements (continued)

Summary of Group's significant accounting policies (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for respective assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable in the market;
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

When applicable, further information about the assumptions made in determining fair values is disclosed in the consolidated financial statements specific to that asset or liability.

The carrying amount of the Group's current financial assets and liabilities is assumed to approximate to their fair value. Fair value of the remaining financial instruments is estimated by discounting the expected future cash flows to net present values using appropriate market interest rates available at the end of the reporting period.

y) Estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS as adopted by the EU requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. The significant areas of estimation used in the preparation of the accompanying consolidated financial statements relate to useful lives of property, plant and equipment, estimated credit losses for financial assets, as well as goodwill impairment evaluation. Although these estimates are based on the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. Key estimates and assumptions used in the preparation of these consolidated financial statements are described below.

Recoverability of intangible assets

During the reporting year, no indicators of impairment were identified; therefore, a detailed recoverability assessment of intangible assets was not performed. More detailed information on the Company's intangible assets is provided in Note 11.

Useful lives of property, plant and equipment

Useful lives of property, plant and equipment are assessed annually and changed, if necessary, to reflect the management's current view in the light of technological changes, the remaining prospective economic useful life of assets and their physical condition. Information on the useful lives of property, plant and equipment has been presented in section f) to the accounting policy.

Impairment of financial assets

The expected credit losses (ECL) associated with debt instruments at amortised cost are measured by the Group on a forward-looking basis. The principles of impairment calculation are described in section i) to the accounting policy.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value (see Note 10).

Determination of fair value of share options

Fair value of share option is determined at its issuance date. Detailed information on determining fair value is provided in Note 20.

Notes to the Consolidated Financial Statements (continued)

1. Revenue

	2025 EUR	2024 EUR
Revenue from contracts with customers (IFRS 15):		
Income from waste collection (NACE 38.11)	63 752 636	57 516 116
Income from cleaning activities (NACE 81.22)	33 854 542	26 210 251
Income from waste recovery (NACE 38.21)	21 519 209	17 088 019
Income from waste recycling (NACE 38.21)	13 916 748	10 290 159
Sale of goods (NACE 46.90)	7 861 112	6 102 275
Income from real estate management (NACE 68.32)	1 661 170	1 726 865
Income from technical maintenance services (NACE 81.00)	1 080 589	1 006 810
Income from sludge acceptance (NACE 38.11)	675 099	345 177
Construction services (NACE 43.11)	202 683	134 268
Other revenue	-	681 516
TOTAL	144 523 788	121 101 456

Net sales by geographic markets

	2025 EUR	2024 EUR
Latvia	137 282 822	115 702 427
European Union and EEA	6 215 749	5 045 271
Other countries	1 025 217	353 758
TOTAL	144 523 788	121 101 456

In 2025, the Group did not have any customers whose services provided/goods sold amounted to more than 10% of the Group's total net sales (2024: one customer). Additional information on financial assets is provided in Note 28 (Credit risk – Trade receivables).

2. Cost of sales

	2025 EUR	2024 EUR
Direct cost of waste management	35 243 261	24 901 618
Salaries (see Note 7)	27 468 005	23 553 471
Depreciation of property, plant and equipment	8 883 117	7 162 302
Cost of packaging, environmentally harmful goods, and electrical and electronic equipment collection and recycling	7 488 281	12 703 433
Social insurance contributions (see Note 7)	6 662 939	5 324 876
Transportation and handling of goods	2 718 915	3 281 525
Repair of own and leased assets	1 695 072	372 409
Energy costs	1 551 442	2 161 183
Amortisation of intangible assets	930 683	1 167 615
Cost of property management	715 632	234 602
Other costs of sales	20 378 018	16 015 352
TOTAL	113 735 365	96 878 386

3. Selling expenses

	2025 EUR	2024 EUR
Advertising expenses	1 442 818	1 607 432
Salaries (see Note 7)	516 567	482 670
State mandatory social insurance payments (see Note 7)	122 181	113 887
Depreciation of property, plant and equipment	32 182	11 737
Other selling expenses	166 067	273 902
TOTAL	2 279 815	2 489 628

Notes to the Consolidated Financial Statements (continued)

4. Administrative expenses

	2025 EUR	2024 EUR
Salaries (see Note 7)	4 377 157	3 079 614
Professional fees*	1 381 729	1 883 354
State mandatory social insurance payments (see Note 7)	959 205	695 745
Rental expenses (short term lease) and fuel expenses	263 968	210 243
Audit fees	198 763	137 553
Office maintenance expenses	132 034	138 445
Business trip expenses	122 526	58 682
Depreciation of property, plant and equipment and intangible assets	119 500	108 703
Other administrative expenses	1 035 890	264 529
TOTAL	8 590 772	6 576 868

* Professional fees mainly include business development costs, financial and legal fees.

5. Other operating income

	2025 EUR	2024 EUR
Release of deferred income arising from government grants	734 833	771 347
Income from the sublease of premises	250 760	247 518
Penalties received	236 609	446 886
Income from sale of property, plant and equipment	129 428	-
Profit on sale of shares	-	715 763
Other income	170 462	555 242
TOTAL	1 522 092	2 736 756

6. Other operating expense

	2025 EUR	2024 EUR
Donations	138 528	508 250
Depreciation	54 489	36 326
Penalties	38 908	35 720
Loss on disposal of PPE	-	37 941
Other expenses	648 350	691 294
TOTAL	880 275	1 309 531

7. Remuneration and average number of employees

	2025	2024
Average number of employees during the reporting year		
Average number of Council members during the reporting year	3	3
Average number of Board members during the reporting year	4	4
Average number of other employees during the reporting year	2 049	1 917
TOTAL	2 056	1 924

	2025 EUR	2024 EUR
Salary	29 246 485	22 819 327
State mandatory social insurance payments	7 744 325	6 141 209
Bonuses	3 115 244	2 244 947
Health, life, and accident insurance expenses	433 224	265 202
Other employee related costs	313 028	247 737
TOTAL	40 852 306	31 718 422

Notes to the Consolidated Financial Statements (continued)

8. Interest expenses and similar expenses

	2025 EUR	2024 EUR
Interest expenses on borrowings from credit institutions	120 218	7 282
Interest expenses on bonds issued	1 349 970	1 556 618
Interest expenses on lease liabilities	678 510	441 541
Other interest expenses and similar expenses	15 611	655
TOTAL	2 164 309	2 006 096

9. Corporate income tax and deferred income tax

	2025 EUR	2024 EUR
Corporate income tax for the reporting year	433 247	1 193 803
Deferred income tax expenses	805 957	611 466
TOTAL	1 239 204	1 805 269

Corporate income tax is presented under the following consolidated financial statement line items:

	31.12.2025 EUR	31.12.2024 EUR
Liabilities		
Taxes and state mandatory social insurance payments	29 331	169 018
Deferred tax liabilities	2 739 297	1 933 340

During the reporting period, the Group recognised deferred tax on dividends from the subsidiaries of the Group that are to be distributed in the foreseeable future. Movement in deferred tax was as follows:

	2025 EUR	2024 EUR
At the beginning of the reporting year	1 933 340	1 321 874
Increase of deferred tax, recognized in the Statement of Comprehensive Income	805 957	611 466
At the end of the reporting year	2 739 297	1 933 340

10. Goodwill

	2025 EUR	2024 EUR
Balance as at 1 January	8 010 727	4 895 188
Purchase of SIA LAUTUS (see Note 33)	967 640	3 115 539
Purchase of SIA WasteTech (see Note 33)	66 635	-
Purchase of SIA TranzitsL (see Note 33)	962 023	-
Balance as at 31 December	10 007 025	8 010 727

Notes to the Consolidated Financial Statements (continued)

Assessment of the recoverable amount

The management of the Group reviewed recoverability of goodwill, as well as property, plant and equipment and intangible assets. The recoverable amount was determined by applying the income approach, which is based on the assumption that the current value is closely related to the future income to be generated by the Group's companies.

The calculation of the value is based on several assumptions:

- For the purposes of impairment testing goodwill is allocated to each individual investment which is viewed as a cash generating unit.
- A cash flow forecast is prepared on the basis of the management forecasts for a period not exceeding five years, with a terminal value estimate at the end of 2030. Planned annual growth rate 2-3% per year.
- Income and expenses are forecasted on the basis of actual performance indicators for the last three years, taking into account changes in the service contract pipeline, operational volume, prices, and planned development trends in the relevant sectors.
- In order to calculate the present value of the relevant company, the Group's management applied a discount rate (weighed average cost of capital) of 11% (2024: 14%).
- The terminal value is estimated based on Gordon growth model in perpetuity with a 0.5% perpetual growth rate of cash flows, setting rather conservative approach towards impairment assessment (2024: 0.5%).

No impairment was recognised in the Group in 2025 and 2024.

Results of sensitivity analysis

Management of the Group has determined that from all the variables used in calculations, the most significant impact on the results is from the changes in discount rate. If the discount rate would increase by 1% (which is a reasonably possible change in the discount rate), results of the assessment would stay the same and the recoverable amount would exceed the carrying amount. The total recoverable amount of the goodwill will be approximately equal to its carrying amount if the discount rate is increased by 3.3% and reaches 14.3% (2024: approximately 2.5% increase to 16.5%). A decrease in the discount rate does not affect the outcome of the assessment.

Notes to the Consolidated Financial Statements (continued)

11. Intangible assets

	Concessions, patents, licenses, trademarks and similar rights EUR	Other intangible assets EUR	Intangible asset development costs EUR	Total EUR
As at 31 December 2023				
Cost	8 013 319	2 209 389	2 719	10 225 427
Accumulated amortisation	(4 263 308)	(1 505 098)	-	(5 768 406)
Net book value as at 31 December 2023	3 750 011	704 291	2 719	4 457 021
2024				
Net book value as at 1 January	3 750 011	704 291	2 719	4 457 021
Additions	121 928	199 622	87 908	409 458
Result of acquisition and sale of subsidiaries (book value)	132 529	-	-	132 529
Disposals	(7 810)	(79 263)	(2 719)	(89 792)
Reclassification	56 488	67 773	(59 977)	64 284
Amortisation	(790 759)	(405 498)	-	(1 196 257)
Result of acquisition and sale of subsidiaries (accumulated amortisation)	(126 431)	-	-	(126 431)
Accumulated amortisation on disposals	7 086	42 603	-	49 689
Reclassification	(5 514)	(7 796)	-	(13 310)
Net book value as at 31 December	3 137 528	521 732	27 931	3 687 191
As at 31 December 2024				
Cost	8 316 454	2 397 521	27 931	10 741 906
Accumulated amortisation	(5 178 926)	(1 875 789)	-	(7 054 715)
Net book value as at 31 December 2024	3 137 528	521 732	27 931	3 687 191
2025				
Net book value as at 1 January	3 137 528	521 732	27 931	3 687 191
Additions	111 877	146 789	156 837	415 503
Disposals	(20 703)	(400)	(4 619)	(25 722)
Reclassification from PPE	5 264	-	-	5 264
Reclassification	(6 553)	6 553	-	-
Amortisation	(829 354)	(217 796)	-	(1 047 150)
Accumulated amortisation of disposals	20 703	400	-	21 103
Reclassification	1 023	(1 023)	-	-
Net book value as at 31 December	2 419 785	456 255	180 149	3 056 189
As at 31 December 2025				
Cost	8 406 339	2 550 463	180 149	11 136 951
Accumulated amortisation	(5 986 554)	(2 094 208)	-	(8 080 762)
Net book value as at 31 December 2025	2 419 785	456 255	180 149	3 056 189

The CleanR trademark is recognised under intangible assets, with a remaining carrying amount of EUR 1 827 000 as of 31 December 2025 (31 December 2024: EUR 2 557 800). The remaining useful life of this trademark is 2.5 years. The Group has no other individually significant intangible assets.

Notes to the Consolidated Financial Statements (continued)

12. Property, plant and equipment

	Land, buildings and engineering structures EUR	Leasehold improvements EUR	Technological equipment and devices EUR	Other fixed assets and equipment EUR	Construction in progress EUR	Advances for fixed assets EUR	Total EUR
As at 31 December 2023							
Cost	11 849 873	1 780 272	20 757 247	15 958 667	1 337 791	1 427 019	53 110 869
Accumulated depreciation	(5 109 266)	(231 645)	(11 972 082)	(9 635 595)	-	-	(26 948 588)
Accumulated impairment charge	(394 448)	-	-	-	(58 700)	-	(453 148)
Net book value as at 31 December 2023	6 346 159	1 548 627	8 785 164	6 323 072	1 279 091	1 427 019	25 709 132
2024							
Net book value as at 1 January	6 346 159	1 548 627	8 785 164	6 323 072	1 279 091	1 427 019	25 709 132
Additions	529 625	64 555	31 585	1 454 328	3 182 828	1 357 075	6 619 996
Result of acquisition and sale of subsidiaries (cost)	3 187 058	30 097	1 116 094	2 439 914	117 753	-	6 890 916
Disposals	(783 030)	-	(1 558 951)	(979 388)	(66 307)	(11 536)	(3 399 212)
Reclassification	697 254	796 101	8 024 797	(3 940 246)	(3 406 116)	(2 208 335)	(36 545)
Reclassified from right of use assets (cost)	-	-	252 189	-	-	-	252 189
Depreciation	(834 214)	(166 618)	(2 524 111)	(1 696 343)	-	-	(5 221 286)
Result of acquisition and sale of subsidiaries (accumulated depreciation)	(1 603 926)	(17 902)	(921 283)	(1 524 582)	-	-	(4 067 693)
Accumulated depreciation on disposals	267 703	-	1 455 678	889 411	-	-	2 612 792
Reclassification	-	5 513	(2 308 901)	2 284 995	-	-	(18 393)
Reclassification from right of use assets (accumulated depreciation)	-	-	(173 030)	-	-	-	(173 030)
Net book value as at 31 December	7 806 629	2 260 373	12 179 231	5 251 161	1 107 249	564 223	29 168 866
As at 31 December 2024							
Cost	15 480 780	2 671 025	28 622 961	14 933 275	1 165 949	564 223	63 438 212
Accumulated depreciation	(7 279 703)	(410 652)	(16 443 729)	(9 682 114)	-	-	(33 816 198)
Accumulated impairment charge	(394 448)	-	-	-	(58 700)	-	(453 148)
Net book value as at 31 December 2024	7 806 629	2 260 373	12 179 231	5 251 161	1 107 249	564 223	29 168 866

Notes to the Consolidated Financial Statements (continued)

	Land, buildings and engineering structures EUR	Leasehold improvements EUR	Technological equipment and devices EUR	Other fixed assets and equipment EUR	Construction in progress EUR	Advances for fixed assets EUR	Total EUR
As at 31 December 2024							
Cost	15 480 780	2 671 025	28 622 961	14 933 275	1 165 949	564 223	63 438 212
Accumulated depreciation	(7 279 703)	(410 652)	(16 443 729)	(9 682 114)	-	-	(33 816 198)
Accumulated impairment charge	(394 448)	-	-	-	(58 700)	-	(453 148)
Net book value as at 31 December 2024	7 806 629	2 260 373	12 179 231	5 251 161	1 107 249	564 223	29 168 866
2025							
Net book value as at 1 January	7 806 629	2 260 373	12 179 231	5 251 161	1 107 249	564 223	29 168 866
Additions	228 585	46 748	-	995 669	1 478 318	950 925	3 700 245
Result of acquisition and sale of subsidiaries (cost)	-	-	53 629	244 325	50 184	-	348 138
Cost of disposals	-	(18 101)	(1 666 076)	(1 050 759)	(9 300)	(15 791)	(2 760 027)
Reclassification	353 196	444 719	923 376	429 198	(903 415)	(1 247 074)	-
Reclassification to IA	-	-	-	-	-	(5 264)	(5 264)
Depreciation	(941 863)	(283 686)	(2 572 164)	(1 869 816)	-	-	(5 667 529)
Result of acquisition and sale of subsidiaries (accumulated depreciation)	-	-	(45 160)	(177 016)	-	-	(222 176)
Accumulated depreciation on disposals	-	18 101	1 318 369	990 460	-	-	2 326 930
Net book value as at 31 December	7 446 547	2 468 154	10 191 205	4 813 222	1 723 036	247 019	26 889 183
As at 31 December 2025							
Cost	16 062 561	3 144 391	27 933 890	15 551 708	1 781 736	247 019	64 721 305
Accumulated depreciation	(8 221 566)	(676 237)	(17 742 685)	(10 738 486)	-	-	(37 378 974)
Accumulated impairment charge	(394 448)	-	-	-	(58 700)	-	(453 148)
Net book value as at 31 December 2025	7 446 547	2 468 154	10 191 205	4 813 222	1 723 036	247 019	26 889 183

Property, plant and equipment of the Group have been pledged in favour of credit institutions and leasing companies and serves as collateral for the obligations of the Group. Please see Notes 23 and 31.

Total depreciation for property, plant and equipment and right of use assets is presented within following income statement line items:

	2025 EUR	2024 EUR
Cost of sales (Note 2)	8 883 117	7 162 302
Administration expenses (Note 4)	119 500	108 703
Other operating expenses (Note 6)	54 489	36 326
Selling expenses (Note 3)	32 182	11 737
TOTAL	9 089 288	7 319 068

As at 31 December 2025, the Group's property, plant and equipment comprised fully depreciated property, plant and equipment with historical cost of EUR 18 196 411 (at 31 December 2024: EUR 8 538 293), which is still actively used in the operating activities.

Notes to the Consolidated Financial Statements (continued)

13. Right of use assets

	Right of use land, buildings and engineering structures EUR	Right of use technological equipment and devices EUR	Right of use other assets EUR	Total EUR
As at 31 December 2023				
Cost	3 871 130	8 556 485	2 474	12 430 089
Accumulated depreciation	(1 404 547)	(3 051 355)	(1 349)	(4 457 251)
Net book value as at 31 December 2023	2 466 583	5 505 130	1 124	7 972 837
2024				
Net book value as at 1 January	2 466 583	5 505 130	1 124	7 972 837
New lease agreements	920 954	4 647 807	1 130 572	6 699 333
Amendments to lease agreements	37 869	20 461	1 463	59 793
Changes in estimates	1 690	380	-	2 070
Termination of lease (cost)	(2 918 840)	(475 712)	-	(3 394 552)
Reclassification to property, plant and equipment (cost)	-	(252 189)	-	(252 189)
Depreciation	(442 128)	(1 627 436)	(28 218)	(2 097 782)
Termination of lease (accumulated depreciation)	1 177 904	182 776	-	1 360 680
Reclassification to property, plant and equipment (accumulated depreciation)	-	173 030	-	173 030
Net book value as at 31 December	1 244 032	8 174 245	1 104 941	10 523 218
As at 31 December 2024				
Cost	1 912 803	12 497 231	1 134 508	15 544 542
Accumulated depreciation	(668 771)	(4 322 985)	(29 568)	(5 021 324)
Net book value as at 31 December 2024	1 244 032	8 174 245	1 104 941	10 523 218
2025				
Net book value as at 1 January	1 244 032	8 174 245	1 104 941	10 523 218
New lease agreements	351 155	8 876 422	1 718 647	10 946 224
Amendments to lease agreements	38 418	28 800	12 716	79 934
Changes in estimates	108 523	(1 664)	5 453	112 312
Termination of lease (cost)	(452 698)	(2 071 329)	(3 425)	(2 527 452)
Depreciation	(398 494)	(2 520 886)	(502 379)	(3 421 759)
Termination of lease (accumulated depreciation)	178 953	1 097 754	3 425	1 280 132
Net book value as at 31 December	1 069 889	13 583 342	2 339 378	16 992 609
As at 31 December 2025				
Cost	1 958 200	19 329 460	2 867 899	24 155 559
Accumulated depreciation	(888 312)	(5 746 117)	(528 522)	(7 162 951)
Net book value as at 31 December 2025	1 069 888	13 583 343	2 339 377	16 992 608

Notes to the Consolidated Financial Statements (continued)

The Group leases a number of assets, including production equipment, cars, machinery, production premises and office premises. The average lease term is 5 years (2024: 5 years). The Group has a right to purchase some of production equipment and cars at the end of the lease term.

Lease liabilities are presented in Note 23.

Amounts included in the consolidated income statement are as follows:

	2025 EUR	2024 EUR
Depreciation for right of use assets	3 421 759	2 097 782
Interest expenses on lease liabilities	678 510	441 541
TOTAL	4 100 269	2 539 323

14. Investments in associates

(a) Investments in associates

Name of the Company	Carrying amount of investment in associate		Participating interest in share capital of associate	
	31.12.2025 EUR	31.12.2024 EUR	31.12.2025 %	31.12.2024 %
SIA Roadeks *	5 721 690	5 523 369	50	50
SIA Tranzīts L **	-	900 000	-	49.01
SIA Ķīlupe ***	1 054 397	-	41.25	-
	6 776 087	6 423 369		

* SIA Roadeks is considered an associated company within the Group, as the Group does not have a majority of the rights to the shares.

(b) Movement table on changes in investments in associates

	2025 EUR	2024 EUR
Balance sheet value at the beginning of the reporting year	6 423 369	6 128 574
Acquisition	861 563	900 000
Profit from investments in associates	1 310 350	857 186
Dividends received	(896 227)	(818 272)
Sales	-	(644 119)
Reclassification to subsidiary **	(922 968)	-
Carrying amount at the end of the reporting year	6 776 087	6 423 369

** In December 2024, a subsidiary of the Group acquired a 49.01% shareholding in SIA Tranzīts L. In July of the reporting year, the Group's subsidiary acquired an additional 2.01% shareholding in SIA Tranzīts L, thereby gaining control over this associated company, and it became a subsidiary of the Group. Further details are provided in Note 33.

*** During the reporting year, a subsidiary of the Group acquired a 41.25% shareholding in SIA Ķīlupe. The transaction was executed in two stages: first, in February of the reporting year, the Group's subsidiary acquired a 10% shareholding in SIA Ķīlupe, and in May increased its shareholding by acquiring an additional 31.25% shareholding.

(c) Information on associates

Name of the company	Address	Share capital		Profit/ (loss) for the reporting year	
		31.12.2025 EUR	31.12.2024 EUR	2025 EUR	2024 EUR
SIA Roadeks *	Kalnciema street 67, Riga	3 401 747	3 001 324	2 192 877	1 792 454
SIA Ķīlupe	Preses street 2, Ogre	3 318 322	-	725 969	-

* Unaudited data.

Notes to the Consolidated Financial Statements (continued)

15. Other non-current assets

	31.12.2025 EUR	31.12.2024 EUR
Payment for sales of subsidiary	80 648	298 633
Investments in the renovation project *	133 383	152 902
Repair work performed in apartment buildings **	39 560	57 103
Loans to Latvian legal entities ***	207 072	220 596
Deferred expenses	62 388	76 887
Other assets	-	19 519
TOTAL	523 051	825 640
<i>Incl. financial assets</i>	<i>327 280</i>	<i>595 851</i>
<i>non-financial assets:</i>	<i>195 771</i>	<i>229 789</i>

* In October 2013, the subsidiary of the Group SIA Vidzemes ESKO 1 completed renovation work on the project at 23 Valmieras street, Cēsis. The total investments amounted to EUR 390 388. The investments made by SIA Vidzemes ESKO 1 are to be written off gradually during the period of the renovation agreement, respectively 20 years.

** Repair work performed by the subsidiary of the Group SIA CDzP, which will be gradually repaid by the residents of the building during the loan repayment period.

*** The repayment term of the EUR 70 700 loan with a fixed annual interest rate has been set on 10 June 2028. On 31.12.2025 and 31.12.2024 the amount of claims includes accrued interest income. The loan issued has no pledge as at 31.12.2025 and 31.12.2024

In 2023, a loan of EUR 133 000 was issued with a repayment date of 30 September 2027 and a fixed annual interest rate. The receivable amount includes accrued interest income. As of 31 December 2025, the issued loan was unsecured.

Estimated credit losses on contract assets have not been recognised as the estimated amounts are immaterial.

16. Inventory

	31.12.2025 EUR	31.12.2024 EUR
Raw materials and consumables	1 434 146	1 436 004
Finished goods and goods for sale	523 823	405 847
Advances for inventory	19 116	10 049
Provisions for impairment of slow-moving stock	(36 703)	(5 418)
TOTAL	1 940 382	1 846 482



Notes to the Consolidated Financial Statements (continued)

17. Trade receivables and contract assets

	31.12.2025 EUR	31.12.2024 EUR
Trade receivables from contracts with customers	15 687 740	14 510 911
Contract assets	6 553 082	6 739 838
ECL allowances	(1 273 744)	(1 022 888)
TOTAL	20 967 078	20 227 861

Trade receivables are not secured by pledges or other credit enhancements.

Contract assets (accrued income) mainly include rights to receive remuneration for the provided organisation of packaging management system services, for which invoices have not yet been issued. These rights are recognised as part of current assets by confirming exact volume of the service with customers and issuing respective invoices after the end of the reporting period.

Movements in the ECL allowances:

	2025 EUR	2024 EUR
At the beginning of the reporting year	1 022 888	1 130 088
Increase of allowances	286 478	203 924
Decrease of allowances	(35 622)	(311 124)
At the end of the reporting year	1 273 744	1 022 888

Expected credit loss as at 31 December 2025 is determined by applying the following average expected credit loss rates:

	Not overdue EUR	Overdue by less than 30 days EUR	31 to 60 days overdue EUR	61 to 90 days overdue EUR	91 to 180 days overdue EUR	181 to 365 days overdue EUR	Overdue by more than 365 days EUR	Total EUR
Expected credit loss rate	0.64%	2.00%	6.47%	11.38%	48.06%	39.55%	98.77%	5.73%
Trade receivables and contract assets (gross amounts)	19 227 839	873 181	279 706	391 468	489 990	220 775	757 865	22 240 822
Expected credit loss	122 184	17 498	18 095	44 568	235 507	87 320	748 573	1 273 744

Expected credit loss as at 31 December 2024 is determined by applying the following average expected credit loss rates:

	Not overdue EUR	Overdue by less than 30 days EUR	31 to 60 days overdue EUR	61 to 90 days overdue EUR	91 to 180 days overdue EUR	181 to 365 days overdue EUR	Overdue by more than 365 days EUR	Total EUR
Expected credit loss rate	0.84%	3.14%	7.68%	10.33%	18.11%	26.05%	88.22%	4.81%
Trade receivables and contract assets (gross amounts)	18 213 164	1 165 278	190 095	437 509	225 417	269 424	749 863	21 250 749
Expected credit loss	153 891	36 618	14 604	45 194	40 833	70 184	661 564	1 022 888

Notes to the Consolidated Financial Statements (continued)

18. Other current assets

	31.12.2025 EUR	31.12.2024 EUR
Deposits (with a maturity of over 3 months) *	7 000 000	-
Deferred expenses	914 577	487 178
Tax overpayment	94 755	232 997
Loan to a Latvian legal entity	36 095	62 414
Investments in the renovation project	19 519	-
Repair work performed in apartment buildings **	17 762	-
Other assets	781 960	789 767
TOTAL	8 864 668	1 572 356
<i>Incl. financial assets</i>	<i>7 053 857</i>	<i>62 414</i>
<i>non-financial assets</i>	<i>1 810 811</i>	<i>1 509 942</i>

* As at 31 December 2025, two of the Group's companies had placed EUR 7 million in deposits with terms exceeding three months, bearing interest rates ranging from 1.93% to 3% per annum.

Deposits amounting to EUR 4 million were placed with a bank holding a Moody's credit rating of Aa2, while EUR 3 million were placed with a bank without a credit rating. When placing deposits with maturities exceeding 3 months, the management of the Company evaluates not only the credit rating of the bank but also the overall reliability of the financial institution.

** Repair work performed by the subsidiary of the Group SIA CDzP, which will be gradually repaid by the residents of the building during the loan repayment period.

Estimated credit losses from other current financial assets have not been recognized as the estimated amounts are immaterial.

19. Cash and cash equivalents

	31.12.2025 EUR	31.12.2024 EUR
Cash in bank (available on demand or deposits with maturity less than 3 months)	35 287 973	22 251 978
Cash on hand	2 908	2 623
TOTAL	35 290 881	22 254 601

Estimated credit losses on cash and cash equivalents have not been recognised as the estimated amounts are immaterial.

Some Group companies use Group account services, see Section a) of Note 23 on borrowings from credit institutions.

The credit rating as assigned by the Moody's credit rating agency and balances with the banks used by the Group are as follows:

	31.12.2025 EUR	31.12.2024 EUR
Credit rating		
Aa2	27 054 531	-
Aa3	376 973	15 976 362
A2	5 472 585	4 814 174
Baa1	2 328 617	315 261
No rating assigned	55 267	1 146 181
TOTAL	35 287 973	22 251 978

The credit rating of foreign banks' branches in Latvia is presented based on the rating of their head company. The credit rating of subsidiaries of foreign banks without an individual rating in Latvia is presented based on their foreign parent company credit ratings.

The majority of the Group's funds are held with banks, which have received good credit ratings, and it is expected that these credit institutions will be able to comply with all of their financial liabilities on a timely basis.

Notes to the Consolidated Financial Statements (continued)

20. Share capital and Share options reserve

As at 31 December 2025, the registered and fully paid share capital of the Group Parent Company is EUR 13 870 425, consisting of 13 870 425 shares, of which 13 300 000 are Category A shares and 570 425 are employee shares. The nominal value of each share is EUR 1. The ultimate beneficial owner of the Group Parent Company is Guntars Kokorevičs.

During 2024, share capital was increased by EUR 13 234 000, through a payment of cash of EUR 12 954 000 and capitalisation of retained earnings of EUR 280 000.

During 2025, share options were exercised and converted to shares. As a result, the Company's share capital increased by EUR 290 425 with a corresponding decrease in share option reserve.

On 27 March 2024, the Group Parent Company has issued employee share options and in relation to it a conditional increase of share capital was effected by EUR 10 926, recognising a share options reserve. On 28 February 2025, a further increase of the conditional capital was registered increasing it by EUR 409 074 due to the increase in employee share options issued and a previous increase in share capital.

Employee share options are granted to certain senior employees of selected CleanR Group companies. Each employee has a right to convert one employee share into one employee share free of charge (one option equals one share with a nominal value of EUR 1; the estimated fair value of one share option is EUR 1). The vesting conditions foresee that the conversion can take place after 12 months since the grant date and only in case the employee continues its employment within CleanR Group companies. Employee share options are covered by retained earnings.

Holders of employee shares have no right to sell their shares, employee shares cannot be inherited and are returnable to the Group Parent Company upon termination of employment. Employee shares have no voting rights; however, they have a right to receive their share of dividends on the same conditions as Category A shareholders.

Movement in employee share options during the reporting year:

	2025 EUR	2025 Number of options	2024 EUR	2024 Number of options
Employee share options at the beginning of the reporting year	10 926	10 926	-	-
Granting of employee share options to employees	-	-	10 926	10 926
Change in employee share options resulting from increase in share capital	409 074	409 074	-	-
Exercise of employee share options	(290 425)	(290 425)	-	-
Employee share options at the end of the reporting year	129 575	129 575	10 926	10 926

Employee shares were granted to employees with one sole purpose – to participate in the profit sharing of the Company, therefore, the fair value of the employee share options is based on the discounted cash flow model, which accounts for the present value of the future expected dividend cash flows.

- As the rights attached to employee shares are limited and these shares have no voting rights, the fair value of employee share options cannot be determined with reference to the value of the Company.
- Future expected dividends are estimated with reference to past dividend payments.
- The discount factor used in the calculations is 6.5%.
- It is expected that employees will continue their employment with the Company or the Group for approximately 5 years, which is determined with reference to historical employee turnover rates.

Notes to the Consolidated Financial Statements (continued)

21. Non-controlling interest

Non-controlling interest is comprised of investments by shareholders other than the Group Parent Company in the following subsidiaries of the Group:

	Non-controlling interest 31.12.2025 %	Non-controlling interest 31.12.2025 EUR	Non-controlling interest 31.12.2024 %	Non-controlling interest 31.12.2024 EUR
Subsidiary of the Group				
SIA CDzP	48.92%	536 829	48.92%	499 358
SIA Vidzemes ESKO 1	48.92%	(3 203)	48.92%	(3 318)
SIA Eko Terra	26.99%	163 121	26.99%	60 536
PS Vides pakalpojumi Liepājai	49.00%	486 521	49.00%	463 290
SIA Vides resursu centrs	47.00%	1 530 980	47.00%	1 599 949
AS TĪRĪGA	10.00%	(89 187)	10.00%	(86 116)
SIA Zaļā josta	45.00%	2 667 616	45.00%	2 274 144
SIA WasteTech	33.75%	533 813	-	-
SIA Ropažu Enerģija	33.75%	(234)	-	-
SIA Tranzīts L	48.98%	223 015	-	-
		6 049 271		4 807 843

During the reporting year, the amount of dividends paid by subsidiaries to their non-controlling interests was EUR 852 447 (2024: EUR 2 607 229).

22. Issued debt securities

The Group Parent Company has issued bonds (ISIN LV0000802676) with the total value of EUR 15 000 000, the number of quoted financial instruments is 15 000 with a nominal value of EUR 1 000 each. The bonds are registered at the Latvian Central Depository and admitted to trading on AS Nasdaq Riga on 31 January 2023.

On 31 December 2024, the subsidiary of the Group held bonds in the amount of EUR 1 000 000.

The value of the bonds will be redeemed in one payment on the bond maturity date. The repayment deadline of the principal amount was 9 December 2025. The coupon rate is 3M EURIBOR + 6.5% and the coupon is paid on a quarterly basis.

Shares of the subsidiaries of the Group SIA Clean R, SIA CleanR Verso, SIA Vizii Urban served as collateral against the bonds.

In 2025, the Group Parent Company commenced the refinancing of the bonds issued in 2022. The first tranche of the new bond program was registered with the Nasdaq CSD Latvian Central Securities Depository on 14 November 2025 (ISIN LV0000107365).

Approximately 70%, or EUR 10 644 000, of the total approved amount of EUR 15 million was allocated to existing bondholders who participated in the bond exchange offer (where the existing bonds were replaced with the new bonds), while approximately 30% was allocated to new investors. The proceeds of EUR 4 356 000 received from new investors were used on 14 November 2025 to settle with those bondholders who did not participate in the bond exchange offer.

The EUR 15 million bonds issued in November 2025 form part of a total bond issuance program of EUR 50 million. The EUR 15 million issue consists of 15 000 bonds with a nominal value of EUR 1 000 each. The terms of the bond issue stipulate that the bonds will be listed on the regulated market of AS Nasdaq Riga within three months of the issue date.

As at 31 December 2025, bonds with a total nominal value of EUR 1 000 000 were held by a subsidiary of the Group.

As at 4 February 2026, the Group's bonds with a total nominal value of EUR 15 million have been admitted to trading on the Nasdaq Baltic regulated market.

The bonds carry a fixed coupon rate of 6.5% per annum, with coupon payments made quarterly. The bonds are unsecured. The final maturity date of the principal amount is 14 November 2029, with the principal to be repaid in a single bullet payment at maturity.

Notes to the Consolidated Financial Statements (continued)

Movement in issued debt securities (financial liabilities at amortised cost) during the reporting year:

	2025 EUR	2024 EUR
Issued debt securities at the beginning of the reporting year	13 874 316	13 752 808
Issue of bonds	14 000 000	-
Transaction costs (deducted from the issue value)	(86 539)	-
Redemption of bonds	(14 000 000)	-
Accrued interest	1 349 970	1 556 618
Interest paid	(1 092 609)	(1 435 110)
Issued debt securities at the end of the reporting year	14 045 138	13 874 316
incl. current portion	102 026	13 874 316
non-current portion (2 – 5 years)	13 943 112	-

23. Loans from credit institutions and other borrowings

Loans from credit institutions and other borrowings are mainly comprised of loans from banks and lease liabilities.

	31.12.2025 EUR	31.12.2024 EUR
Loans from credit institutions	4 301 444	58 574
Lease liabilities	15 335 649	9 903 040
Other current borrowings	-	43 024
	19 637 093	10 004 638

a) Loans from credit institutions

	31.12.2025 EUR	31.12.2024 EUR
Non-current portion of loans with repayment term 2 – 5 years	3 356 583	37 678
Current portion of loans	944 861	20 896
	4 301 444	58 574

The Group's subsidiary have entered into loan agreements with a Latvian credit institution. The loans are subject to variable base interest rates tied to 1 to 6 month EURIBOR plus fixed rate.

To secure the fulfilment of these obligations, the following assets of Group companies have been pledged: real estate owned by companies within the Group, the Group company's assets as a set of items, equity interests in Group companies, and cash held in bank accounts of the Group's subsidiaries.

During the reporting year, the Group's company SIA Lautus assumed the liabilities towards AS Swedbank as a result of the reorganization. The total outstanding loan amount as at 31 December 2025 is EUR 4 263 766. The loan carries interest at 6-month EURIBOR plus fixed rate. The loan is secured by a guarantee from SIA Clean R and a mortgage on the real estate owned by SIA Lautus.

The Group uses cash pooling accounts in its operations. The primary function of the cash pool is the virtual consolidation of funds across multiple settlement accounts within the Group. Under the terms of the cash pooling agreements, companies may borrow or lend funds within the limits of available balances in the pool, up to the individually assigned limits for each company. Overdrafts are not allowed under the cash pooling structure, and therefore, the Group does not bear liabilities in respect of the total balance of the pooled accounts.

As at 31 December 2025 (and as at 31 December 2024), none of the Group companies had used the Group account funds.

Movement in loans from credit institutions:

	2025 EUR	2024 EUR
Loans at the beginning of the year	58 574	163 515
Received loans	4 550 000	-
Loans repaid	(324 229)	(104 941)
Accrued interest	120 218	7 282
Interest paid	(103 119)	(7 282)
Loans at the end of the reporting year	4 301 444	58 574

Notes to the Consolidated Financial Statements (continued)

b) Lease liabilities

	31.12.2025 EUR	31.12.2024 EUR
Lease liabilities with repayment term >5 years	1 833 221	538 235
Lease liabilities with repayment term 2-5 years	9 611 939	6 625 914
Non-current portion	TOTAL	7 164 149
Current lease liabilities	3 890 489	2 738 891
Current portion	TOTAL	2 738 891
	TOTAL	9 903 040

The subsidiaries of the Group have acquired assets (mainly means of transportation, heavy machinery, and office premises) on lease terms. As at 31 December 2025, the interest rates were set at 3 and 6 months EURIBOR + 2.1% to 3.2% (31 December 2024 the interest rates were set at 3 and 6 months EURIBOR + 2.1% to 3.2%).

Movement in lease liabilities during the reporting year:

	2025 EUR	2024 EUR
Lease liabilities at the beginning of the year	9 903 040	7 745 975
New leases	12 175 642	7 078 741
Amendments to existing lease agreements	150 730	61 862
Terminated lease agreements	(1 002 192)	(2 115 093)
Lease payments	(5 891 569)	(2 868 445)
Accrued interest	678 510	441 541
Interest paid	(678 510)	(441 541)
Lease liabilities at the end of the reporting year	15 335 650	9 903 040

24. Deferred income

	31.12.2025 EUR	31.12.2024 EUR
EU and other co-financing >5 years	664 739	794 346
EU and other co-financing 2-5 years	540 591	496 205
Financial support received from LIAA >5 years	60 160	68 964
Non-current portion	TOTAL	1 359 515
EU and other co-financing – short term part	191 698	722 884
Financial support received from LIAA – short term part	8 804	8 804
Other deferred income – short-term part	214 025	107 820
Current portion	TOTAL	839 508
	TOTAL	2 199 023

Deferred income refers to grants received and recognised under IAS 20. EU and other co-financing were received for the construction of a waste sorting plant, a polymer plant and workshop, as well as within the LIFE project.

Financing from the Investment and Development Agency of Latvia (LIAA) was received for reconstruction of the building, bio boiler construction and heating circuit reconstructions.

Notes to the Consolidated Financial Statements (continued)

25. Other liabilities

	31.12.2025 EUR	31.12.2024 EUR
Liability towards a Latvian legal entity for the acquisition of shares	-	500 000
Other liabilities	42 187	20 000
Non-current portion	TOTAL	42 187
	<i>Incl. financial liabilities</i>	42 187
	<i>non-financial liabilities</i>	-
Savings fund of apartment buildings	2 820 718	2 327 618
Accrued liabilities	7 463 496	5 345 605
Other liabilities	1 904 560	2 652 059
Current portion	TOTAL	12 188 774
	<i>Incl. financial liabilities</i>	7 463 496
	<i>non-financial liabilities</i>	4 725 278
	TOTAL	12 230 961
	<i>Incl. financial liabilities</i>	7 505 683
	<i>non-financial liabilities</i>	4 725 278

26. Taxes and state mandatory social insurance payments

	31.12.2025 EUR	31.12.2024 EUR
State mandatory social insurance payments	969 265	878 275
Value added tax	962 194	755 246
Personal income tax	470 601	476 618
Corporate income tax	29 331	169 018
Natural resource tax	4 650	2 709
Vehicle operating tax	-	277
Risk duty	767	750
	TOTAL	2 436 808
		2 282 893

27. Related party transactions

Mutual balances and transactions between the Group Parent Company AS CleanR Grupa and its subsidiaries, which are related companies, are eliminated for consolidation purposes and are not disclosed in this note. In the reporting year, the Group companies were involved in the following transactions with the top management and shareholders.

Accounts receivable from related parties:	31.12.2025 EUR	31.12.2025 EUR	31.12.2024 EUR	31.12.2024 EUR
	Companies controlled by the beneficial owner	Associated companies	Companies controlled by the beneficial owner	Associated companies
Receivables from related parties	87	343 956	-	10 183

Revenue and expenses from transactions with related parties:	2025 EUR	2025 EUR	2024 EUR	2024 EUR
	Companies controlled by the beneficial owner	Associated companies	Companies controlled by the beneficial owner	Associated companies
Revenue	864	4 035 314	2 288	1 052 371
Expenses	(168 269)	(2 700 343)	(57 500)	(445 313)

Outstanding balances as at the year-end are unsecured, and settlements are expected to take place. There have been no guarantees provided or received for any related party receivables.

Dividends to related parties:	Year	Dividends paid, EUR
To the shareholders of the Parent Company	2025	1 000 000
To the shareholders of the Parent Company	2024	17 832 765

Notes to the Consolidated Financial Statements (continued)

28. Financial risk management

The Group is exposed to market, credit, and liquidity risks that arise from its financial instruments. Financial risk management is ensured by the Board and Chief Financial Officer of the Group Parent Company. Financial risk management

measures are undertaken to support the Group's underlying business activities. The Group does not engage in any speculative transactions that could increase its exposure to foreign currency or interest rate risks.

Financial instruments owned by the Group are classified as follows:

	31.12.2025 EUR	31.12.2024 EUR
Financial assets at amortised cost		
Other non-current financial assets	327 280	595 851
Trade receivables and contract assets	20 967 078	20 227 861
Other current financial assets	7 053 857	62 414
Cash and cash equivalents	35 290 881	22 254 601
Total financial assets	63 639 096	43 140 727
Financial liabilities at amortised cost		
Issued debt securities	14 045 138	13 874 316
Loans from credit institutions	4 301 444	58 574
Lease liabilities	15 335 649	9 903 040
Other borrowings	-	43 024
Trade payables	6 518 886	6 833 722
Unpaid dividends	206 000	1 945 000
Other liabilities (including non-current portion)	7 505 683	5 865 605
Total financial liabilities	47 912 800	38 523 281

Market risk

Market risk is the risk that changes in market factors such as foreign exchange rates, interest rates, and commodity prices will affect the Group's revenue or the value of its financial instruments. Market risk includes foreign currency risk and interest rate risk.

Interest rate risk

Interest rate risk is the risk of incurring losses due to changes in the interest rates applicable to the Group's assets and liabilities. The Group is exposed to market interest rate fluctuations in relation to its non-current and current borrowings, as well as lease liabilities that bear variable interest rates. The Group's borrowings and part of its lease liabilities

carry variable interest rates. For a detailed description of the interest rates applicable to the borrowings, see Note 23. The Group manages interest rate risk by regularly assessing the borrowing rates available in the market. If lower interest rates become available compared to existing rates, Management evaluates the financial benefits of refinancing. Management has decided not to use derivative financial instruments to manage interest rate risk.

The following table shows the sensitivity of the Group's profit before tax to reasonably possible changes in interest rates at the end of each reporting period, with all other variables held constant. Equity of the Group, except for current year result, is not impacted.

	2025		2024	
	Increase/ decrease in interest rate (percentage)	Impact on profit before tax (EUR)	Increase/ decrease in interest rate (percentage)	Impact on profit before tax (EUR)
EURIBOR	(+1%)	(287 806)	(+1%)	(228 566)
	(-1%)	287 806	(-1%)	228 566

Foreign currency risk

Foreign currency risk is the risk of incurring losses by Group companies due to unfavourable movements in foreign exchange rates in relation to assets and liabilities denominated in foreign currencies. This risk arises when financial assets in a foreign currency do not match financial liabilities in the same currency, resulting in open currency positions. The Group does not have significant financial assets or liabilities denominated in currencies other than the euro. Accordingly,

in the reporting year and in prior reporting years, the Group was not materially exposed to foreign currency risk.

Credit risk

Credit risk is the risk that a counterparty may fail to fulfil its obligations to the Group, resulting in significant financial losses. The Group is exposed to credit risk arising directly from its operating activities – primarily trade receivables – and to credit risk related to its financing activities – mainly loans granted and cash and cash equivalents.

Notes to the Consolidated Financial Statements (continued)

The Group's maximum exposure to credit risk is:

	31.12.2025 EUR	31.12.2024 EUR
Cash and cash equivalents	35 290 881	22 254 601
Loans issued	381 137	658 265
Trade receivables and other receivables (gross amounts)	27 967 078	20 227 861
TOTAL	63 639 096	43 140 727

Cash and cash equivalents

Credit risk arising from the Group's cash in bank is managed by the Finance Management Team of the Parent Company. Free financial resources of the subsidiaries of the Group can be invested only into deposits or money market funds. Before placement of cash in bank (as a deposit or current account) the Finance Management Team of the Parent Company evaluates credit rating of the bank and interest rates offered. Detailed information on the credit ratings of the banks used by the Group is provided in Note 19.

Trade receivables

The Group assesses its concentration risk of trade receivables as low. As at 31 December 2025, the Group had one counterparty (2024: one counterparty), which owed the Group more than EUR 1 million and comprised approximately 11% (2024: 12%) of the total trade receivables.

The Group controls its credit risk by continuously assessing the credit history of customers and setting permissible credit limits. The Group's maximum exposure to credit risk is defined with reference to the balance sheet value of each debtor. The Group companies monitor overdue trade receivables on a regular basis. Balance sheet value of trade receivables is reduced by allowances made for expected credit losses.

The Group has not received any collateral as a pledge for its trade receivables.

Issued non-current and current loans

The Group manages its credit risk by continuously assessing the financial indicators of borrowers, the adequacy and quality of collateral, and the credit history of the borrowers. The carrying amount of loans issued is reduced to reflect expected credit losses.

Liquidity risk

Liquidity risk is the risk that the Group companies will be unable to meet its financial obligations as they fall due. The Group's Finance Management Team oversees liquidity risk by maintaining adequate cash reserves and securing sufficient funding, while continuously monitoring forecast and actual cash flows and aligning the maturities of financial assets and financial liabilities.

Management of the Group prepares a long-term cash flow forecast for the year and an operational monthly cash flow forecast to ensure that the Group has sufficient funds available to finance expected operating expenses, settle financial obligations, and undertake necessary investments. The Group does not hold any financial assets specifically for the purpose of managing liquidity risk. Most financial assets are short-term (with an average settlement period of less than one month) and are expected to be readily available to meet potential liquidity needs. As at 31 December 2025, current assets exceed current liabilities by EUR 41 360 638 with the liquidity ratio being 2.5 (as at 31.12.2024: EUR 7 036 661 and 1.2).

The following table analyses the financial liabilities of the Group by maturity date, based on contractual undiscounted cash flows (including interest payments):

	Book value EUR	Less than 3 months EUR	3 to 12 months EUR	1 to 5 years EUR	More than 5 years EUR	Total EUR
31 December 2025						
Issued debt securities	14 045 138	227 500	687 500	16 740 000	-	17 655 000
Loans from credit institutions and other borrowings	19 637 093	4 264 052	7 705 666	6 998 935	2 088 837	21 057 490
Other liabilities	14 230 569	14 004 569	206 000	20 000	-	14 230 569
TOTAL	47 912 800	18 496 121	8 599 166	23 758 935	2 088 837	52 943 059
31 December 2024						
Issued debt securities	13 874 316	387 788	16 072 879	-	-	16 460 666
Loans from credit institutions and other borrowings	10 004 638	3 085 604	5 117 399	1 894 284	872 810	10 970 097
Other liabilities	14 644 327	13 918 327	206 000	520 000	-	14 644 327
TOTAL	38 523 281	17 391 719	21 396 278	2 414 284	872 810	42 075 091

Notes to the Consolidated Financial Statements (continued)

29. Fair value measurements

	Level 1	Level 2	Level 3	Fair value	Carrying amount
31 December 2025					
Other non-current financial assets	-	-	327 280	327 280	327 280
Trade receivables and contract assets	-	-	20 967 078	20 967 078	20 967 078
Other current assets	-	-	7 053 857	7 053 857	7 053 857
Cash and cash equivalents	-	35 290 881	-	35 290 881	35 290 881
Total financial assets	-	35 290 881	28 348 215	63 639 096	63 639 096
Issued debt securities	-	14 045 138	-	14 045 138	14 045 138
Loans from credit institutions	-	-	4 301 444	4 301 444	4 301 444
Lease liabilities	-	-	15 335 649	15 335 649	15 335 649
Trade payables	-	-	6 518 886	6 518 886	6 518 886
Dividends payable	-	-	206 000	206 000	206 000
Other liabilities (including non-current portion)	-	-	7 505 683	7 505 683	7 505 683
Total financial liabilities	-	14 045 138	33 867 662	47 912 800	47 912 800
31 December 2024					
Other non-current financial assets	-	-	595 851	595 851	595 851
Trade receivables and contract assets	-	-	20 227 861	20 227 861	20 227 861
Other current assets	-	-	62 414	62 414	62 414
Cash and cash equivalents	-	22 254 601	-	22 254 601	22 254 601
Total financial assets	-	22 254 601	20 886 126	43 140 727	43 140 727
Issued debt securities	-	13 874 316	-	13 874 316	13 874 316
Loans from credit institutions	-	-	58 574	58 574	58 574
Lease liabilities	-	-	9 903 040	9 903 040	9 903 040
Other borrowings	-	-	43 024	43 024	43 024
Trade payables	-	-	6 833 722	6 833 722	6 833 722
Dividends payable	-	-	1 945 000	1 945 000	1 945 000
Other liabilities (including non-current portion)	-	-	5 865 605	5 865 605	5 865 605
Total financial liabilities	-	13 874 316	24 648 965	38 523 281	38 523 281

The fair value of loans issued, other non-current financial assets, and liabilities under instalment transaction has been determined by discounting the expected future cash flows using the market interest rates prevailing at the balance sheet date.

For all other financial assets and financial liabilities, their fair value approximates their carrying amount, as they are either recently taken liabilities, current or bear variable interest rates.

30. Capital management

The Group manages its capital to ensure that Group companies are able to continue as a going concern while maximising returns to shareholders by optimising the balance of debt and equity. Management reviews the Group's capital structure annually. In performing this assessment, Management considers the existing capital structure and the risks and benefits associated with each category of capital.

The Group's capital structure consists of net debt (borrowings and leases, as detailed in Note 23 offset by cash at bank) and equity of the Group (comprising issued capital, retained earnings and non-controlling interests).

Financial covenants are set for debt securities issued by the Group. As at 31 December 2025 and 31 December 2024, financial covenants were not breached.

Covenants related to the debt securities issued by the Parent company of the Group are as follows:

- Equity ratio above 30% – as at 31 December 2025 this ratio was 53.7% (31.12.2024: 51.3%)
- Interest coverage ratio above 3 – as at 31 December 2025 this ratio was 15 (31.12.2024: 13)
- Net debt leverage below 3.5 – as at 31 December 2025 this ratio was (0.05) (31.12.2024: 0.06)

Notes to the Consolidated Financial Statements (continued)

31. Financial and contingent liabilities

Total value of pledged assets by type

	31.12.2025 EUR	31.12.2024 EUR
Property, plant and equipment *	2 800 000	2 080 000
Right-of-use assets **	14 267 101	7 225 099
TOTAL	17 067 101	9 305 099

* As at 31 December 2024, property, plant and equipment owned by the Group company SIA Clean R were pledged in favor of AS Luminor Bank and served as collateral for the fulfilment of obligations. On 13 March 2025, the aforementioned commercial pledge was cancelled, and on 17 March 2025, a new commercial pledge was registered in favor of AS Swedbank, serving as collateral for the performance guarantees issued on behalf of the Group company SIA Clean R.

** Leasing companies have issued guarantees on behalf of the Group companies to secure lease liabilities in the total amount of EUR 14 267 101 (31.12.2024: EUR 7 225 099).

As at 31 December 2025, credit institutions registered in the Republic of Latvia have issued performance security guarantees on behalf of the Group`s companies for the total amount EUR 822 636 (EUR 1 049 179 as at 31.12.2024). Insurance companies registered in the Republic of Latvia have issued performance security guarantees on behalf of the Group companies for the total amount EUR 5 718 455 (EUR 4 767 460 as at 31.12.2024). In case the Group fails to perform on the contracts secured by these guarantees, it has an obligation to compensate the issuer of the guarantee in full.

The Group or the Parent Company has not issued any financial guarantees.

32. Capital commitments

As at the reporting date, the Group has no capital commitments for construction works to be undertaken during subsequent accounting periods.

33. Business combinations and sale of subsidiaries

In 2025 and 2024, several purchases and sales of subsidiaries have taken place. All the purchases and sales of subsidiaries are paid for in cash as consideration. Payment terms are straightforward and without any deferred payments.

One subsidiary was purchased in 2024. The fair values of the identifiable assets and liabilities at the acquisition date were:

	Fair value at the acquisition date SIA LAUTUS EUR
Assets	
Non-current assets	2 829 320
Inventory	22 732
Receivables	805 441
Cash	779 723
Liabilities	
Borrowings	-
Other liabilities	543 216
Total	3 894 000
Group's share of fair value of net assets acquired	3 894 000
Goodwill (amended)	4 083 179
Purchase consideration (amended)	7 977 179

100% of the shares of SIA Lautus were acquired in 2024 as part of the expansion into new business segments. The consideration for transferred purchase in 2025 amounted to EUR 7 977 179 (2024: EUR 7 009 540); therefore, additional goodwill was recognized in the amount of EUR 967 640 and new goodwill is EUR 4 083 179 (2024: EUR 3 115 539).

The goodwill of SIA Lautus primarily arises from the company's specialised expertise and established know-how in the medical waste management and vacuum services segments. In addition, the company's value is supported by its industrial waste management operations, which are characterised by specialised customer service capabilities and long-term client relationships.

One subsidiary was purchased in 2025. The fair values of the identifiable assets and liabilities at the acquisition date were:

	Fair value at the acquisition date SIA Tranzīts L EUR
Assets	
Non-current assets	75 118
Inventory	1 799
Receivables	397 499
Cash	133 424
Liabilities	
Borrowings	-
Other liabilities	464 745
Total	143 095
Group's share of fair value of net assets acquired	37 977
Goodwill	962 023
Purchase consideration	1 000 000

In 2024, the Group`s subsidiary acquired 49.01%, and in 2025 2.01% of the shares of SIA Tranzīts L, thus promoting the company's regional growth and transfer of competencies, providing services in various territories of Latvia.

The goodwill of SIA Tranzīts L mainly derives from the company's capability to provide services in one of the largest cities in the western region of Latvia, as well as from operational synergies with another Group company, particularly in relation to the seasonality of operations, which is complementary between the two companies and enables more efficient utilisation of resources within the Group.

On 16 January 2025, the Group's parent company, together with another unrelated party, established its subsidiary SIA WasteTech, acquiring 66.25% of its share capital and contributing cash in the amount of EUR 66 250. The company was established for the purpose of developing a waste-recovery station. Given this objective, on 31 March 2025 the reorganisation of SIA WasteTech was registered, whereby the assets and liabilities of SIA Vides resursu centrs relating to the establishment and development of the waste-recovery station were transferred to it. As part of this reorganisation, the Group Parent Company paid an unrelated third party a buy-out fee of EUR 197 874 for its share in SIA Vides resursu centrs, consequently goodwill in the amount of EUR 66 635 was recognized.

Notes to the Consolidated Financial Statements (continued)

34. Operating segments

For the purposes of the Consolidated Financial Statements, operating segments are determined based on the internal management structure that underpins the reporting system, performance assessment and resource allocation, taking into account the view of the chief operating decision maker – the management of the Group entities operating within a particular segment. The Management Board of the Group's parent company reviews the financial results of all operating segments.

The Group's operations are divided into four main segments – Waste management; Urban and Road servicing; Indoor cleaning services; Waste recycling and Waste recovery – as well as Other segments, which comprise the less significant lines of business.

Waste management functions are mainly provided by Group's subsidiaries SIA Clean R, SIA CleanR Industry, SIA Lautus, PS Vides pakalpojumi Liepājai, SIA Reģionālie vides pakalpojumi un SIA CleanR Verso.

Urban and Road servicing, Indoor cleaning functions are mainly provided by Group's subsidiaries SIA Vizii Urban, SIA Vizii, SIA KOM - AUTO and SIA Tranzīts L.

Waste recycling and recovery functions are mainly provided by Group's subsidiaries SIA Zaļā Josta un SIA Vides resursu centrs.

The following tables disclose the Group's segment revenues and EBIT information. Inter-segment revenues are eliminated on consolidation and are presented in the column "Adjustments and eliminations".

2025	Waste management EUR	Urban, Road and Indoor cleaning EUR	Waste recovery EUR	Waste recycling EUR	Other segments EUR	Segments TOTAL EUR	Adjustments, eliminations EUR	Group TOTAL EUR
Revenue:								
External	63 752 636	33 854 542	21 519 209	13 916 748	11 480 653	144 523 788	-	144 523 788
Inter-segment	18 115 867	1 856 303	-	100 936	7 970 956	28 044 062	(28 044 062)	-
TOTAL	81 868 503	35 710 845	21 519 209	14 017 684	19 451 609	172 567 850	(28 044 062)	144 523 788
EBIT	9 714 877	5 427 853	3 085 593	1 995 493	1 646 186	21 870 003	-	21 870 003

2024	Waste management EUR	Urban, Road and Indoor cleaning EUR	Waste recovery EUR	Waste recycling EUR	Other segments EUR	Segments TOTAL EUR	Adjustments, eliminations EUR	Group TOTAL EUR
Revenue:								
External	57 516 116	26 210 251	17 088 019	10 290 159	9 996 911	121 101 456	-	121 101 456
Inter-segment	11 095 040	2 125 503	-	1 740 495	6 621 569	21 582 607	(21 582 607)	-
TOTAL	68 611 156	28 335 754	17 088 019	12 030 654	16 618 480	142 684 063	(21 582 607)	121 101 456
EBIT	7 962 859	3 954 828	2 211 164	1 331 531	1 293 585	16 753 966	-	16 753 963



Notes to the Consolidated Financial Statements (continued)

35. Research and development

During the reporting year, the Group did not incur any research and development costs to be included in intangible assets and PPE, as well as to be reflected in the income statement. No employees have been involved in research and development, and no state or municipality funding has been received. The Group does not have contracts for research work with other companies.

36. Information on the auditor

Administrative expenses line item Audit fees includes remuneration to the auditors for the audit of the stand-alone financial statements of the Group companies and the consolidated financial statements of the Group Parent Company.

During the reporting year, the Group has received consulting services from the auditor in the amount of EUR 25 thousand.

37. Subsequent events

As of 4 February 2026, the EUR 15 million bond issue of AS CleanR Grupa has been listed on the Nasdaq Baltic regulated exchange.

In February 2026, with the aim of developing the Group's involvement in projects promoting circularity, the Group Parent Company acquired a minority stake (19.8% of the registered, subscribed, and paid-in share capital) in SIA Wingo Deposit.

Following Competition Council approval, SIA Clean R completed the acquisition of the remaining 58.75% shares of SIA Ķilupe in the first quarter of 2026, thereby becoming the 100% shareholder. On 5 March 2026 the changes were registered in the Register of Enterprises.

No other events have occurred subsequent to the reporting date that would require adjustments to be made to and disclosures to be added to these consolidated financial statements.



Juris Gulbis
Chairman of the Board

Guntars Levics
Member of the Board

Inta Liepa
Member of the Board

Agita Baltbārde
Member of the Board

Anžela Vjaževiča
Chief accountant

ELECTRONIC SIGNATURES OF THE BOARD MEMBERS RELATE TO THE ANNUAL REPORT AS A SINGLE DOCUMENT FROM PAGE 107 TO 151.

ELECTRONIC SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTING RELATES TO THE FINANCIAL STATEMENTS FROM PAGE 107 TO 110 AND FROM PAGE 115 TO 151.

THIS DOCUMENT IS SIGNED WITH SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP

**KPMG Baltics SIA**

Roberta Hirsa iela 1
Rīga, LV-1045
Latvia

T: + 371 67038000

kpmg.com/lvkpmg@kpmg.lv

Independent Auditors' Report

To the shareholders of "CleanR Grupa" AS

Report on the Audit of the Consolidated Financial Statements

Our Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of "CleanR Grupa" AS ("the Company") and its subsidiaries ("the Group") set out on pages 115 to 151 of the accompanying consolidated Annual and Sustainability Report, which comprise:

- the consolidated statement of financial position as at 31 December 2025,
- the consolidated statement of comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended, and
- the notes to the consolidated financial statements, which include a summary of material accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of "CleanR Grupa" AS and its subsidiaries as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibility for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) developed by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition and Cut-off	
Key Audit Matters	How we addressed the key audit matters
<p>We refer to the consolidated financial statements: Notes to the Consolidated Financial Statements – Summary of Significant Accounting Policies and Note 1 (Revenue).</p> <p>The Group's Revenue in the consolidated financial statements for the year ended 31 December 2025 amounted to EUR 144 523 788 (31 December 2024: EUR 121 101 456).</p> <p>The Group provides a wide range of services, including waste management, sorting of recyclable materials separated from waste and sale of sorted materials, waste recovery, cleaning of premises and territories and property management services.</p> <p>The revenue is significant for the consolidated financial statements, and users of the consolidated financial statements are interested in revenue trends and development, as these are closely linked to other key financial indicators of the Group.</p> <p>Given the volume of transactions, as well as different revenue recognition processes and the significance of the related internal controls, there is an increased risk related to revenue recognition throughout the year as well as revenue recognition in the correct period in connection to year end.</p> <p>Accordingly, revenue recognition and cut-off were identified as a key audit matters.</p>	<p>Our procedures included, among others:</p> <ul style="list-style-type: none"> • obtaining an understanding of the processes, systems and controls implemented by management related to the revenue recognition process; • assessing the revenue related risks by analysing revenue trends for the reporting period and, based on our knowledge of the Group and discussions with management, evaluating significant or unusual fluctuations; • performing sampling-based testing of revenue transactions recognised throughout the year and assessing whether revenue was recognised in the appropriate reporting period and with the correct amount, based on relevant supporting documentation evidencing, for example, the provision of services, including invoices and cash receipt documents; • performing sampling-based reconciliation of revenue turnover and trade receivables based on sent out and received external confirmation letters with the accounting records of unrelated third parties for specific customers; • performing sampling-based testing of revenue transactions recognised shortly before and after the reporting year-end, assessing whether revenue was recognised in the appropriate reporting period based on supporting documentation, such as evidence of service delivery, including invoices; • performing sampling-based evaluation of items included in contract assets and assessing whether revenue was recognised in the appropriate reporting period, based on relevant supporting documentation evidencing, for example, the provision of services, including invoices and/or payment receipts; • assessment of revenue disclosures in the consolidated financial statements in accordance with the requirements of the applicable financial reporting standards.

Other Matter

The corresponding figures included in the accompanying consolidated financial statements are based on the Group's financial statements as at and for the year ended 31 December 2024, which were audited by other auditors, whose auditors' report dated 29 April 2025 expressed an unqualified opinion.

Neither we nor other auditors have audited or performed any limited assurance over the Introduction included in the consolidated annual and Sustainability report on pages 3 to 7, or the Sustainability Statement on pages 8 to 106. Accordingly, we do not issue opinion on them.

Reporting on Other Information

The Group's management is responsible for the other information. The other information comprises:

- Introduction, as set out on pages 3 to 7 of the accompanying consolidated Annual and Sustainability Report,
- Sustainability Statement, as set out on pages 8 to 106 of the accompanying consolidated Annual and Sustainability Report,
- General Information, as set out on pages 108 to 110 of the accompanying consolidated Annual and Sustainability Report,
- Management Report, as set out on pages 111 to 114 of the accompanying consolidated Annual and Sustainability Report,
- Statement of Management Responsibilities, as set out on page 114 of the accompanying consolidated Annual and Sustainability Report,
- Statement of Corporate Governance, provided in a separate report prepared by the management and available on the Company's website at www.cleanrgrupa.lv/en/corporate-governance/

Our opinion on the consolidated financial statements does not cover the other information included in the consolidated Annual and Sustainability Report, and we do not express any form of assurance conclusion thereon, except as described in the Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information section of our report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the Group and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion, in all material respects:

- the information given in the Management Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and

The Management Report has been prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

In accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Statement of Corporate Governance, our responsibility is to consider whether the Statement of Corporate Governance includes the information required in section 56.2, second paragraph, clause 5, and third paragraph of the 'Financial Instruments Market Law' of the Republic of Latvia and if it includes the information stipulated in section 56.2 second paragraph, clauses 1, 2, 3, 4, 7 and 8 of the 'Financial Instruments Market Law' of the Republic of Latvia.

In our opinion, the Statement of Corporate Governance includes the information required in section 56.2, second paragraph, clause 5, and third paragraph of the 'Financial Instruments Market Law' of the Republic of Latvia and if it includes the information stipulated in section 56.2 second paragraph, clauses 1, 2, 3, 4, 7 and 8 of the 'Financial Instruments Market Law' of the Republic of Latvia.

Furthermore, in accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Non-financial Statement our responsibility is to report whether the Group has prepared the Non-financial Statement and whether the Non-financial Statement is included in the management Report or prepared as a separate element of the consolidated Annual Report or is included in the consolidated non-financial statement of the Group's ultimate parent company.

We report that the Sustainability Statement is included as a separate component of the Consolidated Annual and Sustainability Report.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Other Reporting Responsibilities and Confirmations Required by the Legislation of the Republic of Latvia and the European Union when Providing Audit Services to Public Interest Entities

We were appointed by those charged with governance on 28 August 2025 to audit the consolidated financial statements of "CleanR Grupa" AS for the year ended 31 December 2025. Our total uninterrupted period of engagement is 1 year, covering the period ending 31 December 2025.

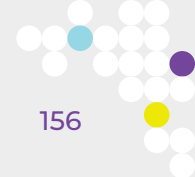
We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the Group;
- we have not provided to the Company the prohibited non-audit services (NASs) referred to in Article 5(1) of EU Regulation (EU) No 537/2014 and specified in paragraph 37.6 of the 'Law on Audit Services' of the Republic of Latvia. We also remained independent of the audited group in conducting the audit.

For the period to which our statutory audit relates, we have not provided any services to the Group in addition to the audit, which have not been disclosed in the Management Report or in the consolidated financial statements of the Group.

Report on the Auditors' Examination of the European Single Electronic Format (ESEF) Report

In addition to our audit of the accompanying consolidated financial statements, as included in the consolidated Annual Report, we have also been engaged by the management of the Group to express an opinion on compliance of the consolidated financial statements prepared in a format that enables uniform electronic reporting ("the ESEF Report") with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "RTS on ESEF").



Responsibilities of Management and Those Charged with Governance for the ESEF Report

Management is responsible for the preparation of the consolidated financial statements in a format that enables uniform electronic reporting that complies with the RTS on ESEF. This responsibility includes:

- the preparation of the consolidated financial statements in the applicable xHTML format;
- the selection and application of appropriate iXBRL tags, using judgment where necessary;
- ensuring consistency between digitised information and the consolidated financial statements presented in human-readable format; and
- the design, implementation and maintenance of internal control relevant to the application of the RTS on ESEF.

Those charged with governance are responsible for overseeing the financial reporting process.

Auditors' Responsibility for the Examination of the ESEF Report

Our responsibility is to express an opinion on whether the ESEF report complies, in all material respects, with the RTS on ESEF, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the RTS on ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements of set out in the RTS on ESEF, whether due to fraud or error. Our procedures included, among other things:

- obtaining an understanding of the tagging process;
- tracing the tagged data to the consolidated financial statements of the Group presented in human-readable format;
- evaluating the completeness of the Group's tagging of the consolidated financial statements;
- evaluating the appropriateness of the Group's use of iXBRL elements selected from the ESEF taxonomy and creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- evaluating the use of anchoring in relation to the extension elements; and
- evaluating the appropriateness of the format of the consolidated financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the ESEF Report of the Group vCve6940CLuCEKQ= as at and for the year ended 31 December 2025 has been prepared, in all material respects, in accordance with the requirements of the RTS on ESEF.

The responsible certified auditor on the audit resulting in this independent auditors' report is Inna Talanova.

KPMG Baltics SIA

Licence No. 55

Inna Talanova

Member of the Board

Latvian Sworn Auditor

Certificate No. 206

Riga, Latvia

29 April 2026

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails



 CLEANR
GRUPA

info@cleanrgrupa.lv

www.cleanrgrupa.lv

 CleanR Grupa

