

Vivo Energy plc *Company Presentation*

June 2020

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Vivo Energy - Snapshot

1 Market leading positions across Africa, with premium brands

2 Benefitting from positive long-term African macro and fuel market fundamentals

3 Highly cash generative business model, with +20% ROACE in last 3 years

4 Diversified operations with resilient margins largely uncorrelated to oil prices

Q1 – a good start to the year

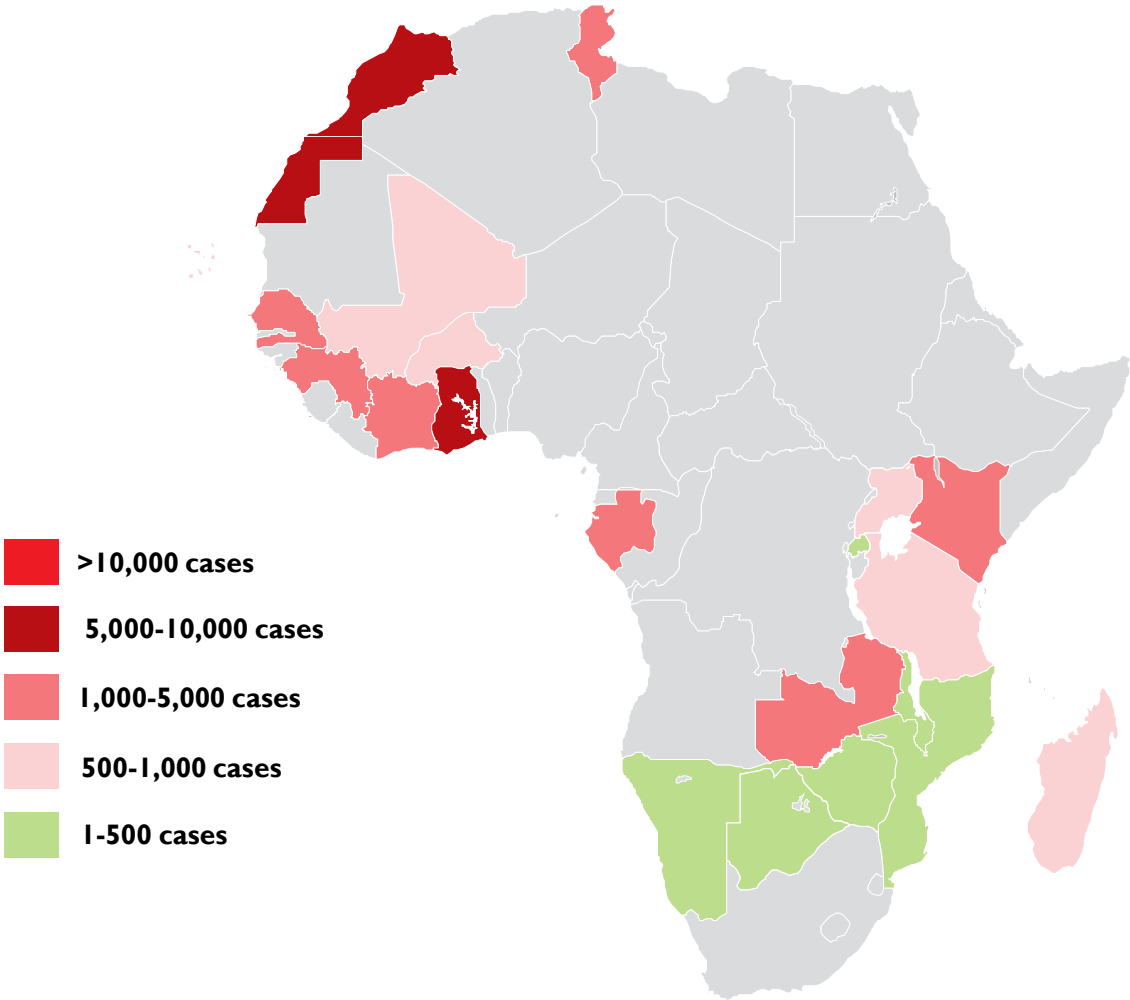
- ▶ Q1 Gross cash profit of \$179 million, up 6% YoY
- ▶ Jan and Feb saw +20% gross cash profit growth¹
- ▶ Volumes in last two weeks of March affected by COVID-19 related measures
- ▶ Margins impacted in March primarily due to the impact of the reduction in demand and valuation of stocks

KEY PERFORMANCE INDICATORS¹

Three months ended 30 March			
	2020	2019	Change
Volumes (million litres)	2,602	2,441	+7%
Gross Cash Unit Margin (\$/000 litres)	69	69	-
Gross Cash Profit (\$ million)	179	169	+6%

Reported COVID-19 Cases to date

REPORTED CASES IN OPERATING COUNTRIES



(1) Source: John Hopkins University – 09 June 2020

Restrictions on movement are being relaxed

- ▶ Volumes were around half of expected levels in April due to Government restrictions
 - ▶ 9 countries were in full lock-down, 10 in partial lock-down and 3 using social distancing
- ▶ On-going, slow relaxation of restrictions happening across the continent since April

Countrywide Lockdown	Curfew / Partial Lockdown	Social Distancing ¹
ZIMBABWE – Ongoing since 27 March	MOROCCO – Countrywide lockdown 10 June UGANDA – Countrywide lockdown lifted 2 June MAURITUS - Countrywide lockdown lifted 1 June CAPE VERDE - Countrywide lockdown lifted 29 May REUNION - Countrywide lockdown lifted 11 May TUNISIA – Countrywide lockdown lifted 4 May RWANDA – Countrywide lockdown lifted 4 May MADAGASCAR - Curfew since 23 Mar MALAWI - Partial lockdown since 18 Apr KENYA - Curfew since 23 Mar CÔTE D'IVOIRE – Urban restrictions since 23 Mar ²	SENEGAL – Curfew lifted 4 June BURKINA FASO – Curfew lifted 3 June BOTSWANA – Countrywide lockdown lifted 22 May GUINEA – Curfew lifted 15 May GABON – Partial lockdown lifted 11 May MALI – Curfew lifted 9 May NAMIBIA – Partial locked lifted 4 May GHANA - Urban restrictions removed 20 Apr ZAMBIA - Schools closed 25 Mar TANZANIA - Schools closed 23 Mar MOZAMBIQUE - State of emergency 19 Mar

Key:

Countries in green moved from countrywide lock-down to partial lock-down

Countries in purple moved from countrywide lock-down to social distancing

Countries in blue moved from partial lock-down to social distancing

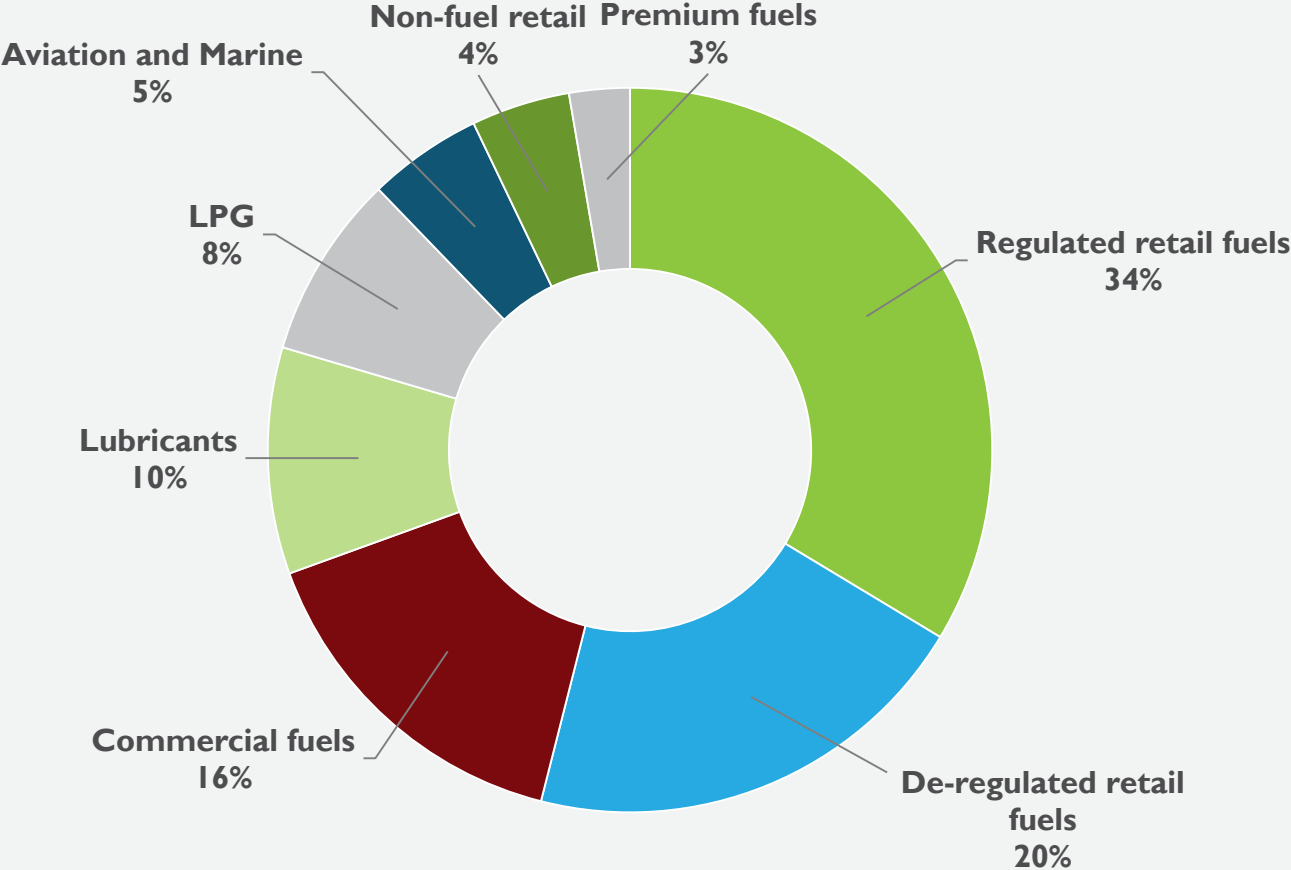
Countries in black remain unchanged



(1) Measures within each country vary and include closure of schools, borders, limitations on movement and large gatherings
 (2) Nationwide curfew lifted, but restrictions around Abidjan remain

COVID impacting different businesses to different extents

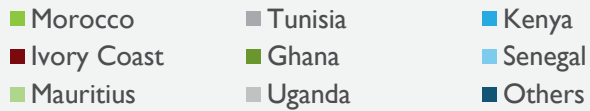
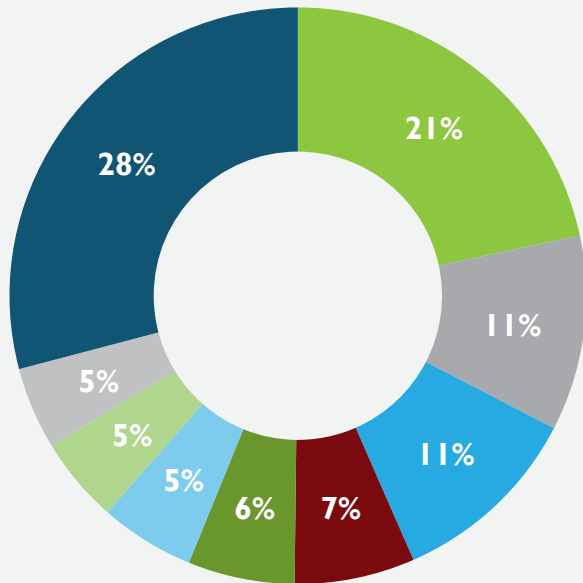
PERCENTAGE GROSS CASH PROFIT CONTRIBUTION BY BUSINESS IN 2019



Our geographic spread and currency pegs provide protection

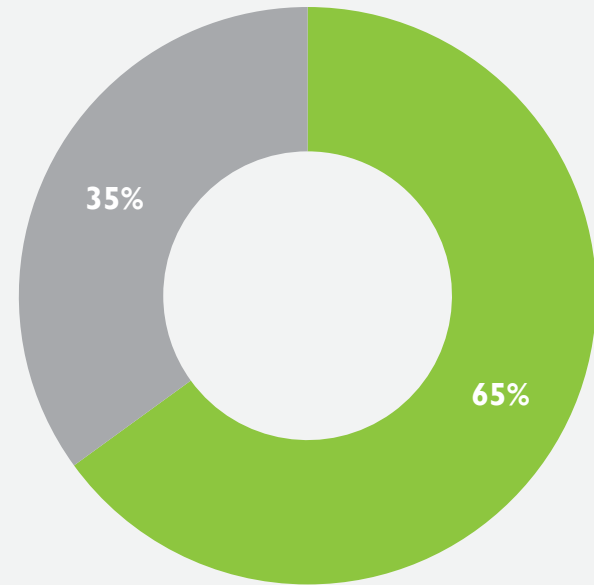
HIGHLY GEOGRAPHICALLY DIVERSE

(Eight largest markets represented ~70% of 2019 group volumes)



FX RISK MINIMISED DUE TO CURRENCY PEGS

(% of 2019 adjusted EBITDA pegged to USD/EUR)



“Cost plus” model provides medium term margin resilience

MARGINS HAVE LIMITED CORRELATION TO OIL PRICE

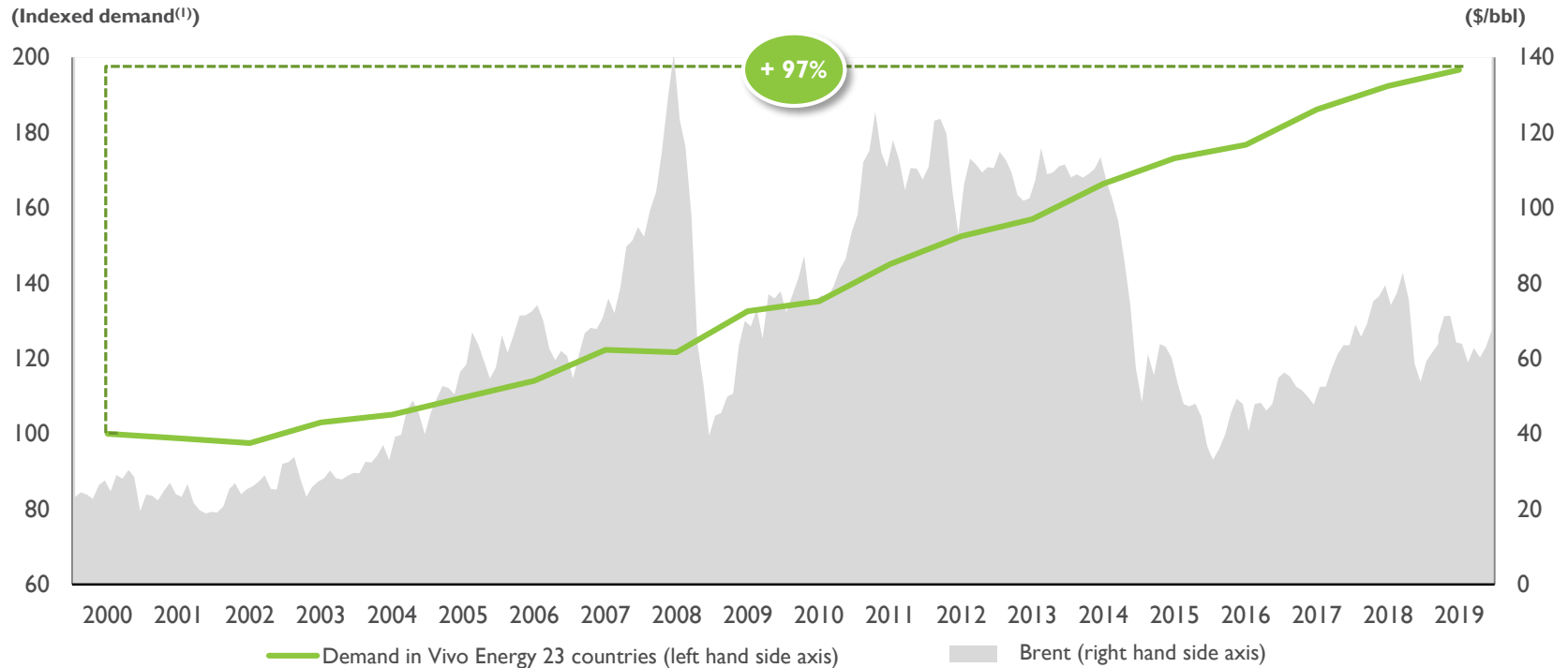
- Fluctuations in oil price reflected in the pump price, not borne by the Company
- Unit margins are either fixed via a regulated price structure (20 of 23 countries) or through market dynamics (3 countries)
 - They are not a percentage of the pump price
- Countries carefully manage supply and stock levels to minimise oil price risk
 - Average of 24 days of inventory in 2019
- Combined impact of lower demand and monthly revaluation of stock impacted unit margins in March 2020
- Potential for further stock related impact on reported margins in Q2 before inventory levels normalise

(Gross cash unit margin vs Brent Crude price)



Underpinned by long-term fuel demand growth across Africa

FUEL DEMAND HAS HISTORICALLY GROWN DESPITE A FLUCTUATING OIL PRICE



AFRICAN FUEL DEMAND CHARACTERISTICS

- Few public transport alternatives
- Roads are the primary transport route
- Staple product
- Car parc growth, lower vehicle efficiency and expanding road network

Summary

- ▶ We are a fast and agile business and have taken rapid action to adapt our business
- ▶ Africa is a resilient continent that will bounce back - fuel is an essential part of that recovery
- ▶ Longer term strategy remains unchanged:
 - Deliver on the potential from our new Engen countries
 - Expand non-fuel offerings at our sites to enhance convenience
 - Drive Shell-branded volumes by maximising use of the premium brand on the continent
 - Leverage our investment in technology that sets us apart from our competition



Appendix – COVID-19 Impact

What we are doing to respond to Covid-19

PROTECTING OUR PEOPLE AND CUSTOMERS

- ▶ Travel ban imposed from January
- ▶ Range of preventive and protective health and safety measures implemented
- ▶ Supporting dealer network to protect local jobs
- ▶ Rolling out new initiatives for customers



SUPPORTING OUR COMMUNITIES



Kenya

Produced & gifted thousands of bottles of sanitiser for the Government of Kenya



Morocco

Funding production of 400 respirators & providing free fuel for healthcare workers



Zambia

Donation of 60 boxes of sanitiser, and 2,000 litres of fuel to the Zambia National Public Health Institute



Uganda

Donated 5,000 litres to emergency medical care services



Tunisia

Partnering with a local organisation to offer innovation camp programmes online for students

PROTECTING OUR BUSINESS

- ▶ Our business model drives a lean cost base
 - ▶ Total headcount of ~2,700 people across 23 countries
- ▶ Reducing discretionary spend around marketing and uncommitted capex
- ▶ Reducing supply of fuels to balance lower demand
- ▶ Closely monitoring credit exposures
- ▶ Prudent decision to withdraw recommendation of the payment of the 2019 final dividend
 - ▶ Will consider an additional dividend payment once more certainty in our markets

Liquidity – As at 31 March 2020

- ▶ Strong balance sheet and access to liquidity
- ▶ \$1.6 billion of available liquidity as at the end of March
 - ▶ Undrawn committed multi-currency revolving credit facility of \$238 million
 - ▶ Total of \$1.0 billion undrawn unsecured short-term bank facilities within our 23 operating entities
 - ▶ Cash balances of \$353 million (spread between the HoldCo and the OpCos)
- ▶ Average utilisation rates of short term facilities approximately 30% at the end of March
- ▶ Long-term debt principal repayments of \$82 million due in 2020 – covered by cash on hand in HoldCo



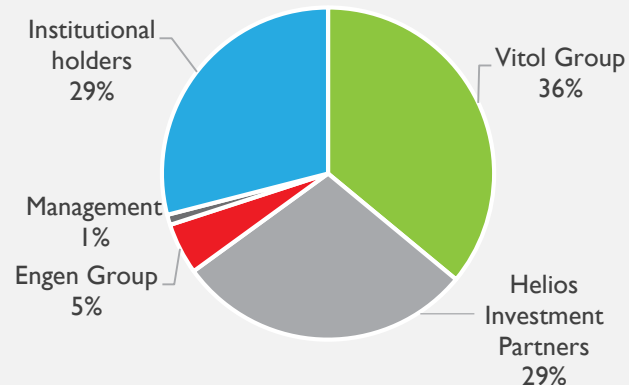
Appendix Company Overview

Public company with strong governance and experienced management

OVERVIEW

- Completed Initial Public Offering on the London Stock Exchange in May 2018 with a simultaneous inward secondary listing on the Johannesburg Stock Exchange
- At the time was the largest African IPO for 10 years
- Market capitalisation: £1.1bn (\$1.4bn) as at 1 June 2020
- Member of the FTSE 250 Index and JSE All Share Index
- UK Governance code compliant Board of Directors
- Dividend policy: minimum payout ratio of 30% of net income

SHAREHOLDER STRUCTURE¹



MANAGEMENT TEAM



Christian Chammas
Chief Executive Officer



Johan Depraetere
Chief Financial Officer



Franck Konan-Yahaut
EVP West Africa



Hans Paulsen
EVP East and Southern Africa



Eric Gosse
EVP Business Development, Support and Indian Ocean Islands

Joined Vivo

2012

2012

2012

2013

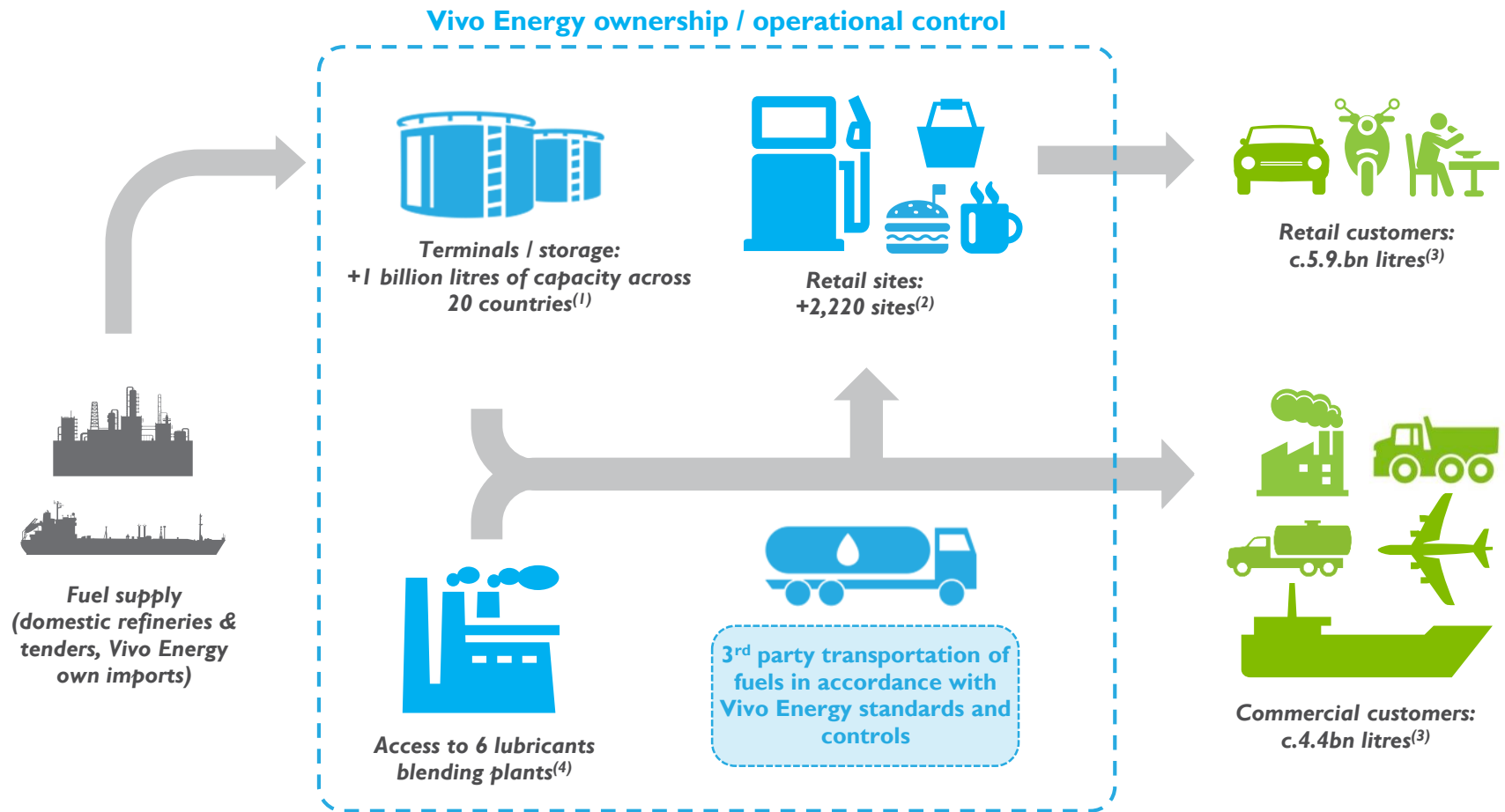
2018

Previous experience



Source: Company information
(1) As at 31 October 2019

Our integrated model provides a sustained competitive advantage



Owning storage assets in Africa is essential to control costs, guarantee supply and manage HSSE and product quality



- (1) Represents fuel storage capacity only and includes equity share of storage capacity in joint ventures, excluding bitumen and LPG. JV storage is included on a pro rata basis based on ownership %, pro-forma for Engen markets
- (2) As at December 2019
- (3) Fuel and lubricants sales in 2019
- (4) Via a combination of direct ownership and the 50% SVL joint venture

De-risking Retail performance through use of Dealer model

Company Owned
(~65% of portfolio)

Dealer Owned
(~35% of portfolio)

Company Operated

Dealer Operated

Dealer Operated

~5% of portfolio

- Generally flagship or highway sites
- Sometimes mandatory initial platform due to regulations
- Vivo Energy is responsible for all operating costs and interaction with the consumer
- Higher margin capture
- High level of operational complexity

~95% of portfolio is Dealer Operated

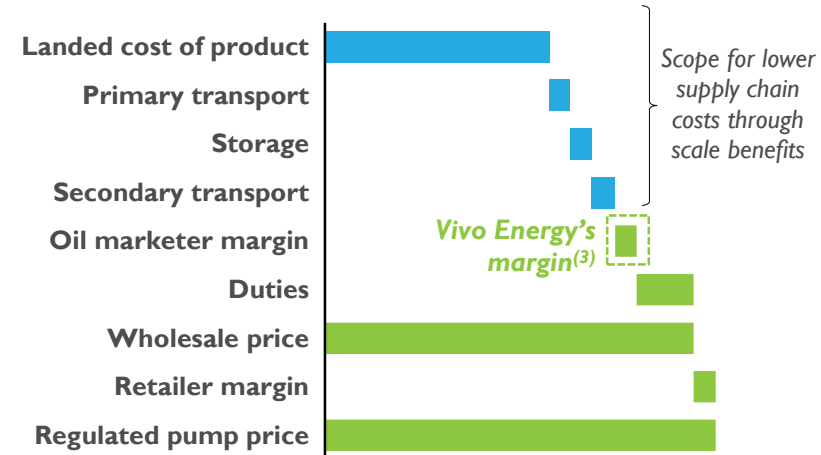
- Forecourt operating risk transferred to the Dealer, whilst we focus on supply and standards
- Dealer manages employees, opex, working capital and interaction with the consumer
 - In return, receive the fixed “retailer” margin
- Vivo Energy retains responsibility for supply, branding, marketing, operating standards and HSSE
 - In return, receive fixed “marketer/distributor” margin
- Captive channel and low operating complexity as our “consumer” is the dealer

Majority presence in regulated markets provides margin stability

OVERVIEW OF RETAIL PRICE REGULATION IN OUR COUNTRIES




MARGINS IN REGULATED MARKETS ARE COST PLUS



REGULATED MARGIN WITH EFFICIENCY UPSIDE

- Regulators set pump prices using **assumed supply chain costs**
- The regulated price contains an **allowed margin** for oil marketers, generally **5-10% of pump price**
- Oil marketing companies can make margins above this by **achieving lower supply chain costs** than those in the pump price formula
- Savings are driven by the **reach, scale and efficiency** which can be achieved by large, vertically-integrated player

Overview of Regulation in our markets



	Supply	Regular fuel margin	Subsidies
Morocco	Deregulated	Deregulated	Bottled LPG only
Uganda	Deregulated	Deregulated	None
Ghana	Partially regulated	Deregulated	None
Namibia	Deregulated	Regulated	Rural areas only
Botswana	Deregulated	Regulated	Kerosene only
Madagascar	Deregulated	Regulated	None
Mali	Deregulated	Regulated	LPG only
Zimbabwe	Deregulated	Regulated	None
Rwanda	Deregulated	Regulated	None
Malawi	Deregulated	Regulated	None
Kenya	Tender	Regulated	None
Mozambique	Tender	Regulated	None
Reunion	Tender	Regulated	None
Zambia	Tender	Regulated	None
Cape Verde	Tender	Regulated	None
Guinea	Tender	Regulated	All fuel products
Tanzania	Partially regulated	Regulated	None
Senegal	Partially regulated	Regulated	None
Mauritius	Partially regulated	Regulated	LPG only
Gabon	State monopoly	Regulated	None
Burkina Faso	State monopoly	Regulated	LPG only ⁽¹⁾
Côte D'Ivoire	State monopoly	Regulated	LPG only
Tunisia	State monopoly	Regulated	All fuel products ⁽²⁾

Our operating environment

CHALLENGE	MITIGATION
<p>Stocks / oil price</p>	<ul style="list-style-type: none"> ■ Fluctuations in oil price reflected in the pump price, not borne by the Company ■ Margins are either fixed via a regulated price structure (20 of 23 countries) or through market dynamics (3 countries) ■ Countries manage stock levels with maximum and minimum stock levels through manual of authorities
<p>Currency</p>	<ul style="list-style-type: none"> ■ ~65% of 2019 Adjusted EBITDA derived from currencies pegged to the EUR / USD ■ Utilise hedging strategies to mitigate major FX risks (i.e. importing fuels into a country) ■ Upstream dividends from operating units where possible into USD
<p>Credit</p>	<ul style="list-style-type: none"> ■ Robust credit approvals process with central oversight, local empowerment and use of credit risk mitigation measures when required ■ Bad debts represented around 1% of gross cash profits during 2019
<p>Supply</p>	<ul style="list-style-type: none"> ■ Access to over 1.0 billion litres of storage in Africa helps to mitigate major supply risks ■ Utilise over 100 suppliers, with Vitol, the worlds largest oil trader, representing 30% of Group supply in 2019
<p>Compliance</p>	<ul style="list-style-type: none"> ■ Robust and proven internal control framework with limited historical losses from fraud / bribery ■ The first company in Africa to achieve ISO 37001 certification for our anti-bribery management system