Vivo Energy Limited Annual Report & Accounts 2023

We are vitalising Africa: empowering our people, customers, partners and communities to create opportunities across the continent.

We are doing business the right way to grow, enhance profitability and build a sustainable future.

We are creating a bigger, bolder and better company to support Africa's young and growing population. We are building on our strengths and giving more energy to Africa.

Making every moment an opportunity to vitalise Africa.

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2023 highlights

Revenues
(US$ million)
11,010
0%

Volumes
(million litres)
10,973
+2%

Service stations added
(net total)
149

Net loss
(US$ million)
-35
-133%

Adjusted EBITDA
(US$ million)
371
-21%

Total recordable case frequency
(per million exposure hours)
0.09

We are a leading pan-African distributor and retailer of Shell and Engen-branded fuels and lubricants

Retail

Retail is the engine that powers our growth. At the end of 2023, our network comprised 2,738 service stations across the continent.

RETAIL FUEL
Sale of petrol and diesel fuels at Shell and Engen-branded service stations, across 23 countries.

NON-FUEL RETAIL
Multi-branded convenience retail shops, quick service and fast casual restaurants, and other services including lubricant bays, car washes and ATMs.

Volumes
(million litres)

6,234 -2%

Gross cash profit[1]
(US$ million)

448 -8%

Gross cash unit margin[2]
($/'000 litres)

66 -7%

1 Includes Non-fuel retail.
2 Excludes Non-fuel retail.
Non-GAAP measures are explained and reconciled on pages 21 and 22.

Commercial

Our Commercial business not only ensures a reliable supply of high-quality fuels and energy to thousands of customers, but also supports those products with extensive, trusted services.

CORE COMMERCIAL
Supplying mining, construction, transport, power and industrial companies. We also supply LPG, primarily to consumers, as well as fuels to the wholesale market.

AVIATION AND MARINE
Supplying aviation fuel, plus bunkering for marine traders and other shipping companies.

Volumes
(million litres)

4,592 +8%

Gross cash profit
(US$ million)

217 -8%

Gross cash unit margin
($/'000 litres)

47 -16%

Lubricants

We sell lubricants to Retail and Commercial customers in our countries of operation, and also export to more than ten additional African markets.

RETAIL LUBRICANTS
Providing products to consumers at our service station forecourts and lubricant bays and also at oil shops, repair shops, service centres and resellers through a network of distributors.

COMMERCIAL LUBRICANTS
Supplying specialist lubricants to mining companies and B2B customers, and also exporting to other African markets.

Volumes
(million litres)

147 -1%

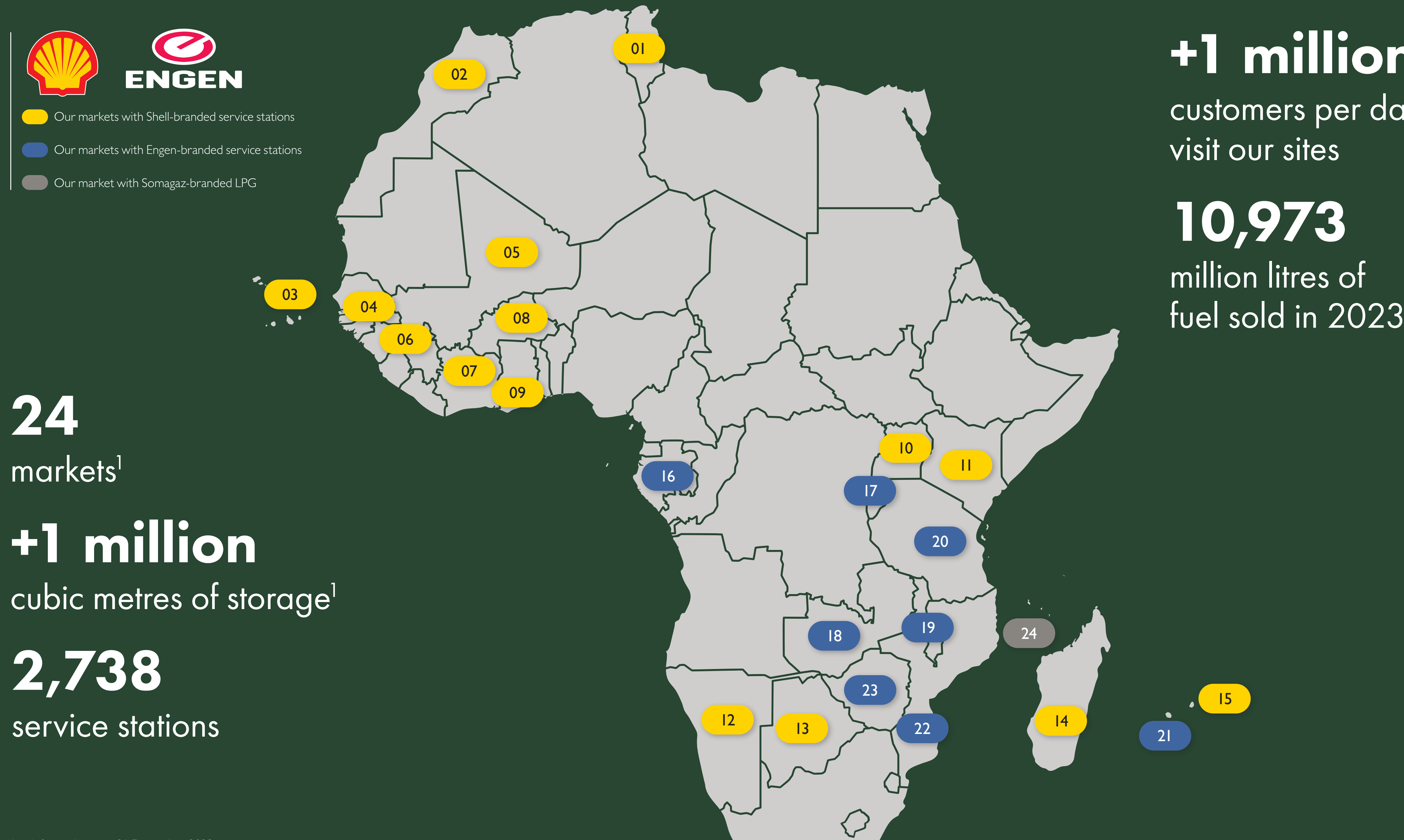
Gross cash profit
(US$ million)

87 -4%

Gross cash unit margin
($/'000 litres)

593 -2%

We operate in 24 African markets



24
markets[1]

+1 million
cubic metres of storage[1]

2,738
service stations

+1 million
customers per day visit our sites

10,973
million litres of fuel sold in 2023

1 Information as at 31 December 2023. Excluding potential markets following the completion of the Engen transaction.

Two leading brands

> Read more about Côte d'Ivoire in Our People on page 26

7. Côte d'Ivoire

Total Volume	826
Service stations	254

12. Namibia

Total Volume	447
Service stations	75

8. Burkina Faso

Total Volume	312
Service stations	119

13. Botswana

Total Volume	253
Service stations	85

1. Tunisia

Total Volume	1,106
Service stations	173

4. Senegal

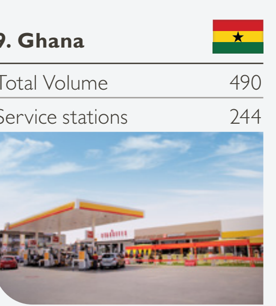
Total Volume	618
Service stations	149

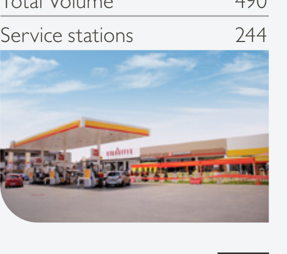
9. Ghana

Total Volume	490
Service stations	244

14. Madagascar

Total Volume	255
Service stations	77





2. Morocco

Total Volume	2,222
Service stations	421

5. Mali

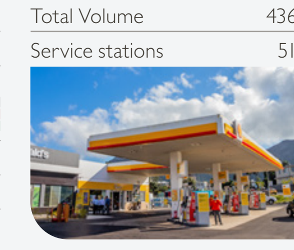
Total Volume	249
Service stations	55

10. Uganda

Total Volume	548
Service stations	184

15. Mauritius

Total Volume	436
Service stations	51



3. Cape Verde

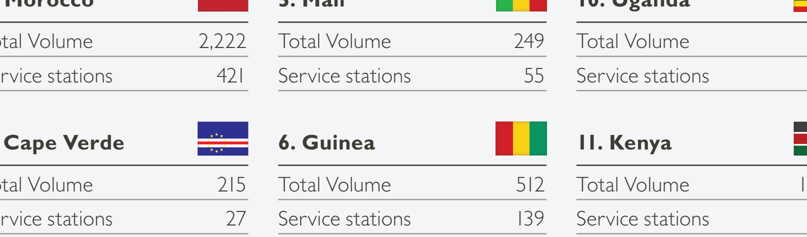
Total Volume	215
Service stations	27

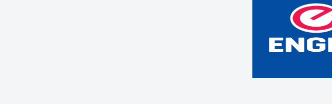
6. Guinea

Total Volume	512
Service stations	139

11. Kenya

Total Volume	1,342
Service stations	315

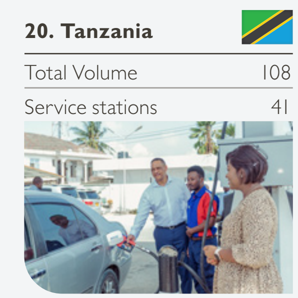




> Read more about Tanzania in Our Planet on page 29

20. Tanzania

Total Volume	108
Service stations	41



21. Reunion

Total Volume	213
Service stations	35

16. Gabon

Total Volume	78
Service stations	24

18. Zambia

Total Volume	131
Service stations	59

22. Mozambique

Total Volume	155
Service stations	50

17. Rwanda

Total Volume	129
Service stations	50

19. Malawi

Total Volume	74
Service stations	46

23. Zimbabwe

Total Volume	39
Service stations	65

> Read more about our new market entry in Mayotte on page 8

24. Mayotte

New market added in December 2023 to bottle and distribute Somagaz-branded LPG.

Total volume is measured in million litres and excludes volume related to supply trading not allocated to countries.

Progressing the Engen transaction

On 9 February 2023, we announced our agreement to combine with Engen, creating one of Africa's largest energy distribution companies.

Engen is the clear market leader in South Africa and has around 1,300 service stations across seven African countries.

When added to our current portfolio, the combined Group will have over 3,900 service stations and more than two billion litres of storage capacity across 28 African markets.

Completion of this transaction – which reunites the Engen brand across Africa – will be a step change in our growth and represents a significant commitment to South Africa, while also enhancing our portfolio in other important markets.

Engen is a high-quality brand, which shares our values and complements our existing business very well. In addition to adding new markets, the transaction will also allow us to optimise our Southern Africa supply, adopt Engen's strengths and share best practice between Vivo Energy and Engen – ensuring we take the 'best of both' to propel the combined business forward.

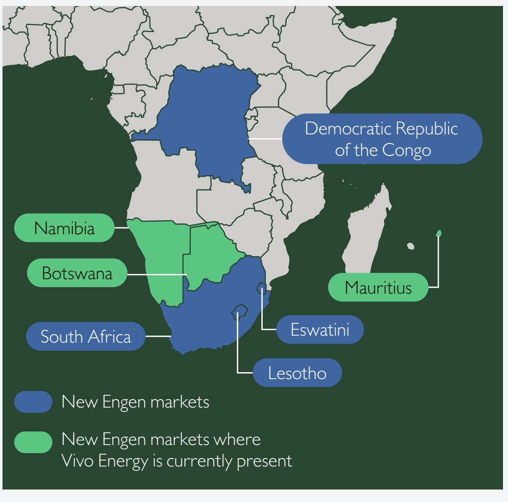
During 2023, we have worked through the transition period, engaging with authorities to secure regulatory approvals for the transaction.

In November 2023, the Competition Commission of South Africa recommended that the Competition Tribunal approve the transaction, with conditions.

This important milestone takes us closer to completing the Engen transaction. However, it is important to note that there are still further steps before this happens.

In addition to the recommended South African approval, good progress is also being made with authorities to secure approvals in the other Engen markets.

When all South African and other market approvals are secured, as well as satisfaction of other customary conditions, we will be ready to complete the transaction, marking a significant milestone in our development and a step change in our growth. The transaction is expected to complete during the first half of 2024.



As we emerge from a challenging year, I see an incredibly exciting future for Vivo Energy in 2024 and beyond.

STAN MITTELMAN
CHIEF EXECUTIVE OFFICER

> See Stan Mittelman talk more about life at Vivo Energy

Bigger, Bolder, Better

As I reflect on a challenging 2023, I want to start my CEO's statement with a note of thanks to the Board for its support and guidance and to our employees for their unwavering dedication, hard work and resilience throughout the year. In a year which has been filled with unexpected twists and turns, their commitment has been – and continues to be – the driving force behind our success.

CONTINUED CHALLENGES

We continued to experience a number of external headwinds during 2023.

On a macroeconomic level, our markets experienced lower growth than expected. Although oil prices were significantly lower than in 2022, they remained high, impacting costs. We also saw currency crises in some of our markets, which had a negative impact on interest rates, exchange rates and inflation rates.

A number of our markets – particularly in West Africa – continued to experience political and social unrest. In some cases, this led to a direct impact on our business. For example, in Senegal, political demonstrations resulted in several of our service stations being vandalised.

The continent suffered from several natural disasters during 2023, including Cyclone Freddy in March that caused flooding in a few of our markets; a devastating earthquake in Morocco in September; and wildfires in North Africa. Although our employees were safe, these events sadly resulted in multiple fatalities in these markets.

CHIEF EXECUTIVE OFFICER'S STATEMENT CONTINUED

BUSINESS PERFORMANCE

Through our focus on preventing incidents from happening, as opposed to fixing them after they've occurred, we continue to have an industry-leading health, safety, security, environment and quality (HSSEQ) performance.

Despite exceeding our own HSSEQ targets, we were deeply saddened by the explosion at the Société Guinéenne des Pétroles depot in Conakry in December, where Vivo Energy is a minority shareholder. Following the incident, we immediately helped the government's technical committee and continue to collaborate with authorities to contribute to the long-term recovery efforts.

Despite a particularly challenging first half of the year, we recorded improvements in the second half of 2023, and our overall volumes were 2% ahead of the prior year, increasing from 10,777 million litres to 10,973 million litres. This was mainly due to a supply contract in one of our markets, improved performance in the aviation and marine business, and growth in the liquefied petroleum gas (LPG) business. Retail and Lubricants volumes were slightly behind the prior year.

Gross cash profit of $752 million was down 8% against 2022, mainly due to the impact of depreciating local currencies. This was the main contribution to the 9% decrease in gross cash unit margin to $69 per thousand litres.

Together with higher selling and marketing costs, these factors resulted in adjusted EBITDA of $371 million, a 21% decrease against the previous year.

Despite external challenges, we continued to meaningfully invest for growth, opening a net total of 149 service stations and 133 convenience retail shops and food outlets during the year.

RESILIENCE AND DETERMINATION – PREPARING FOR THE FUTURE

There is much we can be proud of from the year that prepares us well for 2024, and beyond.

Following the announcement of plans to acquire the Engen business in February 2023, we have made significant progress with regulatory approvals. On completion of the transaction, this transformative strategic move positions us well for growth and success in the years ahead.

Having grown our LPG businesses in Reunion and Namibia during 2023, we were delighted to successfully conclude the acquisition of the Somagaz group in December, taking our network to 24 African and Indian Ocean markets. The Mayotte-based Somagaz business owns and operates a depot and filling centre in Longoni, distributes LPG cylinders to approximately 160 retail outlets, and serves industrial customers across Mayotte through cylinder and bulk distribution.

We made good progress with improving our gender diversity, with 31% female representation at the end of the year. I was proud to launch the Women at Vivo Energy (W@VE) programme in November, which aims to create a workplace that values diversity, removes barriers and empowers all employees to thrive.

Technology is vital to our future success and we made significant strides forwards in developing our technology and systems to improve and simplify how we run our business.

Finally, in November, Vivo Energy Maroc confirmed that it had chosen to benefit from a settlement agreement with the Conseil de la Concurrence to close the outstanding investigation of Morocco's petroleum retail industry in a constructive and cooperative manner and prevent lengthy litigation. Refer to note 28 on page 92 for further information.

BIGGER – BOLDER – BETTER

As we look forward, I am convinced that 2024 will be a transformative year for Vivo Energy and that we have an incredibly exciting future ahead of us.

Our theme for the year is Bigger – Bolder – Better.

Following successful completion of the Engen transaction, we will significantly increase the size of the Group. We will become more confident and courageous. And we plan to ensure the best of both Vivo Energy and Engen's top traits are incorporated into our new business.

"Our new vision is to be Africa's leading and most respected energy business."

A REFRESHED VISION

Since our foundation, our vision has been to become the most respected energy business in Africa. This vision – a logical consequence of doing things the right way, realising the full potential of our people and business partners, and creating a benchmark for quality, excellence, safety and responsibility – has served us very well. Indeed, we must continue striving to be called Africa's most respected energy business.

We believe that now is the time to step up our ambition. Therefore, at the start of 2024, I launched our refreshed vision: 'to be Africa's leading and most respected energy business'.

I am confident that together with the Executive Committee and our talented and committed employees, we will be able to achieve this.

STAN MITTELMAN
CHIEF EXECUTIVE OFFICER
20 MARCH 2024

This Strategic Report has been approved by the Board.

BIGGER
Significantly increasing the size of the Group, in particular following completion of the Engen transaction

BOLDER
Increasing confidence and courage as we assume our new leading position

BETTER
Ensuring the best of Vivo Energy and Engen's top traits are incorporated into our new business

Our strategy: We are building for the future

Maximise value

from Retail fuel

RETAIL
- Optimising and upgrading our network
- Adding new sites each year
- Shining our existing sites

Accelerate growth

from the rest of the core business

NON-FUEL RETAIL OFFERINGS
- Building a substantial food business, on and off our service stations
- Increasing our convenience retail presence
- Diversifying other Non-fuel retail offerings

COMMERCIAL FUEL & LUBRICANTS
- Driving B2B core profitable market share growth
- Growing reseller volume market share
- Growing our lubricants business (including exports)
- Increasing focus on aviation and marine

LIQUEFIED PETROLEUM GAS (LPG)
- Reducing product mix carbon intensity through LPG growth

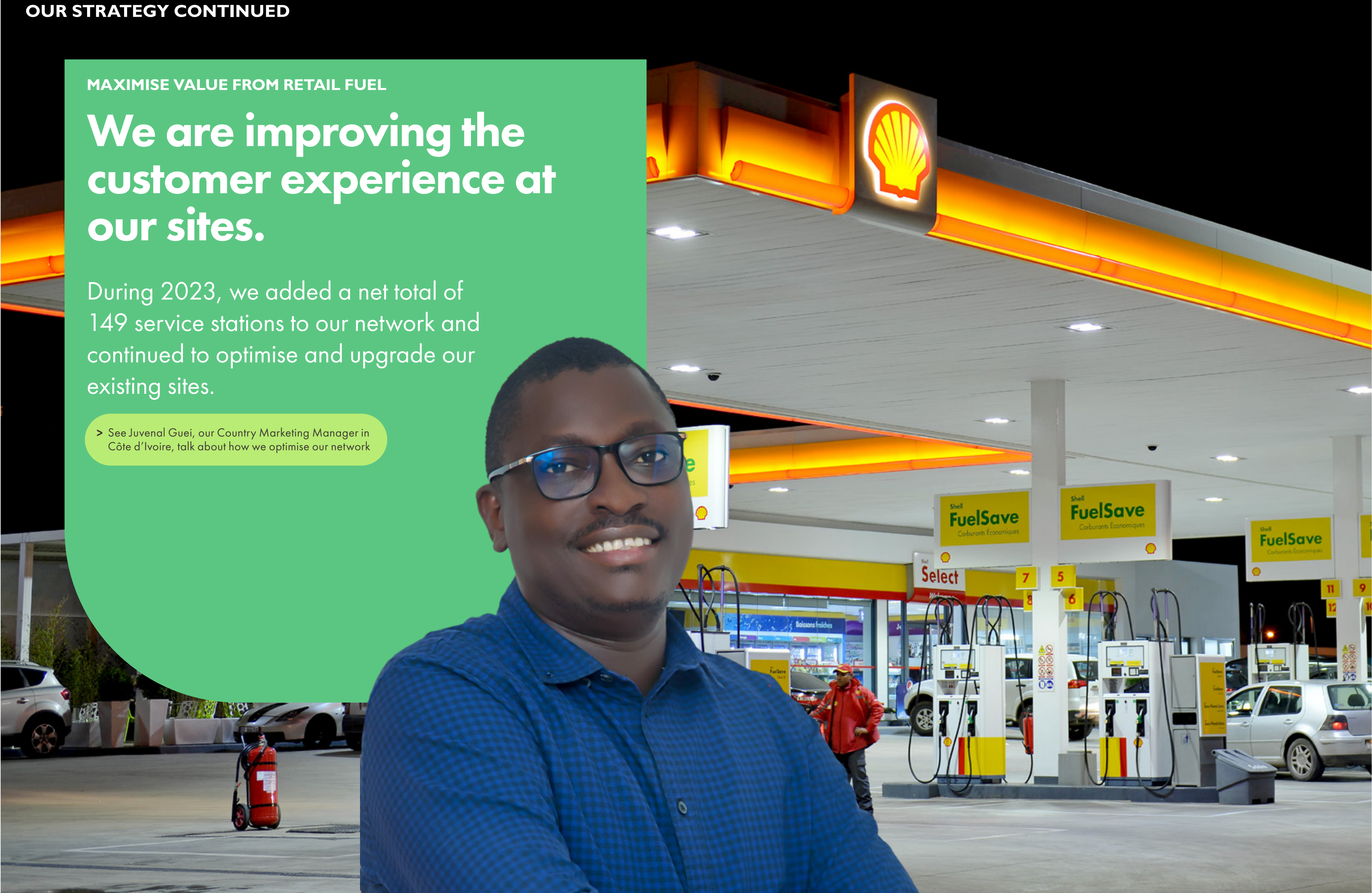
Evolve the business model

to serve customer needs

SOLAR
- Developing our solar hybrid power product offering
- Piloting more electric vehicle (EV) charging sites

NEW MOBILITY
- Investigating and developing new mobility solutions

OUR STRATEGY CONTINUED



MAXIMISE VALUE FROM RETAIL FUEL

We are improving the customer experience at our sites.

During 2023, we added a net total of 149 service stations to our network and continued to optimise and upgrade our existing sites.

> See Juvenal Guei, our Country Marketing Manager in Côte d'Ivoire, talk about how we optimise our network

OUR STRATEGY CONTINUED

ACCELERATE GROWTH FROM THE REST OF THE CORE BUSINESS

Growing Commercial Fuel, Lubricants, LPG and Non-fuel retail.

We completed a strategic LPG acquisition in Mayotte and further grew the LPG business in Namibia and Reunion, delivering a more environmentally friendly transition fuel.

OUR STRATEGY CONTINUED

EVOLVE THE BUSINESS MODEL TO SERVE CUSTOMER NEEDS

We are dedicated to continuing our investment in solar.

Continuing our focus on mining customers to develop and deliver solar hybrid solutions. We also progressed our new mobility offer, piloting more EV charging stations and developing our two- and three-wheeler value proposition.

> See Demi Edosomwan, our Head of New Ventures, talk about what the future holds for Vivo Energy.

Our stakeholders

We listen to and collaborate with a wide range of stakeholders to grow our business and deliver value.

WE HAVE FIVE KEY STAKEHOLDER GROUPS

Engagement with our stakeholders plays a vital role throughout the business. We regularly interact with our shareholders and investors, and the five key stakeholder groups listed here.

This helps us gain a better understanding of the impact of our decisions on stakeholder interests as well as insight into their needs and concerns.

The output of engagement with stakeholders informs Group decisions and relevant feedback is reported to the Board and/or its Committees.

1 OUR PEOPLE

We want our people to be safe, engaged and focused on doing business the right way.

2 CUSTOMERS

We want to understand our customers deeply so we can continue to innovate our product and service offering and provide an exceptional customer experience.

3 PARTNERS

We want to support our partners, always focusing on doing business the right way as we strive to be Africa's leading and most respected energy business.

4 COMMUNITIES

We want to be a positive force and make a real and lasting difference in the communities where we operate – supporting them, promoting a better quality of life and a more sustainable future.

5 GOVERNMENTS

We want to maintain good relationships with host governments in the countries where we operate, continuing to help develop these markets through the collection of tax and duties, and providing significant employment.

Our KPIs

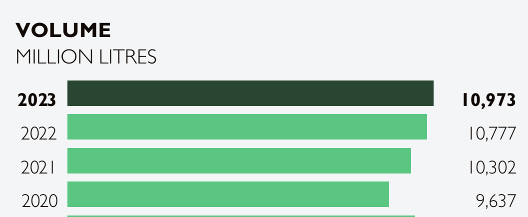
These KPIs show our performance for 2023 in comparison to the past four years, together with a brief explanation of the key drivers. We've chosen to use Growth, Financial and HSSEQ KPIs in order to provide a rounded view of our performance.

Non-GAAP measures are explained and reconciled on pages 21 and 22.

Growth KPIs

VOLUME

MILLION LITRES



DEFINITION

Total product volumes sold during the year.

Performance drivers

- Macroeconomic drivers influencing demand
- Sales and promotion activities
- Loyalty card system
- New and existing contracts with Commercial customers and cross-selling

TOTAL RETAIL SERVICE STATIONS

NUMBER

DEFINITION

Total number of revenue-generating retail service stations.

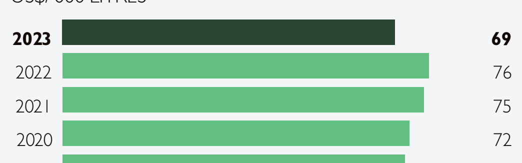
Performance drivers

- Self-funding capital expenditure through operating cash flow
- Significant white-space opportunity
- Securing land leases and strategically located sites

1 2019 includes more than 200 retail service stations acquired as part of the Engen acquisition.

GROSS CASH UNIT MARGIN

US$/'000 LITRES



DEFINITION

Gross cash profit per 1,000 litres of sales volume.

Performance drivers

- Pricing structure in regulated markets ensures stable margins
- Competitive pricing strategies in deregulated markets
- Foreign currency exposure risk management to ensure US dollar margins are protected
- Optimised supply chain and efficient operations
- Increased penetration of differentiated fuels

OUR KPIS CONTINUED

Financial KPIs

GROSS CASH PROFIT
US$ MILLION

DEFINITION
Gross profit after direct operating expenses and before non-cash depreciation and amortisation recognised in cost of sales. Reference to 'cash' in this measure refers to non-cash depreciation and amortisation as opposed to the elimination of working capital movements.

Performance drivers
- Volumes and gross cash unit margins performance

ADJUSTED EBITDA
US$ MILLION

DEFINITION
Earnings before interest, tax, depreciation and amortisation adjusted for impact of special items.

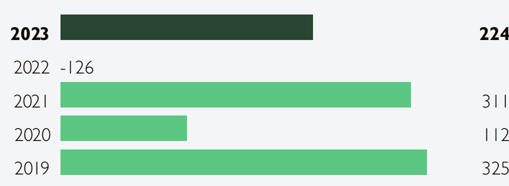
Performance drivers
- Volumes and gross cash unit margins performance
- Optimised cost structure and cost management
- Share of profit from investments in joint ventures and associates

NET (LOSS)/INCOME
US$ MILLION

DEFINITION
Net income or loss in accordance with IFRS/GAAP.

Performance drivers
- EBITDA performance
- Effective tax rate management
- Optimised capital and finance structure

ADJUSTED FREE CASH FLOW
US$ MILLION

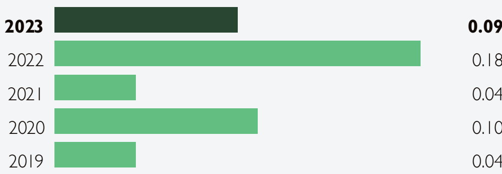


DEFINITION
Cash flow from operating activities less net additions to property, plant and equipment and intangible assets and excluding the impact of special items.

Performance drivers
- High conversion from EBITDA to free cash flow
- Structurally negative working capital

HSSEQ KPIs

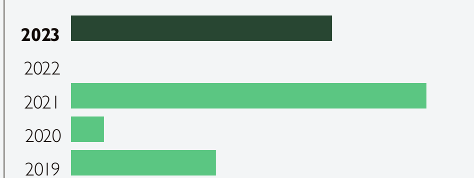
TOTAL RECORDABLE CASE FREQUENCY (TRCF)
PER MILLION EXPOSURE HOURS



DEFINITION
TRCF per million exposure hours.

Performance drivers
- Using potential incident reporting to prevent incidents from happening
- Training and competency development for continuous HSSEQ improvement
- Focus on personal safety, road transport safety and security

TOTAL PRODUCT LOST
METRIC TONNES



DEFINITION
Product lost to the environment.

Performance drivers
- Ensuring that safe working practices are followed: stringent contractor safety requirements; driver training and monitoring

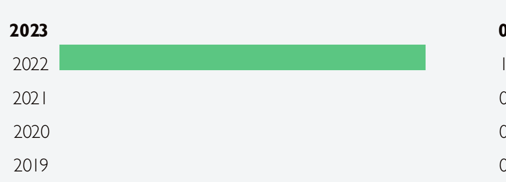
TOTAL SCOPE 1 & 2 EMISSIONS[1]
KT OF CO_2 EQUIVALENT

DEFINITION
Emissions from combustion of fuel, electricity, heat, steam and cooling.

Performance drivers
- Increasing efficiencies across our operations
- Adding solar initiatives

1 Previous years have been rebased as per the Vivo Energy Greenhouse Gas Inventory Management Plan with 2019 as the base year.

EMPLOYEE & CONTRACTOR FATALITIES
NUMBER



DEFINITION
Fatal occupational injuries and illnesses.

Performance drivers
- Risk assessment and mitigation
- Potential incident reporting to prevent incidents from happening
- HSSEQ competency review and training programme

Financial review

SUMMARY INCOME STATEMENT

US$ million	2023	2022	Change
Revenues	11,010	10,969	0%
Cost of sales	(10,348)	(10,237)	+1%
Gross profit	**662**	**732**	**-10%**
Selling and marketing cost	(315)	(247)	+28%
General and administrative cost	(216)	(212)	+2%
Share of profit of joint ventures and associates	26	27	-4%
Other income/(expense)	5	(5)	+200%
EBIT	**162**	**295**	**-45%**
Finance expense – net	(131)	(87)	+51%
EBT	**31**	**208**	**-85%**
Income taxes	(66)	(103)	-36%
Net (loss)/income	**(35)**	**105**	**-133%**

NON-GAAP MEASURES

US$ million, unless otherwise indicated	2023	2022	Change
Volumes (million litres)	10,973	10,777	+2%
Gross cash profit	752	817	-8%
EBITDA	303	427	-29%
Adjusted EBITDA	371	470	-21%
ETR (%)	212%	49%	n/a
Adjusted net income	26	154	-83%

Non-GAAP measures are explained and reconciled on pages 21 and 22.

FINANCIAL REVIEW CONTINUED

OVERVIEW OF OPERATIONS BY SEGMENT

US$ million, unless otherwise indicated	2023	2022	Change
Volumes (million litres)			
Retail	6,234	6,370	-2%
Commercial	4,592	4,258	+8%
Lubricants	147	149	-1%
Total	**10,973**	**10,777**	**+2%**
Gross profit			
Retail (including Non-fuel retail)	392	435	-10%
Commercial	188	210	-10%
Lubricants	82	87	-6%
Total	**662**	**732**	**-10%**
Gross cash unit margin ($/'000 litres)			
Retail fuel (excluding Non-fuel retail)	66	71	-7%
Commercial	47	56	-16%
Lubricants	593	608	-2%
Total	**69**	**76**	**-9%**
Gross cash profit			
Retail (including Non-fuel retail)	448	489	-8%
Commercial	217	237	-8%
Lubricants	87	91	-4%
Total	**752**	**817**	**-8%**
Adjusted EBITDA			
Retail	197	249	-21%
Commercial	111	151	-26%
Lubricants	63	70	-10%
Total	**371**	**470**	**-21%**

Non-GAAP measures are explained and reconciled on pages 21 and 22.

FINANCIAL REVIEW CONTINUED

ANALYSIS OF CONSOLIDATED RESULTS OF OPERATIONS

VOLUMES

Despite a challenging first half of the year, overall volumes were 2% ahead of the prior year, increasing from 10,777 million litres to 10,973 million litres. The increase is attributable to the Commercial segment with total volumes 8% ahead of the prior year. This increase was mainly due to a supply contract in one of our markets, improved performance in the Aviation and Marine business, and growth in the LPG business. The Retail and Lubricants segment volumes were slightly behind the prior year by 2% and 1% respectively, mainly due to an economic slowdown in some of our markets.

GROSS PROFIT

Gross profit decreased by 10% to $662 million (2022: $732 million) mainly due to the impact of depreciating local currencies and decreasing crude oil price effects from the first half of the year.

GROSS CASH PROFIT

Gross cash profit was down 8% year-on-year, decreasing from $817 million to $752 million, largely due to the impact of depreciating local currencies. This primarily contributed to the decrease in the gross cash unit margin from $76 per thousand litres in 2022 to $69 per thousand litres in 2023. Retail fuel unit margins were 7% lower than the prior year, mainly explained by a declining oil price environment. The Commercial segment unit margin decreased to $47 per thousand litres, due to the low margin supply contract and the impact of a declining price environment. The unit margin in the Lubricants segment decreased by 2%, mainly due to a higher cost of product.

SELLING AND MARKETING COST

Selling and marketing cost including special items[1], increased by $68 million, from $247 million in 2022 to $315 million, primarily due to a government settlement and a higher expected credit loss for receivables. This was partially offset by depreciating local currencies. Further details related to the government settlement can be found in note 28 of the consolidated financial statements.

GENERAL AND ADMINISTRATIVE COST

General and administrative cost, including special items[1], was 2% higher than the prior year (2022: $212 million), mainly due to an increase in manpower and restructuring costs partially offset by lower Vitol Offer related expenses[1] and depreciating foreign currency effects.

SHARE OF PROFIT OF JOINT VENTURES AND ASSOCIATES

Share of profit of joint ventures and associates decreased by 4% year-on-year mainly due to lower share of profit of joint ventures in Morocco. This was offset by the positive performance from the food joint ventures in certain markets.

ADJUSTED EBITDA

Adjusted EBITDA decreased by 21% to $371 million (2022: $470 million) mainly due to a lower gross profit and higher selling and marketing costs, partially offset by an increase in other income.

NET FINANCE EXPENSE

Net finance expense increased by $44 million to $131 million, from $87 million in 2022. The increase is largely attributable to a higher average level of indebtedness compared to the prior period as a result of the Bridge loan being in place from October 2022. Increased utilisation of short-term bank borrowings and higher interest rates further contributed to the increase. Further details on borrowings can be found in note 22 of the consolidated financial statements.

INCOME TAXES

The ETR increased to 212% in the current year (2022: 49%). This was mainly due to a lower earnings before tax of $31 million (2022: $208 million) resulting in a higher relative impact of withholding tax, non-deductible expenses and non-recognised tax losses. An increase in the value of non-deductible expenses and interest further contributed to the current year performance.

1 Special items are explained and reconciled on pages 21 and 22.

2 Days sales outstanding (DSO) and days purchases outstanding (DPO) are based on monthly averages and trade elements only.

ANALYSIS OF CONSOLIDATED FINANCIAL POSITION

ASSETS

TRADE RECEIVABLES

Trade receivables increased by $201 million, from $598 million in 2022 to $799 million in 2023, primarily due to increase in the average DSO[2] and increased sales volumes in the Commercial segment during the period. Average monthly DSO[2] for the period was 18 days (2022: 15 days).

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment increased by $101 million, from $920 million in 2022 to $1,021 million in 2023, largely due to additions in Retail and Commercial segments. The increase is offset by depreciation and negative foreign currency impacts.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents increased by $44 million, from $500 million in 2022 to $544 million in 2023. This increase was largely attributable to a higher cash inflow from operations, due to lower core working capital requirements and other government benefits receivable, partially offset by investing activities and higher finance costs.

RIGHT-OF-USE ASSETS

Right-of-use assets increased by $16 million, from $235 million in 2022 to $251 million in 2023 due to new leases as part of the continued expansion of our Retail network and the business acquisition in Mayotte. The increase is partially offset by depreciation and negative foreign currency impacts.

INVENTORIES

Inventories decreased by $85 million, from $687 million in 2022 to $602 million in 2023 predominantly due to lower levels of stock on hand and a decrease in stock value as a result of declining crude oil prices. Average inventory days for the period was 23 days (2022: 26 days).

OTHER ASSETS

The $76 million decrease in other assets, from $726 million in 2022 to $650 million in 2023, is mainly attributable to a decrease in other government benefits receivable and prepayments related to stock purchases.

EQUITY

Total equity decreased by $52 million, from $199 million in 2022 to $147 million in 2023, primarily due to a negative total comprehensive income and dividends paid to non-controlling interests, partially offset by a $48 million capital contribution received in the first half of the year.

LIABILITIES

TRADE PAYABLES

The increase in trade payables of $237 million from $1,687 million in 2022 to $1,924 million in 2023 is mainly attributable to favourable payment terms from some of our suppliers. The increase is partially offset by the depreciation of local currencies. Average monthly DPO[2] for the period was 62 days (2022: 61 days).

OTHER LIABILITIES

Other liabilities increased by $83 million, from $337 million to $420 million predominantly due to a government settlement and an increase in customer deposits as a result of growth in the LPG business. Further details related to the government settlement can be found in note 28 of the consolidated financial statements.

BORROWINGS

Borrowings decreased by $53 million, from $1,529 million in 2022 to $1,476 million in 2023, mainly due to the $63 million repayment of the revolving credit facility and refinancing of the Bridge loan, partially offset by an increase in short-term bank borrowings. Further information related to borrowings can be found in note 22 of the consolidated financial statements.

FINANCIAL REVIEW CONTINUED

LIQUIDITY AND CAPITAL RESOURCES

ADJUSTED FREE CASH FLOW

In addition to the commentary on the Group's consolidated statement of cash flows below, further disclosures in relation to the Group's processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk, liquidity risk and market risk can be found in note 3 of the consolidated financial statements.

US$ million	2023	2022
Net (loss)/income	(35)	105
Adjustment for non-cash items and other	206	225
Current income tax paid	(100)	(93)
Net change in operating assets and liabilities and other adjustments[1]	359	(229)
Cash flow from operating activities	**430**	**8**
Net additions of PP&E and intangible assets	(227)	(160)
Free cash flow	**203**	**(152)**
Special items[2]	21	26
Adjusted free cash flow	**224**	**(126)**

1 Net change in operating assets and liabilities and other adjustments includes finance expense. Refer to note 27.

2 Cash impact of special items. Special items are explained and reconciled on pages 21 and 22.

Adjusted free cash flow increased by $350 million, from an outflow of $126 million in 2022 to an inflow of $224 million in 2023. The increase in the adjusted free cash flow was primarily driven by higher cash inflows from operating activities, which were mainly due to the movements in net change in operating assets and liabilities and other adjustments, slightly offset by the net loss for the year. The positive net change in operating assets and liabilities and other adjustments of $359 million was predominantly attributable to a decrease in other government benefits receivable. A decrease in the core working capital requirements further contributed to an increase in the operating cash inflow. During the year, cash flow from operating activities fully funded net capital expenditure of $227 million.

Income tax paid amounted to $100 million for the year ended 31 December 2023 (2022: $93 million).

CAPITAL EXPENDITURES

US$ million	2023	2022
Growth	146	100
Maintenance	78	64
Special projects	7	–
Total	**231**	**164**

US$ million	2023	2022
Retail	124	96
Commercial	53	34
Lubricants	2	2
Solar	5	–
Other (technology, supply and distribution and general corporate costs)	47	32
Total	**231**	**164**
Of which growth capital expenditure was:	**146**	**100**
Retail	92	72
Commercial	43	26
Lubricants	2	2
Solar	5	–
Other (technology, supply and distribution and general corporate costs)	4	–

The majority of the Group's capital expenditure related to Growth projects which included the Retail network expansion and accelerated growth in our LPG business. As a result of the Group's increased focus on alternative energy, strategic investments were directed towards Solar plants aimed at generating electricity in remote areas. Capital expenditure related to Maintenance increased in the current year, mainly due to our continued focus on maintaining our stringent standards at our Retail sites and the preservation of our supply and distribution infrastructure. The 'Shining sites' project was established in 2019 to enhance our Retail network and has resulted in 292 sites being 'shined' during the year.

FINANCIAL REVIEW CONTINUED

LIQUIDITY AND CAPITAL RESOURCES CONTINUED

NET DEBT AND AVAILABLE LIQUIDITY

US$ million	2023	2022
Long-term debt and Subordinated shareholder loan[1]	907	1,016
Lease liabilities	199	183
Total debt excluding short-term bank borrowings	**1,106**	**1,199**
Short-term bank borrowings	569	513
Less: cash and cash equivalents	(544)	(500)
Net debt	**1,131**	**1,212**

US$ million	2023	2022
Net debt (excluding lease liabilities and Subordinated shareholder loan[1])	769	1,029
Adjusted EBITDA[2] (excluding IFRS 16 impact)	319	423
Debt cover[1]	**2.41x**	**2.43x**

1 Proceeds from the Subordinated shareholder loan relate to 2023. (2022: Includes the RCF)
2 Non-GAAP measures are explained and reconciled on pages 21 and 22.

US$ million	2023	2022
Cash and cash equivalents	544	500
Available undrawn credit facilities	1,834	1,614
Available short-term capital resources	**2,378**	**2,114**

Long-term debt mainly consists of $350 million in notes and $396 million from the Term loan. The proceeds of the loan were received in June 2023 and have a five-year maturity date. Refer to note 22 of the consolidated financial statements for further information and disclosure of the Group's borrowings and debt covenants.

Short-term bank borrowings include uncommitted, unsecured short-term bank facilities extended by local banks to operating entities, ranging from $3 million to $458 million, and carry interest rates between 5.00% and 33.06% per annum. These facilities are automatically renewable, typically for a period of 12 months.

The available undrawn credit facilities of $1,834 million comprise the undrawn committed multi-currency revolving credit facility of $300 million and $1,534 million of undrawn, unsecured and uncommitted short-term bank facilities extended to our operating entities for working capital purposes.

Net debt decreased by $81 million from $1,212 million in 2022 to $1,131 million in 2023, mainly due to higher cash and cash equivalents and a decrease in long-term debt, offset by an increase in short-term bank borrowings. The decrease in long-term debt is mainly attributable to the refinancing of the Bridge loan and the repayment of the revolving credit facility. The movement in cash and cash equivalents was mainly driven by a higher cash inflow from operating activities due to a decrease in other government benefits receivable and core working capital requirements. The Group's debt cover (excluding the Subordinated shareholder loan and lease liabilities) reduced to 2.41x (2022: 2.43x), primarily as a result of a lower net debt and adjusted EBITDA.

The table below sets the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows:

US$ million						31 December 2023
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	586	21	584	388	–	**1,579**
Trade payables	1,768	156	–	–	–	**1,924**
Lease liabilities	12	18	37	48	150	**265**
Other financial liabilities	16	–	–	–	–	**16**
Other liabilities[1]	51	31	9	2	157	**250**
Total	**2,433**	**226**	**630**	**438**	**307**	**4,034**

1 Other liabilities (note 25) exclude the elements that do not qualify as financial instruments.

The Group has purchase obligations, for capital and operational expenditure, under various agreements, made in the normal course of business. The purchase obligations are as follows, as at:

US$ million	31 December 2023	31 December 2022
Purchase obligations	18	13

FINANCIAL REVIEW CONTINUED

NON-GAAP FINANCIAL MEASURES

Non-GAAP measures are not defined by International Financial Reporting Standards (IFRS) and, therefore, may not be directly comparable with other companies' non-GAAP measures, including those in our industry. Non-GAAP measures should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

The exclusion of certain items from non-GAAP performance measures does not imply that these items are necessarily non-recurring. From time to time, we may exclude additional items if we believe doing so would result in a more transparent and comparable disclosure.

The Directors believe that reporting non-GAAP financial measures in addition to IFRS measures provides users with an enhanced understanding of results and related trends and increases the transparency and clarity of the core results of our operations. Non-GAAP measures are used by the Directors and management for performance analysis, planning, reporting and key management performance measures.

Term	Description
Gross cash profit	This is a measure of gross profit before non-cash depreciation and amortisation recognised in cost of sales. Reference to 'cash' in this measure refers to non-cash depreciation and amortisation as opposed to the elimination of working capital movements. Gross cash profit is a key management performance measure.
EBITDA	Earnings before finance expense, finance income, income tax, depreciation and amortisation. This measure provides the Group's operating profitability and results before non-cash charges and is a key management performance measure.
Adjusted net income	Net income or loss adjusted for the impact of special items.
Special items	Income or charges that are not considered to represent the underlying operational performance and, based on their significance in size or nature, are presented separately to provide further understanding of the financial and operational performance.
Net debt	Total borrowings and lease liabilities less cash and cash equivalents.
Adjusted EBIT	Earnings before finance expense, finance income and income taxes adjusted for special items. The Group views adjusted EBIT as a useful measure because it shows the Group's profitability and the ability to generate profits by excluding the impact of tax and the capital structure, as well as excluding income or charges that are not considered to represent the underlying operational performance.
Gross cash unit margin	Gross cash profit per unit. Unit is defined as 1,000 litres of sales volume. This is a useful measure as it indicates the incremental profit for each additional unit sold.
Adjusted EBITDA	EBITDA adjusted for the impact of special items. This is a useful measure as it provides the Group's operating profitability and results, before non-cash charges and is an indicator of the core operations, exclusive of special items.
Adjusted free cash flow	Cash flow from operating activities less net additions to PP&E and intangible assets and excluding the impact of special items. This is a key operational liquidity measure, as it indicates the cash available to pay dividends, repay debt or make further investments in the Group.
Debt cover	Net debt, excluding lease liabilities and Subordinated shareholder debt, divided by the last 12 months' adjusted EBITDA excluding the accounting impact of IFRS 16.

FINANCIAL REVIEW CONTINUED

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

US$ million, unless otherwise indicated	2023	2022
Gross profit	**662**	**732**
Add back: depreciation and amortisation in cost of sales	90	85
Gross cash profit	**752**	**817**
Volumes (million litres)	10,973	10,777
Gross cash unit margin ($/'000 litres)	**69**	**76**

US$ million	2023	2022
EBT	**31**	**208**
Finance expense – net	131	87
EBIT	**162**	**295**
Depreciation, amortisation and impairment	141	132
EBITDA	**303**	**427**
Adjustments to EBITDA related to special items:		
Settlement[1]	40	–
Vitol Offer related expenses and other acquisitions[2]	12	35
Management Equity Plan[3]	10	–
Restructuring[4]	5	–
Community relief contribution[5]	1	–
Hyperinflation[6]	–	1
Impairment of other government benefits receivable[7]	–	7
Adjusted EBITDA	**371**	**470**

US$ million	2023	2022
Net (loss)/income	**(35)**	**105**
Adjustments to net income related to special items:		
Settlement[1]	40	–
Vitol Offer related expenses and other acquisitions[2]	12	43
Management Equity Plan[3]	10	–
Restructuring[4]	5	–
Community relief contribution[5]	1	–
Hyperinflation[6]	(7)	1
Impairment of other government benefits receivable[7]	–	7
Tax on special items	–	(2)
Adjusted net income	**26**	**154**

US$ million	2023	2022
EBIT	**162**	**295**
Adjustments to EBIT related to special items:		
Settlement[1]	40	–
Vitol Offer related expenses and other acquisitions[2]	12	35
Management Equity Plan[3]	10	–
Restructuring[4]	5	–
Community relief contribution[5]	1	–
Hyperinflation[6]	–	1
Impairment of other government benefits receivable[7]	–	7
Adjusted EBIT	**230**	**338**

Reconciliation of net debt and debt cover is included on page 20. The reconciliation of adjusted free cash flow is included on page 19.

1 The expense related to a government settlement is treated as a special item, as it does not form part of the core operational business activities and performance for the period. Refer to note 28 of the consolidated financial statements for further information.
2 These expenses are related to the Vitol Offer transaction and other acquisitions and are treated as special items as they do not form part of the core operational business activities and performance for the period. Included in 2022 are expenses related to financing the Bridge loan.
3 During 2023, the Group introduced a cash-settled Management Equity Plan ('MEP') under which Vivo Energy Limited granted phantom options to Executive Directors. The Binomial Option Pricing Model is used to calculate the fair value of the options and the amount to be expensed. This expense is now treated as a special item as it is no longer considered to form part of the core operational business activities and performance for the period.
4 Restructuring costs were incurred mainly as a result of organisational alignment. The impact from these activities do not form part of the core operational business activities and performance for the period and are, therefore, treated as a special item.
5 The expense related to donations made to assist and provide relief to communities affected by the earthquake in Morocco and is treated as a special item as they do not form part of the core operational business activities and performance for the period.
6 The impacts of accounting for hyperinflation for Vivo Energy Ghana and Zimbabwe, in accordance with IAS 29, are treated as special items since they are not considered to represent the underlying operational performance of the Group and based on their significance in size and unusual nature are excluded as the local currency depreciation against the US dollar does not align to the published inflation rates during the period.
7 The Group has recognised an impairment of other government benefits receivable as a result of a retrospective price structure change by certain governments to finance their outstanding debt. Such retrospective changes of existing price structures are not representative of the core operational business activities and performance for the period and are, therefore, treated as special items.

Our vision, culture and values

When Vivo Energy was created in 2011, we quickly developed, introduced and embedded our 'Focus, Simplify and Perform' operating culture, and this has been our guiding principle ever since.

It has enabled us to stay one step ahead and will continue to be a key part of our business for many years to come.

THE VIVO ENERGY WAY

Since the foundation of Vivo Energy in 2011, our operating culture of Focus, Simplify and Perform has remained a central part of the way we do business. We achieve success by constantly reinforcing our fast, agile, decentralised business model, and have continued to focus on simplification – adapting our model where required – to make sure we structure ourselves for success in the years ahead.

Our values of honesty, integrity and respect for people guide our teams as they work towards our vision to be Africa's leading and most respected energy business.

Our people are regularly kept informed about our business through their managers, employee townhall meetings and the Company intranet.

As we work towards finalising the Engen transaction, we have refreshed our vision and culture and will review our values during 2024 to ensure they remain relevant, fit for purpose and aligned to our evolving organisation.

We seek to maintain constructive relationships with labour unions formally representing our employees and have localised union agreements and guidelines in place, as applicable.

Approximately 30% of the Group's employees are unionised.

DOING BUSINESS THE RIGHT WAY

Our reputation is our most important asset and we work hard to maintain it at every opportunity. We demonstrate the highest standards of corporate behaviour at all times and in every interaction with our employees, our customers and broader stakeholders. Our Code of Conduct, Counterparty Code of Conduct and General Business Principles (all available on our website) underpin everything we do and are the foundation of our business.

All new employees complete an online induction programme, which explains our policies and helps them integrate into the organisation quickly and comprehensively. The induction programme includes training in relation to our Code of Conduct and key anti-bribery and corruption (ABC) and anti-money laundering (AML) initiatives.

We have a detailed counterparty screening process in place, which is formalised in the Vivo Energy Know Your Counterparty (KYC) policy. The screening process gives us confidence that we know who we are doing business with and that the ethics and values of our counterparties align to our core values. As part of the screening process, we request new counterparties to agree to a compliance statement, which sets out our approach towards ABC, AML and conflict of interest.

Employees, third parties and members of the public have access to our independent, 24/7 anonymous whistle-blowing helpline. They can use this to report any concerns by telephone, online via web reporting or via a designated Vivo Energy whistle-blowing app, which is available for both Android and iOS devices.

During the year we published our Information Security Awareness policy and rolled out an ongoing training programme to raise awareness of data protection, focused on a different area of cybersecurity each month. We also continued to conduct regular phishing simulation tests during the year, with a corrective action programme set up to address phishing simulation failures.

We also developed and launched a Data Subject Rights Request portal during the year.

We're committed to providing equal opportunities for all our employees. Should any employee become disabled, our policy is to engage, re-train and make reasonable adjustments to enable continued employment.

OUR VISION, CULTURE AND VALUES CONTINUED

ANTI-CORRUPTION AND ANTI-BRIBERY

We continue to maintain a multi-site ISO 37001 anti-bribery management systems certification, covering all of our markets. During the year, we carried out six reviews of operating units as part of the annual maintenance audits. No non-conformities were noted during the reviews.

We rolled out a new online anti-trust training course and ethical behaviour training for all employees during the year. Over 97% of employees have successfully completed these courses.

In addition, each employee is required to submit a Conflict of Interest declaration every year, confirming their understanding of our compliance policies. These declarations are reviewed and approved by line managers after which a detailed risk assessment is conducted by the Ethics & Compliance Office. Corrective measures are recommended and implemented by the Ethics & Compliance Office where required.

HUMAN RIGHTS

We strongly support the elimination of all forms of modern slavery. Such exploitation is entirely at odds with our core values of honesty, integrity and respect for people, which are crucial to our success and growth, and to achieving our vision to be Africa's leading and most respected energy business.

We are committed to respecting, upholding and applying the highest human rights and ethical standards across the economies and societies in which we operate. Our approach is guided by the ten Principles of the UN Global Compact, with which Vivo Energy complies. Our Human Rights Policy Statement sets out the core human rights principles which we strive to uphold. The policy statement is available on our external website.

Respect for human rights is also embedded in our Code of Conduct and General Business Principles, which recognise our responsibility to conduct business as a responsible corporate citizen and to support fundamental human rights in line with the legitimate role of business. Both the Code and the Business Principles explicitly address our commitment to combatting modern slavery and human trafficking.

Our anonymous whistle-blowing helpline includes a specific reporting category for raising concerns in relation to any form of unfair labour practices and potential human rights violations. Any report received in relation to these categories is directly reported to the Chief Legal and Compliance Officer and the Head of Internal Audit and is investigated or escalated to the Chair of the Audit and Risk Committee and the CEO as required.

Knowing who we do business with

6,280

counterparty screening checks conducted.

As we work towards completion of the Engen transaction, we have updated our vision to be Africa's leading and most respected energy business.

Sustainability framework

We have a clear and simple framework: provide an umbrella for all our Environmental, Social and Governance (ESG) and sustainability activities; guide our approach; and provide more focus on the sustainability topics that matter the most to us and our stakeholders.

> See Our Sustainability framework online

People

Safe and empowered teams

We believe that by keeping our people safe, supported and enabling their development, we are able to deliver consistent success as an organisation.

KEY PRIORITIES

- Ensuring the safety of people
- Training and development
- Enhancing gender diversity
- Employee engagement

Planet

Minimising the Group's impact

With fuel demand expected to grow across our markets, we aim to meet it in the most climate-friendly way possible and minimise the impact on our planet.

KEY PRIORITIES

- Greenhouse gas management
- Product spills
- Supporting the energy transition
- Societal impact

Partnerships

Leading by example

Engaging with and supporting the development of our partners and local communities helps us gain a better understanding of their needs and concerns. This matters to us because we employ local people and serve local businesses and individuals. Leading by example across our value chain is key to us achieving our vision to be Africa's leading and most respected energy business.

KEY PRIORITIES

- Partnering with communities
- Enabling local enterprise
- Responsible purchasing

OUR SUSTAINABILITY FRAMEWORK CONTINUED

ENSURING THE SAFETY OF PEOPLE

We consider the safety of our employees, contractors and customers a key focus.

We measure and assess our health, safety, security, environment and quality (HSSEQ) performance against established peer benchmarks and review against international oil marketing companies. As a result of our personal safety initiatives, in 2023, we recorded a commendable Total Recordable Case Frequency (TRCF) of 0.09 per million exposure hours, improving against the prior year.

In order to continually improve our HSSEQ performance, 16 security risk assessments, process safety and HSSEQ management system audits were conducted in our operating units to further reduce risk, with action plans developed to address any issues. We also underwent an ESG audit, receiving highly commendable results.

For 2023, we chose to extend our annual Safety Day activity and instead of focusing activity over a short period of time, launched 'Safety Day, Every Day'. This ongoing programme focused on a different Life Saving Rule each month, and was extremely well received by our operating units, communities and stakeholders. We experienced 50% fewer life-saving rule violations in 2023, compared to the previous year.

As part of our Safety Day activity, our team in Côte d'Ivoire launched a programme called Héros de la Sécurité, engaging employees, service station teams, drivers and school children to help them focus on enhancing their safety culture.

We believe that in order to continue to deliver a world-class health and safety performance, our colleagues who are engaged in safety-critical tasks must be fully trained and competent. We had previously conducted a comprehensive competency assessment and a combination of e-learning and face-to-face training has been put in place to close any skills gaps for these colleagues.

We also established a train-the-trainer programme and ran workshops in Senegal and South Africa to empower in-country trainers so that our operating units have the flexibility to conduct their own critical HSSEQ training activity. This programme – which trained nearly 40 trainers across 18 countries – not only enabled significant cost savings, but has improved safe operations in our countries by providing local high-quality expertise and training, without the need for central trainers to travel in to run sessions.

In addition to the train-the-trainer programme, 17 HSSEQ online training modules were developed during the year, including courses on working at heights, working in confined spaces, management of change, manual handling safety, dangers of excavations, crane operation and heavy lifting.

We have continued to focus on employees' health and wellbeing, rolling out fitness to work for all colleagues in safety-critical roles, in addition to conducting annual health assessments for our employees.

A committee was set up, comprising three country health advisers, the HSSEQ Training & Competency Manager and the VP HSSEQ to support newly appointed Country Health Advisers and provide guidance in case of trans-African health concerns or pandemics.

Finally, as road safety remains a significant risk, we introduced an online journey management planning tool for employees' journeys. This ensures that controls are in place for vehicle compliance, that adequate breaks are taken and that the safest route is followed.

Our 'Safety Day, Every Day' programme helped to reduce Life Saving Rule violations.

OUR SUSTAINABILITY FRAMEWORK CONTINUED

PEOPLE CONTINUED

TRAINING AND DEVELOPMENT

We employ around 2,850 people, and work hard to support and develop them at every opportunity.

Learning and development is an integral part of our approach to talent management, and we have structured development plans in place to constantly build the skills and capabilities of our people. We invested around $2 million in training in 2023, continuing to upskill employees on not just technical and functional skills, but also leadership skills across the business.

During the year, we conducted an accelerated leadership programme for 38 of our mid-level managers, to help improve their strategic leadership skills, enabling them to grow and develop within the business.

We also launched a mentoring programme for delegates of the 2022 and 2023 accelerated leadership programme, assigning a senior leader from within the business to support them with their development.

ENHANCING GENDER DIVERSITY

We promote the development and efficient deployment of our employees to create an inclusive work environment, where everybody has an equal opportunity to develop his or her skills and talents.

We strive to ensure balanced gender diversification across our employee workforce. Although our gender balance is steadily improving, we recognise that there is further room for improvement. During the year, we launched W@VE, our Women at Vivo Energy programme, which aims to create a workplace that values diversity, removes barriers and empowers all employees to thrive.

Across the Group, at the end of 2023, women represented 31% of total employees, up from 29% in 2022. Female representation among our office-based and sales staff in 2023 increased from 35% to 38%.

EMPLOYEE ENGAGEMENT

We work hard to nurture an open culture where the opinions of our people are heard and valued. In 2023, we continued the rollout of our online platform – Your Voice – to encourage employees to submit ideas on a wide range of topics. These are reviewed by country HR managers and discussed at country leadership level. Where the ideas make business sense and have the potential to improve ways of working, they are implemented to help grow, develop and improve the business.

We also continued the rollout of our Employee Assistance Programme, which is now available across 24 of the 26 countries where we have offices. This programme provides practical information and confidential counselling to employees and their close family members on a wide range of work and personal issues.

In September, we conducted our full employee engagement survey, tracking six key areas: leadership and culture; reward; role content; career; workplace; and purpose and values. Employees were very keen to participate in the survey, and we scored our highest ever completion rate of 93%.

Across the survey our overall favourability score was 77% – up from 75% when last conducted in 2021 – with scores across each category either increasing or remaining the same.

Purpose and values remains the highest scoring category, with nine out of ten employees stating that they are proud to work for us, believing we are well respected in the countries where we operate, deliver world-class HSSEQ performance and that we will be successful in the future.

We are pleased to report that only four of the 42 comparable questions recorded a significant decline in favourability, compared to the last survey in 2021.

GENDER DIVERSITY

31%
of employees are women

OUR GENDER SPLIT

31 DECEMBER 2023	Female	Male	Total
Board of Directors	0	5	5
Senior Executive Team[1]	3	12	15
Senior Executive Team's direct reports[2]	24	66	90
All other employees	857	1,887	2,744

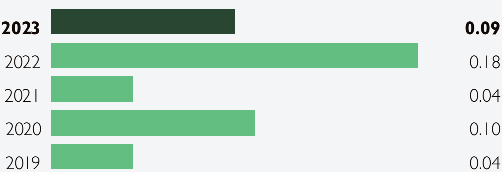
1 Includes Executive and Management Committees. The CEO and Interim CFO are counted in the Board of Directors row. While they are also members of the Senior Executive Team, they are not counted in this row, to avoid double-counting.

2 Not including personal assistants.

Note: 91 employees are Directors across the Group's subsidiaries, of which 71 are male and 20 female.

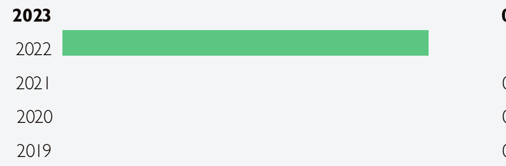
TOTAL RECORDABLE CASE FREQUENCY (TRCF)

PER MILLION EXPOSURE HOURS



EMPLOYEE AND CONTRACTOR FATALITIES

NUMBER



OUR SUSTAINABILITY FRAMEWORK CONTINUED

We are already supplying lower-carbon energy alternatives, and believe that as they become a more widespread reality across Africa, we will be well positioned to deliver the benefits to our customers. It is crucial to understand the climate-related risks and opportunities we are presented with and ensure they are fully considered in our strategy. We have therefore aligned with the TCFD framework and are now integrating the outcomes across our businesses, strategy and financial planning. For more information see pages 35 to 38.

GREENHOUSE GASES (GHG)

In 2023, we further strengthened our gathering, monitoring and reporting of our greenhouse gas inventory across our operating units, adhering to the guidelines established by the GHG Protocol. At the end of December, a further operating unit in Mayotte was added. Our GHG Inventory Management Plan serves as the framework for gathering, calculating and assessing our GHG emissions. Alongside our Scope 1 and 2 emissions, we report on ten Scope 3 emission categories, in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Scope 3 category 6 (business travel) has been removed due to falling outside the materiality threshold. The availability and revision of International Energy Agency (IEA) electricity emission factors have further improved the accuracy of our indirect emission data, with 2019 as our base year. Our reporting includes emissions relating to the use of sold products, where much of our value chain emissions fall. Page 30 includes disclosure of our Group-wide Scope 1 and 2 emissions, and all calculated categories of Scope 3 emissions.

We have not included emissions from our central offices located outside our OUs as these are small, shared offices, responsible for minimal emissions. This includes our small shared office in the UK and as such has minimal GHG emissions.

We are pleased to report that our Scope 1 emissions have reduced and while Scope 2 has increased marginally due to the higher conversion factor that was released, our operational intensity ratio (Scope 1 and 2) has remained the same as in 2022. Our overall emissions (Scope 1, 2 and material Scope 3 categories) have increased, due to business growth and increased product sales across the Group, however, the intensity ratio has decreased compared to 2022.

We continue to implement short-, medium- and long-term initiatives aimed at managing Scope 1 and 2 impacts. These include reducing our own emissions in accordance with our sustainability framework, along with increasing efficiencies and solar initiatives across the Group.

Considering the nature of the products we sell, our indirect Scope 3 impact far outweighs our direct emissions. While meeting the ongoing demand for hydrocarbon fuels from our customers, we must prioritise doing so in the most environmentally-friendly way possible. We have broadened our supply of lower-carbon fuel alternatives by acquiring the Somagaz group, a fully integrated LPG operator in Mayotte, and continue to enhance our solar offering to meet the demands of our customers.

Currently, we stand among the select few companies in Africa that incorporate additives into most of the Retail fuels we sell to improve efficiency. As fuel technology progresses, we remain at the forefront and have recently introduced new fuel formulations in Mauritius, Rwanda and Cape Verde, providing additional benefits to customers.

OUR SUSTAINABILITY FRAMEWORK CONTINUED

PLANET CONTINUED

PRODUCT SPILLS

We consider any release of product to the environment as unacceptable and continue to implement stringent process safety standards and procedures, as well as ensuring our contractors have advanced technical mitigations in place to prevent spills.

During 2023, we unfortunately experienced a road transport incident, which resulted in 13.45 m³ of product being spilt. We immediately took action to minimise the impact of this spill on the environment. Following the emergency response and subsequent remediation, our team ensured that the site was extensively cleaned, in accordance with national legislative requirements.

Any incident – even the most minor – is diligently investigated, with the 'Learning From Incident' being developed and shared across the Group, to reduce the risk of reoccurrence.

SUPPORTING THE ENERGY TRANSITION

We recognise that the sustainability of our business depends on our understanding of the climate-related risks and opportunities we face, together with our commitment to ensuring that these are fully considered in our strategy.

Today, our core businesses are focused on distributing and marketing fuels and lubricants to our Retail and Commercial customers in Africa.

We therefore perceive that the most material transition risks to the Group are related to factors that could reduce demand for the fuels we sell due to any combination of climate-related technology, market and policy and legal developments across our markets.

We have identified a number of activities and plans across key climate-related areas, which both harness transition opportunities and mitigate transition risks.

Using renewable power at our facilities

We are including on-site solar power at newly built and rebuilt Retail sites where possible. In 2023, we added solar to 95 sites and two depots.

Supporting electric vehicles (EV) in our Retail segment

We have continued to pilot EV charging infrastructure, rolling out more charging stations in a number of our markets, such as Mauritius, Reunion and Morocco, to understand its potential and ensure we are positioned to address customer demand as it evolves.

Supplying low- or zero-carbon fuels in Retail and Commercial segments

We are continually monitoring and responding to Retail and Commercial customers' demands for new technologies and lower-carbon alternatives such as LPG, solar or other commercially attractive options, as part of the transition. During the year, we investigated new mobility solutions including electric buses and electric two- and three-wheeler battery swapping solutions.

Achieving lower emissions logistics

We continue to engage with our fuel delivery fleet suppliers to minimise the climate impact of trucks used for transporting our fuel to end-users, and are investigating technology solutions to reduce truck trips taken. To minimise fuel usage, we are prioritising pipeline and rail transport ahead of road, where possible.

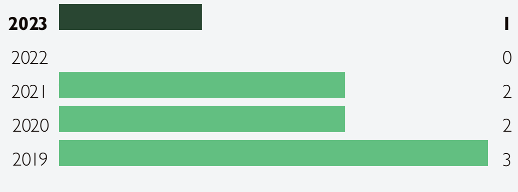
SOCIETAL IMPACT

We continued our Green Champions programme, encouraging colleagues across the Group to develop and implement local sustainability initiatives.

In Kenya, we installed a 150 kW solar PV system at our Nairobi terminal. As a result we have been able to reduce energy consumption at the depot by around 13,000 kWh per month, reducing carbon emissions and saving electricity cost.

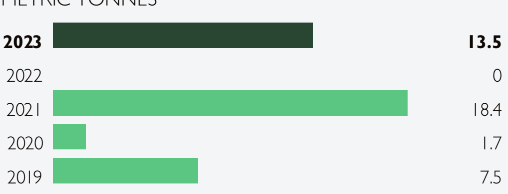
NUMBER OF PRODUCT SPILLS

GREATER THAN 100KG



TOTAL PRODUCT LOST

METRIC TONNES



In Tanzania, we launched a tree-planting initiative, involving around 800 students from 10 secondary schools. With the students we planted around 1,000 trees, providing shade, enhancing air quality and with the ability to yield fruit.

OUR SUSTAINABILITY FRAMEWORK CONTINUED

PLANET CONTINUED

OPERATIONAL EMISSIONS – SCOPE 1 AND 2

KT CO_2e, unless otherwise indicated	2019	2020	2021	2022	2023
Total Scope 1[1]	11.22	10.41	10.44	10.39	10.32
Total Scope 2[2,3,6]	11.51	11.27	11.42	11.49	11.67
Total Scope 1 and 2 Emissions[6]	**22.73**	**21.68**	**21.86**	**21.88**	**21.99**
Total energy consumed[4] (million kilowatt-hours)	**64.76**	**59.04**	**60.91**	**60.81**	**60.75**
Scope 1 and 2 Intensity (KT $CO_2e/10{,}000m^3$)	**0.022**	**0.022**	**0.021**	**0.020**	**0.020**

VALUE CHAIN EMISSIONS – SCOPE 3

KT CO_2e, unless otherwise indicated	2019	2020	2021	2022	2023
1A. Purchased goods[6]	5,668.91	5,194.45	5,826.97	6,030.33	6,209.66
1B. Purchased services	25.96	25.62	24.60	24.48	26.05
2. Capital goods	38.15	37.14	35.88	34.11	50.49
3. Fuel- and energy-related activities[3,6]	6.23	5.78	6.01	6.02	6.03
4. Upstream transportation and distribution	85.64	74.80	84.86	78.43	65.09
5. Waste generated in operations	0.41	1.33	1.31	2.05	2.23
8. Upstream leased assets	4.36	3.72	3.58	4.42	5.18
9. Downstream transportation and distribution	26.14	19.52	21.84	29.94	24.66
11. Use of sold products	26,280.16	24,208.93	26,138.65	27,313.19	27,566.50
13. Downstream leased assets	1.77	1.62	1.85	2.02	2.16
Total Scope 3[5,6] (reported categories)	**32,137.73**	**29,572.91**	**32,145.55**	**33,524.99**	**33,958.05**
Total Scope 1, 2 and 3 Emissions[6]	**32,160.46**	**29,594.59**	**32,167.41**	**33,546.87**	**33,980.04**
Scope 1, 2 and 3 Intensity[6] (KT $CO_2e/10{,}000m^3$)	**30.873**	**30.710**	**31.224**	**31.129**	**30.967**

1 Direct emissions from activities owned and controlled by the organisation.

2 Indirect emissions purchases of energy in the form of electricity due to activities owned and controlled by the organisation.

3 IEA emission factors for electricity is published in October each year. Indirect emissions are calculated using the latest emission factors which are backdated by two years and cause historic electricity related data to be different to those previously published. Rwanda, Madagascar, Mali and Uganda factors were updated from 2019 as published by IEA. IEA emissions factors related to transmission and distribution losses have been used while previously Defra factors applied that was discontinued in 2023. All these updates caused the historic electricity related data to be different to previously published. The 2019 and 2020 figures are final in this submission.

4 Total energy consumed calculated using fuels' lower heating values and metered electricity.

5 Business travel emissions excluded as emission value is below the materiality threshold.

6 Previous years have been rebased as per the Vivo Energy Greenhouse Gas Inventory Management Plan with 2019 as the base year.

In Ghana, we created an environmental sustainability programme at the La Enobal Basic school in Accra. This school lacked waste disposal and hand washing facilities and had poor sanitation. Following our partnership, we have provided access to hand washing stations, set up an environmental club, and are helping students generate an income from repurposing recycled materials.

OUR SUSTAINABILITY FRAMEWORK CONTINUED

Partnerships

Engaging with and supporting the development of our partners and local communities helps us gain a better understanding of their needs and concerns.

PARTNERING WITH COMMUNITIES

Engaging with and supporting the development of our local communities has always been an important part of what we do.

We want to continue to make a real and lasting difference to our communities, engaging with them to earn their respect and trust, supporting them and promoting a better quality of life and more sustainable future.

SHIFTING OUR FOCUS AREAS

Since our foundation in 2011, we have based our community investment activities on Road Safety, Education and the Environment. We have invested millions of dollars and successfully supported over a thousand projects across the Group, centred on these three focus areas.

In April, we chose to review these, and invited our colleagues to have their say, asking them to vote on a long list of potential new community investment focus areas.

Over 750 colleagues voted – a tremendous response and a great demonstration of how much our community investment activity matters to them.

Following review by the ESG Committee and verification by the Board, we have changed our community investment focus areas to Education, Health and Renewable Energy (solar).

Our Communications Managers across the Group are starting to shift their community investment activity to these new priorities, and throughout 2023, we supported around 100 community projects.

Education

We are active in the development and delivery of a wide range of educational initiatives across the continent. Many are aimed at children and young people, with the objective of fostering academic achievement, entrepreneurship and learning. Others are focused on skills and knowledge for life, often with an emphasis on safety, environmental issues and health.

Following an 11-year ongoing partnership with the Ministry of Education in Tunisia, we further strengthened this relationship by launching a programme called Ana Obde3, meaning 'I innovate'. The programme included training teachers, establishing entrepreneurship clubs for students and running a series of regional and national competitions aimed at encouraging entrepreneurship among school children at a young age.

In Namibia, we launched the inaugural Vivo Energy Windhoek Marathon to help raise funds for government-run schools. The event attracted more than 1,200 runners, raising funds to support thousands of students.

Health

Addressing health challenges is a paramount concern for Vivo Energy as we recognise the profound impact it has on communities. Health disparities persist in many of our markets, affecting vulnerable populations. We are determined to foster a healthier society by investing in programmes that prioritise preventive healthcare, access to medical services, and health education. Collaborating with local healthcare providers and community organisations, we aim to create sustainable initiatives that enhance overall wellbeing. Our focus extends to supporting initiatives that improve sanitation, nutrition and disease prevention, contributing to the creation of resilient and thriving communities.

> See Sonia Dammak, our Communications Manager in Tunisia, talk about how we are supporting communities in her operating unit.

OUR SUSTAINABILITY FRAMEWORK CONTINUED

PARTNERSHIPS CONTINUED

During 'Pink October' several of our operating units ran internal and external activities to support breast cancer awareness. These included workshops on breast cancer, screening programmes and donations.

In Ghana, we partnered with the National Road Safety Authority and Health Nexus Network to launch our Fit2Drive Wellness Programme, designed specifically for commercial drivers. The programme aims to promote and enhance the physical and mental wellbeing of commercial drivers, ensuring they maintain optimal health and safety standards while on the road.

In Madagascar, we signed a partnership agreement with the Compassion Madagascar Association, aimed at providing treatment for children suffering from cancer. Through this partnership, we will fund chemotherapy sessions and cancer treatment for children from disadvantaged families.

Following a series of natural disasters in Africa during the year, our teams have supported health relief efforts for local communities, including: donations in Morocco to support the earthquake relief; in Kenya to support the National Steering Committee on Drought Response; and in Malawi to support the victims of Cyclone Freddy.

Renewable energy

Acknowledging the critical role of sustainable energy in mitigating climate change, we are dedicated to advancing the use of renewable energy sources. Our commitment extends beyond minimising our own environmental footprint to actively promoting the adoption of clean energy solutions within the communities we serve. Through strategic partnerships, technological innovation and community engagement, we aim to accelerate the transition to renewable energy. By supporting projects that harness solar and other renewable resources, we aspire to contribute to a greener and more sustainable future.

During the year, our team in Senegal continued its support of the For Hope Association, and expanded its rural electrification project using solar panels for villages in the rural community of N'Guellou, located in the centre of Senegal.

ENABLING LOCAL ENTERPRISE

We are focused on supporting the growth of our dealer and transporter network and other local businesses – creating tens of thousands of indirect jobs across our network.

In order to manage our retail network efficiently, we utilise local dealers to operate approximately 95% of our sites to our exacting standards. We support our dealers to ensure they have a platform to succeed and regularly check that they're maintaining the standards that we require.

RESPONSIBLE PURCHASING

We place great emphasis on operating our business with high ethical standards and in a socially responsible way, and want to work with business partners that share our values. We have developed a Supplier Code of Conduct for our partners to adhere to, which covers minimum standards on areas including: human rights and modern slavery, respect, child labour and discrimination.

PARTNERSHIPS

AROUND 100

community investment projects launched during the year.

NON-FINANCIAL INFORMATION STATEMENT

This Annual Report contains the information required to comply with the Companies, Partnerships and Groups (and Non-Financial Reporting) Regulations 2016, as contained in sections 414CA and 414CB of the Companies Act 2006. This table provides key references to information that, taken together, comprises the Non-Financial Information Statement for 2023:

NO.	REPORTING REQUIREMENT	POLICIES	REFERENCE IN THE 2023 ANNUAL REPORT	PAGE NO.
1	**Environmental matters**	– Environmental policy – Code of Conduct – HSSEQ and Social Performance policy	– Sustainability Framework: Planet – Climate change risk – HSSEQ risk – Task Force on Climate-Related Financial Disclosures	28 to 30 41 40 35 to 38
2	**Employees**	– Code of Conduct – General Business Principles – Whistle-blowing policy – Data protection policy – Privacy policy – Performance, reward and recognition framework – Travel security policy	– Our vision, culture and values – Sustainability Framework: People	23 to 24 26 to 27
3	**Human rights**	– Combatting Modern Slavery statement – Privacy policy – Data protection policy – Human Rights Policy statement – Supplier Code of Conduct	– Our vision, culture and values	23 to 24
4	**Social matters**	– Code of Conduct – General Business Principles – HSSEQ and Social Performance policy	– Our vision, culture and values – Sustainability Framework: People – Sustainability Framework: Partnerships	23 to 24 26 to 27 31 to 32
5	**Anti-corruption and anti-bribery**	– Anti-bribery and Corruption manual – Anti-money laundering policy – Anti-trust manual – Whistle-blowing policy – Know Your Counterparty policy – Gifts and hospitality policy – Sponsorship and donations policy – Code of Conduct	– Criminal activity, fraud, bribery and compliance risk – Our vision, culture and values	40 23 to 24
6	**Principal risks and uncertainties**		– Principal risks and uncertainties	39 to 41
7	**Non-financial key performance indicators**		– Non-financial key performance indicators	14 to 15

While not all of these policies are included in the Annual Report, they are available to view on the Vivo Energy website/intranet sites.

SECTION 172(1) STATEMENT

Engaging with stakeholders is fundamental, and we believe that considering them in key business decisions is not only our legal obligation but the right thing to do.

The Board recognises that Vivo Energy is run for the benefit of our shareholders, but that the long-term success of the Group is reliant on the fostering and nurturing of relationships with a variety of stakeholders and the regular consideration of the impact of the Group's activities on them. Accordingly, we listen to and collaborate with a wide range of stakeholders in order to grow our business and deliver value. In addition to our investors and shareholders we have identified five key stakeholder groups; our people, customers, partners, communities and governments. Further details about how we engage with these stakeholders can be found on pages 13 and 46.

The Board plays a critical role in ensuring that Vivo Energy conducts its business in a manner which is consistent with the highest standards of corporate governance and ethical behaviour so that the Group contributes positively to wider society. The individual Directors and the Board as a whole are aware and mindful of their duty under section 172(1) of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

In discharging section 172 duties the Directors have regard to the factors set out above. The Directors also have regard to other factors which they consider relevant to the decision being made.

The Board considers all relevant factors and stakeholders in deciding on a course of action that is most likely to result in sustainable success for all stakeholders. Stakeholder interests are not always aligned and on some occasions, it is necessary for the Board to prioritise the needs of one stakeholder group over another and every decision we make will therefore not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

DECISION-MAKING

The Board's main responsibility is to promote the long-term success of the Group, leading in an entrepreneurial manner ensuring we generate value for stakeholders. We have a clear framework for determining the matters which are within the Board's remit and have approved Terms of Reference for the matters delegated to the Board's Committees.

Throughout the year, the Board has considered the long-term consequences of the decisions it has taken, focusing on the interests of relevant stakeholders as appropriate. Set out below are examples of how the Directors discharged their duties under section 172 during the year.

KEY BOARD DECISIONS

Refinancing of credit facilities

A key objective for the Group is to manage and maintain the Company's liquidity and capital resources through prudent and disciplined financial management.

In June 2023, the Group secured a new $700 million facility split across a five-year Term loan and a revolving credit facility. The facilities were used to refinance the $600 million Bridge loan and for general corporate purposes.

The Board considered and assessed the transaction and a range of alternatives, key risks and the interest of shareholders, our people, and suppliers before concluding that refinancing the credit facilities would strengthen the Group's financial position and would therefore be in the best interest of the Company and its stakeholders as a whole.

Acquisitions

In February 2023, the Board of Vivo Energy and Petronas announced the combination of their respective African businesses to create one of Africa's largest energy distribution companies. Under the terms agreed Petronas will sell its entire 74% interest in Engen Limited to Vivo Energy at completion. The transaction is subject to customary conditions precedent including regulatory approvals and is expected to complete during the first half of 2024.

The Board considered several factors including the Group's strategic aims, risks and expected returns as well as the interest of the employees, shareholders and suppliers before concluding that entering into the transaction is in the best interests of the Company and its stakeholders as a whole. For further details on the Engen transaction see page 6.

In December 2023, Vivo Energy acquired the Somagaz group, thereby expanding its network to 24 African and Indian Ocean markets. This acquisition was considered to align with Vivo Energy's growth strategy, in particular, allowing the Group to expand its LPG business, reach new customers and deliver enhanced value.

Community investment

Engaging with our partners and local communities helps us gain a better understanding of their needs and concerns. Since our foundation, we have successfully supported over a thousand projects across the Group, centred on Road Safety, Education and the Environment. This year, following a Group-wide employee survey, we decided to refocus our activities to the three areas that our employees felt would most benefit local communities and our partners, these being Education, Health and Renewable Energy. More information can be found on pages 31 and 32.

The expectations of local communities, customers, suppliers, our host governments and our people, who are all invested in supporting the development of our local communities and partners, were important considerations when making the above decision.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

We recognise that the sustainability of our business depends on our understanding of the climate-related risks and opportunities we face, together with our commitment to ensuring that these are fully considered in our strategy. This disclosure, aligned to the TCFD framework, is an important component of our ESG journey, providing transparency for our stakeholders regarding our climate-related preparedness.

GOVERNANCE

Climate-related issues have been considered as a principal risk since 2020 and are formally embedded into our systematic risk identification, evaluation, and Board and management processes. In 2021, to support the Board's oversight of climate-related matters and ongoing integration of climate-related governance and initiatives across the Group, we enhanced our governance structures by establishing the ESG and Climate Committee (now ESG Committee). Chaired by the CEO, the Committee plays an integral role in overseeing our climate-related progress and reports to the Board.

Our ESG strategy includes climate-related risks and opportunities and matters relating to greenhouse gas emissions, which are strategic items considered by the Board. The Board and the Audit and Risk Committee are jointly responsible for reviewing and monitoring the Group's overall climate-related risk profile, risk management and the effectiveness of internal controls.

Across Vivo Energy, line management is accountable for risk and control management, including measures for managing climate-related risks. Our HSSEQ function is responsible for maintenance and quality assurance of the Group's greenhouse gas inventory and management plan. It also has responsibilities for risk assessment control measures for physical climate risks.

Our Internal Audit team annually assesses Group significant risks, reporting directly to the Audit and Risk Committee on principal risks, including climate risks. This provides assurance to the Board on effectiveness of governance, risk management and internal controls. Overall risk assessment includes risk identification, analysis and evaluation, ensuring each risk is analysed to identify the consequence and likelihood of the risk occurring, and the adequacy of existing controls. For further details of our approach to risk management, refer to pages 39 to 41.

THE BOARD

Oversees Group-wide climate-related risks and opportunities.

BOARD COMMITTEES

Audit and Risk Committee is responsible for reviewing and monitoring the overall Group risk profile, including climate-related risks and internal controls.

ESG COMMITTEE

Objective is to guide Vivo Energy's organisation around climate-related risks and opportunities, manage sustainability risk areas, assess ESG strategy and risk management framework, and monitor ongoing ESG and climate-related metrics and targets.

HSSEQ

Our HSSEQ function is responsible for maintenance and quality assurance of the Group's Greenhouse Gas Inventory Management Plan. It also has responsibilities for risk assessment control measures for physical climate risks.

CFO

Oversees financial aspects of Group ESG strategy, including considerations relating to spend on alternative energy within the core business, non-fuels and M&A.

INTERNAL AUDIT

Annually assesses Group significant risks, reporting directly to the Audit and Risk Committee on principal risks, including climate risks. Provides assurance to the Board on effectiveness of governance, risk management and internal controls.

OPERATING UNITS (OUs)

Our OUs report on physical and transition climate-related risks and opportunities on country level risk registers, including assessments of exposure to risks and opportunities.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

STRATEGY

Vivo Energy operates across 24 markets in Africa, each with different physical geographies and varying levels of climate-related maturity across market, technological, and policy and legal aspects. We believe that our operating units are well-equipped to respond to local, short-term climate-related issues, such as physical or environmental risks, and monitoring and responding to any transition-driven changes in customer demand.

In 2021, we completed a climate scenario analysis to broaden our understanding of the possible impacts of physical and transition risks and transition opportunities. We adopted short-, medium- and long-term time horizons for our climate scenarios to be able to capture climate-related risks and opportunities which may manifest beyond traditional horizons.

We defined a list of the most relevant climate-related risks and opportunities via an in-depth analysis of our business and a series of engagement workshops across key business segments and functions. The list was validated and consolidated by the ESG Committee. The risks and opportunities described here are consistent with the prior year and are potential drivers and outcomes that could be presented at various points in the future, depending on regional and global climate pathways. They are not necessarily new to us, and in many cases, we already have business responses corresponding to these risks and opportunities.

Based on the analysis done in 2021, climate change is not expected to have a significant or material impact over the Group's business operations in the short and medium term. The 2021 assessment therefore, remains relevant and reflective of the Group in 2023. Furthermore, there have been no developments in the organisation or climate change factors, that would result in a significant change of the 2021 assessment and its conclusions.

These time horizons included

	Term	Period
	Short term	2021-2024 **0-3 years**
	Medium term	2025-2029 **4-8 years**
	Long term	2030-2060 **9-39 years**

RISK CATEGORY	CLIMATE SCENARIO APPLIED	RATIONALE FOR SELECTION
PHYSICAL RISKS	Very High GHG Emissions: IPCC SSP5-8.5 (4.4°C best estimate by end of century)	– Aligns with the most credible and recent global consensus on climate science – Allows transparency and comparability
	Intermediate GHG Emissions: IPCC SSP2-4.5 (2.7°C best estimate by end of century)	– Focusing on results from SSP5-8.5 (the very high GHG emissions scenario) delineates worst-case exposure to physical climate hazards
TRANSITION RISKS	IEA Sustainable Development Scenario (consistent with the 'well below 2°C' goal of the Paris Agreement, consistent with limiting the global temperature rise to 1.65°C with a 50% probability)	– Offers quantitative, forward-looking Africa-specific assumptions, such as oil and liquid fuel demand, to be utilised as part of climate scenario analysis – Focuses on SDGs to which Vivo Energy is well positioned to contribute (e.g. SDG 7-ensuring universal access to affordable, reliable, sustainable and modern energy services by 2030)

PHYSICAL RISKS

RISK DESCRIPTION	POTENTIAL OUTCOMES	RELEVANT TIME HORIZON	RISK TYPE
Event-based: Increased frequency and severity of extreme weather events including: inland flooding; heatwaves; droughts and storms/cyclones	– Asset damage to depots and retail sites; Increased capex and insurance costs – Disrupted operations of depots and retail sites; Decreased revenues and increased operating costs at depots and retail sites		Acute
Long-term shifts: Changes in average climate conditions including rising sea levels, coastal flooding and increased average temperatures	– Increased operating costs of depots and retail sites – Increased maintenance capex and insurance costs – Accelerated depreciation of asset values and asset relocation requirement		Chronic

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

TRANSITION RISKS

RISK DESCRIPTION	POTENTIAL OUTCOMES	RELEVANT TIME HORIZON	RISK TYPE
New climate-related reporting and disclosure requirements or obligations	– Legal or reputational issues; increased compliance costs		Policy & Legal/ Reputational
Failure to meet internal or external stakeholders' climate-related expectations resulting in degraded relations with current or potential employees	– Increased operating costs from employee turnover; reduced revenues due to challenges attracting new talent		Reputational
Increased costs of products due to policy changes to fuel subsidies; or higher trading prices of oil and liquid fuels due to transitional policies	– Reduced revenues due to lower demand for higher cost products		Market/ Policy & Legal
Commercial customers transitioning to alternative fuels or renewable technologies	– Reduced revenues in our Commercial segment		Technology/ Market
Degradation of commercial partnerships due to divergent climate strategy or ambition	– Reduced revenues due to loss of brand value		Market
Policies or technology shifts that result in an increased share of electric vehicles and hybrids in the passenger transport mix; alternative fuel uptake; improvements in internal combustion engine efficiency; or reduced consumer demand for fuels	– Reduced revenues in our Retail segment		Technology/Market/ Policy & Legal
Mandatory carbon pricing impacting the power or aviation sectors	– Increased operating costs; reduced revenues in our Commercial segment		Policy & Legal

TRANSITION OPPORTUNITIES

OPPORTUNITY DESCRIPTION	POTENTIAL OUTCOMES	RELEVANT TIME HORIZON	OPPORTUNITY TYPE
Increased operational efficiency of Vivo Energy retail sites and depots; increased renewable energy supply to Vivo Energy retail sites and depots	– Reduced operating costs from asset efficiency gains		Technology/ Market
Improving logistics fleet fuel efficiency and optimising routing schedules; where possible, prioritising pipeline and rail over road as means of distribution of products	– Reduced operating costs from fleet efficiency gains		Technology
Meeting increased retail demands for lower carbon fuel alternatives (e.g. LPG, biofuels), electric vehicle charging infrastructure, or lower carbon products; meeting increased commercial demand for renewable energy or sustainable aviation fuels	– Increased revenues from emerging or new retail and commercial market demands		Technology/Market/ Policy & Legal

SCENARIO ANALYSIS – PHYSICAL

Our physical assets are exposed to occasional local environmental stressors and all local incidents are recorded via our HSSEQ tool. Mitigative actions are followed when required, while KPIs are systematically tracked to reflect asset performance – to date, no physical climate-related issues have materialised at a Group level. The conclusions of the 2021 scenario analysis are still considered relevant for 2023.

In our first iteration of climate scenario analysis, we assessed a representative sample of assets from markets representing over 40% of Group volumes, including Kenya, Mozambique, Mali, Morocco and Mauritius.

These markets were selected in order to represent a range of physical geographies across Africa, assumed to be exposed to different types of physical climate hazards, as well as their overall significance to the Group's Retail and Commercial businesses.

The total sample included 31 assets (six depots and 25 retail sites). Our focus was on understanding the possible exposure under medium- and long-term horizons. The physical hazards assessed included chronic risks from sea level rise and average temperatures, and acute risks from drought, heatwaves, inland floods and wildfires.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

OUR KEY FINDINGS FROM THE EXERCISE ARE SUMMARISED BELOW:

- **In the medium term,** under both climate scenarios (IPCC SSP5-8.5, IPCC SSP2-4.5), **the majority of assets assessed were at low exposure to most sources of physical hazard.** Instances of elevated exposure to droughts and heatwaves were identified at some assets in the medium term.
- **In the long term,** under both climate scenarios (IPCC SSP5-8.5, IPCC SSP2-4.5), **elevated exposure to droughts and heatwaves was identified as the most prevalent change** across the sample of assets assessed. **No coastal assets were significantly exposed to sea-level** rise in the long term under either climate scenario.

Note
Qualitative physical hazard exposure classifications (i.e. low; moderate; high) are assigned by Sust Global, and are based upon thresholds applied to quantitative hazard-specific exposure metrics, as per the site-by-site results of the analysis.

SCENARIO ANALYSIS – TRANSITION

Today, our core businesses are focused on distributing and marketing fuels and lubricants to our Retail and Commercial customers in Africa. We therefore perceive that the most material transition risks to the Group are related to factors that could reduce demand for the fuels we sell due to any combination of climate-related technology, market, and policy and legal developments across our markets.
The conclusions of the 2021 scenario analysis are still considered relevant for 2023.

OUR KEY FINDINGS FROM THE EXERCISE ARE SUMMARISED BELOW:

- There is minimal impact to fuel demand growth in the **short- and medium-term** horizons, compared to current market projections.
- In the **long-term**, our fuel sales volumes could continue to grow under the IEA SDS but at a slower rate than our forecasts based upon current market projections, as oil demand in the African transport sector increases into the long-term horizon under this scenario.

We continue to closely monitor demand indicators in each of our markets and believe we are well positioned to react quickly to transition-driven changes to demand that may occur.

OUR STRATEGY FOR RESILIENCE

To date, the actual impact of climate-related risks on our financial performance and financial position has been non-material. However, we are actively considering our strategy, role and responses to energy transitions across our markets. We have already invested in transition initiatives such as on-site solar across our network and EV charging infrastructure in a range of countries including Morocco and Reunion. We are continuously monitoring demand trends for lower-carbon energy and fuel alternatives, along with our capital allocation to ensure we can respond to changing market needs. We internally track the performance of our business practice, focusing on the operational savings from the investments made to reduce our impact, and operate our offices, depots and service stations more efficiently.

Below we summarise our activities and plans across key climate-related areas, which we perceive as both harnessing transition opportunities, and mitigating transition risks.

USING RENEWABLE POWER AT OUR FACILITIES

We are including on-site solar power at newly built and rebuilt retail sites where possible. In 2023 we added solar to 95 retail sites and two depots.

SUPPORTING ELECTRIC VEHICLES (EV) IN OUR RETAIL SEGMENT

We are piloting EV charging infrastructure in a number of our markets, such as Mauritius, Reunion and Morocco, to understand its potential and ensure we are positioned to address customer demand as it evolves.

SUPPLYING LOW- OR ZERO-CARBON FUELS IN RETAIL AND COMMERCIAL SEGMENTS

We are continually monitoring and responding to Retail and Commercial customers' demands for new technologies and lower-carbon alternatives such as LPG, solar or other commercially attractive options, as part of the transition.

ACHIEVING LOWER EMISSIONS LOGISTICS

We are engaging with our fuel delivery fleet suppliers to minimise the climate impact of trucks used for transporting our fuel to end-users. To minimise fuel usage, we are prioritising pipeline, marine and rail transport ahead of road, where possible.

RISK MANAGEMENT

As climate-related risks are on the Group's list of principal risks, they are subject to Vivo Energy's risk management framework. The scenario analysis process has helped determine possible climate-related risks at asset, business unit and Group level, and also highlight the actions we are already taking to manage these types of risks. We are in the process of ensuring that physical and transition risks are systematically included in all risk registers at OU level. Internal Audit has instructed our OUs to consider both physical, and transition risks in their risk assessments and reporting, and guidance has been provided on how to integrate these risks on the country level risk registers. Our goal is to achieve a level of granularity and consistency that will adequately reflect all material climate-related risks centrally, enabling comprehensive identification, analysis and evaluation, along with the adequacy of existing controls over the relevant time horizons. Further details on our risk management around climate risks can be found on pages 39 and 41.

METRICS AND TARGETS

As described on pages 28 to 30, we have continued to focus on our GHG reporting and disclosure. To facilitate the Group's ability to assess performance against transitional climate-related risks and opportunities, we are tracking our operational emissions and value chain emissions intensity.

Our operational emissions intensity represents the emissions from the operation of our facilities (e.g. from the purchase of electricity, heat and cooling), relative to the volume of fuel products supplied to and consumed by our customers. This metric reflects our operational greenhouse gas reduction efforts, including the overall impact of initiatives such as increasing the number of retail sites and depots with on-site solar power. Further details on Scope 1, 2 and 3 emissions can be found on page 30.

RISK MANAGEMENT

RISK MANAGEMENT

The main purpose of risk evaluation is to help prioritise risks and ensure effective risk management. Through an embedded approach to risk management, we are able to mitigate and manage risks and embrace opportunities as they arise.

OUR APPROACH TO RISK MANAGEMENT

Our internal control system is based on the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) framework and uses the five components of the framework: control environment, risk assessment, control activities, monitoring, and information and communication.

The Audit and Risk Committee and the Board are responsible for reviewing and monitoring the overall risk profile, the adequacy of the Group's risk management and the effectiveness of internal controls.

Emerging risks are considered particularly important in our strategic planning process to identify potential shifts in critical assumptions and develop or modify strategies to either minimise their negative effects or capitalise on the opportunities that they may present.

RISK ASSESSMENT, MONITORING AND REVIEW

For each risk or category of risks, our risk management process includes activities performed in a continuous cycle. Risk assessment includes risk identification, analysis and evaluation, and ensures each risk is analysed to identify the consequence and likelihood of the risk occurring and the adequacy of existing controls. The risk register is one of the key components of our risk management and governance structure.

The various risk reporting channels are consolidated into one streamlined escalation process which is used by the Board to assess and analyse the risks of the Group and implement an action plan when necessary.

Our Internal Audit team performs a continuous assessment of our significant risks and communicates them to senior management, who in turn develop action plans to address the identified risks. Internal Audit reports directly to the Audit and Risk Committee on the principal risks. The Committee will review and assess the status of each risk. Reviews and recommendations are presented to senior management to continuously strengthen our internal control framework.

INTERNAL CONTROL SYSTEM

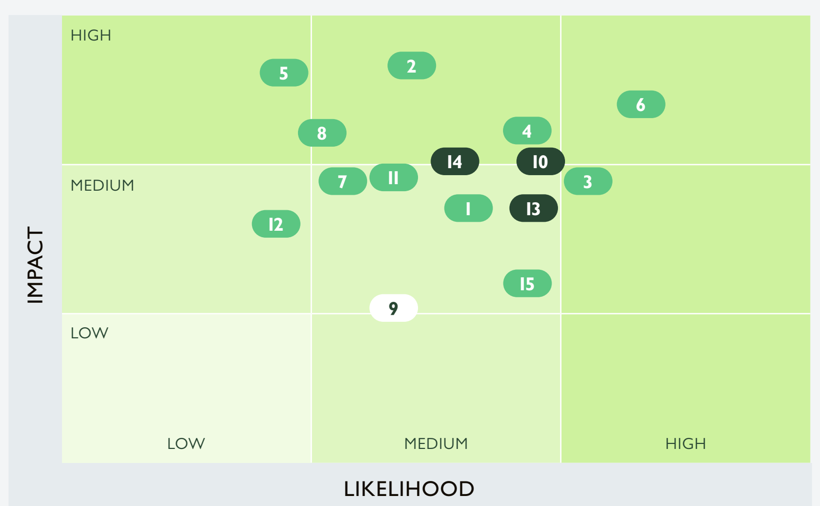
Our approach to internal control includes a number of general and specific risk management processes and policies. Within the essential framework provided by our General Business Principles, the primary control mechanisms are self-appraisal processes in combination with strict accountability for results. These mechanisms are underpinned by established policies, standards and guidance that relate to particular types of risk.

OUR DYNAMIC RISK ENVIRONMENT

As part of the risk management framework, we regularly consider changes in the nature, likelihood and impact of existing and new risks, including the Group's ability to respond to changes in its business and the external environment.

The Misconduct and Loss Reporting Policy, together with the Investigation Guidelines, directs our response to fraud and manages the reporting, analysis and investigation of serious allegations or concerns. The Group's Ethics & Compliance function monitors the cases identified and initiates or advises on the investigations when suspicions or allegations are reported.

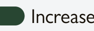
PRINCIPAL RISK FACTORS



PRINCIPAL RISK FACTORS

1. Partner reputation and relationships
2. Criminal activity, fraud, bribery and compliance risk
3. Oil price fluctuations
4. Currency exchange risk
5. Health and safety
6. Economic and governmental instability
7. Product availability and supply
8. Information technology risk
9. Epidemic
10. Local content
11. Climate change
12. Acquisition integration
13. Credit management
14. Taxation risk
15. Human resources and talent management

RISK IMPACT


Decrease
Unchanged
Increase

RISK MANAGEMENT CONTINUED

PRINCIPAL RISKS AND UNCERTAINTIES

Our activities are exposed to various risks and uncertainties. These are risks that we assess as relevant and significant to our business at this time, however, other risks could emerge in the future.

BRAND AND REPUTATIONAL

1. PARTNER REPUTATION AND RELATIONSHIPS

Our business depends on a small number of key contractual brand relationships with our brand partners, Shell and Engen. We also rely on our own business reputation and brand, as well as that of our business partners, in order to successfully grow our business and develop new relationships with other brand partners.

The termination of any key brand licence or deterioration of our brand name could have a material impact on our ability to grow or maintain our business and could have a material cost impact on current operations.

A negative trend or development in the brand or reputation of one of our key business partners could adversely impact our current business and future growth plans if it were to adversely impact consumer sentiment towards the brands under which we operate.

2. CRIMINAL ACTIVITY, FRAUD, BRIBERY AND COMPLIANCE RISK

There are a number of regulations and rules that are applicable to the Group, such as the anti-bribery and corruption laws, sanctions (restrictions) and Know Your Counterparty best practices.

In addition, the number of regulations applicable to the Group and the (related) risk of non-compliance can increase with any extension of the Group activities to new territories.

The Group ensures that all alleged, suspected or actual fraud cases and fraud attempts are systematically investigated. The Group has a confidential whistle-blowing helpline for employees, contractors, customers and other third parties to raise ethical concerns or questions in all OUs. Furthermore, the Group regularly maintains and updates its IT and control systems. The fraud prevention framework also includes a code of conduct, a conflict of interest policy, as well as training.

PRICING

3. OIL PRICE FLUCTUATIONS

The price of oil and oil products may fluctuate preventing the Group from realising its targeted margins, specifically in the unregulated markets where we operate.

Price fluctuations could negatively impact the value of stocks, resulting in stock losses.

Exposure to commodity price risk is mitigated through careful inventory and supply chain management as well as dynamic pricing.

4. CURRENCY EXCHANGE RISK

The Group is also exposed to foreign exchange risk, currency exchange controls, currency shortage and other currency-related risks.

Our treasury policy requires each country to manage its foreign exchange risks. The Central Treasury team approves all hedging plans before they are actioned to ensure they are aligned with our strategic focus.

HEALTH, SAFETY, SECURITY, ENVIRONMENT AND QUALITY

5. HEALTH AND SAFETY

We are exposed to accidents or incidents relating to HSSEQ and are further subject to laws and regulations and industry standards related to operations in each of the operating countries.

We may incur potential liabilities and the brand reputation can be severely impacted, along with employee confidence.

Regulators and authorities may impose fines, disruptions to operations and disallow permits for future ventures.

6. ECONOMIC AND GOVERNMENTAL INSTABILITY

Several countries and regions in which we operate have experienced economic and political instability that could adversely affect the economy of our markets.

An economic slowdown which adversely affects, for example, disposable income, vehicle distance driven, or infrastructure development, in one or more of these regions could negatively impact our sales and have a material adverse effect on the business, financial conditions and operational results.

This includes the enactment of local content and local ownership laws that could impact our markets and operations.

There is also an elevated risk of robbery and theft associated with the deteriorating economic conditions in most countries.

RISK MANAGEMENT CONTINUED

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

OPERATIONAL

7. PRODUCT AVAILABILITY AND SUPPLY

We are dependent upon the supply of fuels, lubricants and additives from various suppliers. When raw materials are needed urgently, asymmetric negotiations occur. The bargaining power shifts to the supplier who in turn can charge a higher price.

Furthermore, we are restricted by limited storage capacity within some of the countries in which we operate. The increased procurement costs could lower our margins. Limited supply of products and storage facilities may result in stockouts. This could further result in breach of contract and disruptions to our operations, leaving us susceptible to fines or penalties.

8. INFORMATION TECHNOLOGY RISK

The Group continues to experience phishing attacks and cyber-fraud reported activities. The Group conducts regular phishing simulation exercises to test, assess and validate staff awareness and appropriate conduct when receiving emails.

9. EPIDEMIC

We face risks of prolonged impacts from pandemics/epidemics worldwide that had or may have dramatic effects on humans, economies and security.

A new pandemic and the related social and economic consequences could negatively impact the stability of some of the countries where we operate, intensifying social tensions which may require the Group to rapidly adapt and manage its key operational and financial variables. The Group has previously and will be able to effectively adapt its review and monitoring of critical operations and finance activities.

The Group Business Continuity Plans can be activated quickly and effectively to keep employees, retailers and contractors safe and ensure the security of our critical sites and operations. This plan ensures the Group is able to maintain supply to its Retail sites and Commercial customers.

There has been no resurgence of any past or outbreak of new pandemics in the markets in which we operate over the year and, therefore, the risk impact is considered to have decreased.

STRATEGIC

10. LOCAL CONTENT

There is an increasing trend across the continent on local content regulations. New regulations are in the pipeline that could significantly impact our operations (shareholding of energy supply companies). In some countries, local content regulations already oblige local companies to be given first priority in the provision of goods and services in some specific sectors (e.g. mining). The risk impact has, therefore, increased in the current year.

11. CLIMATE CHANGE

Although many uncertainties exist about the potential consequences of future climate change, it will result in adverse effects on human health, ecosystems, economic systems and infrastructures that are sensitive to changes in climate.

Non-adherence to the evolving regulation, technology and customer needs exposes the Group to compliance and financial risks. Brand reputation can be severely impacted, along with employee confidence. Regulators and authorities may impose fines, disrupt our operations and suspend licences to operate.

Financial markets (investors) could re-orientate investment criteria to environmental, social and governmental issues.

Shifts in customer behaviours, expectations and consumption trends may impact our volumes, in particular in countries which start to experience the emergence of a hybrid and electric vehicles market.

12. ACQUISITION INTEGRATION

We may be unable to identify or accurately evaluate suitable acquirees or to complete or integrate past or prospective acquisitions successfully in a timely manner, which could materially adversely affect growth.

We may incur write-downs, impairment charges or unforeseen liabilities, placing strain on financial resources. Occurrences of indebtedness could result in increased obligations and include covenants or other restrictions that limit operational flexibility.

All acquisition decisions are intensively reviewed at several stages with ultimate approval by the Board. This ensures risks at all levels are being assessed and mitigated throughout the process. We ensure there are detailed integration plans with realistic timelines as well as designated teams to execute the plan. Tailored on-boarding and training is delivered post-acquisition to ensure a smooth and efficient transition.

FINANCIAL

13. CREDIT MANAGEMENT

We face risks arising from credit exposure on Commercial and Retail customers, including outstanding receivables and committed transactions. This may result in financial loss as a result of bad debts and lost revenue.

Exceeded payment terms impact the OUs' working capital and can create liquidity challenges for the business. In 2023, the challenging economic and financial environment directly impacted the Group's credit exposure resulting in an increase in the risk impact.

We maintain country-specific Credit Policy Manuals which ensure a harmonised, cost-effective and value-adding credit process in all classes of business. Continuous monitoring of outstanding credit balances ensures our overall risk remains within our tolerance.

14. TAXATION RISK

Tax risk management is part of the Group's overall business strategy to avoid unnecessary tax costs, while ensuring sound compliance with legislative requirements. We ensure the Group stays abreast of relevant tax developments and have developed control mechanisms and policies that can be applied at our operating units and Group level.

We have adapted existing risk management procedures to incorporate tax risk elements with the objective to ensure that appropriate policies and procedures are in place to protect our operating units and the Group from potential tax authorities challenge.

HUMAN RESOURCES AND TALENT MANAGEMENT

15. HUMAN RESOURCES AND TALENT MANAGEMENT

Over-solicitation of staff (in relation with projects to manage in parallel to day-to-day activities) can become a demotivating factor and may contribute to staff inefficiency which may result in increased costs.

Key people may leave the Group, with some joining competitors. We maintain detailed succession plans and talent management programmes.

Employee discontent can result in industrial disputes, strikes and sub-standard performance. We maintain constructive dialogue with unions and workforce representatives.

Governance

The following pages describe our governance arrangements, the operation of the Board and its Committees and how the Board has discharged its responsibilities during the year.

Compliance statement 42
Board of Directors 43
Board leadership and company purpose 44
Role of the Board and division of responsibilities 47
Directors' Report 49
Statement of Directors' responsibilities 51

COMPLIANCE STATEMENT

Good governance is essential for creating long-term viability of the business and the economic development of the communities where we operate. The Vivo Energy Board has overall responsibility for governance.

Having an effective corporate governance framework defines responsibilities, aids the Board in delivering the Group's strategy and is vital to effective decision-making. The Board adopted the Wates Corporate Governance Principles for Large Private Companies (the Principles) as the Company's governance code with effect from 1 January 2023. Details of our corporate governance arrangements and how we have applied the Principles during the year are set out throughout this Governance Report and, where indicated in this report, in the Strategic Report.

Board of Directors

The Group is led by an effective and committed Board, focused on driving the long-term success of Vivo Energy.

JAY GLEACHER
INTERIM CHIEF FINANCIAL OFFICER

Appointment Date: 26 July 2022

Skills and Experience

Jay Gleacher became Interim Chief Financial Officer in January 2023, having initially joined the Board in July 2022. As Interim CFO, Jay is responsible for financial control, treasury & credit, IT and procurement.

Jay has extensive finance and M&A experience in the energy sector. Besides the Vivo Energy Board, Jay is also a supervisory board member of Varo Energy B.V.

Prior to joining Vivo Energy, Jay was an Investment Director focused on investment opportunities in Europe, Africa and Latin America at Vitol. Before joining Vitol in 2009, Jay worked in Morgan Stanley's Investment Banking Global Energy Group.

STAN MITTELMAN
CHIEF EXECUTIVE OFFICER

Appointment Date: 3 March 2022

Skills and Experience

Stan Mittelman brings over 30 years of downstream energy experience to Vivo Energy and has spent a substantial part of his career operating in Africa.

Before joining Vivo Energy, Stan was SVP Africa at TotalEnergies Marketing & Services, where he led the fuel retailing and marketing business across 40 countries in Africa. Prior to this, Stan held a range of senior positions at TotalEnergies, including CEO of Total Marketing France, and a number of roles on the continent, including EVP West Africa for Total Marketing Services and MD Total Zimbabwe.

MATTHEW STACEY
NON-EXECUTIVE DIRECTOR

Appointment Date: 26 July 2022

Skills and Experience

Matt Stacey is Head of Middle Distillates at Vitol.

Matt is a highly experienced leader who brings a wealth of knowledge and understanding of the oil markets to Vivo Energy.

Before joining Vitol in 2015, Matt worked for Royal Dutch Shell, where he held various trading and management positions across its distillate business, in both London and Singapore.

SELIM ŞIPER
INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointment Date: 26 July 2022

Skills and Experience

Selim Şiper has an excellent understanding of brands and consumers, a track record of strong operations management and an international perspective of driving value in complex environments.

From 2017 to 2022 Selim was the CEO of Petrol Ofisi, Turkey's leading distributor of fuels and lubricants, and he now serves on Petrol Ofisi's board. Before joining Petrol Ofisi, Selim was a management board member of SHV Energy, and CEO of Ipragaz.

CHRISTOPHER BAKE
CHAIRMAN

Appointment Date: 26 July 2022

Skills and Experience

Chris Bake joined the Board in July 2022 and became the Chairman in February 2023. Chris is a highly experienced leader and brings significant investment, strategy development and M&A experience to the Board, together with a deep knowledge of the energy sector.

Since joining Vitol in 1995, Chris has held various leadership positions in Dubai, Bahrain, London, Buenos Aires and Houston. He is currently the Chairman of Petrol Ofisi, Turkey's leading distributor of fuels and lubricants, and a member of the Vitol Executive Committee.

Before joining Vitol, Chris worked for BP and Phibro.

Board leadership and company purpose

The Board's primary role is to ensure Vivo Energy's long-term success by setting the Group's strategic direction, ensuring that strategy is aligned with our purpose and culture, and to promote and protect the Group's interests for the benefit of all our stakeholders. The Group's governance framework supports the Board in the delivery of the Group's strategy and long-term sustainable success.

HOW GOVERNANCE SUPPORTS OUR STRATEGY

The Board is responsible for promoting the long-term sustainable success of the Group and for delivering long-term value for stakeholders. The Board does this by providing effective leadership and by ensuring that the Group's business is conducted with high standards of ethical behaviour in a manner which contributes positively to wider society and having regard to the interests of its different stakeholders.

We recognise that our vision to be Africa's leading and most respected energy business can only be achieved through demonstrable good governance in its broadest sense. Having the right systems and controls in place ensure the Board and its Committees can effectively oversee the development of the Group's strategy and allow the Directors to provide support, guidance and, when needed, challenge the business.

To ensure the business can meet its strategic priorities, the Board evaluates and monitors current financial and non-financial performance against targets and ensures that the necessary resources are in place. A key component of the Board's role in the development of Vivo Energy's strategy is the approval of the annual operating plan. Other key items considered during 2023 include:

- Health and safety;
- Refinancing of credit facilities;
- The Somagaz group and Engen acquisitions;
- Sanctions;
- Sustainability; and
- Growth strategies in non-core areas.

Throughout the year, the Board considered the long-term consequences of the decisions it made, focusing on the interests of the relevant stakeholders as appropriate. Further information on the strategic priorities for the Group is available in the Strategic Report on pages 9 to 12.

OUR PURPOSE AND CULTURE

The Group's purpose is to safely provide innovative and responsible energy solutions to Africa, which enable growth and development of the continent and its people. We aim to do this by realising the full potential of our people and business partners, supporting our communities and being recognised as the benchmark for quality, excellence, safety and responsibility in Africa's marketplace.

Having a strong purpose is essential to the running of our business; it sets out why we exist, drives us forward and directs us to focus on what is important to our stakeholders. The Board has overall responsibility for establishing Vivo Energy's purpose, values and strategy to deliver long-term sustainable success and generate value for stakeholders while being aligned with the Group's culture.

In addition to our purpose, our culture drives our behaviours and underpins everything we do. We recognise that how we do things is just as important as what we do. The right culture plays a fundamental part in delivering our strategy; it sets the tone and leads to a motivated and productive workforce.

Our operating culture of 'Focus, Simplify and Perform' and our values of 'integrity, honesty and respect for people' have always been core to our business. They have enabled us to stay one step ahead and remain fundamental to the future success of the business.

How the Board monitors culture

We believe that the right culture and values, supported by effective leadership and a consistent tone from the top, are crucial to the success of the Group. The Board is responsible for ensuring that the culture in which we operate drives the right behaviours, and how we do business and the behaviours demonstrated by our people across the Group are of vital importance to the Board.

Listening to our employees

People are the lifeblood of our business. They are crucial to the day-to-day functioning of our operations, and we recognise that the strength of our business is built on the hard work and dedication of our people.

We are committed to building an engaging and inclusive culture that empowers and allows our people to grow and thrive. By living our values, our people differentiate us from our competitors and enable us to deliver our strategy. We use many different channels to understand how our people experience working for Vivo Energy and to keep our people up to date on strategy and performance, including formal leadership events, townhalls, surveys and digital communication. These engagements aid us in shaping our culture, policies and practices to ensure Vivo Energy is an attractive, engaged and inclusive place to work.

We use Your Voice, an electronic suggestion tool, to encourage employees to submit ideas on a wide range of topics, including our business principles, careers, leadership, innovation, workplace and culture. Where the ideas make business sense and have the potential to improve ways of working, they are implemented to help grow and improve the business. Since the implementation of the tool, we have received over 200 suggestions of which 112 have been or are being implemented.

The Group undertakes an employee engagement survey every two years. Survey questions allow employees to share their views on key topics, which provide valuable insight into employee engagement and the Group's culture. This year's survey consisted of 42 questions and, with an overall response rate of 93%, continued to reflect high levels of employee engagement. Nine out of ten employees continue to be proud to work for the Group, believing Vivo Energy is well respected in the countries where we operate, delivers world-class HSSEQ performance and will be successful in the future. The key findings and follow-up actions were discussed by the full Board following which action plans to address the priority issues were prepared by the business.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

A well-governed company exposes itself to the widest possible sources of information and experience, both in the people it employs and the voices to which it listens. We aspire to develop an inclusive culture where our people value diversity of backgrounds, feel respected and are inspired to contribute to their fullest potential. Vivo Energy recognises diversity as an organisation strength and across the Group, 44 nationalities are represented. Although gender balance is steadily improving, we remain conscious of the importance of promoting gender diversity throughout Vivo Energy. In the second half of the year we launched a new diversity initiative, W@VE (Women at Vivo Energy) to: empower female employees professionally; increase the number of women in leadership positions; and to address gender-based biases, stereotypes and obstacles.

During the year the Directors looked at organisational culture in different contexts, discussed and received updates on the above-mentioned initiatives as well as considered reports from the senior management. The annual culture update and whistle-blowing report were also presented to the Board.

Human rights

Respect for human rights is a fundamental part of operating as a responsible business. Any exploitation of human beings is entirely at odds with our core values of honesty, integrity and respect for people and we are committed to building awareness and working with our partners to ensure that all those working within Vivo Energy, or our supply chain are treated with respect and dignity.

We have a well-developed policy framework that covers our responsibilities to protect the human rights of those working in our direct operations, as well as in our value chain and communities. We have also issued separate written guidance to our retail network on what modern slavery is, how to recognise it and how to report issues to us. In addition, our whistle-blowing helpline includes a specific reporting category for raising concerns relating to potential unfair labour practices or human rights violations.

During the year the Board approved the Company's Modern Slavery Statement which is published on our website www.vivoenergy.com/About/Our-Principles-Policies/Modern-Slavery-Statement and was submitted to the UK online registry. Our Supplier Code of Conduct and Human Rights Policy Statements also are available on our website www.vivoenergy.com/About/Our-Principles-Policies.

Ethics, bribery and fraud

Vivo Energy recognises that corruption undermines the rule of law and democratic process, impoverishes states and distorts free trade and competition. We have established policies and governance procedures that set and monitor our approach to preventing fraud, bribery and corruption, including our Code of Conduct and Anti-bribery and Corruption Manual. We conduct mandatory e-learning courses for all employees to ensure that they understand the Group's zero-tolerance approach to fraud, bribery, and corruption of any kind. A gift and hospitality register is in place and our employees must report and seek permission to accept gifts and hospitality over a prescribed financial value.

We maintain a multi-site ISO 37001 anti-bribery management certification. During the year we carried out six external reviews in our operating units as part of our annual compliance audit. No non-conformities were found.

We have a detailed counterparty screening programme in place which is formalised in the Vivo Energy Know Your Counterparty (KYC) policy. This screening process gives us confidence that we know who we are doing business with and that the ethics and values of our counterparties are aligned with ours. As part of the process, we require new counterparties to sign a compliance statement, which sets out our approach towards AML, ABC, modern slavery and conflicts of interest.

We measure the effectiveness of our compliance programme through audits and through monitoring breach allegations and root causes. The Audit and Risk Committee monitors and regularly reviews the Company's policies, incidents and trends arising from any such incidents and provides updates of key matters to the Board.

Whistle-blowing

Employees can report incidents of wrongdoing through both internal and external mechanisms. In addition to the reports raised through line managers, the Vivo Energy global whistle-blowing helpline enables employees and third parties to raise concerns in relation to suspected violations of the law, the Vivo Energy General Business Principles or Code of Conduct. Such reports may be raised anonymously, 24 hours a day, seven days a week via this independent helpline. Any reports are then referred to the Chief Legal and Compliance Officer and the Head of Internal Audit and are investigated or escalated to the Chair of the Audit and Risk Committee and the CEO as required.

To deal with any wrongdoing effectively, honest communication is vital and we encourage our employees to raise any concerns of misconduct. The Board is provided with periodic reports on whistle-blowing.

Social engagement

We want to be a force for good and support those who support us. We recognise the importance of going beyond maintaining our social licence to operate; supporting the issues that matter to our communities and working with them for the long term are essential for building trust and earning their respect.

We aim to make a real and lasting difference in the communities where we operate, not only by creating career opportunities for local people, but also by continuing to deliver a wide range of community investment programmes across our markets. We do this through partnerships, employee engagement and non-political donations.

Since our foundation, we have successfully supported over a thousand projects across the Group, centred on Road Safety, Education and the Environment. This year, following a Group-wide employee survey, we decided to refocus our activities on the three areas that our employees felt would be most benefit local communities and our partners, these being Education, Health and Renewable Energy.

Throughout the year we launched around 100 community projects and were pleased to be recognised with several awards and nominations, including CSR Company of the Year (Ghana CSR Excellence Awards) and Best CSR and Sustainability Campaign (Uganda PR Association Excellence Awards).

Risk management and internal controls

To ensure the long-term success of the Group, Vivo Energy has robust risk management and internal control systems in place to identify, monitor and manage risk, and to identity and assess opportunities.

The Board is responsible for setting the Group vision and strategy in a way that maximises value creation and manages risks. All material opportunities and initiatives are considered and, if appropriate, approved by the Board. The Schedule of Matters Reserved for the Board sets out the types of matters which require Board approval. The Board is provided with updates on ongoing projects at every meeting.

Effective internal reporting, robust internal controls and oversight of current and emerging risks are embedded into our business processes aligning with our strategic priorities, purpose and values. The Board undertakes a thorough assessment of the Group's emerging and principal risks at least annually and the Audit and Risk Committee reviews the effectiveness of the Group's system of internal controls and risk management. The results of the Committee's review are presented to the Board. During the year, the Board concurred with the Committee's assessment that the risk management and internal controls of the Group remain effective.

Promoting the success of the Company

The Directors, in conducting Board business and taking decisions at Board meetings, act in a way that is most likely to promote the success of the Company for the benefit of its members as a whole, while having due regard and taking into account the likely short- and long-term consequences of any decision on the Company and its business, the interests of all the Company's stakeholders, including employees, and the impact on the community and environment in which the Company conducts its business. The Board's section 172(1) statement is included within the Strategic Report on page 34.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

STAKEHOLDERS

We do not operate in isolation. Multiple stakeholders are impacted by our business, including shareholders, employees, customers, partners and the communities and governments of the countries in which we operate.

Engaging with stakeholders and understanding their views is vital to the Board and underpins effective decision-making. We create value for our shareholders by taking decisions that are sustainable in the long term not only for us but also for those our business affects. The Board is committed to building positive relationships with all our stakeholders and recognises that this is not only essential to building a sustainable business but also the right thing to do.

The Board is responsible for ensuring that management actions are aligned to strategy and that stakeholder interest are taken into consideration. Stakeholder engagement at senior management level helps identify emerging issues which can be brought to the Board's attention. This enables the Directors to consider the Group's activities and maintain an effective understanding of what matters to all our stakeholders and can then draw on these perspectives in Board decision-making and strategy development.

Where the Board does not engage directly with the stakeholders, it is kept updated of the engagement activities and outcomes. Updates are provided in a variety of formats including face-to-face presentations and reports by the Chief Executive Officer or Interim Chief Financial Officer as well as by the senior management of the Group's businesses. Senior management is requested, when presenting or providing reports to the Board on strategy and principal decisions, to ensure that the presentations cover what impact the strategy/principal decision has on the relevant stakeholders and how the views of those stakeholders have been considered.

Further information on how the Group engages with our stakeholders is available within the Strategic Report on page 13.

In addition to the Group activities, the Board also engages directly with stakeholders.

Operating unit visits

Visiting our local operating units is an important way for Directors to meet with local senior management, engage with employees and other stakeholders and to gain a better understanding and insight into particular issues faced by the operating units and the business in general.

In addition to individual OU visits, during the annual Leadership Conference and Football League in Senegal and the Nairobi Board strategy days, the Directors had ample opportunities to interact with both our people and external stakeholders and to see the Group's culture in action.

Employees

Our people are at the heart of everything we do. They are central to us delivering against our strategic objectives and our new vision to be Africa's leading and most respected energy business. Our success is reliant on our culture and the Board is committed to ensuring that our workforce policies and practices are aligned with the purpose, values and culture of Vivo Energy. Further information on employee engagement is set out on pages 27 and 44.

Shareholders and investors

We want to understand our shareholders' and investors' views and keep them informed about key developments at Vivo Energy. Securing their trust through continuous engagement creates alignment and ensures their ongoing support. Our shareholders are represented on our Board and the executive management has engaged with our investors through regular investor calls.

Other stakeholders

Alongside our shareholders, investors and employees, we have identified customers, partners, communities and governments as our main stakeholders.

For further details on how the Board has complied with section 172 of the Companies Act 2006, see page 34.

Our customers are the reason we exist. Understanding their needs is paramount to our future success.

Understanding the views of our people and stakeholders allows us to shape our culture and values thereby ensuring that we are taking the right approach to our business and the way we operate.

Role of the Board and division of responsibilities

The Board's primary role is to develop the Group's strategy and oversee its implementation to promote the long-term success of the business, deliver sustainable shareholder value and protect the Group's interests for the benefit of all our stakeholders.

THE ROLE OF THE BOARD

An effective Board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.

Collectively, the Board is responsible for promoting the long-term success of the Group by setting strategic priorities, generating value for stakeholders, and ensuring that the Group continues to contribute to wider society. In particular, the Board is responsible for reviewing opportunities and maintaining effective risk management and internal control systems.

The Board has a comprehensive annual programme of activities that enables it to monitor and review strategy across all the elements of the Group's business model. Operational and financial performance, risk, governance, strategy, culture, and stakeholder matters are frequently discussed to support Directors' oversight and understanding of our business, stakeholders and the markets in which we operate.

Throughout the year, the Board meets with management in various different settings to learn how individual strategies are formed and resourced, which provides the structure to regularly assess progress against agreed metrics, and supports the Board in fulfilling its role.

All Directors are expected to attend all Board and relevant Committee meetings unless prevented from doing so by illness or conflict of interest. Senior executives below Board level are invited, when appropriate, to attend Board meetings to make presentations on the results, opportunities, deep dives, and strategies relating to their OUs. In 2023, five Board meetings were scheduled. Additional meetings were held as required. In addition, the Board held two strategy days.

Board agendas are carefully planned to ensure that sufficient time and consideration are given to the Group's strategic priorities and key monitoring activities as well as reviews of strategic issues.

In advance of each meeting, papers and relevant materials are provided to Directors via a secure web portal which also provides access to a library of relevant information about the Company and Board procedures. Directors unable to attend specific Board or Committee meetings are asked to provide comments in advance and, if necessary, follow up with the relevant Chair of the meeting.

In line with other large companies, the Vivo Energy Board relies on executive management to run the business with the Board monitoring management activities and holding them to account against targets and standards. Responsibility for the running of the Group is delegated to the CEO, who in turn delegates certain responsibilities to the Executive Committee and the Management Committee members relevant to their respective areas of responsibility.

In order to retain control of key decisions and ensure there is a clear division of responsibilities between the Board and the running of the business, the Board has a clear framework for determining the matters within its remit, including an agreed schedule of Matters Reserved for the Board and has approved Terms of Reference for the matters delegated to its Committees.

THE CHAIRMAN AND THE CEO

The roles of our Chairman and CEO are separate, clearly defined in writing and approved by the Board.

The Chairman is responsible for the operation and leadership of the Board, ensuring its effectiveness and setting its agenda. The Chairman is also responsible for maintaining a culture of openness and transparency at Board meetings.

The Chief Executive Officer is responsible for the implementation of the Group's strategy and for ensuring that Board decisions are implemented as well as leading and managing the Group's business within a set of authorities delegated by the Board. The Chief Executive Officer is supported by the Executive Committee and the Management Committee.

DIRECTORS

The Group is led by an effective and committed Board comprising an engaged group of individuals, each contributing different experiences, skills and backgrounds enabling the Board as a whole to provide challenge, informed opinions and advice on strategy and relevant topics.

The Vivo Energy Board of Directors comprises two Non-Executive Directors, one Independent Non-Executive Director and two Executive Directors. Two of the Directors represent our shareholders. Together they ensure high standards of governance and bring a broad range of skills and experience to our business. The Board believes that its size and composition are appropriate to meet the strategic needs and challenges of the business and to enable effective decision-making. For further details on the Directors, please see page 43.

The Vivo Energy Board and individual Directors have a clear understanding of their accountability and responsibilities and the relevant policies and procedures in place. All Directors are encouraged to use their independent judgement and to constructively challenge all matters, whether strategic or operational.

Training and development is key to ensuring the ongoing effectiveness of any board. All new Directors are offered an induction to assist them in familiarising themselves with the Group's operations, the regulatory environment we operate in, directors' duties, and the Group's culture and values. An outline induction programme is discussed with each new Director and tailored to meet any specific requirements. During the year, our Directors have been briefed, among others, on directors' duties, sanctions and environmental matters.

All Directors have access to the advice and services of the Company Secretary. Directors may take independent legal and/or financial advice at the Company's expense when it is deemed necessary to discharge their responsibilities effectively. No such independent advice was sought during the year up to 31 December 2023.

ROLE OF THE BOARD AND DIVISION OF RESPONSIBILITIES CONTINUED

CONFLICTS OF INTEREST

Directors have a statutory duty to avoid situations in which they may have interests which conflict with those of the Company. The Board has adopted procedures as provided for in the Company's Articles of Association for authorising existing conflicts of interest and for the consideration of, and if appropriate, authorisation of new situations which may arise.

In deciding whether to authorise a situational conflict, the non-conflicted Directors take into account their general duties under the Companies Act 2006. Limits or conditions can be imposed when giving an authorisation or subsequently if deemed appropriate.

Any situational conflicts considered by the Board, and any authorisations given, are recorded in the Board minutes and in a register of conflicts. As good practice, the Chair requests each of the Directors to declare any conflict of interest at each Board/Committee meeting. The register setting out each Director's interests is reviewed by the Board at least annually.

BOARD EVALUATION

In line with best practice, we review the Board's effectiveness annually. This year's evaluation was facilitated by the Company Secretary and took the form of a questionnaire designed to elicit the Directors' views on all aspects of the effectiveness of the Board, its members and its Committees.

The results confirmed that the Board and its Committees operate effectively and continue to benefit from a strong mix of complementary skills and experiences, as well as dynamics that allow for open debate, challenging existing assumptions and asking difficult questions.

COMMITTEES

The Board discharges some of its responsibilities directly while others are discharged through its principal Board Committees and through management. The Board has two principal Committees: the Audit and Risk Committee, and the Remuneration Committee. In addition to the principal Committees, the Board is also supported by the ESG Committee. Each Committee has its own terms of reference, approved by the Board.

Each Committee has a detailed annual work programme. Their work feeds into the Board's consideration of the Group's strategy, allowing the Board to assess whether the strategy remains appropriate, promotes stakeholder value in a sustainable manner and whether it is ultimately the right approach to achieving our purpose.

Following each Committee meeting, the Chair of the Committee provides an update to the Board, detailing decisions made, and key matters discussed. Copies of the Committee minutes are made available to all Board members to the extent appropriate.

AUDIT AND RISK COMMITTEE

The Committee provides independent assessment and oversight of the Group's financial reporting processes and oversees risk management and internal control processes, including reviews of principal risks and external audit. The Committee also monitors the activities and effectiveness of the Internal Audit function and has a primary responsibility for overseeing the relationship with the external auditors.

During the year, the Committee received updates on the government's audit and corporate governance reform; considered risks and the Group's internal approval levels and processes; and reviewed Internal Audit as well as Ethics & Compliance reports.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for setting, reviewing and recommending the remuneration of the Executives and the senior management team. The Committee also reviews remuneration arrangements across the Group.

In 2023, the Committee considered the macroeconomic conditions, rising costs of living and inflation in the OUs. It also reviewed and recommended senior management bonuses, the Management Incentive Plan and vesting of Long-Term Incentives.

ESG COMMITTEE

The Committee is focused on overseeing the delivery of the Group's Sustainability Framework and driving further integration of sustainability and climate matters across the Group. The Committee is chaired by the CEO who provides regular updates to the Board.

EXECUTIVE AND MANAGEMENT COMMITTEES

In addition to the oversight provided by the Board and its Committees, the Executive Directors are supported by the Senior Executive Team which helps them discharge their duties. The Senior Executive Team comprises the senior leadership team, who have management responsibility for the business operations and support functions.

The Executive Committee and the Management Committee hold regular meetings and relevant matters are reported to the Board by the Chief Executive Officer and, as appropriate, by the interim Chief Financial Officer.

The roles of Chairman and CEO are separate, which ensures a balance of power and effective decision-making. The division of responsibilities between these roles is clearly defined in writing and approved by the Board.

Directors' Report

The Directors present their Report and the audited Consolidated and Company financial statements for the year ended 31 December 2023.

DIRECTORS' REPORT

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, to include certain matters in its Strategic Report that would otherwise be disclosed in this Directors' Report. Such information is referenced below.

COMPANY DETAILS AND CONSTITUTION

Vivo Energy Limited is a company incorporated in England and Wales with company number 11250655. The Company's Articles of Association (the 'Articles') may only be amended by a special resolution at a general meeting of the shareholders.

As at the date of this Report, the Company's issued share capital is composed of two classes of shares, 1,266,941,899 ordinary shares of US$0.50 each and one deferred share of US$100. The shareholders of the Company are Vitol Africa B.V. and VIP Blue II B.V. The Group has no ultimate parent or controlling party.

DIRECTORS

The Directors who served the Company during the year up to the date of the signing of these financial statements together with their dates of appointment and resignation, where appropriate, were as follows:

Stanislas Mittelman (appointed 3 March 2022)

Christopher Bake (appointed 26 July 2022)

Jay Gleacher (appointed 26 July 2022)

Selim Şiper (appointed 26 July 2022)

Matthew Stacey (appointed 26 July 2022)

IMPORTANT EVENTS SINCE THE END OF THE FINANCIAL YEAR

Details of important events affecting the Group which have occurred since the end of the financial year are set out in note 31 to the consolidated financial statements.

RESULTS

The results for the year are set out on pages 58 to 103.

No dividends were declared during the year.

The Board has not recommended a final dividend for the period ended 31 December 2023.

CORPORATE GOVERNANCE

The Board adopted the Wates Corporate Governance Principles for Large Private Companies (The Principles) as the Company's governance code with effect from 1 January 2023. For further details on how the Principles were applied during the year, see pages 44 to 48.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for monitoring the Group's system of internal control and risk management and for carrying out a review of its effectiveness and is supported by the Audit and Risk Committee. In discharging that responsibility, the Board confirms that it has established necessary procedures, including clear operating procedures, lines of responsibility and delegated authority.

The Board has established a framework of controls, which enable risk to be assessed and managed, which is annually reviewed to ensure it remains prudent and effective.

A robust assessment of the principal and emerging risks faced by the Company has been undertaken by the Board assisted by Vivo Energy's Internal Audit (for further information please see pages 39 to 41 in the Strategic Report).

DIRECTORS' REPORT CONTINUED

RISKS RELATED TO FINANCIAL INSTRUMENTS

The Group's assessment of risks related to financial instruments can be found on pages 70 to 74 in the notes to the consolidated financial statements.

OVERSEAS BRANCHES

As at 31 December 2023, the Group had the following other entities including branches:

- Vivo Energy Tanzania Marketing Limited (foreign company registered in Tanzania, company registered in Bahamas). The foreign company name remains Engen Marketing Tanzania Limited
- Plateau Africa Holdings Limited (branch registered in Mauritius, company registered in Canada)
- Vivo Energy Namibia Limited (branch registered in Namibia, company registered in the UK)
- Vivo Energy Overseas Holdings Limited (branch registered in Kenya, an external company registered in South Africa, company registered in Mauritius)
- Vivo Energy Foundation (a charitable foundation registered in Mauritius)

DIRECTORS' INDEMNITIES

In accordance with the Company's Articles and to the extent permitted by law, Directors are granted a deed of indemnity from the Company in respect of liability incurred as a result of their office. Qualifying third-party indemnity provisions (as defined by section 234 of the Act) were in force during the year ended 31 December 2023 and remain in force.

In addition, the Company provides Board members with Directors' and Officers' Liability Insurance. Neither the indemnity nor the insurance provides cover in the event that a Director is proven to have acted dishonestly or fraudulently.

POLITICAL DONATIONS

No political donations were made during the financial year. The Company's policy is that no political donations be made or political expenditure incurred.

ENGAGEMENT WITH STAKEHOLDERS

We know that engaging closely with all our stakeholders and understanding their view is fundamental to building a strong, sustainable business. Further information on how we engage with our diverse range of partners and stakeholders is available within the Strategic Report on page 13.

STREAMLINED ENERGY AND CARBON REPORTING STATEMENT

As a Group we recognise that our global operations have an environmental impact and we are committed to monitoring and reducing our emissions year-on-year.

Further details are available in the Strategic Report on pages 28 to 30.

RESEARCH AND DEVELOPMENT

No material research took place during the period and is not intended for the current year. Development activities undertaken comprised the continued development of the Group's internal systems.

FUTURE DEVELOPMENTS

Since Vivo Energy's inception in 2011, the Company has had a clear growth strategy and has looked to deliver sustainable value for all its stakeholders. Our leading position in Africa means that we are well positioned to continue to capitalise on the opportunities that will arise from the growth on the continent.

EXTERNAL AUDITORS

So far as each Director is aware, there is no relevant audit information of which the Company's external auditor is unaware. Each Director has taken all steps he or she should have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that PricewaterhouseCoopers LLP (PwC) is aware of that information.

In light of the upcoming Engen transaction the Audit and Risk Committee has recognised a need to reassess the Group's current external auditor for the evolving organisation. Therefore, the Audit and Risk Committee recommended the re-tender of the Group's external auditor for the 2024 Group audit.

The Directors' Report was approved by the Board on 14 March 2024.

STAN MITTELMAN
CHIEF EXECUTIVE OFFICER

20 MARCH 2024

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report & Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the consolidated financial statements in accordance with UK-adopted International Accounting Standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed for the consolidated financial statements and United Kingdom Accounting Standards, comprising FRS 102 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

Each of the Directors confirm that, to the best of their knowledge, at the date of this Report, there is no relevant audit information of which the Company's auditor is unaware. Each Director has taken all the steps he should have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Board confirms that the Annual Report and financial statements when taken as a whole give a true and fair view and provide the information necessary for shareholders to assess the strategy, position and performance and business model of the Group.

For and on behalf of the Board

STAN MITTELMAN
CHIEF EXECUTIVE OFFICER

20 MARCH 2024

JAY GLEACHER
INTERIM CHIEF FINANCIAL OFFICER

20 MARCH 2024

Financial Statements

Here we set out our statutory accounts and supporting notes, which are independently audited and provide in-depth disclosure on the financial performance of our business.

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Independent Auditors' Report to the members of Vivo Energy Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion:

- Vivo Energy Limited's consolidated financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2023 and of the Group's loss and the Group's cash flows for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 31 December 2023; the Consolidated statement of comprehensive income, the Consolidated statement of cash flows, and the Consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

OUR AUDIT APPROACH

Overview

Audit scope

- Nine operating units subject to full scope audit of financial information.
- Four operating units subject to audit of specific financial statement line items.
- Overall coverage of 76% of revenue was obtained.

Key audit matters

- Government Benefits Receivable (Group)
- Tax audits and Transfer Pricing (Group)
- Carrying Value of Investment in Subsidiary (Company)

Materiality

- Overall Group materiality: $9,275,000 (2022: US$12,500,000) based on 2.5% of earnings before tax adjusted for interest, depreciation, amortisation and special items.
- Overall Company materiality: $19,237,000 (2022: US$19,300,000) based on 1% of total assets.
- Performance materiality: $6,956,000 (2022: US$9,375,000) (Group) and $14,427,750 (2022: US$14,475,000) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIVO ENERGY LIMITED CONTINUED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Government Benefits Receivable (Group) Refer to notes 2.14, 4 and 16 in the Consolidated financial statements. The Group has $297m (2022: $413m) of gross receivables (offset by provisions of $30m (2022: $11m)) from governments principally related to subsidies for product prices, transport costs and other incidental costs where regulated price mechanisms exist. The recoverability and timing of payment of these receivables is not always certain with some outstanding balances being aged and with governments with poor or no credit ratings. The balances significantly increased in H2 2022 due to a combination of macroeconomic factors including high oil prices, depreciation of local currencies and the need for governments to support local populations as the cost of living increased. This resulted in a higher level of subsidies where governments struggled to make payments on a timely basis, with some of the governments unable to make repayments as they were adversely impacted by the deterioration in government finances as a result of the COVID-19 pandemic, high inflation and increased costs to service existing debt. Whilst during 2023 subsidy levels have fallen in line with the reduction in crude oil prices and repayments have generally been received, the level of the overall receivables balance remains high compared to historical norms. Determination of the provisioning required against these receivables requires consideration of the willingness and ability of the counterparties to meet their obligations, including how and when the obligations will be met. This can often be complex and highly judgemental. Due to particular uncertainties in either the timing and/or method of recoverability, the track record of the governments to settle the balances in full or on a timely basis or whether the costs incurred fall within the regulatory structure, we identified the receivables in Senegal and Kenya to be where particular audit focus was required.	We assessed the risk of recoverability of each of the balances by considering the: – existence of an agreed position with the government; – ageing of existing balances; – country level credit ratings and other economic data points relating to the relevant government body; – history of payments and / or delays of such payments / write offs; and – the proposed settlement mechanism and timing of realisation. Where we identified the potential for greater risk of recoverability, we sought additional evidence to support recognition including assessing management's position against the communications with the local authorities, historical precedent of similar matters being resolved, the existence of offsetting balances and evidence of the Group's efforts to secure payment. In addition, in Senegal we participated in a meeting with a government representative to understand the governments' plans for settlement of the balance and in Kenya we reviewed correspondence with and met with external legal advisors. Where a provision has been recorded we have assessed the basis for the recognition of the provision, re-performed management's calculations and carried out sensitivity analysis to assess the reasonableness of the recorded amounts. We have also assessed the completeness and accuracy of management's disclosures in notes 4 and 16. Based on our work performed, we found the judgements and assumptions used by management in the recoverability assessment of government benefits receivables to be supportable based on the available evidence.
Tax audits and Transfer Pricing (Group) Refer to notes 2.24, 4.2, 9 and 23 in the Consolidated financial statements. The Group operates in a number of tax jurisdictions including some territories where there are regular tax assessments and claims raised, which are often settled for less than the amounts claimed. There is judgement in determining whether a claim will settle and in estimating the level of expected provision needed based on interpretation of local laws and regulations which are sometimes uncertain and require interpretation. The claims often focus on the application of transfer pricing policies. Management are required to determine whether it is probable that the tax authorities will accept the current treatment and, where it is not considered probable, estimate the expected value or the most likely value of the pay-out. We focused on the judgements and estimates made by management in assessing the likelihood and quantification of material exposures and treatment of uncertain tax position provisions.	Our component audit teams and Group team, with the assistance of our local and international tax specialists and transfer pricing specialists, evaluated management's judgements in respect of the likelihood of an outflow of resources and the estimation of the likely value of the outcome/settlements. For each material position we: – Discussed with management the nature of the claim and status of communications with the relevant authorities; – examined the correspondence in relation to the claim; – reviewed management's analysis of these positions, including testing of their detailed workings and basis of management's provisions; – considered the technical merits of defence, including reviewing any views obtained from management's tax advisors; and – reviewed management's history of settlement. We considered completeness by understanding management's process for notifying claims, making inquiries of Group and local management and comparing management's listing of potential tax exposures to the results of procedures performed locally by each of our local component teams using local tax experts where appropriate. We challenged management on the level of provisioning booked for each uncertain tax position, considering whether the level of provisioning was supportable at an individual claim level and also considered whether there was any level of bias across the portfolio of provisions. We concluded that the provisions recognised and the disclosures in the financial statements were reasonable.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIVO ENERGY LIMITED CONTINUED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Carrying Value of Investment in Subsidiary (Company) Refer to notes 2.5 and 5 in the Company financial statements. The company holds a $1,913m investment in its subsidiary Vivo Energy Investments B.V. Due to the quantum of the carrying amount management's assessment of any impairment triggers was the key area of focus in the audit of the Company. IAS 36 Impairment of assets requires management to assess annually whether there have been an indicators of impairment. Judgement is required to determine whether impairment indicators exist which, if identified, would require an impairment test to be performed. Management prepared a paper that considered potential triggers, including both internal and external factors, concluding that there were no indicators. In performing this trigger assessment management also considered the level of headroom at the previous year end where a full impairment test was performed and the current year valuations that they have prepared as part of assessing the recoverable amount of the goodwill for the Group financial statements.	We evaluated management's impairment trigger assessment and challenged them on the assessment including: – the completeness of factors considered; – whether the weaker financial results of the Group in 2023, especially during the first half of the year, could be a trigger. However, given the impact of one-off factors combined with the improved underlying performance during the second half of the year; we concluded that no trigger had occurred; and – whether there was any contradictory evidence available. We considered the level of headroom from the prior year and applied sensitivities using 2023 actuals and current growth and discount rates to confirm that significant headroom remained. We also considered other audit evidence obtained as part of our audit, including the valuation undertaken for the management incentive plan. We concur with management that there are no indicators of impairment to the carrying value.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group operates in 24 countries across North, West, East and Southern Africa. It is structured such that each country operates semi-autonomously with oversight, consolidation, and certain activities performed by Group management. Each country can contain many legal entities, associates and joint ventures for which separate financial information is prepared and monitored. In general, each country will have a single large operating legal entity that holds most of the assets, liabilities and transactions.

Reporting packs are prepared by local management for each legal entity except in some specific cases where a sub-consolidation is performed and a single reporting pack is prepared for a number of related legal entities. We have scoped our audit on the basis that an operating unit is identified by a reporting pack.

We identified Morocco and Kenya as financially significant operating units based on their size compared to the consolidated financial statements of the Group. A further seven, large operating units were identified and engaged to perform audits of their complete financial information in order to provide appropriate coverage over the operations of the Group.

Senegal and Kenya were identified as significant risk operating units relating to the recoverability of other government benefits receivable as described in the key audit matters and were already full scope reporting components.

Procedures were also performed at a Group level over balances including goodwill and tax as well as procedures over centralised controls and IT functions and specific targeted work over certain balances identified on the basis of risk. The aggregation of all the holding entities are treated as a single operating unit with testing performed over balances including cash, finance expenses, and external borrowings.

Overall coverage of 76% of revenue was obtained. None of the operating units excluded from our Group audit scope individually contributed more than 4% to consolidated revenue.

Interactions with operating unit teams varied depending on their size, complexity and risk. Interactions included: detailed instruction; a risk assessment and audit approach planning meeting; detailed deliverables identifying significant matters and procedures performed over significant risks; and status and clearance meetings at key stages of the audit. For larger and more significant components, file reviews tailored to the specifics of the component took place. In person site visits took place in Morocco, Kenya, Ghana and Tunisia. This was in addition to further ad hoc discussions on matters of interest.

The Company only audit was performed independently by the Group engagement team. This did not contribute to the scope of work performed on the consolidated financial statements.

The impact of climate risk on our audit

In planning our audit, we have considered the potential impact of climate change on the consolidated financial statements. Given the principal activities of the Group it is highly likely that climate risk will have a significant impact on the Group's business. As part of our audit, we have evaluated management's climate change risk assessment including the identified physical and transition risks and the assessment of the impact of those risks on the consolidated financial statements. We note management's conclusion that material physical risks are likely to arise in the longer term and have no current financial statement impact. Transitional risks are considered to have a more significant impact on the business. However, these are only expected to arise in the medium to long-term given that the energy transition in Africa is likely to operate on an extended timeline. We have performed procedures to evaluate the appropriateness of management's risk assessment including comparing current year results against the transition risk impacted models prepared in 2021 and researching the legislative landscape within the principal locations in which the Group operates. We assessed that the key financial statement line items and estimates which are more likely to be impacted by climate risks are those associated with future cash flows, given the more notable impacts of climate change on the business are expected to arise in the medium to long-term. These include the impairment assessment of goodwill and the useful economic life of non-current assets. However, our procedures did not identify any material impact on either the consolidated financial statements or our key audit matters for the year ended 31 December 2023. We have reviewed management's financial statement disclosures relating to climate change to confirm that they are consistent with the results of management's risk assessment and our audit procedures. Management have presented disclosures aligned to the recommendations of the TCFD. We have reviewed these disclosures to ensure consistency with the financial statements and our knowledge obtained during the course of the audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIVO ENERGY LIMITED CONTINUED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between US$1.4m and US$7.7m. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to $6,956,000 (2022: US$9,375,000) for the consolidated financial statements and $14,427,750 (2022: US$14,475,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above US$ 0.7m (Group audit) (2022: US$1.0m) and US$ 0.7m (Company audit) (2022: US$1.0m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

	FINANCIAL STATEMENTS - CONSOLIDATED	FINANCIAL STATEMENTS - COMPANY
Overall materiality	$9,275,000 (2022: US$12,500,000).	$19,237,000 (2022: US$19,300,000).
How we determined it	2.5% of earnings before tax adjusted for interest, depreciation, amortisation and special items	1% of total assets
Rationale for benchmark applied	The Group is profit-oriented; therefore, it is considered most appropriate to use a profit-based benchmark. The Directors, management and the users of the consolidated financial statements focus on adjusted numbers, being adjusted EBITDA, adjusted EBIT and adjusted net income. The Group defines "adjusted" as excluding special items. Based on this, we consider an adjusted metric of average earnings before tax and special items to be the most appropriate benchmark.	The entity is a holding Company of the rest of the Group and is not a trading entity. Therefore, an asset-based measure is considered appropriate. The strength of the Statement of financial position is the key measure of financial health that is important to shareholders since the primary concern for the Company is the payment of dividends.

CONCLUSIONS RELATING TO GOING CONCERN

Our evaluation of the Directors' assessment of the Group and the Company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing and challenging management's going concern assessment;
- Assessing the underlying forecasts and cash flows, including the impact of the impending Engen transaction, and assessing the assumptions in light of our understanding of the outlook for the businesses and the wider market and historical business performance;
- Inspecting facility agreements and assessing availability of funding;
- Reviewing management's covenant calculations, covering the period to 31 December 2025, ensuring that the covenant thresholds and definitions were consistent with the financing agreements;
- Assessing management's sensitivities and performing our own additional sensitivities in order to determine liquidity and covenant headroom under severe but plausible scenarios; and
- Assessing the appropriateness of management's financial statement disclosure.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIVO ENERGY LIMITED CONTINUED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of laws and regulations associated with importing, transporting, storing and selling oil products in the countries in which the Group operates, anti-bribery and corruption laws, health and safety regulations and competition laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and local tax laws and regulations in each territory. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Inquiries of the wider senior management team including members of the Senior Executive Team, Country Leadership Teams, Internal Audit, Legal, Finance, Operations, Ethics and Compliance teams. These inquiries included consideration of known or suspected instances of non-compliance with laws and regulations and fraud as well as areas they perceived as risks.
- Making inquiries of the Group General Counsel regarding the status and expected outcome of legal cases and regulatory matters and reviewing the Group legal case tracker, maintained by the General Counsel, in respect to all significant legal matters.
- Reviewing of internal audit reports and adapting our approach in light of the findings.
- Evaluation of management's controls designed to prevent and detect irregularities, in particular their anti-bribery controls, including understanding the Group's bid and contracting approval controls, the extent to which the Group's anti-bribery and corruption programme is embedded in operating units, assessment of procedures associated with making one-off payments to counterparties and searching third party sources for allegations of corruption made against the Group and its employees.
- Assessment of matters reported on the Group's whistleblowing helpline or through other mediums and the results of management's investigation of such matters.
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to government benefits receivables and uncertain tax positions.
- Identifying and testing journal entries both at a local operating unit level and as part of the Group consolidation, in particular any journal entries posted with unusual account combinations or posted by senior management.
- Review of correspondence with, or reports issued by, government and regulatory authorities and assessment of external legal advice received in respect of any matters raised.
- Incorporating an element of unpredictability into our audit procedures through the variation of the nature, timing and extent of the procedures performed and the inclusion of new components within the Group audit scope. This included obtaining correspondence in relation to the Moroccan Conseil de la Concurrence's ('CDC') investigation into the fuel retail industry, evidence of the legal advice and subsequent settlement in the year.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

COMPANIES ACT 2006 EXCEPTION REPORTING

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Nicholas Stevenson (Senior Statutory Auditor) for and on behalf of PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors

London

20 March 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

US$ million	Notes	2023	2022
Revenues	5	11,010	10,969
Cost of sales		(10,348)	(10,237)
Gross profit	5	**662**	**732**
Selling and marketing cost		(315)	(247)
General and administrative cost	7	(216)	(212)
Share of profit of joint ventures and associates	13	26	27
Other income/(expense)		5	(5)
Earnings before interest and tax (EBIT)	6	**162**	**295**
Finance income		25	11
Finance expense		(156)	(98)
Finance expense – net	8	**(131)**	**(87)**
Earnings before tax (EBT)		**31**	**208**
Income taxes	9	(66)	(103)
Net (loss)/income	6	**(35)**	**105**
Net (loss)/income attributable to:			
Equity holders of Vivo Energy Limited		(44)	91
Non-controlling interest (NCI)		9	14
		(35)	**105**
Other comprehensive income (OCI)			
Items that may be reclassified to profit or loss			
Currency translation differences		(31)	(77)
Net investment hedge (loss)/gain, net of tax		(13)	6
Items that will not be reclassified to profit or loss			
Re-measurement of retirement benefits		3	–
Income tax relating to retirement benefits		(1)	–
Change in fair value of financial instruments through OCI	14	1	1
Other comprehensive expense, net of tax		**(41)**	**(70)**
Total comprehensive (expense)/income		**(76)**	**35**
Total comprehensive (expense)/income attributable to:			
Equity holders of Vivo Energy Limited		(84)	29
Non-controlling interest (NCI)		8	6
		(76)	**35**

The notes are an integral part of these consolidated financial statements.

NON-GAAP MEASURES

US$ million	2023	2022
EBITDA	303	427
Adjusted EBITDA	371	470
Adjusted net income	26	154

Refer to the non-GAAP financial measures definitions and reconciliations to the most comparable IFRS measures on pages 21 and 22.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US$ million	Notes	31 December 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	11	1,021	920
Right-of-use assets	26	251	235
Intangible assets	12	192	188
Investments in joint ventures and associates	13	235	237
Deferred income taxes	9	71	61
Financial assets at fair value through other comprehensive income	14	15	13
Other assets	16	334	172
		2,119	**1,826**
Current assets			
Inventories	17	602	687
Trade receivables	18	799	598
Other assets	16	316	554
Income tax receivables		19	10
Other financial assets	15	–	14
Cash and cash equivalents	19	544	500
		2,280	**2,363**
Total assets		**4,399**	**4,189**

US$ million	Notes	31 December 2023	31 December 2022
Equity			
Share capital	20	633	633
Share premium	20	52	4
Accumulated losses		(336)	(281)
Other reserves		(240)	(200)
Attributable to equity holders of Vivo Energy Limited		109	156
Non-controlling interest		38	43
Total equity		**147**	**199**
Liabilities			
Non-current liabilities			
Lease liabilities	26	167	156
Borrowings	22	903	945
Provisions	23, 24	83	89
Deferred income taxes	9	78	86
Other liabilities	25	167	150
		1,398	**1,426**
Current liabilities			
Lease liabilities	26	32	27
Trade payables		1,924	1,687
Borrowings	22	573	584
Provisions	23	15	15
Other financial liabilities	15	16	11
Other liabilities	25	253	187
Income tax payables		41	53
		2,854	**2,564**
Total liabilities		**4,252**	**3,990**
Total equity and liabilities		**4,399**	**4,189**

The notes are an integral part of these consolidated financial statements.

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 14 March 2024 and were signed on its behalf on 20 March 2024 by:

STAN MITTELMAN
CHIEF EXECUTIVE OFFICER

JAY GLEACHER
INTERIM CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to equity holders of Vivo Energy Limited										
					Other reserves							
US$ million	**Notes**	**Share capital**	**Share premium**	**Accumulated losses**	**Reserves[1,2]**	**Retirement benefits**	**Currency translation difference**	**Fair value reserves**	**Equity-settled incentive schemes[3]**	**Total**	**NCI**	**Total equity**
Balance at 1 January 2023		**633**	**4**	**(281)**	**(55)**	**2**	**(152)**	**5**	**–**	**156**	**43**	**199**
Net loss		–	–	(44)	–	–	–	–	–	**(44)**	9	**(35)**
Other comprehensive expense		–	–	–	(13)	2	(30)	1	–	**(40)**	(1)	**(41)**
Total comprehensive expense		**–**	**–**	**(44)**	**(13)**	**2**	**(30)**	**1**	**–**	**(84)**	**8**	**(76)**
Capital contribution	20	–	48	–	–	–	–	–	–	**48**	–	**48**
Net impact of IAS 29[4]		–	–	(11)	–	–	–	–	–	**(11)**	–	**(11)**
Dividends paid	21	–	–	–	–	–	–	–	–	**–**	(13)	**(13)**
Balance at 31 December 2023		**633**	**52**	**(336)**	**(68)**	**4**	**(182)**	**6**	**–**	**109**	**38**	**147**

		Attributable to equity holders of Vivo Energy Limited										
					Other reserves							
US$ million	**Notes**	**Share capital**	**Share premium**	**Accumulated losses**	**Reserves[1,2]**	**Retirement benefits**	**Currency translation difference**	**Fair value reserves**	**Equity-settled incentive schemes[3]**	**Total**	**NCI**	**Total equity**
Balance at 1 January 2022		**633**	**4**	**335**	**(59)**	**2**	**(90)**	**4**	**8**	**837**	**46**	**883**
Net income		–	–	91	–	–	–	–	–	**91**	14	**105**
Other comprehensive expense		–	–	–	(1)	–	(62)	1	–	**(62)**	(8)	**(70)**
Total comprehensive income		**–**	**–**	**91**	**(1)**	**–**	**(62)**	**1**	**–**	**29**	**6**	**35**
Share-based payment expense	29	–	–	–	–	–	–	–	3	**3**	–	**3**
Share-based payment modification[3]	29	–	–	–	–	–	–	–	(11)	**(11)**	–	**(11)**
Treasury shares sold		–	–	–	5	–	–	–	–	**5**	–	**5**
Net impact of IAS 29[4]		–	–	(9)	–	–	–	–	–	**(9)**	–	**(9)**
Dividends paid[5]	21	–	–	(698)	–	–	–	–	–	**(698)**	(9)	**(707)**
Balance at 31 December 2022		**633**	**4**	**(281)**	**(55)**	**2**	**(152)**	**5**	**–**	**156**	**43**	**199**

The notes are an integral part of these consolidated financial statements.

1 Included in reserves is a merger reserve ($82m) relating to the premium on shares issued as part of the consideration of the acquisition of Vivo Energy Overseas Holdings Limited (VEOHL) in March 2019 and a share capital reduction completed subsequent to the listing in 2018.
2 Included in reserves is a cost of hedging reserve $13m (2022: $1m).
3 Equity-settled incentive schemes included the Long-Term Incentive Plan (LTIP) and the Restricted Share Award Plan which was modified in 2022 to cash-settled on delisting.
4 The net impact on retained earnings as a result of the index-based adjustments in Ghana and Zimbabwe under IAS 29 'Financial Reporting in Hyperinflationary Economies'. The 2022 net impact on retained earnings relates only to Zimbabwe.
5 The dividends paid to the equity holders of Vivo Energy Limited were paid out of distributable reserves (refer to note 10 of the Company financial statements).

CONSOLIDATED STATEMENT OF CASH FLOWS

US$ million	Notes	2023	2022
Operating activities			
Net (loss)/income		(35)	105
Adjustment for:			
Income taxes	9	66	103
Amortisation, depreciation and impairment	11, 12, 26	141	132
Net gains on disposal of PP&E and intangible assets		(4)	–
Share of profit of joint ventures and associates	13	(26)	(27)
Dividends received from joint ventures and associates	13	29	17
Current income tax paid		(100)	(93)
Net change in operating assets and liabilities and other adjustments	27	359	(229)
Cash flows from operating activities		**430**	**8**
Investing activities			
Acquisition of businesses, net of cash acquired	10	(14)	–
Purchases of PP&E and intangible assets	11, 12	(231)	(164)
Proceeds from disposals of PP&E and intangible assets	11, 12	4	4
Other investment activities	13	–	(1)
Cash flows from investing activities		**(241)**	**(161)**
Financing activities			
Proceeds from capital contribution	20	48	–
Proceeds from long-term debt[1]	22	555	595
Repayment of long-term debt	22	(664)	–
Net proceeds from bank and other borrowings[2]	22	117	317
Repayment of lease liabilities	26	(35)	(33)
Dividends paid		(13)	(707)
Interest paid		(150)	(75)
Cash flows from financing activities		**(142)**	**97**
Net increase/(decrease) in cash and cash equivalents		**47**	**(56)**
Cash and cash equivalents at beginning of the year		**500**	**587**
Effect of exchange rate changes on cash and cash equivalents		(3)	(31)
Cash and cash equivalents at end of the year	19	**544**	**500**

The notes are an integral part of these consolidated financial statements.

1 Represents proceeds from the Term loan in 2023 and the Bridge loan in 2022.
2 Other borrowings include the RCF in 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Vivo Energy Limited ('Vivo Energy' or the 'Company'), was incorporated on 12 March 2018 in the United Kingdom. The Company is registered in England and Wales and is a private company limited by shares (Registration number 11250655) under the Companies Act 2006. References to 'Vivo Energy' or the 'Group' mean the Company, its subsidiaries, joint ventures and associates. These consolidated financial statements as at and for the period ended 31 December 2023 comprise the Company, its subsidiaries and subsidiary undertakings, joint ventures and associates. The Group's shareholders are VIP II Blue B.V. and Vitol Africa B.V. The Group has no ultimate parent or controlling party.

Vivo Energy distributes and sells fuel and lubricants to retail and commercial consumers in Africa and trades under brands owned by the Shell and Engen group of companies. Furthermore, Vivo Energy generates revenue from Non-fuel retail activities including convenience retail and quick service restaurants by leveraging on its Retail network.

Further details on the nature of the Group's operations and principal activities can be found in the Strategic Report.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below, and have been applied consistently for all the years presented.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards. The consolidated financial statements have been prepared under the historical cost convention unless otherwise indicated. The effect of exchange rate changes on cash and cash equivalents has been presented in line with the guidelines under IAS 7(28) and is now shown as a reconciling movement between opening and closing balances.

The preparation of the consolidated financial statements in conformity with UK-adopted International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4. During the period there were no material changes to estimates which require significant judgement by management and no new significant judgements or estimates have been identified.

Going concern

As part of the Group's risk management framework, changes in the nature, likelihood and impact of existing and new risks are regularly considered, including the Group's ability to respond to changes in its business and the external environment. There have been no changes in the Group's principal risks that would impact the going concern over the next two years.

IFRS requires the going concern assumption to be assessed over a period of at least 12 months from the date of approval of the financial statements. For the purposes of the going concern assessment, the Directors have considered a period up to 31 December 2025. The Directors have performed a going concern assessment based on the forecasts for this period taken from the Board approved strategic plan which includes a detailed analysis of the Group's future financial and operating performance. The strategic plan takes into consideration the impact of the current year performance, future growth expectations and the effect of other macroeconomic factors on the performance of sales volumes, gross cash profit and cash flows.

Based on management's assessment up to 31 December 2025, the Group is expected to maintain sufficient available liquidity and generate positive cash flows to meet its obligations as they fall due. As at 31 December 2023, the Group has a committed headroom of $271m which includes the renewed undrawn committed RCF of $300m. As of 31 December 2023, the Company has available short-term capital resources of $2,378m, which also includes $1,534m of uncommitted facilities. Despite these facilities being uncommitted the Group has continued to have access to and utilise the uncommitted short-term funding lines throughout the year, and where necessary renew them in the normal course of business. Therefore, the Directors expect these uncommitted facilities to continue to be available to the Group for the foreseeable future.

The Group maintains its debt structure as described in note 3.2. The notes and the RCF have covenants for which further information can be found in note 22. Breach of these covenants may result in full and immediate repayment of the long-term borrowings and an inability to access the RCF. The Group has met these covenants in the past and has projected its ability to continue to do so over the going concern period.

Management has performed severe but plausible downside scenarios on covenants and liquidity to identify the impact a decrease in the Group's financial performance would have. The scenarios simulate various macroeconomic conditions such as depreciation of local currencies, increase in key costs, changes in the crude oil prices, government decision-making and high inflation and interest rates resulting in an adjusted EBITDA decrease of 10% and 20% and net finance expense increase of 5% and 10%. The scenarios reflect the severity of the above factors to different degrees. Under the scenarios, the Group has demonstrated its ability to continue to meet the covenant requirements and maintain sufficient headroom. Management have also simulated the impact on covenants and liquidity following the completion of the Engen acquisition and concluded this would not result in a breach of these covenants over the going concern period.

The Directors maintain a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence during the going concern period and consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES CONTINUED

2.1 Basis of preparation (continued)

Climate change

In preparing the consolidated financial statements management has considered the impact that climate change may have. Management has assessed the impact of climate change on the business. Additional information can be found on pages 35 to 38. The Task Force on Climate-Related Financial Disclosures (TCFD) is a reporting framework that consists of a list of recommendations for companies to consider, with the aim being to improve and increase the reporting of climate-related financial information. The Group's previous scenario assessment, performed in accordance with the TCFD reporting framework, remains relevant and reflective of the current period. There have been no developments in the organisation or climate change factors that would result in a significant or material impact on the outcome of key accounting judgements and estimates, including going concern, asset useful economic lives, asset valuations and impairments, as the impact of transitional risks is only forecast to have a significant impact on the Group's business and cash flow beyond the point at which asset carrying values are realised. Across the African continent, countries are preparing for the energy transition by implementing policy and legislative frameworks that respond to climate change and the Paris Climate Agreement commitments. The governments in Ghana, Kenya, Morocco, Namibia, Tanzania and Uganda are some of those which have increased their efforts to improve and diversify their energy supply mix. As set out on pages 28 to 30 of the Strategic Report, while the Group continues to introduce initiatives designed to reduce the carbon emissions from its direct operations and develop alternative product offerings, the Group considers that the transition towards a low-carbon economy in its primary markets will be over a longer time period than will be seen in the UK and the European Union. As a result, the Group considers that the market for oil products across Africa will continue to grow within its medium-term planning horizons and this assumption is embedded within the Group's strategic business plan which in turn supports a number of key forward-looking accounting judgements and estimates. Furthermore, the Group does not foresee restrictions on accessing capital markets and has demonstrated its ability to raise additional debt and equity funding at competitive market rates in the recent past. Therefore, there is currently no indication that climate change will negatively impact the Group's cost of capital to the extent that changes in the discount rates, used in accounting estimates and judgements, would result in a material adjustment to the financial statement balances.

2.2 Application of new and revised IFRS

The following amendments and new interpretations to the IFRS standards effective for annual periods beginning on or after 1 January 2023 are applicable and have been applied in preparing the consolidated financial statements and do not have a material impact for the Group:

- Narrow-scoped amendments to IAS 1, IAS 8, IAS 12 and Practice Statement 2

There are no other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2023 that have an impact on the consolidated financial statements of the Group.

2.3 New standards, amendments and interpretations not yet adopted

The following amendments to the standards effective for annual periods beginning on or after 1 January 2024 have not been applied in preparing the consolidated financial statements of the Group:

- Narrow-scoped amendments to IAS 1, IAS 7, IAS 28, IFRS 7, IFRS 10 and IFRS 16
- IFRS S1 and IFRS S2

The impact of IFRS S1 and IFRS S2 is under assessment. There are no other IFRS amendments that are not yet effective which would be expected to have a material impact on the Group.

2.4 Consolidation

The Group is made up of various entities, subsidiaries, joint ventures and associates. Details regarding all entities are included in note 14 in the Company financial statements.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group reassesses whether or not it controls an investee if the facts and circumstances indicate that there may be changes to one or more of the elements of control. Subsidiaries are consolidated from the effective date of control and deconsolidated from the date that control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group transactions and balances, income, expenses and cash flows are eliminated on consolidation. Where necessary, accounting policies of subsidiaries are adjusted to ensure consistency with the policies adopted by the Group.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Joint arrangements

Joint arrangements are contractual arrangements whereby the Group and other parties undertake activities that are under joint control, meaning that the relevant activities that significantly affect the investee's returns require the unanimous consent of the parties sharing control. Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are joint arrangements whereby the parties that have joint control have the rights to the net assets of the arrangement and are accounted for using the equity method.

Under the equity method, the investment is initially recognised at cost adjusted for the post-acquisition changes in the Group's share of net assets of the joint venture, less any impairment in the value of the investment. The Group's share of post-tax profits or losses are recognised in the consolidated income statement. Losses of a joint venture in excess of the Group's interest investment in that joint venture are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, accounting policies of the joint ventures are adjusted to ensure consistency with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES CONTINUED

2.4 Consolidation (continued)

Investments in associates

Associates are entities where the Group has significant influence and is neither a subsidiary nor an interest in a joint venture.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but where the Group does not have control or joint control over those policies.

At the date of acquisition, any excess of the cost of the acquisition over the Group's share of the net fair value of the identifiable net assets, liabilities and contingent liabilities of the associate is recorded as goodwill. The goodwill is included within the carrying amount of the investment. Investments in associates are accounted for using the equity method of accounting.

Under the equity method, the investment is initially recognised at cost and adjusted for the post-acquisition changes in the Group's share of net assets of the associate, less any impairment in the value of the investment. The Group's share of post-tax profits or losses are recognised in the consolidated income statement. Losses of an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Dividends received from associates and/or joint ventures are classified as an operating activity.

2.5 Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets and liabilities transferred and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combinations are measured initially at their fair values at acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 'Financial Instruments' either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed.

If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.6 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is US dollars. These consolidated financial statements are presented in US dollars, which is the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the consolidated statements of comprehensive income.

Foreign exchange gains and losses that relate to monetary items such as borrowings, receivables and cash and cash equivalents are presented in the consolidated statements of comprehensive income within cost of sales for trading related gains and losses and within finance income and expense for non-trading related gains and losses.

Translation differences on non-monetary financial assets, such as equities classified as financial assets at fair value through other comprehensive income (FVTOCI), are included in other comprehensive income.

The financial statements of entities in hyperinflationary economies are translated in accordance with IAS 29 'Financial Reporting in Hyperinflationary Economies'.

Accounting for hyperinflation

The results of the Group's operations within entities based in Zimbabwe have been prepared in accordance with IAS 29 as if the economy had been hyperinflationary from date of acquisition.

In October 2023, the Republic of Ghana's economic status was officially classified as hyperinflationary. The Group has duly implemented IAS 29 in relation to its operations within the Ghanaian territory, with the effective commencement date set as January 2023. The accounting of IAS 29 has been applied in line with the standard as if the entity had always been hyperinflationary.

Hyperinflationary accounting requires transactions and balances to be stated in terms of the measuring unit, current at the end of the reporting period in order to account for the effect of loss of purchasing power during the period. The Group has elected to use the Consumer Price Index (CPI), as published by the Ghana Central Bank and Zimbabwe Reserve Bank, as the general price index to restate amounts, since CPI provides an official observable indication of the change in the price of goods and services.

The carrying amounts of non-monetary assets and liabilities carried at historical cost have been adjusted to reflect the impact of the CPI. Amortisation, depreciation and impairments shall be recalculated based on the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets restated to reflect the change in the general price index. All other items recognised in the statement of comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expenses were originally recorded. The restatement of income and expenses are carried out on a monthly basis by applying the respective conversion factor. The net impact of these gains or losses, have been recognised in the statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES CONTINUED

2.6 Foreign currency translation (continued)

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period. Following the application of IAS 29, the financial statements of Ghanaian and Zimbabwean subsidiaries are translated at the closing exchange rate applicable for the period.

The impact of applying IAS 29 in the current period resulted in an increase in property, plant and equipment of $9m (2022: $15m), an increase in intangible assets of $1m (2022: $5m) and an increase in net income of $5m (2022: $3m decrease).

Group companies

The results and financial position of all the Group entities with a functional currency other than the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expense items and cash flows are translated at the average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- Exchange differences arising are recognised directly in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated accordingly.

2.7 Revenue recognition

When the Group enters into an agreement with a customer, goods and services deliverable under the contract are identified as separate performance obligations ('obligations') to the extent that the customer can benefit from the goods or services on their own and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services do not meet the criteria to be identified as separate obligations they are aggregated with other goods and/or services in the agreement until a separate obligation is identified.

Revenue from the sale of goods, such as fuel and lubricants and any other products are recognised when the Group has fulfilled its performance obligation to a customer at a point in time.

The performance obligation to customers is fulfilled when the Group's products are delivered to the customer and transfer of title occurs. The Group does not offer bundled products.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer. The transaction price is allocated to the performance obligation in the contracts and excludes amounts collected on behalf of third parties (i.e. sales taxes, excise duties and similar levies). The majority of the markets in which the Group operates are regulated and have fixed prices that are established either by the government or the industry. The Group may offer discounts and volume rebates to customers. Where applicable, discounts are pre-agreed in the contracts that form part of the price determination over the life of the contract. Volume rebates are determined periodically, and recorded against revenue.

Vivo Energy Kenya Ltd, like other oil marketers in Kenya, participates in the Open Tender System (OTS). Oil-marketing companies are legally required to import petroleum products through the OTS, that is centrally coordinated by the Ministry of Energy. This legal notice is governed by the OTS agreements signed between all Kenyan licensed oil marketers. Vivo Energy Kenya Ltd does not only participate in this process but also purchases from the suppliers and sells the petroleum products through the OTS to other oil marketing companies. Related revenues are recognised at the fair value of the consideration received or receivable once Vivo Energy Kenya Ltd has transferred the goods to the customer and fulfilled its performance obligation. The OTS process was replaced in the first half of 2023. OMC's now individually procure product from a central government importer.

Vivo Energy Supply B.V. was established to consolidate functional activities across the operating units and leverage economics of scale by streamlining sourcing and procurement across markets. Vivo Energy Supply B.V. purchases product from Vitol and third party suppliers and provides products to the Group's operating units and external customers. The contractual responsibility of Vivo Energy Supply B.V. is to provide goods to the customer. The contractual performance obligation is satisfied upon delivery of goods to the customer based on the incoterms. Revenue is recognised once the performance obligation has been fulfilled and presented on a gross basis as Vivo Energy Supply B.V. acts as a principal in the supply of its products.

For sales of services, the total consideration in the service contracts is allocated to all services based on their stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Group sells the services in separate transactions. The transaction price is allocated to the performance obligations identified in the contract. The revenue from services are recognised over a period of time as the performance obligations are met. Rental income is accounted for in revenue and recognised over the duration of the rental contract.

The Group recognises an asset for the incremental costs of obtaining a contract with a customer if the Group expects the benefit of those costs to exceed one year. The Group has determined that certain sales incentive programmes meet the requirements to be capitalised.

The Group applies a practical expedient to expense costs as incurred for costs to obtain a contract when the amortisation period would have been one year or less.

2.8 Finance income and expense

Finance income and expense are recognised in the income statement using the effective interest rate method. All finance costs are recognised in the periods in which they are incurred. In the cash flow statement, finance expense is classified as a financing activity and finance income as an operating activity.

2.9 Consolidated statement of comprehensive income presentation

Cost of sales reflects costs relating to the revenue recognised, including depreciation costs. Selling and marketing costs reflect the marketing, selling costs, depreciation and amortisation costs. The general and administrative costs reflect all central and corporate costs, including employee and depreciation costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES CONTINUED

2.10 Property, plant and equipment

Property, plant and equipment is carried at historical cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the various classes of assets and commences when the asset is ready for use. Land and construction-in-progress are not depreciated.

The following depreciation rates are applied for the Group:

Buildings:	20 – 50 years
Machinery and other equipment:	4 – 25 years

Major improvements are capitalised when they are expected to provide future economic benefit. When significant components of property, plant and equipment are required to be replaced at regular intervals, the Group derecognises the replaced part and recognises the new part with its own associated useful life and depreciation. Repairs and maintenance costs are charged to the consolidated statement of comprehensive income as incurred.

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of property, plant and equipment is included in the consolidated statements of comprehensive income when the item is derecognised.

Each asset's estimated useful life, residual value and method of depreciation are reviewed and adjusted, if appropriate, at each year-end.

2.11 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the acquirer's interest in fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

For goodwill recognised in the consolidated statements of financial position, impairment reviews are undertaken annually, once goodwill has been allocated to CGUs, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU to which goodwill is allocated is compared to the recoverable amount. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Shell Licence Agreements ('Licences')

The Licences acquired grant the Company the exclusive right to distribute and market Shell-branded products in the relevant countries. The Licences are recognised at their fair value at the acquisition date and are carried forward at cost less accumulated amortisation calculated using the straight-line method over the expected useful life of 15 years. The Licences expire in December 2031.

Computer software

Computer software comprises software purchased from third parties as well as the cost of internally developed software. Computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Costs that are directly associated with the production of identifiable and unique software products that are controlled by the Group, and where it is probable of producing future economic benefits, are recognised as intangible assets. Direct costs of software development include employee costs and directly attributable overheads. Costs associated with maintaining software programs are recognised as an expense when they are incurred. Amortisation is charged on a straight-line basis over their estimated useful lives of three to ten years. As at 31 December 2023, internally developed software relating to the ERP system has a remaining useful life of six years.

Other intangible assets

Other intangible assets include Butagaz brand, LPG retail distributor relationships and Commercial LPG customer relationships recognised at their fair value allocated at acquisition date are subsequently measured at carrying amount less accumulated amortisation calculated using the straight-line method over the expected useful life of 10 to 15 years. The VEOHL business acquisition in 2019 attributed additional intangible assets recognised through application of IFRS 3 'Business Combinations'. These intangible assets relate to customer relationships and the use of the Engen brand with useful lives of between 10 to 15 years.

2.12 Impairment of non-financial assets

At least annually, the Group reviews the carrying amount of tangible and intangible assets with finite lives to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing its value in use or fair value less cost of disposal, the estimated future cash flows attributable to the asset are discounted to their present value using a pre-tax or post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

A corresponding impairment loss is recognised in the consolidated statements of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the original carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Any impairment reversal is recognised in the consolidated statements of comprehensive income.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct purchase costs (including transportation), cost of production, manufacturing and taxes, and is determined using the weighted average cost method.

2.14 Other government benefits receivable

Other assets include other government benefits receivable that reflect subsidies received from national governments for fuel sold as part of the Group's ordinary course of business.

The following types of compensation are applicable to the Group:

- Amounts due from/to the government for oil purchased at higher/ lower prices than the price set by the local authority. Where the oil purchasing price paid by the Group is higher than the price set by the local authorities, a receivable due from the government is recognised by the Group to compensate for the higher price paid. Similarly, if the purchasing price of oil is lower than the set price, a liability towards the government is recognised. If collections/ payments are expected in one year or less, the receivable/liability are classified as current assets/ current liabilities. If not, they are presented as non-current assets/non-current liabilities. As at 31 December 2023, this relates to Vivo Energy Botswana, Côte d'Ivoire, Gabon, Guinea, Kenya, Madagascar, Morocco, Mozambique, Namibia and Senegal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES CONTINUED

2.14 Other government benefits receivable (continued)

– Amounts due from/to the government for transport costs incurred to encourage marketers to distribute products to remote areas of the country. The government has introduced a pricing mechanism whereby if the Group only delivers to local areas, then a liability requiring payment to the government will be recognised. If the Group delivers to remote areas, then a receivable owing from the government will be due. If collections/payments are expected in one year or less, the receivable/liability are classified as current assets/current liabilities. If not, they are presented as non-current assets/non-current liabilities. As at 31 December 2023, this relates to Vivo Energy Botswana, Gabon, Guinea and Morocco.

The origination of these receivables arises from legal rights based on government schemes of taxation and subsidies and not from any contractual agreements. As such, they are not considered as financial instruments within the scope of IFRS 9 'Financial Instruments' and are accounted for under IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Other government benefits receivable are recognised initially at fair value, which represents the difference between the market value if sold at arm's length and the price set by the government. The subsidy is accrued to match the associated cost to which the compensation has been granted. Initial recognition and any subsequent adjustments are recognised within cost of sales in the consolidated statement of comprehensive income.

If a receivable is recognised as owing from the government and there is risk over the recoverability of that asset, then a provision for impairment will be recognised.

Where the Group enters into factoring arrangements it transfers and derecognises other government receivables if either:

– The Group has transferred substantially all the risks and rewards of ownership of the asset; or
– The Group has neither transferred nor retained substantially all the risks and rewards of ownership of the asset and no longer retains control of the asset.

Under the continuing involvement approach, the Group continues to recognise part of the asset. The amount of the asset that continues to be recognised is the maximum amount of the Group's exposure to that particular asset or its previous carrying amount, if lower.

2.15 Financial instruments

Financial instruments consist of:

– Financial assets, which include cash and cash equivalents, trade receivables, lease receivables, employee and other advances, equity investments and derivative financial instruments and eligible current and non-current assets; and
– Financial liabilities, which include long-term and short-term loans and borrowings, bank overdrafts, trade payables, lease liabilities, derivative financial instruments and eligible current and non-current liabilities.

Financial instruments are recognised initially at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Financial instruments are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Trade receivables are initially recognised when they are originated. Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Group has not retained control over the financial asset. Financial liabilities are derecognised when its contractual obligations are discharged, cancelled or expired, and when its terms are modified and the cash flows are substantially different. Subsequent to initial recognition, financial instruments are measured as described below.

Financial instruments measured at amortised cost
Except for debt instruments that are designated at fair value through profit or loss (FVTPL) on initial recognition, financial instruments that meet the following criteria are measured at amortised cost using the effective interest method:

– They are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
– The contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

The amortised cost is reduced by impairment losses. Finance income or expense, foreign exchange gains and losses and impairments are recognised in profit and loss. The following financial assets and liabilities are classified as measured at amortised cost:

Cash and cash equivalents
Cash and cash equivalents, on the statement of financial position and for the purpose of the cash flow statement, includes cash on hand, in banks, placements held at call with banks and other short-term highly-liquid investments with maturities of three months or less. Where the Group does not have the right to offset, bank overdrafts are shown as borrowings in current liabilities on the consolidated statement of financial position.

Trade receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. The Group may obtain security for certain trade receivables in the form of cash deposit, bank guarantees, credit insurance and assets securities, which can be called upon if the counterparty is in default under the terms of the agreement.

Government bonds
Government bonds are initially recognised at fair value less transaction costs and are subsequently measured at amortised cost. Interest income on government bonds is calculated using the effective interest rate method and is recognised in profit or loss.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

If not, they are presented as non-current liabilities. Where trade finance facilities are used to extend payment terms, these facilities are presented as short-term borrowings in the consolidated statement of financial position.

Trade payables are measured at amortised cost and the fair value approximates the carrying amount.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES CONTINUED

2.15 Financial instruments (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income, over the period of the borrowings, using the effective interest method.

Other assets and other liabilities

Other assets such as employee loans, brand promotion fund receivables, customer deposits and other liabilities are measured at amortised cost using the effective interest rate method.

Equity investments at fair value through other comprehensive income (FVTOCI)

For equity investments not held for trading, the Group elected to present subsequent changes in the investment's fair value in other comprehensive income. The Group subsequently measures these assets at fair value with fair value gains and losses recognised in other comprehensive income and never reclassified to profit or loss. Dividends are recognised in profit or loss as other income when the Group's right to receive payment is established.

Financial instruments measured at fair value through profit or loss (FVTPL)

Instruments that are not measured at amortised cost or FVTOCI are measured at FVTPL. These instruments are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The gain or loss on disposal is recognised in profit or loss. Financial instruments at FVTPL include derivative financial instruments.

Derivative financial instruments

The Group is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency.

The Group limits the effect of foreign exchange availability and rate fluctuations by following the established risk management policies including the use of derivatives. The Group enters into derivative contracts where the counterparty is primarily a bank.

Derivative financial instruments are initially recognised and subsequently measured at fair value. Attributable transaction costs are recognised in profit or loss as a cost.

Changes in fair value of foreign currency derivative instruments neither designated as cash flow hedges nor hedges of net investment in foreign operations are recognised in profit or loss and reported within foreign exchange gains, net within results from operating activities.

Changes in fair value and gains or losses on the settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedges, are recorded in finance expense. Changes in fair value and gains or losses on the settlement of foreign currency derivative financial instruments relating to operational transactions, which have not been designated as hedges, are recorded in other income.

Net investment hedges

When a derivative is designated as the hedging instrument in a hedge of a net investment in a foreign operation, any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in OCI and presented in currency translation reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

2.16 Impairment of financial assets

The Group applies the expected credit loss (ECL) model for recognising impairment losses on financial assets measured at amortised cost. The ECL is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using the effective interest rate.

Loss allowance for financial assets other than trade receivables are measured at the amount equal to 12 months' ECL, as they are considered low risk, unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL. Since the contractual terms for most of the Group's financial assets are typically less than 12 months, there is no significant difference between the measurement of 12 months' and lifetime ECL.

For trade receivables, a simplified impairment approach is applied and the ECL is measured at the amount equal to lifetime ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset. Lifetime ECL for trade receivables is computed by taking into account historical credit loss experience adjusted for forward-looking information. Experienced credit judgement is applied to ensure that the weighted probabilities of default are reflective of the credit risk associated with the Group's exposure.

The measurement of the ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss after recovery if there is a default) and the exposure at default (i.e. the asset's carrying amount). The ECL is based on the historical impairment data, of trade receivables, grouped into various age categories and geographical location. The impact of forward-looking macroeconomic factors on the expected credit losses are taken into account in the impairment data used for the ECL model. The Group considers there to be a high magnitude of exposure on default of debt, when the counterparty fails to engage in an acceptable repayment plan or fails to make contractual payments, for a period greater than 180 days past due.

The majority of the Group's ECL provision is made up of trade receivables over 180 days. There is no impairment consideration for overdue amounts that are secured with highly liquid collateral. Security held on trade receivables does not have a significant impact on the risk of trade receivables.

Financial assets, including loans to joint ventures, are considered to be impaired when there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows have occurred. This includes but is not limited to: observable data at the reporting date that confirms potential future impairment such as severe financial difficulty of a counterparty; probability that a counterparty will enter bankruptcy; a contract breach; disappearance of an active market for a counterparty's products; concession being granted to a counterparty for economic or contractual reasons due to a financial difficulty that would not otherwise be considered; and other financial reorganisation of a counterparty's business. At the reporting date, any significant change in credit risk arising from these factors results in an adjustment of default probabilities. Where the Group has no reasonable expectation of recovering the debt, for example where all legal avenues for collection of amounts due have been exhausted, the debt (or relevant portion) is written off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES CONTINUED

2.17 Share capital
Ordinary and deferred shares are classified as equity.

2.18 Non-controlling interest
Non-controlling interests in the Group's equity are stated at the non-controlling interest's proportionate share of the net assets and liabilities of the companies concerned.

2.19 Dividend distribution
Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. The Company recognises the interim dividend in the period in which it is paid.

2.20 Share-based payments
The Group issues cash-settled share-based payments to employees through share option plans. Prior to delisting, the Group also issued equity-settled share-based payments via shares and share option plans.

Equity-settled share-based payments
Equity-settled share-based payments arising from the Long-Term Incentive Plan (LTIP) and the Restricted Share Award Plan are measured at fair value (excluding the effect of non-market vesting conditions) at grant date. The fair value determined at grant date is recognised over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market vesting conditions. A corresponding increase in other reserves is also recognised in equity.

Cash-settled share-based payments
Cash-settled share-based payments arising from the Vivo Energy Management Equity Plan are recognised as an expense over the vesting period, measured by reference to the fair value of the corresponding liability which is recognised in the consolidated statements of financial position. The liability is measured at fair value at each reporting date until settlement, with changes in fair value recognised in the consolidated statement of comprehensive income.

2.21 Leases
Leases are included in right-of-use (ROU) assets and lease liabilities on the Group's consolidated statement of financial position.

ROU assets and lease liabilities are recognised based on the present value of the future minimum lease payments over the lease term at commencement date. As most of the leases do not provide an implicit rate, the Group uses the incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The ROU assets also include any lease payments made at or before the commencement date, any initial direct costs incurred and less any lease incentives. The ROU assets acquired under IFRS 16 'Leases' are depreciated on a straight-line basis over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The measurement of the lease liability may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. After the initial measurement at commencement, the carrying amount of the lease liability is increased by interest on the lease liability, reduced by lease payments made and re-measured to reflect any reassessment or lease modifications. Interest on the lease liability is computed based on the initial discount rate used to compute the lease liability at commencement (or if applicable a revised discount rate used in a modification or re-measurement) to produce a constant period rate of interest on the remaining balance of the lease liability.

Lease agreements including a lease and non-lease component are generally accounted for separately. For certain instances where it is impractical to separate the lease from the non-lease component, the Group will account for them as a single lease component. Additionally, the Group applies a portfolio approach to effectively account for the ROU assets and liabilities.

2.22 Provisions
Provisions are liabilities of uncertain timing or amounts. Provisions are recognised when the Group has a present, legal or constructive obligation as a result of past events, that will result in a probable outflow of economic resources, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of expenditure 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 increase in the provision due to passage of time is recognised as finance expense.

Compulsory stock provision
The oil market regulator in Morocco introduced an industry mechanism to enable oil market operators to maintain the necessary compulsory stock volume requirement. The compulsory stock provision relates to amounts due to the oil market regulator in Morocco for cash received to fund the compulsory stock obligation (CSO). The cash received up to 1997 was based on the CSO levels and the government regulated oil price at that time. The amount received has been agreed with the government and is classified as a non-current liability in 'Other liabilities' in the consolidated statement of financial position.

The fuel market in Morocco has been deregulated since 1 December 2015 and the LPG market continues to be regulated. Due to the uncertainty on the value at which the CSO will be settled, a provision for the fluctuations in the purchase price of products has been recognised. The provision relates to the difference between the cash received up to 1997, to purchase stocks for the CSO, and the oil price at the end of November 2015 and the LPG price to date. As at 31 December 2023, the Moroccan government has not indicated a repayment date for the compulsory stock obligation.

Legal and other provisions
Legal and other provisions include provisions for environmental restoration, restructuring costs and legal claims. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

2.23 Post-employment obligations
The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

Pension obligations
A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES CONTINUED

2.23 Post-employment obligations (continued)

Full actuarial valuation was performed for all the defined benefit plans. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Current and past service costs are recognised immediately in profit or loss. Net finance expense/income will be calculated as the product of the net defined liability/asset and the discount rate as determined at the beginning of the year and is included in net finance expense in the statement of comprehensive income.

Defined benefit scheme characteristics and funding

The Group operates multiple post-employment defined benefit schemes for its employees in half of its operating countries. The multiple pension schemes provide the employees with a pension or lump sum retirement benefit where the exact pension payments on retirement differ per scheme. For some operating companies (mainly Ghana and Namibia) there is an additional post-employment health scheme.

The Group's funded plans relate to the pension schemes in Mauritius and Gabon. The funded plans are legally separate from the Group and administered by a separate fund and comply with local regulatory and legal requirements.

The schemes are exposed to a number of risks, including:

- Investment risk: movement of discount rate used (high-quality corporate bonds) against the return from plan assets. If plan assets underperform against the yield then this will create a deficit;
- Interest rate risk: decreases/increases in the discount rate used (high-quality corporate bonds) will increase/decrease the defined benefit obligation;
- Longevity risk: changes in the estimation of mortality rates of current and former employees; and
- Salary risk: increases in future salaries increase the gross defined benefit obligation.

The Group acknowledges that the recognition of a pension scheme surplus depends on the interpretation of the wording of the pension scheme rules and the relevant accounting standard.

The Group has adopted the provisions of IFRIC 14 when assessing a pension scheme in surplus. A restriction has been applied to the balance sheet, and the net surplus recognised on the balance sheet has been restricted to nil.

Other post-employment obligations

Some Group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 'Provisions' and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.24 Current and deferred income tax

The income tax expense for the period comprises current and deferred tax. Income tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the income tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. The Group periodically evaluates positions taken or intended to be taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation. It accounts for uncertain tax positions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilised. The criteria considered when recognising deferred income tax assets includes:

- The existence of taxable temporary differences that relate to the same taxation authority and same taxable entity; and
- The expected future taxable profits and tax planning opportunities. In case of a history of recent losses, it has been considered whether other convincing evidence is available to support the recognition of the deferred income tax assets.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Management has set up a policy to require Group companies to manage their foreign exchange risk. Group Treasury is required to approve all hedging plans before execution. The Group has a number of natural hedges in place, where the timing of foreign currency payments is matched with the receipts in a similar currency. Forward contracts are used to manage the foreign exchange risk arising from future obligations.

Foreign currency exposure on the consolidated net monetary position is $454m (2022: $345m). Other monetary balances in other currencies are not material. If the non-US dollar held currency had weakened/strengthened by 10% against the US dollar with all other variables held constant, pre-tax profit for the year would have been $45m (2022: $35m) higher/lower, mainly as a result of foreign exchange gains/losses on translation of non-US dollar denominated receivables and payables.

Price risk

The Group generally seeks to manage its exposure to commodity price risk through careful inventory management and as at 31 December 2023, the Group was not significantly exposed to commodity price risk. In regulated markets, the Group has no price exposure as long as the sale of the inventory is matching the timing of the price structure updates, however, in unregulated markets, such as Marine and Aviation, the Group may be exposed to price changes in the short term if inventory is not carefully managed.

In Botswana, Côte d'Ivoire, Gabon, Guinea, Kenya, Madagascar, Morocco (for butane only), Mozambique and Senegal, the Group is financially compensated by the local government for the effect of these price restrictions. For some countries the transport costs are subsidised. For further information see note 16.

The Group does not hold equity securities for trading and is, therefore, not exposed to equity price risk.

Cash flow interest rate risk and fair value interest rate risk

The Group's interest rate risk arises from borrowings. It is Group policy to have short-term loan facilities at floating rate and medium- to long-term facilities at floating or fixed rate. Additionally, the Group has short-term overdraft facilities which carry a fixed interest rate exposing the Group to fair value interest rate risk. However, given that the rate is fixed for a short period of time, and that these facilities' terms are subject to renegotiation, should the interest rate move, the exposure is minimal. Long-term borrowings mainly consist of notes at a fixed interest rate which exposes the Group to fair value interest rate risk, and a Term loan at a floating interest rate which exposes the Group to cash flow interest rate risk (refer to note 22).

Credit risk

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered

Credit risk arises from cash and cash equivalents, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. At reporting date, the Group noted no significant concentrations of credit risk to individual customers or counterparties. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables.

All external customers must have their identity checked and creditworthiness assessed and approved prior to the signing of a binding agreement or contract. Creditworthiness is assessed for all customers based on commercial data, but also considers financial data when a credit limit exceeds $30,000 for Retail and $200,000 for Commercial. The utilisation of credit limits is regularly monitored and checks performed on outstanding debt at regular intervals. Where the environment allows, security (bank guarantees) will be taken to secure the Group's exposure. For banks and financial institutions, management of the operating entity are responsible for making the short-term placements with the banks after approval from Group Treasury.

The investment policy is based in order of importance on security, liquidity and yield. Management will assess the counterparty risks of the third party based on financial strength, quality of management, ownership structure, regulatory environment and overall diversification. Group Treasury is required to approve all investment decisions to ensure they are made in line with the Group's credit policies. The Group has provided secured loans to individual employees (note 16).

In Morocco, customer receivables to the amount of $16m (2022: $18m) were assigned to a factoring subsidiary of a commercial bank; the assigned amount was received in cash and the corresponding receivable was derecognised. For the late payment risk, the Group capped the exposure to six months' maximum of interest. This resulted in a continuous involvement accounting treatment where a substantial portion of the risk has been transferred. A continuous involvement liability of $0.4m (2022: $0.3m) was recognised. In addition, other government benefits receivable to the amount of $83m (2022: $144m) were assigned to a local commercial bank, the assigned amount was received in cash and the corresponding receivable was derecognised. For the late payment risk, the Group capped the exposure to 6.5 months' maximum of interest. A continuous involvement liability of $1.5m (2022: $1.2m) was recognised. The Group considers that the held-to-collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost. The Group has arrived at this conclusion because the factoring of the Group's B2B receivables before maturing is done on an infrequent basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. FINANCIAL RISK MANAGEMENT CONTINUED

3.1 Financial risk factors (continued)

The Group's cash and cash equivalent balances are primarily held at banks with strong credit ratings where the exposure to credit risk is considered to be limited. The extent to which the Group's cash and cash equivalent balances are held at banks where there is considered to be an exposure to credit risk is set out below:

	31 December 2023		31 December 2022	
	Credit rating	**US$ million**	**Credit rating**	**US$ million**
Banks				
Bank 1	B	53	Ba1	33
Bank 2	A+	40	A+	28
Bank 3	A+	40	B	28

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the cyclical nature of the underlying businesses, the Directors aim to maintain flexibility in funding by keeping committed and uncommitted credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by Group policies. Where short-term liquidity is needed, the operating entities organise short-term facilities to cover the deficit which have to be authorised by Group Treasury.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

						31 December 2023
US$ million	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Borrowings	586	21	584	388	–	**1,579**
Trade payables	1,768	156	–	–	–	**1,924**
Lease liabilities	12	18	37	48	150	**265**
Other financial liabilities	16	–	–	–	–	**16**
Other liabilities[1]	51	31	9	2	157	**250**
Total	**2,433**	**226**	**630**	**438**	**307**	**4,034**

1 Other liabilities (note 25) exclude the elements that do not qualify as financial instruments.

						31 December 2022
US$ million	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Borrowings	527	111	635	407	–	**1,680**
Trade payables	1,603	84	–	–	–	**1,687**
Lease liabilities	7	33	37	76	122	**275**
Other financial liabilities	10	1	–	–	–	**11**
Other liabilities[1]	31	27	18	2	146	**224**
Total	**2,178**	**256**	**690**	**485**	**268**	**3,877**

1 Other liabilities (note 25) exclude the elements that do not qualify as financial instruments.

Net investment hedge

On 24 September 2020, the Group issued $350m notes (refer to note 22). The Group entered into a three-year fixed-fixed cross-currency swap to exchange $150m US dollar denominated bonds to Euro (EUR). This swap matured in September 2023 and was replaced by a new fixed-fixed cross-currency swap. The new fixed-fixed cross-currency swap has a maturity of four years and is designated as the hedging instrument of the net investment hedge described below.

Foreign currency exposure arises from the Group's net investment in its several subsidiaries that have the Cape Verde Escudo (CVE) and the CFA Franc BCEAO (XOF) as functional currencies that are 100% pegged to the EUR. Therefore, the risk arises from fluctuation in spot exchange rates between these currencies (or the EUR) and the US dollar, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a variation in the CVE and the XOF currencies (or the EUR) against the US dollar which will result in a variation in the carrying amount of the Group's net investment in these foreign operations. The Group has hedged its net investment in subsidiaries with EUR pegged functional currencies.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the hedging instrument that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the dollar offset method).

An economic relationship between the hedged item and hedging instrument exists given that their fair values move in the opposite direction of the same risk, which is the hedged risk. The impact of currency basis spreads and forward elements are excluded from the assessment of hedge effectiveness and are recognised in OCI as cost of hedging reserve. Hedge ineffectiveness would arise to the extent that the net assets of the foreign operations fell below the designated amount of the hedging instrument and due to any inefficiency in the currency markets.

3. FINANCIAL RISK MANAGEMENT CONTINUED

3.1 Financial risk factors (continued)

The amounts related to items designated as hedging instruments in the statement of financial position and the statement of comprehensive income were as follows:

31 December 2023

US$ million	Nominal amount	Carrying amount – Assets	Carrying amount – Liabilities	Line item in the statement of financial position where the hedging instrument is included
Cross-currency swap	150	–	7	Other financial liabilities

	Change in value used for calculating hedge	Change in value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Cross-currency swap	6	(8)	–	Not applicable

31 December 2022

US$ million	Nominal amount	Carrying amount – Assets	Carrying amount – Liabilities	Line item in the statement of financial position where the hedging instrument is included
Cross-currency swap	150	14	–	Other financial assets

	Change in value used for calculating hedge	Change in value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Cross-currency swap	9	8	–	Not applicable

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. FINANCIAL RISK MANAGEMENT CONTINUED

3.2 Capital management

The Group's capital management objective is to maintain a commercially sound consolidated statements of financial position with the aim of maximising the net cash return to the shareholders, while maintaining a level of capitalisation that is commercially defensible and which leads to an effective and optimised working capital structure.

Liquidity and capital resources are monitored through a review of the Group's net debt position, debt cover and available short-term capital resources. Net debt is calculated as total borrowings and lease liabilities (including current and non-current borrowings and lease liabilities as shown in the consolidated statements of financial position) less cash and cash equivalents. The debt cover is calculated as net debt, excluding Subordinated shareholder debt and lease liabilities, divided by adjusted EBITDA. For details related to key covenants refer to note 22.

US$ million	31 December 2023	31 December 2022
Long-term and Subordinated shareholder debt[1] (note 22)	907	1,016
Lease liabilities (note 26)	199	183
Total debt excluding short-term bank borrowings	**1,106**	**1,199**
Short-term bank borrowings (note 22)	569	513
Less: cash and cash equivalents (note 19)	(544)	(500)
Net debt	**1,131**	**1,212**

US$ million	31 December 2023	31 December 2022
Adjusted net debt (excl. lease liabilities and Subordinated shareholder debt[1])	769	1,029
Adjusted EBITDA[2] (note 6) (excl. IFRS 16 impact)	319	423
Debt cover[1]	**2.41x**	**2.43x**

1 Proceeds from the Subordinated shareholder debt relate to 2023. (2022: Includes the RCF.)
2 For the description and reconciliation of non-GAAP measures refer to pages 21 and 22.

US$ million	31 December 2023	31 December 2022
Cash and cash equivalents	544	500
Available undrawn credit facilities[1]	1,834	1,614
Available short-term capital resources	**2,378**	**2,114**

1 Of which $1,534m (2022: $1,407m) are uncommitted facilities.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions in order to ensure sound capital management.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 Accounting judgements

Government-related assets and liabilities

In respect to other government benefits receivable, the Group undertakes regular reconciliation and confirmation processes with relevant government agencies to agree the level of receivables. In the event confirmation is not received or reconciliation processes not completed at year-end, the Group exercises judgement in recognising the amount of receivables. In forming the judgement, management takes account of a number of factors including the terms of local industry regulations, the track record of receivables being agreed and settled, verbal assurances received from government officials and, where relevant, external legal advice. Judgement is also applied by management in determining the recovery period of other government benefits receivable which extend past 12 months and, therefore, the classification on the statement of financial position between current and non-current assets. Refer to note 16 for further details relating to the other government benefits receivable.

4.2 Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, are as follows:

Government-related assets and liabilities

The Group has various assets from and liabilities to governments and authorities with respect to government benefits receivable as well as for taxes and duties. The Group constantly assesses underlying inherent risks and assumptions and as a consequence related accounting estimates are determined and adjustments are made to the carrying amounts of those assets and liabilities, where necessary. A provision of $30m (2022: $11m) was recognised in relation to other government benefits receivable. The provision reflects both the impact of the recovery period where there is uncertainty on the timing of the settlement of the receivable and the quantification of the Group's recoverability risk assessment. The recoverability assessment takes into account the stability of the macroeconomic and political environment, credit risks including relevant policy changes and governments' track records in settling debts as well as the ageing of the outstanding amounts and government confirmations on outstanding balances. A sensitivity analysis was performed by management, in relation to the provision, by applying varying discount rates and recovery periods. This analysis indicates a $10m increase or decrease, respectively, of the provision if the expected recovery occurs one year later or earlier. Refer to note 16 for further details relating to the other government benefits receivable.

Tax positions

The Group operates across many tax jurisdictions and the interpretation and application of tax law can be complex and requires judgement to assess the risk and estimate the potential outcomes. These outcomes can vary significantly from what has been provided. The Group recognises many individually immaterial provisions with a cumulative amount totalling $16m related to income tax and $32m related to indirect and other tax matters recorded in other assets, other liabilities and provisions. These are recorded for the amount that is expected to be settled where this can be reasonably estimated. This reflects management's assessment of the expected value of such risks based on a multiple scenario outcome and likelihood. Factors considered include: the status of recent current tax audits and enquiries; the results of previous claims; the transfer pricing policies of the Group; and any changes to the relevant tax environments. Management consider no meaningful sensitivities can be calculated in relation to these provisions. The timing of the resolution of the risks is uncertain and may take many years, however, it is expected to be within the next five years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

5. SEGMENT REPORTING

The Group operates under three reportable segments: Retail, Commercial and Lubricants.

Retail segment – Retail fuel is aggregated with Non-fuel revenue. Both operating streams derive revenue from Retail customers who visit our Retail sites. Retail fuel and Non-fuel revenues are aggregated as the segments are managed as one unit and have similar customers. The economic indicators that have been addressed in determining that the aggregated segments have similar economic characteristics are that they have similar expected future financial performance and similar operating and competitive risks.

Commercial segment – Commercial fuel, LPG, Aviation and Marine are aggregated in the Commercial segment as the operating segments derive revenues from Commercial customers. The segments have similar economic characteristics. The economic indicators that have been addressed are the long-term growth and average long-term gross margin percentage.

Lubricants segment – Retail, B2C, B2B and Export Lubricants are the remaining operating segments. Since these operating segments meet the majority of aggregation criteria, they are aggregated in the Lubricants segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The Directors monitor the operating results of operating units separately for the purpose of making decisions about resource allocation, segment performance assessment and interacting with segment managers.

The following tables present revenues and profit information regarding the Group's operating segments:

				2023
US$ million	**Retail**	**Commercial**	**Lubricants**	**Consolidated**
Revenue from external customers	6,907	3,603	500	**11,010**
Gross profit	392	188	82	**662**
Add back: depreciation and amortisation	56	29	5	**90**
Gross cash profit	448	217	87	**752**
Adjusted EBITDA[1]	197	111	63	**371**

1 Refer to note 6 for the reconciliation to EBIT.

				2022
US$ million	**Retail**	**Commercial**	**Lubricants**	**Consolidated**
Revenue from external customers	7,057	3,434	478	**10,969**
Gross profit	435	210	87	**732**
Add back: depreciation and amortisation	54	27	4	**85**
Gross cash profit	489	237	91	**817**
Adjusted EBITDA[1]	249	151	70	**470**

1 Refer to note 6 for the reconciliation to EBIT.

US$ million	**2023**	**2022**
Share of profit of joint ventures and associates included in segment EBITDA		
Lubricants	12	11
Retail	7	11
Commercial	7	5
Total	**26**	**27**

The amount of revenues from external customers by location of the customers is shown in the table below.

US$ million	**2023**	**2022**
Revenue from external customers by material country		
Morocco	1,809	1,837
Kenya	1,557	1,790
Senegal	995	881
Other	6,649	6,461
Total	**11,010**	**10,969**

US$ million	**31 December 2023**	**31 December 2022**
Non-current assets by material country (excluding deferred tax)		
Kenya	324	137
Morocco	293	250
The Netherlands	230	230
Other	1,201	1,148
Total	**2,048**	**1,765**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

6. RECONCILIATION OF NON-GAAP MEASURES

Non-GAAP measures are not defined by International Financial Reporting Standards (IFRS) and, therefore, may not be directly comparable with other companies' non-GAAP measures, including those in the Group's industry. Non-GAAP measures should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements. The exclusion of certain items (special items) from non-GAAP performance measures does not imply that these items are necessarily non-recurring. From time to time, we may exclude additional items if we believe doing so would result in a more transparent and comparable disclosure.

The Directors believe that reporting non-GAAP financial measures in addition to IFRS measures, as well as the exclusion of special items, provides users with enhanced understanding of results and related trends and increases the transparency and clarity of the core results of operations. Non-GAAP measures are used by the Directors and management for performance analysis, planning, reporting and are used in determining senior management remuneration.

US$ million	2023	2022
EBT	**31**	**208**
Finance expense – net	131	87
EBIT	**162**	**295**
Depreciation, amortisation and impairment	141	132
EBITDA	**303**	**427**
Adjustments to EBITDA related to special items:		
Settlement[1]	40	–
Vitol Offer related expenses and other acquisitions[2]	12	35
Management Equity Plan[3]	10	–
Restructuring[4]	5	–
Community relief contribution[5]	1	–
Hyperinflation[6]	–	1
Impairment of other government benefits receivable[7]	–	7
Adjusted EBITDA	**371**	**470**

US$ million	2023	2022
Net (loss)/income	**(35)**	**105**
Adjustments to net income related to special items:		
Settlement[1]	40	–
Vitol Offer related expenses and other acquisitions[2]	12	43
Management Equity Plan[3]	10	–
Restructuring[4]	5	–
Community relief contribution[5]	1	–
Hyperinflation[6]	(7)	1
Impairment of other government benefits receivable[7]	–	7
Tax on special items	–	(2)
Adjusted net income	**26**	**154**

1 The expense related to a government settlement is treated as a special item, as it does not form part of the core operational business activities and performance for the period. Refer to note 28 of the consolidated financial statements for further information.
2 These expenses are related to the Vitol Offer transaction and other acquisitions and are treated as special items as they do not form part of the core operational business activities and performance for the period. Included in 2022 are expenses related to financing the Bridge loan.
3 During 2023, the Group introduced a cash-settled Management Equity Plan ('MEP') under which Vivo Energy Limited granted phantom options to Executive Directors. The Binomial Option Pricing Model is used to calculate the fair value of the options and the amount to be expensed. This expense is now treated as a special item as it is no longer considered to form part of the core operational business activities and performance for the period.
4 Restructuring costs were incurred mainly as a result of organisational alignment. The impact from these activities do not form part of the core operational business activities and performance for the period and are, therefore, treated as a special item.
5 The expense related to donations made to assist and provide relief to communities affected by the earthquake in Morocco and is treated as a special item as they do not form part of the core operational business activities and performance for the period.
6 The impacts of accounting for hyperinflation for Vivo Energy Zimbabwe and Ghana, in accordance with IAS 29, are treated as special items since they are not considered to represent the underlying operational performance of the Group and based on their significance in size and unusual nature are excluded as the local currency depreciation against the US dollar does not align to the published inflation rates during the period.
7 The Group has recognised an impairment of other government benefits receivable as a result of a retrospective price structure change by certain governments to finance their outstanding debt. Such retrospective changes of existing price structures are not representative of the core operational business activities and performance for the period and are, therefore, treated as special items.

7. GENERAL AND ADMINISTRATIVE COST

Employee benefits

US$ million	2023	2022
Wages, salaries and other employee benefits	179	179
Restructuring, severance and other involuntary termination costs	8	4
Retirement benefits	10	10
Share-based payment expense	10	3
	207	**196**

Included in the employee benefit expense for the year ended 31 December 2023 was social security expense of $1m (2022: $1m) and other pension costs relating to employees employed in the UK. Refer to note 3 in the Company financial statements.

Employee benefits have been charged in:

US$ million	2023	2022
General and administrative cost	118	110
Selling and marketing cost	52	49
Cost of sales	37	37
	207	**196**

The monthly average number of full-time equivalent employees was as follows:

	2023	2022
Sales and distribution	1,988	1,951
Administration and support	830	827
	2,818	**2,778**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Depreciation and amortisation

Depreciation of property, plant and equipment, right-of-use assets and amortisation of intangible assets have been charged in:

US$ million	2023	2022
Cost of sales	90	85
Selling and marketing cost	36	33
General and administrative cost	15	14
	141	**132**

Audit fees

US$'000	2023	2022
Parent company and consolidated financial statements	1,320	1,101
Subsidiaries	1,528	1,537
Audit fees	**2,848**	**2,638**
Audit-related fees[1]	–	424
Other assurance services[2]	75	332
Other fees total	**75**	**756**
Total fees	**2,923**	**3,394**

1 Audit-related fees relate to interim financial statements reviews.

2 Other assurance services relate mainly to comfort letter procedures in respect to note issuance and volume certificates to support brand royalty expenses.

8. FINANCE INCOME AND EXPENSE

US$ million	2023	2022
Finance expense		
Interest on bank and other borrowings and on lease liabilities[1]	(82)	(56)
Interest on long-term debt including amortisation of set-up fees	(67)	(28)
Accretion expense net defined benefit liability	(2)	(2)
Foreign exchange loss	(4)	(8)
Other	(1)	(4)
	(156)	**(98)**
Finance income		
Interest from cash and cash equivalents	11	11
Net impact of IAS 29[2]	8	–
Interest from government bonds	6	–
	25	**11**
Finance expense – net	**(131)**	**(87)**

1 Includes an amount of $18m (2022: $17m) finance expense for leases in respect to IFRS 16 'Leases'.

2 Represents the net non-monetary gain from the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Refer to note 2.6.

9. INCOME TAXES

Current income taxes

Analysis of income tax expense:

US$ million	2023	2022
Current tax		
Current income tax	(87)	(104)
Current income tax prior years	(1)	(2)
	(88)	**(106)**
Deferred tax		
Deferred income tax	21	1
Deferred income tax prior years	1	2
	22	**3**
Income tax expense	**(66)**	**(103)**

The reconciliation of income taxes, computed at the statutory tax rate, to income tax expense was as follows:

US$ million	2023	2022
EBT	31	208
Statutory tax rate[1]	25%	19%
Income tax expense at statutory tax rate	(8)	(40)
Increase/(decrease) resulting from:		
Impact of tax rates in foreign jurisdictions	1	(21)
Income not subject to tax	10	11
Expenses not tax deductible	(26)	(13)
Non-recognition of tax benefits in relation to current period tax losses or temporary differences	(24)	(7)
Withholding tax	(13)	(28)
Other[2]	(6)	(5)
Income tax expense	**(66)**	**(103)**
Effective tax rate	**212%**	**49%**

1 The increase of the corporation tax rate from 19% to 25% was substantively enacted for the UK companies on 24 May 2021 and is effective from 1 April 2023.

2 Amongst others, includes movements related to uncertain tax positions.

9. INCOME TAXES CONTINUED

Deferred income taxes

The significant components of the Company's recognised deferred income tax assets and liabilities were as follows:

	31 December 2023		31 December 2022	
US$ million	**Asset**	**Liability**	**Asset**	**Liability**
Property, plant and equipment	1	(37)	1	(38)
Intangible assets	–	(14)	–	(15)
Retirement benefits	9	(2)	9	(1)
Provisions	19	–	14	–
Withholding taxes	–	(11)	–	(21)
Tax losses carried forward[1]	14	–	7	–
Other	84	(70)	85	(66)
	127	**(134)**	**116**	**(141)**
Offsetting of balances	(56)	56	(55)	55
Total	**71**	**(78)**	**61**	**(86)**

1 The recognised deferred tax asset relates to $8m (2022: $2m) tax losses which is supported by expected future taxable profits.

The changes in the net deferred income tax assets and liabilities were as follows:

US$ million	2023	2022
Balance at the beginning of year, net	(25)	(29)
In profit	22	3
In other comprehensive income	(1)	–
Other	(2)	(4)
Foreign exchange differences	(1)	5
	(7)	**(25)**

Unrecognised deferred tax assets relate to carry forward losses of $149m (2022: $120m) and tax credit carry forwards of $35m (2022: $19m). Of the unrecognised carry forward losses, $6m will expire at the end of 2024, $14m at the end of 2025, $17m at the end of 2026, $9m at the end of 2027, and $103m at the end of 2028 or later.

The unrecognised taxable temporary differences associated with undistributed retained earnings of investments in subsidiaries, joint ventures and associates amounts to $28m (2022: $27m).

OECD Pillar Two Taxation

The Group is within the scope of the Organisation for Economic Co-operation and Development (OECD) Global Anti-Base Erosion (GloBE) model rules, also referred to as Pillar Two rules. Pillar Two legislation was enacted in the United Kingdom, the jurisdiction in which Vivo Energy Limited is incorporated, and will come into effect from 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. In accordance with IAS 12, the Group applies the exception to the recognition and disclosure about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the legislation, the Group is liable to pay a top-up tax for the variance between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. For the majority of jurisdictions, no top-up tax is expected under application of the Pillar Two safe harbour rules. The safe harbour rules are not expected to apply for the following jurisdictions, as based on a high-level assessment these have an effective tax rate lower than 15% for Pillar Two purposes:

	31 December 2023
Constituent entities	**Mauritius**
Average Pillar Two effective tax rate for the year	13.5%
Joint venture groups	
Shell and Vivo Lubricants	**United Arab Emirates**
Average Pillar Two effective tax rate for the year	6.8%

The Group is in the process of assessing its exposure to the Pillar Two legislation and expects a top-up tax for the above jurisdictions. However, due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted legislation cannot be reasonably estimated at this stage. Nonetheless, even for those entities with an effective tax rate above 15%, there may still be Pillar Two tax implications.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

10. BUSINESS COMBINATION

On 27 December 2023 Vivo Energy Investments B.V., a subsidiary of the Group, acquired 100% of the shares in Ceejay Gas Limited (the Somagaz group) for a consideration of $20m. The Somagaz group is a key player in the Liquefied Petroleum Gas (LPG) market in Mayotte and, through its subsidiaries Sigma SAS and SN Somagaz SAS, the company handles LPG supply, storage, bottling, and distribution to customers, including retail outlets and industrial clients. The acquisition of the Somagaz group added one new market to the Group's operations, bringing the total number of our markets to 24 markets across Africa and Indian Ocean. This acquisition signifies our commitment to growth and development of our LPG business. There were no business combination transactions in the prior year.

The total consideration of $20m was paid in cash. Acquisition-related costs of $0.3m are included in general and administrative expenses in profit or loss and in operating cash flows in the statement of cash flows and are treated as special items. Refer to pages 21 and 22 for more information.

In accordance with the requirements of IFRS 3 'Business Combinations', the measurement period of business acquisition is 12 months. The initial accounting for the Somagaz group business combination is incomplete, as additional information necessary to identify and measure assets and liabilities is being received. Accordingly, the amounts recognised in the financial statements are provisional as at 31 December 2023.

The following table summarises the preliminary values of identifiable assets acquired and liabilities assumed with the acquisition of the Somagaz group, as at the acquisition date:

US$ million	27 December 2023
Property, plant and equipment	5
Right-of-use assets	9
Deferred income taxes	2
Other assets	1
Inventories	1
Cash and cash equivalents	6
Lease liabilities	(9)
Trade payables	(2)
Other liabilities	(4)
Deferred tax liabilities	(2)
Net identifiable assets	**7**
Goodwill	13
Net assets acquired	**20**

US$ million	Goodwill
Opening balance 27 December 2023	**13**
Foreign exchange differences	–
Closing balance 31 December 2023	**13**

Goodwill can be attributed to future synergies to be derived through the acquisition and the business knowledge and technical skills of the acquired workforces. Future synergies are expected through increased market penetration and expansion as well as improved profitability from operating under the Vivo Energy business model.

Acquisition contribution to the business

During the period between the acquisition date of 27 December 2023 and the year end, 31 December 2023, no contribution to the statement of comprehensive income was recognised. Consolidated revenue and loss for the year ending 31 December 2023, based on preliminary values, would amount to $11,022 million and $34 million, respectively, had the acquisition concluded on 1 January 2023.

At acquisition, property, plant and equipment to the value of $5m were recognised at fair value. Right-of-use assets and lease liabilities to the value of $9m and $9m were determined based on the remaining lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

11. PROPERTY, PLANT AND EQUIPMENT

					2023
US$ million	Land	Buildings	Machinery and other equipment	Construction in progress	Total
Cost at 1 January 2023	**59**	**405**	**735**	**77**	**1,276**
Additions	1	13	34	170	**218**
Business acquisition[1]	–	–	5	–	**5**
Disposals	–	(3)	(10)	–	**(13)**
Transfers	7	30	87	(124)	**–**
Foreign exchange differences[2]	(2)	(13)	(25)	(3)	**(43)**
Cost at 31 December 2023	**65**	**432**	**826**	**120**	**1,443**
Accumulated depreciation at 1 January 2023	**–**	**(98)**	**(258)**	**–**	**(356)**
Depreciation	–	(23)	(66)	–	**(89)**
Disposals	–	2	9	–	**11**
Foreign exchange differences[1]	–	3	9	–	**12**
Accumulated depreciation at 31 December 2023	**–**	**(116)**	**(306)**	**–**	**(422)**
Net carrying value at 31 December 2023	**65**	**316**	**520**	**120**	**1,021**

1 Includes PP&E recognised on acquisition of the Somagaz group of $5m. Refer to note 10.

2 Foreign exchange differences include the impact from the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Refer to note 2.6.

					2022
US$ million	Land	Buildings	Machinery and other equipment	Construction in progress	Total
Cost at 1 January 2022	**63**	**383**	**719**	**104**	**1,269**
Additions	3	29	30	95	**157**
Disposals	(3)	(4)	(25)	–	**(32)**
Transfers	1	34	78	(113)	**–**
Foreign exchange differences[1]	(5)	(37)	(67)	(9)	**(118)**
Cost at 31 December 2022	**59**	**405**	**735**	**77**	**1,276**
Accumulated depreciation at 1 January 2022	**–**	**(86)**	**(245)**	**–**	**(331)**
Depreciation	–	(24)	(60)	–	**(84)**
Disposals	–	4	24	–	**28**
Foreign exchange differences[1]	–	8	23	–	**31**
Accumulated depreciation at 31 December 2022	**–**	**(98)**	**(258)**	**–**	**(356)**
Net carrying value at 31 December 2022	**59**	**307**	**477**	**77**	**920**

1 Foreign exchange differences include the impact from the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Refer to note 2.6.

No assets have been pledged as security.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

12. INTANGIBLE ASSETS

					2023
US$ million	**Shell licence agreement**	**Goodwill**	**Computer software**	**Other**	**Total**
Cost at 1 January 2023	**134**	**74**	**106**	**53**	**367**
Additions	–	–	14	1	**15**
Business acquisition[1]	–	13	–	–	**13**
Foreign exchange differences[2]	–	(4)	–	–	**(4)**
Cost at 31 December 2023	**134**	**83**	**120**	**54**	**391**
Accumulated amortisation at 1 January 2023	**(96)**	**–**	**(48)**	**(35)**	**(179)**
Amortisation	(4)	–	(13)	(3)	**(20)**
Accumulated amortisation at 31 December 2023	**(100)**	**–**	**(61)**	**(38)**	**(199)**
Net carrying value at 31 December 2023	**34**	**83**	**59**	**16**	**192**

1 Relates to goodwill recognised on acquisition of the Somagaz group. Refer to note 10.

2 Foreign exchange differences include the impact from the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Refer to note 2.6.

					2022
US$ million	**Shell licence agreement**	**Goodwill**	**Computer software**	**Other**	**Total**
Cost at 1 January 2022	**137**	**81**	**99**	**56**	**373**
Additions	–	–	7	–	**7**
Foreign exchange differences[1]	(3)	(7)	–	(3)	**(13)**
Cost at 31 December 2022	**134**	**74**	**106**	**53**	**367**
Accumulated amortisation at 1 January 2022	**(92)**	**–**	**(37)**	**(32)**	**(161)**
Amortisation	(4)	–	(11)	(3)	**(18)**
Accumulated amortisation at 31 December 2022	**(96)**	**–**	**(48)**	**(35)**	**(179)**
Net carrying value at 31 December 2022	**38**	**74**	**58**	**18**	**188**

1 Foreign exchange differences include the impact from the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Refer to note 2.6.

12. INTANGIBLE ASSETS CONTINUED

Impairment test for goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the CGUs was determined based on a fair value less cost of disposal calculation which requires the use of assumptions. The calculations use cash flow projections based on an approved business plan covering a four-year period. Cash flows beyond the four-year period are extrapolated using the estimated long-term growth rate as shown below. The terminal value was calculated using the Gordon Growth formula.

Goodwill is monitored at the operating segment level on a non-aggregated basis. The Group has several non-aggregated operating segments, however, the goodwill is allocated to Retail fuel and Commercial fuel given that substantially all activities of the acquired businesses relate to these two operating segments. Both the goodwill acquired in the 2019 VEOHL acquisition and the goodwill acquired from previous acquisitions are allocated and considered for impairment testing together at the non-aggregated operating segments Retail fuel and Commercial fuel. For this purpose, a discounted cash flow analysis was used to compute the recoverable amount using the approved plan. This results in 81% of the carrying amount of goodwill being allocated to Retail fuel and 19% of the carrying amount being allocated to Commercial fuel.

The following table sets out the key assumptions for those CGUs that have a significant goodwill allocated to them:

	2023	
	Retail fuel	Commercial fuel
Volume compounded annual growth rate	4.8%	2.3%
Gross cash profit compounded annual growth rate	6.2%	7.4%
Post-tax discount rate	12.9%	12.9%
Long-term growth rate	2.6%	2.6%

The methodology applied to each of the key assumptions used is as follows:

Assumptions	Approach used to determine values
Volume compounded annual growth rate	Volume growth over the four-year forecast period, based on past performance and management expectations of market developments.
Gross cash profit compounded annual growth rate	Based on past performance and management expectations of the future over the four-year forecast period.
Post-tax discount rate	Based on specific risks relating to the industry and country. Factors considered for the industry include regulatory environment, market competition and barriers to entry.
Long-term growth rate	Based on the weighted average IMF GDP projections for the markets where Vivo Energy operates excluding hyper-inflationary economies.

The Group considers the post-tax discount rate to be the most sensitive assumption. With all other assumptions in the table above remaining unchanged, Goodwill in relation to the Retail fuel and Commercial fuel CGUs would only result in an indication of impairment if the post-tax discount rates increased to 16.5% and 21.8%, respectively. There are no reasonable changes that could occur to the key assumptions that would reduce the recoverable amount below the carrying amount.

13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The Group also has interests in a number of associates and joint ventures that are accounted for using the equity method. A comprehensive listing of the Group's joint ventures and associates can be found in note 14 of the Company financial statements.

US$ million	2023	2022
At 1 January	**237**	**233**
Acquisition of businesses	1	1
Share of profit	26	27
Dividend received	(29)	(17)
Foreign exchange differences	–	(7)
At 31 December	**235**	**237**

In December 2017, the Group acquired a 50% interest in Shell and Vivo Lubricants B.V. (SVL) that is considered a material investment to the Group. SVL is the principal supplier of manufacturing, sales and distribution for lubricants products in Africa. The investment is a joint venture investment and measured using the equity method. SVL is jointly owned by Vivo Energy Investments B.V. (50%) and Shell Overseas Investments B.V. (50%).

The table below provides summarised financial information for the carrying amount of the investment in SVL.

US$ million	2023	2022
At 1 January	**155**	**156**
Share of profit	12	11
Dividend received	(19)	(8)
Foreign exchange differences	(2)	(4)
At 31 December	**146**	**155**

Additional financial information related to SVL is disclosed in the table below.

US$ million	2023	2022
Current assets[1]	168	217
Non-current assets	51	61
Total assets	**219**	**278**
Current liabilities[2]	100	143
Non-current liabilities	8	8
Total liabilities	**108**	**151**
Revenues	372	367
Depreciation and amortisation	(9)	(9)
Net finance expense	(5)	(2)
Income tax	(7)	(10)
Profit after tax	26	21
Other comprehensive loss, net of tax	(4)	(9)

1 Includes cash and cash equivalents of $34m (2022: $20m).

2 Includes borrowings of $49m (2022: $65m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES CONTINUED

The carrying value of SVL includes a notional goodwill of $96m calculated as the difference between the cost of the investment and the investor's share of the fair values of the investee's identifiable assets and liabilities acquired. Since the notional goodwill is not shown as a separate asset, and there is no objective evidence of impairment, it is not required to be separately tested for impairment, nor does it trigger an annual impairment test.

There are no contingent liabilities relating to the Group's investments in joint ventures and associates.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group has classified equity investments as financial instruments at FVTOCI (without recycling). These investments are measured using inputs for the asset or liability that are in absence of observable market data, based on net asset value of the related investments (level 3 in the IFRS 13 'Fair Value Measurement' hierarchy) which management considers to best represent the fair value of the associated investment given its nature. The fair value of the financial asset approximates the carrying amount.

The value is based on the net asset value of the related investments and therefore no sensitivity analysis is presented.

US$ million	2023	2022
At 1 January	**13**	**12**
Fair value adjustment	1	1
Foreign exchange differences	1	–
At 31 December	**15**	**13**

Financial assets at fair value through other comprehensive income relate to the Group's investment in Société de Gestion des Stocks Pétroliers de Côte d'Ivoire S.A. (GESTOCI) in which it holds an interest of circa 17%. The Group does not have significant influence or joint control in the investee. The investment is not held for trading and not a contingent consideration recognised by an acquirer in a business combination, therefore, at initial recognition the Group has elected to account for the investment at fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are categorised as level 3 of the fair value hierarchy and are the only level 3 financial assets within the Group. There were no changes made during the year to valuation methods or the processes to determine classification and no transfers were made between the levels in the fair value hierarchy.

15. OTHER FINANCIAL ASSETS AND LIABILITIES

Other financial assets and liabilities are derivative instruments comprising forward foreign exchange contracts and cross-currency swaps. The fair values as at 31 December 2023 amounted to Nil (other financial assets) (2022: $14m) and $16m (other financial liabilities) (2022: $11m) respectively. In 2022, other financial liabilities include foreign exchange swaps in Vivo Energy Kenya Ltd (refer to note 3.1). The instruments are categorised as level 2 of the fair value hierarchy. There have been no transfers between any levels during the year.

The specific valuation techniques used to value financial instruments that are carried at fair value using level 2 techniques are:

- The fair value of cross-currency swaps is calculated as the present value of the estimated future cash flows based on current market data provided by third party banks; and
- The fair value of forward foreign exchange contracts is calculated by comparison with current forward prices of contracts for comparable remaining terms.

16. OTHER ASSETS

US$ million	31 December 2023	31 December 2022
Other government benefits receivable	267	402
Prepayments	126	122
Government bonds	83	–
VAT and duties receivable	82	90
Amounts due from dealers and joint ventures[1]	45	56
Deposits[1]	15	17
Employee loans[1]	6	7
Indemnification asset on legal and tax claims[1]	3	5
Other[1,2]	23	27
	650	**726**
Current	316	554
Non-current	334	172
	650	**726**

1 Financial assets are measured at amortised cost and the fair value approximates the carrying amount.

2 The amount mainly comprises other non-current receivables.

16. OTHER ASSETS CONTINUED

Other government benefits receivable

US$ million	Credit rating	31 December 2023	31 December 2022
Kenya	B	120	167
Senegal	B+	87	101
Morocco	BB+	19	21
Gabon	B-	18	20
Guinea	None available	10	10
Mozambique	CCC+	6	14
Madagascar	B-	2	52
Botswana	A3	–	10
Other		5	7
		267	**402**

The Group is exposed to credit risk in relation to other government benefits receivables. Management continuously assesses the recoverability of the receivables and engages with governments on the related recoverability methods. In the event a significant risk of default is identified, management shall proceed to quantify this risk through a discounting model. An extended period of recovery is not in itself representative of default and if all other factors, including the historical track record of recoveries, indicate that full recovery is probable then no provision is recorded. Based on management's review on the recoverability of these receivables it believes the credit risk in relation to these balances is relatively low, except for those balances for which a provision has been recognised. Other government benefits receivable are partially provided for and presented net of provisions for impairment of $30m (2022: $11m). Refer to note 4 for further details. A total of $416m (2022: $892m) of other government benefits were recognised in cost of sales for compensation of costs incurred during the year.

17. INVENTORIES

US$ million	31 December 2023	31 December 2022
Fuel	475	555
Lubricants	114	121
Other	13	11
	602	**687**

Cost of sales as disclosed on the face of the consolidated statements of comprehensive income include the total expense for inventory during the year for $9,943m (2022: $9,855m). The carrying value of inventory represents the lower of cost or net realisable value. Provisions for write-downs of inventories to the net realisable value amounted to $10m as per 31 December 2023 (2022: $7m). Other inventory consists mainly of energy saving certificates, fittings for LPG and lubricants and spare parts.

18. TRADE RECEIVABLES

Trade receivables are measured at amortised cost and were as follows, as at:

US$ million	31 December 2023	31 December 2022
Trade receivables	873	654
Less: loss allowance of trade receivables	(74)	(56)
Trade receivables – net	**799**	**598**

The fair values of trade receivables approximate their carrying value as they are deemed short term in their nature and recoverable within 12 months. Trade receivables include credit secured receivables of $187m (2022: $240m).

Movements in the loss allowance of trade receivables are as follows:

US$ million	2023	2022
At 1 January	**56**	**60**
Additions	23	7
Reversals	(5)	(4)
Utilisation	(1)	(1)
Foreign exchange differences	1	(6)
At 31 December	**74**	**56**

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are measured at amortised cost and the fair value approximates the carrying amount.

US$ million	31 December 2023	31 December 2022
Cash	532	422
Cash equivalents:		
Short-term placements	12	78
	544	**500**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

20. SHARE CAPITAL AND RESERVES

The Company has 1,266,941,899 authorised ordinary shares with a nominal value of $0.50 each and one deferred share with a nominal value of $100. At 31 December 2023, 1,266,941,899 ordinary shares have been issued and fully paid and entitle the holder to participate in dividends and one deferred share. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. Shareholders will, under general law, be entitled to participate in any surplus assets in a winding up of the Company in proportion to their shareholding.

The shareholder of the deferred share is not entitled to vote at any general meeting in person or by proxy. Furthermore, the holder of this share does not have the right to receive dividends. In the event of winding up of the Company, the deferred shareholder shall receive an amount equal to their subscription only after the holders of ordinary shares have been paid up.

At 31 December	2023		2022	
	Number of shares	US$ million	Number of shares	US$ million
Ordinary shares	1,266,941,899	633	1,266,941,899	633
Deferred shares	1	–	–	–

An amount of $48 million was received for the issue of one deferred share. Share premium is recognised as the difference between nominal value of $100 and amount paid.

Other reserves are disclosed in the consolidated statement of changes in equity.

21. DIVIDENDS

No dividends have been declared or recommended during the year.

During 2022, the total dividends paid of $698m relate to an $18.5m special dividend and a $628.5m further interim dividend, as well as the 2021 interim dividend of $51m. All dividends were paid from the distributable reserves in the year in which they relate to.

22. BORROWINGS

US$ million	Drawn on	31 December 2023	31 December 2022
Term loan[1]	09/06/2023	393	–
Notes[1]	24/09/2020	351	350
Subordinated shareholder debt	29/06/2023	163	–
Bridge loan[1]	13/10/2022	–	603
VEI BV revolving credit facility		–	63
Bank borrowings		569	513
		1,476	**1,529**
Current		573	584
Non-current		903	945
		1,476	**1,529**

1 The amounts are net of financing costs.

Current borrowings include bank borrowings which carry interest rates between 5% and 33.06% per annum, are short term in nature and the carrying amount approximates the fair value.

In October 2022, the Group received proceeds from an unsecured Bridge loan with an initial term of 12 months and two three-month extension options exercisable by the Company. The Bridge loan had a floating interest rate linked to the Secured Overnight Financing Rate. The Bridge loan has been totally repaid on 9 June 2023 with proceeds from the Term loan, the RCF and cash on hand.

The Term loan matures in five years and bears interest linked to the Secured Overnight Financing Rate which is repayable on a quarterly basis. The principal amount is repayable in six equal instalments, commencing after a two-year grace period. The carrying amount approximates the fair value.

In September 2020, the Group issued $350m notes with a coupon rate of 5.125% paid semi-annually and seven-year maturity. The notes are fully redeemed at maturity, with a repayment date of 24 September 2027. The fair value of the notes is approximately $328m based on quoted market prices at the end of the reporting period.

The Subordinated shareholder debt matures in 12 months, with an additional 12-month extension option, and bears an interest rate of three-month Secured Overnight Financing Rate adjusted for credit spread plus a margin of 0.75% p.a. Interest is payable on a quarterly basis and the principal amount can be prepaid on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

22. BORROWINGS CONTINUED

The RCF was renewed in June 2023, with an initial term of three years and two one-year extension options. The RCF is a floating rate facility and the carrying amount approximates the fair value and remains undrawn. The outstanding balance on the RCF was repaid on 29 June 2023 with proceeds of the Subordinated shareholder debt.

Besides the RCF, the Group has various unsecured short-term bank facilities extended to operating entities for working capital purposes. The undrawn, unsecured short-term bank facilities of $1,534m (2022: $1,407m) include a large number of uncommitted facilities held with a number of different banks. Most of these facilities are subject to an annual renewal process and carry interest rates between 5.00% and 33.06% per annum.

The tables below provide an analysis of cash and non-cash movements in borrowings for the period:

US$ million			2023
	Long-term debt	Bank borrowings	Total
1 January	**1,016**	**513**	**1,529**
Proceeds from long-term and Subordinated shareholder debt[1]	555	–	**555**
Repayment of long-term debt[2]	(664)	–	**(664)**
Proceeds/(repayment) of bank borrowings	–	117	**117**
Foreign exchange movements	1	(57)	**(56)**
Other[3]	(5)	–	**(5)**
31 December	**903**	**573**	**1,476**

1 Mainly represents proceeds from the Term loan and Subordinated shareholder debt.

2 Includes repayment of the Bridge loan and RCF.

3 Other includes financing costs and non-cash items.

US$ million			2022
	Long-term debt and RCF	Bank borrowings	Total
1 January	**349**	**280**	**629**
Proceeds from long-term debt[1]	595	–	**595**
Proceeds/(repayment) of bank and other borrowings[2]	59	258	**317**
Foreign exchange movements	4	(25)	**(21)**
Other[3]	9	–	**9**
31 December	**1,016**	**513**	**1,529**

1 Mainly represents the proceeds from the Bridge loan.

2 Other borrowings relate to the drawn RCF.

3 Other includes financing costs and non-cash items.

Key covenants:

The key covenants below relate to the VEI BV RCF and are substantially the same for the Term loan:

- Within 150 calendar days after the Group's year-end, its audited annual consolidated financial statements, unaudited annual non-consolidated financial statements and the unaudited annual Group financial statements of each operating unit must be provided to the lender. Within 90 days after each half of each financial year, the unaudited non-consolidated financial statements, unaudited consolidated financial statements and unaudited Group financial statements for each operating unit for the financial half-year must be provided to the lender.
- The Group's financial covenants were revised during the first half of the year to a minimum interest cover of 3.0x (2022: 4.0x) and a maximum debt cover of 3.5x (2022: 3.0x). These covenants are applicable for the relevant periods ending over the next two years, following which they shall revert to the levels stipulated in 2022. With each set of financial statements, a financial covenants compliance certificate has to be provided indicating the debt and interest cover. The debt cover excludes the Subordinated shareholder debt and lease liabilities, divided by the last 12 months' adjusted EBITDA. The interest cover indicates the Group's ability to service its debt-related interest with profits. These calculations take into account bank permitted exemptions stipulated within the contractual agreement. In addition, there are some customary negative pledges such as on asset sale, securities over assets, mergers and guarantees subject in each case to some exemptions and permitted baskets, and a maintenance of a bond listing covenant. It also has a change of control clause triggering repayment if an entity, other than permitted ones, takes control of the Company.

The below key covenants relate to the VEI BV notes:

- The financial covenants are a minimum fixed charged cover of 2.0x. The notes carry customary restrictive covenants such as on asset sale, securities over assets, mergers and guarantees subject in each case to some exemptions and permitted baskets. It also has a change of control clause giving each noteholder a put right if an entity, other than permitted ones, takes control of the Company.

No key covenants were breached in the last applicable period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

23. PROVISIONS

Provisions include the following:

US$ million	31 December 2023	31 December 2022
Provisions	73	76
Retirement benefit obligations (note 24)	25	28
	98	**104**
Current	15	15
Non-current	83	89
	98	**104**

					2023
US$ million	Uncertain tax positions	Compulsory stock obligation	Legal provisions	Other	Total
At 1 January	**24**	**22**	**12**	**18**	**76**
Additions	4	–	1	6	**11**
Utilisation	(2)	–	–	(2)	**(4)**
Releases	(4)	(5)	(1)	(2)	**(12)**
Foreign exchange differences	1	1	–	–	**2**
At 31 December	**23**	**18**	**12**	**20**	**73**
Current	–	–	12	3	**15**
Non-current	23	18	–	17	**58**
	23	**18**	**12**	**20**	**73**

Compulsory stock obligation provision

The oil market regulator in Morocco introduced an industry mechanism to enable oil market operators to maintain the necessary compulsory stock volume requirement. This resulted in the recognition of a provision, which is an amount payable to the Moroccan oil fund regulator in relation to the compulsory stock reserve requirement introduced in 1994. Refer to note 2.22 for further details.

Uncertain tax positions

This amount represents provisions for uncertain tax positions for non-income taxes, interest and penalties of $23m (2022: $24m). Refer to note 4.2 for further details regarding uncertain tax positions and note 16 for further details of the indemnification asset on tax claims.

Legal provision

This amount represents a provision of certain legal claims brought against the Group. The timing of any payout is uncertain as these claims are being disputed by the Group. The Group believes that the outcome of these claims will not give rise to a significant loss beyond the amounts provided against as at 31 December 2023.
Refer to note 16 for further details of the indemnification asset on legal claims.

Other

Other provisions include a number of costs to be paid out by the Group that have uncertainty in timing of cash values and total monetary value. Other provisions relate mainly to employee-related provisions of $10m (2022: $9m).

24. RETIREMENT BENEFITS

The Group operates defined benefit plans in multiple African countries, which include Cape Verde, Côte d'Ivoire, Gabon, Ghana, Guinea, Mauritius, Morocco, Namibia, Reunion, Rwanda, Senegal, South Africa and Tunisia. The plans operated in Cape Verde, Mauritius, Morocco, Senegal and Tunisia combined represent approximately 83% of the total liability for the Company. The valuations are carried out in line with the regulatory requirements in each country considering the requirements under IAS 19 'Employee Benefits'. The plans offered in these countries differ in nature and consist of medical plans, pension plans, retirement indemnities, jubilees and long service award plans. These plan benefits are linked to final salary and benefit payments are met as they fall due. These plans are unfunded with two exceptions to this being Gabon and Mauritius, which both operate a funded plan. The plan in Gabon has a funding level of approximately 71% and Mauritius approximately 99%. In Gabon, plan assets are held in the form of insurance contracts. For Mauritius, plan assets are held in vehicles with standard investment risk, following a balanced investment strategy, split between equities, government bonds and asset-backed securities. The plan in Mauritius has been closed to future accrual from 31 December 2014 onwards. However, the link to final salaries is being maintained for in-service employees.

US$ million	2023	2022
Current service cost	1	1
Accretion expense	2	2
	3	**3**

US$ million	2023	2022
Defined benefit plans	3	3
Defined contribution plans	9	9
Total retirement benefit costs	**12**	**12**

US$ million	31 December 2023	31 December 2022
Consolidated statements of financial position obligations for:		
Pension benefits	21	24
Other post-employment benefits	4	4
Total liability	**25**	**28**

The amounts recognised in the consolidated statements of financial position are determined as follows:

US$ million	31 December 2023	31 December 2022
Present value of funded obligations	(13)	(11)
Fair value of plan assets[1]	13	11
Funded status of funded benefit obligations	**–**	**–**
Present value of unfunded obligation	(21)	(24)
Unfunded status end of year (net liability)	**(21)**	**(24)**
Net defined benefit obligation	**(21)**	**(24)**

1 The plans in Mauritius had a net deficit of $0.1m (2022: surplus of $1m).

24. RETIREMENT BENEFITS CONTINUED

The movements in the defined benefit obligation for funded and unfunded post-employment defined benefits over the year are as follows:

			2023			2022
US$ million	**Pension benefits**	**Other**	**Total**	**Pension benefits**	**Other**	**Total**
At 1 January	**35**	**4**	**39**	**38**	**5**	**43**
Current service costs	1	–	**1**	1	–	**1**
Benefits paid	(2)	–	**(2)**	(2)	–	**(2)**
Interest costs	2	–	**2**	2	–	**2**
(Gains)/losses from change in financial assumptions	1	–	**1**	(1)	–	**(1)**
Actuarial (gains)/losses	(3)	–	**(3)**	–	–	**–**
Foreign exchange differences	–	–	**–**	(3)	(1)	**(4)**
At 31 December	**34**	**4**	**38**	**35**	**4**	**39**

The movements in the fair value of plan assets over the year are as follows:

		2023		2022
US$ million	**Pension benefits**	**Total**	**Pension benefits**	**Total**
At 1 January	**11**	**11**	**13**	**13**
Return on plan assets	1	**1**	(2)	**(2)**
Employer contributions	3	**3**	2	**2**
Benefits paid	(2)	**(2)**	(2)	**(2)**
Foreign exchange differences	–	**–**	–	**–**
At 31 December	**13**	**13**	**11**	**11**

The plan assets shown above are invested in equities $7m (2022: $6m), government bonds $3m (2022: $3m), corporate bonds $2m (2022: $2m), insurance contracts $0.3m (2022: $0.3m) and cash and cash equivalents $0.02m (2022: $0.05m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

24. RETIREMENT BENEFITS CONTINUED

The sensitivity of the defined benefit obligation to changes in weighted principal assumptions is:

	Assumptions used		Effect of using alternative assumptions	
	31 December 2023	31 December 2022	Range of assumptions	Increase/(decrease)
Rate of increase in pensionable remuneration	4.90%	5.07%	0.50% – (0.50%)	2.25% – (2.12%)
Rate of increase in pensions in payment	2.30%	2.17%	0.50% – (0.50%)	1.55% – (1.44%)
Rate of increase in healthcare costs	13.17%	20.43%	0.50% – (0.50%)	3.64% – (3.39%)
Discount rate for pension plans	5.48%	4.76%	0.50% – (0.50%)	(4.93%) – 5.40%
Discount rate for healthcare plans	25.11%	17.65%	0.50% – (0.50%)	(4.88%) – 5.35%
Expected age at death for persons aged 60:				
Men	79.75	79.59		
Women	83.62	83.62		

The principal actuarial assumptions were as follows:

2023	Tunisia	Senegal	Cape Verde	Mauritius	Morocco	Côte d'Ivoire	Guinea	Namibia	Ghana	Gabon	Reunion	Rwanda	South Africa
Discount rate	10.00%	9.50%	3.75%	4.75%	4.50%	6.00%	13.75%	15.19%	22.00%	5.25%	4.25%	14.25%	13.40%
Inflation rate	7.00%	2.00%	2.00%	3.20%	2.00%	n/a	n/a	9.35%	19.00%	2.50%	2.00%	6.75%	7.20%
Future salary increases	6.00%	3.00%	2.80%	3.20%	6.00%	3.00%	11.20%	n/a	n/a	3.50%	2.75%	8.00%	n/a
Future pension increases	n/a	n/a	1.00%	3.00%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

2022	Tunisia	Senegal	Cape Verde	Mauritius	Morocco	Côte d'Ivoire	Guinea	Namibia	Ghana	Gabon	Reunion	Rwanda	South Africa
Discount rate	9.75%	9.75%	3.25%	6.50%	2.75%	6.00%	15.50%	13.20%	34.50%	6.25%	3.75%	13.25%	12.70%
Inflation rate	7.00%	2.00%	2.00%	2.90%	2.00%	n/a	n/a	8.10%	10.00%	2.20%	2.00%	6.25%	6.10%
Future salary increases	7.00%	3.00%	3.50%	2.90%	6.00%	3.00%	11.20%	n/a	n/a	3.00%	2.85%	7.50%	n/a
Future pension increases	n/a	n/a	1.00%	3.00%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

The weighted average duration of the defined benefit obligation is 10.82 years.

Expected contributions to post-employment benefit plans for the year ending 31 December 2024 are $3m.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

25. OTHER LIABILITIES

US$ million	31 December 2023	31 December 2022
Other tax payable[1]	138	93
Oil fund liabilities[2] (note 2.22)	102	93
Deposits owed to customers[2]	89	78
Employee liabilities[2,3]	59	50
Energy certificates	12	5
Deferred income	9	10
Other[2]	11	8
	420	**337**
Current	253	187
Non-current	167	150
	420	**337**

1 Other tax payable mainly relates to VAT, withholding taxes, employee taxes and other government settlements.
2 Financial liabilities amounting to $251m (2022: $224m) are measured at amortised cost and its fair value approximates the carrying amount.
3 Employee liabilities mainly relate to employee bonuses.

26. LEASES

The Group has leases for motor vehicles, corporate offices, land, buildings and equipment. Leases have remaining lease terms of one year to 99 years, some of which may include options to extend the leases for at least five years and some of which may include options to terminate the leases within one year.

The consolidated statement of financial position shows the following amounts relating to leases:

US$ million	Land and buildings	Motor vehicles	Total
Right-of-use assets, 1 January 2022	**199**	**20**	**219**
Depreciation of right-of-use assets	(26)	(4)	**(30)**
Leases effective in 2022	44	2	**46**
Right-of-use assets, 31 December 2022	**217**	**18**	**235**
Depreciation of right-of-use assets	(28)	(4)	**(32)**
Leases effective in 2023	42	6	**48**
Right-of-use assets, 31 December 2023	**231**	**20**	**251**

Lease liabilities are measured at amortised cost and the fair value approximates the carrying amount.

US$ million	31 December 2023	31 December 2022
Current lease liabilities	32	27
Non-current lease liabilities	167	156
	199	**183**

The consolidated statement of comprehensive income shows the following amounts relating to leases:

US$ million	2023	2022
Interest expense (included in finance cost)	(18)	(17)
Depreciation of right-of-use assets	(32)	(30)
Expenses relating to short-term leases, low-value leases and variable leases not included in the lease liabilities	(7)	(7)

The consolidated statement of cash flows shows the following amounts relating to leases:

US$ million	2023	2022
Cash flows from financing activities		
Principal elements of lease payments	(35)	(33)
Interest paid	(13)	(13)
	(48)	**(46)**

Other information related to leases was as follows:

	2023	2022
Weighted average remaining lease term (years)	18	15
Weighted average discount rate	10%	10%

The Group recognised rental income of $28m (2022: $26m) as revenue in the statement of comprehensive income.

27. NET CHANGE IN OPERATING ASSETS AND LIABILITIES AND OTHER ADJUSTMENTS

US$ million	2023	2022
Trade payables	247	397
Trade receivables	(213)	(195)
Inventories	71	(184)
Other assets	30	(379)
Other liabilities	84	44
Provisions	(8)	(10)
Other[1]	148	98
	359	**(229)**

1 Of which $131m relates to net finance expense (2022: $87m).

28. COMMITMENTS AND CONTINGENCIES

Commitments

The Group has purchase obligations for capital and operational expenditure, under various agreements, made in the normal course of business. The purchase obligations are as follows, as at:

US$ million	31 December 2023	31 December 2022
Purchase obligations	18	13

Contingent liabilities and legal proceedings

The Group may from time to time be involved in a number of legal proceedings. The Directors prepare a best estimate of its contingent liabilities that should be recognised or disclosed in respect of legal claims in the course of ordinary business. Furthermore, in many markets there is a high degree of complexity involved in the local tax and other regulatory regimes. The Group is required to exercise judgement in the assessment of any potential exposures in these areas.

In 2019, Morocco's Conseil de la Concurrence ('CDC') announced that it had commenced an investigation into the competitive dynamics of the fuel retail industry. In 2020, the Group's subsidiary in Morocco received a report from the investigators in charge of the CDC's ongoing review of the competitive dynamics of the Moroccan fuel retail industry. In December 2023, a settlement agreement was concluded, for the previously disclosed contingent liability, with the CDC to close the outstanding investigation in a constructive and cooperative manner and prevent a lengthy litigation. Refer to page 76 for further details. As part of the settlement agreement, the Moroccan subsidiary has agreed to certain non-financial commitments in terms of reporting certain data.

Vivo Energy Morocco continues to ensure it conducts its operations in accordance with the competition laws and regulations at all times and is committed to maintaining a strong governance framework. With a strong commitment to Morocco, where the Shell brand has been present for over 100 years, Vivo Energy Morocco will continue to invest in the Kingdom's future to meet the challenges of an ever-changing environment.

Vitol Emerald Bidco (Pty) Limited, a subsidiary within the Group, has committed to acquire 74% shareholding in Engen which is pending regulatory approvals. The proposed acquisition will result in a total investment from Vivo Energy of circa. $1bn for its stake in the pro forma business, subject to customary closing accounts adjustments related to working capital and net debt movements. Refer to page 6 for further information on the transaction.

In the ordinary course of business, the Group is subject to a number of contingencies arising from litigation and claims brought by governmental, including tax authorities, and private parties. The operations and earnings of the Group continue, from time to time, to be affected to varying degrees by political, legislative, fiscal and regulatory developments, including those relating to the protection of the environment and indigenous groups in the countries in which they operate. The industries in which the Group is engaged are also subject to physical risks of various types. There remains a high degree of uncertainty around these contingencies, as well as their potential effect on future operations, earnings, cash flows and the Group's financial condition.

29. SHARE-BASED PAYMENTS

The Group operates share-based payment plans for certain Executive Directors.

Management Equity Plan

During 2023, the Group introduced a Management Equity Plan ('MEP') under which Vivo Energy Limited granted phantom options to Executive Directors. Subject to the discretion of the supervisory board, the phantom options vest equally over a five-year period provided the participant is still employed by the Group. These options are exercisable at the end of a five-year period from grant date, or earlier if an exit event occurs. The holders are entitled to a cash payment based on the increase in the share price of the Group between grant date and the time of exercise. The Management Equity Plan related liability as at 31 December 2023 amounted to $10m (2022: Nil).

Long-Term Incentive Plan

Vivo Energy Limited adopted the Vivo Energy 2019 Long-Term Incentive Plan (the 'LTIP 2019') in March 2019, the Vivo Energy 2020 Long-Term Incentive Plan (the 'LTIP 2020') in March 2020 and the Vivo Energy 2021 Long-Term Incentive Plan (the 'LTIP 2021') in March 2021. The LTIP 2019, LTIP 2020 and LTIP 2021 provided for grants of awards over the shares of the Company in the form of share awards subject to continued employment and the performance conditions relating to earnings per share, return on average capital employed and total shareholder returns over a three-year period. Executive Directors and senior management of the Group were eligible for grants under the LTIP Incentive Plans.

As a result of the completion of the Vitol Offer, Executive Directors and senior management of the Group were afforded an opportunity to choose between receiving an immediate pay-out for the LTIPs or convert the existing plans from equity-settled to cash-settled. Under the first option, all share options which would not otherwise have vested were accelerated and deemed to have vested and exercised. All remaining LTIPs were converted from equity-settled to cash-settled as a long-term incentive plan for senior management. All LTIPs were settled in 2022. The fair value of the options at the date of modification was $6m. No new LTIP were issued during the current financial period.

Restricted Share Award Plan

The Restricted Share Award Plan provided for grants of awards over the shares of the Company in the form of share awards subject to continued employment over a 16-month period from the date of issue. Certain senior managers of the Group are eligible for grants under the Restricted Share Award Plan. Following the Vitol Offer, the vesting of the Restricted Share Award Plan was accelerated and settled in 2022. The fair value of the options at the date of modification was $2m.

The table below shows the share-based payment expense/(income) recognised in the statement of comprehensive income:

US$ million	2023	2022
Cash-settled share-based payments		
Management Equity Plan	10	–
Equity-settled share-based payments		
Long-Term Incentive Plans	–	2
Restricted Share Award Plan	–	1
	10	**3**

29. SHARE-BASED PAYMENTS CONTINUED

Movements in the number of shares and share options outstanding, and their related weighted average exercise prices, are as follows:

			LTIP	Restricted Share Awards		MEP
In million	**LTIP 2019**	**LTIP 2020**	**LTIP 2021**	**Restricted Share Awards**	**Average exercise price per phantom option US$**	**Phantom Options**
Outstanding at 1 January 2023	**–**	**–**	**–**	**–**	**–**	**–**
Granted	–	–	–	–	1.50	55
Lapsed/Vested/Exercised	–	–	–	–	–	–
Outstanding at 31 December 2023	**–**	**–**	**–**	**–**	**1.50**	**55**
Exercisable at 31 December 2023	**–**	**–**	**–**	**–**	**n/a**	**–**
Outstanding at 1 January 2022	**4**	**4**	**6**	**1**	**–**	**–**
Lapsed/Vested/Exercised/Modified	(4)	(4)	(6)	(1)	–	–
Outstanding at 31 December 2022	**–**	**–**	**–**	**–**	**–**	**–**
Exercisable at 31 December 2022	**–**	**–**	**–**	**–**	**n/a**	**–**

The Binomial Option Pricing Model is used to calculate the fair value of the options and the amount to be expensed. The inputs into the model for options granted in the year expressed as weighted averages are as follows:

	MEP phantom options
Share price at grant date ($)	1.29
Option exercise price ($)	1.50
Volatility (%)	30.54%
Option life (years)	9.18
Risk-free interest rate	4.33%
Expected dividends as a dividend yield	–

The weighted average fair value of phantom options as of 31 December 2023, using the Binomial Option Pricing Model, was $0.51.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

30. RELATED PARTIES

Sales and purchases

US$ million	Joint ventures and associates	Shareholders	Total
2023			
Sales of products and services and other income	31	143	**174**
Purchase of products and services, and other expenses	395	1,691	**2,086**
2022			
Sales of products and services and other income	29	154	**183**
Purchase of products and services, and other expenses	390	1,522	**1,912**

The following table presents the Company's outstanding balances with related parties:

US$ million	Joint ventures and associates	Shareholders	Total
31 December 2023			
Receivables from related parties	36	16	**52**
Payables to related parties	(74)	(595)	**(669)**
	(38)	**(579)**	**(617)**
31 December 2022			
Receivables from related parties	47	15	**62**
Payables to related parties	(80)	(327)	**(407)**
	(33)	**(312)**	**(345)**

The receivables from related parties arise from sale transactions and loans to joint ventures. Receivables are due two months after the date of sales, are unsecured in nature and bear no interest. Loans to joint ventures are interest bearing and secured by the entire issued share capital of the joint venture. An expected credit loss of $7m (2022: $3m) was recognised in relation to related party receivables. The payables to related parties arise mainly from purchase transactions at arm's length, including a supplier agreement with Vitol Supply, and are typically due two months after the date of purchase. These payables bear no interest.

Key management compensation

Key management is considered to be the Directors (Executive and Non-Executive) and senior management.

US$'000	2023	2022
Salaries and other short-term employee benefits	10,824	9,848
Termination benefits	3,567	593
Long-term incentives[1,2]	10,294	4,570
Service fees	138	178
Post-employment benefits[3]	1,452	1,451
	26,275	**16,640**

1 Includes the Management Equity Plan. The 2022 amount related to the LTIP and Restricted Share Awards.
2 Includes long-term incentives related to 1 Director (2022: 1 Director).
3 Includes post-employment benefits related to 1 Director (2022: 1 Director).

Directors' compensation

Directors' compensations are disclosed from the date of appointment. Further details of current year Directors can be found on page 43.

US$'000	2023 Directors[1]	2023 Highest paid Director	2022 Directors[1]	2022 Highest paid Director
Salaries and other short-term employee benefits	2,145	2,145	2,380	1,286
Long-term incentives[2]	4,997	4,997	1,070	1,070
Service fees	138	–	178	–
Post-employment benefits	367	367	251	156
	7,647	**7,509**	**3,879**	**2,512**

1 Includes remuneration of the Directors for their relevant terms of service. Excludes the Interim CFO's remuneration paid by Vitol and is not recharged to the Group.
2 Includes the Management Equity Plan. The 2022 amount related to the LTIP and Restricted Share Awards. During the year no Directors exercised share options.

31. EVENTS AFTER BALANCE SHEET PERIOD

There have been no material subsequent events after the reporting period, up to and including the date that the financial statements were authorised for issue, that would have required disclosure or adjustment of the consolidated financial statements or the Company financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

US$ million	Notes	31 December 2023	31 December 2022
Fixed assets			
Investments	5	1,913	1,913
		1,913	**1,913**
Current assets			
Debtors	6	10	20
Cash and cash equivalents	7	1	1
		11	**21**
Creditors amounts falling due within one year	8	(17)	(16)
Net current assets		**(6)**	**5**
Total assets less current liabilities		**1,907**	**1,918**
Creditors amounts falling due after more than one year	8	(633)	(637)
Net assets		**1,274**	**1,281**
Capital and reserves			
Called up share capital	9	633	633
Share premium		52	4
Other reserves	10	443	443
Equity-settled incentive schemes		–	–
Retained earnings[1]		146	201
Total equity		**1,274**	**1,281**

1 Loss for the financial year ended 31 December 2023 was $55m (2022: $63m profit).

The notes are an integral part of these Company financial statements.

The Company financial statements were approved and authorised for issue by the Board of Directors on 14 March 2024 and were signed on its behalf on 20 March 2024 by:

STAN MITTELMAN
CHIEF EXECUTIVE OFFICER

JAY GLEACHER
INTERIM CHIEF FINANCIAL OFFICER

COMPANY STATEMENT OF CHANGES IN EQUITY

US$ million	Called up share capital	Share premium	Other reserve[1]	Equity-settled incentive schemes	Retained earnings	Total
At 1 January 2023	**633**	**4**	**443**	**–**	**201**	**1,281**
Loss for the period	–	–	–	–	(55)	**(55)**
Capital contribution	–	48	–	–	–	**48**
As at 31 December 2023	**633**	**52**	**443**	**–**	**146**	**1,274**

US$ million	Called up share capital	Share premium	Other reserve[1]	Equity-settled incentive schemes[2]	Retained earnings	Total
At 1 January 2022	**633**	**4**	**1,136**	**4**	**138**	**1,915**
Share-based payment expense	–	–	5	1	–	**6**
Share-based payment modification[2]	–	–	–	(5)	–	**(5)**
Profit for the period	–	–	–	–	63	**63**
Dividends	–	–	(698)	–	–	**(698)**
As at 31 December 2022	**633**	**4**	**443**	**–**	**201**	**1,281**

1 Included in reserves is a merger reserve ($82m) relating to the premium on shares issued as part of the consideration of the acquisition of Vivo Energy Overseas Holdings Limited (VEOHL) in March 2019 and a share capital reduction completed subsequent to the listing in 2018.

2 Equity-settled incentive schemes included the LTIP and the Restricted Share Award Plan which was modified in 2022 to cash-settled on delisting.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Vivo Energy Limited ('Vivo Energy' or the 'Company'), is a private limited company incorporated in the United Kingdom on 12 March 2018. The Company is registered in England and Wales and is limited by shares (Registration number 11250655) under the Companies Act 2006. The address of the registered office is 23 Lower Belgrave Street, London, England, SW1W 0NT. The Group's shareholders are VIP II Blue B.V. and Vitol Africa B.V. The Group has no ultimate parent or controlling party.

The Company operates as the holding company of a group which distributes and sells fuel, liquefied petroleum gas (LPG) and lubricants to Retail and Commercial consumers under the Shell and Engen brands. The Group sells aviation fuels as well as unbranded marine fuels. In addition, the Group generates revenue under convenience retail and quick service restaurants by leveraging on its Retail network.

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently over the years.

2.1 Basis of preparation

The Company financial statements, for the years ended 31 December, have been prepared on a going concern basis, under the historical cost accounting rules, in accordance with Financial Reporting Standard 102 ('FRS 102') and those parts of the UK Companies Act 2006 applicable to companies reporting under FRS 102.

The following disclosure exemptions available under FRS 102 have been applied:

Section 1 Scope of the Financial Reporting Standards 1.12(dA)

Section 7 Statement of cash flow and section 3 Financial statement presentation paragraph 3.17(d)

Section 26 Share-based payment paragraph 26.18(b), 26.19, 26.21, 26.23

Section 33 Related party disclosure 33.1A

As permitted by section 408(3) of the Companies Act 2006, the income statement of the Company is not presented in this Annual Report. The Company has not published its individual cash flow statement as its liquidity, solvency and financial adaptability are dependent on the Group rather than its own cash flows. The Group consolidated financial statements as presented on pages 58 to 94 include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the results of associates made up to 31 December 2023.

In the process of applying the Company's accounting policies, there are no significant estimates or judgements which have a significant effect on the amounts recognised in the financial statements. In preparing the financial statements, management has considered the impact that climate change may have. There is currently no indication that climate change will negatively impact the Company's accounting estimates and judgements, which would result in a material adjustment to the financial statement balances. For further details, refer to note 2.1 in the consolidated financial statements.

2.2 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in US dollars, which is also considered to be the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Monetary assets and liabilities expressed in foreign currencies at the end of the reporting period are translated into US dollars at the market rate ruling at the end of the reporting period.

2.3 Income tax

The income tax expense for the period comprises current and deferred tax. Income tax is recognised in the statements of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the income tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates a taxable income. The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred income tax is provided on timing differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the timing difference is controlled by the Company and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

2.4 Financial instruments
The Company has elected to apply the requirements of IFRS 9 in preparations of the financial statements. Financial instruments are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Trade receivables are initially recognised when they are originated. Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Company has not retained control over the financial asset. Financial liabilities are derecognised when its contractual obligations are discharged, cancelled or expired, and when its terms are modified and the cash flows are substantially different. Subsequent to initial recognition, financial instruments are measured as described below.

Financial instruments measured at amortised cost
Except for debt instruments that are designated at fair value through profit or loss (FVTPL) on initial recognition, financial instruments that meet the following criteria are measured at amortised cost using the effective interest method.

- They are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

The amortised cost is reduced by impairment losses. Finance income or expense, foreign exchange gains and losses and impairments are recognised in profit and loss. The following financial assets and liabilities are classified as measured at amortised cost:

Cash and cash equivalents
Cash and cash equivalents include cash at bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Other financial liabilities
Financial liabilities are initially measured at fair value, net of transaction cost and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis except for short-term payables when the recognition of interest would be immaterial.

2.5 Investments
Investments in subsidiary undertakings are stated at cost, less any provision for impairment. The Group determines the recoverable amount of an investment in subsidiaries where a trigger for impairment is identified by assessing the external and internal factors to determine indicators for impairment. External factors include market capitalisation, market interest rates, changes in the crude oil prices, changes in the competitive landscape, changes to government regulations. Internal factors include year-to-date performance, the four-year strategic plan, outcomes of previous impairment assessments performed and the impact of structural changes in the business.

2.6 Share-based payments
Cash-settled share-based payments arising from the Vivo Energy Management Equity Plan are recognised as an expense over the vesting period, measured by reference to the fair value of the corresponding liability which is recognised in the consolidated statements of financial position. The liability is measured at fair value at each reporting date until settlement, with changes in fair value recognised in the consolidated statement of comprehensive income. Details of the share-based payments, share option schemes and share plans are disclosed in note 29 'Share-based payments' to the consolidated financial statements.

2.7 Dividend policy
Dividends paid and received are included in the Company financial statements in the period in which the related dividends are actually paid or received or, in respect of the Company's final dividend for the year, approved by shareholders.

2.8 Share capital
Ordinary and deferred shares are classified as equity.

2.9 Going concern basis
The Company operates as an investment holding company for the Vivo Energy Group, holding investments in Vivo Energy Holding B.V. As the Company is an intrinsic part of the Group's structure, the Directors have a reasonable expectation that Group companies will continue to support the Company through trading and cash generated from trading for the foreseeable future. Therefore, at the time of approving the Company financial statements, the Directors maintain a reasonable expectation that the Company will have adequate resources to continue in operational existence during the going concern period and consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. For further details, refer to note 2.1 in the consolidated financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

3. EMPLOYEE COSTS

US$ million	2023	2022
Salaries and wages	8	10
Social security costs	1	1
Share-based payments	5	1
Total	**14**	**12**

The monthly average number of full-time equivalent employees as at 31 December:

No.	2023	2022
Directors	1	4
Administration and support	23	22

4. INCOME TAX

The Company is subject to income tax in the United Kingdom on its net income as adjusted for tax purposes, at the rate of 25% (2022: 19%). At 31 December 2023, the Company had accumulated tax losses of $5m (2022: $2m) and carried forward tax credits of $14m (2022: $2m).

Deferred tax

No deferred tax asset has been recognised under the Company's accounting policy for recognising deferred tax assets.

A reconciliation between the actual income tax expense and the theoretical amount that would arise using the applicable income tax rate for the Company is as follows:

Reconciliation of effective tax

US$ million	2023	2022
(Loss)/profit before income tax	(57)	63
Statutory tax rate	25%	19%
Income tax expense at statutory tax rate	14	(12)
Impact of:		
Expenses not allowable for tax purposes	(2)	(4)
Dividends received not subject to tax	–	18
Non-recognition of tax benefits in relation to current period tax losses or temporary differences	(12)	(2)
Total income tax expense	**–**	**–**

5. INVESTMENTS

The investments relate solely to the 100% shareholding of Vivo Energy Holding B.V. with a carrying amount of $1,913m as at 31 December 2023. Based on the impairment trigger assessment performed by management for the investment, no indicators of impairment have been identified. Refer to note 2.5 for the Company's accounting policy.

6. DEBTORS

US$ million	31 December 2023	31 December 2022
Related party receivable	5	14
Other receivables	5	6
Total	**10**	**20**

Receivable from related party arises from recharges of employee benefit costs. The amounts are unsecured, interest free and have no fixed date of repayment and are repayable on demand. Debtors are measured at amortised cost and the carrying amount is equal to the fair value for the period end.

7. CASH AND CASH EQUIVALENTS

US$ million	31 December 2023	31 December 2022
Bank	1	1

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

8. CREDITORS

US$ million	31 December 2023	31 December 2022
Intercompany loan	473	637
Related party payables due after more than one year	160	–
Creditors due within one year	14	9
Related party payables due within one year	3	7
Total	**650**	**653**

Payables to related parties consist of an intercompany loan, salary related expenses and other costs. The intercompany loan is unsecured and interest-bearing. Other amounts are unsecured, interest free, have no fixed date of repayment and are payable on demand. Creditors are measured at amortised cost and the carrying amount is equal to the fair value for the period end.

9. CALLED UP SHARE CAPITAL

Share capital consists of 1,266,941,899 (2022: 1,266,941,899) ordinary shares at the nominal value of $0.50 and one deferred share with a nominal value of $100 each. For further details, refer to note 20 in the consolidated financial statements.

10. DIVIDENDS

During 2022, the total dividends paid of $698m relate to an $18.5m special dividend and a $628.5m further interim dividend, as well as the 2021 interim dividend of $51m. All dividends were paid from the distributable reserves in the year in which they relate to.

11. RELATED PARTIES

The Company discloses transactions with related parties that are not wholly owned with the same Group. It does not disclose transactions with members of the same Group that are wholly owned. All transactions during the period with related parties outside of the Group are disclosed in the relevant notes in the financial statements.

12. EVENTS AFTER BALANCE SHEET PERIOD

For the events after balance sheet period, refer to note 31 in the Consolidated financial statements.

13. OTHER MATTERS

The auditors' remuneration for the current year in respect of audit and audit-related services was $0.3m (2022: $0.3m). Auditors' remuneration relating to other non-audit services has been disclosed in the consolidated financial statements, refer to note 7. The consolidated financial statements have been completed in accordance with requirements SI 2008/489.

The Directors are remunerated by the Company for their services to the Group as a whole. No remuneration was paid to them specifically in respect of their services to Vivo Energy Limited for either year. Full details of the Directors' remuneration are disclosed in 'Directors' compensation' in note 30 in the consolidated financial statements.

14. COMPANY UNDERTAKINGS

A list of all subsidiaries, indirectly held by Vivo Energy Limited, except for Vivo Energy Holding B.V. which is 100% owned directly by Vivo Energy Limited, in the Group as at 31 December 2023 are disclosed below. Unless otherwise stated, the share capital disclosed comprises ordinary shares and stated ownership percentages represent the effective equity owned by the Group to the nearest whole number.

Subsidiary	Incorporation	Registered address	Shareholding
Vivo Energy Tanzania Marketing Ltd.	Bahamas	H&J Corporate services, Ocean Centre, Montague Foreshore, East Bay Street, P.O. Box SS-19084, Nassau, Bahamas	100%
Vivo Energy Botswana Pty Ltd.	Botswana	Plot 54349 Field Precinct, Office Block B, Central Business District, Gaborone, Botswana	100%
Vivo Energy Burkina S.A.	Burkina Faso	Rond Point des Nations Unies, Ouagadougou Secteur 4 Section II Lot EX-TF 432 Parcelle III, Burkina Faso	59%
Plateau Africa Holdings Ltd.	Canada	199 Bay Street, Suite No. 4000, Toronto ON M5L 1A9, Canada	100%
Vivo Energy Cabo Verde S.A.	Cape Verde	Avenida Amilcar Cabral, C.P 4, Mindelo, São Vicente, Cabo Verde	100%
Sociedade Comercial de Navegação Concha Verde S.A.	Cape Verde	Avenida Amilcar Cabral, C.P 4, Mindelo, São Vicente, Cabo Verde	100%
Vivo Energy Côte d'Ivoire S.A.	Côte d'Ivoire	Rue des pétroliers, Zone Industrielle de Vridi, 15 BP 378 Abidjan, Côte d'Ivoire	67%
Vivo Energy Gabon S.A.	Gabon	234, BD Bessieux, Face au Lycée Immaculée Conception, BP 224, Libreville, Gabon	60%
Vivo Energy Ghana plc	Ghana	Rangoon Lane, Cantonments City, Digital Address: GL-045-46-56, P.O. Box 1097, Accra, Ghana	74%
Vivo Energy de Guinée S.A.	Guinea	Aeroport Gbessia, Commune de Matoto, BP 312, Conakry, Guinea	100%
Vivo Energy Guinée Mining SARL	Guinea	Aeroport Gbessia, Commune de Matoto, BP 312, Conakry, Guinea	100%
Vivo Energy Guinée Simandou SARLU	Guinea	Aeroport Gbessia, Commune de Matoto, BP 312, Conakry, Guinea	100%
Vivo Energy Kenya Ltd.	Kenya	Vienna Court, East Wing, State House Road, P.O. Box 43561-00100, Nairobi, Kenya	100%
Vivo Energy Malindi Ltd.	Kenya	Vienna Court, East Wing, State House Road, P.O. Box 43561-00100, Nairobi, Kenya	100%
Vivo Energy East Africa Ltd.	Kenya	Vienna Court, East Wing, State House Road, P.O. Box 43561-00100, Nairobi, Kenya	100%
Vivo Energy Provident Trust Ltd.	Kenya	Vienna Court, East Wing, State House Road, P.O. Box 43561-00100, Nairobi, Kenya	100%

14. COMPANY UNDERTAKINGS CONTINUED

Subsidiary	Incorporation	Registered address	Shareholding
Vivo Marketing Kenya Ltd.	Kenya	Vienna Court, East Wing, State House Road, P.O. Box 43561-00100, Nairobi, Kenya	100%
Vivo Oil Tanking Kenya Ltd.	Kenya	Vienna Court, East Wing, State House Road, P.O. Box 43561-00100, Nairobi, Kenya	100%
Vivo Energy Power Kenya Ltd.	Kenya	Vienna Court, East Wing, State House Road, P.O. Box 43561-00100, Nairobi, Kenya	100%
Vivo Energy Liberia Ltd.	Liberia	c/o Law Offices of Yonah, Obey & Associates, 152 Cary Street, P.O. Box 3147, Monrovia, Liberia	100%
Société Malgache des Pétroles Vivo Energy S.A.	Madagascar	Bâtiment B4 Golden Business Center – Lot II i A bis Morarano Alarobia-101, Antananarivo, Madagascar	72%
Vivo Energy Ltd.	Malawi	Mission Road, Bulk Oil Sites, Makata Industrial Area, Blantyre, Malawi	100%
Vivo Energy Mali S.A.	Mali	Hippodrome, Route de Koulikoro BP 199, Immeuble N°3293 – Bamako, Mali	77%
Vivo Solar Mali S.A.	Mali	Dépot Vivo Energy Mali, Niaréla Sans fil, Zone Industrielle, BP 199 Bamako, Mali	77%
Yelen Baara SAS	Mali	Hippodrome, Route de Koulikoro BP 199, Immeuble 3293 – Bamako, Mali	100%
Vivo Energy Senegal Holdings Ltd.	Mauritius	Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius	100%
Vivo Energy Tunisia Holdings Ltd.	Mauritius	Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius	100%
Vivo Energy Madagascar Holdings Ltd.	Mauritius	Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius	100%
Vivo Energy Africa Holdings Ltd.	Mauritius	Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius	100%
Vivo Energy Mauritius Ltd.	Mauritius	Cemetery Road, Roche Bois, Port Louis, Mauritius	75%
Vivo Energy Overseas Holdings Ltd.	Mauritius	C/O IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Mauritius	100%
Vivo Energy Foundation[1]	Mauritius	Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius	100%
Franchise Foods Africa Ltd.	Mauritius	Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius	50%
Ceejay Gas Ltd.	Mauritius	c/o AcuFin Corporate Ltd, 13A King George V Avenue, Floreal, Mauritius	100%

1 The Vivo Energy Foundation does not have ordinary share capital and is a charitable foundation formed and constituted in accordance with the provisions of the Foundations Act 2012 of the Republic of Mauritius.

Subsidiary	Incorporation	Registered address	Shareholding
Societe Indusrielle et Gaziere de Mayotte SAS	Mayotte	Presqu'île de Longoni, BP 381, Kaweni, 97600, Mamoudzou, Mayotte	100%
Somagaz SAS	Mayotte	Presqu'île de Longoni, BP 381, Kaweni, 97600, Mamoudzou, Mayotte	100%
Société Nouvelle Somagaz SAS	Mayotte	Presqu'île de Longoni, BP 381, Kaweni, 97600, Mamoudzou, Mayotte	100%
Vivo Energy Maroc S.A.	Morocco	Immeuble Le Zenith II, Lotissement Attaoufik, Route de Nouaceur, Sidi Maarouf Casablanca, 20190, Morocco	100%
Vivo Energy Africa Services SARL	Morocco	Casablanca Nearshore Park Shore 14 – 2ème étage Plateau 201, 1100 Bd Al Qods – Quartier Sidi Maârouf, 20270, Casablanca, Morocco	100%
Terminal Energetique Jorf S.A	Morocco	Immeuble Zenith II, Lotissement Attaoufik, Route de Nouaceur, Sidi Maarouf, Casablanca, Morocco	100%
Terminal D'hydrocarbures Jorf S.A.	Morocco	Immeuble Zenith II, Lotissement Attaoufik, Route de Nouaceur, Sidi Maarouf, Casablanca, Morocco	100%
Terminal Energetique Agadir S.A.	Morocco	Zone Industrielle d'Anza (côté mer), Agadir, Morocco	100%
VE Mozambique Trading Lda	Mozambique	EN4, Tchumene II, Talhao 19, Parcela 3380, Matola, Mozambique	100%
Vivo Energy Mocambique Lda	Mozambique	Rua dos Desportistas, no.480, Edifício Maputo Business Tower, 110 Andar, Fraccao A, Maputo, Mozambique	100%
Vivo Energy Holding B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Investments B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Cape Verde Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Morocco Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Mauritius Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Mali Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Newco Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Ghana Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

14. COMPANY UNDERTAKINGS CONTINUED

Subsidiary	Incorporation	Registered address	Shareholding
Vivo Energy Kenya Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Uganda Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Guinea Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Côte d'Ivoire Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Burkina Faso Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Power Holding B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Supply B.V.	Netherlands	Weena 690, 18de verdieping, 3012 CN Rotterdam, The Netherlands	100%
Vivo Energy Emerald Holding B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Energy Power West Africa Leasing B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Sales and Marketing Ltd.	Nigeria	1, Murtala Mohammed Drive, Ikoyi, Lagos, Nigeria	100%
Vivo Energy Reunion S.A.	Reunion	1 Rue Sully Prud'Homme, ZI N°2, Le Port, 97420, Reunion	100%
Vivo Energy Rwanda Ltd.	Rwanda	Kacyiru, Gasabo, Umujyi wa Kigali, Rwanda	100%
Kabuye Depot Holding Company Rwanda Ltd.	Rwanda	Kacyiru, Gasabo, Umujyi wa Kigali, Rwanda	100%
Vivo Energy Senegal S.A.	Senegal	Quartier Bel-Air Route des Hydrocarbores, BP 144 Dakar, Senegal	94%
Vivo Energy Sierra Leone Ltd.	Sierra Leone	37 Siaka Stevens Street, Freetown, Sierra Leone	100%
Vivo Energy South Africa (Pty) Ltd.	South Africa	15th Floor Towers South, The Towers, 2 Heerengracht, cnr Hertzog Boulevard, Foreshore 8001, Cape Town, South Africa	100%
Vivo Energy Power Services SA (Pty) Ltd.	South Africa	Commerce Square, 39 Rivonia Road, Sandhurst, Sandton, South Africa	100%
Vitol Emerald Bidco (Pty) Ltd.	South Africa	1st Floor Hudson Building, 28 Hudson Street, Green Point 8001, Cape Town, South Africa	100%

Subsidiary	Incorporation	Registered address	Shareholding
Vivo Energy Tanzania Ltd.	Tanzania	Plot No. 263 Mandela Road, Kurasini, Temeke District, Dar es Salaam, Tanzania	100%
V&R Energy Tanzania Ltd.	Tanzania	Plot No. 263 Mandela Road, Kurasini, Temeke District, Dar es Salaam, Tanzania	60%
Société Vivo Energy Tunisie S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	100%
Société Butagaz Tunisie S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	100%
Société Sudgaz S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	100%
Société d'Exploitation et de Gestion des Points de Vente S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	48%
Vivo Energy Uganda Ltd.	Uganda	Plot 9/11 7th Street Industrial Area, Kampala, Uganda	100%
Vivo Energy Malindi Uganda Ltd.	Uganda	Plot 9/11 7th Street Industrial Area, Kampala, Uganda	100%
Vivo Energy Uganda Provident Trust Ltd.	Uganda	Plot 9/11 7th Street Industrial Area, Kampala, Uganda	100%
Vivo Energy Namibia Ltd.	United Kingdom	23 Lower Belgrave Street, London, SW1W 0NT, United Kingdom	100%
Vivo Energy Supply Services Ltd.	United Kingdom	23 Lower Belgrave Street, London, SW1W 0NT, United Kingdom	100%
Vivo Energy Zambia Ltd.	Zambia	Plot 3132, Buyantanshi Road, Lusaka, Zambia	100%
VE Zambia Legacy Ltd.	Zambia	1394 Mushemi Road, Rhodes Park, P.O. Box 32256, Lusaka, Zambia	100%
Engen Marketing Ltd.	Zambia	Plot 3132, Buyantanshi Road, Lusaka, Zambia	100%
Vivo Energy Zimbabwe Holdings (Private) Ltd.	Zimbabwe	Engen House 71 Kaguvi Street P.O. Box 372, Harare, Zimbabwe	49%
Vivo Energy Zimbabwe (Private) Ltd.	Zimbabwe	Engen House 71 Kaguvi Street P.O. Box 372, Harare, Zimbabwe	49%
Vivo Energy Zimbabwe Operations (Private) Ltd.	Zimbabwe	Engen House 71 Kaguvi Street P.O. Box 372, Harare, Zimbabwe	49%

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

14. COMPANY UNDERTAKINGS CONTINUED

A list of all joint ventures and associates, indirectly held by Vivo Energy Limited, in the Group as at 31 December 2023 are disclosed below. Unless otherwise stated, the share capital disclosed comprises ordinary shares and stated ownership percentages represent the effective equity owned by the Group to the nearest whole number.

Investment	Incorporation	Registered address	Shareholding
Baobab Energy Botswana Pty Ltd.	Botswana	Plot 50369 Fairgrounds Office Park, Gaborone, Botswana	50%
Baobab Energy Côte d'Ivoire SARL	Côte d'Ivoire	Rue des pétroliers, Zone Industrielle de Vridi, 15 BP 378 Abidjan, Côte d'Ivoire	33%
Stockage Petrolier de Côte d'Ivoire SARL	Côte d'Ivoire	Abidjan Port-bouet vridi canal de Petroliers 12 B.O 2141 Abidjan 12, Côte d'Ivoire	20%
Société Gabonaise D'Entroposage des Produits Pétrolière S.A.	Gabon	P.O. Box 2218, Libreville, Gabon	23%
Road Safety Limited Company	Ghana	Tema Shell Installation, Fishing Harbour Road, Tema, Ghana	37%
Kuku Foods Kenya Ltd.	Kenya	LR No. 20/8342/3 1st Ngong Avenue, P.O. Box 14885, 00100, Nairobi, Kenya	50%
Logistique Pétrolière S.A.	Madagascar	Immeuble FITARATRA- 5 ème étage, Rue Ravoninahitriniarivo, Ankorondrano 101, Antananarivo, Madagascar	33%
Petroleum Importers Ltd.	Malawi	6th Floor Unit House, Off Victoria Avenue, Blantyre, Malawi	25%
Energy Storage Company Ltd.	Mauritius	Cemetery Road, Roche Bois, Port Louis, Mauritius	38%
E-motion Recharge Solutions Ltd.	Mauritius	9th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius	38%
Compagnie D'Entreposage Communautaire S.A.	Morocco	Route cotière 111, Km 6,5, Ghezouane, Mohammedia, Morocco	32%
Ismailia Gaz S.A.	Morocco	Km 9 Route d'El Hajeb, Meknes, Morocco	40%
Maghreb Gaz S.A.	Morocco	Immeuble Tafraouti, Km 7,5 Route de Rabat, Ain Sebaa, Casablanca, Morocco	37%
MFG Vivo Holding S.A.	Morocco	59 Bd Zerktouni, 6eme Etage N°18, Casablanca, Morocco	50%
Planet Pizza SARL	Morocco	669 Bd El Qods, Ain Chock, Casablanca, Morocco	50%
Société de Cabotage Pétrolier S.A.	Morocco	27 Bd Zerktouni, Casablanca, Morocco	39%
Société Dakhla des Hydrocarbures S.A.	Morocco	11 Avenue de la Marine Royale, Dakhla, Morocco	33%
Sopetrole S.A.	Morocco	Zone Industrielle, lot N°2, Laayoune, Morocco	49%
Stogaz S.A.	Morocco	Rue Ferhat Hachad, Mohammedia, Morocco	50%
Sublime Food SARL	Morocco	Angle Rue Ibnou Al Atir, et 15 Bd Abdelkrim Khettabi, Casablanca, Morocco	50%
Tadla Gaz S.A.	Morocco	Km 7,5 Route de Rabat, Ain Sebaa, Casablanca, Morocco	50%
TH Energy SARL	Morocco	38 Av Driss Lahrizi N°32, Casablanca, Morocco	50%
Tidsi Gaz S.A.	Morocco	Zone Industrielle d'Anza (côté mer), Agadir, Morocco	47%
Top Gourmandise SARL	Morocco	7 Menara Mall, Av Mohamed VI, Marrakech. Morocco	50%
Havi Properties (Proprietary) Ltd.	Namibia	12th Floor Sanlam Centre, 157 Independence Avenue, Windhoek, Khomas, 9000, Namibia	50%
Synergy Foods (Proprietary) Ltd.	Namibia	Units 7 & 15 Hidas Shopping Centre, Windhoek, Khomas, 9000, Namibia	50%
Shell and Vivo Lubricants B.V.	Netherlands	Carel van Bylandtlaan 30, 2596 HR, The Hague, The Netherlands	50%
Société Réunionnaise d'Entreposage S.A.	Reunion	3 Rue Jacques Prevert, Riviere des Galets, 97420 Le Port, Reunion	20%
Kuku Foods Rwanda Ltd.	Rwanda	Kimihurura, Gasabo and Umujyi wa Kigalirr, Rwanda	50%
Société de Manutention du Carburants Aviation de Dakar Yoff S.A.	Senegal	Dakar-Yoff, B.P. 8022 Yoff, Senegal	23%
Société Dakaroise d'Entreposage S.A.	Senegal	Cap des Biches, Rufisque, B.P. 59 Rufisque, Senegal	48%
Cimsahel Energy S.A.	Senegal	Sous préfecture de SINDIA, Senegal	47%
Petrovi S.A.	Senegal	25, Yoff hanger, Pèlerin, Dakar, Senegal	47%
Société D'Entrepots Pétroliers de Tunisie S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	30%
Société Bitumes de Tunis S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	50%
Viniz Food S.A.	Tunisia	Rue de Syrie bloc C7-1 Tunis, Tunis, 1002, Tunisia	50%
Société d'Exploitation et de Gestion des Pipelines de Rades S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	25%
Kuku Foods Uganda Ltd.	Uganda	Plot 49, Mackenzie Vale, Kololo, Kampala, Uganda	50%

14. COMPANY UNDERTAKINGS CONTINUED

A list of all joint ventures and associates, indirectly held by Vivo Energy Limited, which are part of the Shell and Vivo Lubricants Group as at 31 December 2023 are disclosed below. Unless otherwise stated, the share capital disclosed comprises ordinary shares and stated ownership percentages represent the effective equity owned by the Group to the nearest whole number.

Investment	Incorporation	Registered address	Shareholding
Shell et Vivo Lubrifiants Côte d'Ivoire SARL	Côte d'Ivoire	Zone industrielle de Vridi, Rue des pétroliers à Abidjan, Côte d'Ivoire	50%
Shell and Vivo Lubricants Ghana Ltd.	Ghana	Rangoon Lane, Cantonments City, Accra, Ghana	50%
Shell et Vivo Lubrifiants Guinée SARL	Guinea	L'Aéroport Gbessia, Commune de Matoto, BP 312 Conakry, Guinea	50%
Société Guinéenne de Lubrifiants et d'Emballages S.A.	Guinea	Boulevard Maritime, Commune de Kaloum, B.P. 709, Conakry, Guinea	35%
Shell and Vivo Lubricants Kenya Ltd.	Kenya	Vienna Court, State House Road, P.O. Box 43561, 00100, Nairobi, Kenya	50%
Société Shell et Vivo Lubrifiants Africa Services SARL	Morocco	1 Rue Abou Abbas EL Araj Roches Noires, Casablanca, Morocco	50%
Société Shell et Vivo Lubrifiants du Maroc S.A.	Morocco	1 Rue Abou Abbas EL Araj Roches Noires, Casablanca, Morocco	50%
Shell and Vivo Lubricants Nigeria Ltd.	Nigeria	1 Murtala Muhammed Drive, Ikoyi, Lagos state, Nigeria	50%
Société Shell & Vivo Lubrifiants de Tunisie SARL	Tunisia	24/26 place, 14 janvier 2011-1001, Tunisia	50%
Société Tunisienne des Lubrifiants de Radès S.A.	Tunisia	24/26 place, 14 janvier 2011-1001, Tunisia	30%
Shell Vivo Lubricants Supply DMCC	United Arab Emirates	Almas Tower, 45 A Jumeirah Lakes Tower, P.O. Box 124848, Dubai, United Arab Emirates	50%

This section encompasses supplementary details, including a comprehensive glossary, TCFD disclosure references, and registered company particulars.

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TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES INDEX

Our detailed TCFD disclosures comply with the applicable reporting requirements and can be found in this Annual Report on the following pages:

	TCFD Recommendation	Reference in the 2023 Annual Report	Page no.
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	– TCFD – Governance – Section 172(1) Statement – Risk Management	35 34 39 to 41
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	– Planet and Partnerships – TCFD – Governance	28 to 32 35
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.	– TCFD – Strategy – Risk Management	36 39 to 41
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	– TCFD – Strategy – Risk Management	36 39 to 41
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	– TCFD – Strategy	36
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	– TCFD – Risk Management – Risk Management	38 39 to 41
	b) Describe the organisation's processes for managing climate-related risks.	– TCFD – Risk Management – Risk Management	38 39 to 41
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	– TCFD – Risk Management – Risk Management	38 39 to 41
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	– TCFD – Metrics and Targets – Risk Management	38 39 to 41
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	– TCFD – Metrics and Targets – Planet and Partnerships	38 28 to 32
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	– TCFD – Metrics and Targets – Planet and Partnerships	38 28 to 32

GLOSSARY

Term	Description
ABC	Anti-bribery and corruption
AML	Anti-money laundering
ATM	Automated teller machine
B2B	Business to business
B2C	Business to consumer
CGU	Cash-generating unit
CO_2	Carbon dioxide
CSO	Compulsory stock obligation
CSR	Corporate Social Responsibility
DPO	Days purchases outstanding
DSO	Days sales outstanding
EBIT	Earnings before finance expense, finance income and income taxes
EBITDA	Earnings before finance expense, finance income and income taxes, depreciation and amortisation
EBT	Earnings before income taxes
ECL	Expected credit loss
ESG	Environmental, Social and Governance
ETR	Effective tax rate
EV	Electric vehicles
FRC	Financial Reporting Council
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit and loss
GAAP	Generally Accepted Accounting Principles
GDP	Gross domestic product
GHG	Greenhouse gas
GloBE	Global Anti-Base Erosion Rules
HR	Human resources

Term	Description
HSSEQ	Health, safety, security, environment and quality
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
KPI	Key performance indicator
KT	Kilotonne
KYC	Know Your Counterparty
LPG	Liquefied petroleum gas
LTIP	Long-Term Incentive Plan
MEP	Management Equity Plan
M&A	Mergers and acquisitions
NCI	Non-controlling interest
NGO	Non-governmental organisation
OCI	Other comprehensive income
OECD	Organisation for Economic Co-operation and Development
OTS	Open Tender System
OU	Operating unit
PP&E	Property, plant and equipment
RCF	Revolving credit facility
ROU	Right-of-use
SVL	Shell and Vivo Lubricants B.V.
TCFD	Task Force on Climate-Related Financial Disclosures
TRCF	Total Recordable Case Frequency
UK	United Kingdom
US	United States
VEI BV	Vivo Energy Investments B.V.
VEOHL	Vivo Energy Overseas Holdings Limited
W@VE	Women at Vivo Energy

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