

Virši

Unaudited financial results for the first half of 2023





JĀNIS VĪBA

Chairman of the Board,
CEO



VITA ČIRJEVSKA

Board Member,
CFO



Energy commodities trader and convenience store network



STORE

44.4%



FUEL SALES

46.8%



ENERGY

8.8%

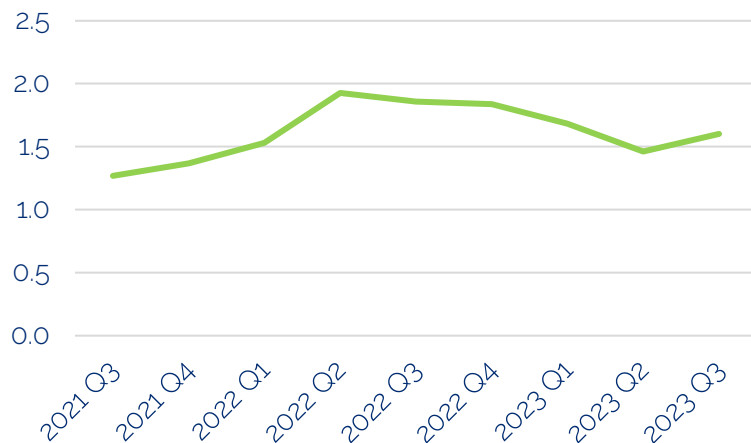


* Gross profit weight

“Normalisation” in energy markets

Fuel

Diesel price EUR / litre

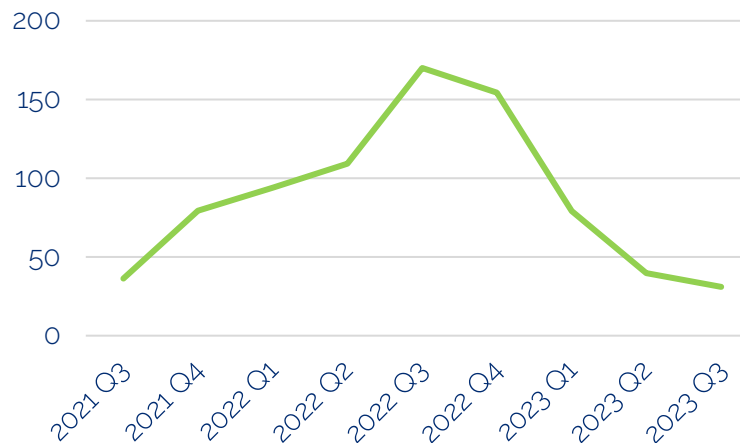


- Russian oil embargo from February has redirected Russian oil flows from Europe to China, India and other markets
- OPEC countries cut oil production to boost prices
- Global economic growth now stronger than expected, boosting oil demand



Natural gas

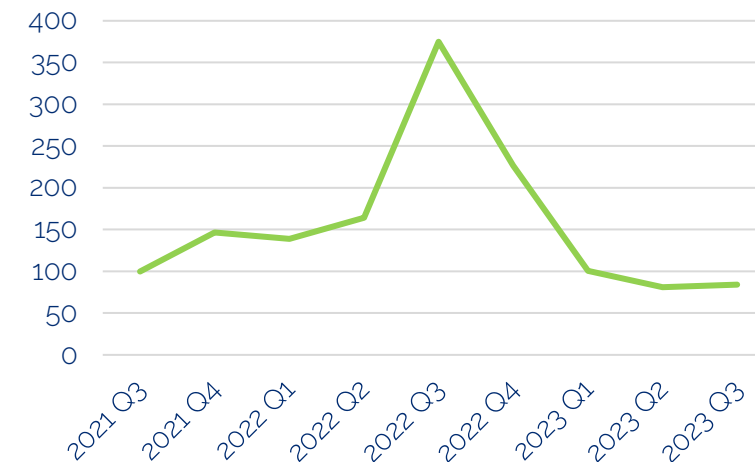
EUR / Mwh



- Price shock from Russia's invasion of Ukraine has significantly decreased
- Additional LNG capacity and the high natural gas storage capacity have brought prices back close to 2018 levels
- LNG terminals in Lithuania and Finland reduce supply risks for the Baltic region

Electricity

EUR / Mwh



- Lower natural gas price affects the cost of electricity produced by CHPs, reducing the price during periods of scarcity in the renewable and imported resource segment
- Significant increase in solar capacity in the Baltics → low electricity price on sunny days
- Operation of the Finnish NPP from March and floods in the Daugava River have eased pressure on prices in Q2

Highlights for the first six months of 2023



Highlights for the first six months of 2023

Development of the station network

- Satekle – full service station
- Preiļi, Krāslava – new franchises
- Sarkandaugava, Zilāni – filling station reconstruction works
- Olaine 2 – construction of a new service station



Highlights for the first six months of 2023

Working on new products and sales channels



Electric charging

- Each charging station has a total capacity of at least 200 kW, with a maximum of 160 kW available per CCS plug-in
- 14 charging stations within a year – 9 stations now completed
- 16 August – launch event at Virši Olaine



Highlights for the first six months of 2023

Sustainability

- As many as 31 stations equipped with solar panels
- From 2023, Virši has been using only renewable electricity produced in Latvia in its core business
- Staff Sustainability Group established
- ESG report published in September



Mission, Vision, Values



Vision

A diverse source of power
that inspires everyone
who wants to do
today and tomorrow



Mission

Giving energy to everyone
who wants to do more and
more



Values

- Human to human
- Enthusiasm is our energy
- Our strength is our roots
- **Creating the future today**



Convenience store network



Store network development and challenges

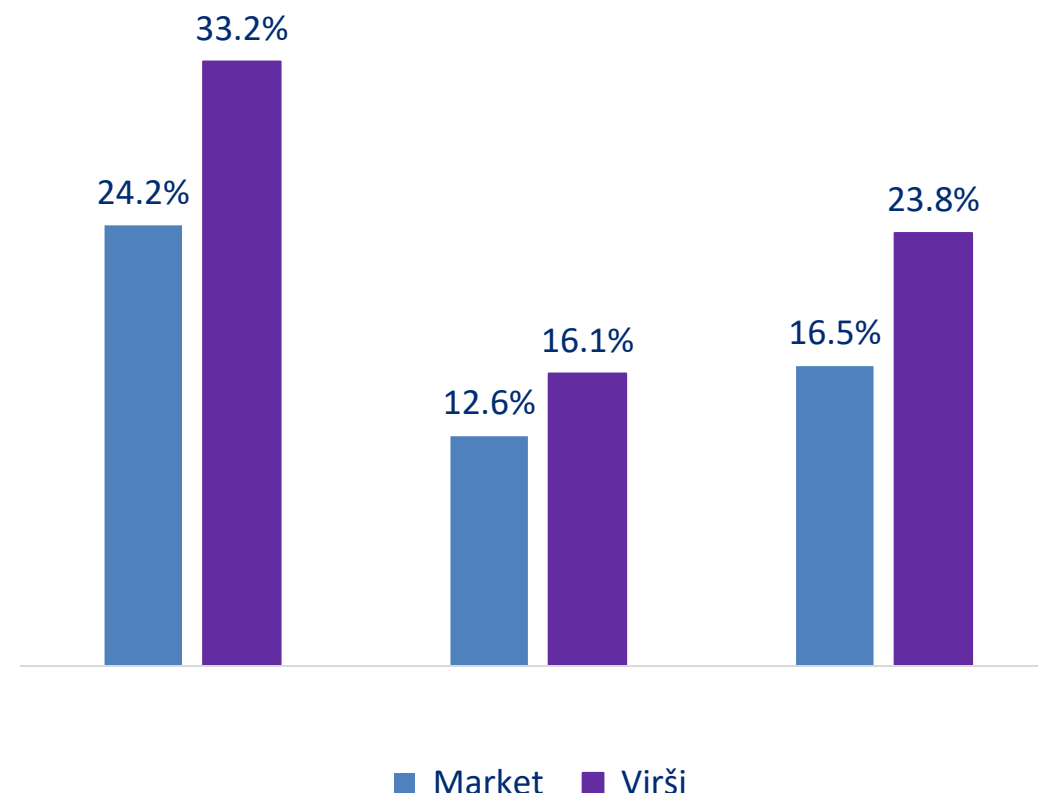
Drivers:

- Development of the range of products and sales channels
- Renovation of several stores and infrastructure

Challenges:

- Sustainability in the product life cycle
- Labour market dynamics – wage rate changes and competition

In-store sales growth



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

Coffee robot

- The first barista robot in the Baltics – a specialised robotic arm available at Spice shopping centre
- Freshly roasted Virši coffee and more than 20 other drinks for large and small visitors
- The first step of Virši outside the traditional filling station environment



Tērbata

- In response to customer demand, Virši Tērbata convenience store will be opened in Riga city centre in September
- Existing, as well as new, customised assortment of Virši stores
- Virši coffee going beyond the usual service station territory



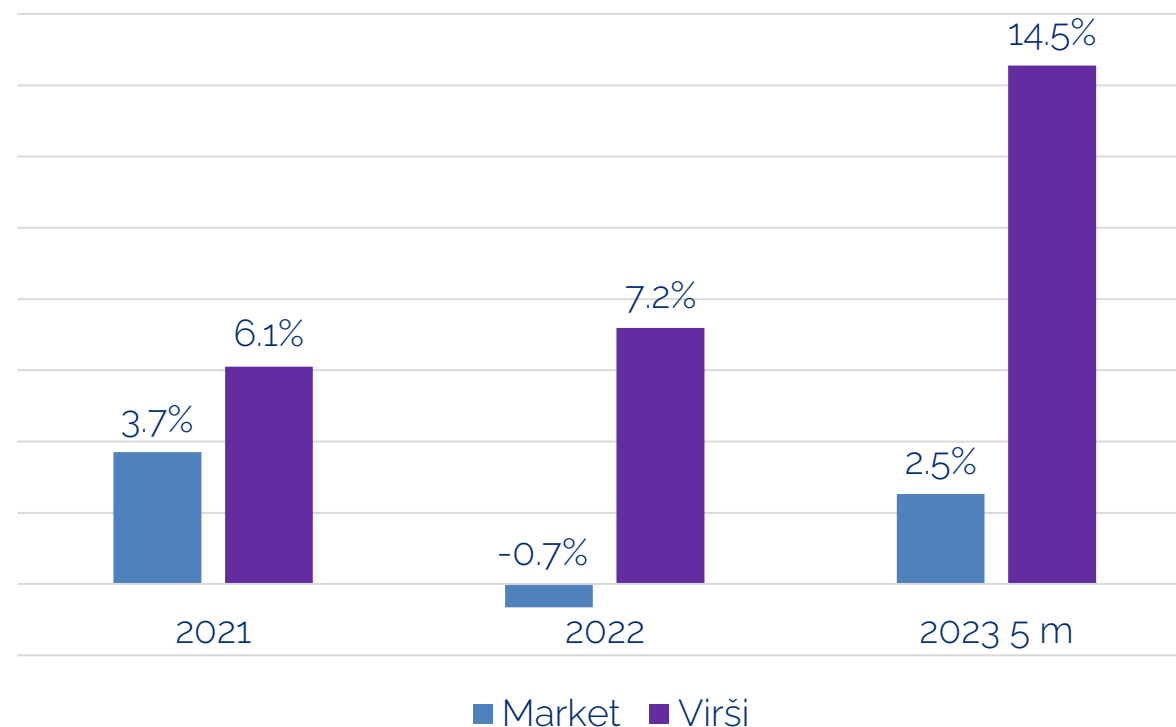
Fuel



Fuel market environment

- **Market consolidation** continues in the sector, with large players gaining market share and small players losing it
- **Fierce competition** for the retail segment, undermining margins in this segment (promotions, discounts, marketing)
- Virši continues strong market share development. **Retail fuel sales** in Latvia **+2,5%** (Virši network **+14.5%**)
- Demand for **alternative fuels** continues to grow (CNG volumes in the Virši network **+18.3%**)
- **Market share of electric vehicles** increases and reaches **0.6%** of the total market

Retail fuel sales growth



Mobile app

- Available to the public on Google Play and the App Store from 9 August
- Purchase all fuel products as well as Ad Blue and windshield fluid at the pump
- Promotions and discounts on store products
- Plastic card alternative



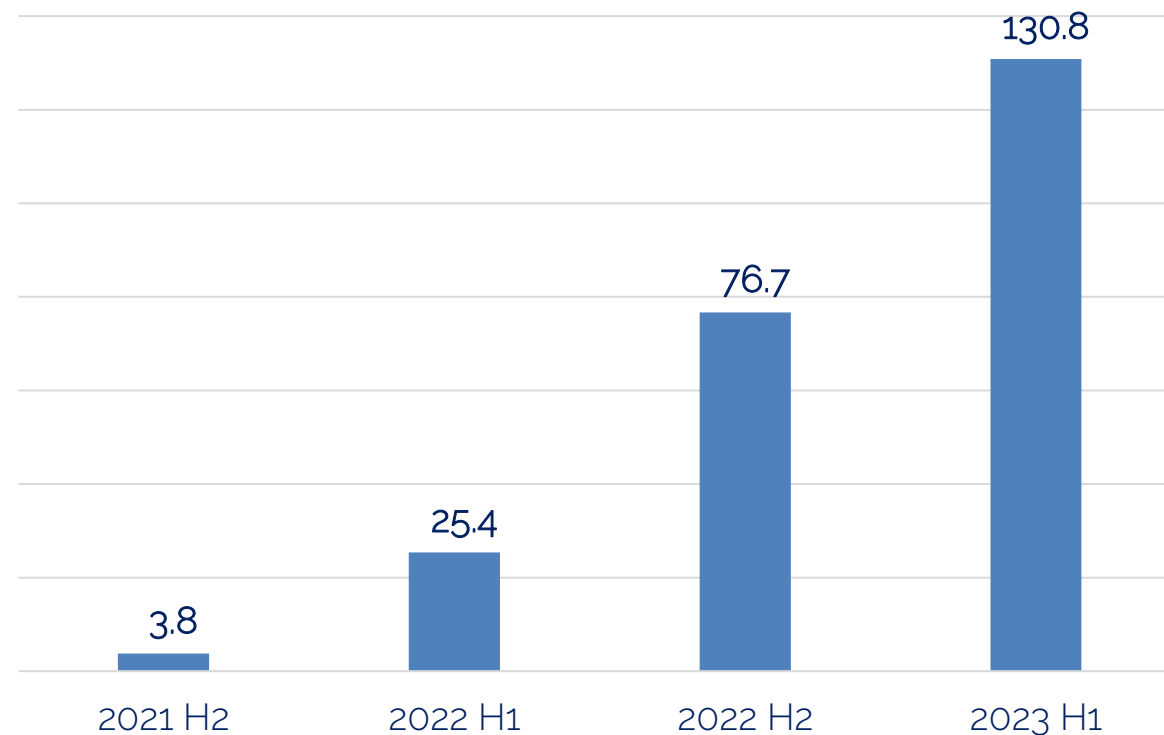
Electricity



Trends in the first 6 months of 2023

- Significant growth in the volume of electricity sold
- Serving B2B customers with more than 650 connection points throughout Latvia
- Cooperation with 65 local electricity producers (water, solar, biomass, biogas plants)
- Active trading of certificates of origin, serving electricity producers and providing electricity at Virši from entirely renewable sources
- Development of an electricity product for households in the final stage

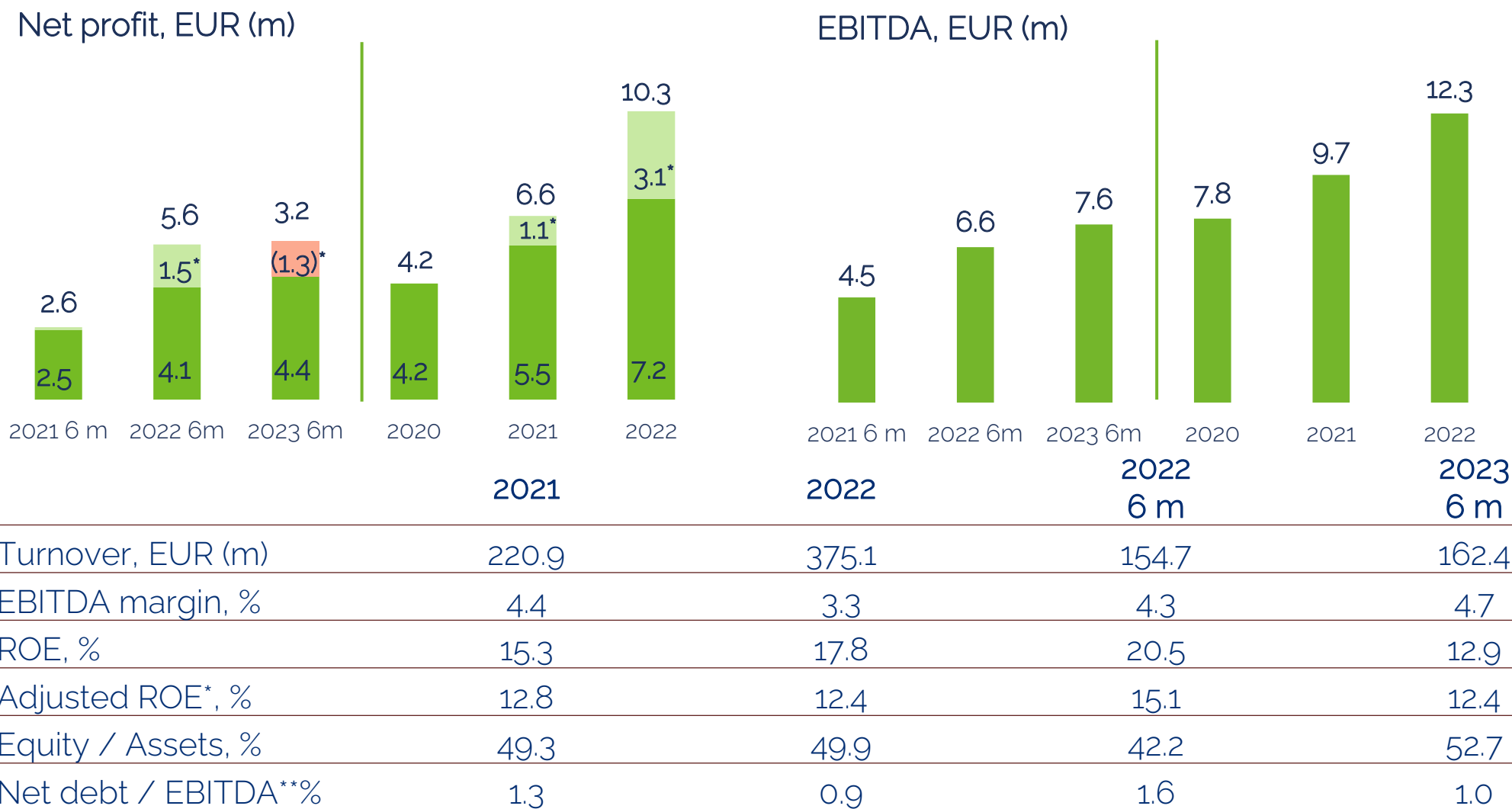
Growth in the volume of sold electricity, GWh



Key financial indicators



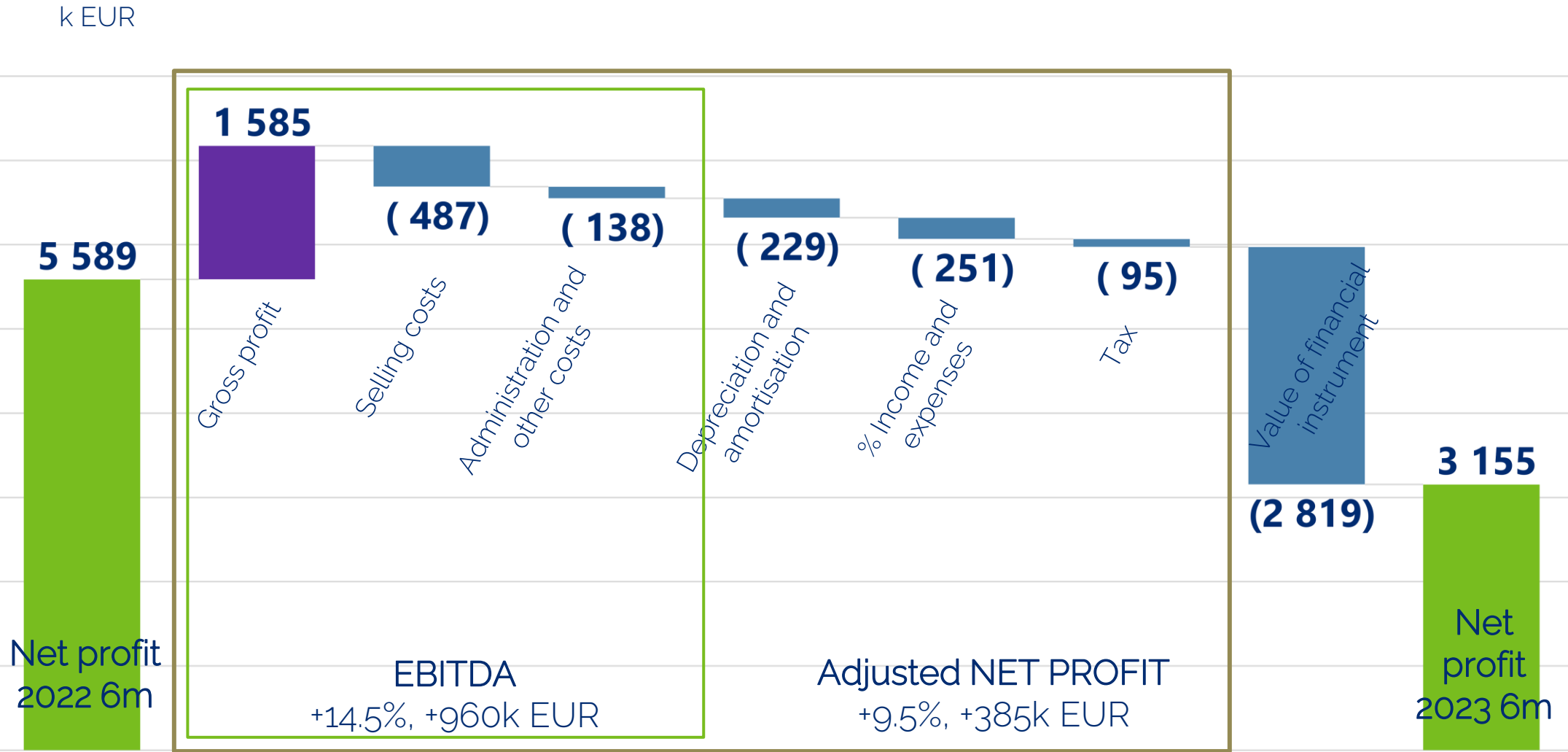
Key financial indicators



* Adjusted to exclude the effect of the electricity financial instrument from the profit (2023.06.: -1.3 m EUR; 2022.06.: 1.5 m EUR; 2021: 1.1 m EUR; 2022.: 3.1 m EUR).

** Excluding shareholder loans.

Profit dynamics in 6 months 2023



Strategic goals

	2020	2022	2026
EBITDA	EUR 7.8 m	EUR 12.5 m	EUR 20.3 m
Net profit	EUR 4.2 m	EUR 10.3 m (EXCL. FIN INSTRUMENT EUR 7.2 m)	EUR 12.4 m (EXCL. FIN INSTRUMENT EUR 12.7 m)
Number of service stations	63	70	> 90
#1 in alternative fuels	CNG / Electricity	CNG / Electricity	CNG / LNG / Biomethane / Electricity / H2
Gross profit of non-fuel segments	41%	44%	>55%
Business diversification	FUEL / STORE	FUEL / STORE / ENERGY	FUEL / STORE / ENERGY
Employer	TOP 50	TOP 50	TOP 10



Questions



Virši Unaudited financial results for the first half of 2023





VIRŠI

Turpinām
darīt!

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