



28 July 2020

Vivo Energy plc
(LSE: VVO & JSE: VVO)

2020 Half Year Results

Vivo Energy plc, the pan-African retailer and marketer of Shell and Engen branded fuels and lubricants, today announces its consolidated financial results for the six months ended 30 June 2020.

Christian Chammas, CEO of Vivo Energy plc, commented: “We are living in unprecedented times. My thanks go out to all our teams for their efforts in staying safe whilst maintaining the essential provision of fuels for our customers. We entered the COVID-19 pandemic in a position of strength and ended the period cautiously optimistic, having seen a rebound in June in both volumes and margins from their April lows. We are a resilient business, our business model remains unchanged and we continue to position ourselves for future growth.”

KEY PERFORMANCE INDICATORS¹

(\$ in millions), if not otherwise indicated	Six-month	Six-month	Change
	period ended 30 June 2020	period ended 30 June 2019	
Volumes (million litres)	4,618	4,985	-7%
Revenues	3,375	3,903	-14%
Gross Profit	261	318	-18%
Gross Cash Unit Margin (\$/’000 litres)	65	70	-7%
Gross Cash Profit	300	351	-15%
EBITDA	136	200	-32%
Adjusted EBITDA	140	212	-34%
Net Income	13	72	-82%
Diluted EPS (US cents)	1	5	-88%
Adjusted Net Income	16	82	-80%
Adjusted Diluted EPS (US cents)	1	6	-85%

¹Refer to the non-GAAP financial measures definitions and reconciliations to the most comparable IFRS measures pages 11 and 12.

Financial Highlights

- Revenues decreased by 14% to \$3,375 million (HI 2019: \$3,903 million)
- Gross cash profit was lower at \$300 million (HI 2019: \$351 million) due to the impact of COVID-19 on both volumes and margins
- Volume sold fell 7%, as COVID-19 related restrictions on movement led to reduced demand
- Gross cash unit margin of \$65 per thousand litres (HI 2019: \$70), was impacted by negative inventory effects of c.\$3 per thousand litres
- Adjusted EBITDA was \$140 million, with EBITDA of \$136 million
- Net income decreased to \$13 million (HI 2019: \$72 million)
- Adjusted diluted EPS and diluted headline EPS were both 1 US cent
- Net debt / adjusted EBITDA ratio increased to 1.19x at 30 June 2020 (FY 2019: 0.48x)

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Strategic and Operational Highlights

- Supported our employees, customers, and communities through a range of initiatives to mitigate the impact of COVID-19
- Protected our business by reducing discretionary marketing spend, pausing uncommitted capex and temporarily reducing supply of fuels
- Maintained safety focus, with Total Recordable Case Frequency (TRCF) of zero
- Expanded Retail footprint by a net total of 30 new retail service stations and 23 Non-fuel retail offerings
- Finalising agreements to acquire several small dealer networks in Engen markets as well as new QSR joint ventures

COVID-19

Africa Context

To date the reported health impact from COVID-19 in Africa has been limited, with around 5% of global cases reported on the continent. Testing is not as extensive as in Europe or the US but the majority of the confirmed cases are in African countries where we do not have operations. In late March and April, our host governments moved quickly to impose a range of restrictions on movement to minimise the spread of the virus. As discussed below, the strictest restrictions on movement are now slowly being relaxed, with our markets cautiously reopening at different paces, and like many developed markets, looking to balance health and welfare with economic stability and growth. The near-term impact continues to be unclear as it is likely that case numbers will rise over the coming months, which may lead to further restrictions on mobility, but the long-term macro-economic growth drivers on the continent remain unchanged. Our markets are resilient, and already have experience of living through major health crises such as HIV and Ebola.

Our Stakeholders

Vivo Energy's first priority has, and always will be, the health and safety of our people, our customers, and the communities where we operate. We acted quickly and decisively, implementing a range of preventive and protective health and safety measures. As a supplier of essential products in our markets, we maintained supply at both our retail sites and to commercial customers. We have made sure the appropriate personal protective equipment is available and put in place stringent additional screening, cleaning procedures and facilities at our sites and depots to limit the risk of infection. We have also worked closely with our dealer network and our transporters to protect the jobs of the front line staff employed by them and worked constructively with our supply chain to adapt to the changes in demand.

We have also extensively supported our non-customer facing teams through the transition to remote working, with many working from home for the first time. We ensured they have the right equipment, access and training to remain safe, motivated and connected to the organisation and are undertaking regular virtual training and engagements. We will look to re-integrate our workforce into offices in a safe and socially distanced manner where this is possible and desirable over the coming months.

During this period, we have not made any redundancies or taken government support in respect of furloughing or comparator schemes.

We recognise our position within our emerging economies and have supported or led over 70 projects across our 23 markets to help our communities, host governments and local partners mitigate the impact of the pandemic during H1 2020.

HI Review

In light of the restrictions imposed due to COVID-19, we have delivered robust HI results. We started the year strongly, with January and February delivering over 20% gross cash profit growth, before COVID-19 related restrictions significantly affected gross cash profit in March and for the majority of Q2. Following the easing of many restrictions, we saw a strong recovery in June, with gross cash profit for the month down 5% compared to the previous year, with volumes and margins recovering well. These volatile trading conditions resulted in HI 2020 gross cash profit of \$300 million, of which 60% was generated in Q1 2020, compared to \$351 million in HI 2019.

After a strong start to the year, volumes sold in HI were 7% lower than the previous period due to countries imposing significant mobility restrictions in late March and early April, including full lockdowns in some markets. As fuel is a critical resource, our retail sites remained open and we continued to supply our commercial customers, however, volumes fell in April by nearly 40% against the previous year, with certain countries seeing volumes fall by over 70%. Aviation and Retail fuels were the most affected businesses, with LPG and mining experiencing resilient performance through the period. As we moved through May and June we saw a progressive easing of measures, and at period-end, all of the full lockdowns had been lifted, with countries keeping a range of lighter and targeted restrictions in place. As a result, in June, volumes were less than 5% lower than the previous year, albeit still well behind expectations.

In normal market conditions, unit margins are not linked to either volumes or the oil price. However, HI 2020 unit margins of \$65 per thousand litres were impacted by the unprecedented drop in demand from the mobility restrictions, leading to a temporary increase in inventories, which then had to be written down to reflect the significantly lower oil price environment at the time. We also took action to reduce inventory levels by making targeted sales of excess stock at lower margins. Together, these actions affected unit margins by approximately \$3 per thousand litres, representing a c.\$15 million impact on gross cash profit. In June, unit margins improved and were in line with expectations and the previous year period.

Due to the operational leverage within the business, the lower gross cash profit had a significant impact on the Group's profitability, with the majority of our operating costs fixed in nature. In addition, due to the timing of the Engen acquisition in 2019, we incurred two months of additional general and administrative cost in the period, and increased our community spending. This resulted in adjusted EBITDA falling to \$140 million, compared to \$212 million in HI 2019, and adjusted net income falling to \$16 million. Earnings per share amounted to 1 US cent, compared to 5 US cents in HI 2019.

During HI 2020, we saw the tangible benefits of our lean, de-centralised operational model and our investment in IT infrastructure as we took rapid, coordinated action to stabilise our business and support our teams in managing our stock levels, working capital and credit exposures. We also took the decision to slow non-essential capital expenditure, with HI capex of \$45 million down 10% on HI 2019.

Balance Sheet and Liquidity

We maintained a strong balance sheet through this uncertain period, ending the half-year with a net debt to adjusted EBITDA ratio of 1.19 times.

Net debt increased by \$218 million to \$426 million during the period, due to fluctuations in working capital, which is funded at the operating country level through uncommitted short-term local financing. Approximately \$111 million of this related to the timing of payments disclosed in our FY 2019 results that benefited the year-end 2019 position and reversed in Q1 2020.



In order to manage our working capital, we worked with our supply chain to cancel or defer around 75% of supply due in May, which, together with an increase in demand has meant that inventory days have largely returned to normal levels at period-end, with average inventory days in H1 2020 of 31 compared to 24 in FY 2019. These actions supported a significant improvement in our working capital in June.

Our long-term debt sits at the holding company and increased by \$73 million during the period, as the Group took the precaution of drawing an additional \$110 million on our revolving credit facility to provide flexibility. This was partially offset by the payment of \$41 million due under our amortising loan out of existing cash resources. The full \$110 million remains on our balance sheet. The Group continues to maintain sufficient headroom under its financial covenants attached to its long-term debt.

We have also closely managed our credit exposures during the period and took rapid action early in the pandemic to identify and monitor key risks, such as in the Aviation sector. We saw elevated levels of overdue accounts early in the pandemic and are working closely with customers to support them with their payments.

Morocco Conseil de la Concurrence

As previously announced, there is an ongoing review by the Conseil de la Concurrence ('the CdC') of the competitive dynamics of the Moroccan fuel retailing industry. There was a private hearing last week in Morocco in relation to the review, and the CdC will arrive at their conclusions in due course. Management believes that Vivo Energy Morocco has at all times conducted its operations in accordance with applicable competition laws, rules and regulations.

Dividend

Given the impact of COVID-19 on the business in Q2 2020 the Board withdrew its recommendation to pay a final dividend for 2019. The Board recognises the importance of dividends to shareholders, and, if the improvement in trading continues, intends to restart dividend payments later in the year.

Outlook

On 25 March, the Group withdrew guidance for the year in light of the uncertainty arising from COVID-19 and the actions taken by host governments to stem the spread of the virus. While we are encouraged by the improvement in trading in June, and trading to date in July, and believe it may be sustained, we remain cautious. Increased infection rates may delay further relaxation of measures, or lead to targeted new measures in certain countries, with the potential knock-on impact on mobility. Given the ongoing level of uncertainty, the Board does not yet believe it is appropriate to provide updated guidance.

End



Results presentation

Vivo Energy plc will host an audio webcast for analysts and investors today, 28 July 2020 at 09.30 BST, which can be accessed at <https://webcasting.brrmedia.co.uk/broadcast/5f0c6d4a4c167c1215795b78>

Participants may also dial in to the event by conference call:

Dial-in: +44 330 336 9125 / +27 11 844 6054

Participant access code: 7192786

The replay of the webcast will be available after the event at <https://investors.vivoenergy.com>

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Notes to editors:

Vivo Energy operates and markets its products in countries across North, West, East and Southern Africa. The Group has a network of over 2,200 service stations in 23 countries operating under the Shell and Engen brands and exports lubricants to a number of other African countries. Its retail offering includes fuels, lubricants, card services, shops, restaurants and other non-fuel services. It provides fuels, lubricants and liquefied petroleum gas (LPG) to business customers across a range of sectors including marine, aviation, mining, construction, power, transport and manufacturing.

The Company employs around 2,700 people and has access to over 1,000,000 cubic metres of fuel storage capacity and has a joint venture, Shell and Vivo Lubricants B.V., that sources, blends, packages and supplies Shell-branded lubricants.

For more information about Vivo Energy please visit www.vivoenergy.com

Forward-looking-statements

This announcement includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, including risks associated with the impact of COVID-19, many of which are beyond the Company's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as: "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", "anticipates" or "targets" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the future results of operations, financial condition, prospects, growth, strategies of the Group and the industry in which it operates.

No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements.

Such forward-looking statements contained in this report speak only as of the date of this report. The Company and the Directors expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law.

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INTERIM REPORT

For the six-month period ended 30 June 2020

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Terms and abbreviations

Term	Description	Term	Description
B2C	Business to consumer	HI	Six-month period January to 30 June
DPO	Days payable outstanding	HSSE	Health, safety, security and environment
DSO	Days sales outstanding	IFRS	International Financial Reporting Standards
EBIT	Earnings before finance expense, finance income and income taxes	IPO	Initial public offering
EBITDA	Earnings before finance expense, finance income, income taxes, depreciation and amortisation	LPG	Liquefied petroleum gas
EBT	Earnings before income taxes	LTM	Last 12 months
EPS	Earnings per share	MD&A	Management's discussion and analysis
ETR	Effective tax rate	PP&E	Property, plant and equipment
FY	Financial year	QSR	Quick service restaurant
GAAP	Generally Accepted Accounting Principles	RCF	Revolving credit facility
		SVL	Shell and Vivo Lubricants B.V.
		VEOHL	Vivo Energy Overseas Holdings Limited, formerly known as Engen International Holdings (Mauritius) Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

This MD&A of financial condition and results of operations is intended to convey management's perspective of Vivo Energy plc's ('Vivo Energy' or the 'Company') operational performance and financial condition during the periods under review, as measured under IFRS and non-GAAP measures. This MD&A is intended to assist readers in understanding and interpreting the Company's interim condensed consolidated financial statements and should, therefore, be read in conjunction with the interim condensed consolidated financial statements (included from page 15 onwards). The results of operations and cash flows for the six-month period are not necessarily indicative of the results of operations and cash flows for the full fiscal year.

The financial information disclosed in this report is unaudited and does not constitute statutory financial statements. Comparative figures for the period 30 June 2019 were derived from the Interim Report HI 2019. Comparative figures for the year ended 31 December 2019 were derived from the 2019 Annual Report and Accounts that was delivered to the Registrar of Companies in England and Wales. These accounts received an unqualified audit report which did not contain a statement under section 498(2) or 498(3) of the UK Companies Act 2006.

All amounts in this report are expressed in millions of US dollars, unless otherwise indicated.

Further insight into the Company, as well as financial and operations reports, can be found on the investor relations section of the Company's website at: <http://investors.vivoenergy.com/>.

IFRS and non-GAAP measures

This MD&A contains both IFRS and non-GAAP measures. Non-GAAP measures are defined and reconciled to the most comparable IFRS measures on pages 11 and 12.

OVERVIEW OF OPERATIONS BY SEGMENT

US\$ million, unless otherwise indicated	Six-month period ended 30 June 2020	Six-month period ended 30 June 2019	Change
Volumes (million litres)			
Retail	2,481	2,840	-13%
Commercial	2,071	2,079	0%
Lubricants	66	66	0%
Total	4,618	4,985	-7%
Gross profit			
Retail (including Non-fuel retail)	152	195	-22%
Commercial	76	88	-14%
Lubricants	33	35	-6%
Total	261	318	-18%
Gross cash unit margin (\$/000 litres)			
Retail fuel (excluding Non-fuel retail)	66	71	-7%
Commercial	43	47	-9%
Lubricants	537	537	0%
Total	65	70	-7%
Gross cash profit			
Retail (including Non-fuel retail)	176	216	-19%
Commercial	89	99	-10%
Lubricants	35	36	-3%
Total	300	351	-15%
Adjusted EBITDA			
Retail	69	122	-43%
Commercial	46	63	-27%
Lubricants	25	27	-7%
Total	140	212	-34%

RETAIL

Volumes (litres)	Gross Profit	Gross Cash Unit Margin (excl. Non-fuel retail)	Gross Cash Profit	Adjusted EBITDA
2,481 million	\$152 million	\$66/'000 litres	\$176 million	\$69 million

KEY PERFORMANCE INDICATORS

US\$ million, unless otherwise indicated	Six-month period ended 30 June 2020	Six-month period ended 30 June 2019	Change
Volumes (million litres)	2,481	2,840	-13%
Gross profit (including Non-fuel retail)	152	195	-22%
Gross cash unit margin (\$/'000 litres) (excluding Non-fuel retail)	66	71	-7%
Retail fuel gross cash profit	164	201	-18%
Non-fuel retail gross cash profit	12	15	-20%
Adjusted EBITDA	69	122	-43%

ANALYSIS OF RESULTS

Half-year review

Our Retail business had a robust start to the year, with strong volume growth for Shell-branded markets in January and February, before COVID-19 restrictions led to significantly lower demand at our service stations from late March. As restrictions have been progressively eased in May and June we have seen strong month-on-month improvements in volumes, gross cash profit and adjusted EBITDA from the April lows.

Retail fuel

Retail fuel volumes fell by 13% in H1 2020, primarily due to COVID-19 restrictions, which particularly affected the performance in April and May. This more than offset the strong start to the year with double-digit volume growth in the two months prior to COVID-19, aided by the additional contribution from Engen, and a strong recovery in June, with volumes down less than 5% compared to June 2019.

A key operational aspect to this recovery is our Clean and Safe sites initiative, which aims at positioning our retail stations as the safest sites to refuel in the industry, and our support for our forecourt champions and third party drivers, which has enabled us to be ready for the recovery.

In addition, the Group has maintained its growth agenda in H1 2020 by continuing to expand its network. During the period, we opened a net total of

30 new retail sites despite lockdown and curfew restrictions, and we are finalising several agreements to acquire small dealer networks, which should benefit H2 2020 performance when they complete.

Reported gross cash unit margin for Retail fuel was lower at \$66 per thousand litres (\$71 per thousand litres in H1 2019). This is primarily attributable to the combined impact of the reduction in demand, increasing inventory levels and the sharp fall in crude oil prices in March and April, which led to significant negative inventory effects on the stock on hand.

Gross cash unit margin excluding the negative inventory effects and IAS 29 hyperinflationary impacts was broadly in line with the previous year at \$70 per thousand litres.

Non-fuel retail

A strong start to the year was offset by the knock-on impact of lower traffic at our sites and some restrictions on operating hours which led to gross cash profit falling by 20%. During the period we have introduced new offerings such as deliveries and 'Click and Collect' as well as updates to our product lines. We have continued to develop our QSR business by agreeing to form a KFC joint venture in Namibia, our sixth country, expected to be completed in H2 2020.

COMMERCIAL

Volumes (litres)	Gross Profit	Gross Cash Unit Margin	Gross Cash Profit	Adjusted EBITDA
2,071 million	\$76 million	\$43/'000 litres	\$89 million	\$46 million

KEY PERFORMANCE INDICATORS

US\$ million, unless otherwise indicated	Six-month period ended 30 June 2020	Six-month period ended 30 June 2019	Change
Volumes (million litres)	2,071	2,079	0%
Gross profit	76	88	-14%
Gross cash unit margin (\$/'000 litres)	43	47	-9%
Gross cash profit	89	99	-10%
Adjusted EBITDA	46	63	-27%

ANALYSIS OF RESULTS

Half-year review

Commercial volumes remained flat year-on-year with strong performances in Commercial fuels and LPG offsetting lower volumes from our Aviation and Marine businesses, which were significantly affected by travel restrictions imposed due to COVID-19. Gross cash unit margin of \$43 per thousand litres was down 9% largely due to the negative inventory effects on the stock on hand.

Gross cash profit of \$89 million was 10% lower than HI 2019, due to the lower unit margins that led to adjusted EBITDA of \$46 million, 27% lower year-on-year.

Core commercial

Our Core commercial business offers bulk fuel to customers in transportation, mining, construction and power along with packed LPG to consumers. Core commercial accounted for 85% (HI 2019: 75%) of total Commercial volumes and 90% (HI 2019: 82%) of total Commercial gross cash profit.

Core commercial volumes were up 14% in HI 2020, primarily due to additional two months of contribution from Engen-branded markets. This was supported by the resilient performance of our LPG business, as the primary use of the product is for home cooking. New initiatives such as LPG home delivery meant it remained available to consumers. Furthermore, a number of our mining customers continued to operate as the sector was largely unaffected by COVID-19.

Unit margins fell by 13% to \$45 per thousand litres primarily due to the negative inventory effects and low margin sales to resellers to protect stock exposure during April and May.

Excluding the negative inventory effects and IAS 29 hyperinflationary impacts, unit margins of \$49 per thousand litres were slightly behind the previous year (HI 2019: \$52 per thousand litres).

Aviation and Marine

Results from the Aviation and Marine sectors were significantly hindered by travel restrictions due to COVID-19, with volumes 41% lower and unit margins falling to \$31 per thousand litres (HI 2019: \$33 per thousand litres). As a result, they contributed 15% (HI 2019: 25%) of total Commercial volumes and 10% (HI 2019: 18%) of total Commercial gross cash profit.

Aviation has been particularly impacted, with volumes down by 52% in HI 2020 as airline activities have been restricted to cargo and repatriation flights in a number of our host countries since late March and unit margins were significantly impacted by the negative inventory effects.

Marine volumes were lower due to lower cargo and cruise line movements in key markets, while the unit margin performed well in part due to profitable spot sales.

LUBRICANTS

Volumes (litres)	Gross Profit	Gross Cash Unit Margin	Gross Cash Profit	Adjusted EBITDA
66 million	\$33 million	\$537/'000 litres	\$35 million	\$25 million

KEY PERFORMANCE INDICATORS

US\$ million, unless otherwise indicated	Six-month period ended 30 June 2020	Six-month period ended 30 June 2019	Change
Volumes (million litres)	66	66	0%
Revenues	172	181	-5%
Gross profit	33	35	-6%
Gross cash unit margin (\$/'000 litres)	537	537	0%
Gross cash profit	35	36	-3%
Adjusted EBITDA	25	27	-7%

ANALYSIS OF RESULTS

Half-year review

We delivered a resilient overall Lubricants performance, with volumes and unit margins remaining flat year-on-year as strong performances in Commercial and B2C lubricants largely offset lower volumes and margins from Retail lubricants.

The flat volumes and unit margins led to gross cash profit of \$35 million, with adjusted EBITDA of \$25 million slightly behind the prior year period.

Retail lubricants

The Group sells Retail lubricants through its retail service station network and via distributors to retail customers (B2C). Results from Retail lubricants sold in service stations were significantly impacted by lower traffic due to mobility restrictions. This was partially offset by higher year-on-year volumes in B2C lubricants as our distributors continued to service essential industries during the lockdowns. Volumes were down 5% year-on-year and represent 59% of the segment overall volumes (HI 2019: 61%).

Unit margins decreased slightly to \$531 per thousand litres compared to \$541 per thousand litres in HI 2019, largely due to lower demand of our higher

margin premium lubricants, but improved in June as COVID-19 restrictions were lifted. Retail lubricants gross cash profit accounted for 57% (HI 2019: 62%) of total Lubricants gross cash profit.

Commercial lubricants

We provide Commercial lubricants through our operating countries as well as key export markets outside of our network.

Volumes rose by 8% year-on-year, driven by the additional two-month contribution from Engen-branded markets, strong export sales and resilient mining demand. The increase in Commercial lubricants volumes was partially offset by lower volumes primarily in the construction and power sectors, which were linked to the lockdown restrictions. Commercial lubricants accounted for 41% (HI 2019: 39%) of total Lubricants volumes.

Unit margins increased 2% to \$540 per thousand litres, attributable to favourable product mix and base oil prices, partially offset by unfavourable foreign exchange movements.

As a result Commercial lubricants represented 43% of total Lubricants gross cash profit (HI 2019: 38%).

CONSOLIDATED RESULTS OF OPERATIONS

SUMMARY INCOME STATEMENT

US\$ million	Six-month period ended 30 June 2020	Six-month period ended 30 June 2019	Change
Revenues	3,375	3,903	-14%
Cost of sales	(3,114)	(3,585)	-13%
Gross profit	261	318	-18%
Selling and marketing cost	(105)	(103)	+2%
General and administrative cost	(89)	(77)	+16%
Share of profit of joint ventures and associates	9	11	-18%
Other income/(expense)	1	1	0%
EBIT	77	150	-49%
Finance expense – net	(35)	(32)	+9%
EBT	42	118	-64%
Income taxes	(29)	(46)	-37%
Net income	13	72	-82%

Earnings per share (US\$)	Six-month period ended 30 June 2020	Six-month period ended 30 June 2019	Change
Basic	0.01	0.05	-88%
Diluted	0.01	0.05	-88%

NON-GAAP MEASURES

US\$ million, unless otherwise indicated	Six-month period ended 30 June 2020	Six-month period ended 30 June 2019	Change
Volumes (million litres)	4,618	4,985	-7%
Gross cash profit	300	351	-15%
EBITDA	136	200	-32%
Adjusted EBITDA	140	212	-34%
ETR (%)	69%	39%	n/a
Adjusted net income	16	82	-80%
Adjusted diluted EPS (US\$)	0.01	0.06	-85%

Non-GAAP measures are explained and reconciled on pages 11 and 12.

ANALYSIS OF CONSOLIDATED RESULTS OF OPERATIONS

Volumes

In a volatile business environment, the Group delivered a resilient performance, benefiting from a strong start to the year with double-digit volume growth through February. This positive momentum was more than offset by the impact of COVID-19, which was initially felt in the last two weeks of March and to a greater extent in April, with our Aviation and Retail businesses significantly impacted by mobility restrictions, while our LPG and Commercial fuels businesses remained resilient during the pandemic. As restrictions progressively eased in May and June, the Group began to see a recovery across all sectors, other than Aviation.

Revenues

Group revenues for H1 2020 were \$3,375 million, compared to \$3,903 million in H1 2019. The decrease primarily reflected the contraction in demand due to the COVID-19 restrictions, significantly lower average crude oil prices and depreciating local currencies.

Cost of sales

Cost of sales decreased by \$471 million, or 13%, to \$3,114 million in H1 2020. The decrease is attributable to lower purchases in line with lower sales volumes and lower cost of inventory due to the significant decrease in crude oil prices during the period.

Gross profit

Gross profit was \$261 million, down 18% year-on-year due to lower volumes, reflecting the effect of lower demand for oil products, and lower unit margins.

Gross cash profit

Gross cash profit decreased by 15% to \$300 million, largely due to lower volumes and lower gross cash unit margins primarily attributable to the negative inventory effects. In normal market conditions, unit margins are not linked to either volumes or the oil price. However, H1 2020 unit margins of \$65 per thousand litres were impacted by the unprecedented drop in demand from the mobility restrictions, leading to a temporary increase in inventories, which then had to be written down to reflect the significantly lower oil price environment at the time. We also took action to reduce inventory levels by making targeted sales of excess stock at lower margins. Together, these actions affected unit margins by approximately \$3 per thousand litres, representing a c.\$15 million impact on gross cash profit. In June, unit margins improved and were in line with expectations and the previous year period. Hyperinflation accounting had a further negative impact of c.\$5 million on the gross cash profit. Excluding these impacts, the gross cash profit was \$320 million for H1 2020.

Selling and marketing cost

Selling and marketing remained broadly in line with H1 2019 and was mainly impacted by the additional two months cost contribution from Engen-branded markets, increased depreciation and amortisation as well as higher bad debt provisions. This was partially offset by lower spend on marketing campaigns and a positive foreign currency exchange effect.

General and administrative cost

General and administrative cost, including special items, increased by \$12 million to \$89 million in H1 2020. This is mainly driven by the additional two months cost contribution from Engen-branded markets, higher depreciation and COVID-19 pandemic related donations provided to the communities where Vivo Energy operates. Increased costs were partially offset by a positive foreign currency exchange effect.

Share of profit from JVs and associates

Share of profit from joint ventures and associates decreased by \$2 million to \$9 million. The decrease was mainly driven by COVID-19 impacts on our joint ventures in Madagascar and our investments in QSR

joint ventures that were negatively affected by temporary restaurant closures during lockdowns. All restaurants are now open and operating delivery and takeaway services.

Adjusted EBITDA

Adjusted EBITDA was \$140 million, down 34% year-on-year. The decrease is largely attributable to lower volumes and margins linked to the impact of the COVID-19 pandemic, along with higher general and administrative cost and a lower share of profit from joint ventures and associates.

Net finance expense

Net finance expense increased by \$3 million to \$35 million, largely driven by \$7 million in higher finance expenses arising from increased use of short-term bank facilities available to our operating entities for working capital needs. The increase in net finance expense is further explained by a \$1 million loss resulting from the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' relating to our operations in Zimbabwe. This is partially offset by \$2 million foreign exchange gains versus a foreign exchange loss of \$1 million in H1 2019, \$2 million decrease in finance expense on long-term debt due to lower average borrowings as a result of scheduled repayments as well as \$1 million lower mark-to-market losses on interest rate swaps on long-term borrowings.

Income taxes

For the six months ended 30 June 2020, the ETR increased to 69% from 39% compared to the comparative period in 2019. The ETR for the six months ended 30 June 2020 is based on the actual income tax expense, which management considers to represent the best current estimate of the ETR for the year. The increase of the ETR is due to the lower earnings before tax of \$42 million (H1 2019: \$118 million) given a higher relative impact of the permanent items and the withholding tax.

Net income

Net income, including the impact of special items was \$13 million, 82% down from \$72 million in the half-year 2019.

Earnings per share

Basic earnings per share amounted to 1 US cent per share (H1 2019: 5 US cents per share). Adjusted diluted earnings per share, excluding the impact of special items were 1 US cent per share (H1 2019: 6 US cents per share).

CONSOLIDATED FINANCIAL POSITION

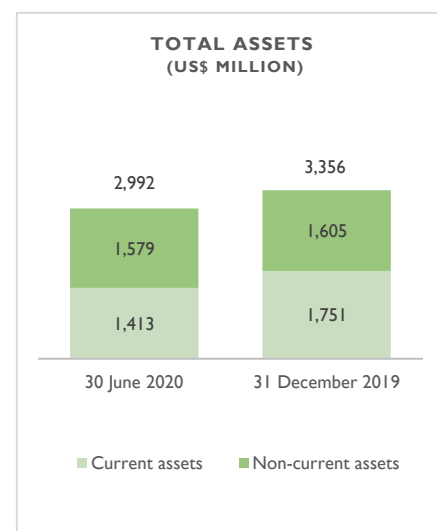
Total assets

Total assets, including the impacts of foreign currency movements, decreased by \$364 million and can largely be explained by:

- \$138 million decrease in inventories was due to the decline in crude oil prices that lowered the average cost of stocks as well as reduced stock on hand for the period. Average inventory days for the period was 31 days (FY 2019: 24 days);
- \$115 million decrease in trade receivables resulting from lower sales volumes in the period given the contraction in demand caused by COVID-19 lockdowns, lower crude oil prices during the period and a \$4 million increase in bad debt provisions. Average monthly DSO¹ for the period was 17 days (FY 2019: 17 days);
- \$57 million decrease in cash and cash equivalents, mainly due to the increase in cash resources utilisation in response to COVID-19 offset by a \$110 million drawdown of the RCF held in cash; and
- \$32 million decrease in PP&E primarily due to depreciation and devaluing local currencies, partially offset by additions for the period.

partially offset by:

- An increase in investments in joint ventures coming from the investment in Kuku Foods and the share of profit for the period from existing investments.



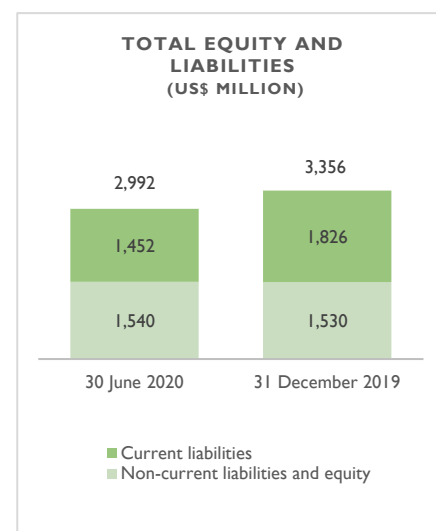
Total equity and liabilities

Total equity and liabilities, including foreign currency movements, decreased by \$364 million and can largely be explained by:

- \$455 million decrease in trade payables largely attributable to reduced levels of purchases at lower crude oil prices and the settlement of significant FY 2019 supplier invoices in Q1 2020. Average monthly DPO¹ for the period was 55 days (FY 2019: 55 days); and
- \$48 million decrease in equity, was mainly due to depreciating currencies in the countries where we operate and IAS 29 hyperinflationary accounting impacts from our operating unit in Zimbabwe. This was partially offset by the profit for the period.

partially offset by:

- \$167 million increase in borrowings explained by a \$110 million additional drawdown of the RCF and an increase in short-term borrowing facilities to fund working capital, partially offset by scheduled loan repayments in June 2020.



¹ DSO and DPO are based on monthly averages and on trade elements only.

LIQUIDITY AND CAPITAL RESOURCES

ADJUSTED FREE CASH FLOW

US\$ million	Six-month period ended 30 June 2020	Six-month period ended 30 June 2019 ¹
Net income	13	72
Adjustment for non-cash items and other	83	93
Current income tax paid	(41)	(38)
Net change in operating assets and liabilities and other adjustments	(167)	(105)
Cash flow from operating activities	(112)	22
Net additions of PP&E and intangible assets ²	(44)	(49)
Free cash flow	(156)	(27)
Special items ³	10	12
Adjusted free cash flow	(146)	(15)

The adjusted free cash outflow of \$146 million was impacted by the net change in operating assets and liabilities and other adjustments of \$167 million. Approximately \$111 million of the \$167 million related to the timing of payments disclosed in our FY 2019 Annual Report and Accounts that benefited the year-end 2019 position and reversed in Q1 2020 (excluding this impact adjusted free cash outflow would amount to \$35 million). The adjusted free cash outflow was further impacted by an outflow in trade payables resulting from reduced purchases at lower values due to the declining crude oil prices. The outflow was partially offset by decreases in inventories and receivables. Net additions in PP&E and intangible assets were lower at \$44 million (HI 2019: \$49 million), as we strategically slowed down non-essential capital expenditure in the period. The Group's net additions in PP&E and intangible assets included \$22 million in Growth (HI 2019: \$26 million), \$19 million in Maintenance (HI 2019: \$10 million), and \$3 million in Special Projects (HI 2019: \$13 million).

NET DEBT AND AVAILABLE LIQUIDITY

US\$ million	30 June 2020	31 December 2019
Long-term debt	444	371
Lease liabilities	119	125
Total debt excluding short-term bank borrowings	563	496
Short-term bank borrowings ⁴	323	229
Less: cash and cash equivalents	(460)	(517)
Net debt	426	208

US\$ million	30 June 2020	31 December 2019
Cash and cash equivalents	460	517
Available undrawn credit facilities	1,313	1,410
Available short-term capital resources	1,773	1,927

Net debt increased by \$218 million as a result of increased utilisation of short-term local financing for working capital purposes. The increased utilisation was due to the effects of the COVID-19 pandemic, which have led to temporary higher working capital requirements, although these have progressively reduced since April. The Group took precautionary actions by drawing an additional \$110 million on the RCF to ensure flexibility if required. This was partially offset by a \$41 million scheduled repayment on our long-term loan. The leverage ratio at 30 June 2020 was 1.19x (FY 2019: 0.48x) as a result of higher net debt and a lower LTM adjusted EBITDA. The available undrawn credit facilities of \$1,313 million (FY 2019: \$1,410 million) are comprised of the remaining undrawn balance of \$124 million of the committed RCF and \$1,189 million of undrawn unsecured short-term bank facilities extended to our operating entities for working capital purposes. The short-term bank facilities included a large number of uncommitted facilities (ranging from \$1 million to \$330 million).

¹ Cash flow movements exclude the effect of the first time consolidation of Engen entities and foreign currency movements related to the conversion of the balance sheet positions to the Group currency. Prior year comparatives were reclassified to provide a consistent presentation to 2020 (refer to note 2).

² Excluding cash flow from acquisition of businesses and other investing activities.

³ Cash impact of special items. Special items are explained and reconciled on pages 11 to 12.

⁴ Short-term bank borrowings exclude the current portion of the long-term debt.

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 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 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	Term	Description
Gross cash profit	This is a measure of 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. Gross cash profit is a key management performance measure.	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.
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 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 net income	Net income adjusted for the impact of special items.	Adjusted diluted EPS	Diluted EPS 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.	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.
Net debt	Total borrowings and lease liabilities less cash and cash equivalents.	Leverage ratio	Net debt, including lease liabilities, divided by last 12 months adjusted EBITDA.

RECONCILIATION OF NON-GAAP MEASURES

US\$ million, unless otherwise indicated	Six-month period ended	
	30 June 2020	30 June 2019
Gross profit	261	318
Add back: depreciation and amortisation in cost of sales	39	33
Gross cash profit	300	351
Volume (million litres)	4,618	4,985
Gross cash unit margin (\$/'000 litres)	65	70

US\$ million	Six-month period ended	
	30 June 2020	30 June 2019
EBT	42	118
Finance expense – net	35	32
EBIT	77	150
Depreciation, amortisation and impairment	59	50
EBITDA	136	200
Adjustments to EBITDA related to special items:		
Hyperinflation ¹	4	-
IPO ² and Engen acquisition related expenses ³	2	7
Management Equity Plan ⁴	(2)	-
Write-off of non-current asset ⁵	-	3
Restructuring ⁶	-	2
Adjusted EBITDA	140	212

US\$ million	Six-month period ended	
	30 June 2020	30 June 2019
Net income	13	72
Adjustments to net income related to special items:		
Hyperinflation ¹	4	-
IPO ² and Engen acquisition related expenses ³	2	7
Management Equity Plan ⁴	(2)	-
Write-off of non-current asset ⁵	-	3
Restructuring ⁶	-	2
Tax on special items	(1)	(2)
Adjusted net income	16	82

US\$	Six-month period ended	
	30 June 2020	30 June 2019
Diluted earnings per share	0.01	0.05
Impact of special items	-	0.01
Adjusted diluted earnings per share	0.01	0.06

For the reconciliation of adjusted free cash flow, net debt and leverage ratio, refer to page 10.

¹ The impacts of accounting for hyperinflation for Vivo Energy 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.

² IPO related items in 2020 and 2019 concern the IPO share awards which are accrued for over the vesting period.

³ On 1 March 2019 Vivo Energy Investments B.V., a subsidiary of the Group, acquired 100% of the issued shares in Vivo Energy Overseas Holdings Limited (formerly known as Engen International Holdings (Mauritius) Limited). The cost of the acquisition and related integration project expenses are treated as special items.

⁴ The Management Equity Plan vested at IPO in May 2018 and is exercisable on the first anniversary of admission for a period of 24 months. Changes in the fair value of the cash-settled share-based plan do not form part of the core operational business activities and performance and should, therefore, be treated as a special item. The costs of share-based payment schemes introduced after the IPO are not treated as special items.

⁵ The Group recognised a write-off in 2019 related to a government benefits receivable as a result of a retrospective price structure change by the government to finance their outstanding debt. Such retrospective changes of existing price structures are considered non-recurring and are not representative of the core operational business activities and performance and are, therefore, treated as special items.

⁶ Restructuring costs were incurred in 2019 mainly as a result of the integration of VEOHL into our business model. The impact from these activities do not form part of the core operational business activities and performance and were, therefore, treated as a special item in 2019.

ACCOUNTING AND REPORTING DEVELOPMENTS

The following amendments and new interpretations to the standards effective for annual periods beginning on or after 1 January 2020, have been applied in preparing the interim condensed consolidated financial statements and have no material impact for the Group:

- Amendments to IFRS 3 Definition of a business
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Amendments to IAS 1 and IAS 8 Definition of 'material'
- Effective date of updated references to the Conceptual Framework

There are no other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2020 that have a material impact on the interim condensed consolidated financial statements of the Group.

RISKS AND UNCERTAINTIES

Risk management is embedded in the operational responsibilities of our teams and is an integral part of our overall governance, planning and decision-making. The Group continues to be exposed to a number of risks and has an established and structured approach to identify, assess and manage those risks. Details of the principal risks facing the Group's businesses were included on pages 58 to 64 of the 2019 Annual Report and Accounts and are set out below, with the Board believing these all remain applicable for the financial year.

- Partner reputation and relationships
- Criminal activity, fraud, bribery and compliance risk
- Oil price fluctuations
- Currency exchange risk
- Health and safety
- Economic and governmental instability
- Product availability and supply
- Business concentration risk
- New ERP implementation
- Acquisition integration
- Credit management
- Human resources and talent management

The Board of Directors has assessed the impacts of COVID-19 on these principal risk factors over the first six months of 2020. The Board also considered that the heightened risk related to the impacts of the pandemic event will remain applicable for the second half of the year, in particular assuming potential longer-term disruptions if the virus continues to circulate, and in the worst-case scenario the number of infections begin to rapidly increase again, and if government restrictions remain in place in the countries where we operate. Our response to COVID-19 is detailed in the HI Review of the press release as it affects the majority of our principal risks, with Health and safety, Credit management, Oil price fluctuations and Currency exchange risk seeing particular increases in their risk profiles.

Regarding our other principal risk factors, while COVID-19 has not had a direct impact on our Partner reputation and relationships, Business concentration, New ERP implementation and Acquisition integration risks, the pandemic and its social and economic consequences could negatively impact the stability of some of the countries where we do operate, intensifying social tensions. In the short-term, the pandemic led to an over-supply of crude oil and together with falling Platts prices drove oil prices to historically low levels. Longer-term impacts on oil producers remain unpredictable and there may be future impacts on production and supply capacity. In parallel, our Human resources and talent management risk has been impacted by the governmental limitations on movements, delaying some international assignments and relocations. Some local measures may affect our ability to move talents between countries in the future.

In response to the risks created by COVID-19, we have activated our Business Continuity Plans and have put in place extensive measures to protect the health and safety of our employees, stakeholders, counterparts and communities. The pandemic and new ways of working have created increased opportunities for fraudsters, with an increase in phishing attacks and cyber-fraud activity reported. We have strengthened our controls in this area, by providing online training and guidance on how to securely work from home for all staff.

We have adapted the management of critical operational and finance activities, increasing the frequency at which the Group monitors our credit, supply commitments, demand, stocks, payables, and forex exposures in the current high-volatility environment, enabling the Group to manage risks as they arise.

We have also prepared a range of financial scenarios, including stress tests on results and cash, to ensure that the Group can cope with the changes in the operating environments. Under all test scenarios, pessimistic (representing a severe but plausible sensitivity), optimistic and realistic, the Group is confident it will remain a going concern (refer to note 2). These plans will be applied for the duration of the pandemic and adapted to the evolving business environment and the measures taken, imposed or released by authorities in the countries where we do operate.

The Senior Executive Team, together with relevant senior operational and financial management, have met on a weekly basis to review the key performance indicators, considered the Group's response to the developing situation, and reviewed the recovery plans for the businesses. Furthermore, the Board has met regularly during this period and has received updates from the Group. As part of the Group's risk management framework we continue to consider changes in the nature, likelihood and impact of existing risks, as well as new and emerging risks, such as climate change and evolving stakeholder expectations from businesses. These are not currently considered principal risk factors at 30 June 2020.

SHAREHOLDER INFORMATION

Issued and treasury shares as at 30 June 2020 were as follows:

	Issued	Treasury
Ordinary shares	1,266,941,899	812,284

In May 2019 the Company established an employee benefit trust. At 30 June 2020 the trust held 812,284 remaining shares which are accounted for as treasury shares in the interim condensed consolidated financial statements of the Group. The Company's issued share capital at 30 June 2020 is composed of a single class of 1,266,941,899 ordinary shares of 50 US cents, including 812,284 of treasury shares. The shares held by the trust are not considered as treasury shares for the purposes of Listing Rules disclosure.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2020

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Terms and abbreviations

Term	Description	Term	Description
B2B	Business to business	GAAP	Generally Accepted Accounting Principles
B2C	Business to consumer	HI	Six-month period 1 January to 30 June
DTR	Disclosure Guidance and Transparency Rules	HSSE	Health, safety, security and environment
EBIT	Earnings before finance expense, finance income and income taxes	IAS	International Accounting Standards
EBITDA	Earnings before finance expense, finance income, income taxes, depreciation and amortisation	IASB	International Accounting Standards Board
EBT	Earnings before income taxes	IFRIC	IFRS Interpretation Committee
EPS	Earnings per share	IFRS	International Financial Reporting Standards
ETR	Effective tax rate	JSE	Johannesburg Stock Exchange
EURIBOR	Euro Interbank Offered Rate	LIBOR	London Interbank Offered Rate
FVTOCI	Fair value through other comprehensive income	LTIP	Long-term incentive plan
FVTPL	Fair value through profit and loss	NCI	Non-controlling interest
		OCI	Other comprehensive income
		PP&E	Property, plant and equipment
		VEOHL	Vivo Energy Overseas Holdings Limited, formerly known as Engen International Holdings (Mauritius) Limited

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

US\$ million	Notes	Six-month period ended	
		30 June 2020	30 June 2019
Revenues	4	3,375	3,903
Cost of sales		(3,114)	(3,585)
Gross profit	4	261	318
Selling and marketing cost		(105)	(103)
General and administrative cost		(89)	(77)
Share of profit of joint ventures and associates		9	11
Other income/(expense)		1	1
EBIT	4	77	150
Finance income		5	4
Finance expense		(40)	(36)
Finance expense – net	5	(35)	(32)
EBT	4	42	118
Income taxes	6	(29)	(46)
Net income	4	13	72
Net income attributable to:			
Equity holders of Vivo Energy plc		8	63
Non-controlling interest (NCI)		5	9
		13	72
Other comprehensive income (OCI)			
Items that may be reclassified to profit or loss			
Currency translation differences		(48)	(24)
Net investment hedge (loss)/gain		(3)	1
Items that are never reclassified to profit or loss			
Re-measurement of retirement benefits		(4)	-
Income tax relating to retirement benefits		1	-
Change in fair value of financial instruments through OCI, net of tax		1	-
Other comprehensive income, net of tax		(53)	(23)
Total comprehensive income		(40)	49
Total comprehensive income attributable to:			
Equity holders of Vivo Energy plc		(38)	49
Non-controlling interest (NCI)		(2)	-
		(40)	49
Earnings per share (US\$)			
	7		
Basic		0.01	0.05
Diluted		0.01	0.05

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

NON-GAAP FINANCIAL MEASURES¹

US\$ million, unless otherwise indicated	Six-month period ended	
	30 June 2020	30 June 2019
EBITDA	136	200
Adjusted EBITDA	140	212
Adjusted net income	16	82
Adjusted diluted EPS (US\$)	0.01	0.06

¹ Refer to the non-GAAP financial measures definitions and reconciliations to the most comparable IFRS measures pages 11 and 12.

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

US\$ million	Notes	30 June 2020	31 December 2019
Assets			
Non-current assets			
Property, plant and equipment		791	823
Right-of-use assets		174	176
Intangible assets		214	226
Investments in joint ventures and associates		235	227
Deferred income taxes		39	34
Financial assets at fair value through other comprehensive income		11	9
Other assets		115	110
		1,579	1,605
Current assets			
Inventories	8	379	517
Trade receivables		336	451
Other assets		222	257
Income tax receivables		16	9
Cash and cash equivalents		460	517
		1,413	1,751
Total assets		2,992	3,356
Equity and liabilities			
Total equity			
Attributable to equity holders of Vivo Energy plc		708	751
Non-controlling interest		48	53
		756	804
Liabilities			
Non-current liabilities			
Lease liabilities		98	104
Borrowings	9	365	294
Provisions		94	102
Deferred income taxes		60	66
Other liabilities		167	160
		784	726
Current liabilities			
Lease liabilities		21	21
Trade payables		802	1,257
Borrowings	9	402	306
Provisions		13	14
Other financial liabilities		7	3
Other liabilities		159	178
Income tax payables		48	47
		1,452	1,826
Total liabilities		2,236	2,552
Total equity and liabilities		2,992	3,356

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

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2020

Attributable to equity holders of Vivo Energy plc											
US\$ million	Share capital	Share premium	Retained earnings	Other reserves					Total	NCI	Total equity
				Reserves ¹	Retirement benefits	Currency translation difference	Fair value reserves	Equity settled incentive schemes ²			
Balance at 1 January 2020	633	4	199	(54)	2	(43)	2	8	751	53	804
Net income	-	-	8	-	-	-	-	-	8	5	13
Other comprehensive income	-	-	-	-	(3)	(44)	1	-	(46)	(7)	(53)
Total comprehensive income	-	-	8	-	(3)	(44)	1	-	(38)	(2)	(40)
Share-based expense	-	-	-	-	-	-	-	1	1	-	1
Net impact of IAS 29 ³	-	-	-	(6)	-	-	-	-	(6)	-	(6)
Dividends paid/declared	-	-	-	-	-	-	-	-	-	(3)	(3)
Balance at 30 June 2020	633	4	207	(60)	(1)	(87)	3	9	708	48	756

For the six-month period ended 30 June 2019

Attributable to equity holders of Vivo Energy plc											
US\$ million	Share capital	Share premium	Retained earnings	Other reserves					Total	NCI	Total equity
				Reserves ¹	Retirement benefits	Currency translation difference	Fair value reserves	Equity settled incentive schemes ²			
Balance at 1 January 2019	601	3	72	(135)	2	(20)	1	9	533	48	581
Net income	-	-	63	-	-	-	-	-	63	9	72
Other comprehensive income	-	-	-	-	-	(14)	-	-	(14)	(9)	(23)
Total comprehensive income	-	-	63	-	-	(14)	-	-	49	-	49
Share-based expense	-	-	-	-	-	-	-	1	1	-	1
Share issuance related to acquisition	31	-	-	82	-	-	-	-	113	10	123
Share issuance related to share awards	1	1	1	(1)	-	-	-	(2)	-	-	-
Transactions with non-controlling interest	-	-	2	-	-	-	-	-	2	1	3
Dividends paid/declared ⁴	-	-	(16)	-	-	-	-	-	(16)	(6)	(22)
Balance at 30 June 2019	633	4	122	(54)	2	(34)	1	8	682	53	735

The notes are an integral part of these interim condensed 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, formerly known as Engen International Holdings (Mauritius) Limited in March 2019.

² Equity settled incentive schemes include the Long-Term Incentive Plan ('LTIP') and the IPO Share Award Plan.

³ The net impact on retained earnings as a result of the index-based adjustments in Zimbabwe under IAS 29 'Financial Reporting in Hyperinflationary Economies'.

⁴ The dividends paid to the equity holders of Vivo Energy plc were paid out of distributable reserves.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

US\$ million	Notes	Six-month period ended	
		30 June 2020	30 June 2019 ¹
Operating activities			
Net income		13	72
Adjustment for:			
Income taxes		29	46
Amortisation, depreciation and impairment		59	50
Net gain on disposal of PP&E and intangible assets		(1)	-
Share of profit of joint ventures and associates		(9)	(11)
Dividends received from joint ventures and associates		5	8
Current income tax paid		(41)	(38)
Net change in operating assets and liabilities and other adjustments	10	(167)	(105)
Cash flows from operating activities		(112)	22
Investing activities			
Acquisition of businesses, net of cash acquired		(9)	(12)
Purchases of PP&E and intangible assets		(45)	(50)
Proceeds from disposals of PP&E and intangible assets		1	1
Other investing activities		-	3
Cash flows from investing activities		(53)	(58)
Financing activities			
Proceeds from long-term debt		110	64
Repayments of long-term debt		(41)	(42)
Net (repayments)/proceeds (of)/from bank and other borrowings		99	9
Repayment of lease liabilities		(14)	(14)
Dividends paid		(2)	(19)
Interest paid		(28)	(25)
Cash flows from financing activities		124	(27)
Effect of exchange rate changes on cash and cash equivalents		(16)	(16)
Net decrease in cash and cash equivalents		(57)	(79)
Cash and cash equivalents at beginning of period		517	393
Cash and cash equivalents at end of period		460	314

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

¹ Prior year comparatives were reclassified to provide a consistent presentation to 2020 (refer to note 2).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Vivo Energy plc ('Vivo Energy' or the 'Company') a public limited company, was incorporated on 12 March 2018 in the United Kingdom under the Companies Act 2006 (Registration number 11250655). The Company is listed on the London Stock Exchange Main Market for listed securities and the Main Board of the securities exchange operated by the Johannesburg Stock Exchange by way of secondary inward listing. References to 'Vivo Energy' or the 'Group' mean the Company and its subsidiaries and subsidiary undertakings. These interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2020 comprise of the Company, its subsidiaries and subsidiary undertakings, joint ventures and associates.

On 1 March 2019, Vivo Energy Investments B.V. acquired a 100% shareholding in Vivo Energy Overseas Holding Limited (VEOHL) formerly known as Engen International Holdings (Mauritius) Limited. Upon completion of the transaction, Vivo Energy extended operations in eight new markets and added over 200 Engen-branded service stations to the existing network.

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 groups of companies and, for aviation fuels only, under the Vitol Aviation brand. Furthermore, Vivo Energy generates revenue from non-fuel retail activities including convenience retail and quick service restaurants by leveraging on its retail network.

2. Basis of preparation

The Company's interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' standards as adopted by the European Union. The interim condensed consolidated financial statements have been prepared under the historical cost convention unless otherwise indicated.

These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with IFRS as adopted by the European Union. The results of VEOHL have been consolidated from March 2019, therefore including the four-month period ended 30 June 2019 and the balances at 30 June 2019 and for the six-month period ended 30 June 2020 and the balances at 30 June 2020.

The Group has considered the impact of COVID-19 and the current economic environment in relation to the going concern basis of preparation for the consolidated interim financial statements. The Group prepared a range of stress test scenarios including a severe but plausible downside sensitivity analysis that covers the period up to 31 December 2021. The plausible downside sensitivity assumes a potential second COVID-19 wave in H2 2020 with similar regulations, restrictions to mobility and length of time resulting in material negative impacts on our business, with a recovery assumed in 2021. We considered the impact of restrictions on our three operating segments with Retail, Marine and Aviation most affected. For each of our segments we have sensitised volumes, gross cash unit margins, profits and cash flows resulting in more severe negative impacts than experienced in the current period. In our sensitivities, available mitigating measures, such as reducing uncommitted growth capex, dividend deferrals and other discretionary spend, do not prevent the Group from operating. The Group does not expect that any significant structural changes to the business will be necessary under any of the scenarios considered. Under these scenarios sufficient available liquidity exists and the Group has adequate resources to meet its operational obligations. As of 30 June 2020, the Company has available short-term capital resources of \$1,773m, which include \$1,189m of uncommitted facilities. The Group is not reliant on these uncommitted facilities however, as an additional stress test has confirmed that there is sufficient cash and committed facilities available, even under the severe but plausible downside scenario. Notwithstanding this analysis, the Group has continued to have access to and utilise the uncommitted short-term funding lines throughout H1 2020 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. During H1 2020, the Group took precautionary actions by drawing an additional \$110m on the committed RCF to ensure flexibility if required, with \$124m undrawn. As this was a precautionary measure the \$110m continues to be held in cash and is available to the Group. The financial covenants of minimum interest cover of 4x and maximum debt cover of 3x are also met at the most sensitive test point. Based on these sensitivities, the Group will be able to continue as a going concern. At the time of approving the interim

condensed consolidated financial statements, the Directors maintain a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from these estimates. The estimates and underlying assumptions, as disclosed in the 2019 Annual Report and Accounts, are reviewed on an ongoing basis. During the period there were no changes to estimates which require significant judgement by management and no new significant judgements or estimates have been identified.

The Group performs a goodwill impairment test on an annual basis in the second half of the financial year. However, management has determined the impact of COVID-19, specifically the decline in fuel demand during lockdowns and the declining oil prices as impairment indicators. Therefore, management performed a goodwill impairment test using the Group's latest estimates of projected cash flows. The goodwill impairment test was performed at the operating segment level, as defined in note 4, on a non-aggregated basis. The goodwill allocation to the Group's operating segments was performed as at 1 January 2020 using a relative fair value approach based on the contribution of each operating segment. The goodwill impairment test did not result in an impairment as sufficient headroom exists.

In accordance with the requirements of IFRS 3 (revised) 'Business combinations', the initial accounting for the VEOHL business combination is considered complete, there have been no changes to the amounts recognised in the 2019 Annual Report and Accounts. Foreign exchange differences during the period resulted in goodwill recognised in relation to the VEOHL acquisition decreasing from \$62m to \$57m at 30 June 2020. The goodwill was tested for impairment and no impairment was identified, as sufficient headroom exists.

Management continually seeks to provide the reader with more understandable and useful information and has therefore reclassified comparatives to provide a consistent presentation to 2020. In 2020, improvements were made in the consolidated statement of cash flows. Interest received was reclassified from financing activities to operating activities (HI 2019: \$4m). This reclassification had no impact on the net increase/decrease in cash and cash equivalents. The interim condensed consolidated financial statements follow the same accounting policies as those in the Vivo Energy plc 2019 Annual Report and Accounts.

New standards, amendments and interpretations

The Group has applied a number of amendments to IFRS standards issued by the IASB that are mandatorily effective for annual periods beginning on or after 1 January 2020. The Group's financial statements have been prepared in accordance with these standards, which have no material impact on the consolidated interim financial statements of the Group:

- Amendments to IFRS 3 Definition of a business
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Amendments to IAS 1 and IAS 8 Definition of 'material'
- Effective date of updated references to the Conceptual Framework

There are no other IFRS standards, amendments or IFRIC interpretations that are not yet effective which would be expected to have a material impact on the Group.

3. Financial instruments by category

The table below sets out the Group's classification of each class of financial assets and financial liabilities and their fair values for the current and the comparative period:

30 June 2020				
US\$ million	Measured at amortised cost	Measured at FVTOCI	Total carrying value	Fair value
Financial assets				
Trade receivables ¹	336	–	336	336
Cash and cash equivalents	460	–	460	460
Financial assets at FVTOCI	–	11	11	11
Other assets ²	120	–	120	120
Total	916	11	927	927

30 June 2020				
US\$ million	Measured at FVTPL	Measured at amortised cost	Total carrying value	Fair value
Financial liabilities				
Trade payables	–	802	802	802
Borrowings	–	767	767	767
Other liabilities ³	–	227	227	227
Lease liabilities	–	119	119	119
Other financial liabilities	7	–	7	7
Total	7	1,915	1,922	1,922

31 December 2019				
US\$ million	Measured at amortised cost	Measured at FVTOCI	Total carrying value	Fair value
Financial assets				
Trade receivables ¹	451	–	451	451
Cash and cash equivalents	517	–	517	517
Financial assets at FVTOCI	–	9	9	9
Other assets ²	115	–	115	115
Total	1,083	9	1,092	1,092

31 December 2019				
US\$ million	Measured at FVTPL	Measured at amortised cost	Total carrying value	Fair value
Financial liabilities				
Trade payables	–	1,257	1,257	1,257
Borrowings	–	600	600	600
Other liabilities ³	–	225	225	225
Lease liabilities	–	125	125	125
Other financial liabilities	3	–	3	3
Total	3	2,207	2,210	2,210

¹ Trade receivables include credit secured receivables of \$186m (FY 2019: \$206m).

² Other assets exclude the following elements that do not qualify as financial instruments: prepayments, VAT and duties receivable and other government benefits receivable.

³ Other liabilities exclude the elements that do not qualify as financial instruments.

The Group has classified equity investments as financial instruments at FVTOCI (without recycling). These investments are measured using inputs for the assets or liabilities that are in the absence of observable market data, based on net asset value of the related investments (level 3 in the IFRS 13 fair value measurement hierarchy). Since the value is based on the net asset value of the related investments, no sensitivity analysis is presented.

The following table presents the changes in level 3 items for the periods ended 30 June 2020 and 31 December 2019:

US\$ million	Financial assets at FVTOCI
Opening balance 1 January 2019	8
Fair value adjustment	1
Foreign exchange differences	–
Closing balance 31 December 2019	9
Fair value adjustment	2
Foreign exchange differences	–
Closing balance 30 June 2020	11

The fair value through other comprehensive income 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.

4. 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 the business units separately for the purpose of making decisions about resource allocation, segment performance assessment and interacting with segment managers. There have been no intersegment sales during the reporting period.

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

US\$ million	Six-month period ended 30 June 2020			
	Retail	Commercial	Lubricants	Consolidated
Revenue from external customers	2,094	1,109	172	3,375
Gross profit	152	76	33	261
Add back: depreciation and amortisation	24	13	2	39
Gross cash profit	176	89	35	300
Adjusted EBITDA	69	46	25	140

US\$ million	Six-month period ended 30 June 2019			
	Retail	Commercial	Lubricants	Consolidated
Revenue from external customers	2,518	1,204	181	3,903
Gross profit	195	88	35	318
Add back: depreciation and amortisation	21	11	1	33
Gross cash profit	216	99	36	351
Adjusted EBITDA	122	63	27	212

US\$ million	Six-month period ended	
	30 June 2020	30 June 2019
Share of profit of joint ventures and associates included in segment EBITDA		
Lubricants	6	6
Retail	2	3
Commercial	1	2
Total	9	11

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

US\$ million	Six-month period ended	
	30 June 2020	30 June 2019
Revenue from external customers by principal country		
Kenya	616	609
Morocco	498	720
Côte d'Ivoire	259	301
Other	2,002	2,273
Total	3,375	3,903

The amount of non-current assets held by country is shown in the table below.

US\$ million	Six-month period ended	
	30 June 2020	31 December 2019
Non-current assets by principal country (excluding deferred tax)		
The Netherlands	238	232
Morocco	211	208
Kenya	152	143
Other	939	988
Total	1,540	1,571

Reconciliation of non-GAAP measures

Non-GAAP measures are not defined by International Financial Reporting Standards 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. Further explanation of all non-GAAP measures can be found on page 11.

US\$ million	Six-month period ended	
	30 June 2020	30 June 2019
EBT	42	118
Finance expense – net	35	32
EBIT	77	150
Depreciation, amortisation and impairment	59	50
EBITDA	136	200
Adjustments to EBITDA related to special items:		
Hyperinflation ¹	4	–
IPO ² and Engen acquisition related expenses ³	2	7
Management Equity Plan ⁴	(2)	–
Write-off of non-current asset ⁵	–	3
Restructuring ⁶	–	2
Adjusted EBITDA	140	212

US\$ million	Six-month period ended	
	30 June 2020	30 June 2019
Net income	13	72
Adjustments to net income related to special items:		
Hyperinflation ¹	4	–
IPO ² and Engen acquisition related expenses ³	2	7
Management Equity Plan ⁴	(2)	–
Write-off of non-current asset ⁵	–	3
Restructuring ⁶	–	2
Tax on special items	(1)	(2)
Adjusted net income	16	82

US\$	Six-month period ended	
	30 June 2020	30 June 2019
Diluted EPS (note 7)	0.01	0.05
Impact of special items	–	0.01
Adjusted diluted EPS	0.01	0.06

¹ The impacts of accounting for hyperinflation for Vivo Energy 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.

² IPO related items in 2020 and 2019 concern the IPO share awards which are accrued for over the vesting period.

³ On 1 March 2019 Vivo Energy Investments B.V., a subsidiary of the Group, acquired 100% of the issued shares in Vivo Energy Overseas Holdings Limited (formerly known as Engen International Holdings (Mauritius) Limited). The cost of the acquisition and related integration project expenses are treated as special items.

⁴ The Management Equity Plan vested at IPO in May 2018 and is exercisable on the first anniversary of admission for a period of 24 months. Changes in the fair value of the cash-settled share-based plan do not form part of the core operational business activities and performance and should, therefore, be treated as a special item. The costs of share-based payment schemes introduced after the IPO are not treated as special items.

⁵ The Group recognised a write-off in 2019 related to a government benefits receivable as a result of a retrospective price structure change by the government to finance their outstanding debt. Such retrospective changes of existing price structures are considered non-recurring and are not representative of the core operational business activities and performance and are, therefore, treated as special items.

⁶ Restructuring costs were incurred in 2019 mainly as a result of the integration of VEOHL into our business model. The impact from these activities do not form part of the core operational business activities and performance and were, therefore, treated as a special item in 2019.

The Group defines headline earnings per share as earnings based on net income attributable to owners of the Group, before items of a capital nature, net of income tax as required for companies listed on the Johannesburg Stock Exchange. Further explanations of all non-GAAP measures can be found on page 11 of this report.

US\$ million, unless otherwise indicated	Six-month period ended	
	30 June 2020	30 June 2019
Headline earnings per share		
Net income attributable to owners	8	63
Re-measurements:		
Net gain on disposal of PP&E and intangible assets	(1)	–
Write-off of non-current asset ¹	–	3
Income tax on re-measurements	–	(1)
Headline earnings	7	65
Weighted average number of ordinary shares (million)	1,266	1,244
Headline EPS (US\$)	0.01	0.05
Diluted number of shares (million)	1,266	1,244
Diluted headline EPS (US\$)	0.01	0.05
ETR	69%	39%

5. Finance income and expense

US\$ million	Six-month period ended	
	30 June 2020	30 June 2019
Finance expense		
Interest on bank and other borrowings and on lease liabilities ²	(23)	(16)
Interest on long-term debt including amortisation of set-up fees	(13)	(16)
Net impact of hyperinflation ³	(1)	–
Foreign exchange loss	–	(1)
Accretion expense net defined benefit liability	(1)	(1)
Other	(2)	(2)
	(40)	(36)
Finance income		
Interest from cash and cash equivalents	3	4
Foreign exchange gain	2	–
	5	4
Finance expense – net	(35)	(32)

6. Income taxes

Due to COVID-19, there are inherent uncertainties in predicting the geographical mix of income for the rest of 2020 and the prepared forecasts result in a significant range of outcomes. Given this, the Group has used its actual income tax rate for the six months ended 30 June 2020, which management considers in the circumstances to represent the best current estimate of the ETR, available to them, for the year. Based on the actual year-to-date tax expense, the effective income tax rate is 69% for the six-month period ended 30 June 2020 (39% for the six-month period ended 30 June 2019 based on the estimated annual effective income tax rate 2019). The increase of the ETR is primarily due to a higher relative impact of the permanent items and the withholding tax as a result of lower earnings before tax.

¹ The Group recognised a write-off in 2019 related to a government benefits receivable as a result of a retrospective price structure change by the government to finance their outstanding debt. Such retrospective changes of existing price structures resulted in the re-measurement of an asset and is therefore excluded.

² Includes an amount of \$6m (2019: \$5m) finance expense for leases in respect to IFRS 16 'Leases' and was paid during the period.

³ Represents the net non-monetary loss impact from the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'.

7. Earnings per share

Basic and diluted EPS were computed as follows:

US\$ million, unless otherwise indicated	Six-month period ended	
	30 June 2020	30 June 2019
Basic earnings per share		
Net income	13	72
Attributable to owners	8	63
Weighted average number of ordinary shares (million)	1,266	1,244
Basic earnings per share (US\$)	0.01	0.05

US\$ million, unless otherwise indicated	Six-month period ended	
	30 June 2020	30 June 2019
Diluted earnings per share		
Earnings attributable to owners	8	63
Diluted number of shares (million)	1,266	1,244
Diluted earnings per share (US\$)	0.01	0.05

US\$	Six-month period ended	
	30 June 2020	30 June 2019
Adjusted diluted earnings per share		
Diluted earnings per share	0.01	0.05
Impact of special items	–	0.01
Adjusted diluted earnings per share	0.01	0.06

8. Inventories

Cost of sales as disclosed on the face of the consolidated statement of comprehensive income include the total expense for inventory for the period amounting to \$2,974m (H1 2019: \$3,463m). 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 \$8m (H1 2019: \$6m).

9. Borrowings

US\$ million	Drawn on	Interest rate	Maturity	30 June 2020	31 December 2019
VEI BV Term Loan ¹	09/06/2017	Libor + 2.50%/3.00%	09/06/2022	269	308
VEI BV Revolving Credit Facility ²	27/02/2019	Euribor + 1.50%/1.85%		175	63
Bank borrowings				323	229
				767	600
Current				402	306
Non-current				365	294
				767	600

Current borrowings consist of bank borrowings which carry interest rates between 1.5% and 17.0% per annum. The carrying amounts of the Group's non-current and current borrowings approximate the fair value.

The Vivo Energy Investments B.V. (VEI BV) Term Loan facility was entered into on 9 June 2017. The facility matures on 9 June 2022 and has semi-annual repayments. Interest is paid quarterly at a rate of Libor plus a margin of 2.5% per annum. Incremental facility was drawn down on 18 December 2017 and carries an interest of Libor +2.5% for the amortised portion and Libor +3.0% for the bullet portion. The Group established a multi-currency revolving credit facility of \$300m in May 2018. At the end of February 2019, the multi-currency revolving credit facility was initially utilised with a drawdown of \$64m to fund the acquisition of VEOHL and a further drawdown of \$110m was completed in May 2020. The majority of the RCF facility matures in May 2023.

¹ The amounts are net of financing costs. Loan amount is \$270m (FY 2019: \$310m); financing costs are \$1m (FY 2019: \$2m).

² The amount includes financing cost of circa \$1m (FY 2019: \$1m).

Besides the RCF, the Group has various unsecured short-term bank facilities extended to our operating entities for working capital purposes. The undrawn unsecured short-term bank facilities of \$1,189m include a large number of uncommitted facilities (ranging from \$1m to \$330m) held with a number of different banks. Most of these facilities are subject to an annual renewal process.

The tables below provide an analysis of cash and non-cash movements in borrowings for the period:

			2020
US\$ million	Long-term debt	Bank borrowings	Total
1 January	371	229	600
Proceeds from long-term debt	110	–	110
Repayments of long-term debt	(41)	–	(41)
Proceeds from bank borrowings	–	99	99
Foreign exchange movements	3	(5)	(2)
Other ¹	1	–	1
30 June	444	323	767
			2019
US\$ million	Long-term debt	Bank borrowings	Total
1 January	392	208	600
Proceeds from long-term debt	62	–	62
Repayments of long-term debt	(82)	–	(82)
Proceeds from bank borrowings	–	1	1
Borrowings acquired in acquisition of business ²	–	27	27
Foreign exchange movements	(3)	(7)	(10)
Other ¹	2	–	2
31 December	371	229	600

Key covenants

The below key covenants relate to the VEI BV Term Loan and the VEI BV Revolving Credit Facility:

- 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 accounts 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 accounts for each operating unit for the financial half-year must be provided to the lender.
- The financial covenants are minimum interest cover of 4x and maximum debt cover of 3x. With each set of financial statements, a financial covenants compliance certificate has to be provided indicating the debt and interest cover. The loan carries 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. It also has a Change of Control clause triggering repayment if a shareholder, other than permitted ones, takes control of the Company.

No covenants were breached in the last applicable period.

¹ Other changes include financing costs.

² Represents the borrowings acquired through the acquisition of VEOHL on 1 March 2019.

10. Net change in operating assets and liabilities and other adjustments

US\$ million	Six-month period ended	
	30 June 2020	30 June 2019
Trade receivables	101	(73)
Trade payables	(413)	(43)
Inventories	121	13
Other assets	1	(12)
Other liabilities	2	3
Provisions	(6)	(1)
Other	27	8
	(167)	(105)

11. Contingencies

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 the 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.

As previously announced, the Group's subsidiary in Morocco received a report in January 2020 from the investigators in charge of the Conseil de la Concurrence's ('the CdC') ongoing review of the competitive dynamics of the Moroccan fuel retailing industry. Vivo Energy Morocco has provided submissions to the CdC at their request. The report and these submissions were discussed at a private hearing of the CdC held on 21 and 22 July 2020 in Morocco. The CdC will consider the information provided to them and will make a ruling in due course. Management believes that Vivo Energy Morocco has at all times conducted its operations in accordance with applicable competition laws, rules and regulations.

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 the potential effect on future operations, earnings, cash flows and the Group's financial condition.

The Group does not believe and is not currently aware of any other litigations, claims, legal proceedings or other contingent liabilities that should be disclosed.

12. Related parties

The Group has a number of related parties including joint arrangements and associates, shareholders, directors and Executive Committee members. No related party transactions have been entered into during the period which might reasonably affect any decisions made by the user of these interim condensed consolidated financial statements except as disclosed below.

US\$ million	Six-month period ended 30 June 2020		
	Joint ventures and associates	Shareholders	Total
Sales of products and services, and other income	11	39	50
Purchase of products and services, and other expenses	135	338	473

US\$ million	Six-month period ended 30 June 2019		
	Joint ventures and associates	Shareholders	Total
Sales of products and services, and other income	8	47	55
Purchase of products and services, and other expenses	114	529	643

The following table presents the Group's outstanding balances with related parties:

US\$ million	30 June 2020		
	Joint ventures and associates	Shareholders	Total
Receivables from related parties	29	1	30
Payables to related parties	(53)	(124)	(177)
Total	(24)	(123)	(147)

US\$ million	31 December 2019		
	Joint ventures and associates	Shareholders	Total
Receivables from related parties	11	8	19
Payables to related parties	(58)	(339)	(397)
Total	(47)	(331)	(378)

The receivables from related parties arise from sales transactions, at arm's length, which are due two months after the date of sales. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties. 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.

13. 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 interim condensed consolidated financial statements.

RESPONSIBILITY STATEMENT

The Directors confirm that these interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Disclosure of material related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could have a material impact on the financial position or performance.

The Directors of Vivo Energy plc are listed on pages 74 and 75 of the Vivo Energy plc 2019 Annual Report and Accounts dated 3 March 2020; there were no changes in the period. A list of current directors is maintained on the Vivo Energy plc website: <http://investors.vivoenergy.com/group-overview/board-of-directors>.

By order of the Board

Johan Depraetere
Chief Financial Officer
27 July 2020

Adrian de Souza
Group General Counsel and Company Secretary
27 July 2020

INDEPENDENT REVIEW REPORT TO VIVO ENERGY PLC

Report on the interim condensed consolidated financial statements

Our conclusion

We have reviewed Vivo Energy plc's interim condensed consolidated financial statements (the "interim financial statements") in the Interim Report of Vivo Energy plc for the 6-month period ended 30 June 2020. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the consolidated interim statement of financial position as at 30 June 2020;
- the consolidated interim statement of comprehensive income for the period then ended;
- the consolidated interim statement of cash flows for the period then ended;
- the consolidated interim statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. Our responsibility is to express a conclusion on the interim financial statements in the Interim Report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
27 July 2020