



INTERIM REPORT

For the six-month period ended 30 June 2024

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Terms and abbreviations

Term	Description	Term	Description
B2B	Business to business	IAS	International Accounting Standards
B2C	Business to consumer	IFRS	International Financial Reporting Standards
EBIT	Earnings before finance expense, finance income and income taxes	LPG	Liquefied petroleum gas
EBITDA	Earnings before finance expense, finance income, income taxes, depreciation and amortisation	MD&A	Management's discussion and analysis
EBT	Earnings before income taxes	NCI	Non-controlling interest
ETR	Effective tax rate	OCI	Other comprehensive income
FVTOCI	Fair value through other comprehensive income	PP&E	Property, plant and equipment
FY	Full year	RCF	Revolving credit facility
GAAP	Generally Accepted Accounting Principles	TCFD	Task Force on Climate-Related Financial Disclosures
HI	Six-month period January to 30 June	UK	United Kingdom
		US	United States
		VEI BV	Vivo Energy Investments B.V.

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 Limited'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 (included from page 9 onwards) and they should, therefore, be read together. 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 year.

The financial information disclosed in this report is unaudited and does not constitute statutory financial statements. Comparative figures for the period 30 June 2023 were derived from the Interim Report H1 2023. Comparative figures for the year ended 31 December 2023 were derived from the 2023 Annual Report and Accounts that was delivered to the Registrar of Companies in England and Wales. All amounts in this report are expressed in millions of US dollars, unless otherwise indicated. Further insight into the Company can be found on the Company's website at: <https://www.vivoenergy.com/>.

NON-GAAP FINANCIAL MEASURES

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

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

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

Term	Description
Gross cash profit	This is a measure of gross profit before non-cash depreciation and amortisation recognised in cost of sales. Reference to 'cash' in this measure refers to non-cash depreciation and amortisation as opposed to the elimination of working capital movements. Gross cash profit is a key management performance measure.
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 or loss adjusted for the impact of special items.
Special items	Income or charges that are not considered to represent the underlying operational performance and based on their significance in size or nature, are presented separately to provide further understanding of the financial and operational performance.
Net debt	Total borrowings and lease liabilities less cash and cash equivalents.

OVERVIEW OF OPERATIONS BY SEGMENT

US\$ million, unless otherwise indicated	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023	Change
Volumes (million litres)			
Retail	3,602	3,055	+18%
Commercial	3,252	2,142	+52%
Lubricants	89	73	+22%
Total	6,943	5,270	+32%
Gross profit			
Retail (including Non-fuel retail)	239	172	+39%
Commercial	137	84	+63%
Lubricants	56	32	+75%
Total	432	288	+50%
Gross cash unit margin (\$/000 litres)¹			
Retail fuel (excluding Non-fuel retail)	70	59	+19%
Commercial	45	45	0%
Lubricants	656	504	+30%
Total	69	63	+10%
Gross cash profit¹			
Retail (including Non-fuel retail)	271	198	+37%
Commercial	148	97	+53%
Lubricants	59	37	+59%
Total	478	332	+44%
Adjusted EBITDA¹			
Retail	134	81	+65%
Commercial	86	52	+65%
Lubricants	44	24	+83%
Total	264	157	+68%

¹ Non-GAAP measures are explained and reconciled on pages 2 and 17.

CONSOLIDATED RESULTS OF OPERATIONS

SUMMARY INCOME STATEMENT

US\$ million	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023	Change
Revenues	6,718	5,172	+30%
Cost of sales	(6,286)	(4,884)	+29%
Gross profit	432	288	+50%
Selling and marketing cost	(170)	(122)	+39%
General and administrative cost	(128)	(97)	+32%
Share of profit of joint ventures and associates	14	11	+27%
Other income	6	2	+200%
EBIT	154	82	+88%
Finance expense – net	(85)	(74)	+15%
EBT	69	8	+763%
Income taxes	(34)	(6)	+467%
Net income	35	2	+1,650%

NON-GAAP MEASURES

US\$ million, unless otherwise indicated	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023	Change
Volumes (million litres)	6,943	5,270	+32%
Gross cash profit	478	332	+44%
EBITDA	234	151	+55%
Adjusted EBITDA	264	157	+68%
ETR (%)	49%	69%	n/a
Adjusted net income	69	9	+667%

Non-GAAP measures are explained and reconciled on pages 2 and 17.

ANALYSIS OF CONSOLIDATED RESULTS OF OPERATIONS

Volumes

Overall volumes for the period increased by 32%, year on year. The increase was attributable to all segments Retail, Commercial and Lubricants. The Engen business combination further contributed to the increase. The Retail segment increase of 18% was driven by major markets economic recovery. The Commercial segment increase of 52% was primarily driven by improved performance in the Aviation business due to boost of the tourism sector and acquiring new customers, Marine business and growth in the LPG business. Lubricants volume growth increased by 22% mainly driven by markets economic recovery.

Gross profit

Gross profit increased by 50% year-on-year, from \$288 million in H1 2023 to \$432 million in H1 2024, attributable to higher volumes and higher unit margins in our Retail and Lubricants segments. This is due to the economic recovery of the markets and positive pricing environment in our major markets. The business combination with Engen further contributed to the increase.

Gross cash profit

Gross cash profit increased by 44% year-on-year to \$478 million, primarily driven by higher volumes and a 10% higher year-on-year gross cash unit margin of \$69 per thousand litres (H1 2023: \$63 per thousand litres). Retail was 37% higher than the prior year, explained by a positive pricing environment during H1 2024. The Commercial segment gross cash profit increased by 53%, primarily due to the Engen aviation business boost and LPG growth in various markets. Gross cash profit for the Lubricants segment increased by 59% as a result of market's recovery as compared with prior year which was impacted by a declining base oil price generating stock loss effects.

Selling and marketing cost

Selling and marketing cost of \$170 million is higher by \$48 million versus prior period. Excluding the Engen business combination contribution, the increase is mainly due to higher volumes, professional services and expenses associated with an increase in number of retail stations and site conversion.

General and administrative cost

General and administrative cost of \$128 million, including special items¹ were higher by \$31 million compared to prior year. Excluding special items¹ mainly attributable to the Engen business combination, the increase in general and administrative cost is primarily attributable to higher IT cost due to new automation projects.

Share of profit of joint ventures and associates

Share of profit of joint ventures and associates was 27% higher year-on-year, amounting to \$14 million, mainly due to higher share of profit from Shell and Vivo Lubricants B.V.

Adjusted EBITDA

Adjusted EBITDA increased by 68% compared to the prior year, from \$157 million in H1 2023 to \$264 million. Excluding the Engen business combination contribution, the increase is mainly attributable to a higher gross cash profit, share of profit of joint ventures and associates, partially offset by an increase in operating expenses.

Net finance expense

The increase of \$11 million in net finance expense is mainly attributable to the Engen business combination. Excluding the Engen business combination, net finance expense is in line with prior year.

Income taxes

The ETR for the six months ended 30 June 2024 is based on management's estimate of the annual effective income tax rate of 49%.

Net income

Net income, including the impact of special items¹, increased by \$33 million, from \$2 million in H1 2023 to \$35 million.

¹ Special items are explained and reconciled on pages 2 and 17.

ANALYSIS OF CONSOLIDATED FINANCIAL POSITION

Total assets

Total assets, including the impacts of foreign currency movements, increased by \$3,396 million to \$7,795 million and can be largely explained by a:

- \$942 million increase in inventories mainly due to the stock acquired in a business combination and higher stock values as a result of increasing crude oil prices;
- \$550 million increase in trade receivables mainly driven by the first-time consolidation of Engen Limited;
- \$787 million increase in property, plant and equipment mainly due to assets acquired in Engen Limited and increase in capital expenditure, partially offset by depreciation;
- \$341 million increase in cash and cash equivalents mainly attributable to cash acquired in the Engen business combination and the first-time consolidation of its companies, partially offset by a cash outflow from operations and the increase in capital expenditure. The cash outflow from operations was mainly due to a negative net change in operating assets and liabilities and other adjustments as a result of core working capital requirements;
- \$392 million increase in other assets largely due to the Engen business combination and an increase in prepayments to suppliers, increases in amounts due from dealers and joint ventures, and deposits.

Total equity and liabilities

Total equity and liabilities, including foreign currency movements, increased by \$3,396 million to \$7,795 million and can be largely explained by a:

- \$1,143 million increase in equity is predominantly due to the share issuance at a premium;
- \$1,045 million increase in borrowing primarily attributable to the Shareholder debt drawdown and an increase in short-term bank borrowings as a result of higher working capital requirements;
- \$504 million increase in trade payables largely due to liabilities assumed in an Engen business combination, partially offset by the timing of purchases;
- \$297 million increase in lease liabilities mainly attributable to the Engen acquisition;
- \$255 million increase in provisions primarily due to the acquisition of Engen Limited.

LIQUIDITY AND CAPITAL RESOURCES

NET DEBT AND AVAILABLE LIQUIDITY

US\$ million	30 June 2024	31 December 2023
Long-term and Subordinated shareholder	909	907
Lease liabilities	496	199
Total debt excluding short-term bank borrowings	1,405	1,106
Short-term bank borrowings	1,612	569
Less: cash and cash equivalents	(885)	(544)
Net debt	2,132	1,131

Long-term debt mainly consists of issued notes with a seven-year maturity date and a Subordinated shareholder loan. Net debt increased by \$1,001 to \$2,132 million primarily due to higher short-term bank borrowings and lease liabilities as a result of the business combination with Engen. Short-term bank borrowings increased largely due to higher working capital requirements and capital expenditure. Refer to note 8 of the interim condensed consolidated financial statements for further information.

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 39 to 41 of the 2023 Annual Report and Accounts, with all these remaining applicable. These risks are 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, Information technology risk, Epidemic, Local content, Climate change, Acquisition integration, Credit management, Taxation risk and Human resources and talent management.

The Group continues to address the impact of climate change. The Vivo Energy Sustainability Framework is designed to guide our sustainability approach and ensure focus remains on the areas that matter to our stakeholders. It is based on three key pillars - People, Planet and Partnerships, which underpin our Principles - and is aligned to our purpose to safely provide innovative and responsible energy solutions to Africa. During the period there have been no significant changes to the Group's assessment of the risk relating to climate change.

As climate-related risks are on the Group's list of principal risks, they are subject to Vivo Energy's risk management framework. The scenario analysis process has helped determine possible climate-related risks at asset, business unit and Group level, and also highlight the actions we are already taking to manage these types of risks.

We are in the process of ensuring that physical and transition risks are systematically included in all risk registers at OU level. Internal Audit has instructed our OUs to consider both physical, and transition risks in their risk assessments and reporting, and guidance has been provided on how to integrate these risks on the country level risk registers. Our goal is to achieve a level of granularity and consistency that will adequately reflect all material climate-related risks centrally, enabling comprehensive identification, analysis and evaluation, along with the adequacy of existing controls over the relevant time horizons.

On 25 April 2024, the Competition Tribunal ("Tribunal") of South Africa approved the proposed transaction whereby Vitol Emerald Bidco (Pty) Ltd ("Bidco") intends to acquire Engen Ltd ("Engen"), subject to a set of competition and public interest conditions.

At the date of this report, the risk assessment does not take into account all the potential new risks associated to the Engen acquisition due to its timing. The acquisition is expected to increase legal and regulatory risk as we are now operating in new African markets, with each country bringing its own regulatory requirements to which we have not previously been exposed to. The Group has and will continue to monitor(ed) the risk landscape for the transaction and will ensure sufficient steps are taken to ensure a. all new risks are properly identified, assessed, managed and monitored; b. compliance with all regulations affecting each area of business.

The Board of Directors has assessed the Group's principal risk factors over the first six months of 2024 and the expected risk environment for the remaining six months of the year. One of the Group's priorities during the period has been to closely review and monitor the tax and regulatory environment, including local content, across 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.

The Group has initiated the announced project to measure its financial performance using the replacement cost methodology for inventories to enable the company to better measure the underlying performance by isolating the swings in valuation of its base level of inventory. We have not observed any significant changes in our exposure to the other principal risk factors.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

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CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

US\$ million	Notes	Six-month period ended	
		30 June 2024	30 June 2023
Revenues	4	6,718	5,172
Cost of sales		(6,286)	(4,884)
Gross profit	4	432	288
Selling and marketing cost		(170)	(122)
General and administrative cost		(128)	(97)
Share of profit of joint ventures and associates		14	11
Other income		6	2
Earnings before interest and tax (EBIT)	5	154	82
Finance income		18	5
Finance expense		(103)	(79)
Finance expense – net		(85)	(74)
Earnings before tax (EBT)	5	69	8
Income taxes		(34)	(6)
Net income	5	35	2
Net income attributable to:			
Equity holders of Vivo Energy Limited		29	(1)
Non-controlling interest (NCI)		6	3
		35	2
Other comprehensive income (OCI)			
Items that may be reclassified to profit or loss			
Currency translation differences		(1)	(23)
Net investment hedge (loss)/gain, net of tax		9	(3)
Items that will not be reclassified to profit or loss			
Re-measurement of retirement benefits		–	(1)
Change in fair value of financial instruments through OCI, net of tax		(2)	–
Other comprehensive income, net of tax		6	(27)
Total comprehensive income		41	(25)
Total comprehensive income attributable to:			
Equity holders of Vivo Energy Limited		37	(25)
Non-controlling interest (NCI)		4	–
		41	(25)

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 2024	30 June 2023
EBITDA	234	151
Adjusted EBITDA	264	157
Adjusted net income	69	9

¹ Refer to the non-GAAP financial measures definitions and reconciliations to the most comparable IFRS measures on pages 2 and 17.

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

US\$ million	30 June 2024	31 December 2023
Assets		
Non-current assets		
Property, plant and equipment	1,808	1,021
Right-of-use assets	440	251
Intangible assets	266	192
Investments in joint ventures and associates	263	235
Deferred income taxes	151	71
Financial assets at fair value through other comprehensive income	15	15
Other assets	499	334
	3,442	2,119
Current assets		
Inventories	1,544	602
Trade receivables	1,349	799
Other assets	543	316
Income tax receivables	29	19
Other financial assets	3	–
Cash and cash equivalents	885	544
	4,353	2,280
Total assets	7,795	4,399
Equity		
Share capital	966	633
Share premium	579	52
Retained earnings	(308)	(336)
Other reserves	(232)	(240)
Attributable to equity holders of Vivo Energy Limited	1,005	109
Non-controlling interest (NCI)	285	38
	1,290	147
Liabilities		
Non-current liabilities		
Lease liabilities	447	167
Borrowings	8 909	903
Provisions	196	83
Deferred income taxes	107	78
Other liabilities	182	167
	1,841	1,398
Current liabilities		
Lease liabilities	49	32
Trade payables	2,428	1,924
Borrowings	8 1,612	573
Provisions	157	15
Other financial liabilities	7	16
Other liabilities	364	253
Income tax payables	47	41
	4,664	2,854
Total liabilities	6,505	4,252
Total equity and liabilities	7,795	4,399

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 2024

US\$ million	Attributable to equity holders of Vivo Energy Limited									
	Share capital	Share premium	Accumulated losses	Other reserves				Total	NCI	Total equity
				Reserves ^{1,2}	Retirement benefits	Currency translation difference	Fair value reserves			
Balance at 1 January 2024	633	52	(336)	(68)	4	(182)	6	109	38	147
Net income	–	–	29	–	–	–	–	29	6	35
Other comprehensive income	–	–	–	9	–	1	(2)	8	(2)	6
Total comprehensive income	–	–	29	9	–	1	(2)	37	4	41
Capital contribution ³	333	527	–	–	–	–	–	860	–	860
NCI from business acquisitions ⁴	–	–	–	–	–	–	–	–	245	245
Net impact of IAS 29 ⁵	–	–	(1)	–	–	–	–	(1)	–	(1)
Dividends paid ⁶	–	–	–	–	–	–	–	–	(2)	(2)
Balance at 30 June 2024	966	579	(308)	(59)	4	(181)	4	1,005	285	1,290

For the six-month period ended 30 June 2023

US\$ million	Attributable to equity holders of Vivo Energy Limited									
	Share capital	Share premium	Retained earnings	Other reserves				Total	NCI	Total equity
				Reserves ^{1,2}	Retirement benefits	Currency translation difference	Fair value reserves			
Balance at 1 January 2023	633	4	(281)	(55)	2	(152)	5	156	43	199
Net income	–	–	(1)	–	–	–	–	(1)	3	2
Other comprehensive income	–	–	–	2	(1)	(25)	–	(24)	(3)	(27)
Total comprehensive income	–	–	(1)	2	(1)	(25)	–	(25)	–	(25)
Capital contribution	–	48	–	–	–	–	–	48	–	48
Net impact of IAS 29 ⁵	–	–	(11)	–	–	–	–	(11)	–	(11)
Dividends paid ⁶	–	–	–	–	–	–	–	–	(4)	(4)
Balance at 30 June 2023	633	52	(293)	(53)	1	(177)	5	168	39	207

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 (VEOHL) in March 2019 and a share capital reduction completed subsequent to the listing in 2018.

2 Included in reserves is a cost of hedging reserve \$5m (2023: \$13m).

3 During the year, the Company received a capital contribution from its shareholder amounting to \$860m, which was allocated between Share Capital and Share Premium.

4 As a result of a business combination during the year, Non-Controlling Interest (NCI) amounting to \$245m was recognized and recorded as an equity movement.

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

6 The dividends paid to the equity holders were paid out of distributable reserves.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

US\$ million	Six-month period ended	
	30 June 2024	30 June 2023
Operating activities		
Net income	35	2
Adjustment for:		
Income taxes	34	6
Amortisation, depreciation and impairment	80	69
Net gains on disposal of PP&E and intangible assets	(2)	(1)
Share of profit of joint ventures and associates	(14)	(11)
Dividends received from joint ventures and associates	5	7
Current income tax paid	(73)	(58)
Net change in operating assets and liabilities and other adjustments	(282)	232
Cash flows from operating activities	(217)	246
Investing activities		
Acquisition of businesses, net of cash acquired	(721)	–
Purchases of PP&E and intangible assets	(80)	(71)
Proceeds from disposals of PP&E and intangible assets	3	1
Other investment activities	–	(1)
Cash flows from investing activities	(798)	(71)
Financing activities		
Proceeds from capital contribution	860	48
Proceeds from long-term debt	8	400
Repayments of long-term debt	8	(664)
Net (repayments of)/proceeds from bank and other borrowings	8	887
Repayment of lease liabilities	(18)	(17)
Dividends paid	(2)	(4)
Interest paid	(91)	(78)
Cash flows from financing activities	1,366	(199)
Net increase/(decrease) in cash and cash equivalents	351	(24)
Cash and cash equivalents at beginning of period	544	500
Effect of exchange rate changes on cash and cash equivalents	(10)	(7)
Cash and cash equivalents at end of period	885	469

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Vivo Energy Limited ('Vivo Energy' or the 'Company') was incorporated on 12 March 2018 in the United Kingdom. The Company is limited by shares under the Companies Act 2006 (Registration number 11250655). 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 2024 comprise of the Company, its subsidiaries and subsidiary undertakings, joint ventures and associates. The Group's shareholders are VIP II Blue B.V. and Vitol Africa B.V. The Group has no ultimate parent or controlling party.

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

2. Basis of preparation

The Group's interim condensed consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting'. The interim condensed consolidated financial statements have been prepared under the historical cost convention unless otherwise indicated. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023.

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 2023 Annual Report and Accounts, are reviewed on an ongoing basis. During the period there were no material changes to estimates which require significant judgement by management and no new significant judgements or estimates have been identified.

The interim condensed consolidated financial statements follow the same accounting policies as those in the Vivo Energy Limited 2023 Annual Report, except for the estimate of income taxes. There has been no impact as a result of preparing the interim condensed consolidated financial statements under the International Accounting Standards as adopted by the United Kingdom.

Going concern

International Financial Reporting Standards (IFRS) require the going concern assumption to be assessed over a period of at least 12 months from the date of approval of the financial statements. For the purposes of the going concern assessment, the Directors have considered a period up to 31 December 2025. The Group has considered the impact of the current economic environment and recent business developments in the going concern assessment. The transaction to combine Vivo Energy with Engen is not expected to have a negative impact on the Group's going concern conclusion. Furthermore, the Group assessed the ability to meet payment obligations and debt covenants over the going concern period. Based on the assessment, the Group will satisfy its obligations and maintain adequate liquidity, capital resources and headroom to sustain its operations in the foreseeable future. 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. Therefore, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

Climate change

In preparing the interim condensed consolidated financial statements, management has considered the impact that climate change may have. The Task Force on Climate-Related Financial Disclosures (TCFD) is a reporting framework that consists of a list of recommendations for companies to consider, with the aim being to improve and increase the reporting of climate-related financial information. The Group's previous scenario assessment, performed in accordance with the TCFD reporting framework, remains relevant and reflective of the current period. The acquisition of Engen South Africa has led to significant growth, resulting in a combined network of over 3,900 service stations and more than two billion litres of storage capacity across 28 African markets. The influence on climate change factors will be incorporated and disclosed in future reports¹. Management will continue to monitor, assess and account for the impact of climate change in future years.

New standards, amendments and interpretations

The following amendments and new interpretations to the IFRS standards effective for annual periods beginning on or after 1 January 2024 are applicable and have been applied in preparing the interim condensed consolidated financial statements and have no material impact for the Group:

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

The impact of IFRS S1 and IFRS S2 is under assessment. There are no other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2024 that have an impact on the interim condensed consolidated financial statements of the Group.

3. Financial instruments by category

The Group's classification of each class of financial assets and financial liabilities remains unchanged in the current period. The fair value of all the financial assets and liabilities approximates the carrying amount except for listed notes that had a carrying amount of \$352m and a fair value of \$332m. 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) which management considers to best represent the fair value of the associated investment given its nature. Since the value is based on the net asset value of the related investment, no sensitivity analysis is presented.

Other financial assets and liabilities are categorised as level 2 of the fair value hierarchy. The fair value of cross-currency swaps is calculated as the present value of the estimated future cash flows based on current market data provided by third party banks, and the fair value of forward foreign exchange contracts is calculated by comparison with current forward prices of contracts for comparable remaining terms.

There were no changes made during the period 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 operating units separately for the purpose of making decisions about resource allocation, segment performance assessment and interacting with segment managers.

¹ Our rebasing methodology takes into account the year after approach.

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

US\$ million	Six-month period ended 30 June 2024			
	Retail	Commercial	Lubricants	Consolidated
Revenue from external customers	3,867	2,568	283	6,718
Gross profit	239	137	56	432
Add back: depreciation and amortisation	32	11	3	46
Gross cash profit	271	148	59	478
Adjusted EBITDA	134	86	44	264

US\$ million	Six-month period ended 30 June 2023			
	Retail	Commercial	Lubricants	Consolidated
Revenue from external customers	3,341	1,593	238	5,172
Gross profit	172	84	32	288
Add back: depreciation and amortisation	26	13	5	44
Gross cash profit	198	97	37	332
Adjusted EBITDA	81	52	24	157

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 2024	30 June 2023
Revenue from external customers by material country		
Morocco	998	816
Kenya	769	785
Senegal	557	486
South Africa	521	–
Other	3,873	3,085
Total	6,718	5,172

5. 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 2.

US\$ million	Six-month period ended	
	30 June 2024	30 June 2023
Gross profit	432	288
Add back: depreciation and amortisation in cost of sales	46	44
Gross cash profit	478	332
Volume (million litres)	6,943	5,270
Gross cash unit margin (\$/000 litres)	69	63

US\$ million	Six-month period ended	
	30 June 2024	30 June 2023
EBT	69	8
Finance expense – net	85	74
EBIT	154	82
Depreciation, amortisation and impairment	80	69
EBITDA	234	151

Adjustments to EBITDA related to special items:

Business acquisitions ¹	23	6
Management Equity Plan ²	5	–
Restructuring ³	2	–
Adjusted EBITDA	264	157

US\$ million	Six-month period ended	
	30 June 2024	30 June 2023
Net income	35	2
Adjustments to net income related to special items:		
Business acquisitions ¹	27	6
Management Equity Plan ²	5	–
Restructuring ³	2	–
Hyperinflation ⁴	–	1
Adjusted net income	69	9

¹ These expenses are related to business acquisition costs and are treated as special items as they do not form part of the core operational business activities and performance. In 2023, Vitrol Offer transactions costs were included.

² During 2023, the Group introduced a cash-settled Management Equity Plan ("MEP") under which Vivo Energy Limited granted phantom options to Executive Directors. The Binomial Option Pricing Model is used to calculate the fair value of the options and the amount to be expensed. This expense is now treated as a special item as it is no longer considered to form part of the core operational business activities and performance for the period.

³ Restructuring costs were incurred mainly as a result of organisational alignment. The impact from these activities does not form part of the core operational business activities and performance for the period and is, therefore, treated as a special item.

⁴ The impacts of accounting for hyperinflation for Vivo Energy Zimbabwe and Ghana, in accordance with IAS 29, are treated as special items since they are not considered to represent the underlying operational performance of the Group and based on their significance in size and unusual nature are excluded as the local currency depreciation against the US dollar does not align to the published inflation rates during the period.

6. Business combination

On 21 May 2024, Vitol Emerald Bidco (Pty) Limited, a subsidiary of the Group, acquired 78% of the shareholding in Engen Ltd. (Engen), a market leader in South Africa with around 1,300 service stations across seven African countries.

Following the business combination, the combined Group has over 3,900 service stations and more than two billion litres of storage capacity across 28 African markets. The acquisition creates a pan-African energy champion by introducing four new markets to the Group (South Africa, DRC, Eswatini and Lesotho).

A total consideration of c. \$868m was transferred. The consideration was paid by a cash settlement.

Acquisition-related costs of \$27m are included in general and administrative expenses and finance expenses in profit or loss and in operating cash flows in the statement of cash flows. In accordance with the requirements of IFRS 3 (revised), 'Business combinations', the initial accounting for the Engen business combination is incomplete, as additional information necessary to identify and measure assets and liabilities is being received. Accordingly, the amounts recognised in the condensed interim financial statements are provisional as at 30 June 2024. Furthermore, as part of the acquisition, Engen will establish a 5% Employee Stock Ownership Plan within 6 months from the date of completion.

The following table summarises the preliminary values of identifiable assets acquired, and liabilities assumed with the acquisition of Engen, as at the acquisition date:

US\$ million	30 June 2024
Property, plant and equipment	699
Right-of-use assets	184
Intangible assets	71
Investments in joint ventures	20
Deferred Tax Assets	53
Other assets	265
Inventories (net)	1,052
Trade receivables	490
Current income tax receivable	2
Cash and cash equivalents	147
Lease Liability	(289)
Borrowings	(385)
Provisions	(254)
Other financial liabilities	(3)
Deferred Tax Liabilities	(3)
Other liabilities	(105)
Trade payables	(749)
Current tax liabilities	(82)
Net identifiable assets	1,113
Less: Non-controlling interest (NCI)	(245)
Net assets	868

The Group measures non-controlling interest at its proportionate share.

Acquisition contribution to the business

Engen contributed revenues of \$886 million and a net income of \$7 million to the Group for the period 21 May 2024 to 30 June 2024. Had the acquisition been completed on 1 January 2024, the preliminary consolidated revenue and profit for the half-year would be as shown in the table below.

US\$ million	30 June 2024
Revenue	9,686
Gross Profit	787
EBITDA	478
Net Income	169

7. Contingencies

Contingent liabilities and legal proceedings

The Group may from time to time be involved in a number of legal proceedings. The Directors prepare best estimate of its contingent liabilities that should be recognised or disclosed in respect of legal claims in the course of ordinary business. Furthermore, in many markets there is a high degree of complexity involved in the local tax and other regulatory regimes. The Group is required to exercise judgement in the assessment of any potential exposures in these areas.

In the ordinary course of business, the Group is subject to a number of contingencies arising from litigation and claims brought by governmental, including tax authorities, and private parties. The operations and earnings of the Group continue, from time to time, to be affected to varying degrees by political, legislative, fiscal and regulatory developments, including those relating to the protection of the environment and indigenous groups in the countries in which they operate. The industries in which the Group is engaged are also subject to physical risks of various types. There remains a high degree of uncertainty around these contingencies, as well as their potential effect on future operations, earnings, cash flows and the Group's financial condition.

8. Borrowings

US\$ million	Drawn on	30 June 2024	31 December 2023
Subordinated shareholder debt	29/06/2023; 11/06/2024	563	163
Notes ¹	24/09/2020	352	351
Term loan ¹	09/06/2023	-	393
Bank borrowings		1,606	569
		2,521	1,476
Current		1,612	573
Non-current		909	903
		2,521	1,476

Current borrowings include bank borrowings, which carry interest rates between 5% and 30% per annum, are short-term in nature and the carrying amount approximates the fair value.

Short-term borrowing includes a bridge facility of \$554 million, raised to refinance Engen's existing debt of \$279 million and to fund part of the Engen acquisition consideration. The bridge facility will be refinanced before the end of 2024.

The Subordinated shareholder debt is as below :

- In June 2023, \$160m was received with a 12-month maturity and an additional 12-month extension option. This extension option was exercised by the Group. This Subordinated shareholder debt bears an interest rate of three-month Secured Overnight Financing Rate adjusted for credit spread plus a margin of 1.09% p.a. Interest is payable on a quarterly basis and the principal amount can be prepaid on demand.
- In June 2024, \$400m was received with a 24-month maturity and an additional 12-month extension option. This Subordinated shareholder debt bears an interest rate of three-month Secured Overnight Financing Rate plus a margin of 2.375% p.a. Interest is payable on a quarterly basis and the principal amount can be prepaid on demand.

In September 2020, the Group issued \$350m notes with a coupon rate of 5.125% paid semi-annually and seven-year maturity. The notes are fully redeemed at maturity, with a repayment date of 24 September 2027. The fair value of the notes is approximately \$332m based on quoted market prices at the end of the reporting period.

In June 2023, the Group received proceeds from a Term loan with a five-year maturity and interest rate linked to the Secured Overnight Financing Rate which is repayable on a quarterly basis. The loan was repaid in full in June 2024.

The RCF was renewed in June 2023, with an initial term of three years and two one-year extension options. The RCF is a floating rate facility and the carrying amount approximates the fair value and remains undrawn.

Besides the RCF, the Group has various unsecured short-term bank facilities extended to operating entities for working capital purposes. The undrawn, unsecured short-term bank facilities of \$2,099m (2023: \$1,534m) include a large number of uncommitted facilities held with a number of different banks. Most of these facilities are subject to an annual renewal process and carry interest rates between 5% and 30% per annum.

¹ The amounts are net of financing costs.

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

	2024		
US\$ million	Long-term debt	Bank borrowings	Total
1 January	903	573	1,476
Proceeds from long-term debt ¹	400	–	400
Repayment of long-term debt	(670)	–	(670)
Borrowings acquired in a business combination	279	106	385
Proceeds/(repayment) of bank borrowings	–	887	887
Foreign exchange movements	(3)	46	43
30 June	909	1,612	2,521

	2023		
US\$ million	Long-term debt and RCF	Bank borrowings	Total
1 January	1,016	513	1,529
Proceeds from long-term debt ¹	555	–	555
Repayment of long-term debt ²	(664)	–	(664)
Proceeds/(repayment) of bank borrowings	–	117	117
Foreign exchange movements	1	(57)	(56)
Other ³	(5)	–	(5)
31 December	903	573	1,476

Key covenants:

The key covenants below relate to the VEI BV RCF:

- Within 150 calendar days after the Group's year-end, its audited annual consolidated financial statements, unaudited annual non-consolidated financial statements and the unaudited annual Group financial statements of each operating unit must be provided to the lender. Within 90 days after each half of each financial year, the unaudited non-consolidated financial statements, unaudited consolidated financial statements and unaudited Group financial statements for each operating unit for the financial half-year must be provided to the lender.
- The Group's financial covenants were revised during H1 2023 to a minimum interest cover of 3.0x and a maximum debt cover of 3.5x. These covenants are applicable for the relevant periods ending over the next two years, following which they shall revert to the levels stipulated in 2022. With each set of financial statements, a financial covenants compliance certificate has to be provided indicating the debt and interest cover. The debt cover follows the Group's leverage ratio calculation and the interest cover indicates the Group's ability to service its debt-related interest with profits. These calculations take into account bank permitted exemptions stipulated within the contractual agreement. 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, and a maintenance of listing covenant. It also has a change of control clause triggering repayment if an entity, other than permitted ones, takes control of the Company.

The key covenants below relate to the notes:

- The financial covenants are a minimum fixed charged cover of 2.0x. The notes carry customary restrictive covenants such as on asset sale, securities over assets, mergers and guarantees subject in each case to some exemptions and permitted baskets. The covenants have a change of control clause giving each noteholder a put right if an entity, other than permitted ones, takes control of the Company.

No key covenants were breached in the last applicable period.

¹ Mainly represents proceeds from the Term loan and Subordinated shareholder debt.

² Includes repayment of the Bridge loan and RCF.

³ Other includes financing costs and non-cash items.

9. 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 2024		
	Joint ventures and associates	Shareholders	Total
Sales of products and services, and other income	14	92	106
Purchase of products and services, and other expenses	193	980	1,173

US\$ million	Six-month period ended 30 June 2023		
	Joint ventures and associates	Shareholders	Total
Sales of products and services, and other income	15	66	81
Purchase of products and services, and other expenses	206	840	1,046

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

US\$ million	30 June 2024		
	Joint ventures and associates	Shareholders	Total
Receivables from related parties	36	24	60
Payables to related parties	(62)	(1,014)	(1,076)
Total	(26)	(990)	(1,016)

US\$ million	31 December 2023		
	Joint ventures and associates	Shareholders	Total
Receivables from related parties	36	16	52
Payables to related parties	(74)	(595)	(669)
Total	(38)	(579)	(617)

The receivables from related parties arise from sale transactions and loans to joint ventures. Receivables are due two months after the date of sales, are unsecured in nature and bear no interest. Loans to joint ventures are interest bearing and secured by the entire issued share capital of the joint venture. An expected credit loss of \$8m (FY 2023: \$7m) was recognised in relation to a joint venture receivable.

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.

10. 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 United Kingdom and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Directors of Vivo Energy Limited are listed on page 43 of the Vivo Energy Limited Annual Report and Accounts 2023. As of May 2024, Nimit Shah assumed the position of Chief Financial Officer, succeeding Jay Gleacher, who had served as Interim Chief Financial Officer. Presently, Jay Gleacher will remain on the board of directors as a non-executive director. There were no further changes in the Board of Directors. The 2023 Annual Report & Accounts can be found on the Vivo Energy Limited website: <https://www.vivoenergy.com/en/investors/reports-and-presentations>.

By order of the Board



Stan Mittelman
Chief Executive Officer
28 August 2024



Nimit Shah
Chief Financial Officer
28 August 2024