



PRESS RELEASE - FOR IMMEDIATE RELEASE

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Eco Baltia completes acquisition for majority stake in Ecoservice

The Baltics' biggest environmental and waste management group Eco Baltia, backed by a private capital investor, INVL Baltic Sea Growth Fund, and the European Bank for Reconstruction and Development (EBRD), has bought 85% of the shares of Ecoservice, a leading environmental management company in Lithuania, thus strengthening its position in the Baltic States and Eastern Europe.

Stake was acquired by JSC "Eco Baltia" group company UAB "Eco Baltia Aplinka" from BaltCap Private Equity Fund II. Financing for the transaction was provided by Luminor, the third-largest provider of financial services in the Baltics.

This deal further strengthens Eco Baltia's market-leading position in the region more broadly with combined annual revenues of Eco Baltia and Ecoservice anticipated to reach €124mn with an EBITDA of €24mn for 2021.

Māris Simanovičs, Board Chairman of Eco Baltia, commented: *"This deal represents one of the most significant achievements in the history of Eco Baltia. Having partnered with such a major player in the market like Ecoservice, we can now plan for an even more rapid growth trajectory for our business as we aim to deliver the best quality services possible for our clients in Latvia and Lithuania respectively. Working with Ecoservice will also significantly enhance our waste collection and sorting capabilities, ultimately resulting in more recyclable raw materials being sent for processing. This deal is therefore an important step not only for us, but also for our circular economy and industry on a truly national level."*

Vytautas Plunksnis, INVL Baltic Sea Growth Fund Partner and Eco Baltia Supervisory Board Chairman, commented: *"The merger of these companies creates real momentum in the development of the environmental management and recycling sector for the Baltic region. It will facilitate the creation of powerful regional champions that are attractive to both strategic partners and financial investors. The long-term goal of Eco Baltia is to expand its recycling capacity, and this deal is a way of achieving this aim in a shorter timeframe. We look forward to updating the market with new developments and deal flow in the environmental management and recycling spaces in due course."*

Andrius Načajus, Head of Corporate Banking of Luminor, added: *"Luminor has worked with Eco Baltia for the past 10 years and we are extremely proud to have provided the financing for this transaction. Eco Baltia is a forward-thinking company backed by strong and professional shareholders which aligns with our own environmental, social and corporate governance (ESG) priorities, and this deal allows it to maximise its positive impact on the environment through development of circular economy. We look forward to maintaining our strong relationship and supporting the development of the company over the years to come as they continue to grow."*

Saulius Budrevičius, Executive Director and Co-Owner of Ecoservice, commented: *"This is an important moment for us as a company and the long-term development of our industry as a whole. Working towards a circular economy is one of the key objectives of the EU Green Deal and having joined forces with a very experienced environmental service provider in a neighbouring country, we will now be able to achieve more progress towards these major goals including expanding waste management and recycling even"*

further. In partnership with Eco Baltia, we will continue broadening our range of services offered, and with the shared operational expertise of both companies, we will now be able to offer a more comprehensive range of services to our Lithuanian clients.”

The Ecoservice group consists of several companies operating in sectors including household waste management, recycling and construction waste collection as well as other environmental services. The company employs around 900 employees in Lithuania and last year had revenues of €35mn.

In 2020, Eco Baltia's revenues grew by 6% to €75mn. The group offers a full range of waste management services from collection and sorting to logistics, wholesale, and recycling of secondary raw materials, employing around 900 people in Latvia. Eco Baltia's leading companies in the existing portfolio include PET Baltija (the largest PET bottles recycler in the Baltics), Eco Baltia vide (waste manager), Latvijas Zalais punkts (producers' responsibility organization) and Nordic Plast (PE/PP recycler).

Following the purchase of Ecoservice, Eco Baltia intends to increase the volume of recyclable materials it manages, and to expand the processing of construction waste, which is already being actioned by Ecoservice in Lithuania. As it develops this offering into Latvia, Eco Baltia will be able to provide a full range of these services, from collecting and transporting construction waste to processing it. There are also plans to expand portable toilet rental operations in Latvia and the waste collection services associated.

Shareholders of Eco Baltia are INVL Baltic Sea Growth Fund through UAB "Salvus" (52.81%), the European Bank for the Reconstruction and Development (30.51%) and management of the company (16.68%).

INVL Baltic Sea Growth Fund

<https://bsgf.invl.com/fund-overview/>

INVL Baltic Sea Growth Fund with its total size of €165mn is the leading private equity fund in the Baltics with the European Investment Fund ("EIF") acting as its anchor investor.

The EIF has committed €30mn with the support of the European Fund for Strategic Investments, a key element of the Investment Plan for Europe (or the 'Junker Plan'), as well as allocating resources from the Baltic Innovation Fund, the "fund of funds" initiative developed in cooperation with the governments of Lithuania, Latvia and Estonia. This aims to increase capital investment in high growth potential small and medium-sized enterprises in the Baltic States.

The Fund seeks to assemble a diversified portfolio of companies, targeting majority or significant minority stake deals and writing tickets of €10mn to €30mn, that showcase high growth potential and the ability to compete on a truly global basis.

The Fund is focused on the Baltic States and the neighbouring regions of Poland, Scandinavia and Central Europe specifically. The Fund so far has invested in four companies within the healthcare and civil engineering sectors.

The Fund is managed by one of Lithuania's leading asset management companies INVL Asset Management, which is part of the Invalda INVL group.

INVL Asset Management

<https://www.invl.com/en/>

INVL Asset Management is part of the Invalda INVL, one of the leading asset management groups in the Baltic region. The group's companies manage pension and mutual funds, alternative investments, individual portfolios, private equity assets, and other financial instruments.

Over 240,000 clients in Lithuania and Latvia and international investors at the end of 2020 have entrusted the group with more than €1.2bn of assets under management. Active since 1991 and with a solid track

record, Invalda INVL boasts 30 years' worth of experience in managing private equity assets in the Baltic countries and CEE landscape while developing companies into best-in-class market leaders.

Additional information:

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