AS "Virši-A"

UNIFIED REGISTRATION NUMBER 40003242737

Unaudited Consolidated Annual Report for 2024

PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

Contents

General information

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Name of the parent company Virši-A

Legal form	Joint Stock Company	
Registration number and date	40003242737, 6 January 1995	
Legal address	Kalna iela 17, Aizkraukle, Aizkraukles pagasts, Aizkraukles novads, Latvia, LV-5101	
Shareholders (above 5%)	Jānis Riekstiņš, Jānis Rušmanis, Ruta Plūme, Andris Priedītis, Ilgvars Zuzulis,	holder of 20.99% shares holder of 20.84% shares holder of 20.81% shares holder of 12.79% shares holder of 12.79% shares
Members of the Board	Jānis Vība, Linda Prūse, Vita Čirjevska,	Chairman of the Board Member of the Board Member of the Board
Members of the Council	Jānis Riekstiņš, Jānis Rušmanis, Ilgvars Zuzulis, Andris Priedītis, Ivars Blumbergs, Silva Skudra,	Chairman of the Council Deputy Chairman of the Council Member of the Council Member of the Council Member of the Council Member of the Council
Information on subsidiaries	**Virši loģistika, SIA** Kalna iela 17, Aizkraukle, Aizkraukles pagasts, Aizkraukles novads, LV-5101, Latvia Holding: 100,00%, from 15.09.2020 **Virši Renergy, SIA** Kalna iela 17, Aizkraukle, Aizkraukles pagasts, Aizkraukles novads, LV-5101, Latvia Holding: 100,00%, from 20.07.2020 **Virši Lietuva, UAB** Liepu g. 4, Klaipėda, LT-92114, Lietuva, Holding: 100.00%, from 23 January 2024	
Information on associates	**Gulf Petrol RE SIA** Brivibas iela 85 - 5, LV-1001, Riga Holding: 30.00%, from 1 July 2016 **GasOn SIA** Biekensalas iela 21, LV-1004, Rīga Holding: 30.00%, from 30 December 2021 **Livland Biomethane SIA** Kalna iela 17, Aizkraukle, Aizkraukles pagasts, Aizkraukles novads, LV-5101, Latvia Holding: 20.00%, from 05.08.2024 **Skulte LNG Terminal AS** Dzirnavu iela 36, LV-1010, Rīga Holding: 19.23%, from 31 May 2022	
Chief Accountant	Jeļena Laurinaviča	
Auditors	**KPMG Baltics SIA** Roberta Hirsa iela 1, Riga, LV 1045, Latvia Licences Nr. 55	

Group Management Report

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Line of business

AS Virši-A and its subsidiaries form a group that trades in energy resources and maintains a network of convenience stores (hereinafter also referred to as "the Group"). The Group is engaged in the wholesale and retail of oil products, and in the retail of car goods and groceries through the network of its own sales points. The Group also sells electricity and natural gas.

The registered and paid up share capital of AS Virši-A is EUR 7 564 730 and it consists of 15 129 460 shares.

Nominal value per share is EUR 0.50. Effective from 11 November 2021, the shares of AS Virši-A have been listed on the alternative market First North of Nasdaq Riga.

The Group's activities during the reporting period

In 2024, the Group successfully continued implementing its development strategy, which involved objectives such as the expansion of the network and modernisation of service stations and providing consistently high-quality products and services to its customers, as well as extending support to local producers by presenting them with the opportunity to place their products in stores of the Virši network.

The aim of the Group since 2021 has been to become a fully fledged energy company that offers its customers electricity and other energy products.

Financial results of 2024

Total turnover

380,6 mill. €
+11%

Convenience store turnover

56,9 mill. €
+18%

Fuel turnover

293,3 mill. €
+8,1%

Energy turnover

27,5 mill. €
+31,8%

Net profit

4,8 mill. €
-5,4%

EBITDA

13,7 mill. €
0%

Investments

23,3 mill. €
+38,5%

Station network

82
+9

Employees

872
+116

Group Management Report

During 2024, the Group continued focussing on its strategic development goals, closing the period with 82 service stations, EBITDA** of EUR 13.8 million and a profit of EUR 4.8 million. With the 2024 publication, the Group also communicates its targets for 2027.

During the reporting period, the Company's gross profit was generated by three core business segments: fuel products, convenience stores, and energy.

The Group's largest business segment by gross profit, convenience stores, in 2024 generated 49.8% or EUR 20.5 million (2023: 45.4% or EUR 17.1 million), an increase of EUR 4.3 million and 20.0% compared to 2023. The result was achieved by increasing turnover, profitability, offering customers a quality and diversified range of products and services, and diversifying sales channels.

The second largest business segment in terms of gross margin is the sale of fuel products. In 11 months of 2024, retail sales of fuel in Latvia grew by 1.0% in terms of tonnes of fuel sold, while the Group's business grew by 9.5%. **In 2024, the gross margin on sales of fuel products is EUR 19.7 million, an increase of EUR 2.9 million or 17.1% compared to 2023.** Compared to the previous financial year, the market competition remained high throughout the period, which contributed to both rapid changes in prices and discount offers in the market. While the competitors were busy optimizing and acquiring networks of service stations in 2023 and 2024, as well as in early 2025, VIRŠI continued to increase its market share by expanding the coverage of service stations, brand recognition, and customer loyalty.

The Group's activities during the reporting period

The third business segment - energy - in 2024 generated gross profit of EUR 574 thousand (2023: EUR 2.4 million). The Energy segment continued to service its business customers and develop, and also continued to work on its residential portfolio, which started at the end of 2023, by continuing to increase both the volume of electricity sold to consumers and the volume of electricity purchased from generators. The decline in wholesale electricity prices has led to a decline in both electricity trading turnover and wholesale transaction margins. Baltic wholesale margins in 2024 are comparable to those before the energy price crisis in 2022 and 2023.

The Group's EBITDA** in 2024 reached EUR 13.7 million (2023: EUR 13.7 million) and the past year has been a year of growth and expansion of the VIRŠI network of service stations, with significant investments in both real estate development and the recruitment and training of new employees. **The Group's gross profit in 2024 grew by EUR 3.5 million or 9.3% to EUR 41.2 million (2023: EUR 37.7 million), while selling expenses grew by EUR 4.0 million or 16.0%, driven by the development of the service station infrastructure and team.**

The financial result of the Company for the reporting year is a profit of EUR 4.8 million (2023: EUR 5.1 million), while the Adjusted Net Profit from Operating Activities of the Group, excluding the result from the revaluation of financial instruments, amounted to EUR 5.6 million in 2024 (2023: EUR 7.2 million). The Group's net profit ratio* is 1.3% in the reporting period and 1.5% in 2023.

* Net profit ratio is calculated by dividing the Group's profit for the reporting period with net sales;

** EBITDA – the Group's profit before finance income and finance costs, depreciation and amortization, and corporate income tax.

The Group’s activities during the reporting period

Despite challenging market conditions, the past year has been an ambitious year of investment for the company, which will ensure the Company’s long-term growth in the future. We continued to significantly grow our market shares across the main business segments, opening ten new trading locations, as well as continuing to modernize the existing network of service stations. In order to ensure further diversification of the Company’s business model, in 2024 we carried out extensive planning and preparation work for the start of the construction of the biomethane production. We plan to start producing biomethane in the first half of 2026. It should also be noted that during the year we have become the 4th largest electricity trader to households and we will continue to work actively to develop this segment.

Jānis Vība,
Chairman


VIRŠI
VĒJSTIKLU ŠĶIDRUMS

We have managed to increase our market share in the face of extremely tough competition and achieved our highest ever gross profit of EUR 41.2 million. In parallel with the development and expansion of our service station network, we have made ambitious investments of EUR 23.3 million, which have contributed to both infrastructure growth and service quality improvements.

The Company's growth is also reflected in the number of employees – we now have more than 900 people in our team. This growth demonstrates Virši as a stable and attractive employer that continues to grow and offer opportunities for professional development.

Vita Čirjevska,

Member of the Board

Strategic development and investments

As part of network development, in the reporting period the Group made total investments of EUR 23.3 million (2023: EUR 16.8 million) resulting in the opening of ten new trading locations, nine in Latvia and one in Lithuania.

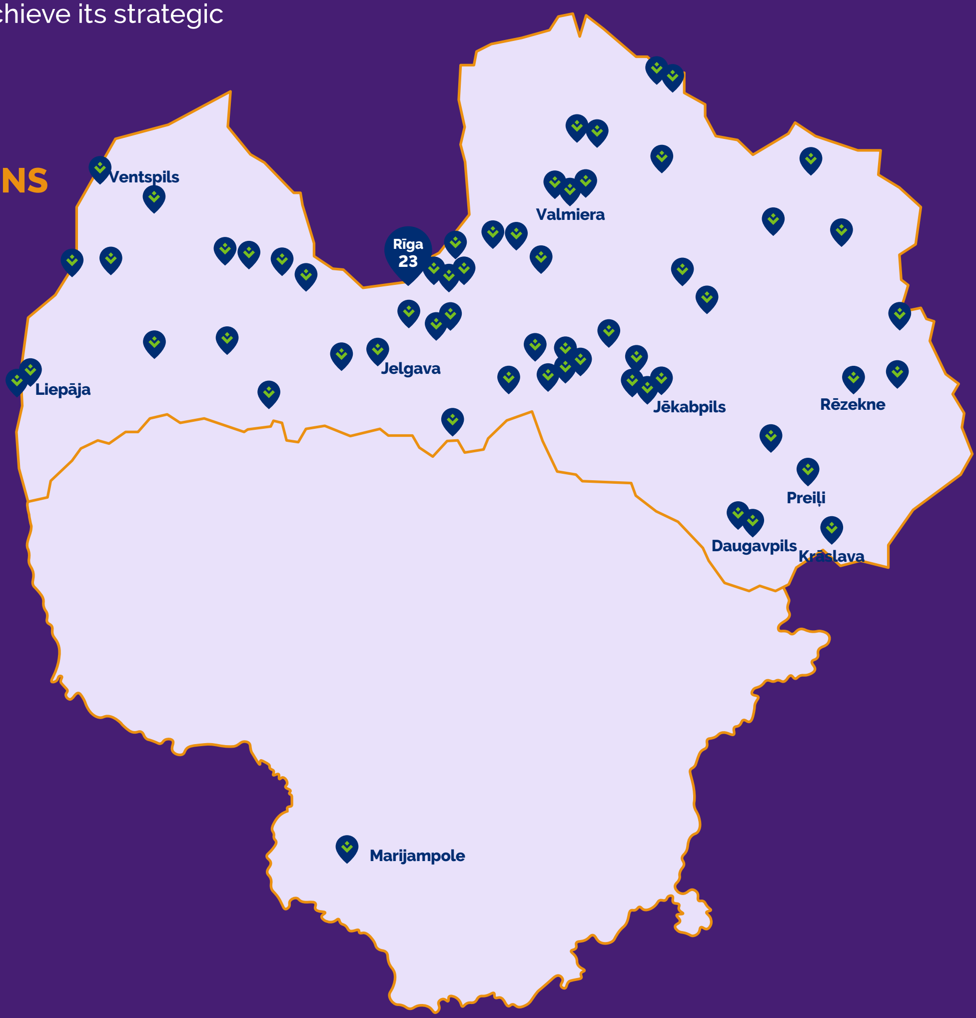
Development of service stations and convenience stores

The rapid increase in the number of trading locations has also led to a significant increase in the number of employees, with the Group employing more than 900 people in all regions of Latvia by the end of 2024 (2023: more than 780). At the end of 2024, the network of AS VIRŠI-A consisted of 85 trading locations, of which 82 were service stations.
In addition to the construction of new facilities, during the reporting period technical, interior, and exterior improvements were carried out in Virši service stations in Gulbene, Jugla, Dzelmes, and the Group is actively pursuing the development of new facilities in order to achieve its strategic objectives.

In order to diversify its business model and strengthen its long-term sustainability, in 2024 the Group invested EUR 500 thousand in the biomethane plant project SIA Livland Biomethane. In cooperation with the project partners, funding for the construction of the plant and the development of biomethane production in Latvia was raised from the European Energy Efficiency Fund (eeef) and construction of the plant started. The construction of the biomethane plant is expected to be completed in the first half of 2026.

NEW SERVICE STATIONS AND CONVENIENCE STORIES IN 2024:

- **Viskaļi**
- **Origo**
- **Lauva**
- **Salaspils 2**
- **Sigulda**
- **Valmiera 2**
- **Marijampole, Lietuva**
- **Berģi**
- **Apvedceļš**
- **Valdeķi**



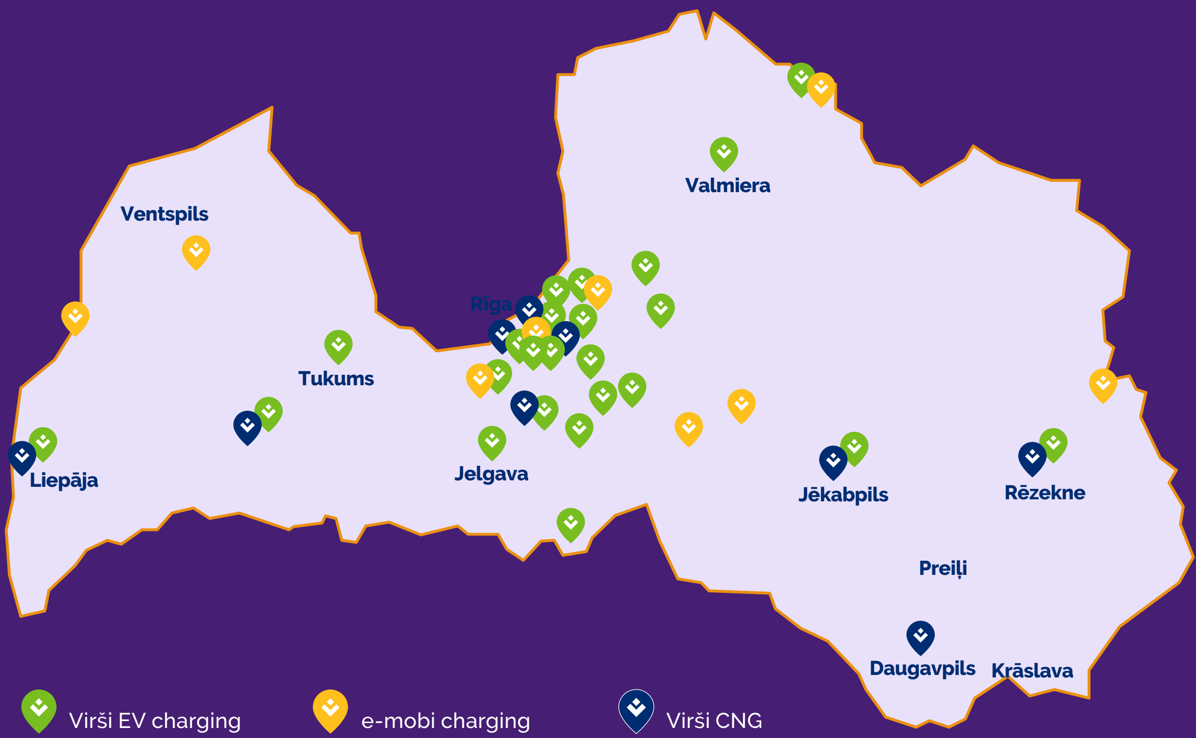
Strategic development and investments

2024 has been a period of rapid growth – not only have we significantly expanded our network, but we have also continued to develop and modernise our convenience store segment. We are particularly pleased with the new stations in locations where we were not previously present and are now seeing strong customer demand and appreciation for the quality of our products and services.

Linda Prūse,
Member of the Board

EV charging and CNG

In the reporting year, the Group concluded the Alternative Fuels Infrastructure Financing Facility (AFIF) project, under which AS Virši-A developed an electric charging network at 24 Virši service stations. The total number of plugs reaches 71, of which 30 provide at least 160 kW of power at the same time. In addition, from 2024, every charge in the Virši network is made with 100% renewable electricity produced in Latvia, which is guaranteed by certificates of origin for the use of renewable electricity.



In 2024, the Group significantly expanded its payment options for charging electric cars, including payment at the checkout with a payment card, in cash or with a company fuel card. This solution makes EV charging as accessible as refuelling, in line with the EU AFIR regulation and the SRS requirements on payment records. The Group has thus become the first service provider in Latvia with an extensive charging network providing all types of payment options.

In order to promote the development and availability of compressed natural gas (CNG) infrastructure, the Group built its 10th CNG filling station in 2024 at a strategically important location, the Berģi service station. In parallel, work continued on the development of a biomethane plant that will produce compressed biogas (CBG), strengthening the availability of local renewable energy in the transport sector.

In order to raise awareness of sustainable transport solutions in the industry, in 2024 the Group and Scania organised a B2B educational conference **The Future and Development of Transport.** Carriers, fuel and freight vehicle sellers, as well as representatives from the line ministries, attended to discuss industry trends, including the latest developments in transport energy legislation.

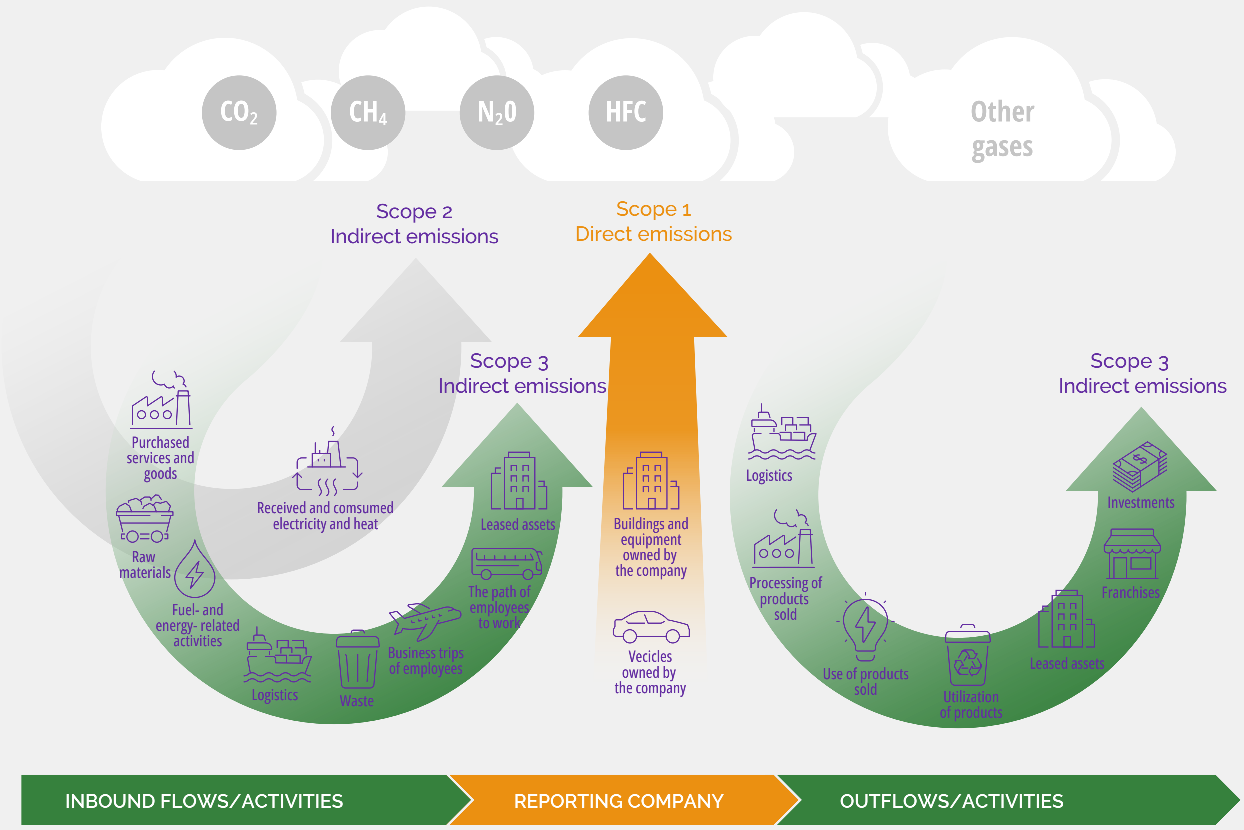
Sustainable development and reporting

In order to comply with the new EU sustainability reporting requirements, the Group conducted an external expert assessment of compliance with the European Sustainability Reporting Standards (ESRS) in early 2024, as well as a double materiality analysis to identify the sustainability themes, risks, and opportunities most relevant to the business, as well as the Group's defined value chain.During the reporting period, a focused effort was made to develop a sustainability strategy and define its target indicators. The strategy is the result of an assessment of the environmental and social impacts of VIRŠI over the medium and long term, combining the assessment of the Sustainability Working Group, the management team, and industry experts.

The Group's performance targets for the next financial year, defined in 2024, include 15 sustainability targets.

Corporate governance

In January 2024, the Group established a 100% subsidiary in Lithuania, UAB Virši Lietuva, to further develop the network of Virši service stations in the Baltic States. In August, EUR 500 million were invested in the acquisition of a 20% stake in the associated company SIA Livland Biomethane to ensure the achievement of future sustainability objectives and further diversification of the Group's business model. Both projects are being developed by VIRŠI in compliance with the Group's corporate governance principles and regulatory requirements.



Scope 1 emissions –
direct emissions or GHG emissions, that are generated, produced and controlled by company.

Scope 2 emissions –
indirect GHG emissions from electricity and heat received and comsumed.

Scope 3 emissions –
all other indirect emissions in the value chain.

Employees

In 2024, the Group was highly rated on the labour market, winning CV-Online's Top Employer awards in several categories: 4th place in the main category ("First employer that comes to mind"), 2nd place in the commercial sector and 1st place in the Zemgale region. These achievements demonstrate the Group's reputation as a stable and sought-after employer, as well as its commitment to improving the working environment and attracting employees.

An employer branding strategy has been developed to further strengthen the Group's visibility and attractiveness on the labour market. It is based on clearly defined values, a sustainable HR policy and targeted measures aimed at employee well-being, professional development opportunities, and building a strong team culture. The strategy aims not only to attract young talent, but also to ensure sustainable development by motivating and engaging existing employees.

Social responsibility

During the year, the Group continued to pursue a targeted social support strategy, working with various organisations and associations that promote children's education and development in sport. The Group invests in sustainable initiatives that have a positive impact on the growth and well-being of the younger generation.
One of the priorities of the strategy is long-term support for specific organisations. Since 2023, the Group has worked with SOS Children's Villages to provide financial and informational support. During the reporting period, the Group supported the Association's activities with a donation of EUR 21 018, all of which was allocated to the programme Upon the birth of a baby, where parents of newborn babies receive emotional and informational support from an Emotional First Aid Mum (PEP Mum). During the reporting year, outreach activities were continued with the aim to raise awareness of the SOS Children's Villages Association and the need for support.

During the reporting period, the support to the National Blood Donor Centre, launched in 2020, continued, further explaining and highlighting the importance of continuity of blood donation to both the public and the company's employees. Donor Days are also organised at the Group's Riga office, addressing the company's employees and business partners, thus supporting the Latvian blood donor movement.

In order to demonstrate responsibility and support for the security of Latvia the Group participated with information support in the comprehensive national defence exercise Namejs 2024 organised by the National Armed Forces. The public could enjoy freshly roasted coffee from special Home Guard mugs with the motto My Latvia - My Responsibility at the Group's network of service stations, inviting the public to be aware of their role in national defence and strengthening the values of patriotism. To raise awareness of the exercise, information materials were placed in service stations, emphasising the importance of public involvement. As a Latvian capital company, Virši's outreach support was an expression of its position that national security is a shared responsibility, and through this initiative it helped to raise public awareness and support for those who care about Latvia's defence.

Management of financial risks

The Group is exposed to financial risks including credit risk, oil price risk, interest rate and currency risk. In order to control significant risks and mitigate the adverse impacts of the financial market, the Group's management observes internal procedures.

Credit risk is controlled by the Group through the constant assessment of client credit history based on credit policies in place. Receivables are registered by an individual assessment of the customer's credit history and financial indicators within appropriate credit limits and established due days. Trade receivables are carried at their recoverable amount. The Group's partners in cash transactions are local financial institutions with an appropriate credit history.

The Group is exposed to the oil price risk as it both purchases and sells fuel products, and the price of fuel products is closely linked to market fluctuations in oil prices. The risk is mitigated as the Group's prices are predominantly set on the basis of the actual fuel purchase price.

The Group observes a prudent policy for managing liquidity risk and secures access to appropriate amounts of cash and cash equivalents or credit resources under bank credit lines to be able to meet its liabilities as they fall due.
For the purposes of currency risk management, the Group management monitors the currency structure of assets and liabilities. Due to the current structure of the financial assets and liabilities denominated in foreign currencies, the currency risk is not material.

Subsequent events

On 12 February 2024, the Group's parent company, AS Virši-A, has prolonged loan agreement from AS SEB banka, recognised as current liabilities in the balance sheet as at 31 December 2024, for payment schedule up until March 2028.

No other significant subsequent events have occurred in the period from the year-end to the date of these consolidated financial statements that would require adjustments to be made to these consolidated financial statements or disclosures added within the consolidated financial statements.

Riga, 28 February 2025

Jānis Vība
Chairman of the Board

Linda Prūse
Member of the Board

Vita Čirjevska
Member of the Board

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Consolidated statement of comprehensive income

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Consolidated statement of comprehensive income

	Note	2024 EUR	2023 EUR
Net sales	2,4	380 577 660	343 732 101
Cost of sales	3,4	(339 380 989)	(306 039 564)
Gross profit	4	**41 196 671**	**37 692 537**
Selling expenses	5	(29 195 132)	(25 169 042)
Administrative expenses	6	(3 837 387)	(2 756 443)
Other operating income	7	649 845	217 986
Other operating expenses	8	(1 316 042)	(1 385 888)
Results from operating activities		**7 497 955**	**8 677 417**
Finance income		177 031	390 235
Finance expenses	22	(2 598 411)	(3 568 815)
Profit before corporate income tax		**5 076 575**	**5 498 837**
Corporate income tax for the reporting year	9	(251 586)	(400 033)
Profit after corporate income tax		**4 824 989**	**5 098 804**
Profit of the reporting year		**4 824 989**	**5 098 804**
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Revaluation of property and equipment/ (Elimination of the revaluation reserve for property and equipment)	11	-	(382 362)
Change in Asset retirement obligation	17, 20	149 725	(382 362)
Other comprehensive income		**149 725**	**(421 953)**
Total comprehensive income		**4 974 714**	**4 676 851**
Earnings per share before and after dilution	17	0.32	0.34
EBITDA per share		0.91	0.91

The accompanying notes on pages 25 to 63 are an integral part of these consolidated financial statements.

Riga, 28 February 2025

Jānis Vība	**Linda Prūse**	**Vita Čirjevska**	**Jeļena Laurinaviča**
Chairman of the Board	Member of the Board	Member of the Board	Chief Accountant

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Consolidated statement of financial position

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Consolidated statement of financial position

ASSETS

NON-CURRENT ASSETS	Note	31.12.2024 EUR	31.12.2023 EUR
Intangible assets	10	732 303	681 285
Property and equipment	11	99 532 552	84 172 408
Right-of-use assets	12	4 988 841	3 982 995
Investments in associates	13	1 895 513	1 526 888
Loan to an associate		208 734	227 600
Derivatives	29	3 351 942	5 489 142
TOTAL NON-CURRENT ASSETS		110 709 885	96 080 318

CURRENT ASSETS			
Inventories	14	12 798 330	12 012 407
Trade receivables	15	17 824 379	17 406 273
Due from related parties		143 064	24 399
Derivatives	29	1 107 040	1 826 880
Loan to an associate		1 849 427	1 696 399
Other receivables		375 348	336 208
Prepaid expenses		375 180	307 402
Accrued income	15	1 816 035	1 352 430
Cash and cash equivalents	16	3 984 669	4 717 284
TOTAL CURRENT ASSETS		40 273 472	39 679 682

TOTAL ASSETS		**150 983 357**	**135 760 000**

Consolidated statement of financial position

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	31.12.2024 EUR	31.12.2023 EUR
SHAREHOLDERS' EQUITY			
Share capital		7 572 255	7 564 730
Share premium		6 358 527	6 358 527
Reserves:			
Long-term investment revaluation reserve		24 215 366	24 894 951
Other reserves		(3 995 428)	(4 005 654)
Retained earnings:			
Retained earnings brought forward from previous years		34 784 232	29 671 926
Profit of the reporting year		4 824 989	5 098 804
TOTAL SHAREHOLDERS' EQUITY	17	**73 759 941**	**69 583 284**
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	18	23 463 577	14 488 095
Other loans	19	4 419 050	4 962 627
Provisions for asset retirement obligation	20	787 443	763 654
Derivatives	29	2 546 816	4 142 486
Lease liabilities	21	3 752 649	689 965
Deferred income		277 298	391 872
TOTAL NON-CURRENT LIABILITIES		**35 246 833**	**27 727 879**
Current liabilities			
Loans from credit institutions	18	6 754 929	7 058 504
Other loans	19	700 008	700 000
Derivatives	29	581 780	1 107 171
Lease liabilities	21	1 001 170	689 965
Trade and other payables		18 740 709	16 800 257
Deferred income		101 832	112 632
Tax liabilities	25	8 433 203	6 894 834
Accrued liabilities	23	5 662 952	5 085 474
TOTAL CURRENT LIABILITIES		**41 976 583**	**38 448 837**
TOTAL LIABILITIES		**77 223 416**	**66 176 716**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**150 983 357**	**135 760 000**

The accompanying notes on pages 25 to 63 are an integral part of these consolidated financial statements.

Riga, 28 February 2025

Jānis Vība	Linda Prūse	Vita Čirjevska	Jeļena Laurinaviča
Chairman of the Board	Member of the Board	Member of the Board	Chief Accountant

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VIRŠI

Consolidated statement of cash flow

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Consolidated statement of cash flow

	Note	2024 EUR	2023 EUR
Cash flows from operating activities			
Profit before corporate income tax		**5 076 575**	**5 498 837**
Adjustments for:			
Depreciation and amortisation	10,11	6 250 327	5 067 793
Write-offs of property and equipment	8	-	624 005
Result of disposal of property and equipment	7	26 274	(31 865)
Employee share option programme		17 751	49 131
Interest income		(164 003)	(390 235)
Interest and similar expenses	22	1 994 307	1 433 050
(Income)/ loss from investments in associates		(131 875)	100 335
Net change in fair value of derivatives and loans		735 979	2 135 765
Profit before adjustment for the impact of changes to current assets and current liabilities		**13 805 335**	**14 486 816**
(increase)/decrease of receivables		642 964	1 604 649
(Increase) or decrease in inventories		(785 923)	(2 701 990)
Increase/(decrease) of accounts payable to suppliers, contractors and other creditors		4 508 401	122 733
Gross cash flows from operating activities		**18 170 777**	**13 512 208**
Interest paid	22	(1 405 315)	(1 014 538)
Repaid /(paid) corporate income tax		(251 586)	(400 033)
Net cash flows from operating activities		**16 513 876**	**12 097 637**
Cash flows from investing activities			
Acquisition of shares of related or associated companies	13	(500 500)	-
Purchase of property, equipment and intangible assets	10,11	(22 255 750)	(16 996 976)
Loans to associates		(930 000)	(500 000)
Income from disposal of fixed and intangible assets	78	26 274	235 827
Loans repaid		166 000	25 600
Interest received		164 004	390 235
Net cash flows generated from investing activities		**(23 329 972)**	**(16 845 314)**
Cash flows from financing activities			
Dividends paid		(815 809)	(1 659 205)
Loans received	22	11 840 378	4 000 000
Repayment of loans and leases	22	(4 941 088)	(5 228 159)
Net cash flows from financing activities		**6 083 481**	**(2 887 364)**
Net cash flows for the reporting year		**(732 615)**	**(7 635 041)**
Cash and cash equivalents at the beginning of the year		4 717 284	12 352 324
Cash and cash equivalents at the end of the year	16	**3 984 669**	**4 717 284**

The accompanying notes on pages 25 to 63 are an integral part of these consolidated financial statements.

Riga, 28 February 2025

Jānis Vība	Linda Prūse	Vita Čirjevska	Jeļena Laurinaviča
Chairman of the Board	Member of the Board	Member of the Board	Chief Accountant

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Consolidated statement of changes in equity

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Consolidated statement of changes in equity

	Note	Share capital	Share premium	Long-term investment revaluation reserve	Other reserves	Retained earn-ings	Total sha-reholders' equity
As at 31 December 2022		**7 557 211**	**6 358 527**	**26 123 808**	**(4 047 266)**	**30 524 228**	**66 516 508**
Comprehensive income							
Profit of the reporting period		-	-	-	-	5 098 804	5 098 804
Other comprehensive income							
Provisions for asset retirement obliga-tion	17	-	-	(39 591)	-	-	(39 591)
Transfer due to depreciation of accu-mulated revaluation gain		-	-	(806 903)	-	806 903	-
Increase/(decrease) in the long-term investment revaluation reserve	11	-	-	(382 362)	-	-	(382 362)
Transaction with owners of the Group							
Profit distribution		-	-	-	-	(1 659 205)	(1 659 205)
Employee share option programme	17	7 520	-	-	41 612	-	49 131
As at 31 December 2023		**7 564 730**	**6 358 527**	**24 894 952**	**(4 005 654)**	**34 770 730**	**69 583 285**
Comprehensive income							
Profit of the reporting period		-	-	-	-	4 824 989	4 824 989
Other comprehensive income							
Provisions for asset retirement obliga-tion	17	-	-	149 725	-	-	149 725
Transfer due to depreciation of accu-mulated revaluation gain		-	-	(829 311)	-	829 311	-
Transaction with owners of the Group							
Profit distribution		-	-	-	-	(815 809)	(815 809)
Employee share option programme	17	7 525	-	-	10 226	-	17 751
As at 31 December 2024		**7 572 255**	**6 358 527**	**24 215 366**	**(3 995 428)**	**39 609 221**	**73 759 941**

The accompanying notes on pages 25 to 63 are an integral part of these consolidated financial statements.

Riga, 28 February 2025

Jānis Vība
Chairman of the Board

Linda Prūse
Member of the Board

Vita Čirjevska
Member of the Boarde

Jeļena Laurinaviča
Chief Accountant

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Notes to the consolidated financial statements

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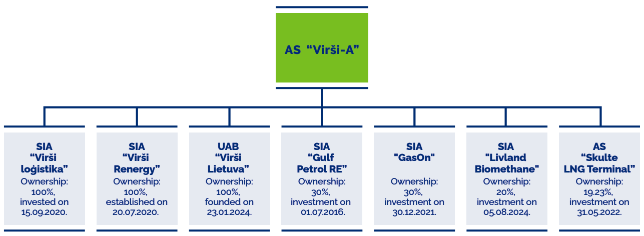
1. Information on the Group's activities and summary of significant accounting principles

General information on the Group

AS Virši-A (hereinafter "the Group" or "the Parent Company") was registered with the Enterprise Register of Latvia on 6 January 1995. The legal address is Kalna iela 17, Aizkraukle, Aizkraukles pagasts, Aizkraukles novads. The Group's shareholders are natural persons, residents of Latvia. The Group is engaged primarily in retail and whole sales of oil products, and retail sales of goods.
In 2023, the Group's parent company managed two subsidiaries, SIA Virši loģistika and SIA Virši Renergy, and, starting from January 2024, also the subsidiary in Lithuania, UAB Virši Lietuva. The operating activities of the subsidiaries are related to those of the Parent Company and represent ensuring fuel deliveries to the Group's filling stations, franchises and wholesale clients, and selling natural gas and also electricity.
The consolidated financial statements of the Group will be authorised in April 2025.

Legal structure of the Group



Virši Group entities were consolidated in joint structure during 2020. Prior to the legal restructuring of Virši entities (investment date: 15 September 2020), SIA Virsu nekustamie īpašumi and SIA Virši Loģistika were related parties to AS Virši-A with a single ownership structure. On 26 November 2023, the subsidiary SIA Viršu nekustamie īpašumi was merged with the parent company AS Virši-A. The merger was effected to ensure effective governance of the Group.
In a strategic move to expand the network of filling stations in Lithuania, on 23 January 2024 a new subsidiary was established in Lithuania, UAB Virši Lietuva.

Summary of material accounting principles

Basis of preparation

The consolidated financial statements were prepared on a going concern basis and in accordance with the IFRS Accounting Standards (hereinafter – IFRS) adopted by the European Union. All International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are in force during the preparation of the consolidated financial statements are approved for use in the European Union by the European Commission in line with the applicable endorsement procedure.
The currency unit used in the consolidated financial statements is Euro (EUR).
The consolidated financial statements cover the period from 1 January 2024 to 31 December 2024.
The statement of comprehensive income was prepared according to the cost function.
The cash flow statement was prepared using the indirect method.
The consolidated financial statements were prepared on the historical cost basis, except for the following items: buildings are revalued on a periodic basis and derivatives are measured at fair value.
The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements:

- It is assumed that the Group will continue as a going concern;
- Consistent valuation principles were used with those used in comparable accounting periods;
- Items were valued in accordance with the principle of prudence:
  – The consolidated financial statements reflect only the profit generated to the balance sheet date;
  – all incurred liabilities and current or prior year losses have been taken into consideration even if discovered within the period after the date of the balance sheet and preparation of the consolidated financial statements;
  – all amounts of impairment and depreciation have been taken into consideration irrespective of whether the financial result was a loss or profit;
  – Income and expenses incurred during the reporting year have been taken into consideration irrespective of the payment date or date when the invoice was issued or received, expenses were matched with income during the reporting period.

Assets and liabilities were valued separately.
All material items, which would influence the decision-making process of users of the consolidated financial statements, have been recognised and insignificant items have been combined and their details disclosed in the notes;
Business transactions are recorded taking into account their economic contents and substance, rather than the legal form.

Related parties

Related parties represent both legal entities and private individuals related to the Group in accordance with the following rules.

a) A person or a close member of that person's family is related to a reporting entity if that person:
   i. has control or joint control over the reporting entity;
   ii. has a significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:
   i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member):
   iii. The entity is controlled, or jointly controlled by a person identified in (a).
   iv. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

v. The entity or any member of the group to which the entity belongs provides management personnel services to the entity or the parent of company of the entity.

Related party transaction – a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Principles of consolidation

These consolidated financial statements include the financial position and results of operations of the Parent Company and controlled subsidiaries. A Parent Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
Investments in companies that the Group does not control, but where it has the ability to exercise significant influence (Group's interests are between 20% and 50%) over operating and financial policies, are accounted for using the equity method. These investments are the Group's interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates is accounted for using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued, except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated during the process of consolidation. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Segment information

Operating segments are presented in accordance with the classification used in internal reports to the chief operating decision maker. The main decision maker is a person or group of persons who allocates resources to the Group's operating segments and evaluates their activities results. The main decision-maker of the Group is the Board.

The Group's management performs segment analysis at the gross margin level for three core business segments - retail and wholesale fuel products, convenience store goods and services, and energy.

The breakdown of revenue, cost of sales and gross margin by line of business is presented in Notes 2 and 4.

All non-finance non-current assets are placed in Latvia. The Group does not have major customers.

New standards and interpretations

The Group has either not conducted transactions that fall within the scope of the new standards or its accounting policies are already compliant. A number of new standards or amendments to standards are effective (some of which are not yet been endorsed by EU) for annual periods beginning on or after 1 January 2024, with earlier application permitted; however, the Group has not early adopted the new standards in preparing these consolidated financial statements. The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements:

Effective date	New accounting standard or amendments	EU endorsed
01.01.2025.	Lack of Exchangeability (Amendments to IAS 21);	12 November 2024
01.01.2026.	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7);	In progress
01.01.2026.	Annual Improvements to IFRS Accounting standards Volume 11 (issued on 18 July 2024)	In progress
01.01.2027.	IFRS 18 *Presentation and Disclosure in Financial Statements* (issued on 9 April 2024)	In progress
01.01.2027.	IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued on 9 May 2024	In progress

Financial instruments

A financial instrument is an agreement that simultaneously results in financial assets of one party and financial liabilities or equity securities of the other party. The key financial instruments held by the Group are financial assets such as trade receivables, other receivables, loans and financial liabilities such as loans, financial instruments, lease liabilities, accounts payable to suppliers and contractors and other creditors arising directly from its business activities.

Recognition and initial measurement

Trade receivables and debt instruments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets

Classification and subsequent measurement

On initial recognition, the Group's financial assets are classified as measured at amortised cost, except derivatives referred to in Section 'Use of derivatives'.
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.
Subsequent to initial recognition, financial assets are reclassified only when the Group changes the business model under which those financial assets are managed. In such a case, all such financial assets are reclassified on the first day of the reporting period in which the business model is changed.
The Group does not hold debt or equity investments measured at FVOCI or FVTPL. All Company's financial assets are classified as financial assets at amortized costs, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.
Any gain or loss on derecognition is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents represent cash in bank accounts and on hand, cash in transit and short-term deposits with initial maturity of up to 3 months.

Financial liabilities

FAll financial liabilities are initially classified as measured at amortised cost and are subsequently measured at amortised cost using the effective interest method, except derivative liabilities referred to in Section 'Use of derivatives'. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. A financial liability is derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.
On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Use of derivatives

Bez augstākminētajām risku vadības politikām, finanšu risku iIn addition to the above risk management policies, the Group uses derivatives to hedge financial risks.
Derivatives are financial instruments whose value changes depending on the interest rate, securities price, foreign exchange rate, price index or rate, credit rating or changes in a similar flexible ratio, and which is impacted by one or several financial risks characteristic of the underlying financial instrument, and transferred from the Group to other parties to the transaction.
The Group uses derivatives such as commodity and currency futures and other derivatives which are initially disclosed at cost and at fair value. Fair value is determined with reference to market prices. All derivatives are recognized as assets if their fair value is positive and liabilities if their fair value is negative. The Group has not applied hedge accounting.

Non-financial assets and liabilities

Intangible assets

Intangible assets are carried at cost amortized over the useful life of the asset on a straight line basis. Should any events or changes in circumstances indicate that the book value of intangible assets is no longer recoverable the respective intangible assets are reviewed for impairment. An impairment loss is recognized when the book value of an intangible asset exceeds its recoverable amount. The Group's intangible assets consist primarily of IT software and developments with useful lives of 3 years.

Property and equipment

Useful lives of property and equipment

Property and equipment is carried at historical cost except for land and buildings that are recognized at revalued value, less accumulated depreciation and impairment. No depreciation is calculated for land. Depreciation is calculated on a straight line basis over the useful life of the asset:

- Buildings and engineering structures 20– 40 years
- Equipment and machinery 5– 20 years
- Other property and equipment 2– 7 years

Depreciation is calculated from the month following the month of putting the asset into use or involvement of it in operating activities. Depreciation should be calculated separately for each component of property and equipment the cost of which is material in comparison with the total cost of the respective asset. If certain components of an item of property and equipment are depreciated on an individual basis, other components of that same asset item are also depreciated on an individual basis. The remainder represents components that are not material individually. Depreciation of the remaining components is calculated using approximation methods to make proper disclosures of the useful life.
The change of the depreciation method is considered a change of an accounting estimate which a medium and large company is required to disclose in the notes to the consolidated financial statements.
Should any events or changes in circumstances indicate that the book value of property and equipment is no longer recoverable the respective assets are reviewed for impairment. In the presence of non-recoverability indications and when the carrying amount of an asset exceeds its recoverable amount, the asset or its cash-generating unit is written down to its recoverable amount. The recoverable amount of property and equipment is the greater of net sales value and value in use. The value in use is estimated by discounting estimated future cash flows at present value using a pre-tax discount rate which reflects the present market forecasts with respect to the changes in the value of the asset and risks associated with it. The recoverable amounts of assets that do not generate independent cash flows are determined for the cash generating unit to which the asset belongs. Impairment loss is recognised in the profit and loss statement as cost of goods sold.
Items of property and equipment are derecognized in case of disposal or when future benefits are no longer expected from the use of the respective asset. Any profit or loss arising on derecognition of an item of property and equipment (calculated as the difference between net income from disposal and book value) is recognized in the profit and loss statement of the period of de-recognition.
The cost of leasehold improvements is capitalized and reflected under property and equipment. Depreciation of these assets is calculated over the entire period of lease on a straight line basis.

Construction in progress reflects the costs of building items of property and equipment and work in progress and is disclosed at cost. The cost includes the cost of construction and other direct expenses. Construction in progress is not subject to depreciation until the respective assets are completed and put into operation.

(ii) Fair value of property and equipment

Land, buildings and constructions are measured by the Group using the revaluation model. In case the carrying amount of items of property and equipment at the reporting date is lower than the valuation in the balance sheet, and such impairment is expected to be permanent, assets are recognized at the lower value. The revaluation result is recognized in the profit and loss statement except if a previously recognized increase in the value of assets is set off against an impairment loss. In that event, the long term investment revaluation reserve is decreased by the amount of impairment.
In case the value of assets at the balance sheet date is higher than the valuation on the balance sheet, the assets are revalued to the higher value if the increase in value may be assumed to be other than temporary. The increase of value resulting from revaluation is recognized under "Long term investment revaluation reserve". If an increase in the value resulting from revaluation compensates for the impairment of the same asset which was previously recognized as an expense in the profit or loss statement, then the increase resulting from revaluation is recognized as income in the profit or loss statement as incurred. The long term investment revaluation reserve is decreased when the revalued asset is disposed, is no longer utilized, or the increase of value is no longer reasonable. The increase included in the long term investment revaluation reserve under equity is decreased by recognising this decrease in the profit and loss statement accordingly: gradually over the entire lifetime of the revalued asset, each reporting period writing down from reserves an amount equal to the difference between the depreciation, calculated based on the revalued value of the asset, and depreciation calculated based on the cost of the asset.
During 2024, no individual categories of property and equipment were not revalued to fair value.

Leases

Accounting under IFRS 16

SInitially, right-of-use assets are measured at the present value of outstanding lease payments at the date of recognition. Lease payments are discounted using the Group's effective financing rate for the specific category of assets.
Subsequent to initial recognition, right-of-use assets are measured at cost.
Under the cost model, right-of-use assets are measured at cost net of accumulated amortisation and impairment losses. Assets are amortised from the date of acquisition to the end date of lease.
Subsequent to initial recognition, lease liabilities are measured

- by increasing the carrying amount to reflect interest under lease liabilities and
- by reducing the carrying amount to reflect lease payments made.

Right-of-use assets relating to leased assets are disclosed in the statement of financial position separately from other assets and lease liabilities are disclosed separately from other liabilities.
Interest expenses on lease liabilities are disclosed in the statement of comprehensive income and other comprehensive income separately from amortisation of the right-of-use asset.

Investments in associates

The Group's interests in equity-accounted investees comprise investments in associates. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Such investments are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, these individual financial statements include the Group's share of the profit or loss and other comprehensive income of associates on an equity-accounted basis, from the date that significant influence effectively commences until the date that significant influence effectively ceases. When the Group's share of losses exceeds the Group's interest in the associate, that interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.
Unrealized gains arising from transactions with associates are eliminated against the investment to the extent Group's share in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Inventories

Inventories are stated at the lower of cost or net realizable value. Expenses incurred to deliver inventories to their current location and condition are recognized in the following way:

- raw materials are recognized at purchase cost in line with the FIFO method;
- finished goods and work in progress are carried at direct cost of materials and labour plus production overheads based on the nominal production capacity of equipment net of borrowing costs.

Net realizable value represents the estimated sales price in the ordinary course of business less estimated cost to complete and sell the goods. Net realizable value is reflected as cost less allowances.

Earnings per share

Basic earnings per share is computed by dividing profit available for distribution to common shareholders of the Group by the weighted-average number of common shares outstanding during the reporting period. Diluted earnings per share is determined by adjusting profit available for distribution to common shareholders of the Group and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees. The Group currently does not have dilutive potential ordinary shares arising from share options granted to employees.

Employee benefits

Short-term employee benefits, including salaries and social security contributions, bonuses and vacation benefits are included in net operating expenses on an accrual basis as the services are provided. The Group pays fixed social security contributions to State Social Fund on behalf of its employees during the employment period in accordance with local legal requirements and will have no obligations to pay further contributions relating to employee services in respect of retired employees.

Share-based payments

The Group has rolled out an equity-settled transactions share-based payments programme to its key employees. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. During 2021, the listed share price was used as a proxy for the share base award fair value determination. That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other reserves), over the period in which the service conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Deferred Tax Liability on unremitted earnings

In Latvia, legal entities are required to pay income tax on profits in accordance with the Corporate Income Tax Law. Corporate income tax would be paid on distributed profits and deemed profit distributions. Corporate income tax on dividends would be recognized in the statement of profit and loss as expense in the reporting period when respective dividends are declared, while, as regards other deemed profit items, at the time when expense is incurred in the reporting year.
The Group has elected to use the benefits of this favourable tax regime and invest profit into further development of its subsidiaries. To that end, the Group does not plan to distribute dividends from the Latvian subsidiaries during the course of the future five years. The Group has not recognized deferred tax liabilities.

Provisions for asset retirement obligation

The nature of certain Group's businesses exposes the Group to risks of environmental costs and potential contingent liabilities. The risk arise from manufacture, storage, transport and sale of products that that may be considered to be contaminants when released into the environment. Liability may arise also through the acquisition, ownership or operation of properties or businesses.
Provisions can arise from environmental risks, litigation, restructuring plans or onerous contracts. Environmental provisions are recorded based on current interpretations of environmental laws and regulations when the certain conditions are met.
The Group records the present value of the estimated future costs to settle its legal obligations to abandon, dismantle or otherwise retire tangible non-current non-financial assets in the period in which the liability is incurred. Provisions for asset retirement obligation (ARO) are recorded in the consolidated statement of financial position.
As the Group applies revaluation model for property and equipment, valuation of the property and equipment are kept sufficiently up to date such that the carrying amount of the asset does not differ materially from its fair value at the reporting date. The carrying amount of ARO must be reassessed at each financial reporting date. This includes taking into account new information

and appropriateness of the discounts rate and other various assumptions, e.g. inflation rate.
A change in the provision does not affect the valuation of the asset, because the value of the provision is excluded from the asset valuation.
The change in the provision affects the revaluation difference recognised in equity between the value of property and equipment and the value that would have been recognised under the cost model. Changes in the provision affect the revaluation surplus or deficit previously recognised in respect of that asset. Changes resulting from the unwinding of the discount are recorded in profit or loss.
A decrease in the provision is recognised in other comprehensive income, except to the extent that it reverses a revaluation deficit previously recognised in profit or loss, or when it would result in the depreciated cost of the asset being negative. An increase in the provision is recognised in profit or loss, except to the extent that any credit balance remains in the revaluation surplus in equity.
In case ARO is changed, the Group is assessing possible necessity of revaluation of the asset.
A provision is recognized in the consolidated statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the obligation will result in payment, and the amount of payment can be estimated reliably.
The existence of criteria for recognizing provisions and the amounts of provisions are determined based on estimates. The amount to be recorded is the best estimate of the cost required to settle the obligation at the reporting date or transfer to a third party. The estimate of the financial impact of the past event requires management judgement, which is based on similar events occurred in the past, and where applicable, the opinion of external experts. Estimates may differ from the actual future amount of the obligation and with respect to the existence of the obligation.
ARO measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.
The Group's provisions for asset retirement obligation ("ARO") represents management's best estimate of the present value of costs that are expected to be incurred for oil installation decommissioning to the extent that Group is obliged to rectify damage already caused. Based on the current projected retail station life, these costs are not expected to be realised until 2-40 years' time with the average remaining lifetime being 24 years (2023: 23 years).
At the end of 2024, the Group reviewed the decommissioning requirements and the assumptions used in the present value calculation and adjusted the obligation to EUR 787 443 as of 31 December 2024. The update was prepared by management and resulted in a net increase of ARO by EUR 23 789 from that recognised as at 31 December 2024 of EUR 763 654.
As at 31 December 2024, the estimated undiscounted ARO obligation is EUR 1 517 222 (2023 – EUR 1 318 455). In addition to the undiscounted cost estimates, the primary assumptions that affect the present value calculation are the inflation rate and the discount rate. In order to calculate the present value of the liabilities, for the updated information as at 31 December 2024 the Group used a short-term inflation rate of 2% (until 2027) and a long-term inflation rate of 2% (from 2027) (2023: short-term of 5% and long-term of 2%) and a discount rate of 2.60% (2023: 2.26%). The inflation rate is based on projected inflation indices and the discount rate is based on the 30-year German government bond yield representing the long term risk free interest rate. The assessment is particularly sensitive to the inflation assumption. Should the long-term inflation estimate increase to 3% from the 2% used in the assumption, the ARO provision would increase by EUR 261 698 (2023: EUR 226 673). Should the long-term inflation estimate decrease to 1% from the 2% used in the assumption, the ARO provision would decrease by EUR 189 904 (2023: EUR 169 276).

Fair value measurement

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 in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of liabilities represents the risk of default.
According to the Group's accounting policies and disclosure requirements fair value should be determined for both financial and non-financial assets and liabilities.
When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is classified into different levels of the fair value hierarchy based on the data used in the measurement approaches:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.
Fair values have been determined for measurement and disclosure purposes based on the below methods. Where necessary, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Impairment

(a) Financial assets

Financial assets are classified in the following measurement categories: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification depends on used business model for managing the financial assets and the contractual terms of the cash flows. Assets are classified as current assets, except for maturities over 12 months after balance sheet date, which are classified as non-current assets.
Purchases and sales of financial assets are recognized on the settlement date. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.
Amortized cost category consists of liquid funds, trade receivables and other financial investments (loan receivables - where the business model is to hold the asset to collect the contractual cash

flows which represent only payments of principal and interest, and investment in associate).
Financial assets recognized at amortized cost are valued using the effective interest method. Assets at fair value through profit or loss comprise derivatives. Gains or losses from derivatives are included in financial income and expenses.
Liquid funds consists of cash and cash equivalents and current investments. Cash and cash equivalents include cash in hand and bank and other highly liquid investments with original maturities of three months or less.
The Group recognises an allowance for expected credit losses (Further ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms, if relevant.
ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).
Financial assets for which ECLs are calculated are:

- Trade receivables and other receivables
- Loans to associate
- Cash at bank.

Liquid funds

	31.12.2024.	31.12.2023.
Cash and cash equivalents	3 984 669	4 717 284

The maximum exposure to credit risk is the carrying amount of the liquid funds. Note Financial risk management sets out more information about credit risk. All cash equivalents are on demand deposits with reputable credit institutions in Republic of Latvia. These credit institutions are either investment grade or subsidiaries of investment grade credit institutions. Therefore impairment for liquid funds has not been recognized because the amount is assessed as immaterial both due to on demand nature and the high creditworthiness of the counterparties.

Trade receivables and other receivables

	31.12.2024.	31.12.2023.
Trade receivables	17 824 379	17 406 273
Due from related parties	143 064	24 399
Other receivables	375 348	336 208
Accrued income	1 816 035	1 352 430
Total trade receivables	**20 158 826**	**19 119 310**

The simplified expected credit loss model is applied for trade receivables according to IFRS 9. Impairment process is based on historical credit loss experience combined with current conditions and forward-looking macroeconomic analysis. The impairment or credit loss is recognized in the consolidated statement of income within other expenses. Due to the nature of short-term trade and other receivables their carrying amount is expected to be equal to their fair value. The maximum exposure to credit risk is the carrying amount of the trade and other receivables. Analysis of trade receivables by age, information about the impairment and credit losses are presented in Note 15.

Other financial investments

	31.12.2024.	31.12.2023.
Loan to an associate	2 058 160	1 923 999
Total other financial investments	**2 058 160**	**1 923 999**

The fair value of non-current and current financial investments is not materially different from the carrying amount, which is also the maximum exposure to credit risk. No impairment losses have been recognized as there are no significant credit risks associated with the receivables.
The associated companies are considered to perform well:

- Debt instruments of SIA Gulf Petrol Re are amortised while its properties are leased out to the Group under contracts that fully support the associates ability to repay its creditors;
- SIA Gason, in which the Group made a capital contribution as at 30 December 2021 becoming the holder of 30% equity, in 2023 suffered a loss due to unfavourable changes in prices of energy resources and client demand. To mitigate losses, the Company has invested in and developed a new propane gas supply business; the diversified portfolio of assets and customers allows the company to plan positively for future operating cash flows. In 2024, the Company also continued to integrate the Group's corporate governance standards and to collaborate in the development and implementation of strategic objectives.

(b) Non-financial assets

Assets that are subject to amortization and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the consolidated statement of income to the extent that the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.
Intangible assets and property, plant and equipment are always tested for impairment, when there is any indication that an asset may be impaired. When the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognized as an expense immediately and the carrying amount is reduced to the asset's recoverable amount. The amounts recoverable from cash generating units' operating activities are determined based on value in use calculations. Preparation of these estimates requires management to make assumptions.

Contingent liabilities and assets

Contingent liabilities are not recognised in these consolidated financial statements. Contingent liabilities are recognized as liabilities only when there is reasonable likelihood that an outflow of funds will be required. Contingent assets are recognized in these consolidated financial statements to the extent that there is reasonable likelihood that the Group will receive an inflow of economic benefits related to the transaction.

Revenue recognition

Revenue from contracts with customers is recognized when or as the Group satisfies a performance obligation by transferring control of a promised good or service to a customer. The transfer of control is based mainly on transferring risks and rewards according to the delivery terms. The group principally satisfies its performance obligations at a point in time; the amounts of revenue recognized relating to performance obligations satisfied over time are not significant. When, or as, a performance obligation is satisfied, the Group recognizes as revenue the amount of the transaction price that is allocated to that performance obligation.
The transaction price is the amount of consideration to which the group expects to be entitled in exchange for the promised goods or services. The transaction price is allocated to the performance obligations in the contract based on standalone selling prices of the goods or services promised. Revenue is presented net of indirect sales taxes such as value added tax, penalties and discounts.
Sale of oil products contains fuel product sales in wholesale and retail stations. Excise taxes included in the retail selling price of finished oil products are included in product sales. The corresponding amount is included in the purchase price of oil products and included in Cost of oil products and goods.
In addition to oil products, sales of goods in convenience stores include catering and sales of consumer products at Virsi fuel stations.
Sales of energy includes sales of electricity products and guarantees of origin.

Income tax

According to the Corporate Income Tax Law of the Republic of Latvia the tax rate is 20%, the taxation period is one month and the taxable base, determined by dividing the value of the taxable item by a factor of 0.8, includes:

- distributed profit (dividends calculated, payments equivalent to dividends, conditional dividends) and
- — conditionally or theoretically distributed profit (non-operating expenses, doubtful debts, excessive interest payments, loans to related parties, decrease of income or excessive expenses which are incurred by entering transactions at prices other than those on the market that should be calculated using the methodology determined by the Cabinet of Ministers, benefits bestowed by the non-resident upon its staff or board (Council members) regardless of whether the receiving party is a resident or a non-resident, if they relate to the operation of a permanent establishment in Latvia, liquidation quota.

Deferred income tax is provided in full, using the liability method, on taxes carried forward losses and any temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Under the initial recognition exception, deferred tax is not initially recognized for an asset or liability in transactions a business combination if the transaction, when initially recognized, does not affect profit for financial or tax purposes. Deferred tax liabilities are not recognized for temporary differences on the initial recognition of goodwill and subsequently for goodwill non-deductible for tax purposes. Deferred tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date and is expected to be effective in the periods in which the temporary differences reverse or are used to carry forward losses. Deferred tax is calculated at the rate applicable to retained earnings until a decision is taken on profit distribution. Thus, in Latvia where income tax is payable on distributed profits (such as dividends), the deferred tax liabilities or assets are recognized using the tax rate applicable to retained earnings.
When applicable, deferred tax is recognized at the Group level using the expected tax rate of the future dividend. Deferred tax assets and liabilities are mutually exclusive excluded only within the same company of the Group and only if certain criteria are met. Deferred tax asset in respect of temporary differences and tax losses carried forward is recognized to the extent that it is probable that taxable profit will be available against which the losses can be utilized.
The carrying amount of the deferred tax asset, if any, is reviewed at each reporting date and reduced to the extent that it is probable that future taxable profits will be available against which the deferred income tax can be utilized realization of the asset. Future taxable profits and possible amounts of tax benefits are estimated, on the basis of medium-term financial forecasts prepared by management and their extrapolated results. The financial forecast is based on management forecasts that are reliable and reasonable in the circumstances.

Significant accounting estimates and judgement in applying accounting policies

The preparation of financial statements in conformity with the IFRS Accounting Standards as adopted by the European Union requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. Although these estimates are based on management's best knowledge of current events and actions, the actual results ultimately may differ from those estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period, in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty:

- Measurement of fair value of Property and Equipment
- More detailed description of fair value measurement is disclosed in Note 1 heading Property and Equipment (ii) Fair value of property and equipment. Also refer to Note 11;
- Expected Credit Loss determination
- More detailed description of fair value measurement is disclosed in Note 1 heading Fair value measurement. Also refer to Note 29;
- Provisions for asset retirement obligation
- More detailed description of fair value measurement is disclosed in Note 1 heading Provisions. Also refer to Note 29.
- Measurement of fair value of derivatives

Derivatives are financial instruments whose value changes depending on the interest rate, securities price, foreign exchange rate, price index or rate, credit rating or changes in a similar flexible ratio, and which is impacted by one or several financial risks characteristic of the underlying financial instrument, and transferred from the Group to other parties to the transaction. The Group uses derivatives such as commodity futures and other derivatives. Fair value is determined with reference to market prices. All derivatives are recognized as assets if their fair value is positive and liabilities if their fair value is negative.
During the reporting period, the Group signed certain hedging agreements; however, hedge accounting was not applied (refer to Note 29 and 30).

2. Revenue

By type of operating activity	2024	2023
Sale of oil products	293 272 443	271 214 751
Sales of goods in convenience stores	56 852 072	48 187 582
Energy	27 457 868	20 835 250
Other income	2 995 277	3 494 518
TOTAL:	**380 577 660**	**343 732 101**

By geographic market	2024	2023
Latvia	373 448 675	338 668 979
Other	7 128 985	5 063 122
TOTAL:	**380 577 660**	**343 732 101**

Contract liabilities under Trade and Other payables	31.12.2024.	31.12.2023.
Advances received	536 235	542 693
TOTAL:	**536 235**	**542 693**

Accrued income recognised is due from retail business partners for volume discounts granted in the reporting period, as well revenue from marketing activities and revenues from sales of energy. Revenue will be received during following quarter depending on compensation period contracted.
The Contract liabilities included in Trade and Other payables primarily relates to the advance consideration received from customers for deliveries of fuel. This will be recognised in revenue when goods are delivered.
As permitted under IFRS 15, no information is provided about the remaining performance obligations as at 31 December 2024 or as at 31 December 2023 that have an original expected duration of one year or less.

3. Cost of sales

	2024	2023
Cost of oil products and goods	335 323 104	303 009 111
Depreciation and amortisation	105 532	106 387
Personnel expenses	189 990	175 749
Other costs related to property	198 416	46 647
Maintenance and repairs	101 208	37 171
Transport	274 463	75 399
Other expenses	3 188 276	2 589 100
TOTAL:	**339 380 989**	**306 039 564**

4. Segment information

The Group's management assesses the operating results at the gross profit level in three segments: retail and wholesale of fuel products, convenience store goods and services, and energy, where gross profit in 2024 and 2023 was mainly driven by electricity sales in the B2B segment.

2024	Sale of fuel products	Convenience stores	Energy	Other income
Net sales from types of operations	293 272 443	56 852 072	27 457 868	2 995 277
Cost of goods sold, cost of goods or services	273 616 376	36 340 311	26 883 585	2 540 717
Gross profit	**19 656 067**	**20 511 761**	**574 283**	**454 560**
Gross margin	**6,7%**	**36,1%**	**2,1%**	**15,2%**
Gross profit margin	**47,7%**	**49,8%**	**1,4%**	**1,1%**

2023	Sale of fuel products	Convenience stores	Energy	Other income
Net sales from types of operations	271 214 751	48 187 582	20 835 250	3 494 518
Cost of goods sold, cost of goods or services	254 425 989	31 089 813	18 477 257	2 046 505
Gross profit	**16 788 762**	**17 097 769**	**2 357 993**	**1 448 013**
Gross margin	**6.2%**	**35.5%**	**11.3%**	**41.4%**
Gross profit margin	**44.5%**	**45.4%**	**6.3%**	**3.8%**

5. Selling expenses

	2024	2023
Personnel expenses	16 704 066	14 210 430
Depreciation and amortisation	5 833 121	4 731 887
Other costs related to property	166 447	97 986
Maintenance and repairs of infrastructure	3 127 160	2 737 389
Marketing expenses	1 042 851	1 241 918
Transport	838 286	890 327
Other expenses	1 483 201	1 259 105
TOTAL:	**29 195 132**	**25 169 042**

6. Administrative expenses

	2023	2022
Personnel expenses	2 331 335	1 716 469
Depreciation and amortisation	311 674	227 386
Other costs related to property	42 304	12 844
Maintenance and repairs of office	29 489	55 246
Transport	165 114	146 355
Professional services *	566 924	399 740
Other expenses	390 547	198 403
TOTAL:	**3 837 387**	**2 756 443**

* including total remuneration paid to certified auditors:

	2024	2022
SIA KPMG Baltics for audit of consolidated financial statements	70 000	55 053
SIA PricewaterhouseCoopers for other expert engagements	6 500	-
SIA KPMG Baltics for tax and legal advice	15 782	25 315
TOTAL:	**92 282**	**80 368**

7. Other operating income

	2024	2023
Profit from sales of property and equipment, net, incl:	5 841	31 865
Revenue from sales of property and equipment	26 274	183 924
Non-amortised value of disposed property and equipment	(20 432)	(203 962)
Income from an insurance compensation received	68 705	82 533
Gain on currency exchange fluctuations, net	-	8 779
Other operating income	575 298	173 076
TOTAL:	**649 845**	**296 253**

8. Other operating expenses

	2024	2023
Changes in doubtful debt allowances	612 609	126 882
Write-offs of property and equipment	-	624 005
Loss on currency exchange fluctuations, net	69 369	-
Donations	135 531	138 700
Bank charges	79 589	71 553
Other operating expenses	418 944	424 748
TOTAL:	**1 316 042**	**1 385 888**

9. Corporate income tax

Corporate income tax recognised in the statement of comprehensive income

Corporate income tax is calculated by the Group according to the laws and regulations of the Republic of Latvia.

	2024	2023
Current tax	251 586	400 033
TOTAL:	**251 586**	**400 033**

Reconciliation of effective tax rate

Current corporate income tax expenses for the years ending on 31 December 2024 and 31 December 2023 is different from the theoretical tax amount that the Group would incur if profit before tax was taxed at the statutory rate of 20%:

	2024	2023
Profit before corporate income tax	**5 076 575**	**5 498 837**
Theoretical tax at 20%	1 015 315	1 099 767
Impact of retained earnings	(763 729)	(699 734)
Tax expenses	**251 586**	**400 033**

All retained profits of the Group for period until 1 January 2019 were distributed as dividends. If all retained profits would have been distributed as dividends at the reporting date the Group would incur a tax liability of EUR 9 902 305 at the theoretical tax rate 20% (31.12.2023: EUR 8 692 683). In relation to potential deferred tax liabilities in subsidairies of the Group relating to retained earnings the management assessed that such profit distribution is not expected in the foreseeable future and thus no deferred tax laiblities were recognised.

10. Intangible assets

	Concessions, patents, licenses, trademarks and similar rights	Other intangible assets	Creation of intangible assets	TOTAL
Historical cost				
31 December 2022	187 728	526 949	-	714 677
Additions	75 841	103 637	400 637	580 115
Disposals	-	(105)	-	(105)
Reclassifications	219 992	170 645	(390 637)	-
31 December 2023	483 561	801 126	10 000	1 294 687
Additions	75 330	76 006	116 818	268 154
Disposals	-	-	-	-
Reclassifications	29 489	97 329	(126 818)	-
31 December 2024	588 380	974 461	-	1 562 841
Accumulated amortization				
31 December 2022	78 743	416 592	-	495 335
Calculated amortization	51 464	66 708	-	118 172
Accumulated amortization of disposed assets	-	(105)	-	(105)
31 December 2023	130 207	483 195	-	613 402
Calculated amortization	95 641	121 495	-	217 136
Accumulated amortization of disposed assets	-	-	-	-
31 December 2024	225 848	604 690	-	830 538
Carrying amount				
31 December 2023	353 354	317 931	10 000	681 285
31 December 2024	362 532	369 771	-	732 303

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11. Property and equipment

	Land, buildings, and engineering structures	Leasehold improvements	Equipment and machinery	Other property and equipment	Construction in progress	Prepayments for property and equipment	TOTAL
Historical cost							
31 December 2022	70 170 641	1 821 136	12 917 150	7 441 858	616 589	269 993	93 237 367
Additions	1 164 667	159 646	814 136	1 161 286	10 451 705	1 017 526	14 768 966
Revaluation*	(391 330)	-	-	-	-	-	(391 330)
Reclassifications	6 411 084	(1 221 761)	1 754 615	1 256 861	(8 096 083)	(104 717)	-
Cost of disposed items of property and equipment	(264 351)	(66 998)	22 027	(257 730)	(1 548)	-	(568 600)
31 December 2023	77 090 711	692 024	15 507 928	9 602 275	2 970 663	1 182 802	107 046 403
Additions	1 552 920	68 503	1 433 011	823 287	16 553 192	113 750	20 544 663
Reclassifications	13 852 213	214 593	2 726 453	1 249 243	(17 428 559)	(613 943)	-
Cost of disposed items of property and equipment	-	-	(64 771)	(170 942)	-	-	(235 713)
31 December 2024	92 495 844	975 120	19 602 621	11 503 864	2 095 295	682 609	127 355 353
Accumulated depreciation and impairment							
31 December 2022	9 014 363	690 128	4 896 456	4 249 800	-	-	18 850 747
Depreciation, depreciation of the revalued part	1 703 850	200 209	1 063 701	1 364 258	-	-	4 332 018
Impairment*	(8 968)	-	-	-	-	-	(8 968)
Reclassifications	619 584	(619 584)	-	-	-	-	-
Accumulated depreciation of disposed property and equipment	(22 351)	(42 396)	(8 863)	(226 194)	-	-	(299 803)
31 December 2023	11 306 478	228 357	5 951 294	5 387 865	-	-	22 873 994
Depreciation, depreciation of the revalued part	2 058 324	76 183	1 571 784	1 450 957	-	-	5 157 248
Accumulated depreciation of disposed property and equipment	-	-	(63 921)	(144 520)	-	-	(208 441)
31 December 2024	13 364 802	304 540	7 459 157	6 694 302	-	-	27 822 801
Carrying amount							
31 December 2023	65 784 233	463 667	9 556 634	4 214 410	2 970 663	1 182 802	84 172 409
31 December 2024	79 131 042	670 580	12 143 464	4 809 561	2 095 296	682 609	99 532 552

* In 2023, the Sarkandaugava filling station underwent a major refurbishment; following the refurbishment, the original investment and the revaluation reserve attributable to the value of the station before the refurbishment were written off.

The carrying amount of Land, buildings, and engineering structures, had it been presented at fair value as at 31 December 2024, would have been EUR 54 324 306 (in 2023: EUR 40 393 573) if the entire category had been accounted using the cost method.

All fixed assets under "Land, buildings and engineering structures" represent Level 3 fair value hierarchy.

The following table shows the valuation technique used in measuring the fair value of Land, buildings and engineering structures, as well as the significant unobservable inputs used for 2022:

Type	Fair value, EUR	Valuation approach	Significant unobservable inputs	Inter-relation between significant unobservable inputs and fair value measurement
Filling stations with equipment	58 743 702	Discounted cash flows	– Discount rate ranging from 11% to 15.5% – Capitalization rate ranging from 10% to 14.0% – Gross revenue assumption in year one for fuel sales from EUR 40 thousand to EUR 326 thousand – Gross revenue assumption in year one for store sales from EUR 54 thousand to EUR 333 thousand – Revenue growth from year 4 or 5 – 0.5% per year (with the exception of a new filling station with growth of 5%-7% p.a.)	Market value may increase (reduce) if: – Discount rate reduces (increases); – Initial gross revenue from fuel and store sales increases (reduces); – Maintenance cost of filling stations reduces (increases); – Forecast of changes in revenue increases (reduces).
Oil storage facility / railway network	2 015 000	Discounted cash flows /	– Discount rate 17.5% – Capitalization rate ranging from 7.5% to 15% – Rent of 0.14 EUR/m^2 (land) to 3.0 EUR/t (fuel) – Leased land/transhipment capacity/ annual utilisation 49-95% – Revenue growth from year 3 0.5% - 1.0% p.a.	Market value may increase (reduce) if: – Discount / capitalisation rate reduces (increases); – Rent increases (reduces); – Occupancy increases (reduces); – Maintenance cost of real estate properties reduces (increases); – Forecast of changes in revenue increases (reduces).
Commercial buildings	387 000	Discounted cash flows	– Discount rate 12.0%, capitalization rate 10.0 – 10.5% – Rent 1.00 - 3.00 EUR/m^2 – Occupancy rate 65-90% p.a. – Revenue growth from year 3 0.5% - 1.0% p.a.	– Discount rate reduces (increases); – Rent increases (reduces); – Occupancy increases (reduces); – Maintenance cost of real estate properties reduces (increases); – Forecast of changes in revenue increases (reduces).

12. Movements in right-of-use assets

	Leased equipment and machinery	Leased real estate property	Total leased assets
Historical cost			
31 December 2022	2 756 842	2 319 757	5 076 599
Additions	374 771	1 647 894	2 022 665
Cost of disposed items of property and equipment	(56 752)	-	(56 752)
31 December 2023	3 074 861	3 967 651	7 042 512
Additions	438 209	1 442 935	1 881 144
Cost of disposed items of property and equipment	(53 888)	-	(53 888)
31 December 2024	3 459 182	5 410 586	8 869 768
Accumulated depreciation and impairment			
31 December 2022	1 490 066	969 160	2 459 226
Charge for the period	312 911	309 196	622 107
Accumulated depreciation of disposed property and equipment	(21 816)	-	(21 816)
31 December 2023	1 781 161	1 278 356	3 059 517
Charge for the period	271 401	609 463	880 864
Accumulated depreciation of disposed property and equipment	(59 454)	-	(59 454)
31 December 2024	1 993 108	1 887 819	3 880 927
Balance as at 31 December 2023	1 293 700	2 689 295	3 982 995
Balance as at 31 December 2024	1 466 074	3 522 767	4 988 841

13. Investments in associates

As of 1 July 2016, the Group owns 30% of shares in SIA Gulf Petrol RE, and on 30 December 2021 the Group also invested in SIA GasOn by acquiring 30% of shares in the company, and on 31 May 2022 the Group invested in SIA Skulte LNG Terminal by acquiring 19.23% of shares in the company, and on 9 August 2024 the Group invested in SIA Livland Biomethane by acquiring 20% of shares in the company.
The investment in the associated company is carried according to the equity method.

SIA "Gulf Petrol RE"	31.12.2024.	31.12.2023.
Ownership interest in the associate	**30%**	**30%**
Non-current assets	1 024 190	1 053 797
Current assets	38 814	43 204
Non-current liabilities	(674 100)	(758 100)
Current liabilities	(32 916)	(34 581)
Net assets	**355 988**	**304 320**
Share in Net asset value (30%)	**106 796**	**91 296**
Turnover	113 300	113 300
Comprehensive income, net	51 669	56 300
Group's share in comprehensive income (30%)	**15 501**	**16 890**
Retained profits (30%)	49 236	32 346
Investment in associate, nominal	**42 060**	**42 060**
Investment in associate, net	**106 797**	**91 296**

SIA "GasOn"	31.12.2024.	31.12.2023.
Ownership interest in the associate	**30%**	**30%**
Non-current assets	4 549 663	3 989 737
Property and equipment	4 549 663	3 989 737
Current assets	669 126	636 705
Inventories	380 023	391 144
Trade receivables	241 709	216 720
Other receivables and contract costs	14 840	6 817
Cash and cash equivalents	32 554	22 024
Non-current liabilities	(871 623)	(313 707)
Other loans	(871 623)	(313 707)
Current liabilities	(3 315 496)	(2 712 692)
Other loans	(3 067 735)	(2 475 955)
Trade receivables	(247 762)	(236 738)
Net assets	**1 031 670**	**1 600 042**
Share in Net asset value (30%)	**309 501**	**480 013**
Goodwill	**955 579**	**955 579**
Carrying amount as at 31 December	**1 265 080**	**1 435 592**
Turnover	980 266	1 282 095
Comprehensive income, net	(568 374)	(357 417)
Group's share in comprehensive income (30%)	**(170 512)**	**(107 225)**
Retained profits (30%)	(64 408)	42 817
Investment in associate, nominal	**1 500 000**	**1 500 000**
Investment in associate, net	**1 265 080**	**1 435 592**

SIA GasOn was acquired for a cash consideration of EUR 1 500 000. The goodwill recognised was attributed mainly to the synergies expected to be achieved following the integration of the company into the Group, as well as the skills and technical capabilities of SIA GasOn employees and the technology owned by the company. At the date of recognition of goodwill and at 31 December 2022, the Group assessed that goodwill should not be impaired based on the assumptions used at the time of acquisition of the investment in associate and at the end of 2022, respectively. The assumptions included projected annual revenue growth over the next five years of 35% and the return on equity of 12%.

Goodwill has been tested for recoverability as at the reporting date; no impairment should be recognised. It was assumed in 2024 that over the next five years the Company's revenue will grow by more than 20% and the return on equity by 12%.

In 2024, the Company's historical core business of supplying gas to end customers not connected to a natural gas pipeline continued to stagnate. In the second half of 2024, the Company started providing outsourced biomethane container transport services to Latvian biomethane stations not connected to the natural gas pipeline. This new line of business will be expanded in 2025, including the development of the Company's own biomethane injection point to provide not only biomethane container transport but also a biomethane injection service.

Livland Biomethane SIA	31.12.2024.	At acquision
Ownership interest in the associate	**20%**	**20%**
Non-current assets	281 129	120 050
Property and equipment	281 129	120 050
Current assets	347 630	252 384
Inventories	-	-
Trade receivables	363	-
Other receivables and contract costs	250 311	250 250
Cash and cash equivalents	96 956	2 134
Non-current liabilities	-	(50 784)
Other loans	-	(50 784)
Current liabilities	(9 778)	(128 414)
Other loans	-	(130 800)
Trade receivables	(9 778)	2 386
Net assets	**618 981**	**193 237**
Share in Net asset value (30%)	**123 796**	**38 647**
Goodwill	**461 853**	**461 853**
Carrying amount as at 31 December	**585 649**	**500 500**
Turnover	-	250 000
Comprehensive income, net	(74 756)	(194 612)
Group's share in comprehensive income (30%)	**(14 951)**	**38 922**
Retained profits (30%)	38 087	(835)
Investment in associate, nominal	**500 500**	**500 500**
Investment in associate, net	**523 636**	**538 897**

SIA Livland Biomethane was acquired for a cash consideration of EUR 500 500. Goodwill was attributed primarily to the future value of the biomethane plant project. At the date of recognition of goodwill and at 9 August 2024, the Group assessed that goodwill should not be impaired based on the assumptions used at the time of acquisition of the investment in associate and at the end of 2024, respectively. The assumptions included biomethane plant construction and production and sales of biomethane in 2026.

As part of the development of the biomethane production company Livland Biomethane SIA, contracts were signed in 2024, which are crucial for the realisation of the project and ensure - the attraction of financing, the construction of biogas reactors and the sale of biomethane, as well as the long-term supply of raw materials. In 2025, the active phase of the biomethane plant construction is planned,

namely, construction and installation of equipment.

14. Inventories

	31.12.2024	31.12.2023
Auxiliary materials	778 573	613 557
Fuel	8 489 490	8 476 636
Other goods	3 228 103	2 704 258
Prepayments for inventories	302 164	217 956
TOTAL:	**12 798 330**	**12 012 407**

In the reporting period, the net realisable value of inventories was equal to the carrying amount. No provision for the net realisable value of inventories was recognised as at 31 December 2024 and 31 December 2023.

15. Trade receivables and accrued income

	31.12.2024	31.12.2023
Carrying amount of trade receivables	18 970 578	17 973 780
Impairment allowance	(1 146 199)	(567 507)
TOTAL:	**17 824 379**	**17 406 273**

Accrued income	1 816 035	1 352 430
TOTAL:	**1 816 035**	**1 352 430**

The increase in accrued revenue is due to the increase in the electricity trading, where invoices for services rendered are raised and paid in the month following the provision of the service.

Overdue days under IFRS 9	ECL rate	Receivable	Impairment	ECL rate	Receivable	Impairment
		31.12.2024.			31.12.2023.	
Not past due	0.04%	19 055 662	7 622	0.1%	17 324 419	17 324
Overdue by 1-30	0.2%	876 605	1 753	0.2%	1 262 072	2 524
Overdue by 31-60	1.0%	134 262	1 343	1.0%	131 416	1 314
Overdue by 61-90	2.6%	72 498	1 885	2.7%	137 776	3 720
Overdue by 91-180	5.2%	28 063	1 459	5.6%	11 350	636
Overdue by 181-360	9.5%	85 012	8 076	10.9%	8 449	921
Overdue by> 360	100.0%	534 511	534 511	100.0%	343 083	343 083
Total		**20 786 613**	**556 649**		**19 218 565**	**369 522**
Individual allowance			589 550			197 985
Total doubtful debt allowance			**1 146 199**			**567 507**

Impairment allowance for trade receivables as at 31.12.2022	589 564
Established	126 882
Release of allowances due to write-offs	(148 939)
Impairment allowance for trade receivables as at 31.12.2023	**567 507**
Established	614 942
Release of allowances due to write-offs	(36 250)
Impairment allowance for trade receivables as at 31.12.2024	**1 146 199**

Impairment allowances are assessed by the Group based on the ECL rate and valuation of individual debtors.

16. Cash and cash equivalents

	31.12.2024	31.12.2023
Cash in bank and on hand	2 422 010	3 067 399
Money in transit	1 562 659	1 649 885
TOTAL:	**3 984 669**	**4 717 284**

17. Share capital and reserves

Share capital

Share capital of the Group in 2024 is EUR 7 572 255 (2023: EUR 7 564 730), comprised of 15 144 510 shares (2023: 15 129 460). Nominal value per share is EUR 0.50 (2023: EUR 0.50). All shares are fully paid up.
In 2024, the Group continued its employee share option programme by making the third conversion of options, increasing share capital and issuing an additional 15 050 (2023: 15 039) shares for a total value of EUR 7 525 (2023: EUR 7 520).
The management suggests that the shareholders distribute 20% or EUR 964 998 of profit of 2024 (2023: 20%, EUR 1 019 761) during 2025.

Earnings per share

The calculation of earnings per share before dilution was based on the following profit attributable to ordinary shareholders and weighted number of ordinary shares outstanding.

	2024	2023
Profit for the year, attributable to the owners of the Company	4 824 989	5 098 804
Weighted average number of shares	15 130 714	15 115 674
Earnings per share	0.32	0.34

The calculation of earnings per share after dilution was based on the following profit attributable to ordinary shareholders and weighted number of ordinary shares outstanding adjusted for the impact of the share option programme.

	2024	2023
Profit for the year, attributable to the owners of the Company	4 824 989	5 098 804
Weighted average number of shares	15 130 714	15 130 724
Earnings per share	0.32	0.34

Share options

Alongside the IPO the Group management developed a new share option programme aimed at supporting growth through motivating senior management and appreciating the contribution of long-term employees.
The share option program was established for key management personnel and senior employees. Under this program holders of options are entitled to receive shares on the vesting date. The total amount of share options granted is 53 301. The share acquisition price has been determined at EUR 0 and all the shares vest during a three year period. In determining the fair value of the share options the key input was the share price of the Company at the moment of granting the share options.
During 2024, a third conversion of options was made, increasing share capital and issuing additional 15 050 (2023: 15 039) shares for a total value of EUR 7 525 (2023: EUR 7 520).

Revaluation reserve

The revaluation reserve relates to Land, buildings and engineering structures valuation at fair value.

	31.12.2024.	31.12.2023.
Revaluation reserve from Land, buildings and engineering structures revaluation	24 215 366	24 894 951
	24 215 366	**24 894 951**

Balance as at 31.12.2022	26 123 808
Changes in revaluation reserves	(1 189 265)
Revaluation / (write-offs) of Land, buildings and engineering structures (Note 11)	(382 362)
Reclassification to retained earnings (Consolidated statement of Changes in Equity)	(806 903)
Provisions for asset retirement obligation (Note 20)	(39 591)
Balance as at 31.12.2023	**24 894 952**
Changes in revaluation reserves	(679 586)
Reclassification to retained earnings (Consolidated statement of Changes in Equity)	(829 311)
Provisions for asset retirement obligation (Note 20)	149 725
Balance as at 31.12.2024	**24 215 366**

Other reserves

During 2020, the Group's legal structure was reorganized. On 15 September 2020, the shareholders made an in-kind contribution into the share capital of the Parent Company by investing shares of a number of companies. Prior to the contribution, all these entities were under common control. When the in-kind contribution was made in 2020 the increase in the registered share capital was determined based on the fair value of the entities determined by an independent appraiser. However, the consolidated financial statements of the Group subsidiaries were incorporated in these consolidated financial statements based on the accounting principles described in Section Summary of significant accounting policies. Therefore, upon the legal reorganisation an increase in the share capital was recorded and a corresponding decrease to other reserves in the amount of EUR 5 764 520 was recorded.

In 2021, the Group developed an employee share option program, resulting in the second conversion in 2023, with an additional issuance of 15 039 shares valued at EUR 7 520. In 2024, the third conversion took place, issuing 15 050 shares valued at EUR 7 525.

Balance as at 31.12.2022	**(4 047 266)**
Employee share option scheme	49 131
Option conversion	(7 520)
Balance as at 31.12.2023	**(4 005 654)**
Employee share option scheme	17 751
Option conversion	(7 525)
Balance as at 31.12.2024	**(3 995 428)**

18. Loans from credit institutions

Long-term	31.12.2024.	31.12.2023.
Loans from a credit institution registered in the Republic of Latvia	23 463 577	14 488 095
Including:		
Long term part of loans repayable in up to 5 years	23 463 577	14 488 095
Long term part of loans repayable after 5 years until maturity	-	-
Short-term	31.12.2024	31.12.2023
Loan from a credit institution registered in the Republic of Latvia	6 754 929	7 058 504
TOTAL:	**30 218 506**	**21 546 599**

During 2024, the Group obtained a loan of EUR 11.8 million to expand and modernise the network of filling stations (2023: EUR 4.0 million).
As at the reporting date the Group has access to an unutilized credit line facility which is prolonged on an annual basis. The facility limit is EUR 5.0 million.

All loans carry interest rates of 3M or 6M EURIBOR plus an added rate. The added rates range from 1.3% to 1.75%.
The loans are secured by mortgages of underlying real estate properties (filling stations with all equipment), a commercial pledge, a financial pledge and guarantees by group companies and shareholders.
Loan covenants:
According to the contracts, the Group should provide credit institutions with their annual reports, pro-forma balance sheets, income statements, statements of cash flows and insurance policies of mortgaged properties. These covenants are met.
DSCR (Debt Service Coverage Ratio) must not be less than 1.50, and Net Debt/ EBITDA (Net Debt/Earnings Before Interest, Taxes, Depreciation, and Amortization) must not be more than 3.00. These ratios are complied with.
A certain turnover should be ensured in the accounts with the financing credit institution. These covenants are complied with.

19. Other loans

Long term:	31.12.2024.	31.12.2023.
Interest-free, unsecured loan from the shareholders	4 419 050	4 962 627
TOTAL other long-term loans:	4 419 050	4 962 627
Short term:		
Interest-free, unsecured loan from the shareholders	700 008	700 000
TOTAL other short-term loans:	700 008	700 000
TOTAL other loans:	5 119 058	5 662 627

Nominal value total:		
Interest-free, unsecured loan from the shareholders	5 755 508	6 455 516

Shareholder loans are carried at amortised cost using the discounted cash flow method with the difference between the nominal and fair value of the loan at initial recognition recognised under Other reserves. Finance expenses include interest expenses on the loan in accordance with the amortised cost method. The term structure of shareholder loans is disclosed according to budgeted cash flows and according to effective loan agreements, and according to covenants of the loan agreement with a financial institution.

20. Provisions for asset retirement obligation

Balance as at 31 December 2022	**683 765**
Provision made during the period	24 844
Change in discount rate	31 810
Change in estimates	7 781
Unwinding of discounting	15 453
Balance as at 31 December 2023	**763 654**

Provision made during the period	120 759
Change in discount rate	(65 150)
Change in estimates	(51 676)
Unwinding of discounting	19 855
Balance as at 31 December 2024	**787 443**

The Group's accounting policy concerning the asset retirement obligation refer to Note 1.

21. Lease liabilities

Lease liabilities arise from right-of-use assets disclosed on the balance sheet under Right-of-use assets (Note 11).
The present value of future lease payments is calculated using the effective interest rate applicable to the specific category of property and equipment in the reporting period. The average rate is 4.53% p.a. (2023: 3.57% p.a.).

Balance as at 31 December 2022	**2 260 639**
Acquisitions and recognized lease modifications	2 008 080
Repayment of lease liabilities	(697 745)
Recognised interest expenses on lease	98 136
Balance as at 31 December 2023, including:	**3 669 110**
Non-current lease liabilities	2 979 145
Current lease liabilities	689 965
Balance as at 31 December 2023	**3 669 110**
Acquisitions and recognized lease modifications	1 970 522
Repayment of lease liabilities	(1 072 609)
Recognised interest expenses on lease	187 324
Balance as at 31 December 2024, including:	**4 754 348**
Non-current lease liabilities	3 753 469
Current lease liabilities	1 000 878

	Carrying amount	Contractual cash flows (undiscontd.)
31 December 2023		
Lease liabilities, including:	**3 669 109**	**4 334 606**
Amount payable within one year, i.e. current lease liabilities	689 965	845 943
Amount payable within 2- 5 years	1 993 810	2 405 741
Amount payable in more than 5 years	985 334	1 082 922
31 December 2024		
Lease liabilities, including:	**4 754 348**	**5 444 550**
Amount payable within one year, i.e. current lease liabilities	1 001 898	1 196 104
Amount payable within 2- 5 years	3 031 650	3 472 872
Amount payable in more than 5 years	720 800	775 574

	2024	2023
Leases		
Interest on lease liabilities	187 324	98 136
Amortization of the right-of-use asset	733 161	622 107
Expenses relating to short-term leases	504 525	469 796
	1 425 010	**1 190 039**

Amounts recognised in statement of cash flows	
Total cash outflow for leases 2024	1 072 609
Total cash outflow for leases 2023	697 745

22. Movements in financing

	Loans from credit institutions	Other loans	Lease liabilities	Total
Carrying amount 31 December 2022	**21 408 789**	**6 191 216**	**2 260 639**	**29 860 644**
Loan principal repaid	(3 862 190)	(700 000)	-	(4 562 190)
Lease payments	-	-	(665 970)	(665 970)
Cash flows from financing activities	**(3 862 190)**	**(700 000)**	**(665 970)**	**(5 228 160)**
New loans from credit institutions	4 000 000	-	-	4 000 000
New lease liabilities	-	-	2 008 080	2 008 080
Interest expenses	982 763	-	31 775	1 014 538
Financial expenses including unwinding of the discount and change in estimates	-	171 411	66 361	237 772
Interest paid	(982 763)	-	(31 775)	(1 014 538)
Total changes in liabilities	**137 810**	**(528 589)**	**1 408 471**	**1 017 692**
Carrying amount 31 December 2023	**21 546 599**	**5 662 627**	**3 669 110**	**30 878 336**
Loan principal repaid	(3 168 471)	(700 008)	-	(3 868 479)
Lease payments	-	-	(1 072 609)	(1 072 609)
Cash flows from financing activities	**(3 168 471)**	**(700 008)**	**(1 072 609)**	**(4 941 088)**
New loans from credit institutions	11 840 378	-	-	11 840 378
New lease liabilities	-	-	1 969 994	1 969 994
Interest expenses	1 366 938	-	38 377	1 405 315
Financial expenses including unwinding of the discount and change in estimates	-	156 439	187 324	343 763
Interest paid	(1 366 938)	-	(38 377)	(1 405 315)
Total changes in liabilities	**8 671 907**	**(543 569)**	**1 084 709**	**9 213 047**
Carrying amount 31 December 2024	**30 218 506**	**5 119 058**	**4 753 819**	**40 091 383**

Finance expenses:	2024	2023
Interest expenses on a financial instrument	735 979	2 135 765
Interest expense from unwinding the discount on a shareholder loan	156 439	171 419
Interest expenses for bank loans	1 366 938	982 763
Interest expenses for a lease	187 324	98 136
Other financial expenses	151 731	180 732
TOTAL:	**2 598 411**	**3 568 815**

23. Accrued liabilities

	2024	2023
Due to suppliers	4 834 378	4 343 782
Due to personnel	828 574	741 692
TOTAL:	**5 662 952**	**5 085 474**

24. Expenses by nature

	2024	2023
Cost of materials	335 323 104	303 009 111
Employee payroll and benefits	19 225 392	16 102 649
Depreciation and amortisation	6 250 327	5 065 660
Property and maintenance expenses	3 665 025	2 987 282
Logistics	1 277 863	1 112 079
Marketing	1 042 851	1 241 918
Finance income and expenses	2 421 379	3 178 580
Consultancy	566 924	399 740
Corporate income tax for the reporting year	251 586	400 033
Other	5 558 451	5 136 244
TOTAL:	**375 582 902**	**338 633 296**

25. Tax liabilities and tax assets

	31.12.2024.	31.12.2023.
Social security contributions	416 903	359 743
Personal income tax	190 686	159 526
Excise tax	5 717 480	4 959 202
Electricity tax	10 572	46 410
Corporate income tax	31 994	36 684
Value added tax	2 062 482	1 331 773
Natural resources tax	657	578
Real estate tax	(3 506)	536
Company car tax	2 400	83
Business risk state duty	334	299
Total tax liabilities:	**8 433 509**	**6 894 834**
TOTAL tax receivables:	**(3 506)**	**-**

26. Personnel costs and number of staff

	2024	2023
Remuneration	15 402 205	12 891 440
Compulsory state social security contributions	3 593 089	3 034 631
Expenses for reporting period include:		
Other personnel cost	215 560	176 577
TOTAL:	**19 210 854**	**16 102 648**

Including remuneration to key management

	2024	2023
Members of the Board and Council		
Remuneration	738 331	604 282
Social security contributions	173 235	142 231
TOTAL:	**911 566**	**746 513**

Average number of employees in the reporting year:

	2024	2023
Members of the Council	6	6
Members of the Board	3	3
Other staff	863	747
TOTAL:	**872**	**756**

27. Financial commitments, guarantees, or other contingencies

The Group companies are not involved in litigation proceedings dealing with claims raised against AS Virši-A or its subsidiaries. The Group has raised claims against debtors to recover receivables and there are ongoing litigations. Any recoveries obtained from litigation are recognised as revenue as received.
As at the reporting date there are no significant financial commitments, guarantees or other contingencies, except those referred to above.

28. Related party transactions

The Group had transactions with related parties during the reporting year. The most significant transactions and amounts are the following:

		Transactions in the period ending	Balance outstanding		
Related party:	Description of transaction	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Associated companies					
Balances	Loan to an associate	-	-	2 041 600	1 923 999
Balances	Accrued interest	-	-		17 978
Balances	Right-of-use assets	-	-	21 466	309 069
Balances	Lease liabilities	-	-	202 913	(329 185)
Comprehensive income	Interest income	79 011	45 615	(221 424)	-
Comprehensive income	Interest expenses	(5 039)	(6 960)	-	-
Shareholders					
Balances	Shareholder loan	-	-	(5 119 058)	(5 662 627)
Comprehensive income	Interest expenses	(156 439)	(171 411)	-	-
Members of the Board and Council					
Balances	Remuneration payable	-	-	(28 275)	(25 513)
Balances	Compulsory state social security payable	-	-	(9 460)	(7 209)
Comprehensive income	Remuneration	(738 331)	(604 282)	-	-
Comprehensive income	Social security contributions	(173 235)	(142 231)	-	-

For management remuneration please refer to Note 26.

29. Fair value of financial assets and liabilities

Financial assets and liabilities measured at fair value

The table below analyses the fair values of financial assets and liabilities not measured at fair value, by the level in the fair value hierarchy into which each fair value measurement is categorised.

31 December 2024	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total fair values EUR	Total carrying amount EUR
Financial assets					
Derivatives	-	-	4 458 982	4 458 982	4 458 982
Loan to an associate	-	-	1 209 427	1 209 427	1 209 427
Financial liabilities					
Derivatives	-	-	3 128 596	3 128 596	3 128 596

31 December 2023	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total fair values EUR	Total carrying amount EUR
Financial assets					
Derivatives	-	-	7 316 022	7 316 022	7 316 022
Loan to an associate	-	-	1 196 399	1 196 399	1 196 399
Financial liabilities					
Derivatives	-	-	5 249 657	5 249 657	5 249 657

Financial assets and liabilities not measured at fair value

The table below analyses the fair values of financial assets and liabilities not measured at fair value, by the level in the fair value hierarchy into which each fair value measurement is categorised.

31 December 2024	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total fair values EUR	Total carrying amount EUR
Financial assets					
Loan to an associate	-	-	-	841 600	841 600
Trade receivables	-	-	-	17 824 379	17 824 379
Due from related parties	-	-	-	143 064	143 064
Other receivables	-	-	-	375 348	375 348
Cash and cash equivalents	-	-	-	3 984 669	3 984 669
Financial liabilities					
Loans from credit institutions	-	-	28 762 039	28 762 039	30 218 506
Other loans	-	-	4 530 813	4 530 813	5 119 058
Trade and other payables	-	-	-	18 740 709	18 740 709

Other financial investments, trade receivables and cash and cash equivalents have their remaining maturities of less than one year and carry no interest, thus, their fair value is deemed not to materially differ from their carrying amounts.

31 December 2023	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total fair values EUR	Total carrying amount EUR
Financial assets					
Loan to an associate	-	-	-	727 600	727 600
Trade receivables	-	-	-	17 406 273	17 406 273
Due from related parties	-	-	-	24 399	24 399
Other receivables	-	-	-	336 208	336 208
Cash and cash equivalents	-	-	-	4 717 284	4 717 284
Financial liabilities					
Loans from credit institutions	-	-	21 631 358	21 631 358	21 546 599
Other loans	-	-	4 995 341	4 995 341	5 662 627
Trade and other payables	-	-	-	16 800 257	16 800 257

Other financial investments, trade receivables and cash and cash equivalents have their remaining maturities of less than one year and carry no interest, thus, their fair value is deemed not to materially differ from their carrying amounts.

The table below sets out the valuation techniques used to measure Level 3 fair value, as well as the most significant unobservable inputs for assets and liabilities, where fair value adjustment is applied:

Type	Valuation approach	Significant unobservable data
Derivative contracts - electricity and fuel swaps, fixed-price contracts	Discounted cash flow, NPV	Spread in the Latvian market in excess of Nord Pool market price data
Derivatives – loan to an associate	Discounted cash flows, Black-Scholes Model	The discount rate applied is based on the market prices of comparable loans of the associate during the reporting period. The value of the associate is assumed to be that at acquisition. Volatility of the fair value of the associate.
Trade receivables	Expected credit loss, IFRS 9	Expected credit loss assumptions are described in Note 15.
Other loans	Discounted cash flow, NPV	Loan repayment structure assumed in line with bubgeted cash flows and bank loan covenats. Discount rate applied based on weighted average discount rate for non-banking institutions at loan issue period, reported by Bank of Latvia evaluated against the cost of funds for collateralised borrowings of the Group.
Lease liabilities	Discounted cash flow, IFRS 16	Lease liabilities are calculated according to IFRS 16; discount rates are applied according to the type of leased asset and available financing rate for specific assets from financial institutions.

	Derivatives – electricity swap agreements	Derivatives – loan to an associate
Balance as at 31 December 2022	**4 202 131**	**1 278 089**
Gain included in finance income/(expenses)		
Net change in fair value (unrealised)	(2 135 765)	(81 691)
Realized value of financial instruments	42 392	-
Financial income from calculated interest	-	26 767
Interest paid in the period (settlements)	-	(26 767)
Balance as at 31 December 2023	**2 108 758**	**1 196 399**
Gain included in finance income/(expenses)		
Net change in fair value (unrealised)	(911 170)	13 028
Financial income from calculated interest	-	26 767
Interest paid in the period (settlements)	-	(26 767)
Balance as at 31 December 2024	**1 330 386**	**1 209 426**

The fair value gain described above is recognised in the consolidated statement of comprehensive income within net finance income in the corresponding period.

A sensitivity analysis for derivative swaps is provided in Note 30.

At the beginning of 2023, the Group issued a loan with equity conversion features which required the loan to be carried at fair value. The key unobservable assumptions relate to the applicable discount rate for the loan element and the value of the embedded option element - the value of the associate and its fair value volatility. The table below presents the sensitivity analysis of alternative assumptions:

2024

Unobservable element	**Change in assumption**	**Impact of change**
Change in the interest rate of the loan element	+/-100 base points	+/-28 498
Change in the fair value volatility of the associate	10%	+/- 7 283
Change in the associate's value	10%	+/- 34 235

2023

Unobservable element	**Change in assumption**	**Impact of change**
Change in the interest rate of the loan element	+/-100 base points	+/-60 606
Change in the fair value volatility of the associate	10%	+/- 123 992
Change in the associate's value	10%	+/- 122 908

30. Management of financial risks

The Group is exposed to financial risks. Financial risks include market risk, credit risk and liquidity risk. Below is a description of each of these financial risks and a summary of the methods used by the Group to manage these risks. Exposure to those risks arises in the normal course of the Group's business.
The Group's financial assets and liabilities, including, trade receivables, inventories, cash and cash equivalents, loans, trade payables are exposed to financial risk as follows:

- Market risk: risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities, including interest rate risk and currency risk;
- Credit risk: risk of loss or of adverse change in the financial situation, resulting from fluctuations in the credit standing of counterparties and any debtors to which Group is exposed, in the form of counterparty default risk, or market risk concentrations;
- Liquidity risk: risk that the Group is unable to realise its assets in order to settle its financial obligations when they fall due.

Market risk

Currency risk and revaluation

The functional and reporting currency of the Group is Euro (EUR), the national currency of the European Union. The objective of foreign exchange risk management in ViršI group is to limit the uncertainty created by changes in foreign exchange rates on the future value of cash flows and earnings, and in the Group's balance sheet. Generally, this is done by contracting transactions in Euro or hedging currency risks in contracted. All transactions in foreign currencies are revalued to Euro in accordance with the reference exchange rate published by the European Central Bank on the transaction date. All monetary assets and liabilities denominated in foreign currencies are translated to Euro in accordance with the reference exchange rate published by the European Central Bank on the last day of the reporting period. Differences arising on payments in currencies or disclosures of assets and liabilities using exchange rates other than those used for initial booking of transactions are recognized in the profit or loss statement at net amount.
There are no assets or liabilities in foreign currencies as at the reporting date. There has been no change to policies in relation to currency risk management during the reporting period.

Interest rate risk

The Group is exposed to a interest rate risk both in the short- and long-term. A change in interest rates may affect the cost of funds borrowed by the Group as well as the size of cash flows.
To mitigate this risk, the Group is constantly monitoring market conditions, taking measures to improve the debt structure by reaching an optimum balance between fixed and variable interest rates, controlling the need for additional financing. There has been no change to policies in relation to interest rate risk management during the reporting period.
A reasonably possible change of 100 basis points in interest rates at 31 December 2024 and 31 December 2023 would have increased (decreased) profit (loss) before taxes by +/- EUR 267 224, respectively (2022: +/- EUR 222 101). This analysis assumes that all other variables remain constant.

Credit risk

Credit risk is the risk that the Group may incur financial losses if parties to the transactions fail to fulfil their liabilities under the contracts, and credit risk is primarily connected with trade receivables and investment securities.
Credit risk mainly arising from the potential failure of the counterparty to meet its contractual payment obligations, and the risk depends on the creditworthiness of the counterparty as well as the size of the exposure.
For the purposes of credit risk management, the Group's management has established a procedure that sales of goods or services against payments on delivery or completion are made based on client evaluation procedures and certain limits are set on the amount of such sales. Management has developed a credit policy which includes regular control procedures over debtors to ensure identification of problems on a timely basis.
The objective of credit policy and risk management is to minimize the losses incurred as a result of a counterparty not fulfilling its obligations. Limits, mandates and management principles for credit and counterparty risk are covered in the Corporate risk management policy and separate principle and instruction level documents.
The amount of risk is quantified as the expected loss to Group in the event of a default by the counterparty. Credit risk limits are set at the Group level, designated by different levels of authorization, which are responsible for counterparty risk management within these limits. When determining the credit lines for sales contracts, counterparties are screened and evaluated vis-à-vis their creditworthiness to decide whether an open credit line is acceptable or collateral, for example, a letter of credit, bank guarantee or parent guarantee has to be posted. In the event that collateral is required credit risk is evaluated based on a financial evaluation of the party posting the collateral. If appropriate in terms of the potential credit risk associated with a specific customer, advance payment is required before delivery of products or services.
The carrying amount of financial assets represents the maximum exposure to credit risk.
Detailed disclosures and ageing analysis are provided in the note to the consolidated financial statements concerning trade receivables. (refer to Note 15.)
Financial instruments are used by the Group and it is potentially exposed to concentrations of credit risk which consist primarily of cash equivalents, over-the-counter production contracts and trade receivables. The cash and cash equivalents are held with banks, which are generally highly rated.
There has been no change to policies in relation to credit risk management during the reporting period.

Liquidity risk

Liquidity risk is defined as financial distress or extraordinarily high financing costs arising due to a shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure that it is available fast enough to avoid uncertainty related to financial distress at all times. The Group's liquidity is managed on a centralized basis and monitored continuously. Target net debt/ EBITDA ratio on the consolidated basis ranges from 1.5 to 2.5 and under IFRS 16 the unadjusted current ratio is above 1.0.
The principal source of liquidity of the Group is expected to be cash generated from operations. In addition, the Group seeks to reduce liquidity and refinancing risks by maintaining a diversified maturity profile in its loan portfolio. (See also Note 18).
Certain other limits have also been set to minimize liquidity and refinancing risks. There has been no change to policies in relation to liquidity risk management during the reporting period.

31 December 2024	Carrying amount	Contractual cash flows (undiscontd.)	0-6 months	6-12 months	1Y	2Y	3Y	4Y	5Y	Over 5 years
Loans from credit institutions	30 218 506	34 842 016	5 045 013	2 838 541	8 525 048	5 891 227	7 521 487	5 020 699	-	-
Other loans	5 119 058	5 755 508	350 004	350 004	700 008	700 008	700 008	700 008	700 008	1 555 460
Derivatives	3 128 596	3 128 596	312 371	269 409	1 232 509	1 314 307	-	-	-	-
Trade and other payables	18 740 709	18 740 709	18 740 709	-	-	-	-	-	-	-
Accrued liabilities	5 662 952	5 662 952	5 662 952	-	-	-	-	-	-	-
Total financial liabilities	**62 869 821**	**68 129 781**	**30 111 049**	**3 457 954**	**10 457 565**	**7 905 542**	**8 221 495**	**5 720 707**	**700 008**	**1 555 460**

31 December 2023	Carrying amount	Contractual cash flows (undiscontd.)	0-6 months	6-12 months	1Y	2Y	3Y	4Y	5Y	Over 5 years
Loans from credit institutions	21 546 599	23 919 239	2 565 487	5 289 380	5 253 864	5 578 988	2 991 018	2 240 503	-	-
Other loans	5 662 627	6 455 516	350 004	350 004	700 008	700 008	700 008	700 008	700 008	2 255 468
Derivatives	5 249 657	5 367 627	534 236	690 906	1 348 256	1 373 463	1 420 767	-	-	-
Trade and other payables	16 800 257	16 800 257	16 800 257	-	-	-	-	-	-	-
Accrued liabilities	5 085 474	5 085 474	5 085 474	-	-	-	-	-	-	-
Total financial liabilities	**54 344 614**	**57 628 113**	**25 335 458**	**6 330 290**	**7 302 128**	**7 652 459**	**5 111 793**	**2 940 511**	**700 008**	**2 255 468**

Commodity price risk

Commodity price risks in the Group are affected by fuel business market prices for crude oil, renewable feedstocks and by introduction of CNG in the market for natural gas and electricity. While the consumption of natural gas and electricity in the Group remained relatively low to the reporting date, crude oil price is a significant driver behind changes in turnover and cost of products. Crude oil price is subject to significant fluctuations resulting from a periodic over-supply and supply tightness in various regional markets, coupled with fluctuations in demand globally and in the local market. The results of operations of the Group in any given period are principally driven by the demand for and prices of oil and renewable products relative to the supply and cost of raw materials. These factors drive operational performance and cash flows in fuel business of the Group.

In order to balance the Group's dependence on crude oil price globally, there are several measures in place – the Group owns a storage facility that helps mitigate short term market volatilities; sustainable fuel alternatives are introduced to the market and the Group's portfolio (CNG, electricity); there is ongoing development of retail stores and catering in fuel stations. This results in the decrease of both the proportion of profits driven by crude oil products and the dependence on prices on these products. There has been no change to policies in relation to commodity price risk management during the reporting period, other than outlined below.

In June 2021, the Group commenced supplies of electricity to the B2B business segment and in September 2023 to the B2C sector. The Group aims to significantly develop its energy segment in the future. The dependence on fluctuations of electricity prices in the market is reduced by the Group by hedging supplies. The value of derivative financial instruments recognised in the balance sheet for electricity-related financial instruments at 31 December 2024 is EUR 1 330 386 (2023: EUR 2 066 365). A possible change of 5 euros in the spread to Nord Pool commodity price at 31 December 2024 would have increased (decreased) profit before taxes by +/- EUR 131 520 (2023: +/- EUR 175 320). This analysis assumes that all other variables remain constant. In 2024, the Company entered into non-material transactions that limit market price volatility for both CNG and diesel purchases in limited volumes. The value of such financial instruments on the Group's balance sheet at 31 December 2024 is EUR 21 157; all contracts of this type on the balance sheet are short-term.

Capital risk management

The Group's objective in managing capital is to maintain a capital structure that ensures access to capital markets at all times despite the business cycle of the industry in which the Group operates. Despite the fact that the Group does not have a public credit rating, the Group's target is to have a capital structure equivalent to investment grade rating. The capital structure of the Group is reviewed by the Board of Directors on a regular basis. The Group monitors its capital on the basis of leverage ratio, the ratio of interest-bearing net debt to interest-bearing net debt plus total equity. Interest-bearing net debt is calculated as interest-bearing liabilities less liquid funds. Over the cycle, the Group's leverage ratio is likely to fluctuate, and it is the Group's objective to maintain the leverage ratio below 45%. There has been no change to policies in relation to capital management during the reporting period.

31. Profit distribution

The Board suggests that 20% of the consolidated profit or EUR 964 998 (2023: EUR 1 019 761) be distributed as dividends with the actual dividend payments to the shareholders amounting to EUR 771 998 (2023: EUR 815 809) and that Corporate Income Tax be paid in the amount of EUR 193 000 (2023: EUR 203 952), while the remainder to be retained undistributed and used for the future development of the Company. The Shareholder's Meeting will decide on the distribution of profit

32. Subsequent events

On 12 February 2024, the Group's parent company, AS Virši-A, has prolonged loan agreement from AS SEB banka, recognised as current liabilities in the balance sheet as at 31 December 2024, for payment schedule up until March 2028.
No other significant subsequent events have occurred in the period from the year-end to the date of these consolidated financial statements that would require adjustments to be made to these consolidated financial statements or disclosures added within the consolidated financial statements.

Riga, 28 February 2025

Jānis Vība	Linda Prūse	Vita Čirjevska	Jeļena Laurinaviča
Chairman of the Board	Member of the Board	Member of the Board	Chief Accountant

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