

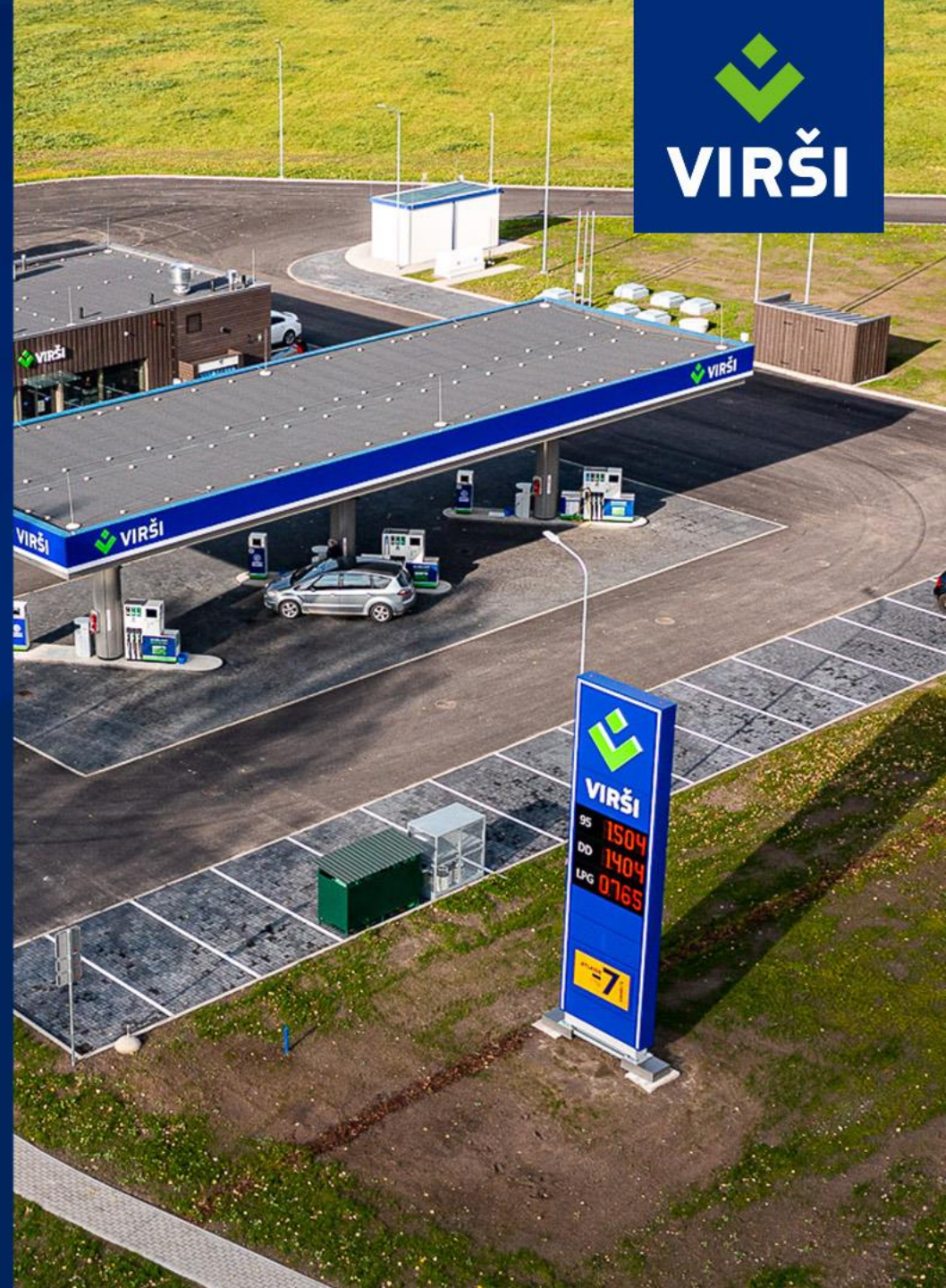
# VIRŠI

## unaudited

## financial results

## for 2021

Unaudited IFRS



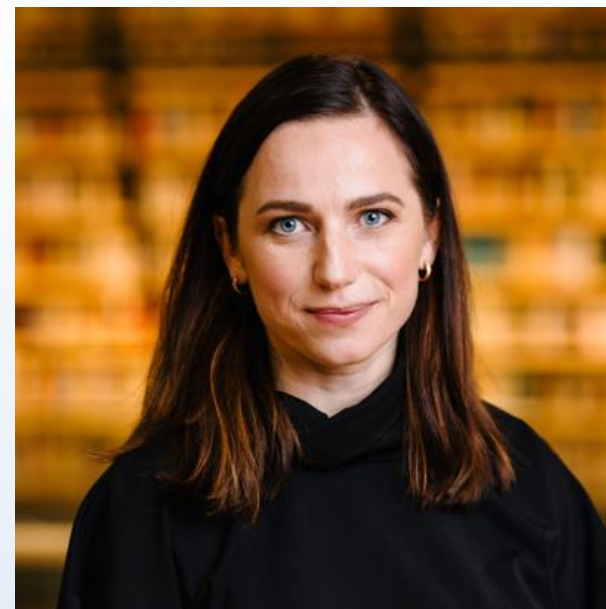
# SPEAKERS

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**JĀNIS VĪBA**

Chairman of the Management  
Board, CEO



**VITA ČIRJEVSKA**

Member of the Management  
Board, CFO





# Human to human



- Jobs for Ukrainian citizens
- Financial support for Ukraine
- We have suspended cooperation with Russian and Belarusian partners
- Our fuel partners - refineries in Lithuania and Finland - continue to diversify their crude oil sources to reduce their dependence on Russia
- The health of the company's business model is not significantly affected in the current situation

# BUSINESS AREAS

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CONVENIENCE STORES



FUEL

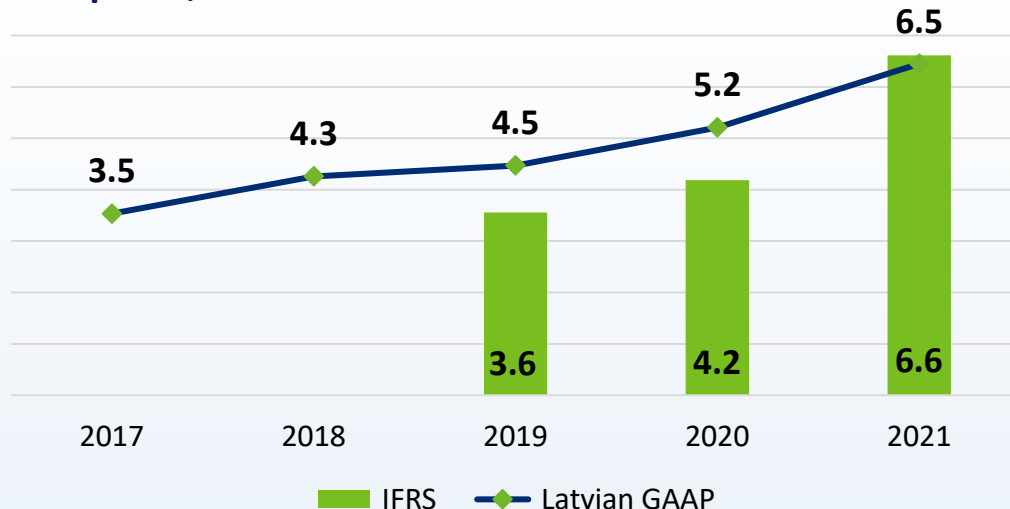


ENERGY

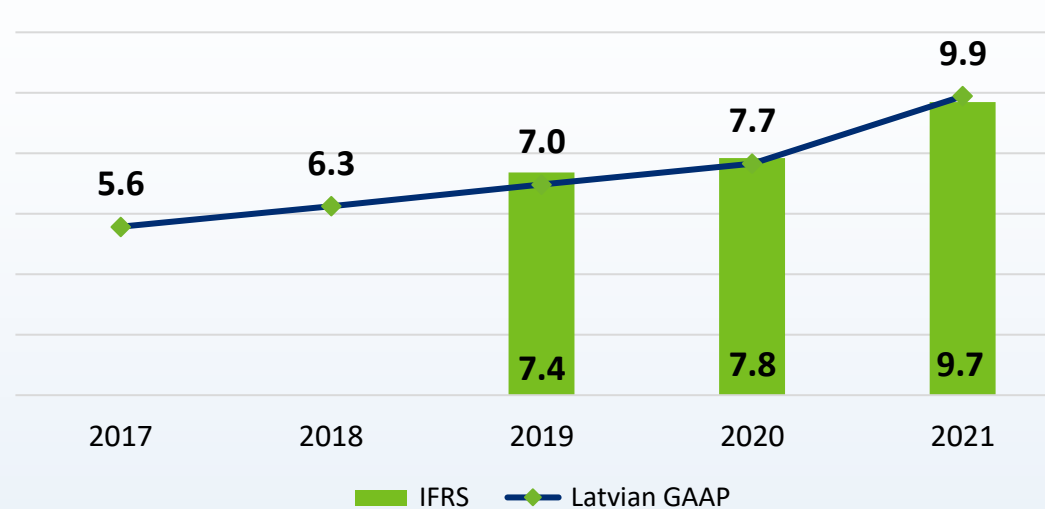


# FINANCIAL HIGHLIGHTS

Net profit, m EUR



EBITDA, m EUR



	2021	2020	2019
Total Turnover, EUR m	220.9	171.4	187.0
EBITDA margin, %	4.4%	4.6%	3.9%
ROE, %	15.3%	12.1%	11.9%
Adjusted ROE*, %	12.8%	12.1%	11.9%
Equity / Assets, %	49.3%	50.3%	45.2%
Net debt / EBITDA**	1.3	1.2	1.2

\* Adjusted excluding net result from electricity's financial derivative (+1.1 m EUR).

\*\* Excluding shareholder loan.

# 2021 HIGHLIGHTS

Solid **financial results**

Successful **IPO**

**5 new** and 23 renovated fuel **stations**

Start of **electricity** sales

**Alternative** fuels:

Biomethane/CNG infrastructure

Electricity charging network strategy

**Sustainability**





# SYSTAINABILITY



Solar panels



Electric charging stations



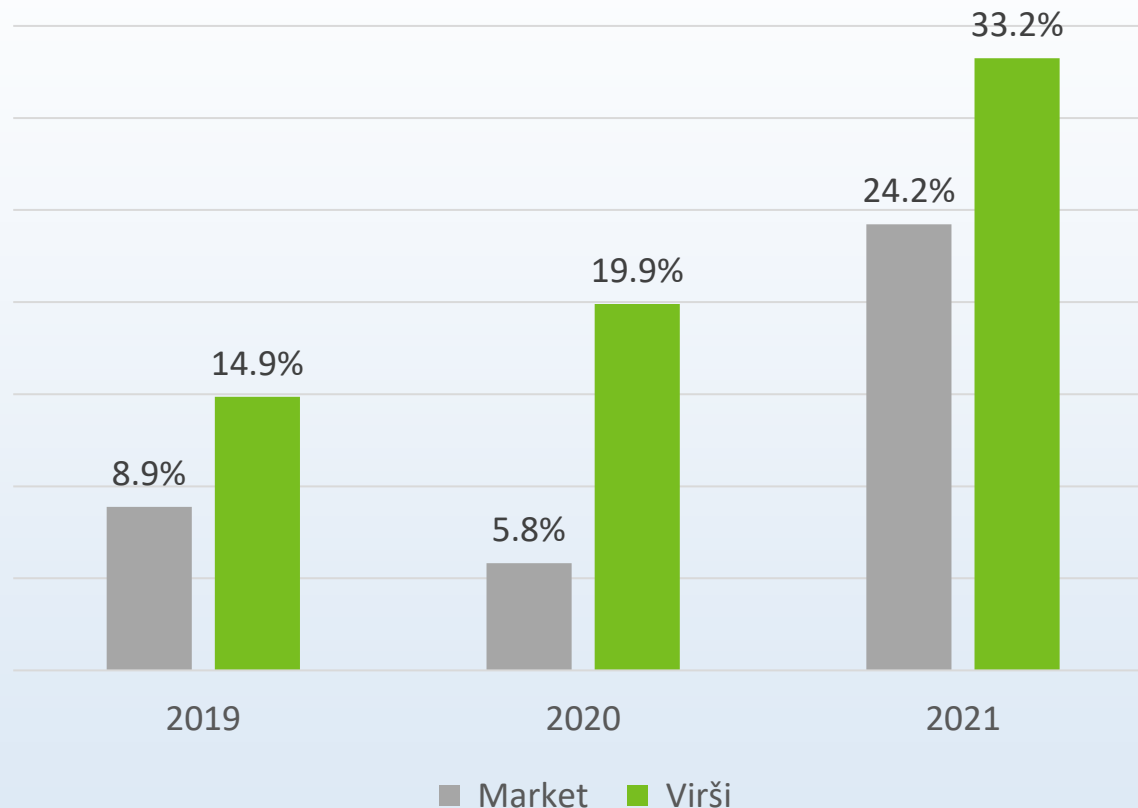
Biomethane



Solar parks

# CONVENIENCE SHOP RETAIL TRENDS IN 2021

## Growth in convenience store sales



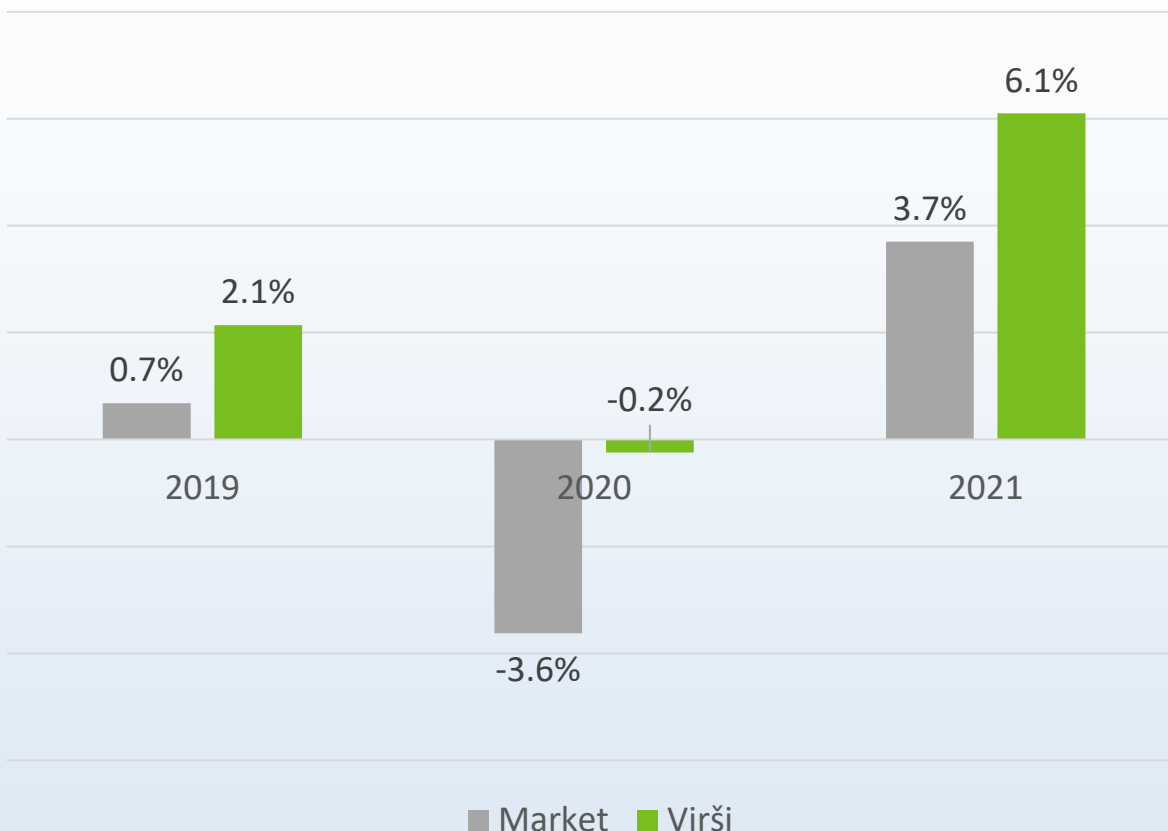
- 2021 has been a **year of obstacles**:
  - Client dynamics - **COVID-19 restrictions** and consequences
  - Teamwork - **labor market** conditions
  - Changing **customer habits** - digitalization of sales channels and fast-in-fast-out approach
  - **Sustainability**
  - **Inflation**
- Increase in retail turnover almost doubles (EUR 7.1 million up from EUR 3.1 million previously), margin grows
- Retail business segment's share in Virši total profit portfolio is fast approaching 50%

According to NielsenIQ Retail audit data the market share of AS "Virši-A" in all commodities (excluding fuel) sales among Latvian Modern Retail Convenience and Petrol stations chains\* in recent years has increased by 5.2%-points. \*NielsenIQ audited Modern Convenience and Petrol stations chains: Virši-A, Circle-K, Viada, Narvesen, Tabakas Nams



# RETAIL FUEL MARKET IN 2021

## GROWTH IN FUEL SALES



- Oil price increased by **48%** in 2021
- Latvia has the **highest excise duty rate** in the Baltics
- Diesel continues to increase its share in retail sales (**77.3%** of total fuel consumption)
- Increase in retail fuel sales in Latvia **+3.7%** (Virši network **+6.1%**)
- Demand for alternative fuels continues to grow (CNG volumes in the Virši network **+144%**)



# FINANCIAL RESULTS / INCOME

	2021 k. EUR Unaudited	2020 k. EUR Unaudited	2019 k. EUR Audited
<b>Profit of the reporting year</b>	<b>6 616</b>	<b>4 187</b>	<b>3 554</b>
<b>EBITDA</b>	<b>9 694</b>	<b>7 841</b>	<b>7 362</b>
Net sales	220 882	171 431	187 022
Cost of sales	(195 020)	(150 095)	(166 858)
<b>Gross profit</b>	<b>25 862</b>	<b>21 336</b>	<b>20 164</b>
	11.7%	12.4%	10.8%
Selling expenses	(17 480)	(14 146)	(14 274)
Administrative expenses	(2 126)	(1 903)	(1 779)
Other operating expenses	(189)	(613)	(293)
<b>Results from operating activities</b>	<b>6 066</b>	<b>4 674</b>	<b>3 818</b>
Financial revenue	1 071	15	9
Finance expenses	(502)	(500)	(270)
<b>Profit before tax</b>	<b>6 635</b>	<b>4 189</b>	<b>3 557</b>
Corp. income tax for the reporting year	(19)	(2)	(3)

- **Turnover growth** - liters of fuel, but also oil price, significant retail turnover
- Gross margin - **rising fuel prices**, tobacco consumption and rising demand in Latvia
- Significant increase in the **number our employees** and **tense labor market** - staff costs +18%
- The company continues to pursue a thorough cost planning policy and adapts quickly to new market situations, both by adjusting sales channels and by monitoring costs.
- **EBITDA up 23.6% or EUR 1.85 million** exceeding EUR 9.0 million target
- A **financial instrument** related to the purchase and price fixing of electricity, primarily for the period 2023-2027, is recognized in finance income. Net value EUR 1.1 million



# FINANCIAL RESULTS / ASSETS

	31.12.2021	31.12.2020	31.12.2019
	k. EUR	k. EUR	k. EUR
	Unaudited	Audited	Unaudited
<b>NON-CURRENT ASSETS</b>			
Intangible assets	154	143	50
Property and equipment	61 746	51 604	48 046
Right-of-use assets	2 615	2 316	2 425
Investment in associate	1 560	57	55
Loan to associate	278	303	328
Derrivative	3 501	-	-
	<b>69 855</b>	<b>54 423</b>	<b>50 904</b>
<b>CURRENT ASSETS</b>			
Inventories	11 799	5 442	5 954
Trade receivables	12 441	8 867	11 750
Due from related parties	7	41	56
Derivatives	34	-	-
Corporate income tax receivable	-	14	74
Other receivables	505	146	152
Prepaid expenses	109	111	84
Accrued income	266	106	62
Cash and cash equivalents	6 399	3 677	2 954
	<b>31 560</b>	<b>18 403</b>	<b>21 086</b>
<b>TOTAL CURRENT ASSETS</b>	<b>101 414</b>	<b>72 826</b>	<b>71 991</b>

- Capital investment in fixed assets amounts to EUR 14.7 million, EUR 7 million more than in 2020
- During the year, 23 fuel stations in the existing network were modernized and rebuilt, 5 new fuel stations were purchased and renovated and 1 fuel station was taken over from a franchise holder. At the end of the year, the network consists of 65 fuel stations
- Main source of funding:** 8 million loan from **SEB** Bank and **operating cash flow**
- At the end of the year, **invested EUR 1.5 million EUR in GasOn SIA (30%)**, a major step towards the future production and marketing of **biomethane** as defined in the prospectus
- A financial instrument related to the purchase and price fixing of electricity for the period 2023-2027 is recognized as an **asset and liability in the balance sheet**. Assets EUR 3.5 million, liabilities EUR 2.4 million
- Cash balance increases due to capital raised on the stock exchange

# FINANCIAL RESULTS / LIABILITIES

	31.12.2021	31.12.2020	31.12.2019
	k. EUR	k. EUR	k. EUR
	Unaudited	Audited	Unaudited
<b>TOTAL EQUITY</b>	<b>50 013</b>	<b>36 621</b>	<b>32 551</b>
<b>Share capital</b>	<b>13 937</b>	<b>6 678</b>	<b>911</b>
Share capital	7 546	6 678	911
Share premium	6 392	-	-
<b>Reserves</b>	<b>15 476</b>	<b>16 508</b>	<b>23 162</b>
<b>Retained profits</b>	<b>20 600</b>	<b>13 434</b>	<b>8 478</b>
Retained earnings brought forward from previous years	13 984	9 247	4 924
Profit of the reporting period	6 616	4 187	3 554
<b>LIABILITIES</b>			
Loans from credit institutions	16 842	10 977	9 665
Other loans	6 783	7 625	8 330
Asset retirement obligation	855	789	670
Derivatives	2 474	-	-
Lease liabilities	2 352	2 137	2 275
Trade and other payables	16 767	9 594	14 110
Tax liabilities	3 402	3 409	2 775
Accrued liabilities	1 926	1 674	1 615
<b>TOTAL LIABILITIES</b>	<b>51 401</b>	<b>36 205</b>	<b>39 440</b>
<b>Non-current liabilities</b>	<b>25 572</b>	<b>17 855</b>	<b>17 682</b>
<b>Current liabilities</b>	<b>25 829</b>	<b>18 350</b>	<b>21 758</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>101 414</b>	<b>72 826</b>	<b>71 991</b>

- Since 11 November 2021, Virši shares have been listed on the stock exchange. **IPO raised net EUR 7.3 million** for further development
- Management proposes to distribute 2021 profits accordingly with the **dividend** policy - 20% of profits or EUR 1.3 million, or **8.8 cents per share** before tax.
- The company has raised EUR 8 million in bank financing for the development of its fuel station network
- The price of fuel increased significantly towards the end of the reporting period, resulting in a comparative increase in current assets and liabilities - debtors, inventories and creditors.
- **Liquidity ratios** are stable - CA/CL - **1.22** (2020: 1.0)



# STRATEGIC TARGETS

## 2020 2024

EBITDA	7.8 m € *	15.4 m €
Net Profit	4.2 m €	9.0 m €
Fuel stations, incl. franchises	63	> 80
#1 alternative fuel segment	CNG / E	CNG / CBG / LNG / E
Non-fuel gross profit portion	> 40%	> 50%
Business diversification	FUEL / CONVENIENCE STORE	FUEL / CONVENIENCE STORE / ENERGY SERVICES
Top ranked employer	TOP 100	TOP 10

\* The Group expects its EBITDA to reach 9m € in 2021

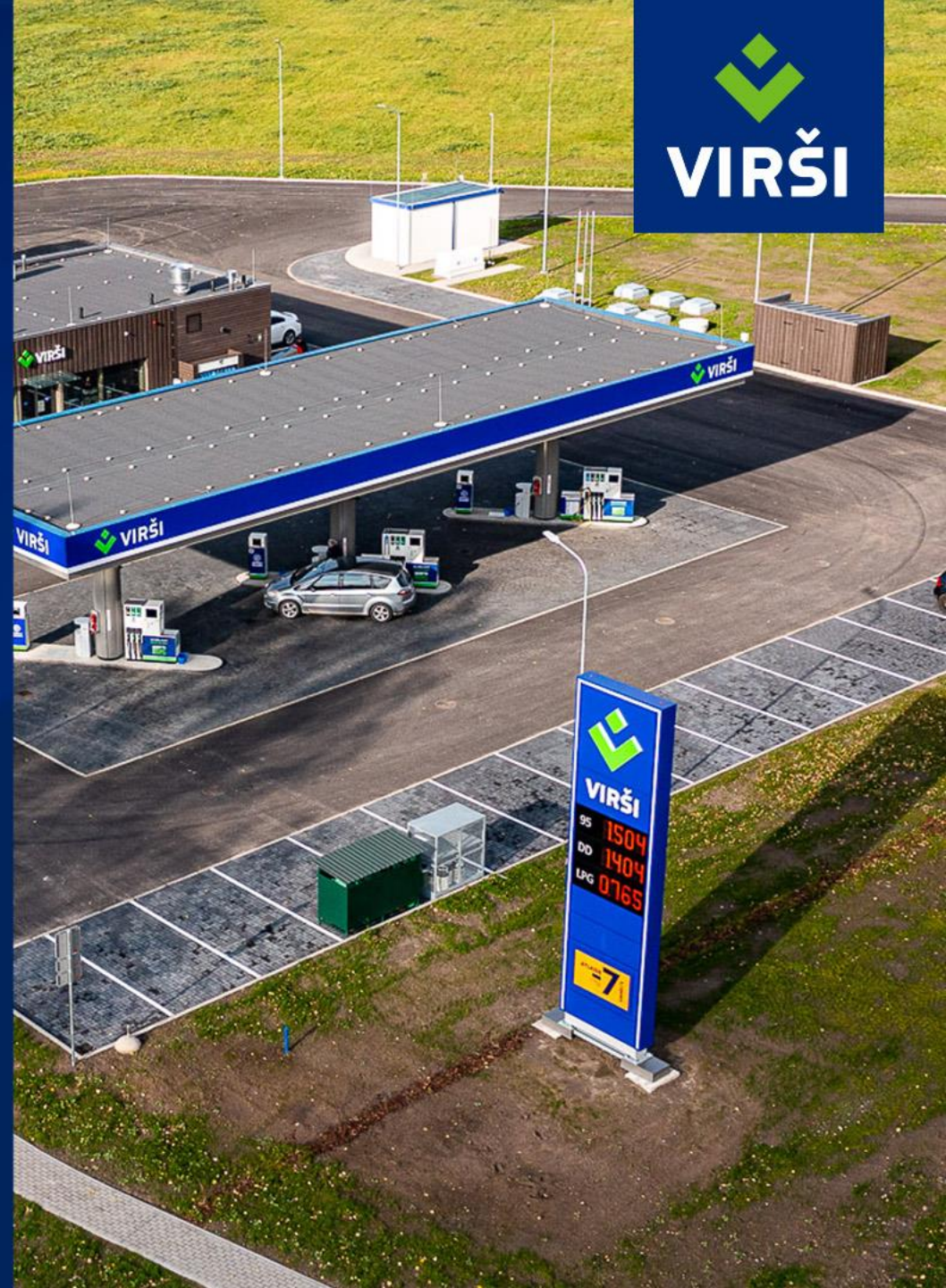
# QUESTIONS





# VIRŠI unaudited financial results for 2021

Unaudited IFRS



# GLOSSARY

- EBITDA (earnings before interest, taxes, depreciation and amortization) = profit before tax + interest expenses and similar expenses + right-of-use assets depreciation + depreciation of fixed assets + amortization.
- EBITDA margin = EBITDA / net sales.
- Return on equity (ROE) = net profit / total equity (average).
- Adjusted return on equity (ROE) = net profit deducting net result from financial derivative / total equity (average).
- Return on assets (ROA) = net profit / total assets (average).
- Current ratio = current assets / current liabilities.
- CAPEX = calculated as investments in fixed, intangible and right-of-use assets, as well as advances and security deposits paid for asset purchase in reporting period.

