

Virši 2023 unaudited financial results

March 1, 2024





JĀNIS VĪBA

Chairman of the Board,
CEO



VITA ČIRJEVSKA

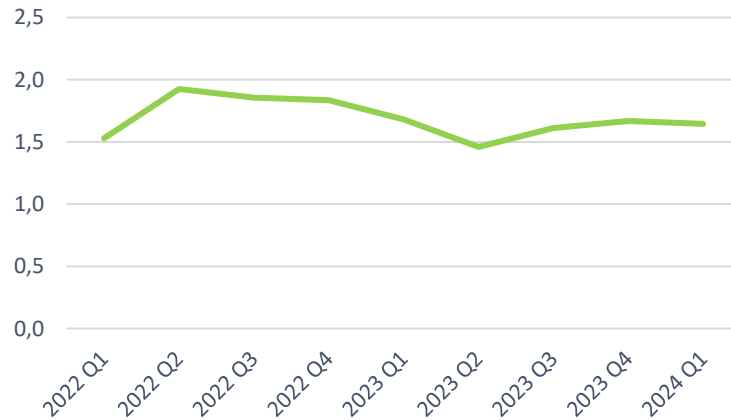
Board Member,
CFO



"Normalisation" in energy markets

Fuel

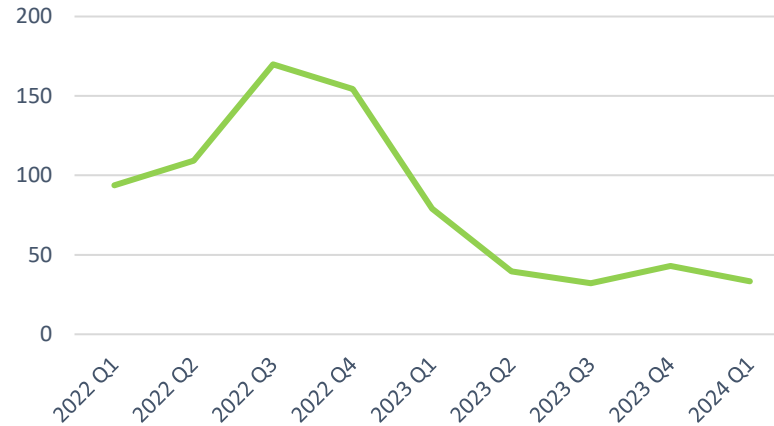
Diesel price EUR / litre



- Russian oil embargo from February has redirected Russian oil flows from Europe to China, India and other markets
- Saudi Arabia and Russia cut oil production to boost prices
- Challenges in oil product logistics due to tensions in the Middle East

Natural gas

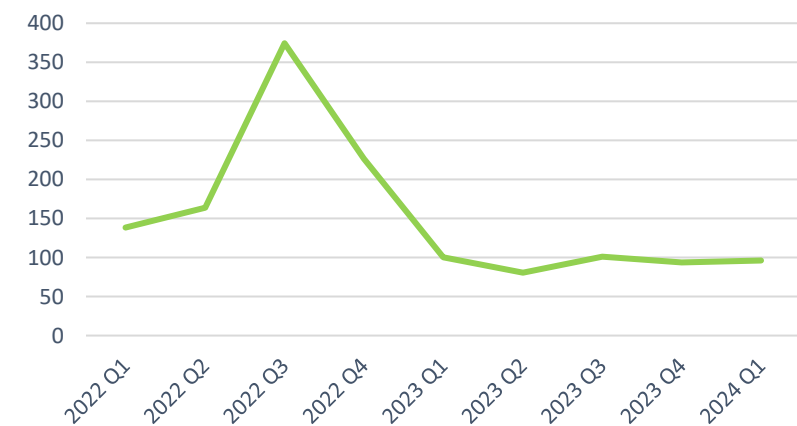
EUR / Mwh



- High natural gas storage capacity at the beginning of the heating season
- Relatively mild winter in Central and Western Europe
- Prices down to pre-Covid levels
- Balticconnector gas pipeline damage highlights localised risks to critical infrastructure

Electricity

EUR / Mwh



- Fall in natural gas prices
- High water inflow into the Daugava
- Increase in renewable electricity (wind and solar) generation capacity
- Mostly stable operation of Finnish NPPs
- Significant price reductions

Strategic goals

2020

2023

2026

Number of service stations	63	73	> 90
Employer	TOP 50	TOP 50	TOP 10
#1 in alternative fuels	CNG / Electricity	CNG / Electricity	CNG / LNG / Biomethane / Electricity / H2
Business diversification	FUEL / STORE	FUEL / STORE / ENERGY	FUEL / STORE / ENERGY
Gross profit of non-fuel segments	41%	55%	> 55%
EBITDA (M €)	7.8	13.7	20.3
Net profit (M €)	4.2	5.1 (EXCL. THE FIN INSTRUMENTS 7.2)	12.4 (EXCL. THE FIN INSTRUMENTS 12.7)



Number of service stations

Development of the station network

- 3 new stations – Preiļi, Krāslava, Olaine
- Reconstruction of existing stations – Satekles iela (Riga), Sarkandaugava (Riga), Zilāni
- 3 locations under construction – Viskaļu iela (Riga), Sigulda, Salaspils
- New projects planned to reach the target of 80 stations by 2024
- Launch of construction of a station in Lithuania



Employer's offer/value

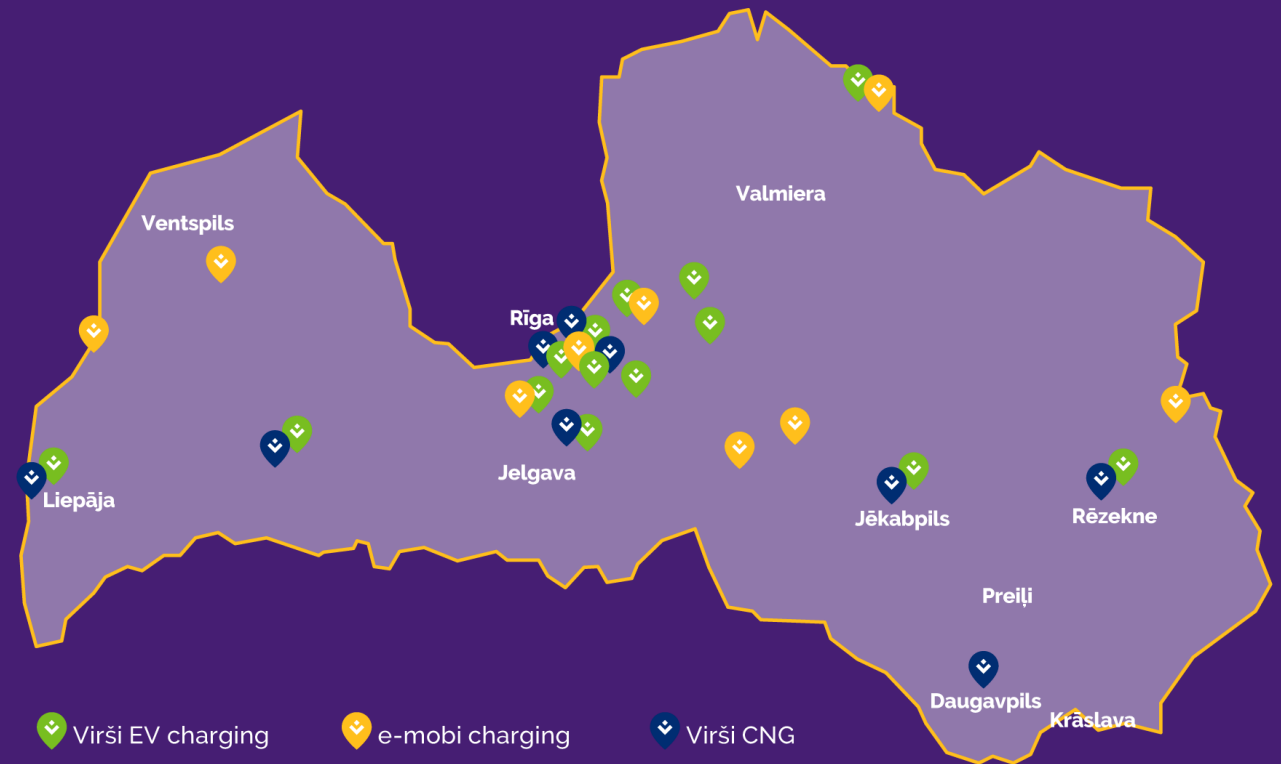
- **Compensation** in a dynamic market – station network remuneration revised several times in 2023
- Attractive and appreciated **benefits basket** – regular employee surveys and basket review
- Positive **working environment** – continued development on IT systems and physical working environment
- Would you recommend a job – **a career** – in Virši to friends and acquaintances? - High employee eNPS and external NPS employer score. Virši school becomes Virši academy
- **Culture** – review of values involving all teams; recognition for high performers and long-standing employees; Introduce new touch points between teams



#1 in alternative fuels

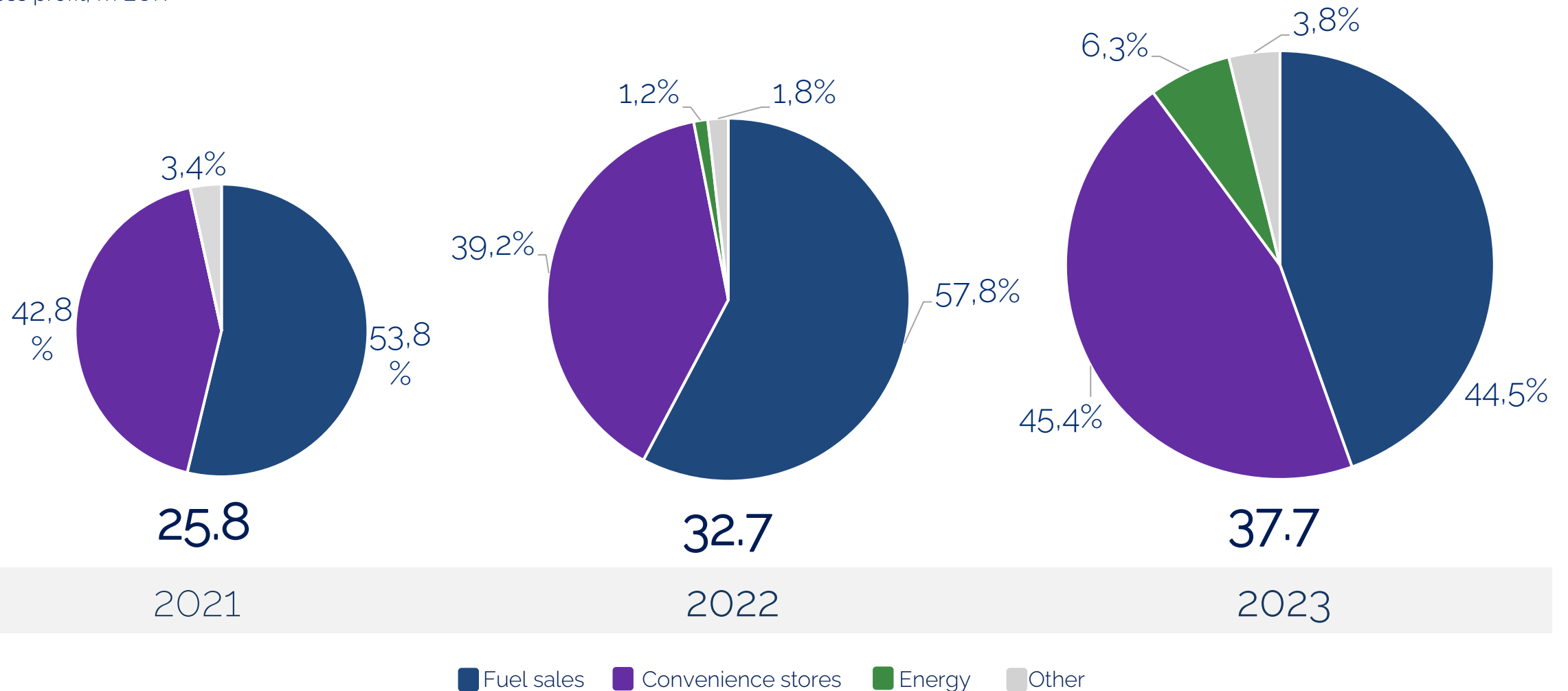
Decarbonisation of transport

- Demand for **alternative fuels** in Latvia continues to grow
- Virši offers compressed natural gas (CNG) products at 9 stations. Year-on-year increase in CNG consumption in the Virši network amounts to **+31.6%**
- **Market share of electric vehicles** reaches **0.8%** of the total market
- Virši offers **powerful charging options at 14 stations**. By the end of 2024, it is planned to provide charging in at least 20 stations
- **Biomethane production** project is under active exploration

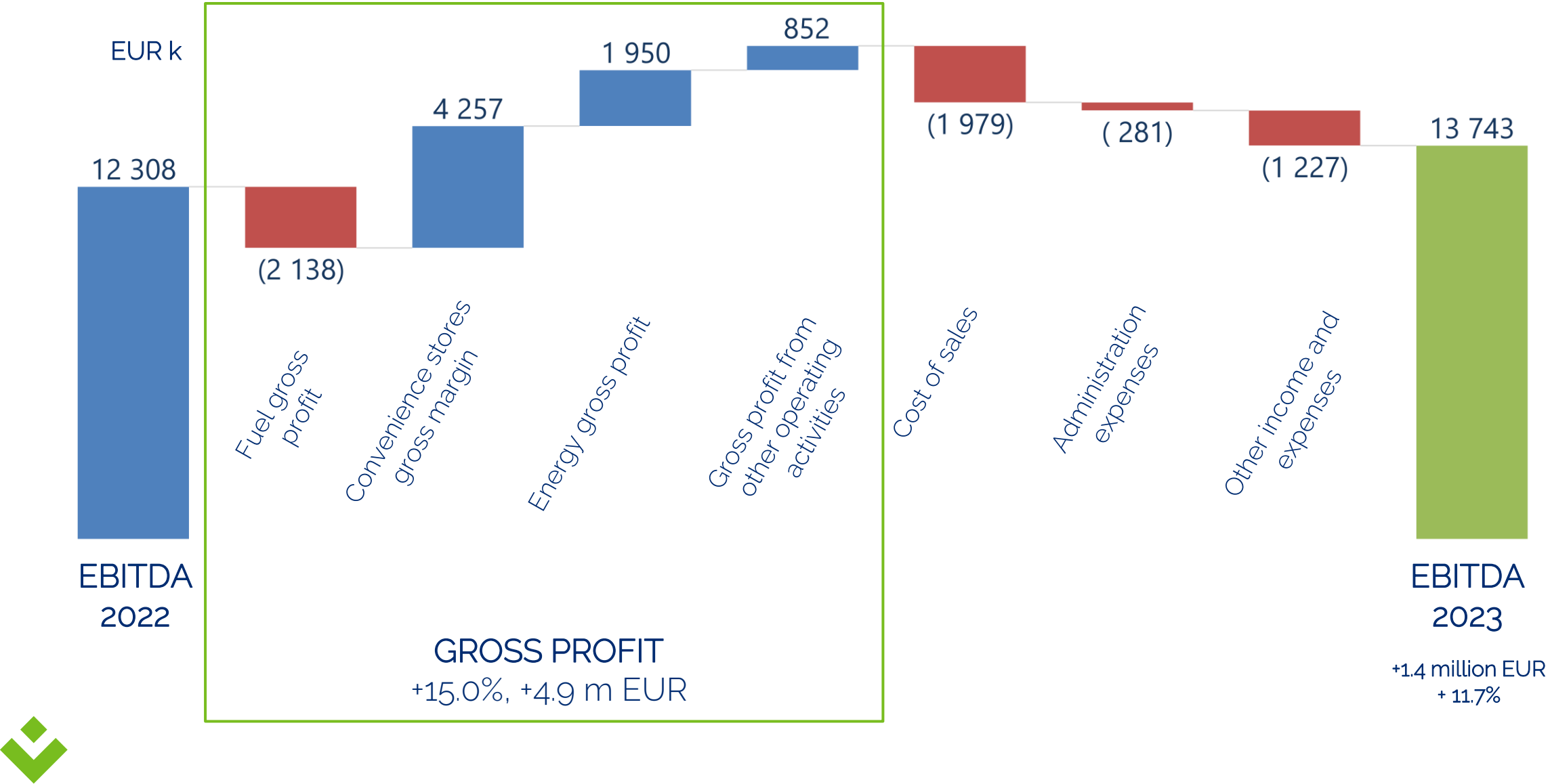


Gross profit of non-fuel segment

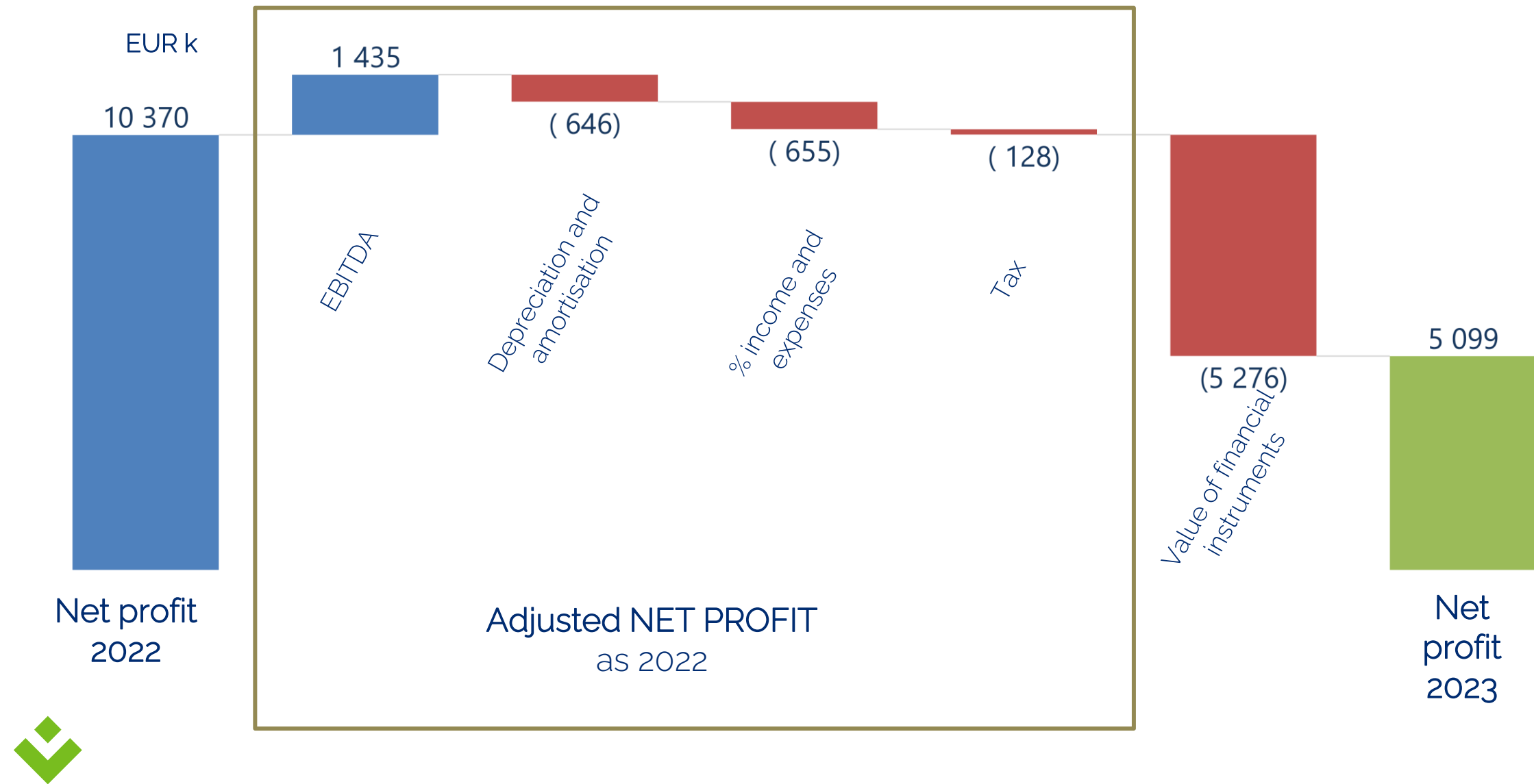
Gross profit, m EUR



EBITDA growth



Profit dynamics



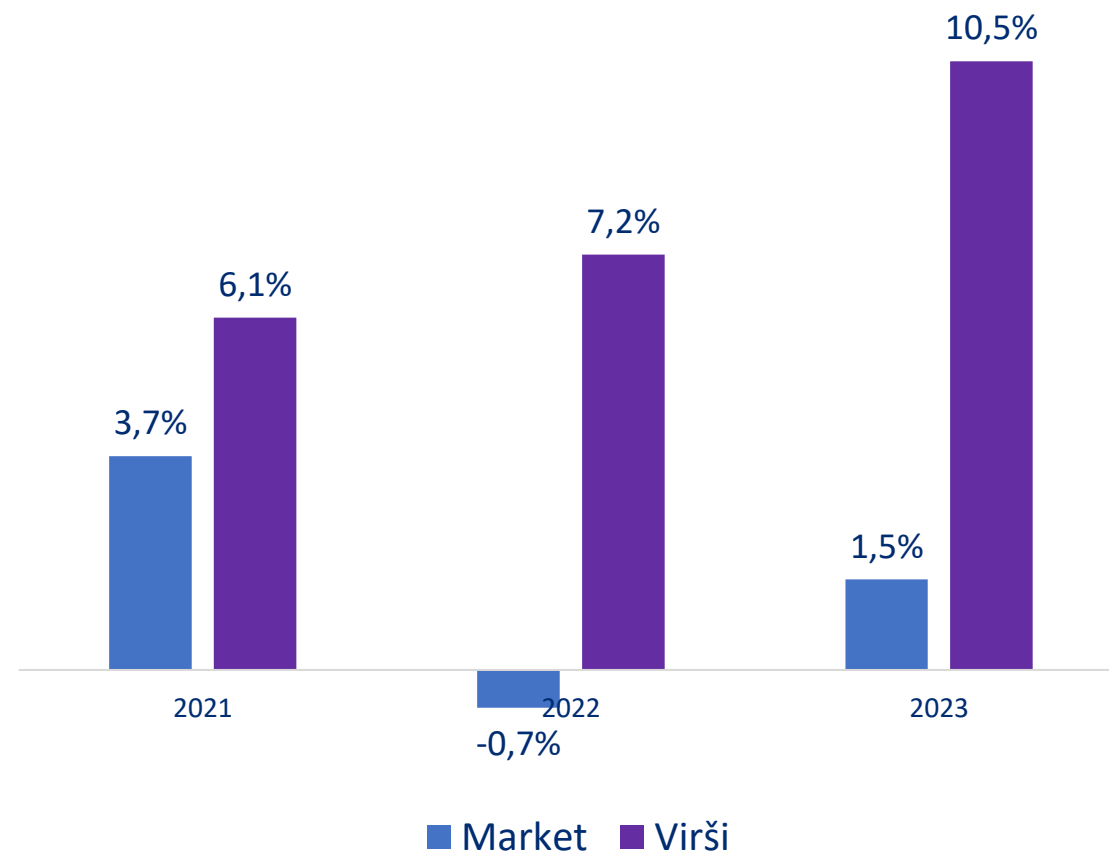
Fuel sales

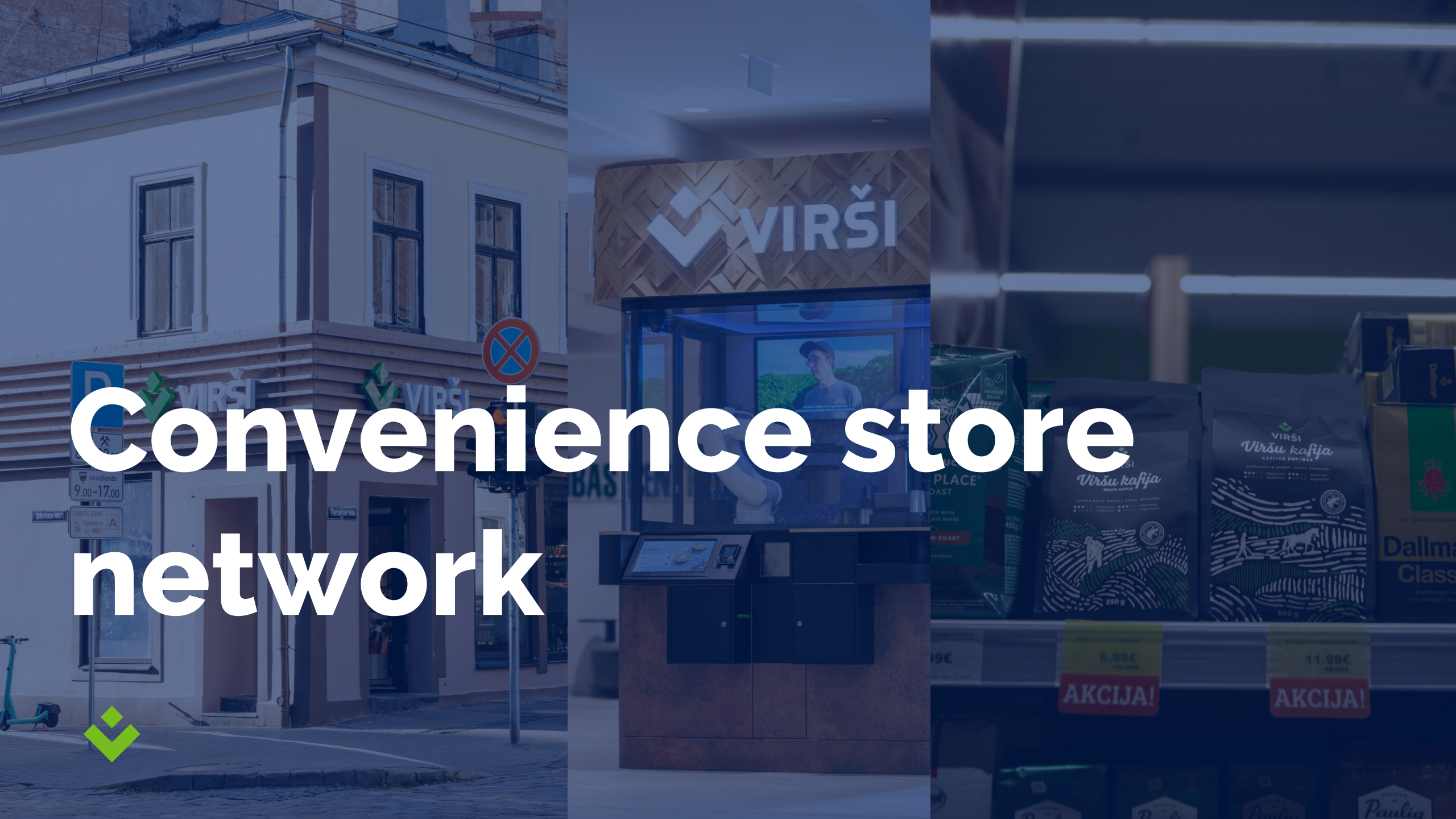


Trade news

- **Fierce competition** for the retail segment, undermining margins in this segment (promotions, discounts, marketing)
- Virši continues its strong market share gains. **Retail fuel sales** in Latvia **+1,5%** (Virši network **+10.5%**)
- The market at the end of 2023 shows a **decrease in fuel consumption** compared to the corresponding period of 2022
- 2023 was a year without a mandatory **biofuel admixture**
- **Cost burden increases** are expected for fossil fuels in the coming years

Increase in retail fuel sales





Convenience store network



Store network development and challenges

Sustainable and attractive **products** and new **sales channels** for customers: Virši stores outside filling stations

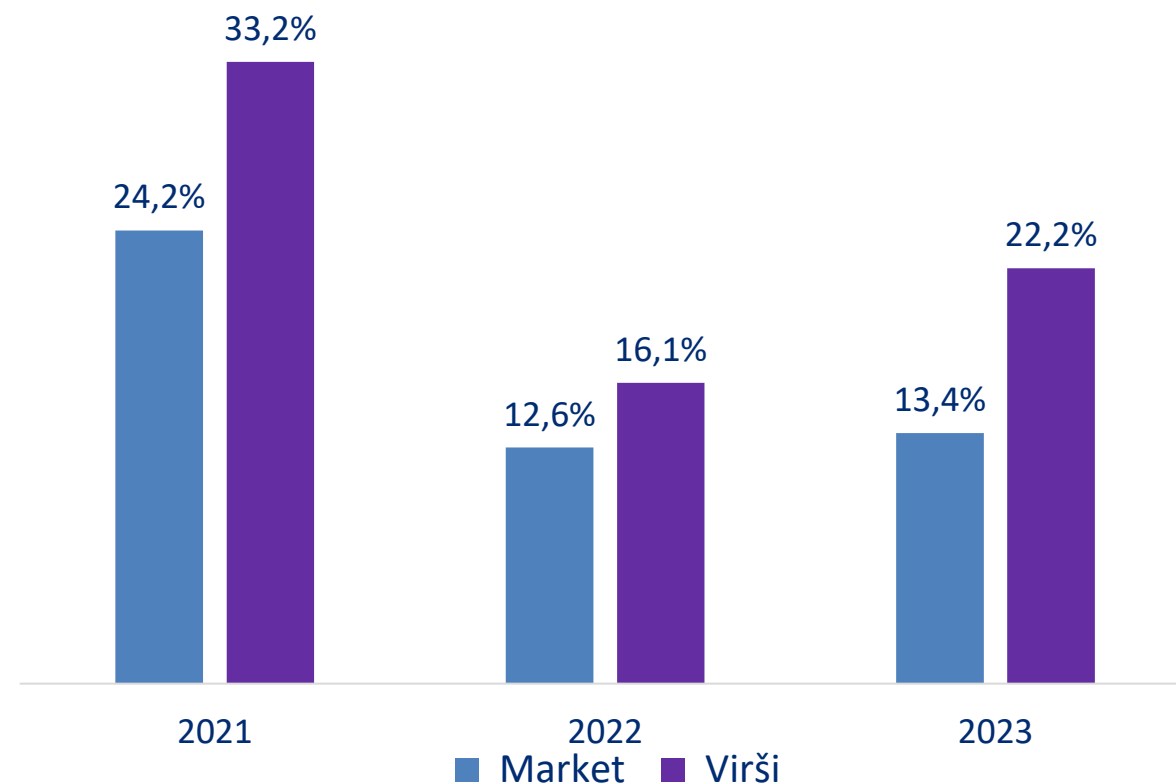
Workforce challenges and employer supply: 6.5% unemployment in Latvia in 2023

Store management, technology and business processes



*NielsenIQ audited Modern convenience shopping and Petrol station chains: Virši, Circle-K, Viada, Narvesen DUS, Kool, Astarte Nafta, Latvijas Nafta

In-store sales turnover



Electricity trade

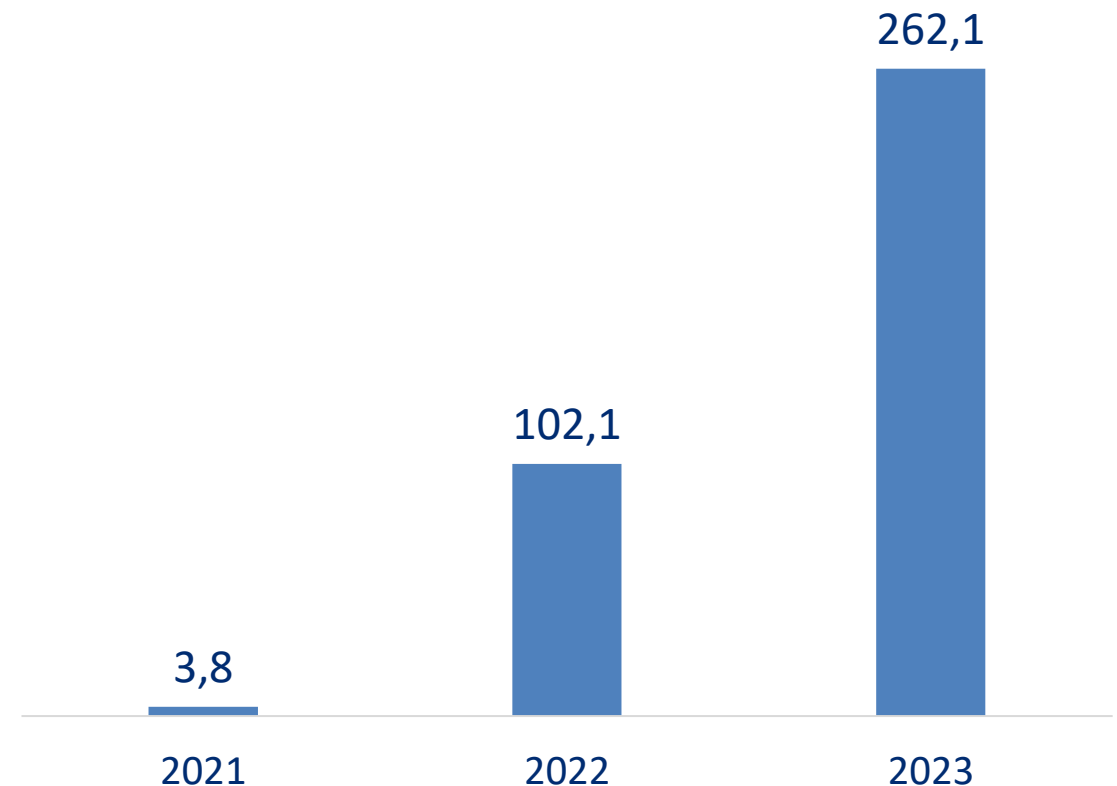


Trends in the first 12 months of 2023

- Electricity sold to customers in 2023 **3.7 times higher** than in 2022
- **54% more** electricity **purchased** from Latvian independent generators in 2023
- Cooperation with **100 of Latvia's independent electricity generators** (water, solar, biomass, biogas plants)
- Significant trading activity with **certificates of origin**
- Approximately **200 business** customers and **several thousand households**



Growth in traded electricity GWh

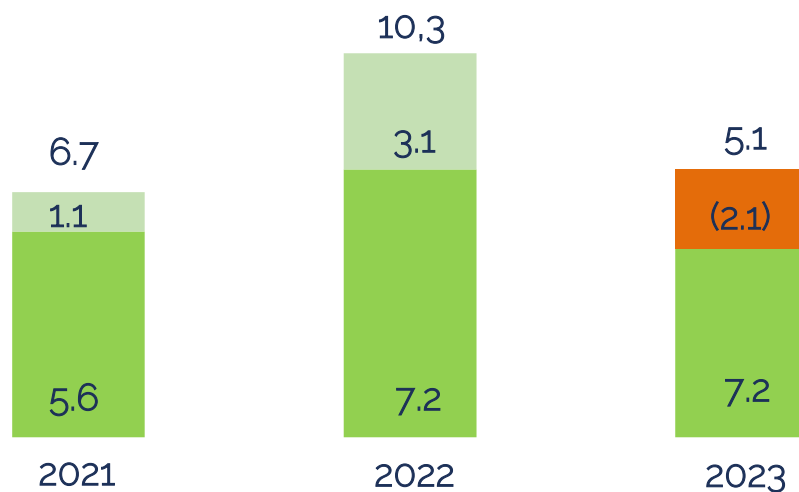


Key financial indicators

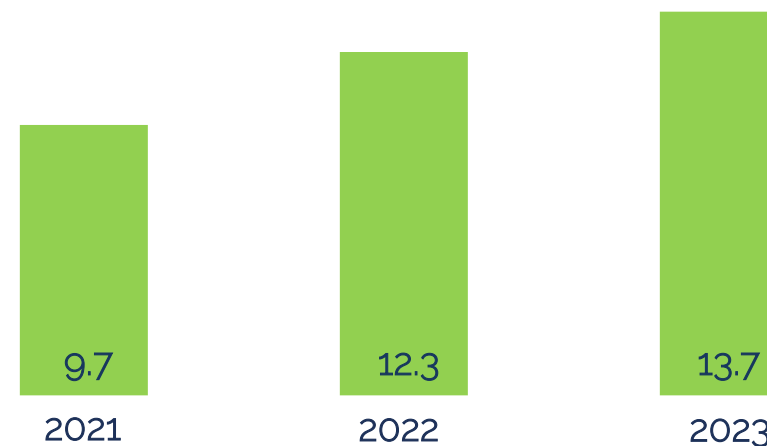


Key financial indicators

Net profit, m EUR



EBITDA, m EUR



	2021	2022	2023
Turnover, m EUR	220.9	375.1	343.7
EBITDA margin, %	4.4%	3.3%	4.0%
ROE, %	15.3%	17.8%	7.5%
Adjusted ROE*, %	12.8%	12.4%	10.6%
Equity / Assets, %	49.3%	49.9%	51.3%
Net debt / EBITDA**, %	1.3	0.9	1.5

* Adjusted to exclude the effect of the electricity financial instrument from the profit (2023: -2.1 m EUR; 2022: +3.1 m EUR)

** Excluding shareholder loans.



VIRŠI

Turpinām
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Annex

- **Turnover** – net turnover in the reporting period
- **Net profitability** – Group's profit for the year divided by net turnover
- **EBITDA** – Group's profit before financial income and expenses, depreciation and amortisation and corporation income tax
- **EBITDA margin** – EBITDA for the period divided by net turnover
- **ROE** – net profit for the period divided by average equity for the year
- **Adjusted ROE** – net profit for the period, excluding financial income on derivative financial instrument, divided by average equity for the year
- **Equity/Assets** – equity at the end of the reporting period divided by total assets at the end of the reporting period
- **Net debt** – loans from credit institutions, lease liabilities minus cash and cash equivalents at the end of the reporting period
- **Provisional dividend per share after taxes** – 20% of net profit divided by the number of dividends at the end of the reporting period less provisional corporation income tax
- **Gross margin** – gross profit for the reporting period divided by net turnover for the reporting period
- **Earnings per share** – net profit divided by the number of shares in the Group at the end of the reporting period
- **Liquidity ratio** – current assets divided by current liabilities at the end of the reporting period