Energising communities

SUPPLEMENT TO PUMA ENERGY'S H1 INTERIM FINANCIAL RESULTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

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CAUTIONARY STATEMENT

This Document is not being made in and copies of it may not be distributed or sent into any jurisdiction where distribution would be unlawful. The information set out in this Document reflects the views and strategy of Puma Energy as at 30 June 2020 and may be subject to updating, revision and such information may change materially.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in the forward-looking statements made in this Document. Any statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "aim," "assume," "contemplate," "could," "may," "might," "potential," "predict," "remain," "should," "strive," "will likely result," "are expected to," "will continue," "believe," "anticipated," "estimated," "intends," "expects," "plans," "seek," "projection" and "outlook" or, in each case, their negative, or other variations or comparable terminology. Others can be identified from the context in which the statements are made. These statements involve estimates, assumptions and uncertainties, which could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this Document.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those described in the "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" and "*Summary—Our strategy*" sections of this Document:

- the scale and scope of the recent COVID-19 outbreak and resulting pandemic;
- adverse changes in general economic or business conditions outside of our control;
- our substantial debt and the risk of default of our existing and future indebtedness, which may result in an acceleration of our indebtedness thereunder;
- the impact of our credit rating on our cost of capital and ability to refinance;
- changes in policy priorities in government spending to contain the COVID-19 pandemic, the effect of such changes on macroeconomic conditions, and potential changes in our regulated markets, and other risks associated with COVID-19;
- our ability to successfully implement the operational improvement initiatives under our five-year transformation plan;
- the risk of economic and governmental instability in the countries in which we operate;
- actions by governments or political events in the countries in which we operate;
- our business dealings in countries with inherent risks relating to fraud, bribery, theft and corruption;
- scrutiny by the press, governmental and non-governmental organizations and others regarding our shareholders and local partners;
- our internal controls and procedures may not be sufficient to provide reliable financial reports, prevent fraud and ensure compliance with our anti-bribery and anti-corruption requirements;
- our decentralized organizational structure and our management reporting systems;
- our operations in developing markets;
- price regulations that determine, and will determine in the future our margins and reduce return on investment;
- our ability to pass on increased costs to consumers in our free markets;
- the risk of reductions in demand for our products;

- volatility in refined oil product prices;
- our potential liability arising from accidents or incidents relating to health, safety and the environment and from remediation of such accidents and incidents at our terminals, retail sites and/or other sites;
- health, safety and environmental laws and regulations and industry standards related to our operations;
- a variety of potential product liability risks that we are subject to;
- our facilities, including retail sites, offices and industrial installations in our midstream operations, being subject to many risks and operational hazards;
- underdeveloped infrastructure in certain of the countries in which we do business;
- our ability to meet our funding needs as they arise;
- that we face competition in our midstream and downstream markets, including aggressive price competition in the free markets where we operate;
- our dependence on third parties for the supply of our products;
- our dependence on the reliability of our supply and distribution networks;
- risks related to climate change, including increased regulation or technological innovations, that decrease demand for our products;
- our business dealings in jurisdictions that are subject to sanctions regimes;
- risks related to our trademarks and other proprietary rights;
- our exposure to risks and potential liabilities from our use of third-party contractors;
- our reliance on the creditworthiness of our customers;
- any pending or threatened litigation we are subject to, the outcome of which may affect our business, financial condition, results of operations and prospects;
- tax laws of the countries in which we operate or changes thereto or to our tax profile which could result in a higher tax expense or a higher effective tax rate on our worldwide earnings;
- disagreements with local communities in which we operate;
- our reliance on our computer systems to conduct our business;
- our reliance on our management team;
- ownership of the land on which our terminals and retail sites operated under the CoCo and CoDo operating models are located;
- our exposure to interest rate risk;
- our dependence on good relations with our employees;
- failure to obtain or retain highly skilled personnel;
- substantial liability claims due to the hazardous nature of our business, which liabilities may potentially exceed our insurance coverage;
- factors affecting our leverage and our ability to service our debt;
- the effects of our restrictive debt covenants on our ability to finance our future operations and capital needs and to pursue business opportunities and activities;

- other factors discussed in this Document; and
- factors not currently known to us.

These factors are not exhaustive.

We urge you to carefully read the sections of this Document entitled "*Management's discussion and analysis of financial condition and results of operation*" and "*Summary—Our business*" for a more complete discussion of the factors that could affect our future performance and the industry in which we operate. In light of these risks, uncertainties and assumptions, the forward looking events described in this Document may not occur.

Any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors will emerge in the future, and it is not possible for us to predict such factors. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

SUMMARY

This summary highlights certain information about our business. This summary is not complete and is qualified in its entirety by, and should be read in conjunction with, the more detailed information included in this Document, including our audited consolidated financial statements, unaudited consolidated interim financial statements and the related notes thereto. You should read this Document carefully in its entirety, including the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" "Industry Overview" and "Business," as well as our historical consolidated financial statements and the notes thereto included elsewhere in this Document.

*In response to the coronavirus ("**COVID-19**") pandemic, public health authorities and governments at local, national and international levels have announced various measures to respond to this pandemic. While the measures being taken to combat the pandemic have been evolving rapidly and have varied among jurisdictions, they have in most cases (and particularly in the second quarter), involved restrictions on movement (including in many cases unprecedented so-called "lockdowns") and the closure of some or all discretionary services for intermittent and/or extended periods, which in many jurisdictions have fundamentally changed how people work, travel, and spend their free time as compared to prior to the pandemic. The COVID-19 pandemic presents an unprecedented disruption to our business, and the wide variations in potential outcomes present a material challenge to our business and our industry. We took action early in response to the crisis as COVID-19 was emerging in Asia and we continue to take steps that we believe are prudent to protect and manage our business, reduce our cost base and protect our liquidity. See "Summary—COVID-19 Update and Current Outlook" and "Factors Affecting Results of Operations—Impact of COVID-19." As of the date of this Document, it is not possible to accurately predict the near-, medium- or long-term impact of COVID-19 on our business and our industry.*

Overview

Puma Energy is a leading global energy business with a customer-focused approach to safely providing secure and high quality energy sources and solutions. We presently operate in 43 countries across six continents and are engaged in all phases of the value chain beyond exploration and production—supply, storage and distribution of refined oil products. Our purpose is to *energize communities* to help drive growth and prosperity by sustainably serving our customers' needs around the world. We create value for our customers and shareholders by safely and responsibly supplying, trading, distributing and delivering refined oil products and services through our midstream and downstream activities. For almost two decades since our inception in 1997, we expanded our operations through a mix of acquisitions and organic investments, although our focus since late 2017 has primarily been on optimizing our strategic asset base.

We operate 7.0 million cubic meters of storage capacity at 91 terminals and a network of approximately 2,600 retail sites across the Americas, Europe, Africa and Asia Pacific (excluding approximately 212,000 cubic meters of storage capacity at 3 terminals and 367 retail sites that formed part of our Australian Fuels Business, which we recently disposed of, as discussed below). Our operations are primarily located in what we characterize as "high-potential" markets in developing countries (with comparatively high anticipated refined oil product consumption growth).

We distribute refined oil products and provide services to over 13,000 industrial and commercial customers (excluding approximately 7,000 customers served exclusively by our Australian Fuels Business) as well as 86 airports. We also offer non-fuel products and services through convenience retail offerings in our 961 C-store, Super7 and Shop Express branded convenience stores, 180 car washes, 73 truck stops and 73 restaurants and cafes as of June 30, 2020 (excluding 219 convenience stores, 16 car washes, 54 truck stops and 75 restaurants that formed part of our Australian Fuels Business). During FY 2019 and LTM 2020, we sold 22.3 million and 21.5 million cubic meters of refined oil products in our downstream operations, respectively (excluding 2.8 million cubic meters of sales in each such period as part of our Australian Fuels Business), and handled 14.2 million and 13.8 million cubic meters of refined oil products in our midstream storage facilities, respectively (excluding 1.7 million cubic meters of product in each such period handled as part of our Australian Fuels Business). Our downstream and midstream operations accounted for 85.3% and 14.7% of our gross profit and 82.8% and 17.2% of our Consolidated EBITDA for FY 2019 and for 88.3% and 11.7% of our gross profit and 87.1% and 12.9% of our Consolidated EBITDA for LTM 2020, respectively. We believe that the diversity of the geographic markets we serve and business lines in which we operate provides us with a degree of protection from economic cycles in any particular geographic region or industry.

Our midstream and downstream operations, which include modern storage assets and extensive retail operations, are supported by a global supply and trading organization and stable supply sources. We benefit from long-term relationships with our core shareholders, Trafigura, a multinational commodity trading company founded in 1993, and Sonangol, the state-owned oil company of Angola and one of the leading oil producers in Africa. Trafigura provides us with refined oil products for our downstream operations with a high level of reliability at competitive prices, whilst at the same time providing us with superior insights into and understanding of market trends. Although our supply contract with Trafigura includes an exclusivity clause, it is subject to exceptions, which allow us to switch to alternative supply sources, if and when they are more favorable. Our business-to-business customers, as well as our extensive retail operations, have provided stable demand for our refined products. In combination, we believe these factors have historically provided us with a leadership position in most of the geographic markets in which we operate.

Our core shareholders have historically been supportive of our needs as they evolved over time. For example, our shareholders actively supported our growth during its most acquisitive phase through equity investments, injecting $1.3 billion of new equity into the business between 2009 and 2017, and, although no longer key to meeting our financing requirements, Trafigura continues to make the $1.5 billion undrawn Trafigura Facilities available to us, which further strengthens our liquidity position. Trafigura also extended us the 2020 Subordinated Shareholder Restructuring Loan that financed our repurchase of a portion of Cochan's shareholding in the Company, as a result of which Cochan is no longer a significant shareholder and now holds less than 5% of the Company's outstanding shares. See "*—Our competitive strengths—Supportive shareholders and experienced management team*" and "*Description of Certain Other Indebtedness—Trafigura Facilities Agreements*." Most recently, in response to the COVID-19 crisis, we also agreed an interim price adjustment with our core shareholder suppliers, Trafigura and Sonangol, under their supply arrangements with us to help minimize the impact of trading conditions in the second and third quarters of 2020 and which contemplates up to $100 million of support in the five month period from May to September 2020. We used over $80 million of the available shareholder support during the second quarter of 2020, which helped to substantially offset the adverse impacts of the pandemic by reducing our cost of sales (in turn helping to support or increase our gross profit, unit margins and EBITDA) in order to help minimize the impact of material sales volume reductions during portions of the period as a result of the pandemic.

Amidst headwinds faced by our business since 2018, we have made significant efforts over the course of 2019 under our new management team to develop and begin the implementation of a new customer-led strategy that we believe has the potential to materially improve the sustainability and profitability of our business. To help implement our new strategy and to track and manage our business and performance targets, we have established a five-year transformation plan (from 2019 to 2024) with three pillars: (1) operational excellence, (2) focused growth and (3) new business development. For further information, see "*—Our strategy.*" At the same time, we are streamlining our portfolio through disposals of non-core assets, as exemplified by sales of assets between 2018 and 2020 in Australia, Indonesia, Paraguay and Peru, allowing us to better focus our investments going forward in markets that we believe offer better opportunities to create sustainable and profitable growth and/or facilitate the deleveraging of our balance sheet on attractive terms.

We have also sought to significantly enhance aspects of our corporate governance in a number of ways in order to support our new customer-led strategy and five-year transformation plan, create stronger alignment with our purpose and help mitigate risk.

As of June 30, 2020, we had approximately 7,300 employees on a global basis (excluding employees in our Australian Fuels Business). See "*Business—Employees*." We offer our employees various training programs aimed at developing their know-how and skill, strengthening our corporate culture, and ensuring the implementation of best practice tools and procedures.

Our operations are highly diversified across geographic markets, presently operating in 43 countries across six continents, and we expect to remain highly diversified geographically going forward despite our ongoing program of non-core asset disposals. For FY 2019, we generated Regional Consolidated EBITDA of $204 million, $289 million, $131 million and $32 million in Africa, the Americas, Asia Pacific and Europe, respectively, and $209 million, $305 million, $103 million and $35 million in Africa, the Americas, Asia Pacific and Europe, respectively, for LTM 2020. In FY 2019 and LTM 2020, no individual country contributed more than 15% of our Consolidated EBITDA.

Downstream business profile

Our core business is the distribution of refined oil products to retail customers and industrial and commercial customers, and consists of the following business lines: retail, business-to-business, wholesale, bunkering, aviation, lubricants, bitumen, LPG and supply, with retail, business-to-business, lubricants, aviation and bitumen being areas of particular focus under our new customer-led strategy and five-year transformation plan. We are active in downstream operations both as a marketer of refined oil products and as an owner and operator of related infrastructure. We source and supply a wide range of refined oil products, including fuel oil, gasoline, diesel, liquid petroleum gas ("**LPG**"), aviation fuel, bitumen and lubricants. Our downstream operations accounted for 82.8% and 87.1% of our Consolidated EBITDA for FY 2019 and LTM 2020, respectively.

To consumers who visit our retail sites, we offer high-quality gasoline and diesel fuels, together with non-fuel products and services through convenience retail offerings in our 961 C-store, Super7 and Shop Express branded convenience stores, 180 car washes, 73 truck stops and 73 restaurants and cafes as of June 30, 2020 (excluding 219 convenience stores, 16 car washes, 54 truck stops and 75 restaurants that formed part of our Australian Fuels Business).

The contribution of retail non-fuel products and services to our downstream gross profit accounted for $51 million (or 4.7% of downstream gross profit) and $47 million (or 4.6% of downstream gross profit) in FY 2019 and LTM 2020, respectively.

We aim to gain further customer market share by continuing to increase brand affinity and seeking to offer superior customer experiences at our expansive network of retail sites. According to the 2020 Edelman Brand Trust Barometer (June 2020), COVID-19 has increased the importance of trust in brands, and is now second only to price, in shaping consumer choices. As part of our new customer-led strategy and five-year transformation plan, we have developed a comprehensive roadmap to seek to transform our retail business line by investing in competitive customer value propositions ("**CVP**") across all of our offerings and leveraging our already high degree of brand affinity. As part of this roadmap, we are seeking to better combine learned best practices from across our global operations with innovative training techniques in order to better meet our customer's needs. For example, we introduced the new Super 7 shops concept (with a redesigned operational layout, brand and visual identity) in Guatemala and Honduras in 2019. The first such redesign to a Super 7 shop was ready in four weeks, and we are rolling out this concept across our existing convenience retail sites in the region in 2020, while also opening an additional 40 convenience retail sites. We are also introducing our Super 7 online system in the region, which allows dealers and store managers to access information on all ongoing promotions, as well as other guidance and information to help them optimize the performance of their stores. In addition, we also train our employees and dealers to help ensure a consistent approach to customer service at our retail sites. In 2019, we rolled out our Commercial Academy globally, which is aimed at strengthening and promoting consistent high standards across our business lines, and we designed a Dealer Academy to train our dealers. In addition, we have a large and growing library of e-learnings, with over 200 strategically aligned online training programs for all our employees and other available learning resources.

We are also seeking to develop our brand positioning and build and maintain a loyal customer base by developing and implementing a global loyalty program "Pris" that we are aiming to implement in Panama and Angola in the fourth quarter of 2020, and in other markets in 2021. We have also begun implementing tailored CVPs to seek to retain and attract more loyal customers to our retail locations and deliver underlying unit margin growth. We have also established partnerships with major global brands, including Burger King, Pizza Hut, Subway and McDonalds, to seek to leverage their brand presence and provide our customers with an improved choice and selection of food and beverage offers in key markets such as El Salvador, Honduras and Puerto Rico.

We also view digitalization as a key enabler of our new customer-led strategy and five-year transformation plan. We have been implementing a significant automation and digitalization program in recent years, and work on this continues apace. For example, in 2019 we implemented an innovative new technology—ePuma—in our aviation business line that is currently being used in San Juan and Dar es Salaam and which we expect to deploy more widely in the near-term. ePuma delivers a new customer portal, with new scheduling and tablet technology, as well as terminal automation for our aviation customers. We are also investing in digitizing the retail customer experience through apps, such as @Puma Fast Pay, which enable our retail customers not only to pay at the pump, but also to access tools to help them manage their billing and payments, which have proven to be particularly popular with small business owners. Certain of our apps also help our retail customers browse, shop and pay for non-fuel products through click and collect services, or order take-away food services through delivery platforms, such as Uber Eats.

In addition to retail customers, our diversified customer base includes industrial and commercial customers across a broad range of industries, such as power generation, transport, mining, agriculture and construction. For them, reliability and security of supply is a top priority. They particularly value our ability to leverage our sourcing, storage, transportation and infrastructure capabilities to deliver high-quality fuel products safely, reliably and cost-effectively. Our platform of supply, storage and distribution infrastructure and capability also facilitates a seamless interface between international oil markets and our local retail distributors. Our logistics capability helps ensure delivery in some of the world's most difficult to reach places, and we provide 24/7 support. Whenever possible, we look for ways to give our industrial and commercial customers everything they want as a tailored one-stop shop, including expertise, advice and support. We can, for example, combine fuels, lubricants and bitumen into one easy to manage, high quality, tailored service.

Our investment in modern facilities and infrastructure, together with competitive pricing and reliable supply, has enabled us to build long-term sustainable relationships with several of our industrial and commercial clients. For example, we have strong and long-standing relationships (in general, between 5 to 10 years) with our five largest clients by sales volumes: Puerto Rico Electric Power Authority, Shell, Greenergy Fuels, Vivo Energy and Nicholl Fuels Oils.

During FY 2019 and LTM 2020, our retail operations sold 5,941 million and 5,300 million cubic meters of fuel, respectively, through our expansive network of retail sites in countries across Africa, the Americas and Asia Pacific (excluding 1,407 million and 1,342 million cubic meters sold in those periods by our Australian Fuels Business). The majority of these retail sites are operated under the "Puma" brand. We also sold 14,529 million and 14,833 million cubic meters of fuel, bitumen and lubricants to industrial and commercial customers during FY 2019 and LTM 2020, respectively (excluding 1,436 million and 1,499 million cubic meters sold in those periods by our Australian Fuels Business). We also provided 1,966 million and 1,501 million cubic meters of refined oil products to airlines, aircraft operators and owners across the Americas, Africa and Asia Pacific during FY 2019 and LTM 2020, respectively.

Midstream business profile (the infrastructure business)

As part of our new customer-led strategy and five-year transformation plan, our midstream operations are being closely reviewed to further optimize this part of our business in 2020 and into 2021 and will be renamed our infrastructure business. See "*—Three business units going forward*." The primary objective of our midstream operations is to provide an oil products storage and distribution platform (and in particular the necessary storage capacity) for our downstream operations, ensuring control of a critical part of our supply chain. We benefit from in house dedicated supply and risk management expertise and established relationships with refiners, which is enhanced by our strong global supply arrangement with our core shareholder suppliers, Trafigura and Sonangol. We support our regional and national wholesale customers through our global network of infrastructure and storage facilities in six continents. As part of our new customer-led strategy, our midstream operations are focused on enabling our downstream operations to serve their own customers effectively while providing the highest standards of service to our direct midstream customers. Our midstream operations accounted for 17.2% and 12.9% of our Consolidated EBITDA for FY 2019 and LTM 2020, respectively.

Our infrastructure asset base provides optionality and security of supply for assets in Africa, Americas and Asia Pacific. We operate 91 terminals worldwide, with an aggregate storage capacity of 7.0 million cubic meters, helping drive economies of scale. Our storage asset base comprises seven main storage facilities ("**storage hubs**") in the United Kingdom, Estonia, Dubai, Angola, Puerto Rico, Mozambique and Papua New Guinea. Our terminals offer high-quality import terminals in the region, in many cases offering deep-water access, at a scale that creates strong economics for growth in high-potential markets. Most of our terminals are not shared with other competitors and are strategically located in close geographic proximity to our downstream operations and approximately half of our terminals' capacity was used to support our own downstream operations in LTM 2020. See "*Business—Midstream—Storage*."

Our transportation and fleet management activities, as well as off-shore mooring systems, are also key elements of our midstream operations. Further, although refining is not part of our core business, our midstream operations also include two small refineries in Nicaragua and Papua New Guinea.

During FY 2019 and LTM 2020, our midstream activities handled 14.2 million and 13.8 million cubic meters of refined oil products, respectively (excluding 1.7 million cubic meters in each such period handled by our Australian Fuels Business). In addition to throughput revenues at our terminals and pipelines, our midstream activities also generate revenues from capacity rental and take-or-pay agreements, as well as sales from refining activities (neither of which are reflected in throughput volumes).

Three business units going forward

As part of our new customer-led strategy and five-year transformation plan, our core business operations described above will be further supplemented by a new future energies business. Going forward, we will have three business units: the downstream business, the infrastructure (midstream) business and the future energies business. Our core downstream business unit will continue to focus on the business lines described above, and it will be managed under two regions—the "West" region, consisting of the Americas with Puerto Rico as the regional headquarters and the "East" region, consisting of Africa, Middle East and Asia Pacific with Johannesburg as the regional headquarters. Our infrastructure business unit will consist of 32 marine terminals and two inland terminals, the pipelines and associated land, mostly consistent with our current midstream operations (except that the financial reporting of our two refineries—Papua New Guinea and Nicaragua—will ultimately be separate from the midstream operations). It will focus on safe and continuous storage, operation of assets whilst maximizing commercial value from the assets. The future energies business will adopt a "start-up philosophy" which we expect will allow us to more rapidly scale our intended activities to help deliver lower carbon alternatives for our downstream customers as part of their energy transition. We intended for these three business units to be supported through global, centralized, functions adapted to a renewed business perimeter and that seek to drive further efficiency gains. Alongside this reorganization, our supply and trading activities will be transferred to Trafigura to maximize value opportunities for the business by entering into an arm's length cooperation agreement. This will enable us to leverage the global scale and reach of Trafigura's supply, trading and logistics activities for commercial advantage. The governance of this new arrangement will be managed through our supply committee chaired by independent non-Executive Chairman, René Médori, with senior representation from both us and Trafigura. We have also reduced the size of our executive committee from twelve to eight members as part of our cost-cutting efforts. See "*Management and Corporate Governance—Executive Committee of the Company.*"

Our competitive strengths

Highly diversified global business serving a large and varied customer base

Our operations are highly diversified across geographic markets, end-user industries, products, services and customers, presently covering 43 countries in six continents, approximately 2,600 retail sites (excluding 367 retail sites that formed part of our Australian Fuels Business), 86 airports and over 13,000 industrial and commercial customers (excluding approximately 7,000 customers served exclusively by our Australian Fuels Business) as of June 30, 2020.

Our business model focuses on attractive high-potential markets in developing countries (with comparatively high anticipated refined oil product consumption growth) in the Americas, Africa and Asia Pacific, and our operations in high-potential markets are supplemented by operations in selected mature markets in developed countries in Europe (where anticipated refined oil product consumption growth is lower, but where large market size continues to drive high sales volumes). For FY 2019 and LTM 2020 (including intercompany elimination and consolidation adjustments for the respective countries, considering the allocation of overhead costs and supply margin), we generated 16% and 14% of our Consolidated EBITDA, respectively, in countries whose sovereign debt is rated investment grade (BBB− or above), 13% and 12% of our Consolidated EBITDA in countries whose sovereign debt is rated BB+ to BB−, 28% and 22% of our Consolidated EBITDA in countries whose sovereign debt is rated B+ to B−, and 43% and 51% of our Consolidated EBITDA, respectively, in countries whose sovereign debt is either not rated or rated below B−. In addition, in FY 2019 and LTM 2020, no individual country contributed more than 15% of our Consolidated EBITDA.

Our operations are also diversified across a wide range of business lines. Our downstream operations include the following business lines: retail, business-to-business, wholesale, bunkering, aviation, lubricants, bitumen, LPG and supply, with retail, business-to-business, lubricants, aviation and bitumen being areas of particular focus under our new customer-led strategy and five-year transformation plan. See "—*Three business units going forward*." Within retail, our non-fuel products and services represent attractive cross-selling opportunities that complement our main business activities and allow us to diversify our product offering and our sources of revenue and, accordingly, one of our key global improvement initiatives as part of our new customer-led strategy entails expanding and improving our convenience retail offering by taking a more rigorous, consistent approach to getting close to our customers with broader and better products and services. Our industrial and commercial customers also operate in a wide range of sectors, including transport, power generation, industrial and manufacturing activities, mining, agriculture and construction.

In our downstream operations in FY 2019 and LTM 2020, no single customer (including its affiliates) represented more than 3% of our sales volumes and our top 10 industrial and commercial customers represented less than 12% and 13% of our sales volumes, respectively, for the same periods. Due to modern facilities and infrastructure, competitive pricing and reliable supply, however, we have developed long-term sustainable relationships with several of our customers. For example, we have strong and long-standing relationships (in general, between 5 to 10 years) with our five largest clients by sales volumes: Puerto Rico Electric Power Authority, Shell, Greenergy Fuels, Vivo Energy and Nicholl Fuels Oils. Our robust relationships with several of our customers also facilitates our intended strategic shift from only selling products to being a solutions provider, a strategic shift that we hope to further accelerate by defining and delivering targeted CVPs to global and regional customers in priority segments such as construction, transportation and mining. With our mining customers, we believe there is also an attractive opportunity to offer tailored solutions for high-performance lubricants. For example, in 2019, we collaborated closely with a large copper mine in North-West Zambia, enabling our customer to quickly improve equipment reliability and reduce maintenance costs with the help of our high-performance Puma Vitrix HD lubricant. Following the success of the pilot, we are planning to expand the model across the region.

We believe that our operational diversification across geographic markets, business lines, customers and industry segments provides a degree of protection from economic and business cycles. Our diversification has historically allowed us to leverage our supply, storage, transportation and infrastructure capabilities and take advantage of demand and market dynamics in the various markets in which we operate.

Clear strategic focus on extracting more value from our existing businesses and asset base

We benefit from a well-invested asset base, as well as significant market positions in a number of the markets in which we operate and long-standing relationships with many of our customers (and a resulting deep understanding of our customers' needs and priorities), that we are highly focused on optimizing as part of our new customer-led strategy. We believe that we have a significant opportunity to extract value from our existing businesses, and that our new focus on customer-led operational improvements combined with strong cost controls, effective capital allocation and disciplined targeting of investments into the markets and segments where we see the most promising potential to improve our unit margins and operating profit performance will help us to create a more sustainable and profitable business in the medium term. See "—*Our strategy*."

To this end, under our new management team, we have begun embedding our new customer-led strategy and five-year transformation plan—with a clear intended pathway to maximize returns from assets and operations across the markets in which we operate and to seek to access future opportunities for profitable growth in the most attractive ones—within our organization and operations. For example, in 2019, we developed a clear and comprehensive improvement plan for our global retail business, including improved retail strategies and network plans for our key markets to seek to enhance our customers' experience and improve the value generated by our network of retail sites.

Over the course of 2019, we have also focused on streamlining, simplifying and aligning across our businesses and organization, a focus that is helping to improve our global quality, consistency and efficiency (including in how we deliver value to our customers) and helping to further strengthen our relationships with our customers and the communities that we serve. As part of these efforts, among other things, we are creating global centers of customer excellence to support the creation of a truly customer-led business to help us to develop greater quality and consistency in assisting employees to serve our customers in a quick and consistent manner while maintaining high service standards.

We are also continuing to invest in a significant automation and digitalization program to build a foundation for the digital transformation of the downstream business and to help drive operational excellence, as well as in simplifying, standardizing and automating key processes in business operations. As part of that, we are also building the data and analytical capabilities necessary to implement the program and are seeing some early benefits from this. For example, we have increased our ability to assess work force data, leading to benefits in terms of reduced shift hours and queues, and have begun reducing freight and logistics costs by better analyzing trip routings through terminal utilization analysis tools and managing exceptions as well as by better analyzing and managing logistics trends. We also continue to make improvements to our midstream operating model to further optimize our midstream asset base to creating future value, including, for example, through increased rental of additional storage capacity and greater utilization of the land around our midstream assets in collaboration with preferred third parties and/or strategic partners.

We also believe that our new clear strategic focus and the initiatives underway will help us attract, retain and develop our people, and will help ensure that we continue to improve our health, safety, environment and community performance.

As a result, we believe that our strategic evolution is broadly on track, both in terms of our strategic vision and in the development of the practical foundations necessary to achieve it.

Vertical global integration facilitating leading market positions

We operate a vertically integrated midstream and downstream oil business where we control all stages of the value chain—supply, storage and distribution. Our operations are supported by a global supply platform, sizeable storage assets and an extensive retail network. Our in-house supply team constantly assesses market opportunities and sources refined oil products from a large base of third-party suppliers, as well as Trafigura and Sonangol, our largest shareholders.

Our 91 strategically located terminals including seven storage hubs, import and loading capabilities and transportation resources, facilitate the import of refined oil products into our geographic markets and their reliable movement through the supply chain. This allows us to source our products reliably and at competitive prices, and provides us with access to supply sources across the world. Our terminals comply with stringent industry standards, with 80% being API-compliant and a large number being ISO 9001 or ISO 14001 certificated.

To complete the vertically integrated value chain, we also operate approximately 2,600 retail sites offering fuel and non-fuel products and services (excluding 367 retail sites that formed part of our Australian Fuels Business). This extensive retail network, combined with our base of business-to-business, aviation and wholesale clients, helps create demand for our refined oil products.

We believe that our vertically integrated business model, our supply, storage and distribution infrastructure, various strategic relationships and operational excellence have allowed us to secure a significant market position in a number of the markets in which we operate.

Limited exposure to commodity prices and exposure to exchange rate fluctuations mitigated by strong relationships with regional and local governments

In the fully and semi-regulated markets in which we operate (accounting for 70% and 66% of our downstream gross profit and 71% and 66% of our downstream Consolidated EBITDA during FY 2019 and LTM 2020, respectively, including intercompany elimination and consolidation adjustments for the respective countries, considering the allocation of overhead costs and supply margin), including, for example, Angola, the Republic of Congo and Nicaragua, the regulations applicable to our activities set a maximum margin, at which we are permitted to sell our refined oil products.

Prices in fully and semi-regulated markets are either based on a formula defined by the relevant regulatory regime, or negotiated directly with the regulators. In these markets, although increases in oil prices or local currency devaluations tend to have an adverse near-term effect on unit margins, prices have historically tended over time (although generally with some time lag) to adjust to increases in oil prices and local currency devaluations. The mechanisms to adjust to increases in oil prices and local currency devaluations can vary in their degree of formalization and in the typical time lag required to achieve adjustments. For example, in Zimbabwe, which has experienced significant local currency devaluations in recent years, regulated oil prices have been adjusted on a monthly basis and there is thus a relatively short period of exposure to the devalued local currency against the U.S. dollar and less corresponding impact on unit margins. By contrast, in other fully and semi-regulated markets, price adjustment mechanisms are less formalized and can require longer periods of engagement and discussion with governmental authorities before they occur. Although the outcome in such markets is rarely certain, in general, we have historically managed with considerable success to limit our exposure to increases in oil prices and exchange rate fluctuations in fully and semi-regulated markets through a combination of pre-agreed formal mechanisms and engagement with regional and local governments. The only notable recent exception has been Angola, where local currency devaluations of recent years have not seen compensating price adjustments since March 2018 and there is no clear indication as to the timing of a future price adjustment. The circumstances in Angola, however, are relatively unusual, since although our Consolidated EBITDA (including intercompany elimination and consolidation adjustments for the country) from the country was impacted by the decrease in unit margins (with Consolidated EBITDA decreasing from $197.6 million in FY 2017 to $27 million in LTM 2020), its contribution to our Consolidated EBITDA remains accretive.

In free markets, we can generally increase prices in local currency terms in response to a local currency's devaluation, or an increase in oil prices, without adversely affecting our competitive position as local competitors typically respond in a similar fashion to currency and oil price movements. In instances where that is less feasible, as proved to be the case in Australia over 2018 and 2019, where the scope for price increases in response to local currency devaluations was severely limited by a very competitive market (and broader pressures on local unit margins), we will review and assess our options and may, as ultimately occurred in Australia, even exit a country (or business line) when market-specific factors undercut the historic unit margin stability that we generally expect.

The chart below shows our downstream unit margin from January 1, 2017 to June 30, 2020, which has ranged between $6 - $13 per barrel (or $36 - $81 per cubic meter), alongside the price of Brent crude futures during the same period. For our downstream operations, unit margins are defined as gross profit from our downstream activities (including gross profit from sales of non-fuel products and services) divided by total sales volume.

Our exposure to oil prices is further mitigated by the hedging of our inventory in free and semi-regulated markets. Whilst the value of our inventories in free and semi-regulated markets fluctuates with changes in oil prices, for the period between the purchase and sale of the product, we secure the price through the use of commodity futures and swaps. In regulated markets on the other hand, both the purchase and the sale price are fixed, so we are not exposed to fluctuations in oil prices. Furthermore, our inventories are fully covered by insurance against any risks or damages.

We limit the extension of credit to reduce our exposure to currency fluctuations and more generally to facilitate a rapid cash conversion of our sales, and most of our retail and wholesale customers are not extended credit. We target and typically achieve third-party DSO of 10 to 15 days. Such short payment terms also allow us to mitigate the impact of currency exchange fluctuations on non-U.S. dollars denominated receivables. We also seek to manage our local currency exposure by accessing local currency funding where possible, including the use of working capital lines and overdrafts in local currencies, which provides a natural currency hedge for local currency receivables.

Prudent financial and capital structure management

We believe that we are benefiting from our prudent financial and capital structure management. We have over time successfully replaced the majority of our Operating Group debt with unsecured debt at PIF level and remain committed to broadly maintaining this capital structure. We have reduced debt at the Operating Group level as a percentage of our gross total debt from 44.0% as at December 31, 2014, to 12.7% as at June 30, 2020 (with secured debt at the level of the Operating Group reducing still further, from 32.9% as at December 31, 2014 to 3.6% as at June 30, 2020). Unsecured financing incurred by PIF represented 87.3% of our gross total debt as at June 30, 2020.

We also remain committed to deleveraging our balance sheet and managing our liquidity and have implemented a number of initiatives across our business to achieve this in the near-term. We have sought to actively manage our debt maturities and to extend our debt maturity profile when possible to do so on attractive terms. Most recently, on April 30, 2020, we entered into a $310.5 million facility agreement to repay certain existing indebtedness, which further contributed to this strategy and further extended out our debt maturity profile. See "*Description of Certain Other Indebtedness—Annual Syndicated Credit Facilities Agreements*."

Moreover, in line with our strategic focus on deleveraging our balance sheet, the proceeds from strategic disposals in Indonesia, Paraguay and Peru were primarily used to repay existing indebtedness as part of our deleveraging strategy. In August 2020, we used $50 million of the proceeds of the Australia Sale to partially repay the 2018 Term Loan Facility B, and the remaining proceeds in the amount of $255 million are currently being held to bolster liquidity amidst the extraordinary circumstances of the COVID-19 pandemic, but are expected to ultimately be applied towards similar deleveraging if and when it is prudent to do so. For further information on our related strategy, see "*—Our strategy—Continue strengthening our balance sheet and streamlining our portfolio*." As a result, our ratio of total Net Debt (excluding inventories) (defined as total borrowings less cash and cash equivalents and less inventories) to Reported EBITDA and to Adjusted EBITDA was 2.7x, 3.3x, 2.5x and 3.2x as at December 31, 2017, December 31, 2018, December 31, 2019 and June 30, 2020, respectively. We intend to achieve a ratio of Net Debt (excluding inventories) to Reported EBITDA and a ratio of Net Debt (excluding inventories) to Adjusted EBITDA at or below 2.5x by the end of 2021, while maintaining strong liquidity and continued diversification of funding sources (including bonds, private placements, revolving credit facilities, term loans and borrowing base facilities).

The table below summarizes the maturity profile of our financial liabilities as at June 30, 2020:

	Less than 1 year	1 - 5 years	More than 5 years	Total
		($ millions)		
As at June 30, 2020[(1)]				
Trade and other payables	1,911	—	—	1,911
Financial derivatives	170	—	—	170
Other liabilities	—	7	—	7
Total	**3,590**	**1,022**	**1,141**	**5,753**

(1) The amounts in this table exclude financial liabilities of the Australian Fuels Business, which was not included in the balance sheet at June 30, 2020.

We also have a strong liquidity position and one that we have prudently strengthened in recent months, in particular through the strong support of our core shareholders, Trafigura and Sonangol, as well as through recent financings. We have the $1.5 billion undrawn Trafigura Facilities granted by Trafigura, which further strengthens our liquidity position. Our liquidity amidst the COVID-19 pandemic has also been bolstered by the interim price adjustment that we agreed with our core shareholder suppliers, Trafigura and Sonangol, under their supply arrangements with us to help minimize the impact of trading conditions in the second and third quarters of 2020 and which contemplates up to $100 million of support in the five month period from May to September 2020. In April 2019, we also announced the establishment of a one-year $350 million revolving credit facility with two one-year extension options, which we refinanced in April 2020 with a one-year $310.5 million revolving credit facility with two one-year extension options.

We generally have a strong ability to upstream cash flows, through our supply system, capital expenditure and procurement invoices, dividends, as well as inter-company loans. With certain exceptions such as Angola and Papua New Guinea, where cash repatriation processes can take longer (and where cash in excess of expected operational needs may accordingly accumulate in certain periods), cash generated by our local operating subsidiaries over their expected operational needs is generally immediately transferred to us through the payment of intracompany invoices (rather than as dividends).

Supportive shareholders and experienced management team

Our core shareholders have historically been supportive of our needs as they have evolved over time. Our growth between 2009 and 2017 was fostered in significant part by equity investments from our shareholders, who contributed $1.3 billion of new equity into the business over that period. In 2009, our largest shareholder, Trafigura, converted a $200 million shareholder loan to us into equity. In 2011, Sonangol entered into the share capital of Puma Energy. In 2013, a capital increase of $500 million grew Sonangol's holding in Puma Energy from 20% to 30%. In 2015, we raised $350 million through a capital increase from Trafigura and a former shareholder. We have the $1.5 billion undrawn Trafigura Facilities granted by Trafigura, which further strengthens our liquidity position. In March 2020, we repurchased approximately 10% of the shares held by Cochan with the proceeds of the 2020 Subordinated Shareholder Restructuring Loan, as a result of which Cochan is no longer a significant shareholder and now holds less than 5% of the outstanding shares of the Company. This repurchase was done to simplify our shareholding structure and increase access to capital markets.

Trafigura continues to provide us with refined oil products for our downstream operations with a high level of reliability at competitive prices, as well as a customer of our infrastructure and logistics services. We also benefit from the local market knowledge of Sonangol, the state-owned oil company of Angola and one of the leading oil producers in Africa, and we purchase some of our refined oil products from Sonangol. In response to COVID-19, we also agreed an interim price adjustment with our core shareholder suppliers, Trafigura and Sonangol, under their supply arrangements with us to help minimize the impact of trading conditions in the second and third quarters of 2020 and which contemplates up to $100 million of support in the five month period from May to September 2020. We used over $80 million of the available shareholder support during the second quarter of 2020, which helped to substantially offset the adverse impacts of the pandemic by reducing our cost of sales (in turn helping to support or increase our gross profit, unit margins and EBITDA) in order to help minimize the impact of material sales volume reductions during portions of the period as a result of the pandemic.

Our management team has diverse and extensive experience in all aspects of midstream and downstream operations across numerous oil industry sectors, including the supply, energy trading, and wholesale segments. Our CEO, CFO, CTO, Head of Africa and Head of Brand Marketing and Communications all joined in 2019 and since then have spearheaded the development and implementation of our new customer-led strategy and five-year transformation plan, and our new non-Executive Chairman, René Médori, and our Chief People and Culture officer joined in March 2020. Our senior management team has more than 170 years of combined experience, including serving in various management positions in energy, oil and gas, utilities, telecommunications, banking and engineering companies such as National Grid, Royal Dutch Shell, British Petroleum, VEON, Severn Trent Water, Etisalat Nigeria, Jazz, Morgan Franklin, BT, Nayara Energy, Rosneft, BP and Anglo American.

We have a decentralized management structure which allows for flexible decision-making at the local level, while maintaining centralized control and reporting systems and while still seeking to facilitate the dispersion of best practices and standards throughout our global operations. Further, our IT and control systems provide us with real-time, centralized management information and a live online reporting system, which are key to managing the complexity of our business and improving our decision making process.

Enhanced corporate governance and strong risk management and compliance functions

We have consistently sought to bolster our corporate governance practices to support our evolution as a responsible and sustainable business. For example, since 2018 we have established a series of new committees, including an Audit Committee and Ethics and Compliance Committee. In 2019, we enhanced our corporate governance in a number of ways, to support the new customer-led strategy and five-year transformation plan and align it with our newly articulated purpose of energizing communities to help drive growth and prosperity by sustainably serving our customers' needs around the world. These further enhancements to our corporate governance include (i) expanding our Finance and Investment Committee's focus on seeking to ensure that we manage our portfolio of businesses as effectively as possible, (ii) creating a Remuneration Committee to review our remuneration and reward policies to seek to ensure that they align with and support the purpose, goals and transformation of the business, (iii) reviewing and updating our current Code of Conduct to seek to ensure that it is right for us now and robust in the future, (iv) focusing on enhancing our Risk Management Framework—moving towards the classic structure of "Three Lines of Defense" endorsed by the Institute of Internal Auditors (IIA) and (v) formalizing our Environmental, Social and Governance ("**ESG**") framework.

The shareholders' agreement to which our principal shareholders and certain other shareholders are party also provides for the appointment of at least two Independent Directors (one of whom shall also be Chairman) by shareholders holding together at least 75% of the shares in issue. Our new independent non-Executive Chairman, René Médori, is also chairman of Petrofac and therefore offers our board of directors direct experience of international best practices in corporate governance and operating responsibly in emerging markets.

We operate a risk management and control framework which governs decision making at each corporate level and defines reporting lines and controls. Underlining our commitment to risk management and compliance standards, we have since 2016 had a Global Head of Compliance who reports directly to the Chairman and the CFO, and have adopted an appropriate sanctions, anti-bribery and corruption compliance program designed to help prevent, detect, and deter conduct that would violate relevant regulations. Our management team monitors our compliance with principles of corporate governance by employing a framework that provides for checks and balances while allowing our management flexibility for prompt decision-making in the ordinary course of business.

Our risk management and control model also focuses on various business risks such as commodity and currency exposures, compliance with laws and regulations in the various jurisdictions in which we operate and increased transparency. We comply with stringent industry standards, with 80% of our terminals being API-compliant and a large number being ISO 9001 or ISO 14001 certificated, limiting our operational risk. We also actively monitor counter-party credit risk, and we seek to minimize our exposure to this risk by targeting and typically achieving an average of 10 to 15 days of sales outstanding. To further address credit risk and improve the collectability of our trade receivables, in some countries we use a combination of credit insurance and factoring. Our largest and second largest credit loss on a single receivable amounted to $5.2 million (which relates to a loss in relation to a single receivable from the Australian Fuels Business) and $3.2 million, respectively. For more information on our risk management, see "*Business—Risk Management*" and *"Management's Discussion and Analysis of Financial Condition and Results of Operation—Risk Management*."

As a responsible business, we are committed to engaging constructively with governments and regulators in the countries in which we operate. To manage our exposure to political risk, we seek to maintain a politically neutral stance in all of our operating jurisdictions. We have political risk insurance to further minimize our exposure to nationalization, expropriation and confiscation. We believe that successful implementation of risk management strategies, further supported by our cooperation with local governments in establishing needed infrastructure (and the goodwill this tends to generate), is integral to the performance of our integrated geographic platform. Since our foundation in 1997, we have built a successful track record of managing regulatory, public infrastructure and communities risks where we operate, and have not suffered any material losses due to these risks to date.

Well-positioned to manage and access opportunities presented by the energy transition in high-potential markets

The world we operate in is changing rapidly, and our customers and communities increasingly expect access to lower carbon energy solutions as well as reliable and affordable energy. This energy transition is marked by key trends that we believe we are well placed to embrace.

In general, and notwithstanding the current impact of COVID-19 in 2020, energy demand continues to grow. This is particularly true in the high-potential markets in which most of our operations are located—Africa, the Americas, Middle East and Asia Pacific. Customer needs and expectations are also changing, as they become more demanding with an increasing expectation of quality and enhanced user experiences. These regions also demonstrate demographic trends that we believe support steady future growth for refined oil products (and other related and non-fuel products and services we offer), including increasing population and urbanization and a growing middle class.

According to IHS Markit, the Middle East, Africa, Latin America and Asia, which compose the bulk of our operations, are estimated to account for 56% of global oil demand today, and are forecast to account for 64% of global oil demand by 2040. See "*Industry Overview – Oil Demand by Geography*". In addition, IMF projections in June 2020 indicate that real GDP in Sub-Saharan Africa, Latin America and the Caribbean and Emerging and Developing Asia are expected, despite contracting in 2020 amidst the COVID-19 pandemic, return to growth in 2021 (growing by 3.4%, 3.7% and 7.4%, respectively in that year), and over the longer-term to 2040, according to IHS Markit, non-OECD economies are still expected grow at more than twice the rate of OECD countries.

In addition, and notwithstanding anticipated increases in demand for refined oil products in our high-potential markets until the mid-2030's, there is also growing interest and investment in renewable energy solutions in the high-potential countries that we focus on. Indeed, as many of these countries do not have an established traditional infrastructure providing highly reliable energy availability, the opportunity to move to modern renewable sources of decentralized energy is even more attractive and compelling.

Given our capabilities, experience, expertise and strong relationships with governments and communities, we believe we are well-positioned to capitalize on the expected growth in demand for refined oil products in these markets as well as to take advantage of the opportunities created by the global transition to cleaner, smarter and more decentralized energy. See "*—Our strategy Position ourselves for the energy transition.*" For example, we have strong logistics and operational capability in difficult to reach markets. Moreover, governments in the high-potential markets in which we operate have typically been supportive of the development of energy infrastructure assets and we have long experience of working closely with local governments in several countries in making such investments. Our terminals and storage hubs often become key infrastructure assets, which give us first-mover advantage, thus enhancing our market position, and allowing us to reap benefits across the value chain.

Further, our policy of hiring local employees helps us to understand the issues local communities face and enables transparency and dialogue in order to avoid problems before they arise. Our relationship with the local communities is further supported by our strong commitment to social responsibility and our involvement in various social, environmental and health and safety projects, including, road safety and vaccinations. In 2019, we continued supporting local communities in Africa, Asia Pacific and Americas and received a number of awards. See "*Business—Health, Safety, Environmental and Community Matters.*" In addition, our operations contribute sizable and reliable indirect tax collection to local governments.

Our strategy

Our new strategy puts customers at the heart of everything we do. Building on the presence and strengths we have today, we want to re-focus on core businesses and countries, enhance the quality and differentiation of our offer to customers and develop the business to supply the energy needs of the future, which in turn we believe will enable us to in time expand into new high-potential markets and countries.

Our strategy is focused on our five-year transformation plan (from 2019 to 2024) with three pillars: (1) *operational excellence*, which focuses on active initiatives (well over 100 as of June 30, 2020) aimed at improving the management and control of our existing assets, streamlining costs and improving our value proposition to our customers, (2) *focused growth*, which memorializes our intention to grow our existing business lines in a focused and capital-light way by taking the lead from what our customers need and value and going and growing where the highest potential is; and (3) *new business development*, to seek to take advantage of the opportunities created by the gathering energy transition to cleaner and more renewable energy.

The discussion below elaborates further on the three pillars of our transformation plan, highlighting how these pillars are intended to support key strategic themes and objectives inherent in our new customer-led strategy.

Continue seeking to extract more value from our existing businesses and asset base while strengthening customer experience

We benefit from a well-invested asset base, as well as significant market positions in a number of the markets in which we operate and long-standing relationships with many of our customers (and a resulting deep understanding of our customers' needs and priorities), that we are highly focused on optimizing as part of our new customer-led strategy. We believe that we have a significant opportunity to extract value from our existing businesses, and that our new focus on customer-led operational improvements combined with strong cost controls, effective capital allocation and disciplined targeting of investments into the markets and segments where we see the most promising potential to improve our unit margins and operating profit performance will help us to create a more sustainable and profitable business in the medium term.

In line with the operational excellence pillar of our transformation plan, we are focused on improving our value proposition to customers, operational efficiencies and profit margins over time through optimization of our existing asset base and processes. For example, we aim to capitalize on our network of strategically located storage terminals and hubs, to further strengthen our competitive position and increase the volumes sold to our customers. We are also reviewing our infrastructure asset base to further optimize this part of our business in 2020 and into 2021. More generally, we aim to continue to improve customer experience by delivering very high customer service standards at each of the locations we operate, underpinned by high quality fuels and lubricants. We also aim to create the best choice and selection of brands, products and services to grow our non-fuel products to increase profitability and reach new customers and new markets. We expect our loyalty program will over time enable us to leverage customer data and insights to further refine and improve our CVPs and strengthen trust in our brand. We also expect our digitization programs will over time improve reliability, help provide 24/7 coverage and strengthen our capacity to offer services whenever our customers want it.

As of June 30, 2020, we had well over 100 initiatives across the business aimed at driving operational improvements over the five-year period of the transformation plan that are in the pipeline or underway (and in some cases, already implemented). As examples of the types of operational improvements that have already been implemented or are underway:

- in Guatemala and El Salvador, we have now finalized a new retail network plan to rationalize the network, develop our business beyond fuels and strengthen our brand in the region for both convenience offerings and for fuels;

- also in El Salvador, we improved sales year-on-year in the retail business line as a result of smarter category management, improved design and implementation of new food service offerings;

- we are working on global customer loyalty initiatives to bring more customers to our retail sites and seek to deliver underlying unit margin growth;

- in lubricants, we are working on building a more consistent presence of Puma-branded lubricants at our retail sites and also on expanding our reach into other channels of trade. We are also acting on what we believe to be a significant opportunity in our high-performance lubricants business in adopting more of a solutions-based rather than a product-based approach to responding to customer needs. See "*Our competitive strengths—Highly diversified global business serving a large and varied customer base*" for further discussion of a successful pilot program in Zambia with this new focus;

- in our business-to-business business in Papua New Guinea (PNG), we have adapted our key account management approach to focus on strategic customer partnerships and in the process achieved a sole supplier position with two of PNG's largest diesel consumers, enabling us to extract additional sales volume and margin and potentially opening up new business opportunities for our future energies business; and

- we are also now defining and delivering targeted CVPs to global and regional customers in priority segments by offering solutions rather than just products.

We are currently targeting sustainable Consolidated EBITDA improvements of $200 million per year by the end of our five-year transformation plan (that is, on an annualized basis at the end of 2024 as compared to the start of FY 2019) as a result of our operational improvement initiatives, and estimate that the operational improvement initiatives that we have already undertaken contributed an aggregate of $24.5 million towards our Consolidated EBITDA in FY 2019 and an aggregate of $37.0 million (of which $12.6 million related to initiatives undertaken in FY 2019) towards our Consolidated EBITDA in H1 2020 (in each case, whether due to increased revenues and/or (to a more limited extent) cost savings), which has helped offset some of the headwinds that we continue to experience in a number of our markets. Our targets for sustainable Consolidated EBITDA improvements are based on the assumption that we are successful in implementing all of our currently planned initiatives and that all of our planned initiatives will be successful in generating the sustainable Consolidated EBITDA improvements that we currently anticipate, and both our targets and these and other assumptions underlying such targets are based on our current estimates, perceptions, expectations and intentions, which are subject to risks, uncertainties and other factors that may cause actual results or performance to be materially different from anticipated future results or performance expressed or implied by such targets and assumptions. Among other things, our targets for Consolidated EBITDA improvements are subject to an annual review process through which we present any updates to the five-year transformation plan to our Board of Directors, and therefore, these estimates, initiatives and targets are subject to change on an annual basis. See "*Presentation of Financial and Other Information—EBITDA Improvement Targets and Estimates*."

We also believe that our focus on extracting value from our existing businesses and asset base should help translate into moderate levels of capital expenditure going forward, including growth capital expenditure (which represents capital expenditures other than maintenance capital expenditure, including our investments in new ventures as part of the energy transition and investments in other organic growth initiatives). In particular, as part of the focused growth pillar of our transformation plan, we have since 2019 been prioritizing our investments to focus on what we perceive to be the most attractive growth opportunities, which, in general terms, we believe entails investments in markets where we already have a meaningful market presence and a well-invested asset base. In particular, as part of the focused growth pillar, we aim to increase the size of the current core business by attracting new customers and increasing turnover, increasing our network presence and expanding our product portfolio—all of which entails growing our existing business lines in a focused and capital-light way. We currently aim to stay within the expected total annual capital expenditures of around $130 million in 2020 and around $200-210 million in 2021.

Continue strengthening our balance sheet and streamlining our portfolio

Prudent financial management and planning are central to the successful delivery of our business strategy and the focused growth pillar. As discussed above, as part of the focused growth pillar of our transformation plan, we aim to increase the size of the current core business by attracting new customers and increasing turnover, increasing our network presence and expanding our product portfolio. We are concentrating on growing our existing business lines in a focused and capital-light way. We aim to take the lead from what our customers need and value—identifying and maximizing these opportunities, going and growing where the highest potential is. Both strong, active portfolio management and smart capital allocation are key to our focused growth.

We also intend to maintain sufficient liquidity to provide us with the financial flexibility required to operate while maintaining prudent leverage. We intend to continue to pursue our financing strategy and lengthen the company's debt maturity profile, achieving a Net Debt (excluding inventories) to Reported EBITDA ratio and a Net Debt (excluding inventories) to Adjusted EBITDA ratio at or below 2.5x by the end of 2021. We are streamlining our portfolio through disposals of non-core assets, as exemplified by sales of assets between 2018 and 2020 in Australia, Indonesia, Paraguay and Peru, allowing us to better focus our investments going forward in markets that we believe offer better opportunities to create sustainable and profitable growth and/or facilitate the deleveraging of our balance sheet on attractive terms. The sale of our Indonesian and Paraguayan businesses generated $180.6 million and the proceeds were used to pay down debt, in line with our approach to managing our capital structure. Additionally, on June 30, 2020, we completed the sale of our Australian Fuels Business for a purchase price of AUD 425 million (or $305 million) to Chevron Australia Downstream Pty Ltd, which is expected to continue to use our brand under license in the near term. In August 2020, we used $50 million of the proceeds of the Australia Sale to partially repay the 2018 Term Loan Facility B, and the remaining proceeds in the amount of $255 million are currently being held to bolster liquidity amidst the extraordinary circumstances of the COVID-19 pandemic, but are expected to ultimately be applied towards similar deleveraging if and when it is prudent to do so. We are presently targeting additional non-core asset disposals of approximately $100 million by the end of 2020 as part of our goals of streamlining our portfolio and/or facilitating the deleveraging of our balance sheet on attractive terms. In H1 2020, we divested $27 million (out of the intended $100 million) of non-core assets in furtherance of this target. We also expect to continue streamlining our portfolio in subsequent years in order to dispose of any assets which we consider (or determine in the future to be) non-core when we believe it is possible to do so on attractive terms, although we currently expect the overall scale of any further such dispositions to be more modest than our remaining 2020 disposition targets. Although we have no present plans or intention to dispose of operations that we consider core, we may also consider dispositions of core assets on an opportunistic basis if the terms are sufficiently attractive and such a disposition would be consistent with our strategic objectives.

We are also focusing on cash flow generation and diversification of funding sources via banks loans and listed and unlisted bonds. Our dividend policy is prudent, and we do not intend to pay dividends in 2021 based on 2020 results. In FY 2018 and FY 2019, we paid $17.3 million (to our shareholders) and $6.0 million (only to shareholders who were also our joint venture partners), respectively. During H1 2020, we paid $16.3 million dividends to the minority shareholders in certain of our non-wholly owned subsidiaries who are also our joint venture partners in those subsidiaries.

We strive to maintain appropriate debt maturities and cash balances while approaching decisions concerning capital expenditures and leverage in a financially responsible manner.

Position ourselves for the energy transition

As climate change urgency escalates, there is a need for a transition to sustainable energy sources around the world. The global electricity system is evolving towards cleaner, smarter and more decentralized electricity. We believe we are very well positioned to help people and businesses in the markets we serve in the energy transition. We have a concentrated footprint in key growth markets, such as Sub-Saharan Africa, the Americas and the Middle East and Asia-Pacific, where there are currently 1.2 billion people without dependable access to electricity and which are expected to see significant growth in their share of power generation from renewables in the period to 2030. According to the BloombergNEF New Energy Outlook 2019 report, for example, the share of power generation in renewables is expected to reach 83% in the Americas by 2030 (a 12% increase over current levels), 60% in Africa (a 22% increase over current levels) and 30% in Asia-Pacific (a 12% increase over current levels). Moreover, we have strong capability in logistics and operations in these difficult-to-reach markets, which could be developed into a strong platform for capturing significant growth potential.

As part of the new business development pillar of our transformation plan, we are exploring new ventures under five focus areas: solar energy, decentralized energy, biofuels, data and digitalization and carbon zero. In making investments in these new ventures, we aim to stay within the expected total annual capital expenditures of around $130 million in 2020 and around $200-210 million in 2021 and, more generally, within the overall moderate levels of capital expenditure discussed above that we expect going forward. We are currently building a pipeline of different projects and identifying preferred technology and financial partnerships across these focus areas. Our focus in 2020 has been to pilot some of these projects, as well as continuing to build our understanding of customer requirements and designing solutions with those in mind. For example, in 2020 we have approved $3.0 million so far in solar power projects at 20 retail sites in Ghana and in solar installations at six terminals in Papua New Guinea, as well as our Puerto Rico Bayamon terminal. We are currently targeting moving beyond pilot projects in commercial and industrial power to operational projects in 2021, making concrete decisions about other opportunities to pursue as part of our business development activities in 2022, scaling-up our projects more generally in 2023 and having such projects be a thriving part of our ongoing operations (and ongoing investment plans) from 2024 onwards. To allow us flexibility to initiate a larger number of such pipeline projects and position us for the energy transition while maintaining capital expenditure discipline, we are also in the process of setting up a financing platform targeting investors with energy transition interests. In addition, to position ourselves for the energy transition, in the coming months, we aim to add a future energies business unit to our operations, which will adopt a “start-up philosophy” and we expect will allow us to scale more rapidly our activities to deliver value lower carbon alternatives for our downstream customers as part of their energy transition. Our Environmental, Social and Governance ("**ESG**") commitment is also an important part of growing our business in a sustainable way. In 2020, we have already started to embed our ESG framework across all our operations and use it as our compass to prioritize our new ventures activities.

History

Since the acquisition of the Puma Energy brand by Trafigura in 1997, we have, through a combination of organic and inorganic growth, become a significant, globally-integrated midstream and downstream oil group engaged in all aspects of the value chain—supply, storage and distribution of refined oil products. Most of our operations are in high-potential markets across Africa, the Americas, and Asia Pacific.

From 1997 to 2002, we were primarily active in Central America, building up our asset base and market share in key markets in the region. In 2002, we entered Africa through an investment in the Democratic Republic of the Congo and, during the following three years, we focused on investments in the midstream sector in sub-Saharan Africa. Our strategy focused on investment in infrastructure related to oil imports aimed at facilitating our access to downstream markets where the existing infrastructure was insufficient to address the expected growth in demand.

From 2003 to 2017, we expanded our operations into Europe, the Middle East, Asia Pacific and grew our operations in Africa. In 2017, we completed the acquisition of BP's bulk storage terminal in Belfast, Northern Ireland, increasing our storage capacity by 143,000 cubic meters. In July 2017 we also acquired 100% of the share capital in Tropifuel Energies Corp., a Panamanian fuel distributor and in November 2017 a 51% interest in Admore Gas Pvt. Ltd, operating over 470 retail sites in Pakistan. We also completed the construction of a fuel terminal in Rostov, Russia, in May 2018 in order to supply the new international airport, which was built as part of the country's federal program for the FIFA World Cup 2018.

From 2018 to 2020, to optimize our global portfolio and deleverage our balance sheet, we sold our business operations in Australia, Indonesia, Paraguay and Peru. For further information, see "*Our strategy—Continue strengthening balance sheet and streamlining portfolio*."

Our Principal Shareholders

Our principal shareholders at June 30, 2020 were Trafigura (49.99%) and Sonangol (31.46%). Trafigura is a Singaporean incorporated major international commodity trader. Sonangol is the Angolan state-owned oil company. For further information see "*Principal Shareholders.*"

COVID-19 Update and Current Outlook

In March 2020, the COVID-19 virus surfaced in nearly all regions around the world and was declared a pandemic by the World Health Organization. This resulted in governments in affected areas taking unprecedented steps to put restrictions on international, national and local travel and social gatherings, in each case leading to economic, business and societal slowdowns and in some cases shutdowns, against a backdrop of market uncertainty and unprecedented oil price volatility.

The response of governments, businesses and civil society to the spread of COVID-19 has had a material negative impact on our business, resulting in a decrease in demand for refined oil products, particularly in the aviation sector and to a lesser extent across other lines of business. We reacted swiftly and comprehensively to the COVID-19 pandemic. In many of the markets in which we operate, our operations provide critical supply and distribution of oil products deemed economically essential and necessary for the functioning of entire countries, and we were trusted to supply and meet those needs. Accordingly, although our operations have been materially adversely impacted by the COVID-19 pandemic, in particular in the second quarter (with overall sales volumes declining by 24% or more in April 2020 compared to the same period in 2019, including over 80% sales volume declines in certain particularly hard-hit business lines such as aviation, and declining on a sequential basis by 17% overall in the second quarter of 2020 versus the first quarter of 2020), all our facilities (other than a few sites) remained operational. In particular, we have not closed any of our retail sites for sanitary reasons.

We are closely monitoring and considering the potential impacts of COVID-19 on our business in the short-to-medium term and have taken and continue to take steps that we believe are prudent to protect and manage our business, reduce our cost base and protect our liquidity. We have set up global, regional and local COVID-19 "crisis teams" which continue to monitor the development of the pandemic, and the advice given by national governments and health authorities around the world and to ensure that we take appropriate actions globally and in the markets in which we operate. At the foundation of all business decisions we made in response to COVID-19 was our concern for, and attention to, the health, safety and well-being of our employees and customers.

Since the global COVID-19 crisis began, we have adopted swift measures to significantly reduce cash outflows. For example, after using $50 million of the proceeds of the Australia Sale to partially repay the 2018 Term Loan Facility B in August 2020, the remaining proceeds in the amount of $255 million of the Australia Sale are currently being held to bolster liquidity amidst the extraordinary circumstances of the COVID-19 pandemic, although we expect to ultimately apply those proceeds towards deleveraging if and when it is prudent to do so. Some other actions we have taken to strengthen the resilience of the business in the near term include: reducing our 2020 capital expenditure program from an initially expected $200 million to $130 million; implementing operational improvement initiatives that we estimate have already contributed an aggregate of $37.0 million (of which $12.6 million related to initiatives undertaken in FY 2019) towards our Consolidated EBITDA in H1 2020 (whether due to increased revenues and/or (to a more limited extent) cost savings), primarily by lowering marketing costs, consulting fees and travel expenses, and the bulk of which savings we expect will endure even after COVID-19 impacts dissipate; targeting non-core asset disposals of approximately $100 million by the end of 2020; agreeing an interim price adjustment with our core shareholder suppliers, Trafigura and Sonangol, under their supply arrangements with us to help minimize the impact of trading conditions in the second and third quarters of 2020 and which contemplates up to $100 million of support in the five month period from May to September 2020; and exploring opportunities to renegotiate contract terms with other suppliers as well. We used over $80 million of the available shareholder support during the second quarter of 2020, which helped to substantially offset the adverse impacts of the pandemic by reducing our cost of sales (in turn helping to support or increase our gross profit, unit margins and EBITDA) in order to help minimize the impact of material sales volume reductions during portions of the period as a result of the pandemic. All of the foregoing has been helpful in managing our liquidity during the period amidst negative cash flow from operations as a result of oil price declines and the aforementioned decreased demand amidst the pandemic. Separately, we also have available a number of alternative financial arrangements, including the currently available undrawn Trafigura Facilities and/or other undrawn committed debt.

We are focused on maintaining, to the extent possible, the essential services to our customers and the communities we serve. At every office or location around the world, we acted decisively and swiftly to keep our people and our customers safe. In Africa, employees at each of our 843 retail sites in 16 countries have implemented the emergency response plan to make stations as safe as possible for employees and customers, with strong focus on appropriate sanitization products. Several are using television screens in our convenience stores to play World Health Organization advice to help educate customers about how COVID-19 spreads and how to protect against it. Elsewhere, in the Americas, our employees have rolled out Puma's emergency response plan across 1,100 sites in nine countries and are using social distancing aids on floors and customers are increasingly adopting contactless experiences using the "Puma Fast Pay App" to pay at the pump or shop for non-fuel products. We have also partnered locally with "Uber Eats" in Guatemala, El Salvador, Puerto Rico and Panama, Glovo in Panama and Hugo in El Salvador, to create the capability to deliver our convenience offer direct to our customers' door. In Africa, we also launched a click and collect service, helping people avoid physical contact while picking up groceries from their local retail site. We have also developed a medical grade sanitizer, Puma Protect, at our own lubricant blending facilities, which is now being launched in Puma South Africa retail outlets. We expect that this will help ensure that our customers have convenient access to hand sanitization and sprays, and we have also committed to donating the first three months profits to a local charity, Children of the Dawn, which provides food relief and safety education to rural communities. We have also taken steps to ensure our office-based employees are following the advice and guidance of local governments and many are working from home or self-isolating to stay safe and avoid spreading the COVID-19 virus.

We have introduced a range of policies to support employees as they seek to balance their professional and personal lives at this difficult time, in line with all local regulatory and other requirements. For example, we have launched a rapid response hotline for all employees. Our front-line teams in our refineries and fuel terminals are also maintaining essential supplies as safely as possible.

As at June 30, 2020, our sales volumes, except in aviation, had already begun to recover and are continuing their recovery in the third quarter and we keep progressing on the implementation of our five-year transformation plan while refocusing our business on our customers and priority growth markets. Currently, subject to the development of the COVID-19 pandemic (including the potential for a material second wave), we expect our Consolidated EBITDA for the year ended December 31, 2020 to be broadly similar to our Consolidated EBITDA in FY 2019. Nevertheless, the effect of the global COVID-19 pandemic on our business and the wider industry will ultimately depend on a number of factors, including, but not limited to, the duration and severity of the outbreak and lockdown measures and the length of time it takes for demand to return and for normal economic and operating conditions to resume.

Given the nature of the pandemic and the on-going developments, it is not possible, as of the date of this Document, to estimate with precision the overall future impact on our business, financial condition and results of operations.

The preliminary results and estimates presented above have not been audited, are derived from internal management accounts, are the responsibility of management and are subject to our financial closing procedures. These procedures have not been completed. While we believe these preliminary results and estimates to be reasonable, our *actual results could vary from these estimates and these differences could be material. As such, you should not place undue reliance on this information. This information may not be indicative of any future period. See "Forward-Looking Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Document for a more complete discussion of certain of the factors that could affect our future performance and results of operations.*

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Data

This Document contains a brief summary of financial information in relation to the Group. For further information relating to the Group, please see the Group's financial results as of and for the years ended December 31, 2017, December 31, 2018, December 31, 2019 and the Group's interim financial results as at June 31, 2020 on the Group's website at https://www.pumaenergy.com/en/media/press-releases/?page=2&pageList=1&year=0 and https://www.pumaenergy.com/en/media/downloads/.

This Document refers to the audited consolidated financial statements of Puma Energy Holdings Pte. Ltd. as of December 31, 2017 and for FY 2017 (the "**FY 2017 Financial Statements**"), as of December 31, 2018 and for FY 2018, which includes comparative financial information as of December 31, 2017 and for FY 2017 (the "**FY 2018 Financial Statements**") and as of December 31, 2019 and for FY 2019, which also includes comparative financial information as of December 31, 2018 and for FY 2018 (the "**FY 2019 Financial Statements**", together with the FY 2017 Financial Statements and the FY 2018 Financial Statements, the "**Audited Consolidated Financial Statements**"), and its unaudited interim consolidated financial statements as of June 30, 2020 and for H1 2020, which includes comparative financial information as of June 30, 2019 and for H1 2019 (the "**Interim Financial Information**"). This Document also refers to financial data for LTM 2020, as discussed below. The audited and unaudited consolidated financial statements have been prepared in accordance with IFRS.

The reference to our audited consolidated financial statements as of December 31, 2017 and for FY 2017, as of December 31, 2018 and for FY 2018 and as of December 31, 2019 and for FY 2019, respectively, in this Document includes reference to and/or the consideration of the relevant auditor's report, the consolidated statements of financial position and statements of income, other comprehensive income, changes in equity and cash flow and the notes to the respective consolidated financial statements which are extracted from our annual reports for those respective years. The reference to our Interim Financial Information in this Document includes reference to and/or the consideration of the consolidated statements of financial position and statements of income, other comprehensive income, changes in equity and cash flow and the notes to the respective consolidated financial statements.

IFRS 16

We adopted IFRS 16 from January 1, 2019 using the modified retrospective approach, which does not require restatement of prior periods, and therefore our financial information as of December 31, 2019 and for FY 2019 and as of June 30, 2020 and for H1 2020 referred to in this Document (except in the case of Reported EBITDA, Adjusted EBITDA, Regional Adjusted EBITDA and certain metrics and ratios derived from those metrics, as further discussed below under "*—Non-IFRS Financial Measures*") reflects the application of IFRS 16, while our financial information as at prior reporting dates and for prior reporting periods does not (and instead reflects the application of the previous lease standard, IAS 17). As a result, certain financial information presented in this Document as of December 31, 2019 and for FY 2019 and as of June 30, 2020 and for H1 2020 is not directly comparable with financial information as at prior reporting dates and for prior reporting periods. For information on the impact of the adoption of IFRS 16, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting Results of Operations—IFRS 16 'Leases'*" and Notes 2 and 7 of our FY 2019 Financial Statements.

Australia Sale

In December 2019, we announced the sale of our Australian commercial and retail fuels business (the "**Australian Fuels Business**"), which formed part of the Downstream segment and the Asia-Pacific region of the Group, to Chevron Australia Downstream Pty Ltd (the "**Australia Sale**"). The Australia Sale closed on June 30, 2020. However, in accordance with IFRS 5, in the FY 2019 Financial Statements, the Australian Fuels Business has been presented as discontinued operations in the consolidated income statement for FY 2019 as well as in the comparative information for FY 2018 set forth therein (which restated the original consolidated income statement financial information for FY 2018 from the FY 2018 Financial Statements to give effect to that presentation (the "**FY 2018 Restated Financial Information**")), and as a disposal group held for sale in the consolidated statement of financial position as of December 31, 2019. Similarly, in the Interim Financial Information, the Australian Fuels Business has been presented as discontinued operations in the consolidated income statement for H1 2020 as well as in the comparative information for H1 2019 set forth therein (although not as an asset held for sale in the consolidated statement of financial position as of June 30, 2020 since the Australia Sale closed on that date). As a result, (i) the FY 2018 Restated Financial Information, while being comparable with consolidated income statement financial information for FY 2019 and H1 2020 in its presentation of the Australian Fuels Business, is not directly comparable with consolidated income statement financial information for FY 2017; and (ii) the consolidated statement of financial position information as of June 30, 2020 (which reflects the Australian Fuels Business as having already been sold) and as of December 31, 2019 (which treats the Australian Fuels Business as a disposal group held for sale) are not directly comparable to each other or to consolidated statement of financial position information as of prior reporting dates. Although this Document generally refers to FY 2018 Restated Financial Information unless otherwise stated, including in narrative discussion (as this facilitates comparability between FY 2018 and subsequent periods), in order to improve comparability between consolidated income statement financial information for FY 2018 and FY 2017, certain sections of this Document, including most tabular presentations of data, also include the original consolidated income statement financial information for FY 2018 from the FY 2018 Financial Statements as a supplement to (or in certain cases, in lieu of) the FY 2018 Restated Financial Information. For further information on the impact of Australia Sale on our results of operations and financial condition, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Results of Operations—Streamlining our Portfolio and Asset Base—Australia Sale*" and Notes 12 of our FY 2019 Financial Statements and Interim Financial Information.

Unaudited LTM 2020

The data for the LTM 2020 is calculated by taking our results of operations for H1 2020, and adding to them the difference between our results of operations for FY 2019 and H1 2019. The unaudited consolidated financial information for LTM 2020 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date, including the results that may be expected for the year ended December 31, 2020, and should not be used as the basis for or prediction of an annualized calculation.

EBITDA Improvement Targets and Estimates

As discussed elsewhere in this Document, in line with the operational excellence pillar of our transformation plan, we are focused on improving our value proposition to customers, operational efficiencies and profit margins over time through optimization of our existing asset base and processes. As of June 30, 2020, we had well over 100 initiatives across the business aimed at driving operational improvements over the five-year period of the transformation plan that are in the pipeline or underway (and in some cases, already implemented). We are currently targeting sustainable Consolidated EBITDA improvements of $200 million per year by the end of our five-year transformation plan (that is, on an annualized basis at the end of 2024 as compared to the start of FY 2019) as a result of our operational improvement initiatives, and estimate that the operational improvement initiatives that we have already undertaken contributed an aggregate of $24.5 million towards our Consolidated EBITDA in FY 2019 and an aggregate of $37.0 million (of which $12.6 million related to initiatives undertaken in FY 2019) towards our Consolidated EBITDA in H1 2020 (in each case, whether due to increased revenues and/or (to a more limited extent) cost savings), which has helped offset some of the headwinds that we continue to experience in a number of our markets. We believe that these targets and estimates provide management and investors with additional useful information in relation to our plans and our ongoing performance.

Although we currently believe that we can achieve our current Consolidated EBITDA improvement targets within our currently anticipated timelines, such achievements and their related savings remain dependent on valuation, as well as economic and market backdrop so we cannot assure you of this. Our targets for sustainable Consolidated EBITDA improvements are based on the assumption that we are successful in implementing all of our currently planned initiatives and that all of our planned initiatives will be successful in generating the sustainable Consolidated EBITDA improvements that we currently anticipate, and both our targets and these and other assumptions underlying such targets are based on our current estimates, perceptions, expectations and intentions, which are subject to risks, uncertainties and other factors that may cause actual results or performance to be materially different from anticipated future results or performance expressed or implied by such assumptions. Our targets for Consolidated EBITDA improvements are subject to an annual review process through which we present any updates to the five-year transformation plan to our Board of Directors, and therefore, these estimates, initiatives and targets are subject to change on an annual basis. Our willingness and ability to pursue any or all of the operational improvement initiatives that are presently envisaged may be limited by a range of factors, including our capacity to make any required investments and our evolving assessment as to the attractiveness of pursuing any given initiative. Moreover, even in the event that our list of planned operational improvement initiatives remains unchanged, our targets for EBITDA improvements may still change over time based on our evolving assessment of the costs and benefits associated with them. Further, while we believe that the methodology used to calculate these targets and estimates is reasonable, investors should be aware that there are certain limitations inherent in our ability to accurately predict both the sustainable Consolidated EBITDA improvements that may be achieved by the end of our five-year transformation plan, as well as the precise contribution to our Consolidated EBITDA (or other operating metrics) in historic periods from initiatives that have already been undertaken, and that the process of calculating such targets and estimates itself requires the use of other estimates and assumptions, some of which require significant exercise of judgment. Among other things, our targets for future periods and our estimates for historic periods may be impacted by different estimates and assumptions as to what our revenues, costs or other operating metrics might otherwise have been in relevant operations impacted by a particular operational improvement initiative in the absence of that initiative having been or being undertaken, currency exchange rate fluctuations, macro-economic conditions (including the progression of the COVID-19 pandemic), and other business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and also beyond our control.

Non-IFRS Financial Measures

This Document contains financial measures that are not calculated in, and thus, not presented in accordance with IFRS. This includes EBITDA, Consolidated EBITDA, Regional Consolidated EBITDA, Reported EBITDA, Adjusted EBITDA and Regional Adjusted EBITDA, cash flow available for debt service before growth capital expenditure, Net Debt (excluding inventories), unit margin, maintenance capital expenditure and growth capital expenditure.

These financial measures assist us: in the case of EBITDA, Consolidated EBITDA, Regional Consolidated EBITDA, Reported EBITDA, Adjusted EBITDA and Regional Adjusted EBITDA, in comparing our performance over various reporting periods on a consistent basis because they remove from our operating results the impact of items that do not reflect our core operating performance on a segmental and/or on a consolidated basis; in the case of cash flow available for debt service before growth capital expenditure, to assess the level of cash generated by our operations and available to service our debt and make investments in our assets and operations; in the case of Net Debt (excluding inventories), to assess our level of indebtedness, after adjusting for cash and cash equivalents and inventories; in the case of unit margin, to in particular assess the profitability of our downstream activities, by unit of volume sold, and to assess any changes in product, country and segment mix on our profitability; and in the case of maintenance capital expenditure and growth capital expenditure, to distinguish capital expenditure required to maintain our current asset base, and remain in compliance with regulation and safety standards, from discretionary capital expenditure to grow our business. We believe that inclusion of these financial measures in this Document is useful to investors because they provide investors the same information that we use internally for the foregoing purposes. We define these financial measures as follows:

- EBITDA represents profit for the period before income tax expense, net foreign exchange gains/(losses), finance income and costs, depreciation, amortization and certain additional items within other operating income/(expense). Items of other operating income/(expense) that are excluded in calculating EBITDA generally relate to gains and losses on disposal of fixed and intangible assets and investments as well as fixed or intangible asset write-offs. We believe that excluding these items of operating income/(expense) provides a more meaningful measure of our core operating performance. EBITDA is presented based on the same perimeter and accounting principles as the audited and interim financial statements used to derive it. As a result, the introduction of IFRS 16 as of January 1, 2019 impacts EBITDA in FY 2019 and H1 2020. Similarly, the presentation of the Australian Fuels Business as discontinued operations in the FY 2018 Restated Financial Information, and in the consolidated income statement financial information for FY 2019 and H1 2020, but not in FY 2017 and FY 2018, means that EBITDA includes the EBITDA of the Australian Fuels Business in FY 2017 and FY 2018, but excludes from the EBITDA of the Australian Fuels Business in the FY 2018 Restated Financial Information, FY 2019 and H1 2020. See "*—IFRS 16*" and "*—Australia Sale*" above;

- Consolidated EBTDA represents EBITDA excluding impairment charges;

- Regional Consolidated EBITDA represents Consolidated EBITDA for each of Americas, Africa, Europe and Asia Pacific. Consolidated EBITDA for each region includes costs incurred by global support centers, which are allocated to each region according to each region's respective share of the Group's gross profit. Regional Consolidated EBITDA for Asia Pacific includes the Consolidated EBITDA of the Australian Fuels Business in FY 2017 and FY 2018, but excludes the Consolidated EBITDA of the Australian Fuels Business in the FY 2018 Restated Financial Information, FY 2019 and H1 2020;

- Adjusted EBITDA represents Consolidated EBITDA excluding the impact of IFRS 16 in FY 2019 and H1 2020;

- Regional Adjusted EBITDA represents Adjusted EBITDA for each of Americas, Africa, Europe and Asia Pacific. Adjusted EBITDA for each region includes costs incurred by global support centers, which are allocated to each region according to each region's respective share of the our gross profit;

- Reported EBITDA represents Adjusted EBITDA including the Adjusted EBITDA of the Australian Fuels Business prior to the Australia Sale;

- Cash flow available for debt service before growth capital expenditure represents Adjusted EBITDA less maintenance capital expenditures;

- Debt (net of cash) represents total borrowings, less cash and cash equivalents;

- Net Debt (excluding inventories) represents total borrowings less cash and cash equivalents and less inventories;

- Unit margin represents, for our downstream segment, gross profit from downstream activities (including gross profit from sales of non-fuel products and services) divided by the total sales volume of refined oil products, and for our midstream segment, gross profit from midstream activities divided by throughput volume and refining volumes;

- Maintenance capital expenditure represents capital expenditures to maintain assets in their current state of operation or to upgrade any assets to meet specific regulatory and safety requirements (and excludes operating maintenance expenditures, which are accounted for as a cost of operation). It also includes capital expenditures that we believe are necessary in order to maintain our market share in the markets in which we operate. Maintenance capital expenditures for the Australian Fuels Business are excluded in the consolidated cash flow statement for FY 2019 and H1 2020; and

- Growth capital expenditure represents capital expenditures other than maintenance capital expenditure, including our investments in new ventures as part of the energy transition and investments in other organic growth initiatives. Growth capital expenditure for the Australian Fuels Business are excluded in the consolidated cash flow statement for FY 2019 and H1 2020.

Our non-IFRS measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. Non-IFRS measures and ratios, such as EBITDA, Consolidated EBITDA, Regional Consolidated EBITDA, Reported EBITDA, Adjusted EBITDA and Regional Adjusted EBITDA, cash flow available for debt service before growth capital expenditure, Net Debt, unit margin, maintenance capital expenditure and growth capital expenditure are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to operating profit or profit for the year or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities determined in accordance with IFRS. Some additional limitations of these non-IFRS measures are:

- they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;

- they do not reflect changes in, or cash requirements for, our working capital needs;

- they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on our debt;

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and EBITDA, Consolidated EBITDA, Regional Consolidated EBITDA, Reported EBITDA, Adjusted EBITDA and Regional Adjusted EBITDA do not reflect any cash requirements that would be required for such replacements;

- in the case of Net Debt (excluding inventories), because it is calculated subtracting cash and cash equivalents and inventories, it does not represent (and will generally be substantially lower than) the total indebtedness for which our creditors have recourse against us; and

- other companies in our industry may calculate these measures differently from the way we do, limiting their usefulness as comparative measures.

Because of these limitations, our non-IFRS measures should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our IFRS results and using these non-IFRS measures only to supplement your evaluation of our performance.

Rounding

Certain numerical figures set out in this Document, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments and, as a result, the totals of the data in this Document may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" are calculated using the numerical data in our consolidated financial statements referred to elsewhere in this Document or the tabular presentation of other data (subject to rounding) referred to in this Document, as applicable, and not using the numerical data in the narrative description thereof.

Market and Industry Data and Forecasts

This Document includes statistics, data and other information relating to markets, market sizes, forecasts and other industry data pertaining to our business and markets that we have obtained from industry publications and surveys and internal company sources. We have obtained market and industry data relating to our business from providers of industry data and publications, including:

- IHS Markit;
- BloombergNEF; and
- 2020 Edelman Brand Trust Barometer.

The sources cited above do not form part of this Document. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein.

Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that (i) the markets are defined differently, (ii) the underlying information was gathered by different methods and (iii) different assumptions were applied in compiling the data. Accordingly, the market statistics included in this Document should be viewed with caution and no representation or warranty is given by any person as to their accuracy.

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Market Share and Market Position Data

We rely on several third-party sources to monitor our market share and market position, although such third-party sources are not available in the majority of jurisdictions in which we operate. References in this Document to market shares and market position refer to our share of total sales volumes in downstream operations in a geographic region, unless otherwise specified. The following is a summary of the sources on which we rely for statements concerning our market share and market position in specific countries in the Americas:

- Nicaragua: based on statistics provided by the Ministerio de Energia y Minas (MEM). All fuel distributors are required to report their sales to MEM on a monthly basis, and this data is published. However given the current political situation, the latest report from the MEM was published in September 2019. From October 2019 to June 2020, data has been estimated, using as a reference the number of operating sites per month and market intelligence from local teams; and
- Puerto Rico: based on market report prepared by RAR & Associates. RAR & Associates receives sales information from Sol/Shell, Total and Puma. They also use data sourced from the government, such as imports, to estimate the sales of Best/Gulf and White Flags.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

This discussion and analysis should be read in conjunction with our audited consolidated financial statements, our unaudited interim financial statements and the respective related notes thereto included elsewhere in this Document and the sections entitled "Presentation of Financial and Other Information" and "Selected Historical Consolidated Financial Information." Unless otherwise indicated, all financial information has been prepared in accordance with IFRS. This discussion and analysis contains forward-looking statements that involve risk, uncertainties and assumptions. See "Information Regarding Forward-Looking Statements." Our actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including those discussed elsewhere in this Document.

We adopted IFRS 16 from January 1, 2019 using the modified retrospective approach, which does not require restatement of prior periods, and therefore our financial information as of December 31, 2019 and for FY 2019 and as of June 30, 2020 and for H1 2020 referred to in this Document (except in the case of Reported EBITDA, Adjusted EBITDA, Regional Adjusted EBITDA and certain metrics and ratios derived from those metrics, as further discussed below under "—Non-IFRS Financial Measures") reflects the application of IFRS 16, while our financial information as at prior reporting dates and for prior reporting periods does not (and instead reflects the application of the previous lease standard, IAS 17). As a result, certain financial information presented in this Document as of December 31, 2019 and for FY 2019 and as of June 30, 2020 and for H1 2020 is not directly comparable with financial information as at prior reporting dates and for prior reporting periods. For information on the impact of the adoption of IFRS 16, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting Results of Operations—IFRS 16 'Leases" and Notes 2 and 7 of our FY 2019 Financial Statements.

General

Puma Energy is a leading global energy business with a customer-focused approach to safely providing secure and high quality energy sources and solutions. We presently operate in 43 countries across six continents and are engaged in all phases of the value chain beyond exploration and production—supply, storage and distribution of refined oil products. Our purpose is to *energize communities* to help drive growth and prosperity by sustainably serving our customers' needs around the world. We create value for our customers and shareholders by safely and responsibly supplying, trading, distributing and delivering refined oil products and services through our midstream and downstream activities. For almost two decades since our inception in 1997, we expanded our operations through a mix of acquisitions and organic investments, although our focus since late 2017 has primarily been on optimizing our strategic asset base.

We operate 7.0 million cubic meters of storage capacity at 91 terminals and a network of approximately 2,600 retail sites across the Americas, Europe, Africa and Asia Pacific (excluding approximately 212,000 cubic meters of storage capacity at 3 terminals and 367 retail sites that formed part of our Australian Fuels Business, which we recently disposed of, as discussed below). Our operations are primarily located in what we characterize as "high-potential" markets in developing countries (with comparatively high anticipated refined oil product consumption growth).

We distribute refined oil products and provide services to over 13,000 industrial and commercial customers (excluding approximately 7,000 customers served exclusively by our Australian Fuels Business) as well as 86 airports. We also offer non-fuel products and services through convenience retail offerings in our 961 C-store, Super7 and Shop Express branded convenience stores, 180 car washes, 73 truck stops and 73 restaurants and cafes as of June 30, 2020 (excluding 219 convenience stores, 16 car washes, 54 truck stops and 75 restaurants that formed part of our Australian Fuels Business). During FY 2019 and LTM 2020, we sold 22.3 million and 21.5 million cubic meters of refined oil products in our downstream operations, respectively (excluding 2.8 million cubic meters of sales in each such period as part of our Australian Fuels Business), and handled 14.2 million and 13.8 million cubic meters of refined oil products in our midstream storage facilities, respectively (excluding 1.7 million cubic meters of product in each such period handled as part of our Australian Fuels Business). Our downstream and midstream operations accounted for 85.3% and 14.7% of our gross profit and 82.8% and 17.2% of our Consolidated EBITDA for FY 2019 and for 88.3% and 11.7% of our gross profit and 87.1% and 12.9% of our Consolidated EBITDA for LTM 2020, respectively. We believe that the diversity of the geographic markets we serve and business lines in which we operate provides us with a degree of protection from economic cycles in any particular geographic region or industry.

Factors Affecting Results of Operations

Impact of COVID-19

In March 2020, the coronavirus ("**COVID-19**") surfaced in nearly all regions around the world and was declared a pandemic by the World Health Organization. This resulted in governments in affected areas taking unprecedented steps to put restrictions on international, national and local travel and social gatherings, in each case leading to economic, business and societal slowdowns and in some cases shutdowns, against a backdrop of market uncertainty and unprecedented oil price volatility.

In response to the COVID-19 pandemic, public health authorities and governments at local, national and international levels have announced various measures to respond to this pandemic. While the measures being taken to combat the pandemic have been evolving rapidly and have varied among jurisdictions, they have in most cases (and particularly in the second quarter), involved restrictions on movement (including in many cases unprecedented so-called "lockdowns") and the closure of some or all discretionary services for intermittent and/or extended periods, which in many jurisdictions have fundamentally changed how people work, travel, and spend their free time as compared to prior to the pandemic. The COVID-19 pandemic presents an unprecedented disruption to our business, and the wide variations in potential outcomes present a material challenge to our business and our industry. We took action early in response to the crisis as COVID-19 was emerging in Asia and we continue to take steps that we believe are prudent to protect and manage the business, reduce our cost base and protect our liquidity.

Our financial condition and results of operations will differ in respect of the current year and for future periods, when compared to the historical financial condition and results of operations presented in this discussion, because of COVID-19. For additional detail, see "*Summary—COVID-19 Update*".

COVID-19 and measures taken to combat it have had a material negative impact principally on our downstream operations and to a lesser extent on our midstream operations. Across our operations as a whole, overall sales volumes declined by 24% or more in April 2020 compared to the same period in 2019, and declined on a sequential basis by 17% overall in the second quarter of 2020 versus the first quarter of 2020. Some local governments in our regulated and semi-regulated markets also reduced the amount that we can charge retail customers for fuel during the pandemic, which also lowered margins (before taking into account shareholder support through the interim price adjustment), in addition to the decrease in demand. In April 2020, our retail and business-to-business operations experienced a decline in sales volumes by 40% and 18%, respectively, as compared to April 2019, because of lower consumer demand due to the pandemic. As customers have been re-fueling less often, they have also been accessing our related offerings (such as convenience foods and meals) less frequently, which also drove a decline in non-fuel revenue. In June 2020, sales volumes started to recover, although sales volumes were still 16% lower than the same period in 2019 in both our retail and business-to-business operations. The aviation business line has been particularly hard-hit due to the disruption in the aviation industry brought by the global COVID-19 pandemic. We have experienced and expect to continue to experience a decrease in demand from airports and airlines. Sales volumes in our aviation business line dropped by over 70% in April 2020 as compared to April 2019 and continued to experience significant declines in subsequent months versus prevailing overall sales volumes in the comparable prior year periods. In terms of the markets in which we operate, the most significant sales volumes decreases we experienced in the second quarter of 2020 were in Africa, particularly in South Africa, Angola, and Zimbabwe while other markets on the continent remained more resilient. In the Americas our sales volumes decreased in El Salvador, Guatemala, and Panama which were partly offset by increased spot supply in Puerto Rico. In Asia Pacific, our results of operations remained relatively flat with the exception of the aviation related sales decline in Myanmar. Likewise, our midstream operations have been affected in Nicaragua and Papua New Guinea (where we have refineries) by COVID-19 due to the decreased demand in refined oil products, which also generally weakens demand for fuel storage and transport.

Since the COVID-19 pandemic began to impact us, we have also adopted measures to significantly reduce cash outflows, and despite the varying impacts of COVID-19 we believe that our balance sheet and capital structure remain strong. Cash and cash equivalents were $764.9 million as of June 30, 2020 (excluding the Australian Fuels Business), of which $593.0 million was held as unrestricted cash. Our operating activities generated net cash flow of $476.7 million, $927.3 million, $793.9 million for FY 2017, FY 2018 and FY 2019, respectively, although for H1 2020, our net cash flow used in operating activities was $266.6 million as further explained below. See "*Liquidity and Capital Resources—Cash flows*". In addition, as of June 30, 2020, we had total loans and borrowings of $3,665.2 million outstanding, comprised of $1,260.7 million outstanding under Senior Credit Facilities at PIF level, $1,608.3 million outstanding under Existing Notes Financings and $416.2 million under Operating Group debt. See "*Description of Certain Other Indebtedness.*" As of June 30, 2020, the Trafigura Facilities were fully available. See "*Related Party Transactions—Loans from Related Parties*." In April 2020, we also agreed an interim price adjustment with our core shareholder suppliers, Trafigura and Sonangol, under their supply arrangements with us to help minimize the impact of adverse trading conditions in the second and third quarters of 2020 and which contemplates up to $100 million of support in the five month period from May to September 2020. We used over $80 million of this shareholder support during the second quarter of 2020, and it substantially offset the adverse impact of the pandemic on our gross margin and EBITDA during this period. Further, we also benefitted from an extension of our payment terms with Trafigura, which benefitted our net working capital in the first half of 2020. See "*—Management of Working Capital*." We continue to actively monitor our liquidity position in response to the pandemic as it evolves. See "*—Liquidity and Capital Resources*."

Although we are taking measures to mitigate the effect of the global COVID-19 pandemic on our business, the extent to which COVID-19 could impact our business depends on future developments, which are highly uncertain, cannot be predicted and are outside of our control, including new information which may quickly emerge concerning the severity of the virus, the scope of the pandemic and actions to contain the virus or treat its impact, among others.

General Economic and Market Factors

General economic conditions impact demand for our refined oil products in the countries in which we operate, which is the most important factor affecting our results. For example, the rate of economic growth or contraction, the level of infrastructure spending, the level of disposable income, the level of inflation, the rate of unemployment, exchange rates, interest rates, energy costs, general commodity prices, consumer debt levels, tax rates and other changes in tax laws and currency devaluation or revaluation influence industrial activity, consumer confidence and consumer purchasing power can all affect, demand for our refined oil products.

Declining general economic conditions generally result in a decrease in demand for our fuel products due to a slow-down of industrial activity and decline in the disposable income levels of our consumers, while thriving economic conditions will have the opposite effect.

After synchronized growth around the world in 2017 and 2018, the global economy in 2019 was highly volatile, and many of the markets in which we operate in faced challenging economic conditions in 2019. The prolonged trade war between China and the United States meant that global trade contracted in volume for the first time since the 2008 financial crisis. China recorded its lowest growth rate in over 30 years, with the result that imports from many key emerging markets dipped accordingly. India saw its growth rate fall to half of what it had been just three years ago. As a result of the weaker global economic growth, in 2019 oil demand globally saw its weakest performance since 2014. The growth in global oil demand in 2019 was approximately half of the growth in 2018, and even weaker if non-refined liquids (liquid petroleum gas and natural gas liquids) are excluded. The COVID-19 pandemic had a significant negative effect on oil demand growth in H1 2020, which we expect to continue. Whilst these events have a global impact, the various responses of individual countries and occurrence of country-specific events mean that the effects on our businesses will vary by country and region.

Refined oil product prices also affect our operations, as they impact demand for our downstream products, in sometimes conflicting ways. The effect on demand can vary by business line and regions. Generally, this is because declines in oil prices, while likely to accelerate consumer demand, will also tend to slow economic growth in countries exporting oil products. For example, in the low or declining oil price environment of the past few years, we experienced strong demand in the Americas and in our retail operations as a result of the lower prices of refined oil products. At the same time, demand from our industrial and commercial customers in oil-exporting countries as well as other natural resources economies was negatively impacted by lower prices for oil and other commodities.

Refined oil product prices in turn are affected by various factors beyond our control, such as the supply of, and demand for, crude oil, gasoline and other refined oil products, changes in global and local economic conditions, prevailing exchange rates, weather conditions, political affairs, production levels within and outside a market (including refinery capacity), the availability of imports, the development and marketing of competitive refined oil products and government regulation.

Also, we believe our revenue from our non-fuel operations is correlated to discretionary spending, which is influenced by general economic conditions and the level of disposable income in the countries in which we operate. National, regional and local economic conditions can adversely affect disposable consumer income and consumer confidence. Changes in economic conditions and consumer preferences can adversely affect consumer spending and travelling patterns in the markets in which we operate, and consequently have an adverse effect on demand for our products and service at retail convenience stores and restaurants. With a reduction in disposable income, customers are likely to reduce their demand for such products and services, or switch to other retail outlets, such as grocery stores and supermarkets, which provide similar offerings at lower prices.

We expect the COVID-19 pandemic, higher interest rates, trade war and related tariffs, sanctions, weaker vehicle sales, greater environmental awareness and volatile commodity markets to drive demand growth as well as the prices of refined oil products significantly lower than recent years.

See "*Industry Overview*" for a more detailed discussion of macroeconomic industry trends. These overall market trends have a direct impact on our revenues and results of operations.

Unit Margins and Government Regulation

We measure the financial performance of our operations by our unit margins, which, for our downstream segment, represents gross profit from downstream activities (including gross profit from sales of non-fuel products and services) divided by the total sales volumes of refined oil products, and for our midstream segment, gross profit from our midstream activities divided by throughput and refining volumes.

Our downstream operations' unit margins are primarily affected by the difference between the prices at which we sell our refined oil products and the prices at which we purchase such products, which can both be affected by local currency devaluations as further discussed below. Any change in the crude oil prices immediately affects the costs of refined petroleum products that we purchase. The price of crude oil has seen significant volatility in recent years and major uncertainty remains as to the future direction of oil prices. However, our unit margins generally do not fluctuate in parallel with fluctuations in refined oil product prices (although, as discussed below changes in refined oil product prices are likely to impact the demand for our products; see "—*General Economic and Market Factors*"). The main reasons for the relative resilience of our unit margins to refined oil product prices are the extent to which we operate in either fully or semi-regulated markets (and the regulations in place in these markets), our capacity to pass on changes in oil prices to the end customers in the free markets in which we operate, relatively short periods of holding inventories (typically achieving an average of 20 to 25 days of DOI, although there was an increase particularly in H1 2020 due in part to increased levels of inventory during the COVID-19 pandemic and decreased oil prices) and the systematic way in which we seek to hedge against commodity price and foreign exchange risks.

Almost two-thirds of our gross margin in our downstream segment (61%, 60%, 70%, 70%, 69% and 61% in FY 2017, FY 2018, FY 2018 restated and FY 2019, H1 2019 and H1 2020, respectively, including intercompany elimination and consolidation adjustments for the respective countries, considering the allocation of overhead costs and supply margin), was generated in fully or semi-regulated markets in which we benefit from some level of unit margin protection, as described below. For a detailed description of the categories of refined oil product price regulation that we are subject to in various markets, see "*Regulation*".

The following table sets forth the percentage of our gross margin in our downstream segment generated by each of the three general categories of markets in which we operated as of the end of the period presented.

Downstream Gross Margin Share by Type of Market (including intercompany elimination and consolidation adjustments for the respective countries, considering the allocation of overhead costs and supply margin)

	Year ended December 31,				Six Months ended June 30,	
	2017	**2018**	**2018 restated(1)**	**2019**	**2019**	**2020**
Fully regulated market.................................	32%	25%	29%	24%	27%	27%
Semi-regulated market	29%	35%	41%	45%	42%	34%
Free market..	39%	40%	30%	30%	31%	39%

(1) 2018 amounts have been restated to reflect the treatment of the Australian Fuels Business as discontinued operations. See *"—Factors Affecting Results of Operations—Selective Asset Disposals—Australia Sale*."

In fully regulated markets, such as Angola and Nicaragua, the government either directly or indirectly organizes the import of refined oil products (for example, by organizing a tender offer process through which a refined oil product supplier is selected for a specified length of time, or through a club of fuel dealers) and import prices (and therefore refined oil product supply costs) are established based on a specified reference import price (based on a market benchmark plus an allowance for freight and other ancillary cost of sales). The government also typically establishes a maximum gross margin over the specified reference import price that refined oil product retailers are permitted to charge. As a result of these government actions, our downstream unit margins in these markets have historically not been greatly affected by fluctuations in refined oil product prices, although they may, and have been during the period under review as discussed in more detail below, be affected by fluctuations in currency exchange rates. More recently, the combination of the COVID-19 pandemic and the declining oil price environment appears to have prompted local governments in certain of our regulated and semi-regulated markets to seek to lower regulated prices for refined oil products to retail customers. Whilst this reduction is currently mitigated by the declining oil price environment and resulting reductions in the prices at which we purchase our refined oil products, our unit margins may be adversely affected if price reductions were to become disproportionate relative to movements in oil prices, or were not reversed with similar rapidity in the event of future oil price increases.

In semi-regulated markets, such as Botswana, Honduras and Namibia, the government also typically establishes a maximum gross margin over a specified reference import price. However, because the government does not fully control the supply of refined oil products into the country, we are free to source our supply from the market, which may result in a refined oil product import price that is greater than or below the specified reference import price. As is the case in fully regulated markets, the maximum gross margins over the specified import price are typically sufficient to accommodate such other components of cost of sales, such as transport costs, demurrage and other logistics costs.

In free markets, such as Puerto Rico, Guatemala and the United Kingdom, the government does not set a reference import price or maximum gross margin over a specified reference import price. Fluctuations in, and volatility of, import prices of crude oil and refined oil products create a need to adjust the price at which we sell our refined oil product to maintain unit margins. Consequently, in these markets, we generally seek to pass import price increases on to customers promptly. Our ability to do so, however, is driven primarily by local competitive pressure and price sensitivity among customers. We manage our exposure to refined oil product import prices through our supply arrangements, supply chain and distribution network (see "—*Supply Arrangements, Supply Chain and Distribution Network*") and hedging activities. We enter into derivative instruments to hedge our exposure to refined oil product price fluctuations once a contractual sale of refined oil products has occurred or is highly probable. The aim of our hedging activities is to safeguard the value of our product inventory and to lock in our unit margin once we have entered into or are about to enter into a sale agreement.

We usually achieve more favorable unit margins in fully regulated or semi-regulated markets than we do in free markets because in regulated markets we are not subject to market pressures on the prices at which we may sell refined oil products. However in some of our free markets where there may be less competition, unit margins can at times be as high as in regulated markets. Moreover, as governments in regulated markets tend to benefit from our development of infrastructure and our ability to establish stable refined oil product supply and distribution networks, we believe governments in regulated markets are generally incentivized thereby to monitor margins to ensure refined oil product suppliers and distributors earn a stable return on their investment in the country.

Governments in fully or semi-regulated markets may change the maximum margin they set over the specified reference import price. Although changes to the maximum margin affect our results of operation, changes across fully and semi-regulated markets over the course of a fiscal year typically offset one another, partly as a result of the diversity of our countries of operation and, as a result, typically do not have a material effect on our results of operations.

Our unit margins amounted to $66, $53, $52 and $48 per cubic meter in FY 2017, FY 2018, FY 2018 restated and FY 2019 and $54 per cubic meter in H1 2020. We believe that our lower unit margins since 2018 have primarily resulted from changes in our business mix (for example, in the UK, we experienced higher wholesale volumes with lower unit margins, and in Puerto Rico, the increased sales of fuel oil for electricity and heating were offset by lower sales of gasoline and diesel (as people travel less) in the winter), and by the depreciation of key currencies in which our sales were generated against the U.S. dollar, alongside delays in adjusting maximum margins upwards in some of our regulated markets in response to such currency movements. For example, in Zimbabwe, which has experienced significant local currency devaluations in recent years, regulated oil prices have been adjusted on a monthly basis and there is thus a relatively short period of exposure to the devalued local currency against the U.S. dollar and less corresponding impact on unit margins. By contrast, in other fully and semi-regulated markets, price adjustment mechanisms are less formalized and can require longer periods of engagement and discussion with governmental authorities before they occur. Although the outcome in such markets is rarely certain, in general, we have historically managed to limit our exposure to increases in oil prices and exchange rate fluctuations in fully and semi-regulated markets through a combination of pre-agreed formal mechanisms and engagement with regional and local governments. The only notable recent exception has been Angola, where local currency devaluations of recent years have not seen compensating price adjustments since March 2018 and there is no clear indication as to the timing of a future price adjustment. We believe that the circumstances in Angola, however, are relatively unusual, since although our Consolidated EBITDA from the country (including intercompany elimination and consolidation adjustments for the respective countries) was impacted by the decrease in unit margins (with Consolidated EBITDA decreasing from $197.6 million in FY 2017 to $27 million in LTM 2020), its contribution to our Consolidated EBITDA remains accretive.

As the unit margins for our downstream segment as a whole take into account the gross profit from all our downstream activities, they will also be impacted to some extent by the gross profit we generate from our non-fuel products and services, such as convenience stores, restaurants, car washes and truck stops (and related rental income, royalties and franchise fees). As one of our key global improvement initiatives, we aim to expand and improve our non-fuel products and services to increase profitability. Our downstream unit margin from January 1, 2017 to June 30, 2020, ranged between $6—$13 per barrel (or $36—$81 per cubic meter), alongside the price of Brent crude futures during the same period. See "*Summary—Limited exposure to commodity prices and exposure to exchange rate fluctuations mitigated by strong relationships with regional and local governments*."

In addition, our downstream unit margins are affected by other components of cost of sales (for example, transport costs, demurrage and other logistics costs). While the maximum gross margin over the specified import price is typically sufficient to accommodate such other components of cost of sales, our unit margins are affected by the efficiency of our supply and distribution network within the country, as the efficiency of such network directly contributes to our logistics expenditure. See "—*Supply Arrangements, Supply Chain and Distribution Network*."

Our midstream operations are also affected by the volatility in refined oil import prices, but to a more limited extent. In particular, increased volatility in the oil markets may result in increased market trading activity, and by extension, increased demand for storage capacity by our trading clients. This is because traders typically trade higher volumes in times of high oil price volatility as they seek to take advantage of market opportunities, and hence require access to greater storage capacity. In H1 2020, there was an increase in demand for our storage capacity given the decreased oil prices, high volatility and demand decline for refined oil products in the early months of 2020, which has steadily decreased to normalized levels compared to periods prior to the COVID-19 pandemic. We have in H1 2020 sought to take advantage of opportunities in the contango market (*e.g.*, where spot prices of a commodity are lower than future prices) that existed during parts of the period to maximize our storage income by renting out storage capacity which we do not use to third parties. For example, we reallocated approximately 100,000 cubic meters of unused fuel capacity in Ivory Coast, through which we generated approximately $6 million in revenue and in Dubai we also applied a similar strategy with respect to the reallocation of approximately 60,000 cubic meters for storage of aviation gasoline.

Management of Working Capital

We depend on strict working capital management to generate cash flows to fund our operations. We target and typically achieve the collection of receivables from third parties (which excludes our core shareholder suppliers, Trafigura and Sonangol) within 10 to 15 days, and aim to maintain the DOI for refined oil product inventories within 20 to 25 days. Payment of outstanding invoices depends on the payment conditions granted by our suppliers. The following table sets forth the average number of days taken to pay our invoices to trade creditors (which includes related-party trade creditors, such as Trafigura and Sonangol) ("**DPO**"), the average number of days we hold inventories of refined oil products before they are sold ("**DOI**") and the average number of days taken to collect trade receivables from third parties ("**Third-party DSO**") for the periods indicated. In H1 2020, our DPO increased given the fast declining price environment and our extended payment terms with Trafigura. In FY 2019 and especially H1 2020, we did not meet our target in terms of DOI, mainly due to lower demand in refined oil products and to a lower extent, to the excess inventory due to the contango benefit. In terms of Third-party DSO, we had slower invoice collection in H1 2020 due to lower liquidity of our customers during the COVID-19 pandemic.

Evolution of DPO, DOI and Third-party DSO

	Year ended December 31				**Six Months ended June 30,**
	2017	**2018**	**2018 restated[(4)]**	**2019**	**2020**
			(days)		
DPO[(1)]	55.1	57.6	62.9	68.9	78.4
DOI[(2)]	29.4	20.2	22.4	28.0	34.8
Third-party DSO[(3)]	12.8	12.4	12.9	12.9	17.7

(1) DPO is calculated as trade accounts payable divided by cost of sales and multiplied by the number of days during the period.

(2) DOI is calculated as inventories divided by cost of sales and multiplied by the number of days during the period.

(3) Third-party DSO is calculated as trade accounts receivable from third parties divided by net sales to third parties and multiplied by the number of days during the period.

(4) 2018 restated to exclude the Australian Fuels Business.

We aim to minimize our net working capital requirements by limiting the extension of credit to third-party customers to facilitate a rapid cash conversion of our sales. For example, in H1 2019, we took steps to ensure that certain businesses, such as those in aviation, pre-pay their invoices. Our inventory levels are designed to ensure a reliable supply of our refined oil products to our customers, while minimizing excess stocks.

Streamlining our Portfolio and Asset Base

Operational Improvements

We benefit from a well-invested asset base, as well as significant market positions in a number of the markets in which we operate. Over the five-year period of the transformation plan, we aim to focus on optimizing our existing asset base, which we believe will result in reduced capital expenditure while maintaining sustainable growth. As part of this strategy, we aim to improve operational efficiencies and profit margins over time, through our new focus on customer-led operational improvements, strong cost controls, effective capital allocation and disciplined targeting of investments into the markets and segments where we see the most promising potential to improve our unit margins. We aim to capitalize on our network of strategically located storage terminals and hubs, to further drive operational excellence, strengthen our competitive position and increase the volumes sold to our customers, to create a more sustainable and profitable business in the medium term. As of June 30, 2020, we had well over 100 initiatives across the business aimed at driving operational improvements over the five-year period of the transformation plan, from 2019 to 2024, that are in the pipeline or underway (and in some cases, already implemented). For examples of the types of operational improvements that have already been implemented or are underway, see "*Summary—Continue seeking to extract more value from our existing businesses and asset base while strengthening customer experience*." We are currently targeting sustainable Consolidated EBITDA improvements of $200 million per year by the end of our five-year transformation plan (that is, on an annualized basis at the end of 2024 as compared to the start of FY 2019) as a result of our operational improvement initiatives, and estimate that the operational improvement initiatives that we have already undertaken contributed an aggregate of $24.5 million towards our Consolidated EBITDA in FY 2019 and an aggregate of $37.0 million (of which $12.6 million related to initiatives undertaken in FY 2019) towards our Consolidated EBITDA in H1 2020 (in each case, whether due to increased revenues and/or (to a more limited extent) cost savings), which has helped offset some of the headwinds that we continue to experience in a number of our markets. The impact of these improvements was spread over several income statement line items, and may not have been material to any particular line item taken in isolation. Our targets for sustainable Consolidated EBITDA improvements are based on the assumption that we are successful in implementing all of our currently planned initiatives and that all of our planned initiatives will be successful in generating the sustainable Consolidated EBITDA improvements that we currently anticipate, and both our targets and these and other assumptions underlying such targets are based on our current estimates, perceptions, expectations and intentions, which are subject to risks, uncertainties and other factors that may cause actual results or performance to be materially different from anticipated future results or performance expressed or implied by such targets and assumptions. Among other things, our targets for Consolidated EBITDA improvements are subject to an annual review process through which we present any updates to the five-year transformation plan to our Board of Directors, and therefore, these estimates, initiatives and targets are subject to change on an annual basis. See "*Presentation of Financial and Other Information—EBITDA Improvement Targets and Estimates*."

Selective Asset Disposals

In addition and in line with our current five-year business plan, we have focused on selective asset disposals, the proceeds of which we have primarily used for repaying indebtedness. See "*Summary—Our strategy.*"

Australia Sale

In December 2019, we announced the sale of our Australian commercial and retail fuels business (the "**Australian Fuels Business**"), which formed part of the Downstream segment and the Asia-Pacific region of the Group, to Chevron Australia Downstream Pty Ltd (the "**Australia Sale**"). The Australia Sale closed on June 30, 2020. However, in accordance with IFRS 5, in the FY 2019 Financial Statements, the Australian Fuels Business has been presented as discontinued operations in the consolidated income statement, as well as in the comparative information for FY 2018 set forth therein (which restated the original consolidated income statement financial information for FY 2018 (the "**FY 2018 Restated Financial Information**")), and as a disposal group held for sale in the consolidated statement of financial position as of December 31, 2019. Similarly, in the Interim Financial Information, the Australian Fuels Business has been presented as discontinued operations in the consolidated income statement for H1 2020 as well as in the comparative information for H1 2019 set forth therein (although not as an asset held for sale in the consolidated statement of financial position as of June 30, 2020 since the Australia Sale closed on that date). As a result, (i) the FY 2018 Restated Financial Information, while being comparable with consolidated income statement information for FY 2019 and H1 2020 in its presentation of the Australian Fuels Business, is not directly comparable with consolidated income statement information for FY 2017; and (ii) the consolidated statement of financial position information as of June 30, 2020 (which reflects the Australian Fuels Business as having already been sold) and as of December 31, 2019 (which treats the Australian Fuels Business as a disposal group held for sale) are not directly comparable to each other or to consolidated statement of financial position information as of prior reporting dates.

Although this Document generally refers to FY 2018 Restated Financial Information unless otherwise stated, including in narrative discussion (as this facilitates comparability between FY 2018 and subsequent periods), in order to improve comparability between consolidated income statement financial information for FY 2018 and FY 2017, certain sections of this Document, including most tabular presentations of data, also include the original consolidated income statement financial information for FY 2018 from the FY 2018 Financial Statements as a supplement to (or in certain cases, in lieu of) the FY 2018 Restated Financial Information. In particular, in this management's discussion and analysis of financial condition and results of operations, in order to improve comparability, we discuss changes in our results of operations in FY 2019 compared to FY 2018 based on the FY 2018 Restated Financial Information and changes in our results of operations in FY 2018 compared to FY 2017 based on the original consolidated income statement financial information for FY 2018 from the FY 2018 Financial Statements.

The following table reconciles Adjusted EBITDA to Reported EBITDA for the periods presented, showing the EBITDA contribution of the Australian Fuels Business.

	Year ended December 31,				Six Months ended June 30,	
	2017	2018	2018 restated[(1)]	2019	2019	2020
			($ millions)			
Adjusted EBITDA	**739.5**	**554.4**	**534.9**	**525.0**	**259.7**	**252.0**
Australian Business Adjusted EBITDA	N/A	N/A	19.5	4.6	6.5	9.1
Reported EBITDA	**739.5**	**554.4**	**554.4**	**529.6**	**266.2**	**261.1**

(1) 2018 amounts have been restated to reflect the treatment of the Australian Fuels Business as discontinued operations. See *"—Factors Affecting Results of Operations—Selective Asset Disposals—Australia Sale*."

The Australia Sale did not include our bitumen business in Australia, which therefore remains included in our continuing operations during the period under review.

In August 2020, we used $50 million of the proceeds of the Australia Sale to partially repay the 2018 Term Loan Facility B, and the remaining proceeds in the amount of $255 million are currently being held to bolster liquidity amidst the extraordinary circumstances of the COVID-19 pandemic, but are expected to ultimately be applied towards similar deleveraging if and when it is prudent to do so.

Other Disposals

During the period under review, we also disposed of other non-core businesses, and such disposals affect the comparability of our results of operations from period to period. In May 2018, we sold our 20% stake in two storage terminals in Malaysia. In November 2018, we sold our operations in Peru to Repsol Commercial SAC. In July 2019, we disposed of our operations in Indonesia, and in January 2020, we completed the sale of our business operations in Paraguay to Impala Terminals Group, a joint venture between Trafigura and IFM Global Infrastructure Fund. These transactions generated $180.6 million of net proceeds. These disposals facilitated the deleveraging of our balance sheet on terms we believe were attractive and as we continue to evaluate opportunities to optimize our global portfolio, we anticipate continuing to engage in such disposals.

We are presently targeting additional non-core asset disposals of approximately $100 million by the end of 2020 as part of our goals of streamlining our portfolio and/or facilitating the deleveraging of our balance sheet on attractive terms. In H1 2020, we divested $27 million (out of the intended $100 million) of non-core assets. Although we have no present plans or intention to dispose of operations that we currently consider core, we may also consider dispositions of core assets on an opportunistic basis if the terms are sufficiently attractive and such a disposition would be consistent with our strategic objectives.

Climate Change

There is increasing evidence, urgency and drive to address climate change. Developed markets are implementing more ambitious targets on CO^2 emissions and climate change. Consumers, investors and international institutions are all increasingly calling for and expecting genuine, sustainable, impactful action on climate change.

As climate change urgency escalates, the need for sustainable energy transition around the world grows, and if we cannot adapt, we may suffer a long-term decrease in demand for our midstream and downstream products and services. We are exploring new ventures to enable the energy transition for our customers and communities in the following five focus areas: (a) solar; (b) decentralized energy; (c) biofuels; (d) data and digitalization; and (e) carbon zero, and are currently building a pipeline of different projects and identifying preferred technology and financial partnerships across these focus areas, all of which may drive some of our future capital expenditure and growth in future periods. In making investments in these new ventures, we aim to stay within the expected total annual capital expenditures of around $130 million in 2020 and around $200-210 million in 2021. Our focus in 2020 has been to pilot some of these projects, as well as continuing to build our understanding of customer requirements and designing solutions with those in mind. For example, in 2020 we have approved $3.0 million so far in solar power projects at 20 retail sites in Ghana and in solar installations at six terminals in Papua New Guinea, as well as our Puerto Rico Bayamon terminal. Our Environmental, Social and Governance ("**ESG**") commitment is also an important part of growing our business in a sustainable way. In 2020, we have already started to embed our ESG framework across all our operations and use it as our compass to prioritize our new ventures activities. See "*Business—Health, Safety, Environmental and Community Matters*" and "*Summary—Position ourselves for the energy transition*."

Supply Chain and Distribution Network

Our ability to maintain and grow our market share and profitability is dependent on our ability to source sufficient refined oil products on competitive terms. Our supply team coordinates the availability and supply of refined oil products across each of our regions of operation in order to meet customer demand. Our inventory management policy aims to keep refined oil product inventories of 20 to 25 days in order to secure the supply chain. We access the international market to source refined oil products for our own business needs, which access is enhanced by our relationship with Trafigura and Sonangol, our two largest shareholders. These relationships, combined with our network of strategically located terminals, allows us to source our products at competitive prices by providing us access to supply sources across the world. Purchases from Trafigura and Sonangol accounted for approximately 52% and 7%, 55% and 4%, 53% and 3%, and 52% and 2% of our total purchases of refined oil products in FY 2017, FY 2018, FY 2019, and for H1 2020, respectively. Our in-house supply team constantly assesses market opportunities and sources refined oil products from a large base of third-party suppliers, as well as Trafigura and Sonangol. For further discussion of our supply arrangements with Trafigura and Sonangol, see "*Related Party Transactions*."

Our profitability is also dependent on our ability to operate an efficient supply and distribution network for the delivery of our refined oil products to our customers. When chartering vessels to transport our refined oil products to our regional and national markets, we apply strict vessel-vetting procedures, some of which are designed to minimize losses of refined oil products due to leakage or contamination. Moreover, our storage terminals facilitate the import of refined oil products to, and their reliable movement through the supply chain within, regional and national markets. Additionally, although we own some trucks, we rely primarily on chartered trucks and rail cars to distribute our refined oil products to our distribution centers, such as our retail sites, and our industrial customers. We subcontract transportation services through competitive tender processes, although we retain control over the management of truck fleets and the delivery schedules and check the quality of the trucks. Importantly, we rely on our employees in the relevant country of operation to schedule deliveries, plan the optimal transportation routes and generally facilitate reliable delivery, notwithstanding difficult external circumstances or complex border crossings.

Retail Site Operating Model

Our retail sites operate under three principal models depending on whether we own, or an independent dealer owns, the retail site and whether we are, or an independent dealer is, responsible for the operation of the retail site. The effects on our results of operation vary depending on the operating model adopted.

Under the CoDo model (company owned; dealer operated), which is our preferred model, we own the retail site, which is operated through dealers under our brand, typically pursuant to renewable one-year contracts. Our net sales comprise revenues from the sale of fuel products to the dealer, and rental fees for the non-fuel premises (convenience stores products, car washes and restaurants). We sell the automotive fuel to the dealer (typically under an exclusive supply arrangement) who generally owns the automotive fuel inventories and our net sales comprise the net sales generated from sales of automotive fuel products and rental fees for the non-fuel operations premises that may be a fixed amount or commensurate with the net sales generated from sales of non-fuel products and services (such as convenience store products, car washes, restaurants and cafes and truck stops). See "*Business—Downstream*."

Under the DoDo model (dealer owned; dealer operated), a dealer owns the retail site and operates the site under our brand pursuant to a dealer or similar agreement. We sell the fuel to dealers (typically under an exclusive supply arrangement) and our net sales comprise revenues from the supply of automotive fuel, and in some cases brand license fees. In recent years, we have focused on increasing royalty revenue by retrofitting stores in Africa and the Americas, developing our tier 2 Shop Express program in the Americas (to secure royalties from the non-Super 7 stores) and by adding new stores in existing sites in the Americas and in new sites in Africa and the Americas. We have also focused on DoDo profitability by improving the terms we agree to in our dealer agreements. In 2018, we had an increase in DoDo sites predominantly as a result of the Pakistan acquisition, as all the acquired sites operate under the DoDo model.

We operate a small number of retail sites under the CoCo (company owned; company operated) operating model. Under the CoCo model, we own the retail site and the fuel inventories and we operate the retail site, directly employing the dealer and other site employees. Our net sales and cost of sales reflect the sales of automotive fuels and non-fuel complementary products and services. In certain limited cases, operating retail sites under the CoCo operating model is a strategic choice, allowing us to retain a high degree of control over the brand and the station and capturing the additional revenues generated by convenience stores and restaurant facilities.

The following table sets forth the number of retail sites operated under each operating model as of the end of the period indicated.

Retail Sites by Operating Model

	At December 31,				At June 30,
	2017	2018	2018 restated[(1)]	2019 restated	2020
CoDo	1,261	1,265	1,134	1,130	1,166
CoCo	182	208	79	80	88
DoDo	1,621	1,609	1,509	1,323	1,302
Total	3,064	3,082	2,722	2,533	2,556

(1) 2018 and 2019 restated to exclude the Australian Fuels Business.

Non-fuel Offer by Operating Model

	At June 30, 2020			
	CoDo	CoCo	DoDo	Total
Convenience Stores	672	46	243	961
Restaurants and Cafes	45	—	28	73
Car Washes	31	6	36	73
Truck Stops	140	4	36	180

We primarily operate CoDo and DoDo retail sites. We operate a small number of retail sites under the CoCo model. In certain limited cases, operating retail sites under the CoCo model is a strategic choice, allowing us to retain a high degree of control over the brand and the station and to benefit from the additional net sales generated by convenience stores and restaurant facilities. As shown in the table above, our CoCo retail sites decreased from 208 to 79, or by 62%, in FY 2018 restated compared to FY 2018 given the exclusion of the CoCo retail sites operated under the Australian Fuels Business.

Cost Management

Costs related to our operations constitute either variable, fixed or restructuring costs. Variable costs generally fluctuate with our sales and throughput volume. For example, an increase in sales volumes typically results in higher expenses for transportation and logistics, and higher refined oil product losses (for example, due to changes in inventory resulting from temperature changes, measurement errors, leakage or contamination). Fixed costs are substantially independent from sales volumes or throughput volumes. Fixed costs include, among others, personnel expenses, rental costs, maintenance costs, insurance costs, IT costs, office rental costs and general overhead. Restructuring costs are typically expenses related to our acquisitions, including fees for professional services, such as consultants, bankers and lawyers, and any severance costs linked to redundancy plans, all of which we have incurred in recent periods and expect to incur as we continue to pursue our sustainable growth strategy. In FY 2019 and H1 2020, we carried out a number of measures that reduced our cost base. See *"—Streamlining our Portfolio and Asset Base—Operational Improvements.*"

The largest component of our cost base (which refers to our cost of sales and operating expenses, including selling and operating costs, general and administrative expenses and other operating expenses, if any) are our variable costs from the cost of purchasing refined oil products, which is affected by many factors beyond our control and which may not necessarily affect our unit margins in regulated markets. See "—*Refined Oil Prices and Government Regulation*." The management of our variable costs is important, in particular as to its effect on cost of sales, and by extension, our gross profit and unit margins. As a result, the efficiency of our supply and distribution system is important for managing our variable costs. See "—*Supply Arrangements, Supply Chain and Distribution Network*."

After the cost of purchasing refined oil products from our suppliers, our fixed costs constitute the most significant component of our cost base. Excluding such purchases of product, fixed costs represented 73%, 73%, 71%, 69% and 72% of our cost base in FY 2017, FY 2018, FY 2018 restated, FY 2019 and H1 2020, respectively.

IFRS 16 'Leases'

We adopted IFRS 16 from January 1, 2019 using the modified retrospective approach, which does not require restatement of prior periods, and therefore the results for FY 2019 and H1 2020 include the impact of IFRS 16, while our financial information as at prior reporting dates and for prior reporting periods does not.

IFRS 16 establishes the definition of a lease agreement and specifies the accounting treatment of the assets and liabilities arising from these contracts from the point of view of the lessor and the lessee. The new standard does not significantly differ from the standard that precedes it, IAS 17 Leases, regarding the accounting treatment from the point of view of the lessor. However, from the point of view of the lessee, the new standard requires the recognition of assets and liabilities for most lease agreements. IFRS 16 was mandatory for annual periods beginning on or after January 1, 2019.

The impact of IFRS 16 adoption on our results of operations for FY 2019 and H1 2020 was:

	Year ended December 31, 2019	**IFRS 16 impact on year ended December 31, 2019**	**Six months ended June 30, 2020**	**IFRS 16 impact on six months ended June 30, 2020**
		($ millions)		
Continuing operations				
Cost of sales	(13,333.0)	(46.1)	4,448.5	(24.0)
Gross profit	**1,264.8**	**(46.1)**	**595.9**	**(24.0)**
Selling and operating costs	(1,482.0)	26.4	(372.6)	15.6
General and administrative expenses	(166.6)	(5.1)	(82.9)	(2.3)
Other operating income/(expenses)	49.5	(0.3)	(63.3)	(3.6)
Share of net profits and losses of associates	6.8	(0.1)	2.0	0.2
Operating profit/(loss)	**(327.5)**	**(25.2)**	**79.2**	**(14.0)**
Finance income	30.3	—	10.7	—
Finance cost	(323.2)	51.2	(122.7)	(24.3)
Net foreign exchange gains/(losses)	9.9	9.2	—	—
Other financial result	—	—	(34.5)	0.3
Profit/(loss) before tax	**(610.4)**	**35.3**	**(67.3)**	**10.6**
Income tax expense	(77.4)	(2.2)	(21.7)	(2.0)
Loss after tax from discontinued operations.	(103.9)	5.4	(15.0)	3.5)
Profit/(loss) after tax	**(791.8)**	**38.5**	**(104.1)**	**12.0**
Attributable to:				
Owners of the Company	(780.5)	37.1	(81.1)	12.7
Non-controlling interests	(11.3)	1.4	(23.0)	(0.7)

The impact of IFRS 16 adoption on the statement of cash flow for FY 2019 and H1 2020 was:

	Year ended December 31, 2019	**IFRS 16 impact on year ended December 31, 2019**	**Six months ended June 30, 2020**	**IFRS 16 impact on six months ended June 30, 2020**
		($ millions)		
Statement of Cash Flow Data				
Cash flow from operating activities	793.9	(165.0)	(266.6)	(90.3)
Cash flow from investing activities	32.2	—	225.8	—
Cash flow from financing activities	(738.5)	174.1	66.1	90.6
Net increase/(decrease) in cash and cash equivalents	**87.7**	**9.1**	**25.3**	**0.3**
Effect of exchange rate differences	(110.7)	(9.1)	118.1	(0.3)

Fluctuations in Foreign Currency Exchange Rates

Translation Risk

A significant percentage of our net sales and our cost base are denominated in currencies other than the U.S. dollar (and that are not benchmarked to the U.S. dollar), which is our reporting currency. Thus, a decrease in the value of a local currency against the U.S. dollar will decrease the U.S. dollar amounts of revenues, expenses and profits reported for our non-U.S. dollar operations. This effect is generally mitigated by the fact that sales prices in local currency terms will increase in response to a devaluation of the local currency against the U.S. dollar, whilst purchases of products are generally U.S. dollar-denominated, although the extent and timing of this mitigation will depend on a number of factors, including any competitive constraints on raising prices and (in some regulated and semi-regulated markets) regulatory constraints. See "—*Unit Margins and Government Regulation*." In contrast, our fixed costs (including personnel costs, rental fees and energy costs) are generally in the reporting currency. Thus a devaluation of the local currency against the U.S. dollar will result in favorable translation effects on these costs.

A devaluation of the local currency against the U.S. dollar, will also result in negative translation effects on our net assets (in particular our fixed assets and intangible assets), resulting in a negative effect on our equity.

Foreign exchange rate effects from the translation of our operational foreign currencies, in particular in Angolan Kwanza, against the U.S. dollar, impacted the Group's equity by $43.6 million, $(559.2) million, $(332.6) million in FY 2017, FY 2018, FY 2019, respectively, and led to a loss of $(50.0) million for H1 2020.

Transaction Risk

Transaction risk arises when one of our subsidiaries contracts receivables or payables in a currency other than their functional currency. Any change in the foreign exchange rate between the transaction date and the settlement date will affect our profitability. We have procedures in place to partially address these risks, including targeting and typically achieving Third-party DSO of 10 to 15 days, minimizing our exposure to fluctuations between the date of sale and the date of payment, reducing our exposure by borrowing in local currencies to match the balance of our accounts receivable and entering into currency hedges to reduce our exposure to changes in foreign currency exchange rates. See "*—Unit Margins and Governmental Regulation*" and *"—Risk Management*."

Seasonality

Due to the geographic diversity of our operations, our results of operation are not materially affected by seasonality effects. Though our operations in parts of a region of operation may be affected by seasonality effects (for example, weather), these are typically offset by opposing or no seasonality effects in other regions of operation. For example, typically there is an increase in our net sales and demand in the Caribbean during the hurricane season (between June and November).

Key Income Statement Items

Revenue from contracts with customers

Revenue from contracts with customers in our downstream segment includes sales of our products and services, including sales of automotive fuels through our retail sites, as well as sales to large industrial customers of lubricants and other refined oil products. Revenue from contracts with customers also includes services such as fuel stock management, engineering, consumption and fleet management, sales of bitumen products to the construction industry, sales of bunkering services for offshore oil platforms and deep-sea drilling vessels, the supply of marine gasoil and the storage, and bottling and distribution of liquid petroleum gas. Revenue from contracts with customers further includes rental income from third-parties operating retail sites or convenience stores, restaurants or car washes at our CoDo retail sites, as well as sales of non-fuel products and services at our CoCo retail sites.

Revenue from contracts with customers of refined oil products and services is shown net of value added taxes, goods and services taxes, specific petroleum taxes, custom duties and any rebate or discounts given to customers on the sales price.

Revenue from contracts with customers in our midstream segment is comprised of throughput revenues at our terminals and pipelines, revenues from capacity rental and take-or-pay agreements (which are not impacted by throughput volumes), as well as sales volumes from refining activities (which are not counted in throughput volumes).

Cost of Sales

Cost of sales are expenses directly related to the sale of our refined oil products and services and certain other products, including the purchase of refined oil products, logistics, storage and transportation (to retail sites or customers' onshore and offshore facilities) costs, commissions, refined oil product losses (for example, due to changes in inventory resulting from temperature changes, measurement errors, leakage or contamination) and purchase cost of goods sold in convenience stores of retail sites operated under the CoCo model. Movements in the fair market value of inventories, which are marked-to-market at each period end for our supply companies, and measured at the lower of cost and net realizable for all other inventories, also affect the cost of sales. Cost of sales in our midstream segment are primarily affected by costs of product purchases for our refining activities (whilst rental fees, energy, maintenance and personnel costs for our terminals are recorded in selling and operating costs, below gross profit).

Gross Profit

Gross profit represents net sales less cost of sales.

Selling and Operating Costs

Selling and operating costs primarily consist of expenses directly related to the operation of our storage terminals, logistics facilities and our service stations (such as rental fees, energy, maintenance and personnel costs for our terminals and retail sites), depreciation of our operational assets and advertising, sponsorship and promotional expenses.

General and Administrative Expenses

General and administrative expenses consist primarily of expenses related to certain centralized management operations and management departments (such as the finance, legal and IT departments), expenses related to the operation of our regional offices in Johannesburg, South Africa, San Juan, Puerto Rico and Singapore, and general management overhead, including management salaries, in our countries of operation. General and administrative expenses also include depreciation of certain assets, including of assets relating to our regional offices.

Other Operating Income/(Expenses, net)

Other operating income/(expenses) consist of movements in provisions, gains on disposal of property and equipment, write-offs of various tangible and intangible assets and gains on disposal of investments and other operating income.

Finance Income and Finance Costs

Finance income consists of interest income on loans and finance receivables and income from dividends. Finance costs consist of interest on loans and borrowings from third-parties and related parties, including bank overdrafts, finance leases and secured and unsecured bank loans.

Net Foreign Exchange Gains/(Losses)

Foreign exchange gains/(losses) consist of foreign exchange gains or losses on the settlement of receivables or payables in currencies other than the U.S. dollar.

Results of Operations

The following table sets forth our results of operations for the periods indicated.

	Year Ended December 31,				**Six Months Ended June 30,**	
	2017	**2018**	**2018 Restated[(1)]**	**2019**	**2019**	**2020**
	($ millions)					
	(Audited)				**(Unaudited)**	
Continuing operations						
Revenue from contracts with customers	15,181.3	17,920.9	15,339.4	14,597.8	7,009.9	5,044.4
Cost of sales	(13,509.5)	(16,461.3)	(14,059.5)	(13,333.0)	(6,367.9)	(4,448.5)
Gross profit	**1,671.8**	**1,459.6**	**1,279.9**	**1,264.8**	**642.0**	**595.9**
Selling and operating costs	(1,155.4)	(1,124.2)	(931.6)	(1,482.0)	(417.5)	(372.6)
General and administrative expenses	(199.5)	(211.2)	(196.3)	(166.6)	(86.2)	(82.9)
Other operating income	19.7	9.0	9.1	81.1	6.1	0.4
Other operating expenses	(20.3)	(17.3)	(6.1)	(31.7)	(14.8)	(63.7)
Share of net profits and losses of associates	5.6	6.2	5.9	6.8	0.3	2.0
Operating profit/(loss)	**322.0**	**122.1**	**160.9**	**(327.5)**	**129.9**	**79.2**
Finance income	57.3	137.0	136.9	30.3	33.4	10.7
Finance costs	(227.1)	(248.5)	(232.4)	(323.2)	(142.0)	(122.7)
Net foreign exchange gains/(losses)	(1.9)	9.7	9.9	9.9	(41.6)	(34.5)
Profit/(loss) before tax	**150.3**	**20.3**	**75.3**	**(610.4)**	**(20.3)**	**(67.3)**
Income tax expense	(41.9)	(51.3)	(60.6)	(77.4)	(35.6)	(21.7)
Loss after tax from continuing operations	**—**	**—**	**14.7**	**(687.8)**	**(55.8)**	**(89.0)**
Loss after tax from discontinued operations	—	—	(45.7)	(103.9)	(23.3)	(15.0)

Profit/(loss) after tax	**108.4**	**(31.0)**	**(31.0)**	**(791.8)**	**(79.1)**	**(104.1)**
Attributable to:						
Owners of the Company	96.7	(25.2)	(25.2)	(780.5)	(67.1)	(81.0)
Non-controlling interests	11.7	(5.8)	(5.8)	(11.3)	(12.0)	(23.0)

(1) 2018 amounts have been restated to reflect the treatment of the Australian Fuels Business as discontinued operations. See *"—Factors Affecting Results of Operations—Selective Asset Disposals—Australia Sale*."

The following table reconciles profit/(loss) after tax to EBITDA, Consolidated EBITDA, Adjusted EBITDA and Reported EBITDA for the periods presented.

	Year ended December 31,				Six Months ended June 30,	
	2017	2018	2018 Restated(1)	2019	2019	2020
	($ millions)					
Profit/(loss) after tax for the period	**108.4**	**(31.0)**	**(31.0)**	**(791.8)**	**(79.1)**	**(104.1)**
Loss after tax from discontinued operations	N/A	N/A	45.7	103.9	23.3	15.0
Profit/(loss) after tax from continuing operations	**108.4**	**(31.0)**	**14.7**	**(687.9)**	**(55.8)**	**(89.1)**
Income tax expense	41.9	51.3	60.6	77.4	35.6	21.7
Net finance costs	169.8	111.5	95.5	292.9	108.6	112.0
Net foreign exchange gains/(losses)	1.9	(9.7)	(9.9)	(9.9)	41.6	34.5
Operating profit/(loss)	**322.0**	**122.1**	**160.9**	**(327.5)**	**129.9**	**79.2**
Adding back net finance costs other than interest	26.1	107.0	107.0	(36.3)	12.9	3.0
Adding back net foreign exchange gains/(losses)	(1.9)	9.7	9.9	9.9	(41.6)	(34.5)
Depreciation	356.8	317.5	277.9	255.6	130.5	112.8
Amortization	37.4	36.2	25.9	29.3	14.6	12.4
Amortization of lease right-of-use	N/A	N/A	N/A	104.7	50.3	53.3
EBITDA	**740.3**	**592.6**	**581.6**	**35.7**	**296.6**	**226.1**
Removing net finance costs other than interest	(26.1)	(107.0)	(107.0)	36.3	(12.9)	(3.0)
Removing net foreign exchange gains/(losses)	1.9	(9.7)	(9.9)	(9.9)	41.6	34.5
Other (income)/expenses	(16.6)	(7.2)	(14.7)	(64.3)	(2.2)	57.4
Impairment charge	39.8	85.7	85.0	659.2	(0.2)	2.8
Consolidated EBITDA	**739.5**	**554.4**	**534.9**	**657.0**	**322.9**	**317.9**
Adjustment for impact of IFRS 16	N/A	N/A	N/A	(132.0)	(63.2)	(65.9)
Adjusted EBITDA	**739.5**	**554.4**	**534.9**	**525.0**	**259.7**	**252.0**
Australian Fuels Business Adjusted EBITDA	N/A	N/A	19.5	4.6	6.5	9.1
Reported EBITDA	**739.5**	**554.4**	**554.4**	**529.6**	**266.2**	**261.1**

(1) 2018 amounts have been restated to reflect the treatment of the Australian Fuels Business as discontinued operations. See *"—Factors Affecting Results of Operations—Selective Asset Disposals—Australia Sale*."

The following table sets forth the reconciliation of operating profit to Consolidated EBITDA by region. The lines below operating profit are not split by region, as the Group's financing is mostly at PIF level and is not allocated by region.

in $ millions	Americas	Asia Pacific(3)	Africa	Europe	Group(3)
LTM 2020 Operating profit/(loss)	**221.7**	**(471.2)**	**(90.9)**	**(37.7)**	**(378.2)**
Depreciation	67.7	53.7	92.9	23.7	237.9
Amortization	59.2	27.5	38.1	9.8	134.8
Impairment charge / (reversal)	37.2	415.5	167.1	42.4	662.3
Other (income)/expenses not included in Consolidated EBITDA	(81.0)	78.0	1.8	(3.7)	(4.8)
Consolidated EBITDA	**305.0**	**103.6**	**208.9**	**34.5**	**652.0**
6 months ended June 30, 2020 Operating profit/(loss)	**105.4**	**(60.5)**	**32.3**	**2.1**	**79.2**
Depreciation	32.9	26.5	41.7	11.7	112.8
Amortization	28.9	13.8	17.6	5.3	65.7
Impairment charge / (reversal)	0.0	—	0.8	2.1	2.9
Other (income)/expenses not included in Consolidated EBITDA	(3.8)	61.2	2.2	(2.3)	57.3
Consolidated EBITDA	**163.5**	**41.0**	**94.6**	**18.9**	**317.9**
6 months ended June 30, 2019 Operating profit	**77.6**	**33.5**	**16.6**	**2.2**	**129.9**
Depreciation	36.3	26.6	55.5	12.1	130.5
Amortization	28.9	11.9	19.9	4.2	64.9
Impairment charge / (reversal)	0.0	(0.2)	—	—	(0.2)
Other (income)/expenses not included in Consolidated EBITDA	4.6	(3.0)	(2.1)	(1.7)	(2.2)
Consolidated EBITDA	**147.3**	**68.7**	**90.1**	**16.8**	**322.9**
FY 2019 Operating profit/(loss)	**193.9**	**(377.2)**	**(106.6)**	**(37.6)**	**(327.5)**
Depreciation	71.1	53.8	106.7	24.1	255.6
Amortization	59.2	25.6	40.4	8.7	134.0
Impairment charge / (reversal)	37.2	415.3	166.3	40.3	659.2
Other (income)/expenses not included in Consolidated EBITDA(1)	(72.6)	13.8	(2.5)	(3.1)	(64.3)
Consolidated EBITDA	**288.8**	**131.3**	**204.4**	**32.4**	**657.0**
FY 2018 Operating profit/(loss)	**181.3**	**(86.0)**	**43.1**	**(16.3)**	**122.1**
Depreciation	72.9	96.2	123.2	25.3	316.6
Amortization	8.9	19.7	7.4	0.2	36.2
Impairment charge / (reversal)	2.7	69.8	13.2	(0.0)	85.7
Other (income)/expenses not included in Consolidated EBITDA(2)	(8.9)	(1.5)	0.9	2.3	(7.2)
Consolidated EBITDA	**256.9**	**98.2**	**187.8**	**11.4**	**554.4**

FY 2017 Operating profit	**187.4**	**30.7**	**101.3**	**2.6**	**322.0**
Depreciation	85.4	97.4	150.2	23.8	356.8
Amortization	8.4	19.4	9.4	0.3	37.5
Impairment charge / (reversal)	18.5	3.0	28.1	(9.7)	39.8
Other (income)/expenses not included in Consolidated EBITDA	(11.7)	(3.6)	(0.5)	(0.7)	(16.6)
Consolidated EBITDA	**287.9**	**146.9**	**288.4**	**16.3**	**739.5**

(1) Other income not included in Consolidated EBITDA includes mainly $71.6 million of gain on the disposals of Paraguay and Indonesia.

(2) Other income not included in Consolidated EBITDA includes mainly $6.8 million of other non-operating profit in the Americas.

(3) Includes $30.5 million and $19.5 million of the Australian Fuels Business Consolidated EBITDA for FY 2017 and FY 2018, respectively. However, excludes $52.0 million, $29.8 million, $32.7 million and $54.9 million of the Australian Fuels Business Consolidated EBITDA for FY 2019, H1 2019, H1 2020 and LTM 2020, respectively.

Segment information

in $ millions	Downstream	Midstream	Group(3)
LTM 2020 Segment operating (loss)	**(321.4)**	**(56.8)**	**(378.2)**
Depreciation	192.1	45.7	237.9
Amortization	127.7	7.1	134.8
Impairment charge / (reversal)	561.5	100.8	662.3
Other (income)/expenses not included in Consolidated EBITDA	8.4	(13.1)	(4.8)
Consolidated EBITDA	**568.2**	**83.8**	**652.0**
6 months ended June 30, 2020 Segment operating profit	**75.1**	**4.1**	**79.2**
Depreciation	91.2	21.6	112.8
Amortization	62.3	3.4	65.7
Impairment charge / (reversal)	0.2	2.7	2.9
Other (income)/expenses not included in Consolidated EBITDA	61.9	(4.5)	57.3
Consolidated EBITDA	**290.7**	**27.3**	**317.9**
6 months ended June 30, 2019 Segment operating profit	**94.9**	**35.0**	**129.9**
Depreciation	106.7	23.9	130.5
Amortization	61.2	3.7	64.9
Other (income)/expenses not included in Consolidated EBITDA	(0.2)	—	(0.2)
Consolidated EBITDA	**4.1**	**(6.3)**	**(2.2)**
EBITDA	**266.7**	**56.2**	**322.9**
FY 2019 Segment operating (loss)	**(301.6)**	**(25.9)**	**(327.5)**
Depreciation	207.6	48.0	255.6
Amortization	126.6	7.4	134.0
Impairment charge / (reversal)	561.1	98.1	659.2
Other (income)/expenses not included in Consolidated EBITDA(1)	(49.4)	(14.9)	(64.3)
Consolidated EBITDA	**544.2**	**112.7**	**657.0**
FY 2018 Segment operating profit	**81.6**	**40.5**	**122.1**
Depreciation	269.2	48.3	317.5
Amortization	34.7	1.5	36.2
Impairment charge / (reversal)	85.6	0.1	85.7
Other (income)/expenses not included in Consolidated EBITDA(2)	(9.1)	1.9	(7.2)
Consolidated EBITDA	**462.1**	**92.3**	**554.4**
FY 2017 Segment operating profit	**248.7**	**73.3**	**322.0**
Depreciation	304.6	52.2	356.8
Amortization	36.3	1.1	37.4
Impairment charge / (reversal)	31.8	8.0	39.8
Other (income)/expenses not included in Consolidated EBITDA	(14.6)	(2.0)	(16.6)
Consolidated EBITDA	**606.9**	**132.6**	**739.5**

(1) Other income not included in Consolidated EBITDA includes mainly $71.6 million of gain on the disposals of Paraguay and Indonesia.

(2) Other income not included in Consolidated EBITDA includes mainly $6.8 million of other non-operating profit in the Americas.

(3) Includes $30.5 million and, $19.5 million of the Australian Fuels Business Consolidated EBITDA for FY 2017 and FY 2018, respectively. However, excludes $52.0 million, $29.8 million, $32.7 million and $54.9 million of the Australian Fuels Business Consolidated EBITDA for FY 2019, H1 2019, H1 2020 and LTM 2020, respectively.

The following table sets forth our sales volumes and throughput volumes for the periods indicated.

	As of and for year ended December 31,				As of and for six months ended June 30		As of and for twelve months ended June 30, 2020
	2017	2018	2018 restated[(1)]	2019	2019	2020	
			(cubic meters thousands)				
Sales volume	**22,794**	**24,824**	**22,171**	**22,441**	**10,902**	**10,101**	**21,640**
Americas	8,839	9,158	9,155	9,221	4,414	4,385	9,192
Africa	6,565	6,973	6,967	7,371	3,490	2,920	6,801
Asia Pacific	5,117	6,050	3,400	3,343	1,743	1,564	3,164
Europe	2,273	2,643	2,649	2,506	1,255	1,232	2,483
Throughput volume	**16,634**	**15,089**	**13,435**	**14,195**	**6,780**	**6,374**	**13,789**
Americas	523	612	612	662	340	210	532
Africa	3,909	3,294	3,294	3,453	1,783	1,906	3,576
Asia Pacific	5,499	5,249	3,595	4,245	1,636	1,958	4,567
Europe	6,703	5,934	5,934	5,835	3,021	2,300	5,114

(1) 2018 amounts have been restated to reflect the treatment of the Australian Fuels Business as discontinued operations. See "*—Factors Affecting Results of Operations—Selective Asset Disposals—Australia Sale*."

Six Months Ended June 30, 2020 Compared to Six Months Ended June 30, 2019

The following table sets forth our results of operation for the periods indicated.

	Six Months ended June 30,		
	2019	2020	Change
	($ millions)		(%)
Continuing operations			
Revenue from contracts with customers	7,009.9	5,044.4	(28.0)
Cost of sales	(6,367.9)	(4,448.5)	(30.1)
Gross profit	**642.0**	**595.9**	**(7.2)**
Selling and operating costs	(417.5)	(372.6)	(10.8)
General and administrative expenses	(86.2)	(82.9)	(3.8)
Other operating income	6.1	0.4	(93.4)
Other operating expenses	(14.8)	(63.7)	330.4
Share of net profits of associates	0.3	2.0	566.7
Operating profit	**129.9**	**79.2**	**(39.0)**
Finance income	33.4	10.7	(68.0)
Finance cost	(142.0)	(122.7)	(13.6)
Net foreign exchange (losses)	(41.6)	(34.5)	(17.1)
(Loss) before tax	**(20.3)**	**(67.3)**	**231.5**
Income tax expense	(35.6)	(21.7)	(39.0)
(Loss) after tax from continuing operations	**(55.8)**	**(89.0)**	**59.5**
(Loss) after tax from discontinued operations	(23.3)	(15.0)	(35.6)
(Loss) for the period	**(79.1)**	**(104.1)**	**31.5**
Attributable to:			
Owners of the Company	(67.1)	(81.0)	20.7
Non-controlling interests	(12.0)	(23.0)	91.7

Volumes

The following table sets forth the sales volumes and throughput volumes broken down by region for the periods indicated.

	Six Months ended June 30,		
	2019	2020	Change
	(cubic meters thousands)		(%)
Sales Volume by Region	**10,902**	**10,100**	**(7.3)**
Americas	4,414	4,385	(0.7)
Africa	3,490	2,920	(16.3)
Asia Pacific	1,743	1,564	(10.3)
Europe	1,255	1,232	(1.8)
Throughput Volume by Region	**6,780**	**6,374**	**(6.0)**
Americas	340	210	(38.2)
Africa	1,783	1,906	6.9
Asia Pacific	1,636	1,958	19.7
Europe	3,021	2,300	(23.9)

Sales volumes of refined oil products decreased by 0.8 million cubic meters, or 7.3%, to 10.1 million cubic meters in H1 2020 from 10.9 million cubic meters in the same period in 2019. Our sales volumes were generally impacted by decreased fuel demand during COVID-19 lockdowns. Sales volumes decreased most significantly in Africa (mainly in South Africa, Angola and Zimbabwe, principally due to decreased demand during the COVID-19 lockdown in South Africa, and the general deterioration of the economic situation in Angola and Zimbabwe) and in Asia Pacific (mainly due to the sale of the business in Indonesia, the deactivation of our operations in Vietnam, and a significant decline in aviation related sales in Myanmar balanced by flat sales volumes in Papua New Guinea and Pakistan). Sales volumes have remained stable in the Americas as the effects of the sale of the business in Paraguay and the decrease in demand in Central America (particularly El Salvador and Guatemala) have been offset by an increase in spot sales in Puerto Rico (predominantly as a result of higher supply volumes, mainly from the Puerto Rico Electric Power Authority).

Throughput volumes decreased by 0.4 million cubic meters, or 6.0%, to 6.4 million cubic meters in H1 2020 from 6.8 million cubic meters in the same period in 2019. The decrease was primarily attributable to Americas mostly due to the sale of the business in Paraguay and the lower throughput volumes linked to contango, while in Europe we experienced lower activity at our terminals in Estonia, the United Kingdom and Russia due to the COVID-19 lockdowns. In Asia Pacific we experienced higher throughput volumes at our terminals in the UAE and Malaysia (which are rented out to third parties), mainly due to increased volatility in oil prices.

	Six Months ended June 30,		
	2019	2020	Change
	($ millions)		(%)
Revenue from contracts with customers	**7,009.9**	**5,044.4**	**(28.0)**
Downstream	6,838.5	4,917.5	(28.1)
Midstream	171.4	127.0	(25.9)
Cost of sales	**(6,367.9)**	**(4,448.5)**	**(30.1)**
Downstream	(6,294.2)	(4,376.5)	(30.5)
Midstream	(73.7)	(72.0)	(2.3)
Gross profit	**642.0**	**595.9**	**(7.2)**
Downstream	544.2	541.0	(0.6)
Midstream	97.7	55.0	(43.7)
Selling and operating costs	**(417.5)**	**(372.6)**	**(10.8)**
Downstream	(353.6)	(316.8)	(10.4)
Midstream	(63.8)	(55.8)	(12.5)
General and administrative expenses	**(86.2)**	**(82.9)**	**(3.8)**
Downstream	(79.4)	(77.6)	(2.3)
Midstream	(6.8)	(5.3)	(22.1)
Other operating income/(expense), net	**(8.7)**	**(63.3)**	**627.6**
Downstream	(15.4)	(73.0)	374.0
Midstream	6.7	9.7	44.8
Share of net profit in associates	**0.3**	**2.0**	**566.7**
Downstream	(0.9)	1.5	(266.7)
Midstream	1.2	0.5	(58.3)
Operating profit	**129.9**	**79.2**	**(39.0)**
Downstream	94.9	75.1	(20.9)
Midstream	35.0	4.1	(88.3)
Loss before tax	**(20.3)**	**(67.3)**	**231.5**

Revenue from contracts with customers

Revenue from contracts with customers decreased by $1,965.5 million, or 28.0%, to $5,044.4 million in H1 2020 from $7,009.9 million in the same period in 2019.

<u>Downstream</u>

Revenue from contracts with customers of our downstream segment decreased by $1,921.0 million, or 28.1%, to $4,917.5 million in H1 2020 from $6,838.5 million in H1 2019. The decrease was primarily attributable to the decrease in sales volumes in Africa and Asia Pacific, and the general decrease in oil prices, each of these factors principally reflecting COVID-19 effects, with lower oil prices not being offset by increased demand as in prior periods largely due to lockdown measures.

<u>Midstream</u>

Revenue from contracts with customers of our midstream segment decreased by $44.4 million, or 25.9%, to $127.0 million in H1 2020 from $171.4 million in H1 2019. The decrease principally reflected lower revenue related to our refining operations in Nicaragua and Papua New Guinea, mainly due to the general slowdown of demand due to general economic conditions and the COVID-19 pandemic.

Cost of Sales

Cost of sales decreased by $1,919.4 million, or 30.1%, to $4,448.5 million in H1 2020 from $6,367.9 million in H1 2019.

<u>Downstream</u>

Cost of sales of our downstream segment decreased by $1,917.7 million, or 30.5%, to $4,376.5 million in H1 2020 from $6,294.2 million in H1 2019. The decrease was primarily attributable to the general decrease in oil prices in addition to the decrease in sales volumes in Africa and Asia Pacific as a result of COVID-19 lockdowns. To a lesser extent, the interim price adjustment agreed with our core shareholder suppliers, Trafigura and Sonangol, under their supply arrangements also helped reduce our cost of sales in the second quarter of 2020.

Midstream

Cost of sales of our midstream segment decreased by $1.7 million, or 2.3%, to $72.0 million in H1 2020 from $73.7 million in H1 2019. While our cost of sales decreased across most regions, this was partly offset by a cost of sales increase in the Americas (including at the Nicaragua refinery) driven by a positive hedge impact in H1 2019, which was not repeated in H1 2020.

Gross Profit

Gross profit decreased by $46.1 million, or 7.2%, to $595.9 million in H1 2020 from $642.0 million in H1 2019.

Downstream

Gross profit of our downstream segment remained relatively stable at $541.0 million in H1 2020 from $544.2 million in H1 2019, despite the significant decrease in revenue during the period, mainly reflecting the decrease in cost of sales for the reasons described above.

Non-fuel operations gross profit from our downstream operations decreased by $9.9 million, or 13.2%, to $65.3 million in H1 2020 from $75.2 million in H1 2019 mainly driven by decreases in gross profit generated by our operations in Americas (Puerto Rico, Panama and Honduras) due to lower capacity rented to Trafigura, fewer take-or-pay contracts from third parties in Puerto Rico and lower volumes of fuel transport and lower fees at rental fee service stations in Honduras.

Midstream

Gross profit of our midstream segment decreased by $42.7 million, or 43.7%, to $55.0 million in H1 2020 from $97.7 million in H1 2019. The decrease was primarily attributable to a significant global decrease in refining margins, which affected our operations in Nicaragua and Papua New Guinea. This is in addition to the one-off impact to the cost of sales as described above.

Selling and Operating Costs

Selling and operating costs decreased by $44.9 million, or 10.8%, to $372.6 million in H1 2020 from $417.5 million in H1 2019.

Downstream

Selling and operating costs of our downstream segment decreased by $36.8 million, or 10.4%, to $316.8 million in H1 2020 from $353.6 million in H1 2019. The decrease was primarily attributable to cost reductions in Africa (mainly in Angola but also in South Africa and Nigeria mainly due to the depreciation of local currencies and the relocation of certain support functions from South Africa to Mumbai) and America (as a result of the sale of our business in Paraguay as well as the reduction in advertising and training programs in Puerto Rico).

Midstream

Selling and operating costs of our midstream segment decreased by $8.0 million, or 12.5%, to $55.8 million in H1 2020 from $63.8 million in H1 2019. The decrease was primarily attributable to decreased sales at our refining operations in Nicaragua and Papua New Guinea.

General and Administrative Expenses

General and administrative expenses decreased by $3.3 million, or 3.8%, to $82.9 million in H1 2020 from $86.2 million in H1 2019.

Downstream

General and administrative expenses of our downstream segment decreased by $1.8 million, or 2.3%, to $77.6 million in H1 2020 from $79.4 million in H1 2019. The decrease was primarily attributable to the sale of the business in Paraguay and the depreciation of local currencies.

Midstream

General and administrative expenses of our midstream segment decreased by $1.5 million, or 22.1%, to $5.3 million in H1 2020 from $6.8 million in H1 2019.

Other Operating Income/(Expenses), net from continuing operations

We recognized other operating expenses of $63.3 million in H1 2020 compared to other operating expenses of $8.7 million in H1 2019.

Downstream

We recognized other operating expenses, net in our downstream segment of $73.0 million in H1 2020 compared to operating expenses, net of $15.4 million in H1 2019. The change primarily reflected the loss of $57.4 million on the disposal of the Australian Fuels Business.

Midstream

We had other operating income, net in our midstream segment of $9.7 million income in H1 2020 compared to other operating expense of $6.7 million in H1 2019. The change primarily reflected a decrease in other expenses mainly in Papua New Guinea, Ivory Coast and Estonia, as a result of decreases in provisions on trade receivables in Estonia in H1 2019, provisions for risks in Ivory Coast in H1 2019 and the release of provisions in Papua New Guinea in H1 2020.

Share of Net Profit in Associates

Our share of net profit in associates increased by $1.7 million to $2.0 million in H1 2020 compared to $0.3 million in H1 2019.

Consolidated EBITDA

Consolidated EBITDA decreased by $5.0 million, or 1.5%, to $317.9 million in H1 2020 from $322.9 million in H1 2019. The decrease in Consolidated EBITDA compared to H1 2019 was driven primarily by a decrease in sales volumes while unit margins remained relatively stable, together with the support from our core supplier shareholders. The gross profit decrease was offset in part by significant cost savings in selling and operating expenses but also in general and administrative expenses, as described in more detail above.

Finance Income and Finance Costs

Finance income decreased by $22.7 million, or 67.9%, to $10.7 million in H1 2020 from $33.4 million in H1 2019. The decrease was primarily attributable to a hyperinflation adjustment for H1 2020. For H1 2019 we applied hyperinflation accounting to Angola through March 30, 2019 and Zimbabwe since January 1, 2019, and the hyperinflation adjustment amounted to $15.2 million while in H1 2020 hyperinflation accounting was applicable to Zimbabwe and amounted to $1.8 million.

Finance costs decreased by $19.2 million, or 13.6%, to $122.7 million in H1 2020 from $142.0 million in H1 2019. The decrease was primarily attributable to lower borrowings reflecting debt repayments, as well as lower interest rates.

Net Foreign Exchange (Losses)

We had net foreign exchange losses of $34.5 million in H1 2020 compared to net foreign exchange losses of $41.6 million in H1 2019.

Income Tax Expense

Income tax expense decreased by $13.8 million, or 38.9%, to $21.7 million in H1 2020 from $35.6 million in H1 2019. The decrease was primarily attributable to our refineries in Nicaragua and Papua New Guinea on lower refining margins. The blended effective tax rate had no material effect on H1 2020 and H1 2019 given that we generated a loss before tax.

Loss before tax for the Period

For the reasons described above, loss before tax for the period increased by $47.0 million, or 231.5%, to $67.3 million in H1 2020 from $20.3 million in H1 2019.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

The following table sets forth our results of operation for the periods indicated.

	Year ended December 31,		
	2018 restated(1)	2019	Change
	($ millions)		(%)
Continuing operations			
Revenue from contracts with customers	15,339.4	14,597.8	(4.8)
Cost of sales	(14,059.5)	(13,333.0)	(5.2)
Gross profit	**1,279.9**	**1,264.8**	**(1.2)**
Selling and operating costs	(931.6)	(1,482.0)	59.1
General and administrative expenses	(196.3)	(166.6)	(15.1)
Other operating income	9.1	81.1	791.2
Other operating expenses	(6.1)	(31.7)	419.7
Share of net profit in associates	5.9	6.8	15.3
Operating profit/(loss)	**160.9**	**(327.5)**	**(303.5)**
Finance income	136.9	30.3	(77.9)
Finance costs	(232.4)	(323.2)	39.1
Net foreign exchange gains	9.9	9.9	—
Profit/(loss) before tax	**75.3**	**(610.4)**	**(910.6)**
Income tax expense	(60.6)	(77.4)	27.7
Profit/(loss) after tax from continuing operations	**14.7**	**(687.8)**	**(4,778.9)**
Loss after tax from discontinued operations	(45.7)	(103.9)	127.4
Loss for the year	**(31.0)**	**(791.8)**	**2,454.2**
Attributable to:			
Owners of the Company	(25.2)	(780.5)	2,997.2
Non-controlling interests	(5.8)	(11.3)	94.8

(1) 2018 amounts have been restated to reflect the treatment of the Australian Fuels Business as discontinued operations. See *"—Factors Affecting Results of Operations—Selective Asset Disposals—Australia Sale*."

Volumes

The following table sets forth the sales volumes and throughput volumes for the periods indicated.

	Year ended December 31,		
	2018	2019	Change
	(cubic meters thousands)		(%)
Sales Volume by Region	**22,171**	**22,441**	**1.2**
Americas	9,155	9,221	0.7
Africa	6,967	7,371	5.8
Asia Pacific	3,400	3,343	(1.7)
Europe	2,649	2,506	(5.4)
Throughput Volume by Region	**13,435**	**14,195**	**5.7**
Americas	612	662	8.2
Africa	3,294	3,453	4.8
Asia Pacific	3,595	4,245	18.1
Europe	5,934	5,835	(1.7)

Sales volumes of refined oil products increased by 0.3 million cubic meters, or 1.2% to 22.4 million cubic meters in FY 2019 from 22.2 million cubic meters in FY 2018. The slight increase in sales volumes was primarily attributable to Africa and Americas (Guatemala and Nicaragua), principally reflecting an increase of market share in Africa and the Americas, while Europe saw slight decrease mainly due to a decrease in wholesale volumes in the United Kingdom, itself due to the loss of a contract in the United Kingdom.

Throughput volumes of refined oil products increased by 0.8 million cubic meters, or 5.7%, to 14.2 million cubic meters in FY 2019 from 13.4 million cubic meters in FY 2018. The increase primarily reflected increases in volumes in Asia-Pacific and Africa due to increased activity at our terminals in Malaysia, in the UAE, Ivory Coast and Mozambique, mainly due to the recovery of GDP in those countries, which more than offset the decrease in volumes in Europe principally due to reduced activity at our terminal in Russia, itself due to the negative impacts of the increasing tightening of the sanctions regime imposed by Europe and the United States.

	Year ended December 31,		
	2018 restated[(1)]	**2019**	**Change**
	($ millions)		**(%)**
Revenue from contracts with customers	**15,339.4**	**14,597.8**	**(4.8)**
Downstream	14,796.8	14,295.3	(3.4)
Midstream	542.6	302.5	(44.2)
Cost of sales	**(14,059.5)**	**(13,333.0)**	**(5.2)**
Downstream	(13,681.8)	(13,216.5)	(3.4)
Midstream	(377.7)	(116.5)	(69.2)
Gross profit	**1,279.9**	**1,264.8**	**(1.2)**
Downstream	1,115.1	1,078.8	(3.3)
Midstream	164.8	186.0	12.9
Selling and operating costs	**(931.6)**	**(1,482.0)**	**59.1**
Downstream	(808.8)	(1,259.7)	55.7
Midstream	(122.7)	(222.3)	81.2
General and administrative expenses	**(196.3)**	**(166.6)**	**(15.1)**
Downstream	(184.5)	(154.3)	(16.4)
Midstream	(11.8)	(12.3)	4.2
Other operating income, net	**2.9**	**49.5**	**1,606.9**
Downstream	(0.6)	28.4	(4,833.3)
Midstream	3.5	21.0	500.0
Share of net profit in associates	**5.9**	**6.8**	**15.3**
Downstream	3.2	5.1	59.4
Midstream	2.8	1.8	(35.7)
Operating profit/(loss)	**160.9**	**(327.5)**	**(303.5)**
Downstream	124.3	(301.6)	(342.6)
Midstream	36.6	(25.9)	(170.8)
Profit/(loss) before tax	**75.3**	**(610.4)**	**(910.6)**

(1) 2018 amounts have been restated to reflect the treatment of the Australian Fuels Business as discontinued operations. See *"—Factors Affecting Results of Operations—Selective Asset Disposals—Australia Sale*."

Revenue from contracts with customers

Revenue from contracts with customers decreased by $741.6 million, or 4.8%, to $14,597.8 million in FY 2019 from $15,339.4 million in FY 2018.

Downstream

Revenue from contracts with customers of our downstream segment decreased by $501.5 million, or 3.4%, to $14,295.3 million in FY 2019 from $14,796.8 million in FY 2018. The decrease was primarily attributable to lower activity in Puerto Rico in FY 2019 compared to exceptionally high activity in FY 2018 triggered by Hurricane Maria.

Midstream

Revenue from contracts with customers of our midstream segment decreased by $240.1 million, or 44.2%, to $302.5 million in FY 2019 from $542.6 million in FY 2018. The decrease was primarily attributable to lower revenue related to our refining operations in Nicaragua and Papua New Guinea as there was less demand for refined oil products due to general economic conditions and the COVID-19 pandemic.

Cost of Sales

Cost of sales decreased by $726.5 million, or 5.2%, to $13,333.0 million in FY 2019 from $14,059.5 million in FY 2018.

Downstream

Cost of sales of our downstream segment decreased by $465.3 million, or 3.4%, to $13,216.5 million in FY 2019, from $13,681.8 million in FY 2018. The decrease primarily reflected the general decrease in oil prices slightly offset by higher sales volumes, in particular in Africa. As a result of the adoption of IFRS16 we also recorded $99.8 million of amortization of lease right of use in FY 2019 that were not recorded in our FY 2018 selling and operating costs.

Midstream

Cost of sales of our midstream segment decreased by $261.2 million, or 69.2%, to $116.5 million in FY 2019, from $377.7 million in FY 2018. The decrease in cost of sales primarily reflected the decrease in oil prices partially offset by higher throughput volume in Asia-Pacific.

Gross Profit

Gross profit slightly decreased by $15.1 million, or 1.2%, to $1,264.8 million in FY 2019 from $1,279.9 million in FY 2018.

Downstream

Gross profit of our downstream segment decreased by $36.3 million, or 3.3%, to $1,078.8 million in FY 2019 from $1,115.1 million in FY 2018. The decrease primarily resulted from lower unit margins in one of our key markets, Angola, as well as foreign exchange effects from the devaluation of some of our currencies against the U.S. dollar. Further, our operations in Puerto Rico also faced a reduction in sales volumes as compared to the previous year given that our efforts in supplying fuel to the Puerto Rico in the aftermath of Hurricane Maria resulted in higher sales volumes in the first half of 2018, which were not replicated in 2019.

Midstream

Gross profit of our midstream segment increased by $21.2 million, or 12.9%, to $186.0 million in FY 2019 from $164.8 million in FY 2018. The increase primarily resulted from higher refining margins at our two refineries in Nicaragua and Papua New Guinea, which increased by $14.5 million and $11.7 million, respectively.

Selling and Operating Costs

Selling and operating costs increased by $550.4 million, or 59.1%, to $1,482.0 million in FY 2019, from $931.6 million in FY 2018.

Downstream

Selling and operating costs of our downstream segment increased by $450.9 million, or 55.7%, to $1,259.7 million in FY 2019 from $808.8 million in FY 2018. The increase primarily resulted from an impairment charge of $559.4 million, mainly related to goodwill on operations in Australia, which was partially offset by a decrease in depreciation and amortization.

Midstream

Selling and operating costs of our midstream segment increased by $99.6 million, or 81.2%, to $222.3 million in FY 2019 from $122.7 million in FY 2018. The increase primarily resulted from an impairment charge of $97.5 million related to operations in Ghana, Ivory Coast and Estonia.

General and Administrative Expenses

General and administrative expenses decreased by $29.7 million, or 15.1%, to $166.6 million in FY 2019 from $196.3 million in FY 2018.

Downstream

General and administrative expenses of our downstream segment decreased by $30.2 million, or 16.4%, to $154.3 million in FY 2019 from $184.5 million in FY 2018. The decrease was primarily the result of a reduction in operating expenses, driven primarily by favorable foreign exchange impact in Angola, Papua New Guinea, Myanmar and Tanzania and our cost reduction efforts which led to a 6% cost reduction in FY 2019, compared to FY 2018.

Midstream

General and administrative expenses of our midstream segment increased by $0.5 million, or 4.2%, to $12.3 million in FY 2019 from $11.8 million in FY 2018.

Other Operating Income, net from continuing operations

We recognized other operating income, net of $49.5 million in FY 2019 compared to other operating income of $2.9 million in FY 2018.

Downstream

We recognized other operating income of $28.4 million in our downstream segment in FY 2019 compared to other operating expense of $0.6 million in FY 2018. Other operating income in 2019 included a $70.1 million gain on the disposal of Paraguay and Indonesia, partially offset by an increase in provisions for doubtful accounts and movements in other provisions.

Midstream

We recognized other operating income of $21.0 million in our midstream segment in FY 2019 compared to $3.5 million of other operating income in FY 2018. The increase primarily reflected an increased operating income in Asia Pacific of $13.8 million in FY 2019 (compared to an operating expense of $4.0 million in FY 2018), which was mainly related to an increased operating income as a result of the reversal of provisions at our operations in Papua New Guinea.

Share of Net Profit in Associates

Our share in net profit in associates increased by $0.9 million, or 15.3%, to $6.8 million in FY 2019 from $5.9 million in FY 2018, which primarily reflected an increase in profits due to our discontinued operations in Australia.

Consolidated EBITDA

We adopted IFRS 16 from January 1, 2019 using the modified retrospective approach, which does not require restatement of prior periods, and therefore the results of operations for FY 2019 include the impact of IFRS 16 but the results of operations for FY 2018 do not include the impact of IFRS 16 for FY 2018. The following table sets forth the impacts of the IFRS 16 implementation on Consolidated EBITDA for 2019.

	Year ended December 31,	
	2018	**2019**
	restated	
Consolidated EBITDA	**534.9**	**657.0**
IFRS 16—Gross profit	—	(46.1)
IFRS 16—Selling and Operating Costs	—	(77.5)
IFRS 16—General and administrative expenses	—	(4.8)
IFRS 16—Own / chartered trucks and vessels	—	(2.7)
IFRS 16—FX and other operating income/(expenses)	—	(0.9)
Adjusted EBITDA	**534.9**	**525.0**

Adjusted EBITDA excluding the impact of IFRS 16 decreased by $9.9 million, or 1.8%, to $525.0 million in FY 2019 from $534.9 million in FY 2018 for the reasons discussed above. The decrease in Adjusted EBITDA primarily reflected the above-mentioned decrease in gross profit.

Finance Income and Finance Costs

Finance income decreased by $106.6 million, or 77.9% to $30.3 million in FY 2019 from $136.9 million in FY 2018. The decrease was primarily attributable to the fact we recorded no gain on hyperinflation or on bond exchange/modification or private placement which were conducted in 2018 but not replicated in 2019.

Finance costs increased by $90.8 million, or 39.1%, to $323.2 million in FY 2019 from $232.4 million in FY 2018. The increase primarily reflected higher interest expenses on lease liabilities and a loss on hyperinflation in Zimbabwe, partially offset by a gain on hyperinflation in Angola and other financial costs partially related to an increase in local indices.

Net Foreign Exchange Gains

Net foreign exchange gains were $9.9 million in FY 2019, unchanged from FY 2018. These foreign exchange gains resulted mainly from foreign exchange derivatives.

Income Tax Expense

Income tax expense increased by $16.8 million, or 27.8%, to a $77.4 million tax expense in FY 2019 compared to a $60.6 million tax expense in FY 2018. The increase was primarily attributable to the effect of unrecognized and unused tax losses not recognized as deferred tax assets following the reclassification of the Australian Fuels Business as discontinued operations. The blended effective tax rate had no material effect on FY 2019 given that we generated a loss before tax.

Profit/(Loss) before tax for the Year

For the reasons described above, profit after tax decreased by $685.7 million to a $610.4 million loss in FY 2019 from a $75.3 million profit in FY 2018.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

The following table sets forth our results of operation for the periods indicated.

	Year ended December 31,		
	2017	**2018**	**Change**
	($ millions)		**(%)**
Continuing operations			
Revenue from contracts with customers	15,181.3	17,920.9	18.0
Cost of sales	(13,509.5)	(16,461.3)	21.8
Gross profit	**1,671.8**	**1,459.6**	**(12.7)**
Selling and operating costs	(1,155.4)	(1,124.2)	(2.7)
General and administrative expenses	(199.5)	(211.2)	5.9
Other operating income	19.7	9.0	(54.3)
Other operating expenses	(20.3)	(17.3)	(14.8)
Share of net profit in associates	5.6	6.2	10.7
Operating profit	**322.0**	**122.1**	**(62.1)**
Finance income	57.3	137.0	139.1
Finance costs	(227.1)	(248.5)	9.4
Net foreign exchange gains/(losses)	(1.9)	9.7	(610.5)
Profit before tax	**150.3**	**20.3**	**(86.5)**
Income tax expense	(41.9)	(51.3)	22.4
Profit/(loss) after tax from continuing operations	**108.4**	**(31.0)**	**(128.6)**
Profit/(loss) after tax from discontinued operations	—	—	—
Profit/(loss) for the year	**108.4**	**(31.0)**	**(128.6)**
Attributable to:			
Owners of the Company	96.7	(25.2)	(126.1)
Non-controlling interests	11.7	(5.8)	(149.6)

Volumes

The following table sets forth the sales volumes and throughput volumes for the periods indicated.

	Year ended December 31,		
	2017	**2018**	**Change**
	(cubic meters thousands)		**(%)**
Sales Volume by Region	**22,794**	**24,824**	**8.9**
Americas	8,839	9,158	3.6
Africa	6,565	6,973	6.2

Asia Pacific	5,117	6,050	18.2
Europe	2,273	2,643	16.3
Throughput Volume by Region	**16,634**	**15,089**	**(9.3)**
Americas	523	612	17.0
Africa	3,909	3,294	(15.7)
Asia Pacific	5,499	5,249	(4.5)
Europe	6,703	5,934	(11.5)

Sales volumes of refined oil products increased by 2.0 million cubic meters, or 8.9%, to 24.8 million cubic meters in FY 2018 from 22.8 million cubic meters in FY 2017. The increase was observed across all regions and segments and in particular for our retail, wholesale and aviation activities.

Throughput volumes of refined oil products decreased by 1.5 million cubic meters, or 9.3%, to 15.1 million cubic meters in FY 2018 from 16.6 million cubic meters in FY 2017. This was mainly driven by lower throughput volumes in our terminals in Africa and Europe, itself due to the loss of a small number of contracts.

	Year ended December 31,		
	2017	**2018**	**Change**
	($ millions)		**(%)**
Revenue from contracts with customers	**15,181.3**	**17,920.9**	**18.0**
Downstream	14,638.1	17,378.3	18.7
Midstream	543.2	542.6	(0.1)
Cost of Sales	**(13,509.5)**	**(16,461.3)**	**21.8**
Downstream	(13,192.9)	(16,093.0)	22.0
Midstream	(316.6)	(368.4)	16.4
Gross profit	**1,671.8**	**1,459.6**	**(12.7)**
Downstream	1,445.3	1,285.4	(11.1)
Midstream	226.5	174.2	(23.1)
Selling and operating costs	**(1,155.4)**	**(1,124.2)**	**(2.7)**
Downstream	(1,008.6)	(1,000.8)	(0.8)
Midstream	(146.7)	(123.3)	(16.0)
General and administrative expenses	**(199.5)**	**(211.2)**	**5.9**
Downstream	(187.2)	(199.5)	6.6
Midstream	(12.3)	(11.7)	(4.9)
Other operating income/(expenses), net	**(0.6)**	**(8.3)**	**1,283.3**
Downstream	(3.8)	(6.8)	78.9
Midstream	3.1	(1.5)	(148.4)
Share of net profit in associates[(1)]	**5.6**	**6.2**	**10.7**
Downstream	3.0	3.4	13.3
Midstream	2.6	2.8	7.7
Operating profit	**322.0**	**122.1**	**(62.1)**
Downstream	248.7	81.6	(67.2)
Midstream	73.3	40.5	(44.7)
Profit before tax	**150.3**	**20.3**	**(86.5)**

Revenue from contracts with customers

Revenue from contracts with customers increased by $2,739.6 million, or 18.0%, to $17,920.9 million in FY 2018 from $15,181.3 million in FY 2017.

Downstream

Revenue from contracts with customers of our downstream segment increased by $2,740.2 million, or 18.7%, to $17,378.3 million in FY 2018 from $14,638.1 million in FY 2017. The increase in revenue from contracts with customers was primarily explained by higher sales volumes globally, which offset pricing pressures particularly in Australia.

Midstream

Revenue from contracts with customers of our midstream segment was stable between $542.6 million in FY 2018 and $543.2 million in FY 2017.

Cost of Sales

Cost of sales increased by $2,951.8 million, or 21.8%, to $16,461.3 million in FY 2018 from $13,509.5 million in FY 2017.

Downstream

Cost of sales of our downstream segment increased by $2,900.1 million, or 22.0%, to $16,093.0 million in FY 2018, from $13,192.9 million in FY 2017. Even though cost of sales is largely variable in nature, cost of sales in FY 2017 experienced a higher increase than revenue primarily due to currency exchange rate impacts in Angola.

Midstream

Cost of sales of our midstream segment increased by $51.8 million, or 16.4%, to $368.4 million in FY 2018, from $316.6 million in FY 2017. The increase primarily reflected higher oil prices slightly offset by lower throughput volume.

Gross Profit

Gross profit decreased by $212.2 million, or 12.7%, to $1,459.6 million in FY 2018 from $1,671.8 million in FY 2017.

Downstream

Gross profit of our downstream segment decreased by $159.9 million, or 11.1%, to $1,285.4 million in FY 2018 from $1,445.3 million in FY 2017 mainly due to lower unit margins in two of our then key markets, Angola and Australia. The Angolan Kwanza faced a devaluation against the U.S. dollar by 100% between December 2017 and December 2018, while the regulated price structure was not adjusted for the combined effect of foreign exchange devaluations and oil price movements. In Australia, strong competition put pressure on prices, impacting mainly the retail operations, but also business to business unit margins.

Midstream

Gross profit of our midstream segment decreased by $52.3 million, or 23.1%, to $174.2 million in FY 2018 from $226.5 million in FY 2017 mainly due to lower throughput volume in certain terminals in Europe and Africa as well as somewhat lower refining margins.

Selling and Operating Costs

Selling and operating costs decreased by $31.2 million, or 2.7%, to $1,124.2 million in FY 2018 from $1,155.4 million in FY 2017.

Downstream

Selling and operating costs of our downstream segment decreased by $7.8 million, or 0.8%, to $1,000.8 million in FY 2018 from $1,008.6 million in FY 2017. The decrease primarily resulted from a non-recurring impairment charge of $41.1 million, mainly related to goodwill on operations in Pakistan and Nigeria as well as the write down of various tangible and intangible assets.

Midstream

Selling and operating costs of our midstream segment decreased by $23.4 million, or 16.0%, to $123.3 million in FY 2018 from $146.7 million in FY 2017. The decrease was mainly attributable to Africa ($25.9 million, including $19.3 million in Nigeria due to an impairment taken on properties in our LPG business in FY 2017 and $4.0 million in Ghana due to loss of pipeline concession) and Asia Pacific ($6.0 million, which relate to central cost allocation in the Dubai and Papua New Guinea refineries) partially offset by increase in Europe ($9.2 million, driven by impairment reversals relating to storage tanks in Estonia).

General and Administrative Expenses

General and administrative expenses increased by $11.7 million, or 5.9%, to $211.2 million in FY 2018 from $199.5 million in FY 2017. The increase was primarily driven by Asia Pacific downstream expenses (up 24.6% on the period at $36.0 million in FY 2018), as well as Africa downstream expenses (up 8.4% on the period at $93.6 million in FY 2018).

Downstream

General and administrative expenses of our downstream segment increased by $12.3 million, or 6.6%, to $199.5 million in FY 2018 from $187.2 million in FY 2017. The slight decrease primarily reflected a decrease in employee benefit expenses and operating expenses, mainly in Asia Pacific and Africa.

Midstream

General and administrative expenses of our midstream segment decreased by $0.6 million, or 4.9%, to $11.7 million in FY 2018 from $12.3 million in FY 2017.

Other Operating Income/(Expenses), net

We recognized other operating expenses of $8.3 million in FY 2018 compared to other operating expenses of $0.6 million in FY 2017.

Downstream

Other operating expense of our downstream segment increased by $3.0 million to a $6.8 million expense in FY 2018 from a $3.8 million expense in FY 2017. The change primarily reflected certain movements relating to $16.3 million of insurance revenues in Puerto Rico to cover the costs incurred from hurricanes Irma and Maria, which impacted FY 2017 results that were not repeated in FY 2018.

Midstream

Other operating income of our midstream segment decreased by $4.6 million, or 148.4%, to $1.5 million expense in FY 2018 from $3.1 million income in FY 2017. The increase primarily reflected favorable movements in provisions.

Share of Net Profit in Associates

Our share in net profit in associates increased to $6.2 million in FY 2018 from $5.6 million in FY 2017 reflecting slightly higher profits generated by our investments in associates.

Consolidated EBITDA

Consolidated EBITDA decreased by $185.1 million, or 25.0%, to $554.4 million in FY 2018 from $739.5 million in FY 2017. The decrease in Consolidated EBITDA reflected a decrease in gross profit of $212.3, mainly driven by lower unit margins in Angola, which was partly offset by lower selling and operating costs.

Finance Income and Finance Costs

Finance income increased by $79.7 million, or 138.9%, to $137.0 million in FY 2018 from $57.3 million in FY 2017, mainly due to higher interest income on other loans and finance lease receivables and a gain of $84.0 million attributable to a hyperinflation adjustment in Angola.

Finance costs increased by $21.3 million, or 9.4%, to $248.5 million in FY 2018 from $227.1 million in FY 2017. The increase primarily reflected $6.9 million of fees paid to redeem the remaining $410 million Senior Notes due 2021 in February 2018.

Net Foreign Exchange Gains/(Losses)

Net foreign exchange gains increased by $11.6 million, to $9.7 million net gain in FY 2018 from $1.9 million net foreign exchange losses in FY 2017. The increase is primarily due to gains on foreign exchange derivatives.

Income Tax Expense

Income tax expense increased by $9.5 million, or 22.6%, to $51.3 million income tax expense in FY 2018, from $41.9 million income tax expense in FY 2017. The increase in 2018 primarily reflected recognition of deferred taxes.

Profit/(Loss) before tax for the Year

For the reasons described above, profit before tax for the year decreased by $130.0 million, to $20.3 million FY 2018 from a $150.3 million profit in FY 2017.

Liquidity and Capital Resources

Liquidity

We expect that our working capital, together with future cash flow from operations, available debt facilities, financing and other forms of support from our core shareholders and future financings in the capital markets will be sufficient to service our debt and provide us with the financial flexibility required to operate while maintaining prudent leverage.

Our liquidity requirements arise primarily from the need to fund our net working capital requirements, operating expenses, maintenance and growth capital expenditures and dividends and to meet our ongoing debt service requirements. Our principal sources of liquidity are net cash from operating activities, short-and long-term committed and uncommitted loan facilities, overdraft facilities that are repayable on demand, existing cash and cash equivalents and debt capital markets transactions. We also have access to committed financing with the Trafigura Facilities from our largest shareholder, Trafigura. See "*Related Party Transactions—Loans from Related Parties.*" Most recently, our liquidity amidst the COVID-19 pandemic has also been bolstered by the interim price adjustment that we agreed with our core shareholder suppliers, Trafigura and Sonangol, under their supply arrangements with us, which included various extensions of payment terms, to help minimize the impact of trading conditions in the second of 2020 and which contemplates up to $100 million of support in the five month period from May to September 2020. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting Results of Operations—Impact of COVID-19.*" We also rely on borrowing base facilities and bilateral trade finance lines to finance specific receivables and inventories in various countries in which we operate. See "*Description of Certain Other Indebtedness*" for a description of our credit and trade facilities and term loans.

- Cash and cash equivalents. The Company had cash and cash equivalents of $764.9 million as of June 30, 2020, of which $593.0 million was held as unrestricted cash. Restricted cash of $84.3 million was mainly comprised of the bank guarantee for environmental and tax litigation related to Australia Sale amounting $82.2 million.

- Cash flow from operating activities. Our operating activities generated cash flow of $476.7 million, $927.3 million, $793.9 million for FY 2017, FY 2018 and FY 2019, respectively, and for H1 2020, we used net cash flow in operating activities of $266.6 million. See "*—Cash flow*".

- Borrowings. As of June 30, 2020, we had total loans and borrowings outstanding of $3,665.2 million, including Senior Credit Facilities of $1,260.7 million and Existing Notes Financings of $1,608.3 million. See "*Description of Certain Other Indebtedness.*"

- We have financed our Operating Group working capital requirements through committed or uncommitted loan facilities that include working capital facilities, overdrafts and term loans at local subsidiaries, which we use primarily to finance our local inventories. As of June 30, 2020, $416.2 million was outstanding under such Operating Group debt.

As part of the ongoing strategy of replacing Operating Group secured debt with unsecured debt at PIF level, we have reduced debt at the Operating Group level as a percentage of our gross total debt from 44.0% as at December 31, 2014, to 12.7% as at June 30, 2020 (with secured debt at the level of the Operating Group reducing still further, from 32.9% as at December 31, 2014 to 3.6% as at June 30, 2020), while unsecured debt incurred by PIF represented 87.3% of our gross total debt as at June 30, 2020. Unsecured debt incurred by the operating companies account for the remaining 9.1%. Our aim is for the Group only to have some working capital financing and receivables financing at the Operating Group level, largely in the form of short-term bilateral lines or overdrafts, as well as term loans on three to five year terms. This will allow us to further simplify our capital structure by helping to ensure that we have a single set of financial covenants across all our loan facilities at the Group level. At the same time, the debt maturity profile remains fairly stable with 51% of our debt maturing after 2021.

The chart below represents the percentage of the gross total debt incurred by PIF and the Operating Group for the periods indicated, and reflects the consistent implementation of our strategy discussed above.

Split of Group Debt

Our treasury function is centralized across our operations. Cash generated by our local operating subsidiaries is transferred indirectly to us through the payment of intra-company invoices in connection with the supply of refined oil products and capital expenditures, as well as through dividends to the Company. In most cases, we do not believe there are significant obstacles or barriers to transferring funds from our local operating subsidiaries to us that may affect our ability to meet or fulfil our financial or other obligations.

Cash Flows

The following table presents information regarding our cash flows for the periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
		(Audited)		(Unaudited)	
			($ millions)		
Loss before tax from continuing operations	—	75.3	(610.4)	(20.3)	(67.3)
Loss before tax from discontinued operations	—	(54.9)	(52.9)	(23.3)	(15.0)
Loss/(profit) before tax	**150.3**	**20.3**	**(663.3)**	**(43.5)**	**(82.3)**
Non-cash adjustments to reconcile profit before tax to net cash flows:					
Depreciation and impairment of property and equipment	382.1	359.9	405.8	148.9	130.1
Amortization and impairment of intangible assets	52.0	79.6	575.6	17.4	13.1
Amortization and impairment of lease right-of-use	—	—	146.1	69.9	74.8
Tangible and intangible assets written off	—	—	0.5	0.5	—
Gain on disposal of assets and investments	(3.4)	(1.2)	(79.3)	(5.5)	58.0
Net interest expense	195.9	218.5	211.1	99.2	93.5
Lease financial costs	—	—	68.6	32.5	32.7
Dividend income	(0.9)	(3.7)	(3.8)	(2.3)	(0.3)
Share of net profit of associate	(5.6)	(6.2)	(7.1)	(0.6)	(2.3)
Provisions	0.8	(1.6)	12.4	7.3	3.6
Changes in value of derivative financial instruments	3.7	(112.7)	115.5	62.1	(61.9)
Gain on bond exchange/modification of private placement	(29.7)	(13.8)	—	—	—
Effect from hyperinflation adjustment[(1)]	(17.5)	(84.0)	10.6	(15.2)	(1.8)
Working capital adjustments					
(Increase)/decrease in trade, other receivables and prepayments	(211.7)	(347.9)	112.2	(49.4)	22.4
(Increase)/decrease in inventories	(317.4)	101.1	(226.9)	(86.6)	128.9
Increase/(decrease) in trade, other payables and accrued expenses	314.3	744.7	149.7	171.9	(650.9)
Interest received	9.2	21.5	26.5	15.9	8.6
Dividends received from associates	4.1	2.8	2.0	0.3	—
Income tax paid	(49.4)	(50.1)	(62.3)	(30.2)	(32.8)
Net cash flows from operating activities	**476.7**	**927.3**	**793.9**	**392.4**	**(266.6)**
Investing activities					

Net proceeds from sale of assets and investments	13.8	25.3	136.5	24.1	275.7
Proceeds from sale of assets	15.6	6.8	39.2	—	—
Purchase of intangible assets	(21.9)	(16.8)	(8.2)	(2.7)	(3.5)
Purchase of property and equipment	(358.7)	(262.5)	(137.8)	(48.9)	(63.0)
Cash inflows from change in consolidation method	31.3	—	—	—	—
Acquisitions of subsidiaries, net of cash acquired	(38.0)	(4.2)	—	—	—
Investments/(divestments) in associates and financial investments	(1.6)	—	—	—	15.1
Dividends received	0.9	3.7	2.6	2.3	1.5
Net cash flows from/(used in) investing activities	**(358.7)**	**(247.7)**	**32.2**	**(25.2)**	**225.8**
Financing activities					
Loans (granted)/reimbursed	(25.6)	(0.5)	(22.0)	(2.1)	(5.3)
Proceeds from/(repayment of) borrowings	351.9	(938.8)	(303.0)	(205.4)	282.8
Proceeds from bond issuance	10.0	750.0	—	—	—
Interest paid	(229.0)	(238.1)	(227.3)	(112.0)	(104.6)
Lease payments	—	—	(172.7)	(85.4)	(90.6)
Divestment/(acquisition) of non-controlling interests	2.1	(8.3)	—	(1.6)	—
Dividends paid	(19.9)	(17.3)	(6.0)	(4.8)	(16.3)
Net cash flows from/(used in) financing activities	**89.4**	**(466.6)**	**(738.5)**	**(411.4)**	**66.1**
Net increase in cash and cash equivalents	207.5	213.0	87.7	(44.2)	25.3
Effects of exchange rate differences	(23.9)	(87.8)	(110.7)	5.9	118.1
Cash and cash equivalents at January 1	335.7	519.2	644.5	644.5	621.5
Cash and cash equivalents	**519.2**	**644.5**	**621.5**	**606.2**	**764.9**
Less: cash and cash equivalents under discontinued operations	—	—	2.5	5.7	—
Cash and cash equivalents at December 31 under continuing operations	**519.2**	**644.5**	**619.0**	**600.5**	**764.9**

(1) Hyperinflation accounting was applied since January 1, 2017. See *"—Critical Accounting Policies*."

Cash Flows from Operating Activities

Net cash used in operating activities was $266.6 million for H1 2020, compared to a net cash flow generated by operating activities of $392.4 million for H1 2019, mainly due to decreases in net working capital, a loss of $57.4 million on the disposal of the Australian Fuels Business and the loss in value from derivative investments of $61.9 million in H1 2020 compared to a $62.1 million gain in H1 2019, due to a combination of positions and value of underlying commodity. Net cash outflows from net changes in working capital were $499.6 million for H1 2020, primarily reflecting:

- an increase in trade, other receivables and prepayments of $22.4 million, reflecting a slowdown in collecting receivables from customers;
- a decrease in trade payables, other payables and accrued expenses of $650.9 million, in line with a significant decrease in cost of goods sold due to the lower price of feedstock and lower volumes sold, which more than offset the impact of the extension of our payment terms with our shareholder Trafigura; and
- higher inventories of $128.9 million, reflecting the impact of COVID-19 on the global demand.

Net cash flow from operating activities was $793.9 million for FY 2019, compared to $927.3 million for FY 2018. The decrease in operating cash flows primarily reflected an increase in amortization and impairment of intangible assets, partially offset by movements in working capital balances. Net cash inflows from changes in working capital were $35.0 million for FY 2019, primarily reflecting:

- a decrease in trade receivables, other receivables and prepayments of $112.2 million, reflecting better collection terms with related parties partially offset by increase in oil price;
- an increase in trade payables, other payables and accrued expenses of $149.7 million, in line with the extension of our payment terms to suppliers; and
- higher inventories of $226.9 million, reflecting higher inventories in the supply entities, especially in Europe and Americas.

Net cash flow from operating activities was $927.3 million in FY 2018, compared to $476.7 million for FY 2017, driven primarily by movements in working capital balances. Net cash inflows from changes in working capital were $497.9 million for FY 2018, primarily reflecting:

- an increase in trade receivables, other receivables and prepayments of $347.9 million, reflecting higher sales volumes;

- an increase in trade payables, other payables and accrued expenses of $744.7 million, reflecting the extension of our payment terms; and

- reduced inventories of $101.1 million, driven by lower volumes in the United Kingdom and in supply entities.

Net cash outflows from changes in working capital were $214.8 million for FY 2017, primarily reflecting:

- an increase in trade receivables, other receivables and prepayments of $211.7 million, in line with higher sales volumes and increasing oil price;

- an increase in trade payables, other payables and accrued expenses of $314.3 million, reflecting a higher oil price and the extension of payment terms; and

- higher inventories of $317.4 million, reflecting higher volumes, especially in the United Kingdom and the acquisition of Pakistan and new terminals in Ghana.

Cash Flows from (used in) Investing Activities

Cash from investing activities was $225.8 million in H1 2020, which was primarily attributable to the Australia Sale.

Cash from investing activities was $32.2 million in FY 2019, which was primarily attributable to proceeds of $136.5 million from the sale of activities in Indonesia and Paraguay, which offset the capital expenditures for FY 2019. Investing cash flows in FY 2019 also included $39.2 million from the sale of retail sites in South Africa, Ivory Coast, Papua New Guinea and Australia. Purchase of property and equipment for FY 2019 of $137.8 million related to the purchase primarily of machinery and equipment and storage tanks.

Cash used in investing activities was $247.7 million in FY 2018, which was primarily attributable to organic capital expenditure of $237.2 million, as well as purchase of intangible assets of $16.8 million.

Cash used in investing activities was $358.7 million in FY 2017, which primarily includes organic capital expenditure of $329.3 million.

Cash Flows from (used in) Financing Activities

We generated $66.1 million of cash from financing activities in H1 2020, which was primarily attributable to proceeds from borrowings, which were partially offset by interest paid and lease payments.

Cash outflows from financing activities amounted to $738.5 million in FY 2019, mainly reflecting $303.0 million of repayment of borrowings, $227.3 million of interest payments and $172.7 million of lease payments.

Cash outflows from financing activities amounted to $466.6 million in FY 2018, which mostly $938.8 million of repayment of borrowings and $238.1 million of interest payments, partially offset by $750.0 million of proceeds from the 2026 Notes issuance.

We generated $89.4 million of cash from financing activities in FY 2017, which was primarily attributable to $351.9 million of proceeds from borrowings.

Off-Balance Sheet Arrangements

We have also entered into arrangements with respect to assets under construction and other commitments. After the implementation of IFRS 16, lease contracts are no longer classified as off-balance sheet arrangements and are now accounted for on the balance sheet. In addition we hold contingent liabilities with respect to letters of credit, guarantees and legal or other claims. As of June 30, 2020, these arrangements represented contingent liabilities of $792.5 million.

	At June 30, 2020
Off balance sheet commitments:	
Storage and land rental	1.9
Assets under construction	11.0
Supply contracts	1.2
Other commitments[(1)]	66.2
Total	**80.4**
Within one year	79.8
After one year but not more than five years	0.5
More than five years	0.1
Total	**80.4**
Contingent liabilities:	
Letters of credit[(2)]	634.9
Guarantees[(3)]	109.6
Legal and other claims[(4)]	48.0
Total	**792.5**

(1) At June 30, 2020, other commitments mainly included a capital commitment of $18.6 million related to the Kwinana terminal construction in Australia, guarantees issued to third parties of $10.7 million and long-term sales contracts of $6.2 million.

(2) The Group utilizes standby letters of credit and documentary credits, where appropriate, when transacting with counterparties who have limited credit history or where certain of the Group underwriting banks require such facilities to be put in place.

(3) Guarantees issued by the Group are mostly related to performance bonds for performance on specific contracts. No liability is expected to arise from these guarantees.

(4) Legal and other claims includes existing legal cases for which the Group believes no further charge will arise in the future as the Group believes it has the legal grounds to eventually conclude the cases favorably. The amount reported represents the maximum potential liabilities.

Capital Expenditures

The following table sets forth our capital expenditures for the periods indicated.

Growth and Maintenance Capital Expenditures

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	($ millions)				
Growth capital expenditures	297.0	194.2	56.3	21.6	38.9
Maintenance capital expenditures	83.6	85.1	52.2	22.7	17.7
Total	**380.6**	**279.3**	**108.5**	**44.3**	**56.6**

Investments in our assets consist of growth and maintenance capital expenditures. Growth capital expenditures during the period under review included investments to grow our asset base. Capital expenditure during H1 2020, was largely attributable to investments in our retail sites. Our major investment projects of recent years are now complete, and we do not currently anticipate large new projects being started in the near-to medium-term. Growth capital expenditures amounted to $297.0 million, $194.2 million, $56.3 million and $38.9 million in FY 2017, FY 2018 and FY 2019 and H1 2020, respectively. The decrease during the period under review reflected our strategic focus on streamlining our asset base.

Maintenance capital expenditures represent capital expenditures to maintain assets in their current state of operation or to upgrade any assets to meet specific regulatory requirements. This excludes operating maintenance expenditures, which are expenditures that do not increase the life or value of the asset and which are expensed in our income statement. Maintenance capital expenditures include the installation of firefighting systems, piping systems or pump replacements in our retail sites. Maintenance capital expenditures also include capital expenditures that we believe are necessary in order to maintain our market share in the markets in which we operate. Maintenance capital expenditures were $83.6 million, $85.1 million, $52.2 million and $17.7 million in FY 2017, FY 2018 and FY 2019 and H1 2020, respectively.

As a result of our investments made over recent years, we now benefit from a well-invested asset base. We also believe that our focus on extracting value from our existing businesses and asset base should help translate into moderate levels of capital expenditure going forward, including growth capital expenditure (which represents capital expenditures other than maintenance capital expenditure, including our investments in new ventures as part of the energy transition and investments in other organic growth initiatives). In particular, since 2019, we have been prioritizing our investments to focus on what we perceive to be the most attractive growth opportunities, which, in general terms, we believe entails investments in markets where we already have a market presence and a well-invested asset base.

We currently aim to stay within the expected total annual capital expenditures of around $130 million in 2020 (which was reduced from an initially expected $200 million amidst the COVID-19 pandemic to strengthen the resilience of the business in the near term; see "*Summary— COVID-19 Update and Current Outlook"*) and around $200-210 million in 2021. In particular, we currently expect total growth capital expenditures in 2021 to decrease from an annual average of $138.0 million in the period from FY 2018 to 2019 to approximately $110-120 million. We also expect to incur maintenance capital expenditures of approximately $80-90 million in 2021.

Contractual Obligations

The table below shows our contractual obligations, based on our consolidated financial statements and the notes thereto, which appear elsewhere in this Document as of June 30, 2020.

	Less than 1 year	**1 - 5 years**	**More than 5 years(2)**	**Total**
		($ million)		
Trade and other payables	1,911.1	—	—	1,911.1
Financial derivatives	170.2	—	—	170.2
Other liabilities	—	7.3	—	7.3
Total	**3,590.6**	**1,022.1**	**1,141.2**	**5,753.9**

(1) In this table, the line "Interest bearing loans and borrowings" discloses the amount outstanding under total (current and non-current) interest-bearing loans and borrowings including the accounting impact of arrangement fees, premiums and discounts.

(2) Includes the 2020 Subordinated Shareholder Restructuring Loan of $390.0 million.

For lease liabilities, please see note 24 ("Lease liabilities") of our Interim Financial Information.

Risk Management

Financial Risk Management Objectives and Policies

Our executive committee oversees the management of financial risks and reviews and agrees policies for managing these risks, which are defined in our Risk Management Framework. The Risk Management Framework is a comprehensive management tool utilized by our executive committee to assess potential risks we face. With the support of our internal audit team, the Risk Management Framework provides a context through which we are able to continuously monitor external risks. The Risk Management Framework is reviewed on a quarterly basis by the executive committee.

We are primarily a midstream and downstream business with a strong risk management philosophy. We manage our exposure to key financial risks in accordance with our Risk Management Framework. The objective of the policy is to support the delivery of our financial targets while protecting future financial security. The main risks that could adversely affect our financial assets, liabilities or future cash flows are: market risks, comprising commodity price risk, cash flow interest rate risk and foreign currency risk; liquidity risk; and credit risk.

Furthermore, through our Risk Management Framework, we have established conservative consolidated risk limits and closely monitor our risk positions to ensure that our risk exposure remains well within these limits.

Market Risk Management

We operate in various national markets where petroleum prices are predominantly regulated. As a result, in many of our markets we have limited market risk in terms of price exposure. See "*—Factors Affecting Results of Operations—Government Regulation*." Furthermore, where we operate in free markets, we are typically able to price our products so as to reflect increases or decreases in market prices on a timely basis and thereby substantially mitigate our price exposure. Commodity price risk relating to the physical supply activities is systematically hedged, with the support of Trafigura Pte Ltd. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is our policy that no trading in derivatives for speculative purposes shall be undertaken as all derivative transactions are entered into for the purpose of managing our physical inventory exposure. At this stage, we do not currently apply any form of hedge accounting.

The following table provides an overview of the derivative contracts at the period-end. All commodity derivatives had maturities of less than one year at each period-end.

	Fair value of derivatives		
	2017	2018	2019
	($ millions)		
Commodity futures and swaps	(23.6)	70.9	(37.4)
Currency swaps	(13.2)	5.1	(2.3)
Total	(36.8)	76.0	(39.7)

Operational Risk Management

Our operations department has representatives in key locations around the world and is responsible for a number of tasks, including contract insurance and logistics management. Our operations department is also responsible for ensuring that industry, environmental safety and internal policies and procedures are complied with at all times. See "*Business—Health, Safety, Environmental and Community Matters—Health, Safety and Environmental.*" Detailed procedures manuals are implemented throughout our operations and all operations personnel receive regular and adequate training covering the relevant subjects according to their specific functions within our operating activities. This ensures that operations staff is kept up to date with all applicable procedural, legal, regulatory and industry changes.

When chartering vessels, we apply a strict vessel vetting procedure. The vetting procedures ensure that the vessel has a double hull and the vessel's owner is covered by pollution insurance, which complements our insurer's requirements, and focus on the vessel age, classification, protection and indemnity cover. Similar vetting procedures are also applied for both rail car and truck movements. We also have a storage procedure which involves full due diligence being undertaken of every proposed storage location—including a site visit to the storage location, the tank or warehouse.

Regular stocks analysis is undertaken to avoid losses such as theft and contamination, and each approved location is checked annually to evaluate the ongoing situation.

Purchases from Trafigura accounted for approximately 52%, 55%, 53% and 52% of our total purchases of refined oil products in FY 2017, FY 2018, FY 2019, and for H1 2020, respectively.

Currency Risk Management

We have exposure to foreign currency risk in our activities. See "*—Factors Affecting Results of Operations—Fluctuations in Foreign Currency Exchange Rates*." However a substantial part of this foreign exchange exposure is hedged against foreign exchange movements. We do not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries and non-consolidated companies.

Interest Rate Risk Management

Our interest rate risk is mainly applicable to our long-term funding.

We have entered into certain interest rate swap transactions in order to limit our exposure to floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of our profit before tax through the impact on floating rate interest bearing loans and borrowings and cash and cash equivalents. The impact on equity is the same as the impact on profit before tax.

	Effect on profit before tax for the year ended		
	2017	2018	2019
	($ millions)		
+1.0%	(15.9)	(9.2)	(6.6)
−1.0%	15.9	9.2	6.6

The carrying amount of all financial assets and liabilities except for interest-bearing loans and borrowings approximated the estimated fair value, due to the short-term nature of the financial instruments. The following table summarizes the fair value of interest-bearing loans and borrowings:

	Carrying amount As of December 31,			Fair value As of December 31,		
	2017	2018	2019	2017	2018	2019
	($ millions)					
Interest-bearing loans and borrowings[(1)]	3,536.0	3,285.3	3,009.7	3,235.2	2,823.5	2,484.3
Total	3,536.0	3,285.3	3,009.7	3,235.2	2,823.5	2,484.3

(1) For the purpose of the above disclosure, fixed rate interest bearing loans and borrowing have been discounted using the actual cost of debt of the Group. The fair value of interest bearing loans and borrowings for disclosure purposes is based on quoted prices in an active market for identical liabilities.

Liquidity Risk Management

By virtue of the nature of our operations, we have demonstrated a consistent ability to generate cash through our ongoing daily operations. The flow of cash we receive and generate throughout our global locations is such that we view ourselves as being in a favorable position from a liquidity perspective. We generate stable cash flows as our assets are utilized to deliver an essential product to customers in national markets and we are thereby not entirely exposed to international commodity market movements. At the same time, we have the flexibility to decide whether to invest in capital expenditures as our ability to generate cash flows is not bound, in the short term, by significant capital commitments or significant mandatory capital asset maintenance.

Furthermore, we monitor our risk to a shortage of funds by monitoring the maturity dates of existing debt. Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. As of December 31, 2017, 2018, 2019, and for H1 2020, we had $393 million, $1,117 million, $1,089 million and $430.8 million, respectively, of committed undrawn borrowing facilities. As of December 31, 2017, 2018, 2019 and for H1 2020, 21%, 14%, 9% and 41% of our debt was scheduled to mature in less than one year based on the balances reflected in our audited consolidated financial statements included elsewhere in this Document. The maturity profile of our debt is summarized in Note 23 of our audited consolidated financial statements included elsewhere in this Document and below. Our liquidity risk is further mitigated as a large part of our borrowing activities are related to the financing of refined oil products, and by their nature, these products are readily convertible into cash.

The table below summarizes the maturity profile of our financial liabilities based on non-discounted contractual payments:

	Less than 1 year	1 - 5 years	More than 5 years	Total
	($ millions)			
As of June 30, 2020				
Interest bearing loans and borrowings	1,509.3	1,014.8	1,141.2	3,665.3
Trade and other payables	1,911.1	—	—	1,911.1
Financial derivatives	170.2	—	—	170.2
Other liabilities	—	7.3	—	7.3
Total	3,590.6	1,022.1	1,141.2	5,753.9
As of December 31, 2019				
Interest bearing loans and borrowings	415.7	2,325.5	768.8	3,509.9
Trade and other payables	2,619.4	—	—	2,619.4
Financial derivatives	57.9	—	—	57.9
Other liabilities	—	4.5	—	4.5
Total	3,093.0	2,330.1	768.8	6,191.8
As of December 31, 2018				
Interest bearing loans and borrowings	609.0	1,857.7	1,479.4	3,946.1
Trade and other payables	2,598.9	—	—	2,598.9
Financial derivatives	10.7	—	—	10.7
Other liabilities	30.1	10.1	—	40.2
Total	3,248.7	1,867.8	1,479.4	6,595.9
As of December 31, 2017				
Interest bearing loans and borrowings	902.4	2,442.4	751.8	4,096.6
Trade and other payables	2,038.3	—	—	2,038.3
Financial derivatives	63.6	—	—	63.6
Other liabilities	—	37.9	—	38.0
Total	3,004.3	2,480.3	751.8	6,236.5

Credit Risk Management

We have a formalized credit process, with credit officers in the key locations globally. Strict credit limits are established for each counterparty on the basis of detailed financial and business analyses. These limits are constantly monitored and revised in light of counterparty or market developments and the amount of exposure relative to the size of our audited consolidated statement of financial position. We conduct transactions with the following major types of counterparties:

- Physical commodity counterparties spread across the vertical chains for oil (for example, resellers and end-users). Sales to counterparties are made on open terms up to internally approved credit limits. Exposures above such limits are subject to independent payment guarantees.

- Payment guarantee counterparties (for example, prime financial institutions from which we obtain payment guarantees).

We are present in different geographic regions. Wherever appropriate, guarantees, insurance and letters of credit are used to reduce payment or performance risk. Our maximum exposure to credit risk is equivalent to the amounts of financial assets presented in the consolidated statement of financial position. We have no significant concentrations of credit risk and no single customer accounts for more than 3% of our sales volumes. In addition, a significant part of the activity of our downstream business (mainly service stations) is on a cash or prepayment basis.

Trade and other accounts receivable include receivables from the sale of refined oil products and other services (both invoiced and accrued) and are shown net of any provision for doubtful accounts.

	Year ended December 31,			Six months ended June 30,
	2017	2018	2019	2020
		($ millions)		
Trade receivables	**654.3**	**834.3**	**619.7**	**566.4**
Of which due from related parties	157.4	267.0	149.1	116.6

Trade receivables are non-interest bearing and are generally on cash to 30-day terms. At June 30, 2020 our days of sales outstanding amounted to 17.7 days.

	Year ended December 31,			Six months ended June 30,
	2017	2018 restated	2019	2020
		(days)		
Third-party DSO[(1)]	12.8	12.9	12.9	17.7

(1) Third-party DSO is calculated as trade accounts receivable from third parties divided by net sales to third parties and multiplied by the number of days during the period.

As compared to prior year the most significant allowance for new doubtful debts on an individual trade receivable amounted to $3.2 million, $3.2 million, $0.9 million and $0.7 million as of FY 2017, FY 2018 and FY 2019, and as of June 30, 2020, respectively. The impairment recognized represents the difference between the carrying amount of the trade receivables and the present value of the expected proceeds. We do not hold any collateral over these balances. As illustrated below, there were no significant movements in the allowance for impairment of receivables. See credit risk disclosure in Note 30.3 to the FY 2019 Financial Statements for further guidance.

The movement in the allowance for doubtful debts was as follows:

	Movement in the Allowance for Doubtful Debts			
	Year ended December 31,			Six months ended June 30, 2020
	2017	2018	2019	
		($ millions)		
Balance at beginning of the year	(14.8)	(15.2)	(18.9)	(20.4)
Impairment losses recognized on receivables[(1)]	(5.3)	(9.2)	(2.4)	(3.0)
Amounts written off during the year as uncollectible	4.4	(0.4)	0.9	2.7

Amounts recovered during the year	1.8	3.8	0.5	1.2
Disposal of subsidiary	—	0.5	(0.6)	0.8
Foreign exchange translation gains and (losses), other	(0.5)	1.3	0.1	—
Integration of existing allowances from acquired entities	(0.8)	—	—	—
Balance at end of the year	**(15.2)**	**(19.2)**	**(20.4)**	**(18.6)**

(1) Includes additional provision of $1.1 million and $2.1 for FY 2019 and FY 2018, respectively, to reflect expected credit losses, in accordance with IFRS 9.

At December 31, the ageing analysis of trade receivables from third parties was as follows:

			Past Due but not Impaired		
	Total	**Neither Past Due nor Impaired**	**Less than 90 Days**	**90 - 180 Days**	**More than 180 Days**
			($ millions)		
June 30, 2020	449.8	382.4	43.7	11.6	12.2
FY 2019	470.5	390.2	65.7	14.6	—
FY 2018	567.2	482.2	78.6	5.0	1.5
FY 2017	496.9	420.1	64.5	5.8	6.5

Receivables from related parties are neither past due nor impaired and are therefore excluded from the table above.

Receivables sold without recourse

We have entered into factoring arrangements for trade receivables in certain jurisdictions.

The following table represents amount that have been sold on non-recourse basis for the periods indicated:

	Amounts sold over the period			
	Year ended December 31,			
	2017	**2018**	**2019**	**Six months ended June 30, 2020**
			($ millions)	
United Kingdom	182.6	208.1	178.0	95.8
Australia	35.4	74.0	82.5	21.8
Guatemala	—	—	5.0	0.6
Others(1)	2.9	15.0	18.2	0.4
Total	**220.8**	**297.1**	**283.7**	**118.6**

(1) Aviation operations sold without recourse.

Capital Management

The primary objective of our capital management is to ensure that we maintain a strong capital structure and healthy capital ratios in order to support our business and maximize shareholder value.

We manage our capital structure and make adjustments to it in light of changes in economic conditions in order to ensure a sound capital structure.

Critical Accounting Policies

In presenting our financial information in conformity with IFRS, we are required to make estimates and assumptions that affect the amounts reported and related disclosures. Several of the estimates and assumptions we are required to make are related to matters that are inherently uncertain because they pertain to future events. If there is a significant unfavorable change to current conditions, it could have a material adverse effect on our consolidated results of operation and financial condition. Management believes that the estimates and assumptions used when preparing our consolidated financial information included in the notes to our audited consolidated financial statements included elsewhere in this Document were the most appropriate at that time.

We have applied IAS 29—Financial Reporting in Hyperinflation Reporting since January 1, 2017 to subsidiaries whose functional currencies have experienced a cumulative inflation rate of close to 100% over the past three years.

During the periods under review, Angola was identified as a hyperinflationary economy from January 1, 2017 to March 31, 2019, and Zimbabwe was identified as hyperinflationary economy from January 1, 2019. The financial statements of the major subsidiaries in these countries are first adjusted for the effect of inflation with any gain or loss on the net monetary position recorded in the related functional lines in the consolidated income statement and then translated into U.S. dollars.

Presented below are those accounting policies that management believes require subjective and complex judgments that could potentially affect reported results. For further information on our accounting policies, see the notes to our audited consolidated financial statements included elsewhere in this Document.

In 2019, the Company adopted for the first time the following new or amended standards and interpretations (effective on or after January 1, 2019): (i) IFRS 16, Leases (ii) IFRIC 23, Uncertainty over Income Tax Treatments, (iii) Amendments to IFRS 9, Prepayment Features with Negative Compensation, (iv) Amendments to IAS 28, Long-term Interests in Associates and Joint Ventures, (v) IFRS 3, Business Combinations—Previously held Interests in a Joint Operation, (vi) IFRS 11, Joint Arrangements—Previously held Interests in a Joint Operation, (vii) IAS 12, Income Taxes—Income tax Consequences of Payments on Financial Instruments classified as equity, (viii) IAS 23, Borrowing Costs—Borrowing costs Eligible for Capitalisation, (ix) Amendments to IAS 19, Plan Amendment, Curtailment or Settlement and (x) Amendments to IAS 1, Classification of Liabilities as Current or Non-current (effective on or after January 1, 2022).

We intend to adopt the following standards, interpretations and amendments when they become effective, to the extent they are relevant to the Company: (i) IFRS 17, Insurance Contracts (effective for annual periods on or after 1 January 2021), (ii) Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods on or after 1 January 2020), (iii) Amendments to IAS 1 and IAS 8—Definition of Material (effective for annual periods on or after 1 January 2020), and (iv) Amendments to IFRS 3—Definition of a Business (effective for annual periods on or after 1 January 2020).

Although the adoption of these issued or amended standards and interpretations will result in changes to our accounting policies and consequently in differences to the financial data included in our financial statements, these are not expected to have a material impact on the Company's consolidated financial statements.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by us, liabilities we incur to the former owners of the acquiree and the equity interests we issue in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

We have applied estimates and judgments in order to determine the fair value of assets acquired and liabilities and contingent liabilities assumed by way of a business combination. The value of assets, liabilities and contingent liabilities recognized at the acquisition date are recognized at fair value. In determining fair value we have utilized valuation methodologies including discounted cash flow analysis market value assessments or replacement value by third parties for, in particular, acquired property and equipment. The market value of property and equipment is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The assumptions made in performing these valuations include assumptions as to discount rates, foreign exchange rates, commodity prices, the timing of development, capital costs, and future operating costs. Any significant change in key assumptions may cause the acquisition accounting to be revised including the recognition of additional goodwill or a discount on acquisition.

Goodwill

Goodwill is measured as being the excess of the aggregate of the consideration transferred, the amount recognized for any non-controlling interest and the acquisition-date fair values of any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units or group of cash-generating units expected to benefit from the combination's synergies. Following initial recognition, goodwill is measured at cost less any impairment losses. Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash-generating units to which the goodwill relates. For the impairment test, see "*—Impairment of Non-Financial Assets*."

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalized value of a finance lease is also included within property and equipment. Depreciation is provided on a straight-line basis over estimated useful lives of the respective assets, taking into account the residual value.

The useful lives are estimated by management at the time the assets are acquired and are reassessed annually, with the estimated useful lives being based on historical experience with similar assets, market conditions and future anticipated events. The actual useful lives might be different from the estimated useful lives. If necessary, changes in useful lives are accounted for prospectively.

Impairment of Non-Financial Assets

We asses our non-financial assets at each reporting date for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable and, as a result, charges for impairment are recognized in our results from time to time.

Such indicators include changes in our business plans, changes in commodity prices leading to sustained unprofitable performance, an increase in the discount rate, low asset utilization, evidence of physical damage and, for petroleum-related properties, significant downward or upward revisions of estimated volumes.

The assessment for impairment entails comparing the carrying value of the asset or cash-generating unit with its recoverable amounts being the higher of fair value less costs to sell and value in use. A cash-generating unit is the smallest group of assets whose continued use generates cash inflows that are largely independent of cash inflows generated by other groups of assets. Value in use is usually determined on the basis of discounted estimated future net cash flows. When the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation on operating expenses, discount rates and the outlook for global or regional market supply and demand conditions for petroleum products. We base our impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of our cash-generating unit to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Goodwill and intangible assets with an indefinite useful life are subject to an annual impairment test or, more frequently, if there are indications of a loss in value.

For assets, excluding goodwill and intangible assets with an indefinite life, an assessment is made at each reporting date of whether there is an impairment and if such an indication exists, an impairment test is carried out. If such indication exists, we estimate the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Impairment losses relating to goodwill cannot be reversed in future periods.

Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ("**OCI**"), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and our business model for managing them.

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

We measure financial assets (debt instruments) at amortized cost if both of the following conditions are met:

- The financial asset is held in order to collect contractual cash flows, and,

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured using the effective interest ("**EIR**") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through OCI (debt instruments)

We measure debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held with the objective of both holding to collect contractual cash flows and selling, and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, we can elect to classify irrevocably our equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when we benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (*i.e.*, removed from our consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

- We have transferred our rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) we have transferred substantially all the risks and rewards of the asset, or (b) we have transferred control of the asset

When we have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, we continue to recognize the transferred asset to the extent of its continuing involvement. In that case, we also recognize an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that we could be required to repay.

Impairment of financial assets

We recognize an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that we expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, we apply a simplified approach in calculating ECLs. Therefore, we do not track changes in credit risk, but instead recognize a loss allowance based on lifetime ECLs at each reporting date. We have established a provision matrix that is based on our historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derivative Financial Instruments

We utilize derivative financial instruments (shown separately in the consolidated statement of financial position under other financial assets and other financial liabilities) to economically hedge our primary market risk exposures, primarily risks related to commodity price movements, and to a lesser extent, related to exposure to foreign currency exchange and interest rate movements. For some of these derivative transactions, we will enter into positions through Trafigura Pte Ltd. We have an agreement in place with Trafigura Pte Ltd whereby those derivative transactions entered into on our behalf by Trafigura Pte Ltd are contractually binding to us and therefore any gains or losses arising from such transactions are strictly for our account.

Derivatives, including separated embedded derivatives, are classified as held for trading at fair values and related gains and losses are recorded in profit or loss unless they are designated as effective hedging instruments as defined by IFRS 9. We do not generally apply hedge accounting as defined by IFRS9.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include: using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis; or other valuation models.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (*e.g.*, the underlying contracted cash flows).

- Where we will hold a derivative as an economic hedge (and do not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.

- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

Share Based Payments

Some of our employees receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized in employee benefits expense, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized at the beginning and end of that period.

INDUSTRY OVERVIEW

Introduction

The oil and gas industry can be divided into three key areas: upstream, midstream and downstream.

Upstream, also referred to as E&P (exploration and production), involves the search of crude oil fields or natural gas fields, their development, management of production (including recovery optimization), and decommissioning.

Once extracted, oil and gas resources need to be purified and refined in order to be prepared for end-use. In the midstream segment, crude oil and natural gas are transported (via pipelines, tankers, road, among others) to refineries and gas processing plants for transformation to value-added products. Storage terminals, used to store both crude oil and refined products, also fall within the midstream segment.

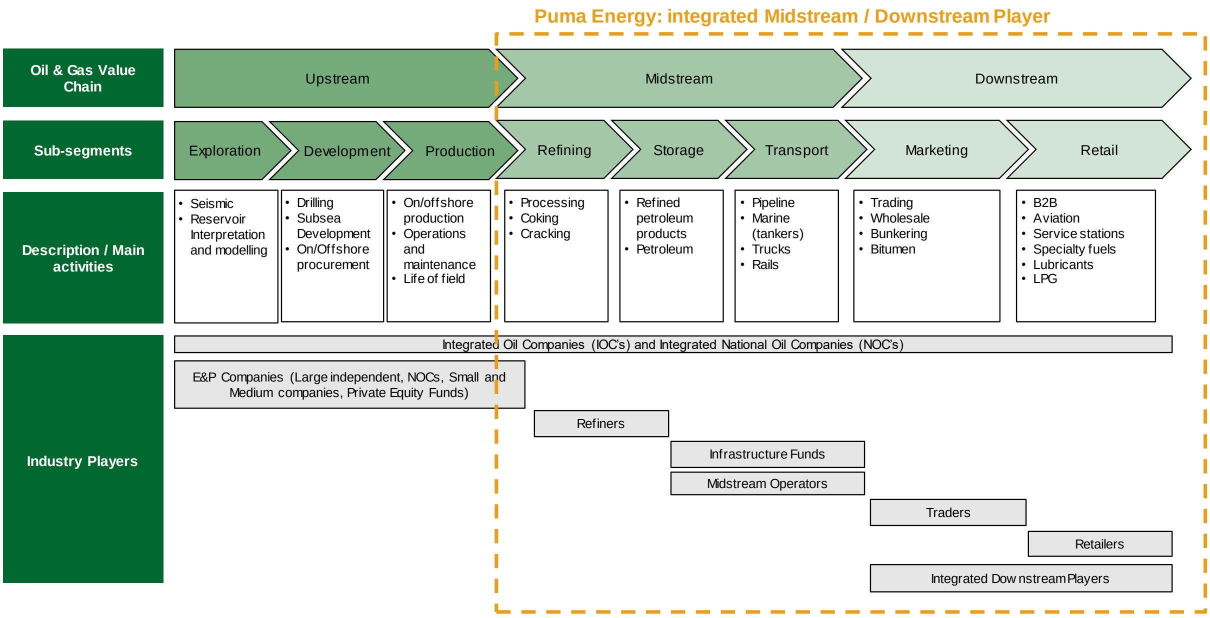
Downstream refers to marketing and commercial distribution of several end-products to consumers and end users, including diesel oil, natural gas, petrol, gasoline, lubricants, kerosene, jet fuel, asphalt, heating oil and liquefied petroleum gas, as well as several other types of petrochemicals.

The largest volumes of oil products that are produced are gasoline (petrol), gasoil (diesel) and fuel oil, much of which is still consumed in the transportation sector according to ExxonMobil's "2019 Outlook for Energy: a perspective to 2040." Oil is also the primary material for a multitude of chemical products, including pharmaceuticals, fertilizers, solvents and plastics. Oil is therefore integral to many industries and is of critical importance to many nations as the foundation of their industries.

Crude oil is produced by independent exploration and production companies (*e.g.*, ConocoPhillips, Wintershall Dea), integrated energy companies (*e.g.*, ExxonMobil, Chevron, BP, Shell, Total) and national oil companies ("**NOCs**") (*e.g.*, Saudi Aramco, Petrobras, CNPC). These producers subsequently either sell the crude oil to refining companies who process the crude oil into refined oil products, or in the case of the integrated energy companies, either sell or refine the crude oil in their own refining operations. The refined oil products are then stored and subsequently sold to wholesale markets and distributed to the end-users.

We are an integrated midstream and downstream energy company whose primary activities include the supply, storage and distribution of refined oil products.

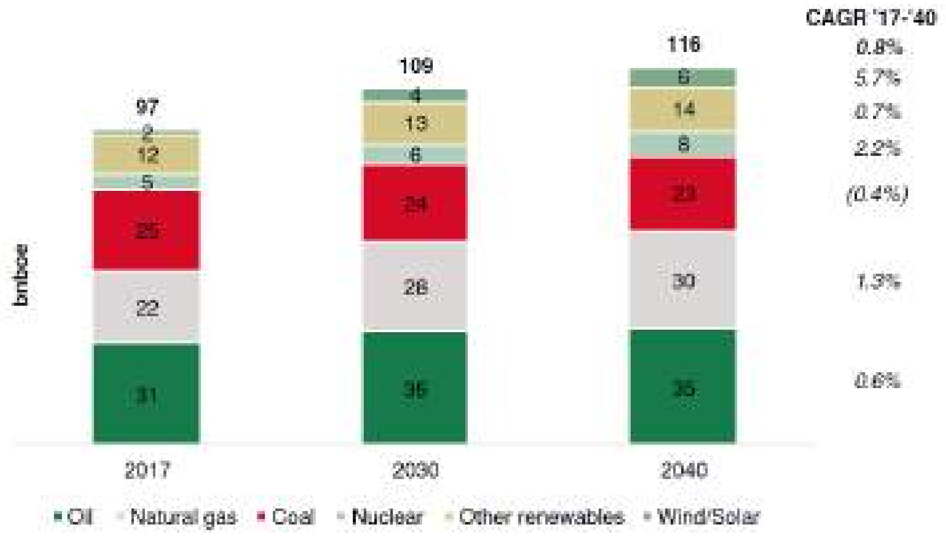
The diagram below shows the oil lifecycle from upstream to downstream, including the scope of our business:



Oil in the Context of Global Energy Demand

The following diagram sets forth ExxonMobil's projections for the worldwide energy composition by fuel type, consumed from 2017 to 2040:

Global Energy Demand by Fuel Type: 2017 - 2040



Source: ExxonMobil "2019 Outlook for Energy: A Perspective to 2040"

According to ExxonMobil, oil is the primary source of energy in the world's energy mix, a trend expected to continue past 2040, and one driven by demand for commercial transportation and feedstocks for the chemicals industry. Another large component of the energy mix is natural gas, demand for which is expected to replace coal as the second largest source of energy over the next 20 years, making it a critical fuel in the transition to a lower carbon global energy economy. Coal use, whilst still significant in parts of the developing world, is expected to fall to below 20% of the total global energy share past 2040, as China and OECD nations move toward lower-carbon sources like renewables, nuclear and natural gas. This trend is shown in the chart above under "*World Energy Demand by Fuel Type: 2017 - 2040*".

Concerns regarding energy security and the negative environmental impact of the burning of fossil fuels continue to support the increasing use of renewable energy and nuclear power, with governments globally encouraging the use of such alternative, more sustainable, environmental-friendly fuels and alternate sources of energy. As a result, according to ExxonMobil, renewables and nuclear are expected to contribute more than 40% of incremental energy supplies to meet demand growth over the next 20 years, whilst electricity—an energy carrier not an energy source—will grow three times faster than overall energy demand.

Impact of COVID-19

The oil and oil product markets are driven by supply and demand, as well as geopolitical events that can have sharp impacts on price.

The outbreak of COVID-19 has spread globally during recent months and has resulted in a widespread health crisis that has adversely affected businesses, economies and financial markets worldwide, placing constraints on the operations of businesses and decreased consumer mobility and activity. Alongside the supply side impacts of the Saudi-Russian price war and the subsequent OPEC+ development, the demand impact of the crisis has also had an indirect impact on the price of the Brent crude benchmark, contributing to a fall of approximately 66% to around US$23/bbl, as of April 2020, from the value recorded before the onset of the COVID-19 pandemic (over US$65/bbl) in early January 2020, before recovering to around US$43/bbl in July 2020.

Government measures taken in response to the COVID-19 pandemic, including containment and lockdown restrictions, as well as other indirect economic effects, have resulted in, and are expected to continue to lead to, reduced demand for oil across the world.

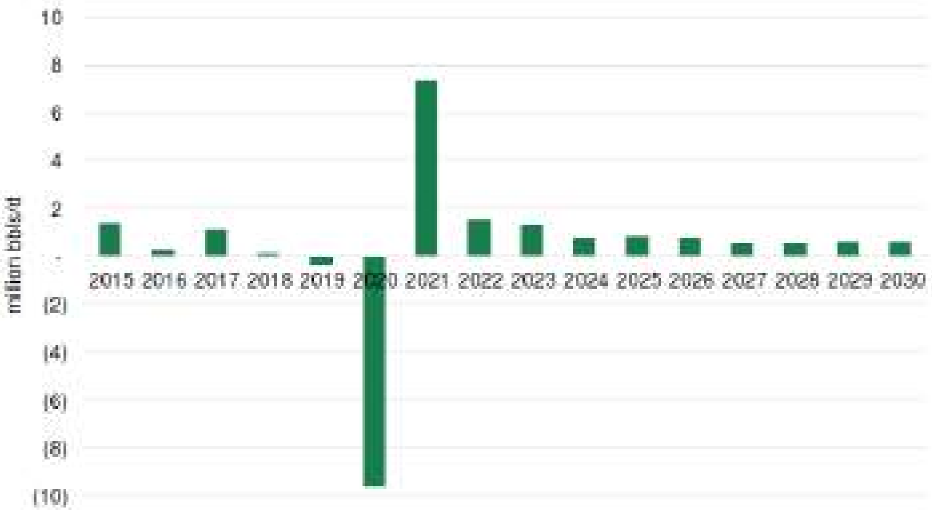
The impact on people's habits and lifestyles is also not yet known, and changes in behavior (such as lower levels of mobility due to people working from home, lower business travel and reduced tourism) are also unclear at this time.

Oil Demand Outlook

The outbreak of COVID-19 at the turn of the year has had an unprecedented impact on the global economy, causing a worldwide energy demand shock and extraordinary growth contraction across global markets.

According to IHS Markit, global oil demand is expected to rebound steadily, but in fragmented pathways depending on the specific refined product sector. Overall, after falling by 9.7 million bbls/d this year, global crude consumption is expected to increase by 7.3 million bbls/d next year (see chart below under "*Global Crude Oil Demand Change: 2015 - 2030 YoY*"). As lockdowns begin to ease, a gradual recovery in demand is expected, however according to IHS Markit projections, global crude and product demand is not forecast to return to pre-pandemic levels until late 2022 or early 2023.

Global Crude Oil Demand Change: 2015 - 2030 YoY



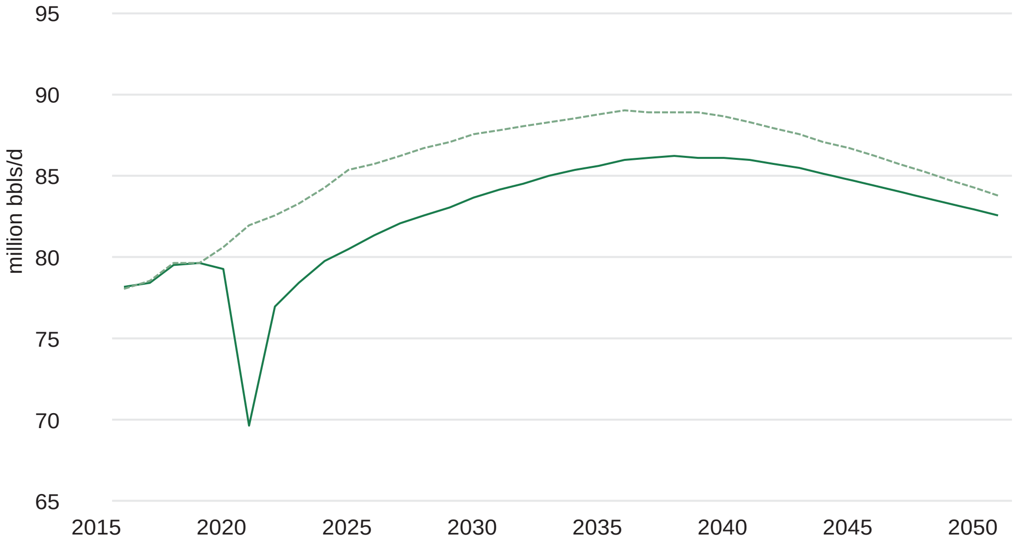
Note: Crude oil demand = refinery runs + crude power burn (power generation)

Source: IHS Markit—Global Fundamentals Crude Oil Markets Annual Strategic Workbook 2020

In the longer term, according to IHS Markit, COVID-19-induced economic losses are expected to result in a structural decline in the level of crude oil demand, although pre-COVID-19 outlooks had already anticipated a relatively slow pace of long-term world oil demand growth—chiefly as a result of growing transportation sector efficiency and penetration of alternative fuels and energy sources.

IHS Markit forecasts that at its peak, in the mid-to-late 2030's, long-term crude oil demand will reach 86.2 million bbls/d—around 2.8 million bbls/d lower than previously anticipated—before a gradual decline over subsequent decades (see chart below under "*Outlook for World Crude Oil Demand (2019 Pre-COVID vs 2020 Post-COVID*").

Outlook for World Crude Oil Demand (2019 Pre-COVID vs 2020 Post-COVID)



Note: Crude oil demand = refinery runs + crude power burn (power generation)

Source: IHS Markit—Global Fundamentals Crude Oil Markets Annual Strategic Workbook 2020

Oil Demand by Sector

Demand for oil is primarily driven by the transport sector, which is represented 58% of global oil demand in 2017 according to ExxonMobil. The significance of the transport sector to demand is forecast to continue in the long term at a similar level, with growth in transport-demand-linked energy usage offset by gains in energy efficiency.

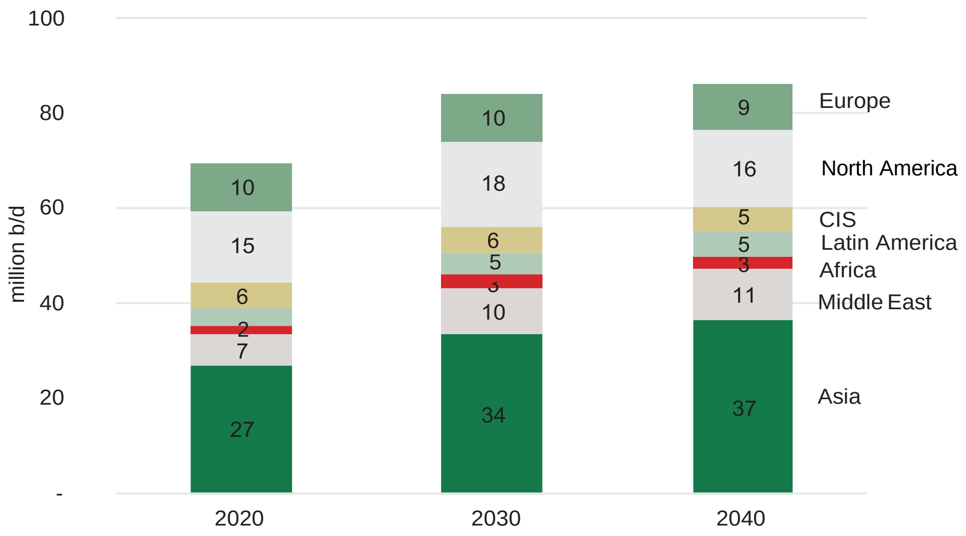
According to ExxonMobil, demand relating to the industrial sector represented 30% of global oil demand in 2017 and is expected to grow to 33% by 2040, as the world's construction and manufacturing industries seek to meet the needs of a growing population.

For the non-transport sectors, demand is more sensitive to the prevailing oil price, which at times of high oil prices can provide an economic incentive to reduce oil use, either via greater efficiency or switching to alternative fuels and energy sources. However, we believe the emerging economies where we operate are more oil dependent, have fewer oil substitute alternatives, and are thus less sensitive to the commodity price.

Oil Demand by Geography

The Middle East, Africa, Latin America and Asia, which compose the bulk of our operations, are estimated to account for 56% of global oil demand today, and are forecast to grow to 64% by 2040, according to IHS Markit. Within these regions, Asia represents the highest share (an estimated 39% in 2020) and is forecast to grow at a CAGR of 1.5% to 43% by 2040. The Middle East is estimated to account for 10% of global oil demand and is forecast to grow at a CAGR of 2.3% from 2020 to 2040. Africa and Latin America is estimated to account for 2% and 5% of world oil demand respectively, with IHS forecasting demand in Africa to grow at the highest rate (2.5% CAGR from 2020 to 2040), whilst Latin American oil demand growth is expected to average 2.0%. This trend is shown in the diagram under "*Global Crude Oil Demand by Geography: 2020 - 2040*".

Global Crude Oil Demand by Geography: 2020 - 2040



Source: IHS Markit—Global Fundamentals Crude Oil Markets Annual Strategic Workbook 2020

Drivers of Energy Demand—GDP

Economic output is a key driver of energy demand, consisting of income (measured by GDP per capita), and population growth.

Pre-COVID-19, rising global GDP forecasts were underpinned by growing urbanization and a growth in the middle class, however with the outbreak of the pandemic, the world's short to medium-term growth outlook for GDP has been severely impacted. A global recession in 2020 is now a virtual certainty, the scope and scale of which will depend on regional responses.

After a deep global GDP contraction in 2020, IHS Markit forecasts a moderate recovery in 2021, hampered by reluctant consumer behavior and strained government and company finances. The rebound in manufacturing will likely be V-shaped, in IHS Markit's view, owing to a strong pickup of factory production, whilst pent-up demand for consumer goods will be moderated by high unemployment and economic uncertainty over the next few years.

Despite this impact, there is no anticipated long-term structural damage to the global economy according to IHS Markit. As the diagram under "*Real GDP Long Term Forecast: 2020 - 2060*" shows, by 2040, world GDP is expected to have nearly doubled, with non-OECD economies expected to be growing at more than twice the rate of OECD countries, and accounting over half of global GDP.

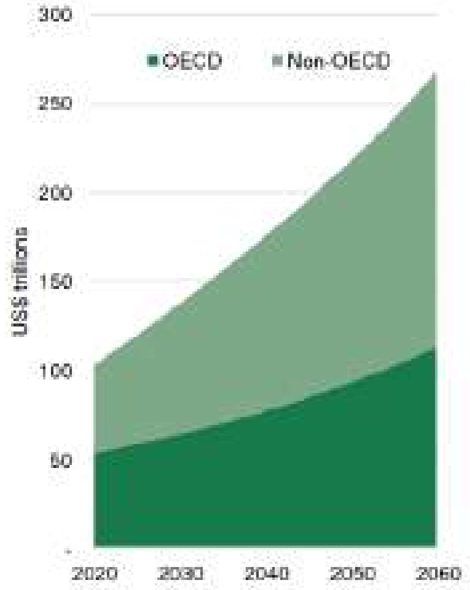
In IHS Markit's view, China and India's combined growth alone is expected to equal that of the entire OECD to 2040, suggesting continued robust demand for energy in these countries, and an improving outlook for income growth while population growth slows. GDP for OECD countries is expected to grow at a slower pace.

According to the Brookings Institution, the world's middle-class is also expected to more than double by 2030 to reach 5.5 billion people, and virtually all growth in the middle-class is projected to come from non-OECD countries, with the middle-class population in OECD countries remaining stable. The Brookings Institution foresees continued rapid growth of the global middle-class, with billions more people rising out of poverty by 2030. This trend is shown in the diagram under "*Global Middle Class: 2015 - 2030*".

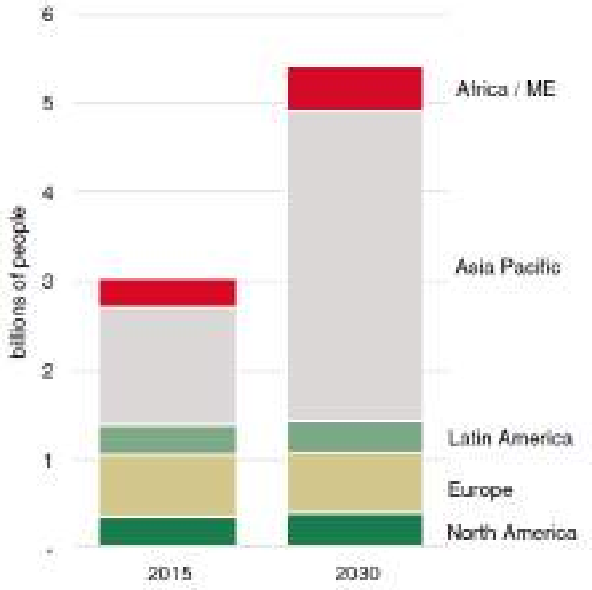
Continued expansion of the middle-class and urbanization are expected to positively impact and drive energy demand, with more people gaining greater access to modern energy at home, rising industrial demand, and a significant increase in personal and commercial transportation needs. Economic growth has historically been the most significant driver for demand for crude oil and refined oil products, with consumption of oil correlated to GDP growth rates across the globe. We believe this is due to GDP growth often being associated with expanding transportation and industrial sectors—the two largest consumers of oil.

The charts below represent GDP growth and middle-class expansion, particularly in non-OECD countries:

Real GDP Long Term Forecast: 2020 - 2060



Global Middle Class: 2015 – 2030



Source: OECD—Economic Outlook 2020; The Brookings Institution—Global Economy & Development 2017

Drivers of Energy Demand—Technology

Technology plays an important role in reducing energy intensity. According to ExxonMobil, without efficiency improvement, overall energy demand growth by 2040 would be significantly higher than forecasted.

Given the importance of the transportation sector for oil demand, there are two key trends expected to shape the future demand trajectory:

i. Growth of electric vehicles

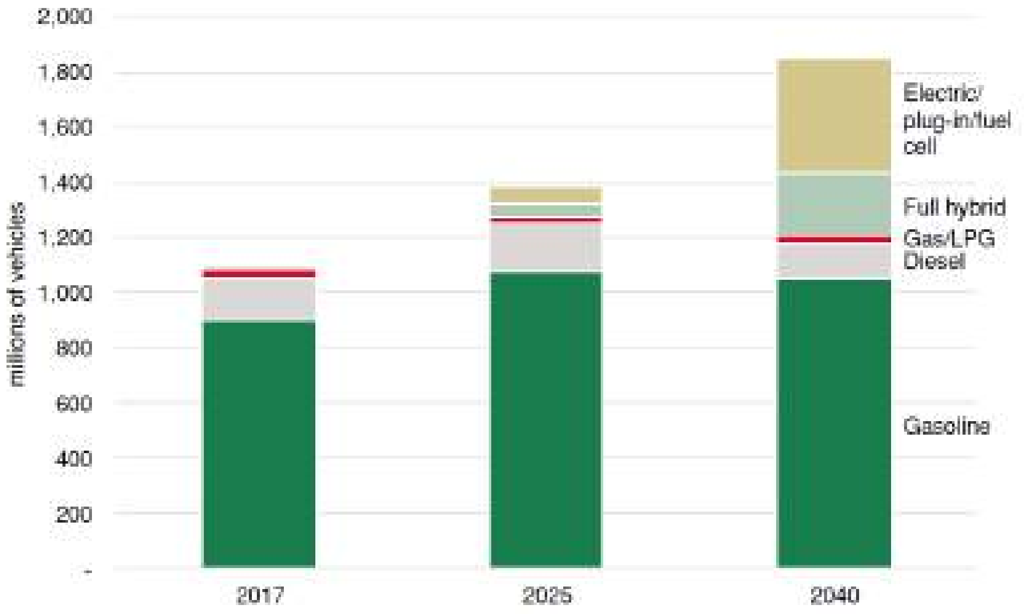
ii. Increasing efficiency of conventional cars

The increasing penetration of either electric or gas engines, and to a greater extent, improvements in fuel efficiency, are expected to have an important bearing on future oil demand. According to ExxonMobil's Outlook for Energy, light-duty vehicle demand for internal combustion engine fuels will peak prior to 2025, before declining to levels seen in the early 2010's by 2040. However, commercial transportation, primarily heavy-duty vehicles, is expected to drive fuel demand growth due to increases in economic activity and personal buying power.

Further, whilst the number of electric or gas-powered cars are expected to grow significantly in this period (from approximately 3 million in 2017 to 420 million in 2040), electric vehicles are expected to represent only approximately 20% of the global fleet of light-duty vehicles according to ExxonMobil (see chart below under "*Light-duty vehicle fleet by type: 2017 - 2040*"). The forecast reduction in fuel demand from light-duty vehicles therefore, while driven in part by electrification, is mostly connected with efficiency gains. Furthermore, according to ExxonMobil, electrification of heavy-duty vehicles and other forms of commercial transportation is expected to grow at a slower pace than light-duty vehicles due to upfront costs, range limitations, payload requirements and the pace of infrastructure development.

The chart below shows the growth of electric light-duty vehicles forecast over time:

Light-Duty Vehicle Fleet by Type: 2017 - 2040



Source: ExxonMobil "2019 Outlook for Energy: A Perspective to 2040"

Drivers of Energy Demand—Prices

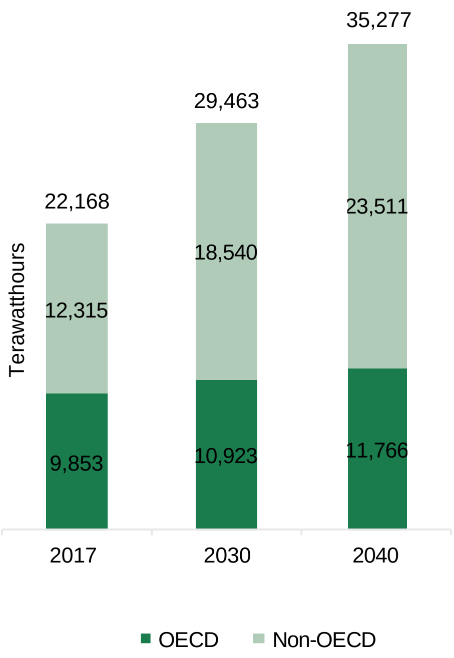
Price remains an important determinant of energy trends. Actual prices paid by energy consumers affect the amount of each fuel they choose to consume, and their choice of technology and equipment used to provide a particular energy service, while the price received by producers affects their production and investment decisions. However, the markets where we operate predominantly (middle size emerging markets) have very few substitutes for refined oil products, and are therefore considered to have a particularly low elasticity of demand for, even in the medium- to long-term.

Drivers of Energy Demand—Electrification

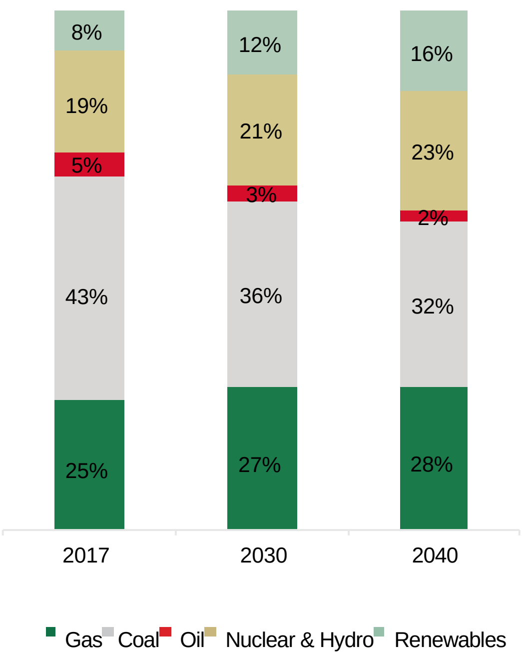
Electricity demand is expected to grow around the world and almost all of the growth in power demand is expected to come from non-OECD countries (see chart below under "*Electricity Demand: 2017 - 2040")*. According to BP, as renewables need to compete with existing power generation in OECD countries, the speed at which renewable power generation can penetrate is limited due to competition with existing power generation facilities. In contrast, the strong growth in electricity demand in non-OECD countries means there is expected to be greater scope for renewables to replace coal in power generation as shown in the chart below "*Fuel Shares in Power Generation: 2017 - 2040".*

The charts below represent growth forecasts for electricity demand and composition of fuel used for power generation:

Electricity Demand: 2017 - 2040



Fuel Shares in Power Generation: 2017 - 2040



Source: ExxonMobil "2019 Outlook for Energy: A Perspective to 2040"

Midstream and Downstream Industry: Structural Changes Addressing Globalization Trends

The global refinery landscape remains in the midst of a decade-long reshuffle, with Asia, the Middle East and the U.S. Gulf Coast emerging as the global hubs of activity. As seen over the past few years, the consolidation of the global refinery landscape has had important implications for refined product markets and global operations:

- Refinery operations are increasingly consolidating into regional "mega" hubs; smaller, low conversion capability refineries are being closed, and in IHS Markit's view, the market conditions caused by COVID-19 are likely to hasten closures.

- "Super" refineries offer economies of scale, technical flexibility and meet mounting environmental requirements.

- Demand for refined products is expected to continue growing in the long run, according to IHS Markit, driven by emerging markets and global needs for higher grade fuels.

- Growing markets and regional hubs imply increased global trade: infrastructure development will remain key.

- Global oil companies with well-established trade, storage, and distribution networks, appear well positioned to prosper.

Consolidating Oil Refining Operations

As noted above, the refinery network is undergoing a period of structural transformation, with refinery operations increasingly consolidating into regional mega-hubs. The world's 10 largest (often newly built) "super" refineries are located in: Asia (5); the U.S. (2); the Middle East (2); and Latin America (1). Smaller refineries across the developed world—which historically have refined crude locally—are closing, notably in Australia, the U.S. East and West Coasts, Canada and the U.K.

Reasons for refinery consolidation are numerous, with "super" refineries benefiting from at least three distinct advantages:

i. They provide the benefits of economies of scale, a key driver given the fixed nature of operating costs: some of the "super" refineries have capacities of close to one million barrels per day, whereas many smaller refineries can process only around one-tenth of this amount.

ii. Whereas older refineries can typically process only up to 10 types of crude, modern flexible and technically-capable refineries can process up to 50 types. This is increasingly important as the sources of crude oil widen, and types of crude input thereby become more varied.

iii. The new "super" refineries meet the growing demand for a wider range of refined products: complex refineries have the capacity to crack and coke crude "bottoms" into high-value products, as well as to remove sulphur to meet increasingly stringent transport fuel regulations and requirements.

The economics of the move towards refinery hubs is reinforced by trends in low shipping costs, which also exhibit powerful "engineering" or "volume" economies of scale.

Global Imbalances Continue to Develop

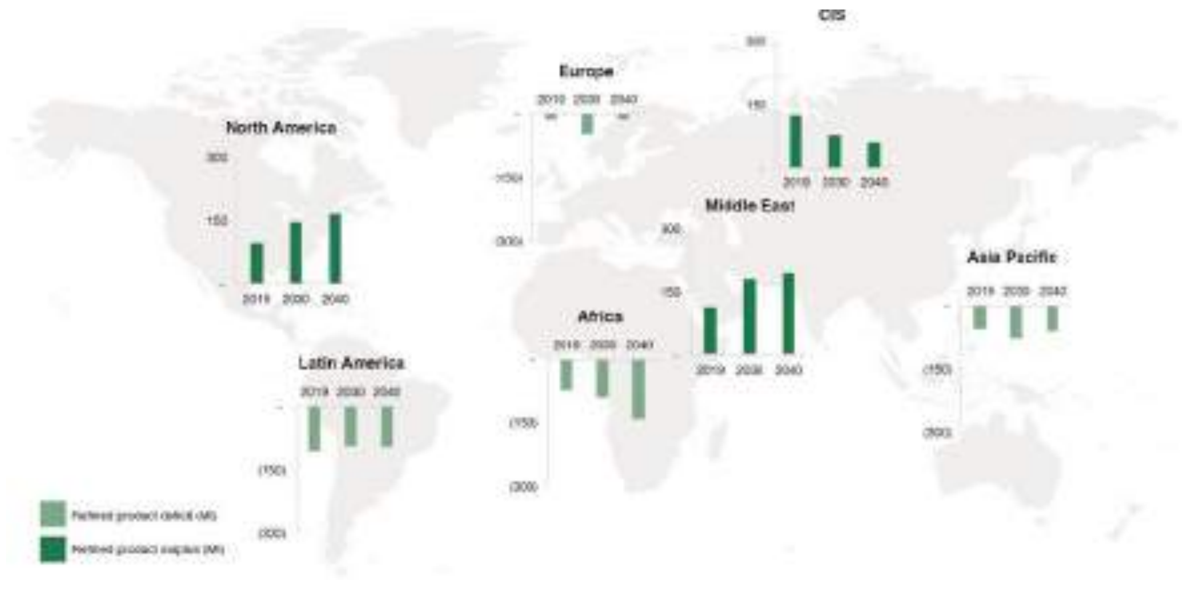
The long-run shift in global energy demand from OECD to non-OECD countries is set to lead to increasing energy imbalances with significant changes in import/export country profiles, and eventually in international energy trade flows in the coming decades.

This global trend of growing imbalance between the location where products are refined and where they are consumed represents the most supportive growth driver for independent storage services and will continue to sustain the demand for these services. Third-party storage is to become an increasingly key logistics facilitator in the energy industry by providing necessary flexibility and security.

Globalization of the energy market implies new world trade flows. Outside of China and India, Asia will need to increase its storage capacities, as it is likely to remain a long-term growing net importer of oil, whereas the U.S. is close to energy self-sufficient, reducing oil imports and, at the same time, recently becoming a natural gas exporter to Asia and Europe.

In 2019, Africa was a significant net importer of refined products and, according to IHS Markit, import requirements would increase by 2040, due to demand growth, unless utilization levels at the region's existing refineries improve, or additional refining capacity investments are made.

The map below illustrates how refined products imbalances continue to increase worldwide.



Source: IHS Markit—Global Fundamentals Refining and Marketing Annual Strategic Workbook 2020

Implications for Trade, Storage and Infrastructure

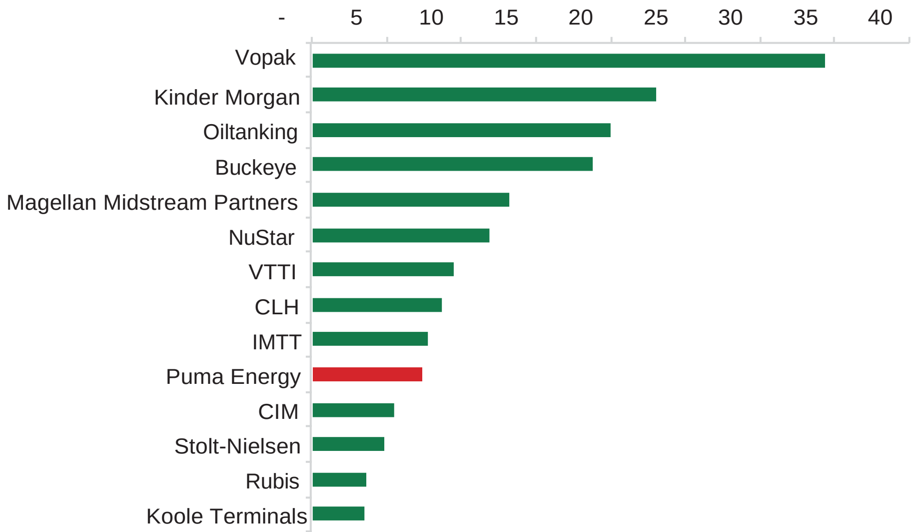
As local oil markets today need to be connected to the (fewer) global super refineries which are increasingly catering to them, transportation and storage plays an increasingly important role. Products need to be shipped reliably and safely over large distances. Efficient hub-and-spoke refinery network and global operations offer great flexibility, allowing quick adjustments to increases or decreases in demand, as well as resilience to supply shocks and other market changes. Such operations can also ensure reliability of supply in local markets.

Developments in refined product markets imply a growing role for physical infrastructure deployment across countries and regions. Building fuel import infrastructure is an essential element for energy-thirsty countries to be able to handle increasing distribution and storage of refined products.

Demand for infrastructure development is particularly strong in fast-growing developing markets with inadequate oil infrastructure. However, it is also important in mature markets, which require infrastructure development to deal with closures of local refineries. These closures lead to an increase in refined products import flows.

With storage capacity of 7.0 million cubic meters, we are currently the 10th largest storage player globally (see table below). The following diagram sets forth publicly presented estimates of the storage capacities of leading midstream companies.

The chart below represents total available storage capacities by company (million cubic meters).



Source: Publicly available company filings and presentations

Note: Certain figures stated in barrels converted at a rate of 6.29 barrels = 1 m^3

It is our view that storage players have concentrated on offering storage in more mature markets (including Western Europe, North America). Most storage players have not sought vertical integration into downstream activities, and they are now less present in developing markets. Unlike most of the international players, and despite being within the ten largest international storage operators, we see our storage operations as a support to our distribution and retail operations as part of our integrated model. We do not aim to compete with the largest pure storage players but aim at having our own significant independent storage network to secure our integrated business model at a global level.

Downstream

Our downstream segment includes several businesses including retail, business-to-business, wholesale, aviation, bunkering, lubricants, bitumen and LPG. Retail represents, with business-to-business, the most significant part of these business lines.

Our retail business comprises fuel retailing and full shop offer, including in some cases restaurants and car washes. Our non-fuel offer is however in most cases managed by dealers and not directly by the Company, as can be seen by the fact that most of our retail sites are operated under the dealer-owned, dealer-operated and company-owned, dealer-operated models.

Service stations are often of significant importance to consumers, with motor fuels being a commodity item upon which a large proportion of consumers depend, and demand tends to remain stable despite price fluctuations. Furthermore, few alternatives to the service station industry exist for the purchase of motor fuels. These factors underpin the operational model of service station operators.

In terms of the competitive landscape, in the past, we saw a continuous shift by the Majors (*i.e.*, ExxonMobil, BP, Chevron, Total, Shell) towards upstream activities and remaining selective in downstream expansion, while also divesting small, marginal downstream activities. However, in the current depressed oil price environment, we are seeing the majors reassessing the benefits of being integrated and the stability of the cashflows generated by downstream activities. For example, Chevron sold its stake in Caltex in Australia during the last oil price crash and have recently bought our assets in Australia, as it provides stable cashflows and a short for their long refining position in Korea.

NOCs typically focus more on the upstream segment and on building control of production output than on the distribution and retail segment. Many NOCs (such as Namcor or Hydrocongo) have withdrawn from these downstream activities over time.

Typically, local independent distributors present the most relevant competition to us. These independent distributors focus on deepening their local market offering, sometimes in alliance with the majors, and tend to benefit from a low-cost base, flexibility and strong local market shares. However, they often lack critical mass and primarily have a local presence. Local players also often lack the reliability and product quality of international companies. Relevant local competitors include: Vivo Energy (Africa), Hondupetrol (Central America), SOL (the Caribbean), Delta (Panama) and Engen (South Africa).

Finally, the downstream industry has recently seen significant interest from oil traders. For example, Vitol's acquisition of Petrol Ofisi (Turkey) and Grupo Dislub Ecuador (Brazil) and Glencore's acquisition of Ale Combustiveis (Brazil). However, these players, focused on structurally short product markets positions, are not usually also focused on vertical integration through the value chain.

In both developed and developing economies, non-fuel channels have presented considerable growth opportunities for fuel retailers in recent years. These non-fuel channels encompass specialty products such as lubricants and services such as car wash as well as convenience retail, grocery and food-to-go. Apart from an additional source of high margins, non-fuel retail and convenience stores are seen as drivers to increase customer traffic and, ultimately, fuel volume.

BUSINESS

Our business activities include (i) downstream operations and (ii) midstream operations, which are reported as separate segments under IFRS: downstream and midstream.

Downstream business profile

Our core business is the distribution of refined oil products to retail customers and industrial and commercial customers, and consists of the following business lines: retail, business-to-business, wholesale, bunkering, aviation, lubricants, bitumen, LPG and supply, with retail, business-to-business, lubricants, aviation and bitumen being areas of particular focus under our new customer-led strategy and five-year transformation plan. We are active in downstream operations both as a marketer of refined oil products and as an owner and operator of related infrastructure. We source and supply a wide range of refined oil products, including fuel oil, gasoline, diesel, liquid petroleum gas ("**LPG**"), aviation fuel, bitumen and lubricants. Our downstream operations accounted for 82.8% and 87.1% of our Consolidated EBITDA for FY 2019 and LTM 2020, respectively.

To consumers who visit our retail sites, we offer high-quality gasoline and diesel fuels, together with non-fuel products and services through convenience retail offerings in our 961 C-store, Super7 and Shop Express branded convenience stores, 180 car washes, 73 truck stops and 73 restaurants and cafes as of June 30, 2020 (excluding 219 convenience stores, 16 car washes, 54 truck stops and 75 restaurants that formed part of our Australian Fuels Business). The contribution of retail non-fuel products and services to our downstream gross profit accounted for $51 million (or 4.7% of downstream gross profit) and $47 million (or 4.6% of downstream gross profit) in FY 2019 and LTM 2020, respectively.

We aim to gain further customer market share by continuing to increase brand affinity and seeking to offer superior customer experiences at our expansive network of retail sites. According to the 2020 Edelman Brand Trust Barometer (June 2020), COVID-19 has increased the importance of trust in brands, and is now second only to price, in shaping consumer choices. As part of our new customer-led strategy and five-year transformation plan, we have developed a comprehensive roadmap to seek to transform our retail business line by investing in competitive customer value propositions ("**CVP**") across all of our offerings and leveraging our already high degree of brand affinity. As part of this roadmap, we are seeking to better combine learned best practices from across our global operations with innovative training techniques in order to better meet our customer's needs. For example, we introduced the new Super 7 shops concept (with a redesigned operational layout, brand and visual identity) in Guatemala and Honduras in 2019. The first such redesign to a Super 7 shop was ready in four weeks, and we are rolling out this concept across our existing convenience retail sites in the region in 2020, while also opening an additional 40 convenience retail sites. We are also introducing our Super 7 online system in the region, which allows dealers and store managers to access information on all ongoing promotions, as well as other guidance and information to help them optimize the performance of their stores. In addition, we also train our employees and dealers to help ensure a consistent approach to customer service at our retail sites. In 2019, we rolled out our Commercial Academy globally, which is aimed at strengthening and promoting consistent high standards across our business lines, and we designed a Dealer Academy to train our dealers. In addition, we have a large and growing library of e-learnings, with over 200 strategically aligned online training programs for all our employees and other available learning resources.

We are also seeking to develop our brand positioning and build and maintain a loyal customer base by developing and implementing a global loyalty program "Pris" that we are aiming to implement in Panama and Angola in the fourth quarter of 2020, and in other markets in 2021. We have also begun implementing tailored CVPs to seek to retain and attract more loyal customers to our retail locations and deliver underlying unit margin growth. We have also established partnerships with major global brands, including Burger King, Pizza Hut, Subway and McDonalds, to seek to leverage their brand presence and provide our customers with an improved choice and selection of food and beverage offers in key markets such as El Salvador, Honduras and Puerto Rico.

We also view digitalization as a key enabler of our new customer-led strategy and five-year transformation plan. We have been implementing a significant automation and digitalization program in recent years, and work on this continues apace. For example, in 2019 we implemented an innovative new technology—ePuma—in our aviation business line that is currently being used in San Juan and Dar es Salaam and which we expect to deploy more widely in the near-term. ePuma delivers a new customer portal, with new scheduling and tablet technology, as well as terminal automation for our aviation customers. We are also investing in digitizing the retail customer experience through apps, such as @Puma Fast Pay, which enable our retail customers not only to pay at the pump, but also to access tools to help them manage their billing and payments, which have proven to be particularly popular with small business owners. Certain of our apps also help our retail customers browse, shop and pay for non-fuel products through click and collect services, or order take-away food services through delivery platforms, such as Uber Eats.

In addition to retail customers, our diversified customer base includes industrial and commercial customers across a broad range of industries, such as power generation, transport, mining, agriculture and construction. For them, reliability and security of supply is a top priority. They particularly value our ability to leverage our sourcing, storage, transportation and infrastructure capabilities to deliver high-quality fuel products safely, reliably and cost-effectively. Our platform of supply, storage and distribution infrastructure and capability also facilitates a seamless interface between international oil markets and our local retail distributors. Our logistics capability helps ensure delivery in some of the world's most difficult to reach places, and we provide 24/7 support. Whenever possible, we look for ways to give our industrial and commercial customers everything they want as a tailored one-stop shop, including expertise, advice and support. We can, for example, combine fuels, lubricants and bitumen into one easy to manage, high quality, tailored service.

Our investment in modern facilities and infrastructure, together with competitive pricing and reliable supply, has enabled us to build long-term sustainable relationships with several of our industrial and commercial clients. For example, we have strong and long-standing relationships (in general, between 5 to 10 years) with our five largest clients by sales volumes: Puerto Rico Electric Power Authority, Shell, Greenergy Fuels, Vivo Energy and Nicholl Fuels Oils.

During FY 2019 and LTM 2020, our retail operations sold 5,941 million and 5,300 million cubic meters of fuel, respectively, through our expansive network of retail sites in countries across Africa, the Americas and Asia Pacific (excluding 1,407 million and 1,342 million cubic meters sold in those periods by our Australian Fuels Business). The majority of these retail sites are operated under the "Puma" brand. We also sold 14,529 million and 14,833 million cubic meters of fuel, bitumen and lubricants to industrial and commercial customers during FY 2019 and LTM 2020, respectively (excluding 1,436 million and 1,499 million cubic meters sold in those periods by our Australian Fuels Business). We also provided 1,966 million and 1,501 million cubic meters of refined oil products to airlines, aircraft operators and owners across the Americas, Africa and Asia Pacific during FY 2019 and LTM 2020, respectively.

Midstream business profile (the infrastructure business)

As part of our new customer-led strategy and five-year transformation plan, our midstream operations are being closely reviewed to further optimize this part of our business in 2020 and into 2021 and will be renamed our infrastructure business. See "—*Three business units going forward*." The primary objective of our midstream operations is to provide an oil products storage and distribution platform (and in particular the necessary storage capacity) for our downstream operations, ensuring control of a critical part of our supply chain. We benefit from in house dedicated supply and risk management expertise and established relationships with refiners, which is enhanced by our strong global supply arrangement with our core shareholder suppliers, Trafigura and Sonangol. We support our regional and national wholesale customers through our global network of infrastructure and storage facilities in six continents. As part of our new customer-led strategy, our midstream operations are focused on enabling our downstream operations to serve their own customers effectively while providing the highest standards of service to our direct midstream customers. Our midstream operations accounted for 17.2% and 12.9% of our Consolidated EBITDA for FY 2019 and LTM 2020, respectively.

Our infrastructure asset base provides optionality and security of supply for assets in Africa, Americas and Asia Pacific. We operate 91 terminals worldwide, with an aggregate storage capacity of 7.0 million cubic meters, helping drive economies of scale. Our storage asset base comprises seven main storage facilities ("**storage hubs**") in the United Kingdom, Estonia, Dubai, Angola, Puerto Rico, Mozambique and Papua New Guinea. Our terminals offer high-quality import terminals in the region, in many cases offering deep-water access, at a scale that creates strong economics for growth in high-potential markets. Most of our terminals are not shared with other competitors and are strategically located in close geographic proximity to our downstream operations and approximately half of our terminals' capacity was used to support our own downstream operations in LTM 2020. See "*Business—Midstream—Storage*."

Our transportation and fleet management activities, as well as off-shore mooring systems, are also key elements of our midstream operations. Further, although refining is not part of our core business, our midstream operations also include two small refineries in Nicaragua and Papua New Guinea.

During FY 2019 and LTM 2020, our midstream activities handled 14.2 million and 13.8 million cubic meters of refined oil products, respectively (excluding 1.7 million cubic meters in each such period handled by our Australian Fuels Business). In addition to throughput revenues at our terminals and pipelines, our midstream activities also generate revenues from capacity rental and take-or-pay agreements, as well as sales from refining activities (neither of which are reflected in throughput volumes).

Three business units going forward

As part of our new customer-led strategy and five-year transformation plan, our core business operations described above will be further supplemented by a new future energies business. Going forward, we will have three business units: the downstream business, the infrastructure (midstream) business and the future energies business. Our core downstream business unit will continue to focus on the business lines described above, and it will be managed under two regions—the "West" region, consisting of the Americas with Puerto Rico as the regional headquarters and the "East" region, consisting of Africa, Middle East and Asia Pacific with Johannesburg as the regional headquarters. Our infrastructure business unit will consist of 32 marine terminals and two inland terminals, the pipelines and associated land, mostly consistent with our current midstream operations (except that the financial reporting of our two refineries—Papua New Guinea and Nicaragua—will ultimately be separate from the midstream operations). It will focus on safe and continuous storage, operation of assets whilst maximizing commercial value from the assets. The future energies business will adopt a "start-up philosophy" which we expect will allow us to more rapidly scale our intended activities to help deliver lower carbon alternatives for our downstream customers as part of their energy transition. We intended for these three business units to be supported through global, centralized, functions adapted to a renewed business perimeter and that seek to drive further efficiency gains. Alongside this reorganization, our supply and trading activities will be transferred to Trafigura to maximize value opportunities for the business by entering into an arm's length cooperation agreement. This will enable us to leverage the global scale and reach of Trafigura's supply, trading and logistics activities for commercial advantage. The governance of this new arrangement will be managed through our supply committee chaired by independent non-Executive Chairman, René Médori, with senior representation from both us and Trafigura. We have also reduced the size of our executive committee from twelve to eight members as part of our cost-cutting efforts. See "*Management and Corporate Governance—Executive Committee of the Company.*"

Our competitive strengths

Highly diversified global business serving a large and varied customer base

Our operations are highly diversified across geographic markets, end-user industries, products, services and customers, presently covering 43 countries in six continents, approximately 2,600 retail sites (excluding 367 retail sites that formed part of our Australian Fuels Business), 86 airports and over 13,000 industrial and commercial customers (excluding approximately 7,000 customers served exclusively by our Australian Fuels Business) as of June 30, 2020.

Our business model focuses on attractive high-potential markets in developing countries (with comparatively high anticipated refined oil product consumption growth) in the Americas, Africa and Asia Pacific, and our operations in high-potential markets are supplemented by operations in selected mature markets in developed countries in Europe (where anticipated refined oil product consumption growth is lower, but where large market size continues to drive high sales volumes). For FY 2019 and LTM 2020 (including intercompany elimination and consolidation adjustments for the respective countries, considering the allocation of overhead costs and supply margin), we generated 16% and 14% of our Consolidated EBITDA, respectively, in countries whose sovereign debt is rated investment grade (BBB− or above), 13% and 12% of our Consolidated EBITDA in countries whose sovereign debt is rated BB+ to BB−, 28% and 22% of our Consolidated EBITDA in countries whose sovereign debt is rated B+ to B−, and 43% and 51% of our Consolidated EBITDA, respectively, in countries whose sovereign debt is either not rated or rated below B−. In addition, in FY 2019 and LTM 2020, no individual country contributed more than 15% of our Consolidated EBITDA.

Our operations are also diversified across a wide range of business lines. Our downstream operations include the following business lines: retail, business-to-business, wholesale, bunkering, aviation, lubricants, bitumen, LPG and supply, with retail, business-to-business, lubricants, aviation and bitumen being areas of particular focus under our new customer-led strategy and five-year transformation plan. See "*—Three business units going forward*." Within retail, our non-fuel products and services represent attractive cross-selling opportunities that complement our main business activities and allow us to diversify our product offering and our sources of revenue and, accordingly, one of our key global improvement initiatives as part of our new customer-led strategy entails expanding and improving our convenience retail offering by taking a more rigorous, consistent approach to getting close to our customers with broader and better products and services. Our industrial and commercial customers also operate in a wide range of sectors, including transport, power generation, industrial and manufacturing activities, mining, agriculture and construction.

In our downstream operations in FY 2019 and LTM 2020, no single customer (including its affiliates) represented more than 3% of our sales volumes and our top 10 industrial and commercial customers represented less than 12% and 13% of our sales volumes, respectively, for the same periods. Due to modern facilities and infrastructure, competitive pricing and reliable supply, however, we have developed long-term sustainable relationships with several of our customers. For example, we have strong and long-standing relationships (in general, between 5 to 10 years) with our five largest clients by sales volumes: Puerto Rico Electric Power Authority, Shell, Greenergy Fuels, Vivo Energy and Nicholl Fuels Oils. Our robust relationships with several of our customers also facilitates our intended strategic shift from only selling products to being a solutions provider, a strategic shift that we hope to further accelerate by defining and delivering targeted CVPs to global and regional customers in priority segments such as construction, transportation and mining. With our mining customers, we believe there is also an attractive opportunity to offer tailored solutions for high-performance lubricants. For example, in 2019, we collaborated closely with a large copper mine in North-West Zambia, enabling our customer to quickly improve equipment reliability and reduce maintenance costs with the help of our high-performance Puma Vitrix HD lubricant. Following the success of the pilot, we are planning to expand the model across the region.

We believe that our operational diversification across geographic markets, business lines, customers and industry segments provides a degree of protection from economic and business cycles. Our diversification has historically allowed us to leverage our supply, storage, transportation and infrastructure capabilities and take advantage of demand and market dynamics in the various markets in which we operate.

Clear strategic focus on extracting more value from our existing businesses and asset base

We benefit from a well-invested asset base, as well as significant market positions in a number of the markets in which we operate and long-standing relationships with many of our customers (and a resulting deep understanding of our customers' needs and priorities), that we are highly focused on optimizing as part of our new customer-led strategy. We believe that we have a significant opportunity to extract value from our existing businesses, and that our new focus on customer-led operational improvements combined with strong cost controls, effective capital allocation and disciplined targeting of investments into the markets and segments where we see the most promising potential to improve our unit margins and operating profit performance will help us to create a more sustainable and profitable business in the medium term. See "—*Our strategy*."

To this end, under our new management team, we have begun embedding our new customer-led strategy and five-year transformation plan—with a clear intended pathway to maximize returns from assets and operations across the markets in which we operate and to seek to access future opportunities for profitable growth in the most attractive ones—within our organization and operations. For example, in 2019, we developed a clear and comprehensive improvement plan for our global retail business, including improved retail strategies and network plans for our key markets to seek to enhance our customers' experience and improve the value generated by our network of retail sites.

Over the course of 2019, we have also focused on streamlining, simplifying and aligning across our businesses and organization, a focus that is helping to improve our global quality, consistency and efficiency (including in how we deliver value to our customers) and helping to further strengthen our relationships with our customers and the communities that we serve. As part of these efforts, among other things, we are creating global centers of customer excellence to support the creation of a truly customer-led business to help us to develop greater quality and consistency in assisting employees to serve our customers in a quick and consistent manner while maintaining high service standards.

We are also continuing to invest in a significant automation and digitalization program to build a foundation for the digital transformation of the downstream business and to help drive operational excellence, as well as in simplifying, standardizing and automating key processes in business operations. As part of that, we are also building the data and analytical capabilities necessary to implement the program and are seeing some early benefits from this. For example, we have increased our ability to assess work force data, leading to benefits in terms of reduced shift hours and queues, and have begun reducing freight and logistics costs by better analyzing trip routings through terminal utilization analysis tools and managing exceptions as well as by better analyzing and managing logistics trends. We also continue to make improvements to our midstream operating model to further optimize our midstream asset base to creating future value, including, for example, through increased rental of additional storage capacity and greater utilization of the land around our midstream assets in collaboration with preferred third parties and/or strategic partners.

We also believe that our new clear strategic focus and the initiatives underway will help us attract, retain and develop our people, and will help ensure that we continue to improve our health, safety, environment and community performance.

As a result, we believe that our strategic evolution is broadly on track, both in terms of our strategic vision and in the development of the practical foundations necessary to achieve it.

Vertical global integration facilitating leading market positions

We operate a vertically integrated midstream and downstream oil business where we control all stages of the value chain—supply, storage and distribution. Our operations are supported by a global supply platform, sizeable storage assets and an extensive retail network. Our in-house supply team constantly assesses market opportunities and sources refined oil products from a large base of third-party suppliers, as well as Trafigura and Sonangol, our largest shareholders.

Our 91 strategically located terminals including seven storage hubs, import and loading capabilities and transportation resources, facilitate the import of refined oil products into our geographic markets and their reliable movement through the supply chain. This allows us to source our products reliably and at competitive prices, and provides us with access to supply sources across the world. Our terminals comply with stringent industry standards, with 80% being API-compliant and a large number being ISO 9001 or ISO 14001 certificated.

To complete the vertically integrated value chain, we also operate approximately 2,600 retail sites offering fuel and non-fuel products and services (excluding 367 retail sites that formed part of our Australian Fuels Business). This extensive retail network, combined with our base of business-to-business, aviation and wholesale clients, helps create demand for our refined oil products.

We believe that our vertically integrated business model, our supply, storage and distribution infrastructure, various strategic relationships and operational excellence have allowed us to secure a significant market position in a number of the markets in which we operate.

Limited exposure to commodity prices and exposure to exchange rate fluctuations mitigated by strong relationships with regional and local governments

In the fully and semi-regulated markets in which we operate (accounting for 70% and 66% of our downstream gross profit and 71% and 66% of our downstream Consolidated EBITDA during FY 2019 and LTM 2020, respectively, including intercompany elimination and consolidation adjustments for the respective countries, considering the allocation of overhead costs and supply margin), including, for example, Angola, the Republic of Congo and Nicaragua, the regulations applicable to our activities set a maximum margin, at which we are permitted to sell our refined oil products. Prices in fully and semi-regulated markets are either based on a formula defined by the relevant regulatory regime, or negotiated directly with the regulators. In these markets, although increases in oil prices or local currency devaluations tend to have an adverse near-term effect on unit margins, prices have historically tended over time (although generally with some time lag) to adjust to increases in oil prices and local currency devaluations. The mechanisms to adjust to increases in oil prices and local currency devaluations can vary in their degree of formalization and in the typical time lag required to achieve adjustments. For example, in Zimbabwe, which has experienced significant local currency devaluations in recent years, regulated oil prices have been adjusted on a monthly basis and there is thus a relatively short period of exposure to the devalued local currency against the U.S. dollar and less corresponding impact on unit margins. By contrast, in other fully and semi-regulated markets, price adjustment mechanisms are less formalized and can require longer periods of engagement and discussion with governmental authorities before they occur. Although the outcome in such markets is rarely certain, in general, we have historically managed with considerable success to limit our exposure to increases in oil prices and exchange rate fluctuations in fully and semi-regulated markets through a combination of pre-agreed formal mechanisms and engagement with regional and local governments. The only notable recent exception has been Angola, where local currency devaluations of recent years have not seen compensating price adjustments since March 2018 and there is no clear indication as to the timing of a future price adjustment. The circumstances in Angola, however, are relatively unusual, since although our Consolidated EBITDA from the country was impacted by the decrease in unit margins (with Consolidated EBITDA decreasing from $197.6 million in FY 2017 to $27 million in LTM 2020), its contribution to our Consolidated EBITDA remains accretive.

In free markets, we can generally increase prices in local currency terms in response to a local currency’s devaluation, or an increase in oil prices, without adversely affecting our competitive position as local competitors typically respond in a similar fashion to currency and oil price movements. In instances where that is less feasible, as proved to be the case in Australia over 2018 and 2019, where the scope for price increases in response to local currency devaluations was severely limited by a very competitive market (and broader pressures on local unit margins), we will review and assess our options and may, as ultimately occurred in Australia, even exit a country (or business line) when market-specific factors undercut the historic unit margin stability that we generally expect.

The chart below shows our downstream unit margin from January 1, 2017 to June 30, 2020, which has ranged between $6 - $13 per barrel (or $36 - $81 per cubic meter), alongside the price of Brent crude futures during the same period. For our downstream operations, unit margins are defined as gross profit from our downstream activities (including gross profit from sales of non-fuel products and services) divided by total sales volume.

Our exposure to oil prices is further mitigated by the hedging of our inventory in free and semi-regulated markets. Whilst the value of our inventories in free and semi-regulated markets fluctuates with changes in oil prices, for the period between the purchase and sale of the product, we secure the price through the use of commodity futures and swaps. In regulated markets on the other hand, both the purchase and the sale price are fixed, so we are not exposed to fluctuations in oil prices. Furthermore, our inventories are fully covered by insurance against any risks or damages.

We limit the extension of credit to reduce our exposure to currency fluctuations and more generally to facilitate a rapid cash conversion of our sales, and most of our retail and wholesale customers are not extended credit. We target and typically achieve third-party DSO of 10 to 15 days. Such short payment terms also allow us to mitigate the impact of currency exchange fluctuations on non-U.S. dollars denominated receivables. We also seek to manage our local currency exposure by accessing local currency funding where possible, including the use of working capital lines and overdrafts in local currencies, which provides a natural currency hedge for local currency receivables.

Prudent financial and capital structure management

We believe that we are benefiting from our prudent financial and capital structure management. We have over time successfully replaced the majority of our Operating Group debt with unsecured debt at PIF level and remain committed to broadly maintaining this capital structure. We have reduced debt at the Operating Group level as a percentage of our gross total debt from 44.0% as at December 31, 2014, to 12.7% as at June 30, 2020 (with secured debt at the level of the Operating Group reducing still further, from 32.9% as at December 31, 2014 to 3.6% as at June 30, 2020). Unsecured financing incurred by PIF represented 87.3% of our gross total debt as at June 30, 2020.

We also remain committed to deleveraging our balance sheet and managing our liquidity and have implemented a number of initiatives across our business to achieve this in the near-term. We have sought to actively manage our debt maturities and to extend our debt maturity profile when possible to do so on attractive terms. Most recently, on April 30, 2020, we entered into a $310.5 million facility agreement to repay certain existing indebtedness, which further contributed to this strategy and further extended out our debt maturity profile. See "*Description of Certain Other Indebtedness—Annual Syndicated Credit Facilities Agreements*."

Moreover, in line with our strategic focus on deleveraging our balance sheet, the proceeds from strategic disposals in Indonesia, Paraguay and Peru were primarily used to repay existing indebtedness as part of our deleveraging strategy. In August 2020, we used $50 million of the proceeds of the Australia Sale to partially repay the 2018 Term Loan Facility B, and the remaining proceeds in the amount of $255 million are currently being held to bolster liquidity amidst the extraordinary circumstances of the COVID-19 pandemic, but are expected to ultimately be applied towards similar deleveraging if and when it is prudent to do so. For further information on our related strategy, see "*—Our strategy—Continue strengthening our balance sheet and streamlining our portfolio*." As a result, our ratio of total Net Debt (excluding inventories) (defined as total borrowings less cash and cash equivalents and less inventories) to Reported

EBITDA and to Adjusted EBITDA was 2.7x, 3.3x, 2.5x and 3.2x as at December 31, 2017, December 31, 2018, December 31, 2019 and June 30, 2020, respectively. We intend to achieve a ratio of Net Debt (excluding inventories) to Reported EBITDA and a ratio of Net Debt (excluding inventories) to Adjusted EBITDA at or below 2.5x by the end of 2021, while maintaining strong liquidity and continued diversification of funding sources (including bonds, private placements, revolving credit facilities, term loans and borrowing base facilities).

The table below summarizes the maturity profile of our financial liabilities as at June 30, 2020:

	Less than 1 year	1 - 5 years	More than 5 years	Total
		($ millions)		
As at June 30, 2020[(1)]				
Trade and other payables	1,911	—	—	1,911
Financial derivatives	170	—	—	170
Other liabilities	—	7	—	7
Total	**3,590**	**1,022**	**1,141**	**5,753**

(1) The amounts in this table exclude financial liabilities of the Australian Fuels Business, which was not included in the balance sheet at June 30, 2020.

We also have a strong liquidity position and one that we have prudently strengthened in recent months, in particular through the strong support of our core shareholders, Trafigura and Sonangol, as well as through recent financings. We have the $1.5 billion undrawn Trafigura Facilities granted by Trafigura, which further strengthens our liquidity position. Our liquidity amidst the COVID-19 pandemic has also been bolstered by the interim price adjustment that we agreed with our core shareholder suppliers, Trafigura and Sonangol, under their supply arrangements with us to help minimize the impact of trading conditions in the second and third quarters of 2020 and which contemplates up to $100 million of support in the five month period from May to September 2020. In April 2019, we also announced the establishment of a one-year $350 million revolving credit facility with two one-year extension options, which we refinanced in April 2020 with a one-year $310.5 million revolving credit facility with two one-year extension options.

We generally have a strong ability to upstream cash flows, through our supply system, capital expenditure and procurement invoices, dividends, as well as inter-company loans. With certain exceptions such as Angola and Papua New Guinea, where cash repatriation processes can take longer (and where cash in excess of expected operational needs may accordingly accumulate in certain periods), cash generated by our local operating subsidiaries over their expected operational needs is generally immediately transferred to us through the payment of intracompany invoices (rather than as dividends).

Supportive shareholders and experienced management team

Our core shareholders have historically been supportive of our needs as they have evolved over time. Our growth between 2009 and 2017 was fostered in significant part by equity investments from our shareholders, who contributed $1.3 billion of new equity into the business over that period. In 2009, our largest shareholder, Trafigura, converted a $200 million shareholder loan to us into equity. In 2011, Sonangol entered into the share capital of Puma Energy. In 2013, a capital increase of $500 million grew Sonangol's holding in Puma Energy from 20% to 30%. In 2015, we raised $350 million through a capital increase from Trafigura and a former shareholder. We have the $1.5 billion undrawn Trafigura Facilities granted by Trafigura, which further strengthens our liquidity position. In March 2020, we repurchased approximately 10% of the shares held by Cochan with the proceeds of the 2020 Subordinated Shareholder Restructuring Loan, as a result of which Cochan is no longer a significant shareholder and now holds less than 5% of the outstanding shares of the Company. This repurchase was done to simplify our shareholding structure and increase access to capital markets.

Trafigura continues to provide us with refined oil products for our downstream operations with a high level of reliability at competitive prices, as well as a customer of our infrastructure and logistics services. We also benefit from the local market knowledge of Sonangol, the state-owned oil company of Angola and one of the leading oil producers in Africa, and we purchase some of our refined oil products from Sonangol. In response to COVID-19, we also agreed an interim price adjustment with our core shareholder suppliers, Trafigura and Sonangol, under their supply arrangements with us to help minimize the impact of trading conditions in the second and third quarters of 2020 and which contemplates up to $100 million of support in the five month period from May to September 2020. We used over $80 million of the available shareholder support during the second quarter of 2020, which helped to substantially offset the adverse impacts of the pandemic by reducing our cost of sales (in turn helping to support or increase our gross profit, unit margins and EBITDA) in order to help minimize the impact of material sales volume reductions during portions of the period as a result of the pandemic.

Our management team has diverse and extensive experience in all aspects of midstream and downstream operations across numerous oil industry sectors, including the supply, energy trading, and wholesale segments. Our CEO, CFO, CTO, Head of Africa and Head of Brand Marketing and Communications all joined in 2019 and since then have spearheaded the development and implementation of our new customer-led strategy and five-year transformation plan, and our new non-Executive Chairman, René Médori, and our Chief People and Culture officer joined in March 2020. Our senior management team has more than 170 years of combined experience, including serving in various management positions in energy, oil and gas, utilities, telecommunications, banking and engineering companies such as National Grid, Royal Dutch Shell, British Petroleum, VEON, Severn Trent Water, Etisalat Nigeria, Jazz, Morgan Franklin, BT, Nayara Energy, Rosneft, BP and Anglo American.

We have a decentralized management structure which allows for flexible decision-making at the local level, while maintaining centralized control and reporting systems and while still seeking to facilitate the dispersion of best practices and standards throughout our global operations. Further, our IT and control systems provide us with real-time, centralized management information and a live online reporting system, which are key to managing the complexity of our business and improving our decision making process.

Enhanced corporate governance and strong risk management and compliance functions

We have consistently sought to bolster our corporate governance practices to support our evolution as a responsible and sustainable business. For example, since 2018 we have established a series of new committees, including an Audit Committee and Ethics and Compliance Committee. In 2019, we enhanced our corporate governance in a number of ways, to support the new customer-led strategy and five-year transformation plan and align it with our newly articulated purpose of energizing communities to help drive growth and prosperity by sustainably serving our customers' needs around the world. These further enhancements to our corporate governance include (i) expanding our Finance and Investment Committee's focus on seeking to ensure that we manage our portfolio of businesses as effectively as possible, (ii) creating a Remuneration Committee to review our remuneration and reward policies to seek to ensure that they align with and support the purpose, goals and transformation of the business, (iii) reviewing and updating our current Code of Conduct to seek to ensure that it is right for us now and robust in the future, (iv) focusing on enhancing our Risk Management Framework—moving towards the classic structure of "Three Lines of Defense" endorsed by the Institute of Internal Auditors (IIA) and (v) formalizing our Environmental, Social and Governance ("**ESG**") framework.

The shareholders' agreement to which our principal shareholders and certain other shareholders are party also provides for the appointment of at least two Independent Directors (one of whom shall also be Chairman) by shareholders holding together at least 75% of the shares in issue. Our new independent non-Executive Chairman, René Médori, is also chairman of Petrofac and therefore offers our board of directors direct experience of international best practices in corporate governance and operating responsibly in emerging markets.

We operate a risk management and control framework which governs decision making at each corporate level and defines reporting lines and controls. Underlining our commitment to risk management and compliance standards, we have since 2016 had a Global Head of Compliance who reports directly to the Chairman and the CFO, and have adopted an appropriate sanctions, anti-bribery and corruption compliance program designed to help prevent, detect, and deter conduct that would violate relevant regulations. Our management team monitors our compliance with principles of corporate governance by employing a framework that provides for checks and balances while allowing our management flexibility for prompt decision-making in the ordinary course of business.

Our risk management and control model also focuses on various business risks such as commodity and currency exposures, compliance with laws and regulations in the various jurisdictions in which we operate and increased transparency. We comply with stringent industry standards, with 80% of our terminals being API-compliant and a large number being ISO 9001 or ISO 14001 certificated, limiting our operational risk. We also actively monitor counter-party credit risk, and we seek to minimize our exposure to this risk by targeting and typically achieving an average of 10 to 15 days of sales outstanding. To further address credit risk and improve the collectability of our trade receivables, in some countries we use a combination of credit insurance and factoring. Our largest and second largest credit loss on a single receivable amounted to $5.2 million (which relates to a loss in relation to a single receivable from the Australian Fuels Business) and $3.2 million, respectively. For more information on our risk management, see "*Business—Risk Management*" and *"Management's Discussion and Analysis of Financial Condition and Results of Operation—Risk Management*."

As a responsible business, we are committed to engaging constructively with governments and regulators in the countries in which we operate. To manage our exposure to political risk, we seek to maintain a politically neutral stance in all of our operating jurisdictions. We have political risk insurance to further minimize our exposure to nationalization, expropriation and confiscation. We believe that successful implementation of risk management strategies, further supported by our cooperation with local governments in establishing needed infrastructure (and the goodwill this tends to generate), is integral to the performance of our integrated geographic platform. Since our foundation in 1997, we have built a successful track record of managing regulatory, public infrastructure and communities risks where we operate, and have not suffered any material losses due to these risks to date.

Well-positioned to manage and access opportunities presented by the energy transition in high-potential markets

The world we operate in is changing rapidly, and our customers and communities increasingly expect access to lower carbon energy solutions as well as reliable and affordable energy. This energy transition is marked by key trends that we believe we are well placed to embrace.

In general, and notwithstanding the current impact of COVID-19 in 2020, energy demand continues to grow. This is particularly true in the high-potential markets in which most of our operations are located—Africa, the Americas, Middle East and Asia Pacific. Customer needs and expectations are also changing, as they become more demanding with an increasing expectation of quality and enhanced user experiences. These regions also demonstrate demographic trends that we believe support steady future growth for refined oil products (and other related and non-fuel products and services we offer), including increasing population and urbanization and a growing middle class.

According to IHS Markit, the Middle East, Africa, Latin America and Asia, which compose the bulk of our operations, are estimated to account for 56% of global oil demand today, and are forecast to account for 64% of global oil demand by 2040. In addition, IMF projections in June 2020 indicate that real GDP in Sub-Saharan Africa, Latin America and the Caribbean and Emerging and Developing Asia are expected, despite contracting in 2020 amidst the COVID-19 pandemic, return to growth in 2021 (growing by 3.4%, 3.7% and 7.4%, respectively in that year), and over the longer-term to 2040, according to IHS Markit, non-OECD economies are still expected grow at more than twice the rate of OECD countries.

In addition, and notwithstanding anticipated increases in demand for refined oil products in our high-potential markets until the mid-2030's, there is also growing interest and investment in renewable energy solutions in the high-potential countries that we focus on. Indeed, as many of these countries do not have an established traditional infrastructure providing highly reliable energy availability, the opportunity to move to modern renewable sources of decentralized energy is even more attractive and compelling.

Given our capabilities, experience, expertise and strong relationships with governments and communities, we believe we are well-positioned to capitalize on the expected growth in demand for refined oil products in these markets as well as to take advantage of the opportunities created by the global transition to cleaner, smarter and more decentralized energy. See "*—Our strategy Position ourselves for the energy transition.*" For example, we have strong logistics and operational capability in difficult to reach markets. Moreover, governments in the high-potential markets in which we operate have typically been supportive of the development of energy infrastructure assets and we have long experience of working closely with local governments in several countries in making such investments. Our terminals and storage hubs often become key infrastructure assets, which give us first-mover advantage, thus enhancing our market position, and allowing us to reap benefits across the value chain.

Further, our policy of hiring local employees helps us to understand the issues local communities face and enables transparency and dialogue in order to avoid problems before they arise. Our relationship with the local communities is further supported by our strong commitment to social responsibility and our involvement in various social, environmental and health and safety projects, including, road safety and vaccinations. In 2019, we continued supporting local communities in Africa, Asia Pacific and Americas and received a number of awards. See "*Business—Health, Safety, Environmental and Community Matters.*" In addition, our operations contribute sizable and reliable indirect tax collection to local governments.

Our strategy

Our new strategy puts customers at the heart of everything we do. Building on the presence and strengths we have today, we want to re-focus on core businesses and countries, enhance the quality and differentiation of our offer to customers and develop the business to supply the energy needs of the future, which in turn we believe will enable us to in time expand into new high-potential markets and countries.

Our strategy is focused on our five-year transformation plan (from 2019 to 2024) with three pillars: (1) *operational excellence*, which focuses on active initiatives (well over 100 as of June 30, 2020) aimed at improving the management and control of our existing assets, streamlining costs and improving our value proposition to our customers, (2) *focused growth*, which memorializes our intention to grow our existing business lines in a focused and capital-light way by taking the lead from what our customers need and value and going and growing where the highest potential is; and (3) *new business development*, to seek to take advantage of the opportunities created by the gathering energy transition to cleaner and more renewable energy.

The discussion below elaborates further on the three pillars of our transformation plan, highlighting how these pillars are intended to support key strategic themes and objectives inherent in our new customer-led strategy.

Continue seeking to extract more value from our existing businesses and asset base while strengthening customer experience

We benefit from a well-invested asset base, as well as significant market positions in a number of the markets in which we operate and long-standing relationships with many of our customers (and a resulting deep understanding of our customers' needs and priorities), that we are highly focused on optimizing as part of our new customer-led strategy. We believe that we have a significant opportunity to extract value from our existing businesses, and that our new focus on customer-led operational improvements combined with strong cost controls, effective capital allocation and disciplined targeting of investments into the markets and segments where we see the most promising potential to improve our unit margins and operating profit performance will help us to create a more sustainable and profitable business in the medium term.

In line with the operational excellence pillar of our transformation plan, we are focused on improving our value proposition to customers, operational efficiencies and profit margins over time through optimization of our existing asset base and processes. For example, we aim to capitalize on our network of strategically located storage terminals and hubs, to further strengthen our competitive position and increase the volumes sold to our customers. We are also reviewing our infrastructure asset base to further optimize this part of our business in 2020 and into 2021. More generally, we aim to continue to improve customer experience by delivering very high customer service standards at each of the locations we operate, underpinned by high quality fuels and lubricants. We also aim to create the best choice and selection of brands, products and services to grow our non-fuel products to increase profitability and reach new customers and new markets. We expect our loyalty program will over time enable us to leverage customer data and insights to further refine and improve our CVPs and strengthen trust in our brand. We also expect our digitization programs will over time improve reliability, help provide $^{24}/_{7}$ coverage and strengthen our capacity to offer services whenever our customers want it.

As of June 30, 2020, we had well over 100 initiatives across the business aimed at driving operational improvements over the five-year period of the transformation plan that are in the pipeline or underway (and in some cases, already implemented). As examples of the types of operational improvements that have already been implemented or are underway:

- in Guatemala and El Salvador, we have now finalized a new retail network plan to rationalize the network, develop our business beyond fuels and strengthen our brand in the region for both convenience offerings and for fuels;

- also in El Salvador, we improved sales year-on-year in the retail business line as a result of smarter category management, improved design and implementation of new food service offerings;

- we are working on global customer loyalty initiatives to bring more customers to our retail sites and seek to deliver underlying unit margin growth;

- in lubricants, we are working on building a more consistent presence of Puma-branded lubricants at our retail sites and also on expanding our reach into other channels of trade. We are also acting on what we believe to be a significant opportunity in our high-performance lubricants business in adopting more of a solutions-based rather than a product-based approach to responding to customer needs. See "*Our competitive strengths—Highly diversified global business serving a large and varied customer base*" for further discussion of a successful pilot program in Zambia with this new focus;

- in our business-to-business business in Papua New Guinea (PNG), we have adapted our key account management approach to focus on strategic customer partnerships and in the process achieved a sole supplier position with two of PNG's largest diesel consumers, enabling us to extract additional sales volume and margin and potentially opening up new business opportunities for our future energies business; and

- we are also now defining and delivering targeted CVPs to global and regional customers in priority segments by offering solutions rather than just products.

We are currently targeting sustainable Consolidated EBITDA improvements of $200 million per year by the end of our five-year transformation plan (that is, on an annualized basis at the end of 2024 as compared to the start of FY 2019) as a result of our operational improvement initiatives, and estimate that the operational improvement initiatives that we have already undertaken contributed an aggregate of $24.5 million towards our Consolidated EBITDA in FY 2019 and an aggregate of $37.0 million (of which $12.6 million related to initiatives undertaken in FY 2019) towards our Consolidated EBITDA in H1 2020 (in each case, whether due to increased revenues and/or (to a more limited extent) cost savings), which has helped offset some of the headwinds that we continue to experience in a number of our markets. Our targets for sustainable Consolidated EBITDA improvements are based on the assumption that we are successful in implementing all of our currently planned initiatives and that all of our planned initiatives will be successful in generating the sustainable Consolidated EBITDA improvements that we currently anticipate, and both our targets and these and other assumptions underlying such targets are based on our current estimates, perceptions, expectations and intentions, which are subject to risks, uncertainties and other factors that may cause actual results or performance to be materially different from anticipated future results or performance expressed or implied by such targets and assumptions. Among other things, our targets for Consolidated EBITDA improvements are subject to an annual review process through which we present any updates to the five-year transformation plan to our Board of Directors, and therefore, these estimates, initiatives and targets are subject to change on an annual basis. See "*Presentation of Financial and Other Information—EBITDA Improvement Targets and Estimates*."

We also believe that our focus on extracting value from our existing businesses and asset base should help translate into moderate levels of capital expenditure going forward, including growth capital expenditure (which represents capital expenditures other than maintenance capital expenditure, including our investments in new ventures as part of the energy transition and investments in other organic growth initiatives). In particular, as part of the focused growth pillar of our transformation plan, we have since 2019 been prioritizing our investments to focus on what we perceive to be the most attractive growth opportunities, which, in general terms, we believe entails investments in markets where we already have a meaningful market presence and a well-invested asset base. In particular, as part of the focused growth pillar, we aim to increase the size of the current core business by attracting new customers and increasing turnover, increasing our network presence and expanding our product portfolio—all of which entails growing our existing business lines in a focused and capital-light way. We currently aim to stay within the expected total annual capital expenditures of around $130 million in 2020 and around $200 - 210 million in 2021.

Continue strengthening our balance sheet and streamlining our portfolio

Prudent financial management and planning are central to the successful delivery of our business strategy and the focused growth pillar. As discussed above, as part of the focused growth pillar of our transformation plan, we aim to increase the size of the current core business by attracting new customers and increasing turnover, increasing our network presence and expanding our product portfolio. We are concentrating on growing our existing business lines in a focused and capital-light way. We aim to take the lead from what our customers need and value—identifying and maximizing these opportunities, going and growing where the highest potential is. Both strong, active portfolio management and smart capital allocation are key to our focused growth.

We also intend to maintain sufficient liquidity to provide us with the financial flexibility required to operate while maintaining prudent leverage. We intend to continue to pursue our financing strategy and lengthen the company's debt maturity profile, achieving a Net Debt (excluding inventories) to Reported EBITDA ratio and a Net Debt (excluding inventories) to Adjusted EBITDA ratio at or below 2.5x by the end of 2021. We are streamlining our portfolio through disposals of non-core assets, as exemplified by sales of assets between 2018 and 2020 in Australia, Indonesia, Paraguay and Peru, allowing us to better focus our investments going forward in markets that we believe offer better opportunities to create sustainable and profitable growth and/or facilitate the deleveraging of our balance sheet on attractive terms. The sale of our Indonesian and Paraguayan businesses generated $180.6 million and the proceeds were used to pay down debt, in line with our approach to managing our capital structure. Additionally, on June 30, 2020, we completed the sale of our Australian Fuels Business for a purchase price of AUD 425 million (or $305 million) to Chevron Australia Downstream Pty Ltd, which is expected to continue to use our brand under license in the near term. In August 2020, we used $50 million of the proceeds of the Australia Sale to partially repay the 2018 Term Loan Facility B, and the remaining proceeds in the amount of $255 million are currently being held to bolster liquidity amidst the extraordinary circumstances of the COVID-19 pandemic, but are expected to ultimately be applied towards similar deleveraging if and when it is prudent to do so. We are presently targeting additional non-core asset disposals of approximately $100 million by the end of 2020 as part of our goals of streamlining our portfolio and/or facilitating the deleveraging of our balance sheet on attractive terms. In H1 2020, we divested $27 million (out of the intended $100 million) of non-core assets in furtherance of this target. We also expect to continue streamlining our portfolio in subsequent years in order to dispose of any assets which we consider (or determine in the future to be) non-core when we believe it is possible to do so on attractive terms, although we currently expect the overall scale of any further such dispositions to be more modest than our remaining 2020 disposition targets. Although we have no present plans or intention to dispose of operations that we consider core, we may also consider dispositions of core assets on an opportunistic basis if the terms are sufficiently attractive and such a disposition would be consistent with our strategic objectives.

We are also focusing on cash flow generation and diversification of funding sources via banks loans and listed and unlisted bonds. Our dividend policy is prudent, and we do not intend to pay dividends in 2021 based on 2020 results. In FY 2018 and FY 2019, we paid $17.3 million (to our shareholders) and $6.0 million (only to shareholders who were also our joint venture partners), respectively. During H1 2020, we paid $16.3 million dividends to the minority shareholders in certain of our non-wholly owned subsidiaries who are also our joint venture partners in those subsidiaries.

We strive to maintain appropriate debt maturities and cash balances while approaching decisions concerning capital expenditures and leverage in a financially responsible manner.

Position ourselves for the energy transition

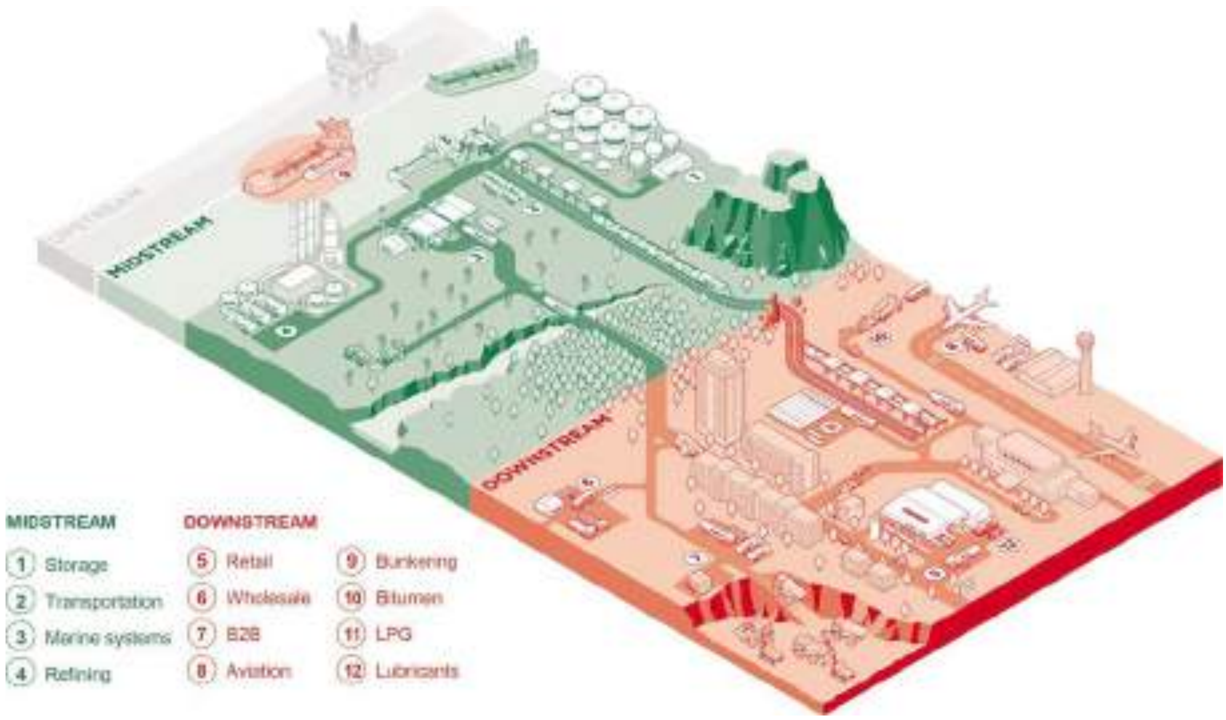
As climate change urgency escalates, there is a need for a transition to sustainable energy sources around the world. The global electricity system is evolving towards cleaner, smarter and more decentralized electricity. We believe we are very well positioned to help people and businesses in the markets we serve in the energy transition. We have a concentrated footprint in key growth markets, such as Sub-Saharan Africa, the Americas and the Middle East and Asia-Pacific, where there are currently 1.2 billion people without dependable access to electricity and which are expected to see significant growth in their share of power generation from renewables in the period to 2030. According to the BloombergNEF New Energy Outlook 2019 report, for example, the share of power generation in renewables is expected to reach 83% in the Americas by 2030 (a 12% increase over current levels), 60% in Africa (a 22% increase over current levels) and 30% in Asia-Pacific (a 12% increase over current levels). Moreover, we have strong capability in logistics and operations in these difficult-to-reach markets, which could be developed into a strong platform for capturing significant growth potential.

As part of the new business development pillar of our transformation plan, we are exploring new ventures under five focus areas: solar energy, decentralized energy, biofuels, data and digitalization and carbon zero. In making investments in these new ventures, we aim to stay within the expected total annual capital expenditures of around $130 million in 2020 and around $200 - 210 million in 2021 and, more generally, within the overall moderate levels of capital expenditure discussed above that we expect going forward. We are currently building a pipeline of different projects and identifying preferred technology and financial partnerships across these focus areas. Our focus in 2020 has been to pilot some of these projects, as well as continuing to build our understanding of customer requirements and designing solutions with those in mind. For example, in 2020 we have approved $3.0 million so far in solar power projects at 20 retail sites in Ghana and in solar installations at six terminals in Papua New Guinea, as well as our Puerto Rico Bayamon terminal. We are currently targeting moving beyond pilot projects in commercial and industrial power to operational projects in 2021, making concrete decisions about other opportunities to pursue as part of our business development activities in 2022, scaling-up our projects more generally in 2023 and having such projects be a thriving part of our ongoing operations (and ongoing investment plans) from 2024 onwards. To allow us flexibility to initiate a larger number of such pipeline projects and position us for the energy transition while maintaining capital expenditure discipline, we are also in the process of setting up a financing platform targeting investors with energy transition interests. In addition, to position ourselves for the energy transition, in the coming months, we aim to add a future energies business unit to our operations, which will adopt a "start-up philosophy" and we expect will allow us to scale more rapidly our activities to deliver value lower carbon alternatives for our downstream customers as part of their energy transition. Our Environmental, Social and Governance ("**ESG**") commitment is also an important part of growing our business in a sustainable way. In 2020, we have already started to embed our ESG framework across all our operations and use it as our compass to prioritize our new ventures activities.

Our Operations

The following diagram depicts our downstream and midstream operations.

Our Business Model



Our midstream and downstream operations, which include modern storage assets and extensive retail operations, are supported by a global supply and trading organization and stable supply sources.

Our downstream operations cover the distribution of refined oil products to our end customers in primarily high-potential markets. Downstream operations include the following business lines: retail, business-to-business, wholesale, bunkering, aviation, lubricants, bitumen, LPG and supply, with retail, business-to-business, lubricants, aviation and bitumen being areas of particular focus under our new customer-led strategy and five-year transformation plan. See "*Summary—Overview—Three business units going forward*." We are active in downstream operations both as a marketer of refined oil products and as an owner and operator of related infrastructure. We source and supply a wide range of refined oil products, including fuel oil, gasoline, diesel, liquid petroleum gas ("**LPG**"), aviation fuel, bitumen and lubricants. Our downstream operations accounted for 82.8% and 87.1% of our Consolidated EBITDA for FY 2019 and LTM 2020, respectively.

Within our midstream operations, we own and operate infrastructure to store and transport refined oil products internationally, such as bulk storage depots and offshore mooring systems. Our storage infrastructure is primarily intended to support our downstream operations, although it also earns income as a result of providing storage services to third and related parties. In addition, our midstream operations allow us to more efficiently source refined oil products for our downstream operations by providing the storage capacity and infrastructure necessary for us to hold supply stocks, which allows us to purchase refined oil when prices are most favorable. Our midstream operations accounted for 17.2% and 12.9% of our Consolidated EBITDA for FY 2019 and LTM 2020, respectively.

Our business model focuses on attractive high-potential markets in developing countries (with comparatively high anticipated refined oil product consumption growth) in the Americas, Africa and Asia Pacific, and our operations in high-potential markets are supplemented by operations in selected mature markets in developed countries in Europe (where anticipated refined oil product consumption growth is lower, but where large market size continues to drive high sales volumes). In FY 2019 and LTM 2020, no individual country contributed more than 15% of our Consolidated EBITDA. The following diagram depicts our storage hubs, assets and primary global supply routes.

Supply

Our operations depend on a steady supply of refined oil products. We have organized our supply activities as a separate business line within our downstream operations, and we manage the supply business on both a regional and global level. The role of the supply function is to seek to ensure that:

- our requirements are managed at a regional, rather than country, level to capture economies of scale and to avoid unutilized space on vessels;
- we use our expertise in inland logistics to optimize supply chain costs, truck routes and scheduling;
- price exposure is controlled using hedging instruments having a maturity between three months and one year; and
- products are sourced at competitive price levels.

We have centralized supply teams, which coordinate the supply of refined oil products and bitumen across the Group. We typically purchase the largest volumes of our refined oil products from our shareholders, and in particular our core shareholders Trafigura and Sonangol. The terms of these purchases include, in certain cases, arbitrage cargoes coming from outside the region where we intend to sell the refined oil products. We purchased 53% and 53% of our refined oil products from Trafigura (for a total amount of $6,877 million and $5,678 million), our largest shareholder, in FY 2019 and LTM 2020, respectively, and around 3% and 3% by value of our refined oil products from Sonangol, our second-largest shareholder (for a total amount of $371 million and $283 million), in the same periods. Most recently, in response to COVID-19, we also agreed an interim price adjustment with our core shareholder suppliers, Trafigura and Sonangol, under their supply arrangements with us to help minimize the impact of trading conditions in the second and third quarters of 2020 and which contemplates up to $100 million of support in the five month period from May to September 2020. There is no formal contract memorializing this agreement. We used over $80 million of the available shareholder support during the second quarter of 2020, which helped to substantially offset the adverse impacts of the pandemic by reducing our cost of sales (in turn helping to support or increase our gross profit, unit margins and EBITDA) in order to help minimize the impact of material sales volume reductions during portions of the period as a result of the pandemic. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting Results of Operations—Impact of COVID-19.*" Our contract with Trafigura provides us with refined oil products for our downstream operations with a high level of reliability and at competitive prices, while providing us with superior insights and understanding of market trends. Although our supply contract with Trafigura includes an exclusivity clause, it is subject to exceptions, which allow us to switch to alternative supply sources, if and when they are more favorable. See "*Related Party Transactions—Supply*" for further details of the supply contracts. Our supply department also purchases refined oil products from third parties, which account for the remaining purchases of refined oil products. The supply department assesses market opportunities on an ongoing basis, and our negotiating positions in a number of markets are enhanced by our size, procurement power and available storage capacity. As part of our new customer-led strategy and five-year transformation plan, our supply and trading activities will be transferred to Trafigura to maximize value opportunities for the business by entering into an arm's length cooperation agreement. This will enable us to leverage the global scale and reach of Trafigura's supply, trading and logistics activities for commercial advantage. The governance of this new arrangement will be managed through our supply committee chaired by independent non-Executive Chairman, René Médori, with senior representation from both us and Trafigura. See "*Summary—Three business units going forward*."

Downstream

Our downstream activities encompass the sale of refined oil products, including fuel oil, gasoline, diesel, jet, LPG, bitumen and lubricants to retail, industrial and aviation end-customers, with retail, business-to-business, lubricants, aviation and bitumen being areas of particular focus under our new customer-led strategy and five-year transformation plan. See "*Summary—Overview—Three business units going forward*." It is our main segment, accounting for 85.3% and 88.3% of gross profit and 82.8% and 87.1% of Consolidated EBITDA during FY 2019 and LTM 2020, respectively.

Retail

During FY 2019 and LTM 2020, our retail operations sold 5,941 million and 5,300 million cubic meters of fuel, respectively, through our expansive network of retail sites in countries across Africa, the Americas and Asia Pacific (excluding 1,407 million and 1,342 million cubic meters sold in those periods by our Australian Fuels Business). The majority of these retail sites are operated under the "Puma" brand. We also sold 14,529 million and 14,833 million cubic meters of fuel, bitumen and lubricants to industrial and commercial customers during FY 2019 and LTM 2020, respectively (excluding 1,436 million and 1,499 million cubic meters sold in those periods by our Australian Fuels Business). We also provided 1,966 million and 1,501 million cubic meters of refined oil products to airlines, aircraft operators and owners across the Americas, Africa and Asia Pacific during FY 2019 and LTM 2020, respectively. We are also focusing our efforts on implementing a digitalization strategy in order to further improve our services offered, reach new markets and customers and improve our cost efficiency. See "*—IT systems and infrastructure.*"

In 2019, as part of our new customer-led strategy and five-year transformation plan, we developed a clear and comprehensive improvement plan for our global retail business, including updated retail strategies and network plans for our key markets. We have a large and well-invested network of retail sites. The locations of our sites were chosen by analyzing road networks, town development, marketing considerations (such as where competitors operate), traffic, site visibility and land ownership. To take advantage of this large network, we are focusing on our retail strategies, including by developing our customer loyalty initiatives and exploring how to enhance customer experience. For example, in Ghana we introduced a profit-sharing customer loyalty initiative in 2019 at a number of retail sites. In addition, we have rolled out our Commercial Academy globally, which is aimed at strengthening and promoting consistent high standards across our business lines, and we have designed a Dealer Academy to train our dealers on the same topics, which we expect to be up and running globally in 2020.

Our retail sites operate under three principal models depending on whether we or an independent dealer owns or is responsible for the operation of a particular retail site.

Under the CoDo model (company owned; dealer operated), which is our preferred model, we own the retail site, which is operated through dealers under our brand, typically pursuant to renewable one-year contracts. Our net sales comprise revenues from the sale of fuel products to the dealer, and rental fees for the non-fuel premises (convenience stores products, car washes and restaurants).

Under the DoDo model (dealer owned; dealer operated), a dealer owns the retail site and operates the site under our brand pursuant to a dealer or similar agreement. We sell the fuel to dealers (typically under an exclusive supply arrangement) and our net sales comprise revenues from the supply of automotive fuel, and in some cases brand license fees. In recent years, we have focused on increasing royalty revenue by retrofitting stores in Africa and the Americas, developing our tier 2 Shop Express program in the Americas (to secure royalties from the non-Super 7 stores) and by adding new stores in existing sites in the Americas and in new sites in Africa and the Americas. We have also focused on DoDo profitability by improving the terms we agree to in our dealer agreements. In 2018, we had an increase in DoDo sites predominantly as a result of the Pakistan acquisition, as all the acquired sites operate under the DoDo model.

We operate a small number of retail sites under the CoCo (company owned; company operated) operating model. Under the CoCo model, we own the retail site and the fuel inventories and we operate the retail site, directly employing the dealer and other site employees. Our net sales and cost of sales reflect the sales of automotive fuels and non-fuel complementary products and services. In certain limited cases, operating retail sites under the CoCo operating model is a strategic choice, allowing us to retain a high degree of control over the brand and the station and capturing the additional revenues generated by convenience stores and restaurant facilities.

The following table summarizes the split of operating model for each region in which we operated as at the date of this Document:

Operating Model	Number
CoCo	
Americas	3
Africa	78
Asia Pacific	7
Total CoCo	88
CoDo	
Americas	671
Africa	473
Asia Pacific	22
Total CoDo	1,166
DoDo	

Americas	478
Africa	292
Asia Pacific	532
Total DoDo	1,302
Total	2,556

(1) Excludes the Australian Fuels Business, which we sold on June 30, 2020.

Non-fuel products and services

To complement our retail sites, we operated 961 convenience stores (such as C-store, Super7 and Shop Express), 180 car washes, 73 truck stops and 73 restaurants and cafes as of June 30, 2020 (excluding 219 convenience stores, 16 car washes, 54 truck stops and 75 restaurants that formed part of our Australian Fuels Business). Our non-fuel offer allows us to capture further value from our retail operations. One of our key global improvement initiatives as part of our new customer-led strategy involves expanding and improving our convenience retail offering. We combine learned best practices with innovative training techniques to meet our customer's needs. For example, we introduced the new Super 7 shops concept (with a redesigned operational layout, brand and visual identity to maximize value) in Guatemala and Honduras in 2019, and we successfully launched the new Super 7 stores concept in 2019. The first redesign to a Super 7 shop was ready in four weeks, and we are rolling it out this concept across our retail business in the region in 2020, including the opening of an additional 40 sites and the introduction of our Super 7 online system, which allows dealers and store managers to see all promotions, guidance and other information they need to optimize the performance of their stores. In addition, we also train our employees to ensure a consistent approach at our retail sites. In 2019, we rolled out our Commercial Academy globally, which is aimed at strengthening and promoting consistent high standards across our business lines, and we designed a Dealer Academy to train our dealers, which we expect to be fully operational before the end of 2020. In addition, we have a large and growing e-learning library with over 200 strategically aligned online training programs for all our employees, as well as other available learning resources. We have also established partnerships with major global brands, including Burger King, Pizza Hut, Subway and McDonalds, to leverage brand presence and provide customers with an improved choice and selection of food and beverage offers in key markets such as El Salvador, Honduras and Puerto Rico.

The following table summarizes the extent to which each non-fuel offers are used in each business model as of the periods indicated:

Non-fuel offer by operating model

	At June 30, 2020			
	CoDo	**CoCo**	**DoDo**	**Total**
Convenience Stores	672	46	243	961
Restaurants and Cafes	45	—	28	73
Car Washes	31	6	36	73
Truck Stops	140	4	36	180

(1) Excludes 219 convenience stores, 16 car washes, 54 truck stops and 75 restaurants from the Australian Fuels Business, which we sold on June 30, 2020.

In the CoDo model we indirectly benefit from non-fuel products and services through the rental price we charge dealers for the premises, which may be a fixed amount or commensurate with the revenues from sales of non-fuel products and services (to the extent permitted by any country-specific rental control laws). At CoCo sites we retain the full margin generated by the convenience stores, restaurants and car washes, and the full risk of loss at times when these sites underperform (including recently, for example, as a result of the COVID-19 pandemic).

Wholesale

Within our wholesale business line, we supply refined oil products to wholesalers across Africa, Europe, Americas and the Asia Pacific. These wholesalers then resell to third parties, such as independent retailers and small commercial and industrial companies. The use of wholesalers enables us to reach smaller companies and individuals that may be isolated or have higher credit risk, while benefiting from the local expertise of wholesalers.

We offer a full range of refined oil products and operate blending facilities in order to tailor our products to regional demands and specifications. Most of our contractual arrangements with wholesalers require the wholesaler to use unbranded trucks and to resell our products to unbranded retail sites. This limits our reputational risk and exposure to incidents at the distributor or final customer level.

We typically enter into short to medium-term contractual agreements (usually with one-to five-year terms) with wholesalers and use spot arrangements only in certain cases. We typically require that all the products we supply are paid for in cash.

Business-to-business (B2B)

Within our B2B business line, we supplied refined oil products to over 13,000 industrial and commercial customers across Africa, Europe, the Americas and Asia Pacific as of June 30, 2020 (excluding approximately 7,000 companies supplied by the Australian Fuels Business prior to its disposal). Our customers operate across a wide range of sectors, including transport, power generation, industrial and manufacturing activities, mining, agriculture and construction. We aim to offer competitive prices to our industrial customers and provide reliable supply of refined oil products.

Due to modern facilities and infrastructure, competitive pricing and reliable supply, we have developed long-term sustainable relationships with a number of our customers. For example, we have strong and long-standing relationships (in general, between 5 to 10 years) with our five largest clients by sales volumes: Puerto Rico Electric Power Authority, Shell, Greenergy Fuels, Vivo Energy and Nicholl Fuels Oils. Our robust relationships with these and other customers facilitates our planned strategic shift from only selling products to being a solutions provider; a strategic shift that we hope to further accelerate by defining and delivering targeted CVPs to global and regional customers in priority segments such as construction, transportation and mining. With our mining customers, we believe there is an attractive opportunity to offer tailored solutions for high-performance lubricants. For example, in 2019, we collaborated closely with a large copper mine in North-West Zambia, enabling our customer to quickly improve equipment reliability and reduce maintenance costs with the help of our high-performance Puma Vitrix HD lubricant. Following the success of the pilot, we are planning to expand the model across the region.

Our B2B customers include those that require a constant and reliable supply in operating environments where logistics are highly constrained. We continue to invest and widen the services and products we offer to our customers. In line with our aim to be a solutions provider for our customers, our fully integrated offerings to customers cover services beyond mere supply, including fuel stock management, delivery of fuel to vehicles, engine and consumption fleet management and installation of our own storage tanks on our customers' premises. With the ongoing digitalization of our activities, we expect to further optimize the efficiency of our operations (including order taking, stock management, fleet programming, invoicing and cash collection) whilst improving our cost efficiency.

We typically enter into medium-term arrangements (usually with three-to five-year terms) with those customers benefitting from our fully integrated offerings and into spot arrangements with the remainder of our customers. Our industrial customers include, for example, Coca-Cola, Canal de Panama, De Beers and CAT.

Our B2B segments also include the sale of bitumen products mainly for road infrastructure projects and we have bitumen storage and distribution facilities in Angola, Nigeria, Mozambique, Myanmar, Australia, Guatemala, and the United Kingdom. We also own the largest private bitumen terminal in Europe (Cadiz, Spain).

Aviation

Our aviation business line provides aviation fuel to commercial and general aviation customers, primarily by performing "into-plane operations", where our employees supply aviation fuel directly into aircrafts. While our aviation business has been hit hard by the disruption in the aviation industry as a result of the global COVID-19 pandemic, it is in many ways a model for the global consistency, quality and customer-focused solutions we are developing across all our different business lines, for the reasons set out below.

As of June 30, 2020, we operated in 86 airports worldwide, 52 in Africa, 22 in the Middle East and Asia Pacific, 11 in the Americas and one in Europe. The Australia Sale did not have an impact on the aviation business line as no airports were served by the Australian Fuels Business. We seek to serve airports in high-potential markets and aim to become the most reliable supplier in the airports where we operate. For example, in 2015 we started to distribute jet fuel to Myanmar's Yangon International Airport and we expanded our aviation fuel operations to the remaining 10 major airports in Myanmar in 2016. In Myanmar alone, as of June 30, 2020, we served 45 international airlines, 10 domestic airlines and 3 charter service groups. We sold 8% more aviation fuel by volume across our locations in 2019, compared with 2018. We are building on our strong market positions in, for example, Tanzania, Ghana and South Africa where we serve several airports. Our aim is to continue to grow and excel in order to become a leading supplier of aviation fuel across Africa while increasing our prominence in the sector more widely. To this end, we are enhancing our strategic partnerships with governments, international and local airlines. For example, we are enhancing our relationships with airlines by providing them added value with our app, ePuma, which is currently being used in San Juan and Dar es Salaam, and which we expect to deploy more widely in the near-term. ePuma delivers a new customer portal, with new scheduling and tablet technology, as well as terminal automation for our aviation customers.

Our Aviation business offers the following aviation fuels:

- JET A-1 (Jet fuel), in compliance with the standards of the Aviation Fuel Quality Requirements for Jointly Operated Systems (AFQRJOS) latest issue. Defense Standard 91/091 and ASTM International's standards for jet fuel (known as ASTM specification D-1655); and

- Aviation gasoline 100LL (Avgas), a fuel for propeller aircraft which meets the requirements of the U.K. Ministry of Defence (Defence Standard 91-090 latest issue).

We typically enter into spot arrangements with our aviation customers but we also enter into one-year contractual arrangements with certain customers based on annual tender processes.

We have high airport fueling standards and carry out regular inspections. We are a strategic partner of the IATA fuel group and a member the Joint Inspection Group ("JIG") and have incorporated the JIG standard into our operating manual. We also ensure that international standards are maintained through fuel quality control audits throughout the supply chain, and by providing training to depot staff and into-plane fueling personnel.

Bunkering

Our bunkering business line mainly provides logistics and management services to a fleet of bunker barges in Angola, and supplies marine oil in the Republic of Congo. We also support oil and gas exploration off the coast of East Africa through our local bunkering operations. Our facilities in Tanzania facilitate in-port and offshore bunkering for customers operating in the southern regions of Tanzania and in the northern regions of Mozambique. We act for a limited range of customers and we primarily target customers operating in the upstream oil sector. We receive a service fee from our customers for our bunkering services.

We seek to use the latest technology and draw on specialist expertise to help keep commercial operators on track to meet their deadlines through our bunkering facilities and operations, which refuel ocean-going vessels or fixed structures safely and efficiently in deep water. We service container ships, tankers and fishing vessels, often at short notice, in order to deliver high quality solutions for our customers. To minimize layovers and maximize sailing time, we maintain fully stocked barges close to shipping lanes, and their powerful pumps reduce refueling times by up to 50% compared to conventional pumps. These specialized and advanced bunker barges have also increased safety levels. Some of our barges have been specially adapted to service huge deep-water rigs and moored vessels offshore. Their high-pressure pumps deliver fuels at a faster speed, and make use of dynamic positioning systems to ensure a safe connection to our customers' facilities or vessels without any assistance by maintaining a steady distance of 50 meters.

Liquid Petroleum Gas (LPG)

We distribute liquid petroleum gas ("**LPG**") to small industrial companies and distributors in Honduras, Nicaragua, Puerto Rico, Senegal and Benin. For FY 2019 and LTM 2020, we sold approximately 103,000 and 91,000 cubic meters of LPG, respectively. We believe that we have expertise in the bottling and distribution of LPG and have in certain cases used LPG as a way to enter new markets. In Puerto Rico and Senegal (currently Africa's largest LPG consumer), we have LPG storage facilities with a capacity of 33,600 cubic and 5,000 cubic meters, respectively. In the future, we may develop LPG bulk storage capacity and wholesale distribution operations in targeted high-potential markets. We typically enter into spot contracts with our LPG customers.

Lubricants

As of June 30, 2020, we distributed our own-branded and Castrol branded lubricants in 26 countries. We offer on-road and off-road automotive oil applications, heavy-duty industrial oils, marine oils, hydraulic oils, coolants and greases through retail, wholesale and industrial market channels. We have invested in the latest state-of-the art molecular technology and our products are approved by all major original equipment manufacturers ("**OEM**"s) globally. We also distribute indirectly through selected distributors based in strategic locations such as large cities. Our mining customers represent an important outlet for our products, as lubricants are critical in mining operations.

In certain African markets, we currently benefit from an exclusive distribution agreement with Castrol. We acquired the agreement with Castrol in 2011 as part of our purchase of BP Southern Africa and extended this agreement in 2013 to cover certain African markets, including Namibia, Botswana, Zambia, Tanzania and Malawi. This agreement will expire in 2021 in most countries, and we will be able to sell our own-branded lubricants thereafter. The arrangement with Castrol also provides for joint distribution to power generation customers in all seven Central American countries where we are present.

Since 2016, we supply a range of high-performance Puma branded lubricants that exceed automotive and industry specifications using technology approved by all major original equipment manufacturers.

As part of our new customer-led strategy and five-year transformation plan, we are increasingly seeking to offer our lubricant customers an integrated value proposition that sets us apart from the competition. Our high-quality, problem-solving expertise and guaranteed on-time delivery promise, helps ensure that we get close to our customers, really understand their issues and provide genuinely helpful solutions. This includes not only high-performance lubricants, but also service and support tailored to each customer that will help them run their operations more reliably, efficiently and productively. In 2019, as an example of this initiative, we completed a pilot project with a copper mine in North-West Zambia, enabling the customer to quickly improve equipment reliability and reduce maintenance costs with the help of our high-performance Puma Vitrix HD lubricant. Following the success of this pilot, we aim to soon expand the model into Mozambique, Senegal, Ivory Coast, Congo and Ghana. See "—*Business-to-business (B2B)*."

Midstream

The primary objective of our midstream operations is to provide an oil products storage and distribution platform (and in particular the necessary storage capacity) for our downstream operations, ensuring control of a critical part of our supply chain. We benefit from in house dedicated supply and risk management expertise and established relationships with refiners, which is enhanced by our strong global supply arrangement with our core shareholder suppliers, Trafigura and Sonangol. We support our regional and national wholesale customers through our global network of infrastructure and storage facilities in six continents. As part of our new customer-led strategy, our midstream operations are focused on enabling our downstream operations to serve their own customers effectively while providing the highest standards of service to our direct midstream customers.

Refining is not our core business, but we operate two small refineries (in Papua New Guinea and Nicaragua), which were acquired as part of larger business acquisitions. In 2019, we achieved a planned turnaround of our refinery in Papua New Guinea. We carried out this planned turnaround on time, below budget and with no lost time incidents, ensuring the continuous supply of fuel in the country.

For FY 2019 and LTM 2020, our midstream operations generated 14.7% and 11.8% of gross profit and 17.2% and 12.9% of Consolidated EBITDA during FY 2019 and LTM 2020, respectively.

Storage

As of June 30, 2020, we operated 91 terminals and have 7.0 million cubic meters of storage capacity and, for FY 2019 and LTM 2020, handled 14.2 million and 13.8 million cubic meters of refined oil products, respectively. We predominantly own this storage, which is operated by our in-house employees. Approximately 50% of our terminal capacity was used to support our own downstream operations as of June 30, 2020. The table below shows the location and ownership percentage of our terminals with over 100,000 cubic meters of storage capacity.

Region	Country	Terminal name	Capacity k m^3	Asset ownership (%)
Europe	United Kingdom	Milford Haven	1,431.2	100%
Europe	Estonia	Sillamae	523.6	95%
Africa	Angola	Luanda Bay	293.7	100%
Asia Pacific	UAE	Gulf Refining Company	412.1	64%
Asia Pacific	Papua New Guinea	Refinery Terminal	407.7	100%
Europe	Estonia	Paldisky	371.0	95%
Americas	Puerto Rico	Bayamon	340.5	100%
Americas	El Salvador	RASA	283.1	100%
Latin America	Guatemala	San Jose	190.5	100%
Africa	Ivory Coast	Abidjan	159.3	100%
Europe	United Kingdom	Belfast	156.4	50%
Africa	Mozambique	Beira	140.8	49%
Africa	Namibia	Walvis Bay	122.7	100%
Americas	Nicaragua	MANREF	120.2	100%
Africa	Mozambique	Matola White products	114.9	100%
Africa	Ghana	Tema	121.4	49%
Europe	Russia	Murmansk	109.6	47%
Asia Pacific	Malaysia	Langsat	74.9	20%

Onshore storage

Our storage terminals provide a full range of services for their respective local markets, including:

- high-volume bulk-building and bulk-breaking services;
- sophisticated blending and butanization services; and
- rail, truck and pipeline loading and discharging services.

Fuel products stored at one or more of our facilities include crude oil, fuel oil, clean refined oil products, bitumen, LPG and petro-chemicals.

We have developed large storage facilities in the United Kingdom, Angola, Mozambique, Papua New Guinea, Estonia, Guatemala, Puerto Rico, the Ivory Coast and the UAE, and we have a 20% interest in a terminal in Malaysia. These facilities allow us to optimize our supply chain and transportation costs, to mix products in large volumes and to supply vessels with full-capacity lifting. Our large storage facilities are strategically located near refining and export hubs to accommodate both local and regional demand.

In addition to these large storage facilities, we also own smaller storage assets in most of our downstream countries, in order to facilitate a reliable supply of products for our end customers.

Revenues from storage activities are derived from renting storage capacity to a range of customers, and charging fees for additional services, such as product analysis or loading services. We operate through a diverse range of contracts:

- throughput contracts, where a volume-based rate is set for usage of capacity within a specified timeframe, and the customer only pays for what it uses;
- capacity rental contracts, which consist of the rental of a given capacity at a terminal; and
- take-or-pay contracts, which consist of paying a fixed fee to have the access to use a defined volume over a defined period, regardless of whether it is used.

Marine systems

Other midstream activities include receiving and delivering refined oil products through marine facilities. We have invested in marine discharge systems in various locations, including offshore mooring systems in Ghana, Guatemala, El Salvador, Honduras, Nicaragua and Belize, and port oil jetties in Puerto Rico, Myanmar, Papua New Guinea, Democratic Republic of the Congo, the United Kingdom, the Ivory Coast and the UAE. We also operate one of the world's largest Conventional Buoy Mooring Systems in Luanda Bay, Angola.

Refining

We do not currently operate, nor do we intend to develop, significant refining operations. From time to time, we have acquired refining assets as a byproduct of our acquisitions of larger business operations. In most cases, we converted refineries to create additional storage capacity. We currently own and operate two refineries: a 20,000 barrels of oil per day refinery in Nicaragua that we acquired from ExxonMobil in 2012 and a 32,500 barrels of oil per day refinery in Papua New Guinea that we upgraded in 2014 to improve services to the customers in the local market and also achieved a planned turnaround in 2019 as discussed above.

Transportation

We distribute our refined oil products to our distribution centers primarily by means of chartered trucks and rail cars. In most instances, we do not own the trucks but instead rely on long-term (typically one to five years) chartering arrangements with independent transportation companies.

We own a fleet of road tankers in Angola, in addition to those owned by our Aviation business line. In total, we make approximately 1,500 fuel deliveries by truck every day. However, most of our trucks are chartered to third parties and we organize their management and scheduling. The chartering arrangements are granted through tender processes in the relevant country and approved by our oversight function Puma Health Safety Security and Environment ("**Puma HSSE**"). Puma HSSE seeks to control the quality of the trucks and ensure the reliability of the supply.

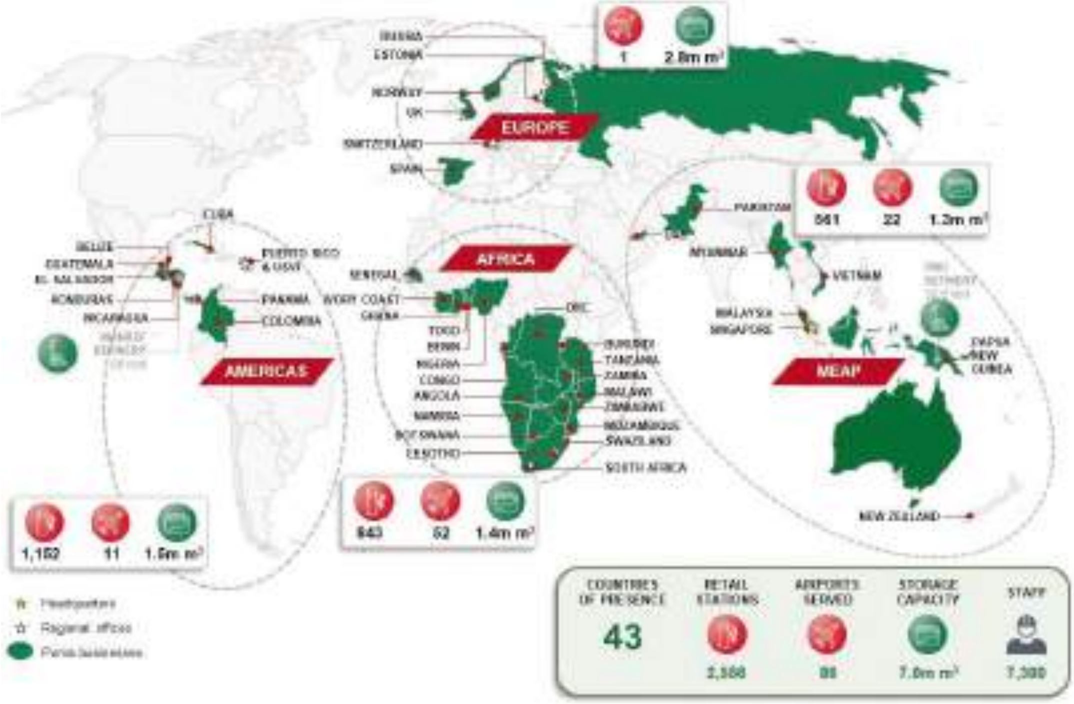
Regional Overview

We have a decentralized management structure which allows for flexible decision-making at the local level, while maintaining centralized control and reporting systems and while still seeking to facilitate the dispersion of best practices and standards throughout our global operations. Further, our IT and control systems provide us with real-time, centralized management information and a live online reporting system, which are key to managing the complexity of our business and improving our decision making process.

We have operations in Africa, the Americas, Asia Pacific and Europe. Our activities are managed through a network of four regional offices. Our African business is managed from Johannesburg (South Africa), our business in the Americas is managed from San Juan (Puerto Rico), our European business is managed from Tallinn (Estonia) and our Asia Pacific business is managed from Singapore. Reporting is also organized at the regional level with local management teams reporting to a regional Chief Operating Officer.

We have also undertaken a number of initiatives to support the implementation of the new-customer led strategy and five-year transformation plan. For example, over the course of 2019, we focused on streamlining, simplifying and aligning across our businesses and organization, a focus that is helping to improve our global quality, consistency and efficiency (including in how we deliver value to our customers) and helping to further strengthen our relationships with our customers and the communities that we serve. As part of these efforts, among other things, we are creating global centers of customer excellence to support the creation of a truly customer-led business to help us to develop greater quality and consistency in assisting employees to serve our customers in a quick and consistent manner while maintaining high service standards. It will also increase our ability to attract, motivate and retain a sufficient number of highly qualified employees necessary to continue our operations and keep pace with our health, safety, environment and community ("**HSEC**") improvements.

The following diagram depicts the countries in which we operate in Africa, the Americas, Asia Pacific and Europe.



The following table sets forth the number of airports, the number of retail sites, the storage capacity as well as the business lines where we are active in the countries in which we operate as at the date of this Document:

		asset base			Downstream Retail & Distribution Activities					Midstream					Non-Fuel activities			
	Year of Entry	Service Stations	Storage (k cubic meters)	Airports served	Retail	B2B	Wholesale	Bunkering	Aviation	Lubricants	LPG	Storage	Supply	Refining	Restaurants	Convenience stores	Car washes	Truck stops
Africa																✓		
Angola	2007	79	348.2	4	✓	✓	✓		✓	✓	✓	✓	✓					
Benin	2012	16	74.9	1	✓		✓		✓	✓		✓			✓			
Botswana	2010	41	3.5	4	✓	✓	✓		✓	✓	✓	✓				✓	✓	
Congo	2002	33	—	—	✓	✓			✓	✓								
DRC	2010	—	42.1	1		✓			✓	✓		✓				✓	✓	
Ghana	2003	82	188.7	1	✓	✓			✓			✓				✓		
Ivory Coast	2007	32	159.3	—	✓							✓					✓	
Lesotho	2014	35	2.0	—	✓											✓		
Malawi	2010	60	13.4	2	✓	✓			✓	✓						✓		
Mozambique	2010	31	276.6	8	✓						✓	✓						
Namibia	2010	61	130.6	3	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓
Nigeria	2004	—	23.1	1		✓					✓	✓						
Senegal	2012	5	55.9	2	✓				✓			✓				✓	✓	
South Africa	2012	135	1.2	8	✓	✓	✓		✓	✓		✓			✓	✓	✓	✓
Swaziland	2014	25	2.7	1	✓				✓			✓				✓		
Tanzania	2010	56	95.2	8	✓	✓			✓	✓	✓	✓			✓	✓		
Zambia	2010	58	23.4	3	✓	✓			✓	✓	✓	✓			✓	✓		
Zimbabwe	2013	94	—	5	✓				✓						✓	✓		
Americas																		
Belize	2012	15	26.4	1	✓	✓			✓			✓	✓			✓		
Chile	2014	—	—	—		✓						✓						
Colombia	2015	92	8.0	2	✓				✓						✓	✓		✓
Cuba	1997	—	—	—														
El Salvador	2012	101	320.6	1	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	
Guatemala	2012	287	298.8	1	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
Honduras	2012	215	133.8	—	✓	✓	✓			✓		✓	✓			✓		
Nicaragua	2012	51	249.3	1	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓
Panama	2012	75	80.3	1	✓	✓	✓					✓				✓		
Puerto Rico & US Virgin Islands	2010	316	422.3	4	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓
Europe																		
Estonia	2008	—	894.6	—								✓						
Norway	2008	—	95.1	—								✓						
Russia	2008	—	118.6	1								✓						
Spain	2011	—	66.6	—		✓						✓						
Switzerland	—	—	—	—														
United Kingdom	2015	—	1,613.7	—		✓	✓					✓						
Asia Pacific																		
Australia	2013	—	114.1	—								✓						
Malaysia	2012	—	74.9	—								✓						
Myanmar	2014	—	104.5	11					✓			✓						
Papua New Guinea	2014	91	507.5	11	✓				✓			✓			✓	✓		✓
Pakistan	2017	470	12.4	—	✓													
Singapore	2013	—	—	—														
UAE	2012	—	412.1	—	—							✓						
Vietnam	2012	—	28.0	—	—		✓					✓						
Total		**2,556(1)**	**7,022.4**	**86**														

Africa

As of June 30, 2020, our African business comprised 843 retail sites, 52 airports and over 1.4 million cubic meters of storage capacity in major ports and strategic inland locations. Our operations in Africa generated Regional Consolidated EBITDA of $204 million and $209 million for FY 2019 and LTM 2020, respectively.

In Africa, we started our midstream operations in 2002, with storage operations in the Republic of Congo, and our downstream operations in 2009. As of June 30, 2020, we have invested $3.0 billion in Africa, sometimes in strategic partnership with governments, national oil companies and local partners and we have an established presence in 18 countries in Africa. We are a large supplier of refined oil products in sub-Saharan Africa, with sales volumes of 7.4 million and 6.7 million cubic meters for FY 2019 and LTM 2020, respectively.

In Angola, we started our operations with bitumen in 2007, supporting the country's road expansion program. Our activities in Angola now cover the full spectrum of our business lines and our storage terminal in Luanda Bay has a total capacity of 293,700 cubic meters. In 2019, we had to deal with a significant supply disruption in Angola beyond our immediate control. Our team in Angola sought to turn this into an opportunity by identifying and focusing on helping our most important commercial customers in the country. As a result, we not only increased market share by 1.5% during the supply shortage, we also achieved higher margins and, importantly, built stronger relationships with key customers.

In 2011, we acquired the distribution businesses from BP in Namibia, Botswana, Zambia, Malawi and Tanzania, covering retail, business-to-business, aviation and storage operations. In 2015, we started operations in South Africa, and we finished the construction of the Matola terminal in Mozambique, which acts as a storage hub for our Southern African operations. In 2016, we opened an advanced bulk fuel storage terminal at Matadi in DRC ensuring security of product supply to DRC and its neighboring countries. We have also acquired retail distributors in Tanzania and Ghana and a storage and bitumen distribution business in Nigeria.

In 2018, we acquired small retail networks in Ivory Coast and Lesotho, from Petroci and Total respectively. This added a further 43 retail sites (67 retail sites as of June 30, 2020) and contributed to making us a prevalent oil marketing company in both countries. Along with these acquisitions, in 2018 we began developing our retail network organically in Mozambique (31 retail sites as of June 30, 2020) and Tanzania (56 retail sites as of June 30, 2020).

Although we expect to maintain a significant presence in Africa over the long-term, as part of our ongoing efforts to streamline our portfolio through disposals of non-core assets, we are considering disposals of certain non-core assets (some of which may be in Africa) to simplify the business. See "*Summary—Our strategy—Continue strengthening our balance sheet and streamlining our portfolio*."

Americas

In the Americas, we operate fully-integrated import, storage, wholesale and downstream operations and are currently present in eight countries throughout the region. As of June 30, 2020, our business in the Americas comprised 1,152 retail sites, 11 airports and over 1.5 million cubic meters of storage capacity in major ports. Our operations in the Americas generated Regional Consolidated EBITDA of $289 million and $305 million for FY 2019 and LTM 2020, respectively.

We started our operations in Central America in 1997 with the acquisition and expansion of our first terminals in Guatemala and El Salvador. In 2012, we also acquired ExxonMobil's refining and fuels marketing and supply businesses in Belize, El Salvador, Guatemala, Honduras, Nicaragua and Panama. We continued to focus on the region, as the deregulation of markets provided an opportunity to enter the market and capture significant market share in the downstream segment. In order to support our distribution business we invested in storage facilities in each of the countries in which we operate. Our assets are located at ports along supply routes, allowing us to supply various operations simultaneously, thereby reducing the cost of refined oil products at each location.

We hold a significant position in Central America, with 25% market share based on number of sites in the countries in which we operate. Further, during H1 2020, we estimate we had an 18% market share by volume in retail operations in Puerto Rico (making us the third-largest market participant) and 37% in Nicaragua (making us the second-largest market participant. Our operations in Central America cover the whole midstream and downstream operations including a small refinery in Nicaragua. We had 422,300 cubic meters of storage capacity and a retail network of 316 sites in Puerto Rico and the US Virgin Islands as of June 30, 2020, and are supplying aviation fuels at the international airport in San Juan. In Cuba, we have a 50% equity stake in ECG, an LPG distribution and bottling joint venture with the Cuban State, selling heating and cooking gas provided by Puma Energy.

In addition to our operations in Central America, we have an established foothold in Colombia, where we acquired a local fuel distributor in 2015. Although we also previously operated downstream operations in Paraguay and a fuel distribution business in Peru, we announced the sale of these assets in October 2019 and December 2018, respectively. Both sales are part of our strategic focus on streamlining our portfolio, paying down debt and concentrating on high-potential markets where we can drive growth. See "*Summary—Our competitive strengths*" and "*Summary—Our strategy.*"

Europe

In Europe, our activities mainly relate to approximately 2.8 million cubic meters of storage capacity across the Baltics, the United Kingdom and Russia including one airport as of June 30, 2020. Our operations in Europe generated Regional Consolidated EBITDA of $32 million and $35 million for FY 2019 and LTM 2020, respectively.

Our largest storage assets in Europe are located in the United Kingdom following the acquisition of Murco Petroleum Limited, a subsidiary of Murphy Oil Corporation, in the United Kingdom in 2016 with a facility at Milford Haven, three inland storage facilities at Westerleigh, Theale and Bedworth, which as of June 30, 2020 provided over 1.6 million cubic meters of storage capacity. We own two large storage terminals in Estonia, and one in Russia, located in the ice-free port of Murmansk. These terminals are connected to the rail network, and are well located to receive products from Kazakhstan's and Russia's refineries. We also completed the construction of a fuel terminal in Rostov, Russia in May 2018 in order to supply the new international airport, which was built as part of the country's federal program for the FIFA World Cup 2018. We also own a bitumen terminal in Cadiz, Spain, which has the ability to receive the largest vessels currently active in the bitumen market and store value-added products such as emulsion grade and polymer-modified bitumen.

Asia Pacific

In Asia Pacific, we currently operate in seven countries: the UAE, Myanmar, Pakistan, Papua New Guinea, Malaysia, India and Australia and we also have a regional office in Singapore. As of June 30, 2020, our business in Asia Pacific comprised 561 retail sites, 22 airports, as well as approximately 1.3 million cubic meters of storage capacity (excluding approximately 212,000 million cubic meters of fuel storage capacity from the Australian Fuels Business). Our operations in Asia Pacific generated Regional Consolidated EBITDA of $131 million and $104 million for FY 2019 and LTM 2020, respectively (out of which the Australian Fuels Business accounted for Consolidated EBITDA of $4.6 million and $7.1 million, respectively).

Historically, we have focused on midstream operations in the UAE and Papua New Guinea, where we own large storage terminals. In 2014, we expanded into Papua New Guinea by acquiring InterOil's refining business, an extensive network of fuel terminals, retail sites and aviation operations. We own the only refinery in Papua New Guinea, and have become the largest fuel supplier by sales volume. In Myanmar, we operate a major import terminal and our aviation operations serve all airports and airlines in Myanmar. In November 2017, acquired an independent retail distributor in Pakistan, adding another 470 sites to our retail network.

In 2012, we entered Indonesia with the purchase of fuel and bitumen storage terminals but have since sold these assets as part of our strategic aim to streamline our portfolio and deleverage our balance sheet and maintain our focus on markets that we believe will drive future growth. Additionally, on June 30, 2020, we announced the completion of the Australia Sale, which included 367 retail sites. See "*Summary—Our competitive strengths—Prudent financial and capital structure management*." Our bitumen business in Australia, which includes storage and distribution facilities, was not impacted by this transaction and we intend to continue to invest to enhance our service to bitumen customers in this market. See "*Summary—Our competitive strengths*" and "*Summary—Our strategy.*"

Competition

For information on competition, see "*Industry.*"

Health, Safety, Environmental and Community Matters

HSEC constitutes a strategic priority. Our Executive Committee sets and periodically reviews our HSEC policy. We have an HSEC Committee, which meets quarterly to review historical HSEC performance, recommend policy changes to our Executive Committee and set priorities on campaigns and any special action plans. We are, as discussed above, also creating global functional centers of excellence to support the creation of a truly customer-led business, and we expect that these will additionally support our HSEC efforts as well.

In 2019, our HSEC Committee undertook a number of key initiatives, which include: (i) our HSEC yearly goals, (ii) reviewing and approving new guidelines on our HSEC policies (iii) following up with each region on their implementation of our HSEC policies, (iv) reviewing our global and regional HSEC statistics, performance KPIs and results, (v) reviewing major incidents investigation reports, (vi) defining improvements and action plans based on lessons learned from these incidents and (vii) planning and reviewing new HSEC campaigns. For 2020, in addition to the yearly HSE global, regional and country performance, the HSEC Committee intends to concentrate on two main topics: (i) developing and starting to implement a specific environmental policy across the Group and (ii) implementing detailed greenhouse gas ("GHG") data collection for each country, following similar principles to calculate scope 1 (direct emissions) and scope 2 (indirect emissions from the generation of purchased energy) quarterly GHG emissions. Based on an analysis of the data collected, we aim to develop KPIs and measures for the effective mitigation of GHG emissions during 2021 and onwards.

Our Environmental, Social and Governance ("**ESG**") commitment is also an important part of growing our business in a sustainable way. In 2020, we have already started to embed our ESG framework across all our operations and use it as our compass to prioritize our new ventures activities. We are currently undertaking a number of ESG related initiatives, which enable us to reduce our environmental impact and our costs. These include installing LED lights at sites and reducing after-hours work. We have also looked to connect to the public grid rather than use our own generators at some of our African sites. In addition, for any new project we install controllers on motors so we only use the power we need to operate, which increases energy efficiency and reduces our costs and emissions. For example, in 2020 we have approved $3.0 million so far in solar power projects at 20 retail sites in Ghana and in solar installations at six terminals in Papua New Guinea, as well as our Puerto Rico Bayamon terminal.

Health, Safety and Environmental

On-site Health, Safety and Environment ("**HSE**") coordinators oversee training, conduct annual safety audits and generally provide advice and guidance. We have developed a bespoke safety management system, SAPS, which is built around eight management pillars:

- leadership and commitment of management;
- hazards identification and control;
- accident and incident investigations;
- engineering and management of changes;
- operation analysis and procedures;
- training systems;
- emergency response plans; and
- regulatory documentation and compliance.

We monitor and actively manage our HSE risk. One of our major risks is fire in our terminals, which we seek to mitigate by implementing regular operational controls, and by installing effective firefighting systems. For example, in August 2016, there was a fire at one of our terminals in Puerto Sandino, Nicaragua where compliance with our thorough HSE guidelines assisted in preventing any fatalities. Spillage during storage represents a longer-term exposure, as fuel loss from our storage facilities can pollute surface and groundwater and may result in explosions. In addition, road transportation has become an increasing area of exposure in the last few years and presents a high risk in terms of frequency, particularly in Africa. We outsource the majority of our transportation to third-party transport companies, and we manage our HSE exposure by ensuring that our contracts and interactions with these companies clearly state our HSE requirements. The chartering arrangements are granted through tender processes in the relevant country and approved by Puma HSSE. We work with transporters to improve their own HSE performance and encourage them to properly train their drivers, control driving hours, use monitoring systems such as GPS tracking, and educate drivers on fatigue management. We have run 7 global campaigns on road safety, both for our employees and truck drivers calling at our facilities. See "—*Community Responsibility.*" Certain of our facilities are ISO9001 and ISO14001 certified. We also apply standards set out by the American Petroleum Institute (API), which constitute the highest standards for storage tanks. Our new tanks are designed in accordance with API 650, and our existing tanks are maintained in line with API 650/NFPA 30. Ninety-one percent of our terminals are in compliance with API. We build our new facilities to comply with National Fire Protection Association (NFPA) codes for firefighting, and we also apply American Fire Fighter standards in our operations.

The table below represents the percentage of our terminals with the indicated accreditation:

ISO accreditation

	% of ISO 9001 Certificated Terminals in 2019(1)	% of ISO 14001 Certificated Terminals in 2019(1)	% of AP1650/ NFPA 30 compliance IN 2019(1)
Americas	28%	32%	100%
Africa	34%	34%	69%
Europe	83%	83%	67%
Middle East and Asia-Pacific	69%	65%	58%

(1) In percentage of terminals, not in percentage of storage capacity.

We are an associate member of Oil Spill Response Ltd (OSRL), an industry collective that works to prevent and mitigate oil spills around the world. Membership of the OSRL brings us insight into best practice and benefits such as annual preparedness reviews.

We operate specialized web-based software, "SpheraCloud", for tracking and managing our HSE performance, specifically our incident and accident reporting and investigation. SpheraCloud gives our employees and contractors the confidence that every safety incident or near-miss will be captured and acted upon. From 2016 to 2019, we reported zero fatalities at Puma Energy facilities, and our lost time incident rate ranged from 0.7 to 1.6 in that same period. The rate remained stable in H1 2020 compared to the rate of 0.7 in FY 2019, despite the difficult operating environment during the COVID-19 pandemic. Increasing the visibility of incidents allows us to share information across Puma Energy to improve safety compliance throughout the business.

We also pride ourselves on ensuring our employees' safety. For FY 2019, we reduced our lost time incidents frequency rate per 100,000 hours worked by more than 50% to 0.7 from 1.6 in 2018. Since the beginning of the global spread of COVID-19 pandemic, we have taken various measures to ensure the safety of our employees. In immediate response to the crisis, we have set up global, regional and local COVID-19 "crisis teams" building on our existing crisis and business continuity plans. The global team is monitoring the development of the pandemic, as well as the advice given by national governments and health authorities around the world—to ensure that appropriate action is taken in every market in which we operate. At every office or location around the world, we acted decisively and swiftly to keep our people and our customers safe. In Africa, employees at each of our 843 retail sites in 16 countries, have implemented the emergency response plan to make stations as safe as possible for employees and customers, with strong focus on appropriate sanitization products. Several are using television screens in our convenience stores to play World Health Organization advice to help educate customers about how COVID-19 spreads and how to protect against it. In the Americas, our employees have rolled out our emergency response plan across 1,100 sites in nine countries, and are using social distancing aids on floors and our customers are adopting contactless experiences the "Puma Fast Pay App" to pay at the pump or shop for non-fuel products. We have also partnered locally with "Uber Eats" in Guatemala, El Salvador, Puerto Rico and Panama, Glovo in Panama and Hugo in El Salvador, to create the capability to deliver our convenience offer direct to our customers' door. In Africa, we also launched a click and collect service, helping people avoid physical contact while picking up groceries from their local retail site. Furthermore, we have implemented social distancing and remote working arrangements at most of our offices, following the advice and guidance of local governments. For the employees of essential, front-line teams who are still working, we have provided them with personal protection equipment (masks, gloves and temperature checks). In general, our lost time incidents results have remained stable despite the difficult operating environment during the COVID-19 pandemic.

Our environmental approach is to try to couple financial incentives with environmental benefits. We focus on the following:

- *Energy use:* we aim to use energy-efficient equipment and favor renewable fuel where economically viable. We also seek to minimize hydrocarbon losses; and

- *Water use:* we have regular fire-fighting drills, which consume large amounts of water, but are clearly an important aspect of safety performance and cannot be compromised. However, where possible we use seawater or recycled water.

Many of our customers are in major energy-consuming industries, such as mining. We aim to help them reduce their fuel usage through our Total Fuel Management program. This looks at every aspect of their fuel needs from security of supply to waste management, identifying, for example, where better maintenance or training could reduce fuel usage and costs.

Communities

Our purpose is to energize communities, and as such, we aim to make a positive contribution to local communities and reduce the risks of the negative social, environmental and economic impacts our operations may cause. In 2020, our focus has been on supporting our communities' responses to COVID-19.

We systematically assess the social, human rights, environmental and economic risks inherent to our operations. We have developed a comprehensive community relations policy to ensure greater consistency in our approach to community involvement. Our global corporate social investment policy guides how we contribute to society and community beyond our regular business. It is based on five pillars: (i) road safety awareness, (ii) environment and conservation, (iii) education, (iv) license-to-trade initiatives and (v) emergency first response. We discuss certain specific examples of projects and initiatives below. In 2020, and due to the COVID-19 pandemic, we have focused on the "emergency first response" pillar, while maintaining an ongoing commitment to the other four pillars and the overall objectives of our policy.

We generally hire employees and suppliers locally. Using local managers to run our operations helps us to understand the issues the local communities face. As operating close to local communities presents risks and often concerns the people in such communities, we seek to operate transparently and maintain a dialogue with local communities to anticipate issues before they arise.

As part of our commitment to social responsibility and our aim to strengthen our relationships with local communities, we have been involved in various social, environmental and health and safety projects, including, but not limited to:

COVID-19 Assistance

We have provided support to some of the more vulnerable communities in which we operate which have been impacted by the COVID-19 pandemic. As part of this effort, we have introduced a range of initiatives for the businesses to give back: including fuel donations to many emergency services, food support for children who have had to home isolate from kindergarten in Angola and free coffee for health workers at our retail sites. From strategic partnerships to innovative solutions, we are continuing to actively manage the situation and remain focused on delivering our customer- and community-led strategy.

In South Africa, we worked with Jaguar Land Rover, the Red Cross and the Minnie Dlamini Foundation for the #FeedingSATogether initiative, which aims, among other things, to deliver food to children and the elderly. Our employees and the Red Cross have delivered food to over 2,100 people.

In Myanmar, the National Energy Puma Aviation Services Co. (NEPAS) committed to a donation of $100,000 to the National Level Central Committee for Prevention, Control and Treatment of COVID-19 in July 2020 in order to support initiatives to minimize the impact of COVID-19.

In Puerto Rico, we formed an alliance with our convenience store suppliers to donate products to front line COVID-19 responders, including a $20 fuel voucher in our Puma FastPay app. In Guatemala, El Salvador and Panama, we donated groceries to ensure schools, hospitals and communities had access to food during the pandemic.

In Papua New Guinea, as part of our long running "Fill Up, Feel Good" campaign, we donated one toea per liter of fuel sold in Port Moresby to St John's Ambulance to support their efforts to combat COVID-19.

We have also developed a medical grade sanitizer, Puma Protect, at our own lubricant blending facilities, which is now being sold in Puma South Africa retail outlets. In addition to helping ensure our customers have convenient access to hand sanitization and sprays, we have also committed to donating the first three months of profits to a local charity, Children of the Dawn, which provides food relief and safety education to rural communities.

In early 2020, Transfuel, a fuel transport company for Pumangol, identified a chronic water shortage for a community of 250,000, close to their terminal in Luanda and partnered with Pumangol to step in to help with deliveries of water and soap which was essential during the COVID-19 pandemic.

The Pumangol team in Angola also collected and distributed over 50,000 pieces of winter clothing to the Misfron Centre in Viana, which takes in vulnerable children and young people. Puma Service Stations also distributed 1,150 pieces of winter clothing to institutions and communities in nearby foster homes.

Further, the Puma Energy Foundation has donated $150,000 to tackle the social and economic consequences of the COVID-19 pandemic, including $20,000 for United Way Puerto, a charity focusing on improving the education employment and health outcomes for thousands of people in Puerto Rico. The Puma Energy Foundation also donated $50,000 to North Star Alliance for its work in providing healthcare to truck drivers in Africa.

Road Safety

The Puma Energy Foundation continues to support the global Road Safety campaign. Highlights included partnering with the Zambian Road Safety Trust to launch the Child Road Safety Program, benefiting 11,000 local primary schoolchildren. Puma Energy Zambia has continued that partnership and distributed more than 2,000 reflector-enhanced schoolbags to help children safely navigate road crossings. Zambia is part of our multi-year partnership with Amend, an organization that develops, implements and evaluates evidence-based approaches to reduce the incidence of road traffic injury in Africa. Together, we are working to increase road safety for children in schools across Malawi, Mozambique, Namibia, Botswana, Zambia, Senegal, Tanzania, Lesotho, Swaziland and Ghana.

Healthcare

In Papua New Guinea, we supported YWAM Medical Ships, which are focused on building healthy villages in remote areas. We have provided fuel for their ships and in December 2019, a member of the Puma team joined one of their ships for two weeks to help provide eye tests in schools and assist those who need eye surgery for cataracts and other conditions.

Waste Management

In Angola, we have a longstanding project to help the neighboring Fishing Port Terminal community in Luanda manage their waste as safely and effectively as possible. Over the years, we have made ongoing investments and are now working with waste collection companies to tackle the issue. We focus on both education and waste collection to help the approximately 15,000 people in the local community reach a sustainable waste management solution.

Promoting Literacy

Since 2011, Pumangol has supported a kindergarten in Benguela, which was funded by Pumangol and is managed by the DT Foundation. It provides education, sustenance and medical care to 100 underprivileged children. The school had to close during the COVID-19 pandemic, but Pumangol has maintained its support in the form of donations of food to the children’s parents.

Awards

We have been acknowledged for our major social, environmental and health and safety involvement and have received numerous awards and acknowledgments in recent years for our operations. For example, in recognition of our consistent efforts to ensure the safety of our employees and members of the communities in which we operate, we received five awards at the 2019 Ghana Health, Environment, Safety & Security awards.

Risk Management

We operate a risk management and control framework, which governs decision making at each corporate level and defines reporting lines and controls. We take a rigorous and robust approach to managing our risks, including ensuring that we not only have strong structures and processes in place, but also a clear and up-to-date view of our current risk landscape. We see this as a core part of being a dynamic and responsible high-growth business. Our risk governance structure is designed to ensure we provide clear business ownership and oversight, helping us make the right decisions at the right time. Underlining our commitment to risk management and compliance standards, we have since 2016 had a Global Head of Compliance who reports directly to the Chairman and the CFO, and have adopted a sanctions, anti-bribery and corruption compliance program designed to help prevent, detect, and deter conduct that would violate relevant regulations. Our management team closely monitors our compliance with principles of corporate governance by employing a framework that provides for checks and balances while allowing our management flexibility for prompt decision-making in the ordinary course of business.

We seek to develop a culture of risk awareness through all of our business activities and utilize an internally developed “Risk Management Framework.” Our Risk Management Framework is defined within 29 risk categories grouped under eight risk areas: (i) counterparty risks, (ii) economic and financial risks, (iii) human resources risks, (iv) information technology risks, (v) operational risks, (vi) political, country and reputational risks, (vii) pricing risks and (viii) strategic risks. We systematically hedge our supply inventories to minimize our price risk exposure and we also seek to hedge our exposures to foreign currencies. In 2019, we enhanced our Risk Management Framework to move towards the classic structure of “Three Lines of Defense” endorsed by the Institute of Internal Auditors. The first line of defense involves operational management directly assessing, controlling and mitigating risks. The second line of defense is provided by compliance and enterprise risk management expertise and internal controls specialists with internal audit forming the third line of defense. The aim is to apply best practice to ensure we have the most robust and effective framework for managing our risks, as we grow and transform the business.

We manage our credit risk by undertaking a full credit review for all our prospective customers (other than retail customers) prior to starting new business and counterparty credit limits are monitored throughout the life of customer relationships. In some geographic areas on which we focus, we use credit insurance and, in certain geographies such as the United Kingdom, Australia, Puerto Rico and Guatemala, factoring of receivables on a non-recourse basis alongside credit insurance. In addition, we actively manage political risk by seeking to foster communication and enhance cooperation with governments in the regions in which we operate.

We manage our operational risk by using standardized risk and quality management systems, policies and procedures in our construction and operating activities. All our construction is conducted in accordance with internationally recognized standards and industry best practice and we seek to obtain whenever possible API certification on new constructions.

We have also implemented procedures designed to mitigate legal risks from business relationships with third-parties, including risks related to anti-money laundering and anti-corruption regulations and related to sanctions such as those administered by the U.S. Department of the Treasury's Office of Foreign Assets Control. See "*Management and Corporate Governance—Code of Business Conduct*."

We use an industry standard third-party database to assist in our counterparty due diligence and know-your-counterparty processes. Our standard for evaluating potential counterparties is measured against the Joint Money Laundering Steering Group Guidance, which is promulgated by a group of United-Kingdom-based trade associations in the financial services industry.

For more information on our Risk Management, see "*Management's Discussion and Analysis of Financial Condition and Results of Operation—Risk Management*."

Employees

We had a total global headcount of approximately 8,300, 8,300, 9,300 and 7,300 staff as of December 31, 2017, 2018, 2019 and June 30, 2020, respectively (including approximately 1,300, 1,500 and 2,100 staff that were part of our Australian Fuels Business as of December 31, 2017, 2018 and 2019, respectively), out of which 6,300, 6,400, 6,900 and 4,700, respectively (including 1,200, 1,400 and 2,100 staff that were part of our Australian Fuels Business as of December 31, 2017, 2018 and 2019, respectively), represented payroll employees and the rest contractors and agency workers. As of June 30, 2020, this included 107 employees based in our regional and global head offices.

Our growth strategy relies on our ability to win the trust of our employees. We invest in training and support many social and environmental initiatives. During FY 2019, we provided approximately 136,000 instances of training to our employees, both in our offices and at our operations. Additionally, we have designed our first digital learning app to train employees across our approximately 2,600 retail sites. This not only covers our own employees, but also approximately 12,700 dealer employees. The app provides guidance on core skills and safety and focuses on delivering customer-focused retail excellence. This app is in addition to our growing library of e-learnings, which contains over 200 strategically-aligned online training programs for all employees. We also pride ourselves on ensuring our employees' safety. See "*—Health, Safety, Environmental and Community Matters—Health, Safety and Environmental.*"

We recruit locally and invest in regional expertise wherever we can because knowledge of our markets and local cultures is invaluable. In 2019, over 90% of employees were local to the country they worked in.

Additionally, we are placing an increasing emphasis on an overall inclusive culture and management style and will focus on gender diversity in the next phase. We have set up a steering group sponsored by the Executive Committee that will define our overall strategy. At the same time, a number of initiatives are already underway including, for example, the development of a Puma Energy Women's Initiative Network. Called WIN@Pumaenergy, this network will play a key role in helping women throughout Puma Energy to accelerate the development of their capabilities and leadership qualities while also providing other forms of support, including mentoring opportunities. In addition, WIN@Pumaenergy will be engaging with the wider community and local women's initiatives in communities where we operate.

As of December 31, 2019, approximately 30% of our total workforce and 25% of our senior leadership was female.

IT systems and infrastructure

We have prioritized the redevelopment of our IT systems and infrastructure to serve three objectives: scaling up the business, devolving management and maintaining complete transparency and control.

We rely on numerous computer systems that allow us to monitor our inventory, cash management systems and our distribution systems and to gather information upon which management makes decisions regarding our business. Specifically, we operate an Enterprise Resource Planning ("**ERP**") system and a Terminal Management System ("**TMS**") that allows us to quickly integrate new companies in our reporting system. We have been implementing a significant automation and digitalization program in recent years, and work on this continues apace. For example, in 2019 we implemented an innovative new technology—ePuma—in our aviation business line that is currently being used in San Juan and Dar es Salaam and which we expect to deploy more widely in the near-term. ePuma delivers a new customer portal, with new scheduling and tablet technology, as well as terminal automation for our aviation customers. We are also investing in digitizing the retail customer experience through apps, such as @Puma Fast Pay, which enable our retail customers not only to pay at the pump, but also to access tools to help them manage their billing and payments, which have proven to be particularly popular with small business owners. We also have apps that help our retail customers browse, shop and pay for non-fuel products through click and collect services, or order take-away food services through delivery platforms, such as Uber Eats.

We share some functions, especially servers, network and communications, with Trafigura, based on a service level agreement under which we support Trafigura in some regions, while Trafigura provides operational support at a central level and in some areas where we are still building our internal resources, such as IT services. This arrangement allows us to benefit from economies of scale and the high level of Trafigura's infrastructure. See "*Related Party Transactions*."

Insurance

We are covered by several insurance policies, including public and products liability insurance, property damage and increased cost of working insurance, political violence, sabotage and terrorism insurance, construction all risk insurance, aviation refueling liability, directors and officers insurance, hull and machinery and marine cargo insurance. We maintain the types and amounts of insurance coverage that we believe are consistent with customary industry practices in the jurisdictions in which we operate. We have not to date had any material claims under insurance policies that would either render them void or materially increase our premiums. We retain part of the insured risks in an insurance captive (*i.e.*, a subsidiary established by one or more commonly owned businesses to insure the risks of the controlling entity and/or its affiliates or its individual owners). The retained risk (generally 85%) is then reinsured externally with well-known global reinsurance companies.

General Liability

We are insured to a global limit of $525 million per incident, which covers comprehensive liabilities (such as products liability, public liability, general) and employee liabilities. Insurance policies are also entered into locally as and where required by local legislation.

Property

We have property coverage that provides cover on all risks policy against the risks of fire, theft, flood, explosion and collision with a standard $100,000 deductible for most risks. This covers fire and loss for amounts tied to the specific replacement value of each location.

Legal Proceedings

We are subject to various other legal and regulatory proceedings arising in the ordinary course of business from time to time, mainly relating to our retail operations. In addition, we are subject, from time to time, to audits and investigations, some of which may result in proceedings being instituted against us in the future.

Intellectual Property

We maintain trademarks relating to our business in the countries in which we operate, including the Pumangol brand in Angola and the Puma brand under which we operate most of our service stations. We have other intellectual property rights related to our information systems. We are not currently engaged in any material intellectual property litigation, nor do we know of any material intellectual property claims outstanding.

Our Brand Development

We are investing in the value of our brand to cultivate customer loyalty and develop and maintain long-standing relationships with our customers. We have developed our range of fuels under the "Pumamax" brand. Our Pumamax premium unleaded fuels have been developed using performance-enhancing additives that maximize engine performance and fuel economy. We are also seeking to develop our brand positioning and build and maintain a loyal customer base by developing and implementing a global loyalty program "Pris" that we are aiming to implement in Panama and Angola in the fourth quarter of 2020, and in other markets in 2021.

We have also begun implementing tailored CVPs to seek to retain and attract more loyal customers to our retail locations and deliver underlying unit margin growth by creating greater consistency across our network. We have also established partnerships with major global brands, including Burger King, Pizza Hut, Subway and McDonalds, to leverage their brand presence and to provide our customers with an improved choice and selection of food and beverage offerings in key markets such as El Salvador, Honduras and Puerto Rico.

We intend to improve profitability by continuing our global effort to implement various customer loyalty initiatives to maintain and increase a loyal customer base and deliver underlying unit margin growth as discussed above. For instance, we have introduced the Puma "MyFuel Card" in six countries (Angola, Malawi, South Africa, Namibia, Botswana and Zambia) to increase sales and engender customer loyalty. The MyFuel Card enables customers to manage their fuel purchases using pre-funded chip-cards at all our retail sites. Customer loyalty in the regions in which we operate provides us with a significant advantage and is expected to allow us to disproportionately benefit from growth opportunities in these markets.

Properties

As of June 30, 2020, we predominantly own our storage facilities and well over a majority of our retail sites. For a description of our storage facilities and retail sites, see "*Business—Our Operations*." Apart from a few exceptions, we generally own the land on which such storage terminals are constructed.

An overview of the key storage facilities we own is as follows:

Region	Country	Terminal name	Capacity k m^3	Asset ownership (%)
Europe	United Kingdom	Milford Haven	1,431.2	100%
Europe	Estonia	Sillamae	523.6	95%
Africa	Angola	Luanda Bay	293.7	100%
Asia Pacific	UAE	Gulf Refining Company	412.1	64%
Asia Pacific	Papua New Guinea	Refinery Terminal	407.7	100%
Europe	Estonia	Paldisky	371.0	95%
Americas	Puerto Rico	Bayamon	340.5	100%
Americas	El Salvador	RASA	283.1	100%
Latin America	Guatemala	San Jose	190.5	100%
Africa	Ivory Coast	Abidjan	159.3	100%
Europe	United Kingdom	Belfast	156.4	50%
Africa	Mozambique	Beira	140.8	49%
Africa	Namibia	Walvis Bay	122.7	100%
Americas	Nicaragua	MANREF	120.2	100%
Africa	Mozambique	Matola White products	114.9	100%
Africa	Ghana	Tema	121.4	49%
Europe	Russia	Murmansk	109.6	47%
Asia Pacific	Malaysia	Langsat	74.9	20%

MANAGEMENT AND CORPORATE GOVERNANCE

Board of Directors of the Company

The main role of the board of directors of the Company (the "**Board**") is to manage the business and affairs of the Company. The Board meets at least four times a year and on other occasions as circumstances may require.

The role of the Board is to (i) provide oversight and supervision of the Company and the Business (while delegating day-to-day management responsibility to the Executive Committee) and (ii) promote the success of the Company for the benefit of the Shareholders as a whole. Its responsibilities include:

- defining the Group's strategic orientation;
- approving the nominations of each member of the Executive Committee and such other specialized committees as deemed necessary;
- approving the Group's annual budget and business plan, including the capital and operating expenditure plans (the "**Business Plan**"); and
- approving investments, divestments or financing arrangements outside of the business plan that amount to more than 3% of the Group's total net assets.

The name, age and position of each member of the board of directors of the Company as of the date of this Docuemnt are presented in the following table:

Name	Age	Position
René Médori	62	Independent Non-Executive Chairman of the Company
Emma FitzGerald	53	Chief Executive Officer of the Company
Graham Sharp	60	Non-Executive Director of the Company
Baltazar Agostinho Gonçalves Miguel	51	Puma Energy Director and Sonangol Representative (Executive Board Member of Sonangol EP)
Filomena Maria Gamboa Carvalho dos Santos e Oliveira	58	Puma Energy Director and Sonangol Representative (Executive Board Member of Sonangol Hidrocarbonetos Internacional)
Pierre Lorinet	48	Puma Energy Director and Trafigura Representative (Director)
Michael Wainwright	47	Puma Energy Director and Trafigura Representative (Director)
Jose Larocca	51	Puma Energy Director and Trafigura Representative (Head of Oil Trading of Trafigura)

Biographical Information

René Médori succeeded Graham Sharp as Independent Non-Executive Chairman of Puma Energy on March 3, 2020. He brings significant experience to the Board of Puma Energy from his Executive roles in the Energy and Natural Resources sectors. He was previously Finance Director of Anglo American from 2005 until his retirement in 2017. Before joining Anglo American he spent 18 years with The BOC Group in France, the United States and the United Kingdom including as Finance Director from 2000 to 2005. He started his career with Arthur Andersen Consulting (now Accenture) and Schlumberger. He is currently Chairman of Petrofac and a non-executive director of Newmont, the U.S. based gold mining company and Vinci, the French construction and concessions company. He has served on the boards of SSE, Cobham, Afrox, AngloGoldAshanti and De Beers. He holds a doctorate degree in management from the Université of Paris-Dauphine and has completed the Financial Management program at the University of Stanford.

Emma FitzGerald joined Puma Energy in January 2019 as Chief Executive Officer of Puma Energy. She spent many years running Downstream Retail, Lubricants and LPG businesses for Shell around the world. Prior to joining Puma Energy, she ran gas and water & waste networks for National Grid and Severn Trent Water. She has served on boards in both an Executive and Non-Executive Director capacity including Severn Trent plc, Cookson Group plc, Alent plc and DCC plc. She is currently an adviser to the Singapore Government Prime Minister's office and sits on the advisory board of Oxford Science Innovation. At the end of March, she was appointed to the board of UPM-Kymmene Corporation. She holds a doctorate in Surface Chemistry from Oxford University and an MBA from Manchester Business School.

Graham Sharp served as Independent Non-Executive Chairman of Puma Energy from 2012 to 2020. Since the appointment of René Médori as the Company's Non-Executive Chairman, he has been serving as a Non-Executive Director. He brings more than three decades of experience in energy trading and supply. Previously, he advised multi-national customers such as Royal Dutch Shell plc and traded clean refined oil products worldwide before becoming a co-founding board member of Trafigura. After his retirement in 2007, Mr. Sharp was a Senior Vice President of TNK-BP (2010 - 2011) and continues to act as a Senior Advisor to Oliver Wyman Associates. He holds a First Class Honors degree from Oxford University in Engineering, Economics and Management.

Baltazar Agostinho Gonçalves Miguel joined Sonangol in 1997 and has held various senior management positions in Accounting, Finance and Human Resources for Sonangol Distribuidora SA and Sonangol Refinaria de Luanda SA. He was a member of the Executive Committee of the Board of Directors of Sonangol Luanda Refinery between 2009 and 2012 and Chairman of the Executive Committee of Sonangol Academia between 2014 and 2017. In November 2017, he was appointed to the Executive Board of Sonangol EP. Baltazar holds a BSc in Business Economics from the University of Salford and an MA in Money, Banking and Finance from the University of Sheffield/Sheffield Management School.

Filomena Maria Gamboa Carvalho dos Santos e Oliveira began her career with Sonangol in 1982. Between 2012 to 2015, she served as a member of the Executive Committee of Sonangol Pesquisa e Produção, which operates exploration and production assets in Angola. Since 2015, she has been a member of the Executive Committee of Sonangol Hidrocarbonetos Internacional, the company responsible for the management of international exploration and production assets. Prior to Sonangol, she was Head of the Reservoirs Department for the National Concessionaire. She holds a Mining/Petroleum Engineering degree from Agostinho Neto University, Angola.

Pierre Lorinet joined the Board in September 2013. He joined Trafigura in 2002 as Co-head of Structured and Corporate Finance and served as its Chief Financial Officer and Management Board Member of Trafigura from January 2007 until September 2015. In 2012, he relocated to Singapore to take over management of the Asia Pacific region in addition to his CFO role. Following his departure in September 2015, he joined both Trafigura's Board of Directors in December 2015 and the Board of Directors of Trafigura subsidiary, Impala Terminals. In July 2017, he joined the board of COFCO International Ltd and took on the role of chair of the audit committee. Before joining Trafigura, he worked at Merrill Lynch in London and Banque Indosuez S.A. in the Middle East where he took on various debt and capital markets roles. He holds a masters' degree in Finance from Lancaster University.

Michael Wainwright was appointed Chief Operating Officer and Trafigura Management Board member in January 2008. His principal focus is the management of the middle and back office support teams for the trading division, direct responsibility for the Group's P&L and responsibility for the Finance function at Board level. He joined Trafigura in 1996. He has held various roles within the Group, covering accounting, deals desk and middle office IT development. He holds a BSc in Mathematics and Actuarial Studies from Southampton University.

Jose Larocca joined the Board in October 2015. He was appointed to the Trafigura Management Board and Head of the Oil and Petroleum Products trading division in March 2007. He was one of Trafigura's earliest employees, joining Trafigura in London in 1994 on the Oil Deals Desk before taking a series of commercial roles, including as a trader of naphtha and petroleum. Prior to joining Trafigura, he worked for two years at Interpetrol, a small oil trading company in Buenos Aires. He holds a diploma in International Trading from Fundacion Banco de Boston, Buenos Aires, Argentina.

Executive Committee of the Company

The Executive Committee is under the responsibility of the Chief Executive Officer and is primarily responsible for the day-to-day business and operation of the Group. The Committee is responsible for implementing the strategy formulated by the Board and authorizes related investments, subject to approval from the Board where appropriate.

The Committee meets as often as required by the Chief Executive Officer, but at least once a month. The Committee provides strategic direction and operational support within agreed policies and business portfolios.

In line with our customer-led strategy and five-year transformation plan, we reduced the size of the Executive Committee from twelve to eight members as part of our cost-cutting efforts, with the titles and responsibilities of some Executive Committee members adjusted to reflect our new organization going forward, which will have three business units (the downstream business, the infrastructure (midstream) business and the future energies business). The downstream business unit will be managed under two regions—the "West" region, consisting of the Americas with Puerto Rico as the regional headquarters and the "East" region, consisting of Africa, Middle East and Asia Pacific with Johannesburg as the regional headquarters. See "*Summary—Overview—Three business units going forward*."

Key tasks of the Executive Committee include:

- preparing all decisions to be submitted for the Board's consideration, representing the Board in the boards of the various subsidiaries and executing any decisions that require Board approval;

- reviewing and approving all decisions to be submitted to the Board;
- implementing matters contained in the Business Plan approved by the Board;
- approving investments or divestments of members of the Group outside of the Business Plan;
- preparing information on significant events related to the Company's affairs for review by the Board, in particular for investments or divestments outside of the Business Plan; and
- approving any financing arrangements outside of the Business Plan.

The names of each of the members of the Executive Committee as of the date of this Document, and their respective positions are presented in the following table.

Name	Age	Current position
Emma FitzGerald	53	Chief Executive Officer
Andrew Kemp	54	Chief Financial Officer
Eghosa Oriaikhi Mabhena	41	Head of East (Downstream)
Rodrigo Zavala	52	Head of West (Downstream)
Jonathan Pegler	55	Head of Infrastructure, Global Bitumen and Future Energies
Deborah Binks-Moore	58	Head of Corporate Affairs and Brand Marketing
Alan McGown	54	Chief Transformation Officer
Michael Schulz	53	Chief People and Culture Officer

Biographical Information

Andrew Kemp joined Puma Energy on June 10, 2019, succeeding Denis Chazarain as the Chief Financial Officer. Previously, he was the Group Director of Finance at VEON Ltd and held a number of senior finance roles in telecommunications over 20 years, in addition to experience in the logistics, travel and property sectors. Most recently, he was Regional CFO for VEON's operating companies in Pakistan, Bangladesh and Algeria. Prior to that, he was CFO of Jazz in Pakistan for three years where he played an instrumental role in the merger with Warid Telecom and the broader turnaround of Jazz's operations. Before joining the VEON Group, he held a number of senior positions, including CFO of Etisalat Nigeria, Managing Director of Morgan Franklin and Group Controller at BT plc. He holds a degree from the London Business School.

Eghosa Oriaikhi Mabhena joined Puma Energy in July 2019. Previously, she was an Executive Director at Baker Hughes, a GE Company where she led business units across Europe, Africa, Russia Caspian, Middle East and Asia-Pacific. She also spent nine years at Schlumberger. She has been in the energy industry for over 17 years and her expertise is in Corporate and Commercial Strategy, Business Development, Operational and Financial Leadership, Operations Management, Contract Management, Engineering and Technology and Supply Chain and Manufacturing. She serves on boards and her passion is in helping to shape diverse work cultures, which can enable women to thrive in senior positions within organizations. She holds a Global Executive MBA from IESE Business School in Spain and a Masters qualification in Mechanical Engineering from University College London, UK. She has lived in Nigeria, England, Northern Ireland, the USA and Malaysia, with extended time spent in Spain and Hong Kong.

Rodrigo Zavala joined the Group in 2011 to lead the merger of Exxon's Centam storage facilities into the business, and then became General Manager in Paraguay and was appointed Head of Americas in 2014 (and now Head of West). He started in a finance role at Shell before spending 11 years at Petrobras in M&A, refinery logistics planning and marketing in Argentina, Brazil and Chile. He holds an economics degree from Universidad de Belgrano and an MBA from Universidad del CEMA in Argentina.

Jonathan Pegler joined the Group as Head of Supply and Trading in 2015 (and now Head of Infrastructure, Global Bitumen and Future Energies). Before joining the Group, he was global co-head of crude trading and head of oil Asia for Trafigura, based in Singapore. He has previously worked at Amerada Hess and BP, managing trading portfolios for products and risk management of its European Downstream system. He graduated from City University in London with a BSc in aeronautical engineering.

Deborah Binks-Moore joined Puma Energy in January 2020. Previously, she spent five years working in the technology sector, most recently at Alibaba Group, where she was Head of International Corporate Affairs and Marketing EMEA. Prior to that, she was Senior Director of Communications for EMEA at eBay. She started her career as a research scientist at Royal Dutch Shell, becoming Global Head of Communications for Shell Retail, Global Head of Communications for Shell's Technology business and Global Head of Change Communications. She has also worked in various commercial and technical roles and in other sectors. Deborah holds a BSc (Hons) and PhD in Biochemistry from the University of Dundee.

Alan McGown joined Puma Energy as Chief Transformation Officer in 2019. He is leading the work to develop and implement the strategy to create value from Puma Energy's existing businesses and to position the Company for future sustainable growth. He was previously Chief Marketing Officer at Nayara Energy in India (formerly Essar Oil). Prior to Nayara, he was the director of retail strategy for the downstream retail business at Rosneft in Russia and before that he had a long career at BP. Among his many roles at BP, he was VP of business development and marketing for BP retail in China, global fuels strategy manager and general manager of retail in Poland.

Michael Schulz joined Puma Energy as Chief People and Culture Officer in March 2020. His experience includes leading large HR teams and delivering significant organization design and change management programs in complex international organizations. Until recently, he was Senior Vice President of Human Resources at Petrofac. Before that, he headed up the HR organization for Lafarge in the Middle East and North Africa.

Audit Committee

The members of the Audit Committee are René Médori, Baltazar Agostinho Gonçalves Miguel, Christophe Salmon (CFO, Trafigura) and Mark Irwin (Director, Trafigura). The Audit Committee meets at least twice a year. The key responsibilities of the Audit Committee include: (i) overseeing our financial reporting and disclosure process, (ii) monitoring the effectiveness of our internal audit function and reviewing any material findings, (iii) overseeing the relationship with the external auditors, including agreeing their fee and assessing their independence and effectiveness, (iv) establishing procedures for receipt, retention and treatment of complaints received regarding accounting, internal controls or auditing matters, (v) engaging independent advisers as it deems necessary to carry out its duties and (vi) providing board oversight of the Ethics and Compliance Committee activities. The Audit Committee also reviews any specific issues raised on an ad hoc basis.

Ethics and Compliance Committee

In 2019, we hired a new Head of Compliance and reconstituted the Ethics and Compliance Committee with new membership and terms of reference, and also appointed Regional Compliance Officers. Taken together, this represents a further strengthening of our commitment to act in accordance with our Code of Business Conduct. Members of the Ethics and Compliance Committee are: Emma FitzGerald (Chief Executive Officer), Rhibetnan Yaktal (Global Head of Compliance), Andrew Kemp (Chief Financial Officer), Jonathan Pegler (Head of Supply, Trading and New Ventures) and Kerstin Knapp (Global Head of Human Resources). The Committee meets at least twice a year and its primary role includes: (i) the review, approval and oversight of our program for ethics and compliance; (ii) the review of significant ethics and compliance risks and confirmation that appropriate risk management activities and plans are in place; (iii) monitoring the overall ethics and compliance performance in the Group; (iv) the review of systems in place to enable staff to speak up about potential breaches of the Code of Business Conduct. The Ethics and Compliance Committee also reviews any specific issues raised on an ad hoc basis. See "*Summary—Our competitive strengths—Enhanced corporate governance and strong risk management and compliance functions.*"

Finance and Investment Committee

The members of the Finance and Investment Committee are René Médori, Andrew Kemp, Pierre Lorinet, Michael Wainwright and Baltazar Agostinho Gonçalves Miguel. The Finance and Investment Committee meets at least twice a year. The key responsibilities of the Finance and Investment Committee include: (i) reviewing and making recommendations in relation to matters affecting our capital structure and financing, on tax and treasury aspects, (ii) validating our external financing principles, (iii) reviewing KPIs and monitoring rating policies, (iv) overseeing the governance and activities of our treasury functions and (v) overseeing portfolio management.

Remuneration Committee

The members of the Remuneration Committee are Pierre Lorinet, Michael Wainwright and Filomena Maria Gamboa Carvalho dos Santos e Oliveira. The Remuneration Committee meets at least twice a year. The key responsibilities of the Remuneration Committee include: (i) setting the reward architecture for our remuneration and reward policies, (ii) advising the board on the annual and long-term remuneration and reward structure for the Executive Committee and (iii) supporting the imperative to attract, retain, motivate and reward great talent in a competitive environment.

Health, Safety, Environment and Community (HSEC) Committee

The members of the HSEC Committee are Charlotte Dauphin, Michael Schulz, Ivan Govender (Operations Manager, Africa), Carlos Garcia (Operations and HSEC Manager, Americas), Stylianos Tzaferis (Operations Manager, Asia-Pacific), Jose A. Alfaro (Retail Manager, Americas), Ciro Izarra (Aviation Operations Manager), Priit End (Operations Controller) and Philippe Roux (Global Head of Transport). The HSEC Committee meets at least four times a year. The key responsibilities of the HSEC Committee include: (i) focusing on four key areas: economic, development, health and safety, the environment, our people and the communities in which we work, (ii) advising the business on all sustainability matters, (iii) supervising other working groups responsible for specific strategic, technical, operational and community projects and (iv) reviewing historical performance indicators.

Compensation

In FY 2017, FY 2018 and FY 2019 the aggregate remuneration in the form of salaries, bonuses and other amounts accrued or that we paid to the members of our board of directors and key management was $10.2 million, $7.6 million and $11.7 million respectively. In H1 2020, the aggregate remuneration in the form of salaries, bonuses and other amounts accrued or that we paid to the members of our board of directors and key management was $7 million.

Code of Business Conduct

The Company is committed to maintaining the highest ethical standards in the personal and professional conduct of its employees, suppliers, contractors and consultants. It aims to ensure that day-to-day business activities are conducted in a fair, honest and ethical manner. Every person working with the Company has individual responsibility for maintaining an ethical workplace. The managers and leaders of the Company are additionally responsible for fostering a proper environment and encouraging ethical practices.

The board of directors has approved a Code of Business Conduct (the "**Code**"), which provides guidance on a range of topics including (i) "know your counterparty" procedures, (ii) compliance with anti-bribery and anti-corruption procedures, (iii) the exchange of gifts and benefits between business associates, (iv) political and charitable contributions, (v) regimes relating to insider trading and market abuse, (vi) compliance with various sanctions and (vii) the provision of a helpline and whistleblower protections. The Code was most recently reviewed and updated over the course of 2019. The Code is available in English, Portuguese, French, Spanish and Burmese, and must be signed by all staff. We also provide the Code to all of our contractors.

We implement and embed the Code and Ethics and Compliance program through a compliance function, currently comprising a Global Head of Compliance and three Regional Compliance Officers, and an Ethics and Compliance Committee. In addition, we have a network of Code Ambassadors throughout our operations that, in addition to their day-to-day role, support local managers and teams in reinforcing the Code. We have an online training package for Code of Business Conduct and associated risks and continue to implement face-to-face training on an ad hoc basis as required. Several of the key policies in the Code are summarized below.

Know-Your-Counterparty Diligence Process

We use an industry standard third-party database to assist in our counterparty due diligence and know-your-counterparty ("**KYC**") processes. Our standard for evaluating potential counterparties is measured against the Joint Money Laundering Steering Group Guidance, which is promulgated by a group of United-Kingdom-based trade associations in the financial services industry. See "*Business—Risk Management*."

Anti-Corruption and Anti-Bribery Policy

The Company has an anti-corruption and anti-bribery policy that applies to all transactions, operations, projects, bid processes, procurements, negotiations, arrangements, documentation processes, applications, activities, agreements, contracts, awards, decisions, practices or other business dealings. This policy must be complied with by all directors, officers, managers and employees (including consulting or contract staff and any third-party personnel providing services to the Company), as well as business partners.

This policy strictly prohibits employees and business partners from the following corrupt practices, among others: asking for, accepting, offering or receiving any bribe, benefit or gratification of any kind for themselves or any other person on account of anything done or omitted to be done by them in the discharge of their duties; putting themselves in a position where their personal interests conflict with their duties, responsibilities and the Company's commitment to eradicate corruption; and receiving, accepting or giving in to demands to receive or pay a bribe, kickback, or any portion of a contract payment from any business partner, person or entity having any business relationship with the Company. This policy requires that the Company and its employees exercise due care and take reasonable steps and precautions towards evaluating the risk that prospective business partners may engage in any prohibited activities.

Our internal audit team includes a central field audit team, performing regular audits against policy, as well as a permanent audit team that continuously audits our systems and transactions.

Sanctions and Trade Controls

We have a policy in place relating to compliance with applicable national and international sanctions and trade controls regulations, including governing the import, export and domestic trading of goods, technology, software and services as well as national and international sanctions and restrictive trade controls. We aim to ensure that our processes operate in compliance with relevant rules and regulations. For example, through our KYC processes, we aim to identify the persons and entities situated around the world subject to sanctions and prevent any dealings with such persons and entities that would result in a violation of applicable national or international sanctions and trade control regulations.

Gifts, Hospitality and Entertainment Policy

The Company's gifts, hospitality and entertainment policy applies to the giving and acceptance of gifts and/or benefits, from persons or entities that deal directly or indirectly with the Company, by all employees, directors and officers, their spouses and immediate family members.

This policy prohibits gifts and benefits in an amount or on a scale that improperly influences business decision-making or that may be perceived by others as an improper influence. In order to comply with these policies, the value of a gift or benefit must be, among other things, (i) reasonable, (ii) directly connected to a legitimate business promotional activity or the performance of an existing contract, (iii) permitted under local law and in accordance with local business practice and (iv) otherwise consistent with our business practices. Any gift or benefit offered with the intention of conveying an obligation to the donor should be rejected.

Shareholders' Agreement

The principal shareholders of the Company are Trafigura and Sonangol. For a more detailed description of the principal shareholders, see "*Principal Shareholders*."

The Company, Trafigura, Sonangol, Cochan and PEIL, Global PE Investors plc, PE SPV Limited, PE ESP LLC and TPE Holdings 2 LLC are parties to a shareholders' agreement, which was first entered into on August 21, 2013 and has since been further amended on December 5, 2018 and March 2, 2020. The shareholders' agreement contains, among other matters, a number of customary provisions relating to the governance of the Company and pre-emption rights for the shareholders on a new issue of shares, as well as tag-along and drag-along rights exercisable by the parties under certain circumstances. Trafigura has pre-emption rights on any proposed sale by Cochan or Sonangol and Sonangol has pre-emption rights on a proposed sale by Trafigura below a 25% holding.

Under the terms of the shareholders' agreement, the Board shall comprise a maximum of nine directors unless otherwise agreed by the shareholders. Trafigura has the right to appoint three directors and Sonangol has the right to appoint two directors. The shareholders' agreement in addition provides for the appointment of the Chief Executive Officer of the Company and two Independent Directors (one of whom shall also be Chairman) by shareholders holding together at least 75% of the shares in issue.

The shareholders' agreement provides that certain other matters ("reserved matters") shall also be approved by the shareholders holding together at least 75% of the shares in issue. The reserved matters are proposed by the Board to the shareholders and include, among others, any application for the listing of any shares or other securities of any member of the Group on any stock exchange or for permission for dealings in any shares or other securities of any member of the Group in any securities market, the modification of any rights attached to the shares, permitting any substantial alteration to the general nature of the business, and entering, varying or terminating any arrangement, or agreement with any shareholder.

In March 2020, we repurchased approximately 10% of the shares held by Cochan with the proceeds of the 2020 Subordinated Shareholder Restructuring Loan. Following the repurchase, Cochan is no longer a significant shareholder and now holds less than 5% of the outstanding shares of the Company. The transaction was implemented by a buyback of shares from Trafigura. See "*Description of Certain Other Indebtedness—Trafigura Facilities Agreements.*"

Interests of Directors and Company Executive Committee Members

Certain of our directors have indirect shareholdings in the Company. For more information, see "*Principal Shareholders*."

Conflicts of Interest

The Company has procedures for managing conflicts of interest in place. Should directors become aware that they, or their connected parties, have an interest in an existing or proposed transaction with the Company, they are required under such procedures to notify the board in writing or at the next board meeting.

Internal controls are in place to ensure that any related party transactions involving directors, or their connected parties, are conducted on an arm's length basis. Directors have a continuing duty to update any changes to these conflicts.

None of our directors or key management have been subject to any bankruptcy, receivership or liquidation proceedings (other than entities which have been liquidated on a solvent basis); nor have any of them been convicted of any fraudulent offence or been subject to any official public incrimination or sanctions by statutory or regulatory authorities (including designated professional bodies) in acting as founder, director or senior manager of any company for the last five years; nor has any of them been disqualified by a court from acting as a member of the management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the last five years.

There are currently no actual or potential conflicts of interest between the duties of our directors and key management set out in this section owed to the Company, and the personal interests of those directors or key management.

In the ordinary course of business, we have engaged, and continue to engage in purchase and sale transactions with parties that are related parties to the Company on an arm's length basis. For a more detailed description of these transactions, see "*Related Party Transactions*."

The majority of our related party transactions constitute transactions between us and our two main shareholders, Trafigura and Sonangol. There are currently no actual or potential conflicts of interest in relation to our purchase and sale transactions with Trafigura and Sonangol between the duties of our directors and key management set out in this section owed to the Company, and the personal interests of those directors or key management.

Board of Directors of PIF

General consideration

The board of directors of PIF represents the essential corporate body generally entrusted with the management of PIF. It defines the general policy and strategic direction of PIF and, to that end, is vested to that purpose with the broadest powers to perform all acts of administration and disposition in relation to the corporate purposes of PIF. All powers not expressly reserved by the Luxembourg act on commercial companies dated August 10, 1915, as amended from time to time, and/or the articles of association of PIF to the general meeting of shareholders of PIF, fall within the competence of the board of directors. The address for all members of the board of directors of PIF is 7, rue Robert Stumper, L-2557 Luxembourg.

Composition of the board of directors of PIF

The board of directors of PIF is currently composed of directors of category A and of category B whose name, age, position and category as of the date of this Document are presented in the following table:

Name	Age	Position	Category
Emma FitzGerald	53	Chief Executive Officer of Puma Energy	Category A Director
Andrew Kemp	54	Chief Financial Officer of Puma Energy	Category A Director
Fabien Debaene	40	Chief Financial Officer of PIF	Category A Director
Arnaud Brion...........................	33	Manager of Ocorian LCO S.à r.l., Luxembourg	Category B Director
Constance Collette...................	44	Director of Ocorian LCO S.à r.l., Luxembourg	Category B Director
Patrick Labranche....................	55	President of Groupe Ecore (Luxembourg) SAS	Category B Director
Remy Cornet	36	Director of Ocorian LCO S.à r.l.	Category B Director

Category B directors are based in Luxembourg. For a quorum at the Board meeting at least one Category A and one Category B director is required, and a decision taken is by simple majority including at least one vote from a

Category A director and one vote from a Category B director. Towards third parties the Company is bound by the joint signature of one Category A director and one Category B director.

The board of directors may elect among its members a permanent chairman (*president du conseil d'administration*), who is responsible for convening and chairing meetings of the board of directors pursuant to the articles of association of PIF.

Biographical information of the members of the board of directors of PIF

Fabien Debaene joined as a member of the board of directors of PIF in 2019. He has more than 15 years of experience in the finance industry, including extensive international experience. His career started as an external auditor with KPMG, and later moved into different finance positions, from financial analyst to CFO. He holds a degree in management from Universite Catholique de Louvain.

Arnaud Brion joined as a member of the board of directors of PIF in 2020. He has more than 12 years of experience in finance and accounting. He has been a manager at Ocorian LCO S.à r.l., Luxembourg since 2016. Prior to Ocorian, he worked at Aletr Domus. He holds a degree in accountancy from Haute Ecole Blaise Pascale.

Constance Collette has been a director of Ocorian LCO S.à r.l., Luxembourg (part of the Estera group) since 2010. Prior to Ocorian, she was the Consulting Manager at Securex Luxembourg from 2005 to 2010, and a Payroll advisor and Tax advisor at PriceWaterhouseCoopers LLP from 2000 to 2005. She holds a degree in translation (French/English/German) from Universite de Mons-Hainaut-Ecole d'interprètes Internationaux, a degree in Business Administration from Universite de Mons-Hainaut-Faculte Warocque de Sciences Economiques and a degree in Luxembourg tax from Chambre de Commerce et la Societe de Comptabilite du Luxembourg.

Rémy Cornet has worked as manager within the domiciliation department at Ocorian LCO S.à r.l., Luxembourg (part of the Estera group) since 2012. Prior to Ocorian, Mr. Cornet was Officer at Alter Domus Luxembourg from 2007 to 2009 and then Senior Officer from 2009 to 2012. He holds a master in Economic Sciences and International Management from HEC, Management School of the University of Liege as well as an aggregation in Economic Sciences from the University of Liege.

Patrick Labranche is a director of several Groupe Ecore entities, and is President of the group's holding company Groupe Ecore (Luxembourg) SAS. His responsibility lines include Groupe Ecore Corporate Legal, structuring and Group Tax functions. He has held various finance management positions in his 30 year career, including with Clifford Chance, Loyens & Loeff and the media company RTL Group. He holds a degree in Commercial and Financial Sciences from HEC Liege, Belgium and an MBA from Sacred Heart University, Fairfield, USA.

Appointment of the directors of PIF

The directors of PIF are appointed by the sole shareholder, Puma Energy Luxembourg S.à r.l. or at the general meeting of shareholders in case of plurality of shareholders, which may remove them at any time (*revocation ad nutum*). Resolutions of the general meeting of shareholders relating to the appointment or the removal of the directors are passed by a simple majority of the votes expressed by the shareholders present or represented.

Meetings and deliberations of the board of directors of PIF

Meetings of the board of directors are convened by the permanent chairman or any director of PIF as often as the interest of PIF so requires. Meetings of the board of directors are validly held and decisions of the board of directors are validly taken if a majority of the directors is present or represented and with the presence or representation of at least one Category A director and at least one Category B director. Any director of PIF may be represented at meetings of the board of directors by another director and any director may represent more than one director at any particular meeting of the board of directors.

Any decision to be taken by the board of directors of PIF requires a vote of the simple majority of the directors present or represented including the favorable vote of at least one Category A director and at least one Category B director.

Representation of PIF

Pursuant to its articles of association, PIF is bound in any circumstances by the joint signature of any Category A director and any Category B director. PIF may further be bound for specified matters by the joint signatures or single signature of any persons to whom such signatory power has been delegated by the board of directors, within the limits of such delegated power.

The board of directors may also:

- delegate its power to conduct the daily management (*gestion journalière*) of PIF to one or more directors;
- commit the management of the affairs of PIF or of a special branch to one or more directors; and
- give special powers for determined matters to one or more proxy holders.

PRINCIPAL SHAREHOLDERS

PIF is a wholly owned indirect subsidiary of the Company. As of June 30, 2020, the issued and paid-up share capital of the Company was $1,670.0 million comprised of 95,363,834 ordinary shares. Ordinary shares issued by the Company having no par value. The following table shows the Company's shareholders as of June 30, 2020:

Name	Percentage ownership
Trafigura[(1)]	49.99%
Sonangol	31.46%
PE Investments Limited	6.59%
TPE Holdings 2 LLC	5.56%
Other[(2)]	6.40%

(1) As of June 30, 2020, Trafigura ultimately owned 49.99% via its wholly owned subsidiary Trafigura PE Holding Limited.

(2) This represents shareholders that owned less than 5% of the Company's shares as of June 30, 2020, including Cochan following the completion of the recent shareholder restructuring transaction discussed below.

Trafigura is a private company incorporated under the laws of Singapore and is a major international commodity trader that began operations (through a predecessor company) in 1993. Trafigura's primary trading businesses involve the supply and transport of crude oil, refined oil products, renewable energies, coal, refined metals, ferrous and non-ferrous ores and concentrates. In 2019, Trafigura generated revenues of $171.5 billion. Trafigura is ultimately owned by its senior management and employees. Trafigura is owned by approximately 700 senior employees, who are therefore focused on the long-term success of the business, promoting management depth and stability, and encouraging prudent risk management.

Sonangol is a company owned by the state of Angola that was established in 1976 and was one of the first African companies to begin oil exploration and production operations in Africa. Sonangol's main activities include the exploration, development, marketing, production, transportation and refining of hydrocarbons and their derivatives. Sonangol is ultimately owned by Sonangol, E.P., a state-owned oil and investment holding company. On August 5, 2019, the Angolan government published a presidential decree announcing the names of a large number of state-owned companies or assets or investments of state-owned companies that it intended to privatize by 2022 as part of a privatization program. This list included the Company, an asset of Sonangol, and may lead to a change in the capital structure of the Company.

PE Investments Limited ("**PEIL**") is a limited liability company organized under the laws of Malta and which serves as an investment vehicle holding 6.59% of the Company as of June 30, 2020 for a limited number of private investors. PEIL is administered by an independent director who holds a single "B" share and exercises the voting rights of PEIL in the Company while the investor shareholders of PEIL hold "A" shares which entitle them to dividends and other distributions of PEIL, but do not give them any voting rights in the Company. PEIL is ultimately owned by a consortium of private investors who largely comprise current and former senior managers from Trafigura. Certain of the directors of the Company hold a minority stake which, in aggregate, amounts to less than 10% of PEIL.

TPE Holdings 2 LLC ("**TPE**") is a company organized under the laws of the Marshall Islands and held 5.56% of the shares of the Company as of June 30, 2020. TPE became a party to the shareholders' agreement described below on June 10, 2020.

Shareholders' Agreement

The Company, Trafigura, Sonangol, Cochan and PEIL, Global PE Investors plc, PE SPV Limited, PE ESP LLC and TPE are parties to a shareholders' agreement, which was first entered into on August 21, 2013 and has since been further amended on December 5, 2018 and March 2, 2020. The shareholders' agreement contains, among other matters, a number of customary provisions relating to the governance of the Company and pre-emption rights for the shareholders on a new issue of shares, as well as tag-along and drag-along rights exercisable by the parties under certain circumstances. Trafigura has pre-emption rights on any proposed sale by Cochan or Sonangol and Sonangol has pre-emption rights on a proposed sale by Trafigura below a 25% holding.

Under the terms of the shareholders' agreement, the Board shall comprise a maximum of nine directors unless otherwise agreed by the shareholders. Trafigura has the right to appoint three directors and Sonangol has the right to appoint two directors. The shareholders' agreement in addition provides for the appointment of the Chief Executive Officer of the Company and two Independent Directors (who shall also be Chairman) by shareholders holding together at least 75% of the shares in issue.

The shareholders' agreement provides that certain matters shall be approved by the shareholders holding together at least 75% of the shares then in issue. Such matters include, among others, any application for the listing of any shares or other securities of any member of the Company's Group on any stock exchange. See "*Management and Corporate Governance—Shareholders' Agreement*."

In March 2020, we repurchased approximately 10% of the shares held by Cochan with the proceeds of the 2020 Subordinated Shareholder Restructuring Loan. Following the repurchase, Cochan is no longer a significant shareholder and now holds less than 5% of the outstanding shares of the Company. The transaction was implemented by a buyback of shares from Trafigura. See "*Description of Certain Other Indebtedness—Trafigura Facilities Agreements.*"

RELATED PARTY TRANSACTIONS

The following is a summary of our most significant transactions with related parties from January 1, 2017 to June 30, 2020. For further details of these transactions, see Note 25 to our consolidated financial statements, included elsewhere in this Document.

In the ordinary course of business, we have engaged, and continue to engage, in transactions with parties that are related parties to the Company. The majority of our related party transactions constitute transactions between us and our two main shareholders, Trafigura and Sonangol. We did not engage in transactions directly with members of our board of directors during the period under review.

Supply

We purchase refined oil products from Trafigura and Sonangol in the ordinary course of business. For our purchase and sale transactions with Trafigura and Sonangol, no warranties or corporate guarantees of payment or performance are given or received by either party. The accounts receivable and payable arising from these purchase and sale transactions are unsecured and bear no interest. No provision has been made for H1 2020 or for FY 2017, FY 2018 or FY 2019 relating to the impairment of accounts receivable from related parties resulting from these purchase and sale transactions.

Trafigura

Trafigura is our preferred supplier of refined oil products for our downstream business, providing us with access to the international petroleum market. We have long-term supply agreements with Trafigura that set forth certain of the terms under which we purchase from Trafigura deliveries of refined oil products, including unleaded gasoline, automotive diesel, jet fuel, liquefied petroleum gas, bitumen, aviation gasoline, bio diesel, ethanol, naptha, gasoline blendstocks, crude oil and fuel oil. The contract price for purchases from Trafigura is determined through a process established by the long-term commercial supply agreements, which grant Trafigura the exclusive right, subject to certain exceptions, to supply the specified products. In general, the long-term commercial supply agreements require that we solicit a supply proposal first from Trafigura for all general and spot supply requirements and solicit third-party supply proposals only after attempting to reach an agreement with Trafigura, with any third-party supply proposals subject to Trafigura's right to match. Trafigura's exclusive supply rights do not apply if (i) we have an existing obligation to receive refined oil products from a third party supplier (which as of the date hereof was not applicable); (ii) we are obliged due to local laws or regulations to source refined oil products from particular suppliers, which applies in certain of the fully regulated markets in which we operate; (iii) Trafigura is unable to meet our supply requirements; or (iv) Trafigura is unable to offer refined oil products at a competitive price, as determined through the process described above.

The long-term commercial supply agreements specify that purchases from Trafigura take place using contract templates, or frame contracts, which differ based on the delivery basis. We specify for each purchase of refined oil products terms such as the quality and quantity of the product, delivery period and delivery location. The frame contracts provide, among other things, that the products sold by Trafigura shall be inspected by an internationally-recognized independent inspector appointed by Trafigura in order to determine the quality of the products. We have the right under these contracts to make claims against Trafigura if the quantity or quality of the product delivered did not meet our specified terms.

In response to COVID-19, we agreed an interim price adjustment with Trafigura under its supply arrangement with us to help minimize the impact of trading conditions in the second and third quarters of 2020. There is no formal contract memorializing this agreement. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting Results of Operations—Impact of COVID-19.*"

Sonangol

We do not have long-term supply agreements with Sonangol and typically enter into spot contracts with Sonangol with respect to the purchase of our refined oil products in Angola, as Sonangol has a state monopoly for supplying refined oil products in the country. As Angola is a fully-regulated market, purchases from Sonangol are made at the reference import price applicable to all purchasers in Angola. See "*Regulation*". We also agreed an interim price adjustment with Sonangol under its supply arrangement with us to help minimize the impact of COVID-19 on the trading conditions in the second and third quarters of 2020. There is no formal contract memorializing this agreement. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting Results of Operations—Impact of COVID-19*".

Services

Trafigura

We have a services agreement with Trafigura, pursuant to which we are entitled to receive services relating to administration, compliance, legal advice, banking and financial advice, trade support, human resources, engineering and infrastructure from Trafigura, for which we are required to pay Trafigura for the cost of the services plus a margin. The main services we presently obtain from Trafigura under this agreement relate to human resources and infrastructure, in particular IT services, with lower reliance on certain of the other services available under the contract. In addition, we supply Trafigura with infrastructure, engineering and logistical services within our midstream business pursuant to the terms of the same long-term services agreement. This agreement has no fixed term and may be terminated by either party with six months' notice.

Sonangol

We also have a long-term services agreement with Sonangol Distribuidora, S.A., pursuant to which Pumangol Bunkering, Ltda. provides Sonangol with bunkering services of marine oil and related products, storage, sales, distribution, logistics, marketing, quality control, billing and related administrative services, for which Sonangol reimburses Pumangol Bunkering of its costs and gives a percentage of the service profits.

The following table summarizes our transactions with Trafigura and Sonangol for FY 2017, FY 2018 and FY 2019 and for H1 2020.

	Year ended December 31,			Six Months Ended June 30,	
Sales to related parties	**2017**	**2018 restated**	**2019**	**2019**	**2020**
			($ millions)		
Trafigura	807.7	903.8	777.6	468.2	282.8
Sonangol	14.2	12.0	2.1	1.8	10.6
Others	70.0	208.4	131.6	4.4	6.6
Total	891.8	1,124.2	911.2	474.4	300.0

	Year ended December 31,			Six Months Ended June 30,	
Purchases from related parties	**2017**	**2018 restated**	**2019**	**2019**	**2020**
			($ millions)		
Trafigura[(1)(2)]	(6,953.6)	(8,684.1)	(6,979.7)	(3,479.1)	(2,284.8)
Sonangol	(908.7)	(584.7)	(371.0)	(192.4)	(104.3)
Others	(15.6)	(6.5)	(9.6)	(5.4)	(4.6)
Total	(7,877.9)	(9,275.3)	(7,360.4)	(3,676.9)	(2,393.8)

(1) In addition to the above transactions and balances, a substantial portion of our derivatives were transacted with Trafigura Pte Ltd and Trafigura Derivatives Ltd. The fair value of derivatives contracted with Trafigura Pte Ltd and Trafigura Derivatives Ltd amounted to $(37.6) million, US$70.9 million, and US$(37.4) million at December 31, 2017, at December 31, 2018, and at December 31, 2019, respectively.

(2) Within the amount above transactions and balances, a substantial portion of our derivatives were transacted with Trafigura Pte Ltd and Trafigura Derivatives Ltd. The fair value of derivatives contracted with Trafigura Pte Ltd and Trafigura Derivatives Ltd amounted to $22.3 million at June 30, 2020.

The following table summarizes our balances with Trafigura and Sonangol as of December 31, 2017, December 31, 2018, December 31, 2019 and June 30, 2020:

	Year ended December 31,			
Amounts owed by related parties[(1)]	**2017**	**2018**	**2019**	**Six Months Ended June 30, 2020**
			($ millions)	
Trafigura	98.5	240.9	146.4	327.6
Sonangol	48.4	3.6	0.2	11.2
Others	33.1	53.6	93.2	94.8
Total	**179.9**	**298.1**	**239.8**	**433.7**

Amounts owed to related parties[(2)]	Year ended December 31, 2017	2018	2019	Six Months Ended June 30, 2020
	($ millions)			
Trafigura	(1,167.5)	(1,647.2)	(1,745.7)	(1,945.0)
Sonangol	(126.7)	(75.8)	(35.5)	(20.0)
Others	(4.3)	(4.0)	(18.7)	(30.8)
Total	**(1,298.5)**	**(1,727.0)**	**(1,799.9)**	**(1,995.8)**

(1) Includes trade and other receivables, loans to related parties and other assets.

(2) Includes trade and other payables, lease liabilities, and loans from related parties.

Loans from Related Parties

On August 6, 2018, PIF entered into a subordinated facilities agreement (the "**Trafigura Facilities Agreement**") with Trafigura Pte Ltd as lender, consisting of a committed revolving Facility A of $500,000,000 and an uncommitted Facility B of $1,000,000,000 (together, the "**Trafigura Facilities**"). These facilities are available for utilization until maturity.

On June 10, 2020, the Company entered into a shareholder loan agreement (the "**2020 Subordinated Shareholder Restructuring Loan Agreement**", together with the Trafigura Facilities Agreement, the "**Trafigura Facility Agreements**") with Trafigura PE Holding Limited for a loan in an amount equal to the sum of a $390,000,000 facility plus S$1,082,328 (or $778,653) (which reflects stamp duty paid by Trafigura PE Holding Limited and required to be reimbursed by the Company under a share buyback agreement between the Company and Trafigura PE Holding Limited) (the "**2020 Subordinated Shareholder Restructuring Loan**").

The Trafigura Facility Agreements provide that, in the event of a winding-up of PIF (as borrower under the Trafigura Facilities Agreement) or the Company (as borrower under the 2020 Subordinated Shareholder Restructuring Loan Agreement), all obligations and liabilities owing or payable to the lender under the agreement will rank in priority immediately after the borrower's unsubordinated obligations and liabilities and *pari passu* with any subordinated claims ranking equally but in priority to all other claims against the borrower.

Amounts borrowed under the Trafigura Facilities Agreement are required to be used for general corporate purposes, including repaying existing indebtedness.

The 2020 Subordinated Shareholder Restructuring Loan was used to finance the repurchase of shares in the Company held by Trafigura PE Holding Limited. For further information see "*Description of Certain Other Indebtedness—Trafigura Facilities Agreements.*"

The Trafigura Facilities were not drawn at December 31, 2019 or 2018.

Other

As of June 30, 2020, an aggregate amount of $390 million was outstanding under the 2020 Subordinated Shareholder Restructuring Loan.

We have also acquired, by virtue of our various acquisitions, certain legacy loans made to employees of acquired entities. These loans are, individually and in aggregate, immaterial to us.

In addition to the above transactions, a substantial portion of our derivatives are transacted through Trafigura Pte Ltd. See "*Management's Discussion and Analysis of Financial Condition and Results of Operation—Risk Management—Operational Risk Management*."

REGULATION

General

We presently have operations in 43 countries across Africa, the Americas, Asia Pacific and Europe and we are subject to a broad range of regulations in each of the jurisdictions in which we operate. In many jurisdictions, we are subject to price regulations with respect to the sale of our refined oil products. We are also subject to, among other things, standards and requirements and potential liabilities in respect of pollution control, remediation of environmental contamination, accidents and injuries, the operation of our terminals, depots, retail sites and other facilities and storage and handling of hazardous and toxic materials. The nature and scope of these standards and requirements vary widely from one jurisdiction to another and between our various segments and business lines. The laws and regulations applicable to our operations are subject to change and we expect that we will continue to be subject to increasingly stringent laws and regulations.

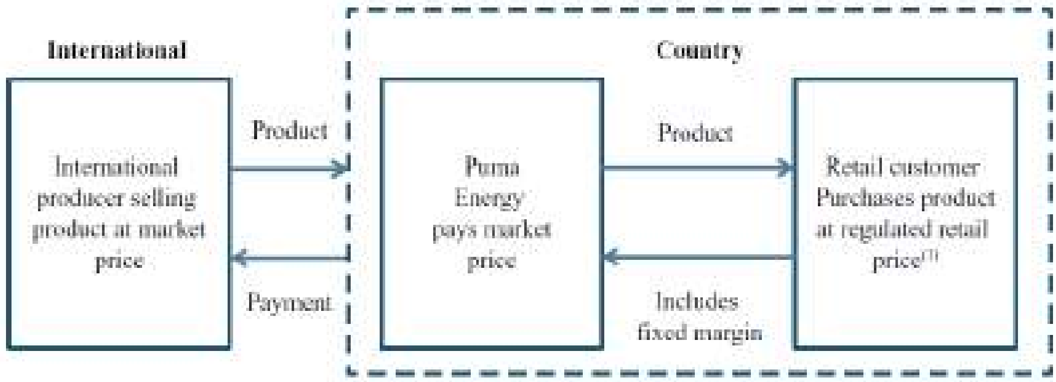
Price regulations

We have downstream operations in free markets, such as Australia (although these are now limited to the bitumen business line as a result of the Australia Sale), Puerto Rico and Guatemala. In these countries, government regulations do not limit our ability to set the distribution price of the refined oil products we sell to our customers.

However, in the majority of the countries where we operate, the regulations applicable to our activities establish a maximum margin above the price at which we purchased the refined oil products that we may charge our customers. Such maximum margin may apply to specific products (e.g., fuel) or specific customers (e.g., retail customers).

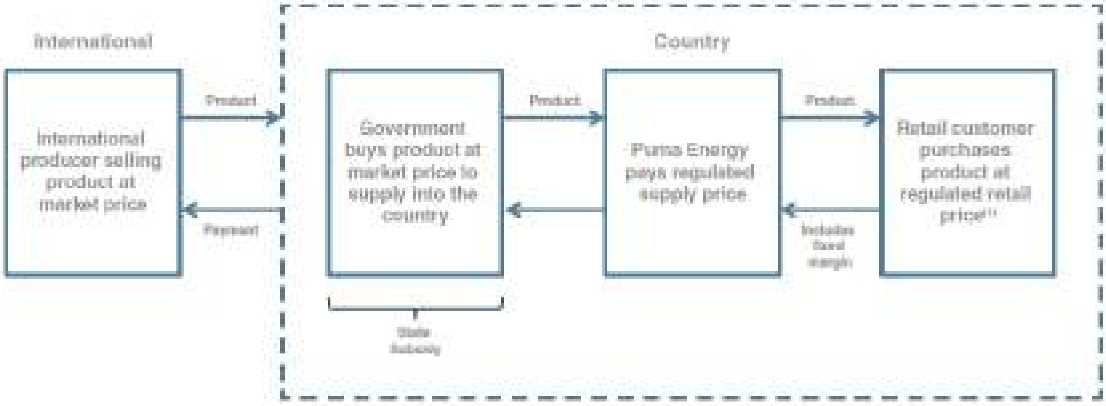
Under the semi-regulated framework, the relevant government establishes a maximum gross margin often established with a reference in U.S. dollars, over a specified reference import price. Companies that are able to achieve a better supply price than the reference import price are allowed to keep the incremental margin, which is equal to the difference between the reference import price and the supply price obtained by the company. The amount of the maximum margins may, in some cases, be adjusted by the relevant government upon request of a corporate operator to reflect greater distances from the retail site to the point of import of the product in the country.

The following diagram provides an example of regulation in a semi-regulated market.



(1) Regulated retail price = regulated supply price + fixed margin

Under a fully regulated framework, refined oil products are made available to retailers at a specified reference import price set by the relevant government. Imports of refined oil products are organized by the relevant government, either directly (such as in Angola), or through a club of fuel dealers (such as in Malawi). In these countries, we are not permitted to source refined oil products in the international market and must buy them at the price set by the relevant government. This reference import price is usually calculated as the difference between the market price paid by the government and a government subsidy aimed at decreasing the final price of the refined oil products for end consumers. The government also establishes a maximum gross margin, often established with a reference in U.S. dollars, that may be adjusted in the same circumstances as those described above with respect to semi-regulated markets.



In our semi-regulated and fully regulated markets, our margins are not affected by changes in prices of crude oil and refined oil products but depend on other factors such as the efficiency of our logistics chain, the quality and reliability of our products and the location of our retail sites. Depending on the country of operation, the maximum margin may apply to specific products (e.g., automotive fuel) or specific customers (e.g., retail customers).

The following table provides an overview of the regulatory framework applicable to our retail and distribution activities in our main countries of operations.

List of downstream markets as of the date of this Document[1]

COUNTRY	**REGULATORY FRAMEWORK**
Africa	
Angola	Fully regulated
Benin	Semi-regulated
Botswana	Semi-regulated
Congo	Fully regulated
DRC	Fully regulated
Ghana	Free market
Ivory Coast	Fully regulated
Lesotho	Fully regulated
Malawi	Semi-regulated
Mozambique	Fully regulated
Namibia	Semi-regulated
Nigeria	Free market
Senegal	Fully regulated
South Africa	Semi-regulated
Swaziland	Fully regulated
Tanzania	Semi-regulated
Zambia	Semi-regulated
Zimbabwe	Semi-regulated
Latin America	
Belize	Semi-regulated
Colombia	Fully regulated
El Salvador	Semi-regulated
Guatemala	Free market
Honduras	Semi-regulated
Nicaragua	Fully regulated
Panama	Semi-regulated
Puerto Rico & U.S. Virgin Islands	Free market
Asia Pacific	
Myanmar	Semi-regulated
Papua New Guinea	Semi-regulated
Pakistan	Semi-regulated

(1) This list does not include those countries where we are not impacted by fuel price regulations, such as our midstream markets (including Chile, Estonia, Norway, Russia, Spain, Australia and UAE), our headoffices (Singapore and Switzerland) and countries with sales of some specialty products only (Cuba).

Health, safety and environmental regulations

Our operations, particularly those relating to the storage, transportation and sale of fuel and lubricants, are subject to numerous health, safety and environmental laws and regulations in each of the countries in which we operate, including laws and regulations governing the quality of fuels and lubricants, ground pollution and emissions and discharges into air and water, the handling and disposal of hazardous wastes, the use of vapor reduction systems to capture fuel vapor, and the remediation of contamination at retail sites and storage sites.

Some of these health, safety and environmental laws and regulations require us to hold permits, or obtain registrations (including registrations of retail sites and fuel transportation vehicles), in connection with our operations, which may impose limitations or conditions in connection with the initial grant or renewal of permits to store or sell fuel products. Operation of facilities or vehicles or storage of refined oil products in breach of the requirements set out in the permits may result in revocation of the permits, corporate fines, imprisonment or liquidation of the company holding the permits. More generally, we are also required to hold permits or obtain registrations in connection with our operations in most of the countries where we operate. For instance, in Puerto Rico, we are required to hold several permits to participate in the storage, importation and distribution of LPG. We make stringent efforts to ensure that we hold all necessary permits, including extensive work during the due diligence phase of our acquisitions. If we become aware of an issue with our permits, our policy and practice is to engage openly with the relevant authorities to resolve the issue as rapidly as possible. For instance, when we acquired the Capeco assets in Puerto Rico, while we were awarded a court order as part of the bankruptcy process granting us all of the licenses and permits held by the company prior to our acquisition, we found in practice that we needed to engage with various regulatory bodies including the US EPA, Puerto Rico EQB and US Coast Guard to ensure that the required permits were valid.

Our activities expose us to certain risks, particularly at our terminals and other storage facilities, where large quantities of fuel are stored, and at our retail sites. These risks include environmental contamination resulting from vapor emissions, spills, and leaks at storage facilities and/or in the course of transportation to or from our terminals, retail sites, airports locations and/or other sites. Local laws and regulations applicable to our operations may hold us liable for any leakages or accidents that lead to ground pollution or other forms of environmental damage, whether as landowner, operator or other user of, or supplier to, these locations. We are generally required to clean up and treat sites whenever any environmental damage is identified, regardless of whether environmental damage is discovered as a result of a specific accident or incident or in connection with routine maintenance and infrastructure development at our sites. We are also generally responsible for remediation of sites upon the sale of retail sites or storage facilities. Local laws and regulations may also hold us responsible for remediation of environmental damage at storage facilities or retail sites acquired by us, even if the underlying environmental damage was caused by a prior owner or operator.

In addition, on a voluntary basis we apply international standards that are often more stringent than applicable local laws and regulations. For instance, the design of our new terminals meets the requirements of the American Petroleum Institute ("**API**"). Our new fuel tanks are designed in line with API650 and we design our firefighting systems in line with U.S. National Fire Protection Association ("**NFPA**") global regulations. When we acquire major storage facilities, we review the existing fire protection and, where necessary, bring features, policies and practices into line with NFPA regulations as part of our capital expenditure and improvement plans. For example, we have recently improved the firefighting systems in our terminal in Walvis Bay in Namibia.

In Puerto Rico, for example, as part of the acquisition of the assets from Capeco, we entered into four agreements with the U.S. Environmental Protection Agency ("**EPA**") which define our responsibility to remediate historical environmental issues, including the demolition and remediation of a refinery that had large amounts of asbestos. We also committed to implement measures to improve our leak detection and over-spill protection in the retail sites that are more stringent than existing local regulations. We are required to report regularly to the relevant authorities on our progress, and are subject to inspections and audits conducted by the EPA, the United States Coast Guard and the Puerto Rico Environmental Quality Board.

Aviation

Our refined oil products are required to satisfy international standards and specifications. These specifications are particularly stringent with respect to aviation fuel as the sale of contaminated aviation fuel could result in damage to aircraft and major incidents.

Our Aviation business offers JET A-1 (Aviation Turbine Fuel) and Aviation gasoline 100LL ("**Avgas**"), a fuel for piston engine aircraft. JET A-1 conforms to the following specifications: Aviation Fuel Quality Requirements for Jointly Operated Systems—latest issue, U.K. Defense Standard 91/091 and ASTM D-1655. Avgas satisfies the requirements of the U.K. Ministry of Defense (Defense Standard 91-090 latest issue).

Aviation fuels pass through a variety of storage and handling systems and procedures from the refinery to our customers. All our aviation facilities and equipment are designed, constructed and operated in accordance with the International Air Transport Association ("**IATA**"), Joint Inspection Group ("**JIG**") and International Civil Aviation Organization standards and accepted codes of practice. The IATA and JIG Standards for Aviation Fuel Quality Control and Operating Procedures consist of internationally agreed procedures for handling aviation fuel at aviation fuel facilities, including airports. They include recommended practice for fuel sampling and testing, depot and hydrant and fueling vehicle design features, as well as procedures for storage and delivery of aviation fuel to aircrafts. We are an associate member of the JIG, which provides us with routine updates on refueling standards, quality control and operations.

We are a strategic partner to IATA, which gives us access in the technical and commercial fuel groups. The technical fuel group focuses on fuel specifications and code of practices, safety, design, construction and product quality. It also covers a broad range of other technical activities such as product testing, filter performance, pressure control, valve performance and testing and fueling hoses manufacture and testing. Task groups are convened to cover special projects or incidents such as fuel hydrant contamination, damage to aircraft during fueling or contamination of aviation fuel from multiproduct pipelines. The technical fuel group also engages regularly with engine manufacturers to discuss performance. The commercial fuel group covers general commercial activities such as hedging, market study, availability of products and airport efficiencies and establishes delegations to engage in discussions with governments and airport authorities on fuel pricing, taxes and levies that are implemented and passed on by the aviation fuel suppliers.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

The following is a summary of certain provisions of the documents listed below governing certain of the indebtedness of the Company and its subsidiaries. The following summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents. Some of the terms used herein are defined in these agreements, and we have not included all of such definitions herein.

Summary of Significant Facilities

This section includes facilities of the Group which the Group views as significant facilities by virtue of the fact that the maximum facility amount under each is equal to or greater than $40,000,000 (or the equivalent in another currency), but excludes trade and /or short term working capital financing arrangements entered into in the ordinary course of business.

Facility	Borrower	Principal Amount[(1)]	Availability Period	Type of facility
2016 Credit Facilities Agreement	PIF	$286,000,000	Available to May 2021	Facility B is a revolving credit facility
2018 Credit Facilities Agreement	PIF	$700,000,000	N/A	Facility B is a term loan facility
2020 Credit Facilities Agreement	PIF	$62,500,000	Available to May 2021	Revolving credit facility
		$248,000,000	Available to May 2021	
Club Facility Agreement	PIF	$375,000,000	N/A	Term loan facility
Delta Lloyd Facility Agreement	PIF	$100,000,000	N/A	Term loan facility
Private Placement Bond (2024 Euro Amortizing Senior Notes)	PIF	€150,000,000 (or $168,404,980)[(2)]	N/A	Bond
2024 Senior Notes	PIF	$595,000,000	N/A	Bond
2026 Senior Notes	PIF	$745,000,000	N/A	Bond
Trafigura Facilities	PIF	$1,500,000,000	Available to September 2023	Shareholder loan
	Company	$390,000,000	N/A	Shareholder loan
2020 Subordinated Shareholder Restructuring Loan		S$1,082,328 (or $778,653)[(3)]		

(1) Principal amount in this column is the total amount of the facility overall that was either committed and available for drawing (with respect to revolving facilities) or outstanding (with respect to term loans or bonds) as at June 30, 2020 and does not reflect amortization, if any.

(2) The average exchange rate of euro per U.S. dollar as reported by Bloomberg on June 30, 2020 was €0.89 per $1.00.

(3) The average exchange rate of Singapore dollar per U.S. dollar as reported by Bloomberg on June 30, 2020 was S$1.39 per $1.00.

Annual Syndicated Credit Facilities Agreements

Overview and structure

On May 4, 2016, PIF as borrower originally entered into a credit facilities agreement (as amended on April 25, 2019 and May 4, 2020) governed by English law with, among others, Australia and New Zealand Banking Group Limited; Cooperatieve Rabobank U.A. (trading as Rabobank London); Emirates NBD Capital Limited; Industrial and Commercial Bank of China (Europe) S.A., Amsterdam Branch; Industrial and Commercial Bank of China Limited, London Branch; ING Bank N.V.; Natixis; Nedbank Limited, London Branch; Société Générale Corporate & Investment Banking (the Corporate and Investment Banking Division of Société Générale); The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division); Unicredit Bank AG; and FirstRand Bank Limited (acting through its Rand Merchant Bank Division) as arrangers (the "**2016 Credit Facilities Agreement**").

As of the date of this Document, the 2016 Credit Facilities Agreement continues to provide for a revolving loan facility B. This was originally in an aggregate amount of up to $270,000,000; an additional $85,000,000 was added in May 2017, a further additional $40,000,000 was added in November 2017, and another further additional $20,000,000 was added in January 2018, in each case, through exercise by PIF of the accordion feature in the 2016 Credit Facilities

Agreement (the "**2016 RCF**"), resulting in a $286 million revolving loan facility amount as of the date of this Document. All other facilities under the 2016 Credit Facilities Agreement have been cancelled or have expired.

The 2016 RCF must be used for the general corporate and working capital purposes of the Group (as well as the original refinancing of the relevant revolving facilities under PIF's 2015 credit facilities agreement).

On April 27, 2018, PIF as borrower originally entered into a credit facilities agreement (as amended on April 25, 2019 and May 4, 2020) governed by English law with Australia and New Zealand Banking Group Limited; Emirates NBD Capital Limited; First Abu Dhabi Bank PJSC; Industrial and Commercial Bank of China Limited, London Branch; Industrial and Commercial Bank of China Limited, Singapore Branch; ING Bank N.V.; Natixis; Nedbank Limited, London Branch; Rand Merchant Bank, a division of FirstRand Bank Limited (London Branch); Rand Merchant Bank, a division of FirstRand Bank Limited; Société Générale Corporate and Investment Banking; MUFG Bank, Ltd.; The Standard Bank of South Africa Limited; and Unicredit Bank AG as mandated lead arrangers and bookrunners; and Australia and New Zealand Banking Group Limited as facility agent (the "**2018 Credit Facilities Agreement**").

The 2018 Credit Facilities Agreement continued to provide for a term loan facility in an aggregate amount of $700,000,000 (the "**2018 Term Loan Facility B**") as at June 30, 2020. All other facilities under the 2018 Credit Facilities Agreement have been repaid, cancelled, or expired.

The 2018 Term Loan Facility B was required to be (and was) used for refinancing certain existing facilities and general corporate and working capital purposes of the Group.

On April 27, 2020, PIF as borrower entered into a credit facilities agreement governed by English law with, among others, Absa Bank Limited (acting through its Corporate and Investment Banking Division); Bank of America Merrill Lynch International Designated Activity Company; FirstRand Bank Limited (acting through its Rand Merchant Bank Division); ING Bank N.V.; Natixis; Nedbank Limited, London Branch; Société Générale; The Standard Bank of South Africa Limited, Isle of Man Branch; and Standard Chartered Bank as mandated lead arrangers and bookrunners (the "**2020 Credit Facilities Agreement**", together with the 2016 Credit Facilities Agreement and the 2018 Credit Facilities Agreement, the "**Annual Syndicated Credit Facilities Agreements**").

The 2020 Credit Facilities Agreement provides for (i) a revolving credit facility in an aggregate amount of up to $62,500,000 to be utilized by way of non-cash credit instruments ("**2020 Facility A1**") and (ii) a revolving credit facility in an aggregate amount of up to $248,000,000 to be utilized by way of cash loans ("**2020 Facility A2**", together with the 2020 Facility A1, the "**2020 RCF**").

The 2020 RCF must be used for the purpose of refinancing amounts due under existing facilities and thereafter may be used for the general corporate and working capital purposes of the Group.

Each of the Annual Syndicated Credit Facilities Agreements also contains an accordion feature pursuant to which PIF may invite lenders or other entities to commit to an increase in all or any commitments, subject to the aggregate amount of the total commitments under the relevant Annual Syndicated Credit Facilities Agreement after the increase not exceeding $250,000,000 (under the 2016 Credit Facilities Agreement and the 2018 Credit Facilities Agreement) or $200,000,000 (under the 2020 Credit Facilities Agreement) over the aggregate amount of the total commitments as at the effective date of the relevant Annual Syndicated Credit Facilities Agreement.

Maturity and Repayment Requirements

Amounts repaid by PIF under the 2020 RCF may be re-borrowed during the availability period for those facilities, subject to certain conditions.

All loans outstanding under the 2016 RCF must be repaid in full at maturity. Two extension requests have previously been approved. For lenders in the extended portion of 2016 RCF, the maturity has been extended to May 13, 2021. Subject to obtaining the consent of no less than 50.1% of the lenders and the payment of an extension fee, PIF may request that the maturity be extended on one further occasion by up to a further 90 days beyond the then applicable termination date.

All loans outstanding under 2018 Term Loan Facility B must be repaid in full at maturity, which is May 3, 2021 (provided that the maturity date is not otherwise extended). Subject to obtaining the consent of no less than 50.1% of the lenders and the payment of an extension fee, PIF may request that maturity be extended on three occasions: on two occasions, up to a further 12 months and on one occasion up to a further 90 days beyond the then applicable termination date.

PIF may not re-borrow any part of 2018 Term Loan Facility B which is prepaid.

All loans outstanding under the 2020 RCF must be repaid in full at maturity. For lenders who do not agree to extend the maturity applicable to their participation, the maturity is May 4, 2021. Subject to obtaining the consent of no less than 50.1% of the lenders and the payment of an extension fee, PIF may request that maturity be extended on three occasions: on two occasions, up to a further 12 months and on one occasion up to a further 90 days beyond the then applicable termination date.

Interest Rate and Fees

The loans made under the Annual Syndicated Credit Facilities Agreements bear interest at a margin over LIBOR. The margin in respect of loans made under the 2016 RCF and the 2020 RCF are fixed. The margin in respect of loans made under the 2018 Term Loan Facility B varies by reference to the leverage ratio of the Company (calculated on a consolidated basis).

Under each of the Annual Syndicated Credit Facilities Agreements, PIF must pay a commitment fee computed at a specified percentage of the relevant margin on the undrawn, uncancelled amount of each lender's commitment under each of the Facilities.

Prepayment and Cancellation

A lender may require mandatory prepayment of the loan upon the occurrence of certain prepayment events, including (i) illegality, (ii) change of control (specifically if Trafigura Group Pte. Ltd. and Sonangol Holdings Limitada, acting together (in respect of the 2016 Credit Facilities Agreement) or Trafigura Group Pte. Ltd. and Sonangol Holdings Limitada, acting together (in respect of the 2018 Credit Facilities Agreement and the 2020 Credit Facilities Agreement) cease to, directly or indirectly, have control of the Company and a lender so requires, all commitments of that lender will be cancelled and all participations of that lender in all outstanding loans, together with accrued interest, and all other amounts accrued and owing to that lender shall become immediately due and payable) and (iii) breach of the sanctions warranty or, in the case of the 2018 Credit Facilities Agreement and the 2020 Credit Facilities Agreement, the anti-bribery and corruption warranty (specifically, if a lender so requires in those circumstances, all unutilized commitments of that lender will be cancelled and all participations of that lender in all outstanding loans, together with accrued interest, and all other amounts accrued and owing to that lender shall become due and payable no earlier than the last day of any applicable grace period allowed by law (in respect of the 2016 Credit Facilities Agreement) or immediately (in respect of the 2018 Credit Facilities Agreement and the 2020 Credit Facilities Agreement).

Under each Annual Syndicated Credit Facilities Agreement, PIF may voluntarily prepay loans outstanding under the Facilities, subject to satisfaction of notice periods and minimum amounts.

PIF is also entitled to voluntarily cancel any unutilized commitments in whole or in part subject to satisfaction of notice periods and a *de minimis* amount.

Representations, Warranties, Covenants and Events of Default

Each Annual Syndicated Credit Facilities Agreement contains customary representations and warranties, as well as customary affirmative and restrictive operating and financial covenants, subject to certain agreed exceptions, including, among others, covenants that restrict members of the Group in their ability to: (i) create or allow to exist any security interest over any of its assets, (ii) make certain disposals of its assets, (iii) incur certain financial indebtedness, (iv) change its business and (v) merge into or consolidate with other companies. The covenants are subject to customary materiality, knowledge and other qualifications, exceptions and baskets.

The Group's financial and operating performance is monitored by covenants that require it to maintain certain ratios of (i) Consolidated EBITDA to consolidated net financial interest and (ii) consolidated net financial indebtedness (excluding shareholder and other loans that are subordinated, excluding derivative positions and less cash, short-term deposits and inventories) to Consolidated EBITDA. The Company is also required to ensure that the sum of all paid-up capital, minority interests, share premiums and distributable and non-distributable reserves of the Company and its Subsidiaries, plus any retained earnings, plus any subordinated debt; and excluding the effect of foreign exchange translation reserves as shown on balance sheet) is not less than a specified minimum amount less the sum of certain losses resulting from a disposal of assets. The Company has confirmed it is in compliance with the covenants thereunder pursuant to its most recent compliance certificate.

Each Annual Syndicated Credit Facilities Agreement also contains customary events of default.

Guarantee

The Company guarantees the performance by PIF of all its obligations in connection with the Annual Syndicated Credit Facilities Agreements.

Club Facility Agreement

Overview and Structure

On September 14, 2017, PIF as borrower entered into a credit facilities agreement (as amended on April 25, 2019 and May 4, 2020) governed by English law with, amongst others, Bank of America Merrill Lynch International Limited; Industrial and Commercial Bank of China Limited, London Branch; ING Bank N.V.; Qatar National Bank (Q.P.S.C.); and Rand Merchant Bank, a division of FirstRand Bank Limited (London Branch) as mandated lead arrangers and bookrunners; and ING Bank N.V. as facility agent (the "**Club Facility Agreement**").

The Club Facility Agreement provides for (i) a term loan facility in an aggregate amount of up to $350,000,000 (the "**Club Facility A**") and (ii) a term loan facility in an aggregate amount equal to the amount of commitments assumed by a lender under the accordion increase feature (the "**Club Facility B**", together with the Club Facility A, the "**Club Facilities**").

The Club Facility Agreement contains an accordion feature pursuant to which PIF may invite lenders or other entities to commit to an increase in all or any of the commitments, subject to the certain aggregate amounts. In respect of Club Facility A, the aggregate amount of the total commitments after the increase shall not exceed $75,000,000 over the aggregate amount of the Club Facility A total commitments as at the date of the Club Facility Agreement. Via the accordion feature, additional commitments of $10,000,000 and $15,000,000 were added into Club Facility A in April 2018 and June 2018 respectively, resulting in a $375 million term loan facility amount as of the date of this Document.

In respect of Club Facility B, the aggregate amount of the total commitments after the accordion increase shall not exceed $50,000,000 over the aggregate amount of the initial Club Facility B commitments, as specified in the first lender accession agreement delivered after the date of the Club Facility Agreement. No commitments have yet been raised under Club Facility B.

The Club Facility A must be used for general corporate purposes of the Group and for refinancing certain existing indebtedness.

Maturity and Repayment Requirements

All loans outstanding under the Club Facility Agreement must be repaid in full at maturity. The maturity date for Club Facility A is September 14, 2022, and the maturity date for Club Facility B is September 14, 2023.

PIF may not re-borrow any part of the Club Facilities which have been prepaid.

Interest Rate

The loans made under Club Facility A bear interest at a margin over LIBOR. The margin in respect of Club Facility A varies by reference to the leverage ratio of the Company (calculated on a consolidated basis).

PIF must pay a commitment fee computed at a specified percentage of the relevant margin on the undrawn, uncancelled amount of each lender's commitment under Club Facility A.

Prepayment and Cancellation

A lender may require mandatory prepayment of the loan upon the occurrence of certain prepayment events, including (i) illegality, (ii) change of control (specifically if Trafigura Group Pte. Ltd. and Sonangol Holdings Limitada, acting together, cease to, directly or indirectly, have control of the Company and a lender so requires, all commitments of that lender will be cancelled and all participations of that lender in all outstanding loans, together with accrued interest, and all other amounts accrued and owing to that lender shall become immediately due and payable) and (iii) breach of the sanctions warranty or the anti-bribery and corruption warranty (specifically, if a lender so requires in those circumstances, all unutilized commitments of that lender will be cancelled and all participations of that lender in all outstanding loans, together with accrued interest, and all other amounts accrued and owing to that lender shall become due and payable no earlier than the last day of any applicable grace period allowed by law).

PIF may voluntarily prepay loans outstanding under the Club Facilities, subject to satisfaction of notice periods and minimum amounts, and in the case of Club Facility B only, the applicable fee.

PIF is also entitled to voluntarily cancel any unutilized commitments in whole or in part subject to satisfaction of notice periods and a *de minimis* amount.

Representations, Warranties, Covenants and Events of Default

The Club Facility Agreement contains customary representations and warranties, as well as customary affirmative and restrictive operating and financial covenants, subject to certain agreed exceptions, including, among others, covenants that restrict members of the Group in their ability to: (i) create or allow to exist any security interest over any of its assets, (ii) make certain disposals of its assets, (iii) incur certain financial indebtedness, (iv) change its business and (v) merge into or consolidate with other companies. The covenants are subject to customary materiality, knowledge and other qualifications, exceptions and baskets.

The Group's financial and operating performance is monitored by covenants on substantially the same terms as those in the Annual Syndicated Credit Facilities Agreements.

The Club Facility Agreement also contains customary events of default.

Guarantee

The Company guarantees the performance by PIF of all of its obligations in connection with the Club Facility Agreement.

Delta Lloyd Facility Agreement

Overview and Structure

On January 11, 2016, PIF as borrower entered into a facility agreement governed by English law with DL Levensverzekering NV and DL Life N.V./SA as lenders (the "**Delta Lloyd Facility Agreement**").

The Delta Lloyd Facility Agreement provides for a term loan facility in an aggregate amount of $100,000,000 (the "**Delta Lloyd Facility**"). Amounts borrowed under the Delta Lloyd Facility Agreement must be used for refinancing existing indebtedness of the Group and for general corporate and working capital purposes of the Group.

Maturity and Repayment Requirements

The Delta Lloyd Facility must be repaid in full on the termination date being the date falling 7 years after the utilization date.

Interest Rate

The loan under the Delta Lloyd Facility bears interest at a fixed rate.

Prepayment and Cancellation

A lender may require mandatory prepayment of the Delta Lloyd Facility upon the occurrence of certain prepayment events, including (i) illegality and (ii) change of control, in each case on similar terms to the Annual Syndicated Credit Facilities Agreements above. There is also a mandatory prepayment where PIF uses proceeds of the facility or otherwise acts in a manner that does not comply with certain sanctions provisions.

PIF may voluntarily prepay the outstanding loan, subject to the payment of a fee and satisfaction of notice periods and minimum amounts.

Representations, Warranties, Covenants and Events of Default

The Delta Lloyd Facility Agreement contains customary representations and warranties, as well as customary affirmative and restrictive operating and financial covenants, in each case on similar terms to the Annual Syndicated Credit Facilities Agreements above.

The Delta Lloyd Facility Agreement also contains customary events of default.

Guarantee

The Company guarantees the performance of PIF's obligations under the Delta Lloyd Facility Agreement.

Private Placement Bond (2024 Euro Amortizing Senior Notes)

The €200 million 2.650% Euro-denominated Amortizing Senior Notes due 2024 were originally issued by PIF in May 2014 (as amended in May 2018 to, among other things, extend the maturity date from 2022 to 2024 and modify the provisions pertaining to payment of interest and principal) (the "**2024 Euro Amortizing Senior Notes**"), of which, as of the date of this Document, $150 million principal amount remains outstanding.

The 2024 Euro Amortizing Senior Notes are traded on the Euro MTF market of the Luxembourg Stock Exchange and will mature on May 14, 2024. The 2024 Euro Amortizing Senior Notes are guaranteed on a senior unsecured basis by the Company (the "**2024 Euro Amortizing Senior Notes Parent Guarantee**").

The 2024 Euro Amortizing Senior Notes and the 2024 Euro Amortizing Senior Notes Parent Guarantee rank *pari passu* in right of payment to all of PIF's and the Company's existing and future senior unsecured indebtedness and that is not subordinated in right of payment to the 2024 Euro Amortizing Senior Notes and the 2024 Euro Amortizing Senior Notes Parent Guarantee, respectively.

The 2024 Euro Amortizing Senior Notes and the 2024 Euro Amortizing Senior Notes Parent Guarantee are effectively subordinated to any of PIF's and the Company's respective existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. The 2024 Euro Amortizing Senior Notes and the 2024 Euro Amortizing Senior Notes Parent Guarantee are be structurally subordinated to any existing and future indebtedness of our subsidiaries that do not guarantee the 2024 Euro Amortizing Senior Notes.

The 2024 Euro Amortizing Senior Notes contain covenants, that, among other things, limit the ability of the Company and its restricted direct and indirect subsidiaries to, subject to certain limitations and exceptions, incur or guarantee additional indebtedness; pay dividends on, redeem or repurchase our capital stock; make certain restricted payments and investments, including dividends or other distributions with regard to the shares of the Company or its restricted direct and indirect subsidiaries; create or incur certain liens; enter into agreements that restrict the restricted subsidiaries' ability to pay dividends or other distributions or make loans or advances to the Company, PIF or any of the restricted subsidiaries; transfer or sell assets; merge or consolidate with other entities; change the lines of business and engage in certain transactions with affiliates.

As of June 30, 2020, the amount outstanding under the 2024 Euro Amortizing Senior Notes was €150 million (or $168,404,980).

2024 Senior Notes

On October 6, 2017, PIF issued $600 million of 5.125% Senior Notes due 2024 (the "**2024 Senior Notes**").

The 2024 Senior Notes are traded on the Euro MTF market of the Luxembourg Stock Exchange and will mature on October 6, 2024. The 2024 Senior Notes are guaranteed on a senior unsecured basis by the Company (the "**2024 Parent Guarantee**").

The 2024 Senior Notes and the 2024 Parent Guarantee rank *pari passu* in right of payment to all of PIF's and the Company's existing and future senior unsecured indebtedness and that is not subordinated in right of payment to the 2024 Senior Notes and the 2024 Parent Guarantee, respectively.

The 2024 Senior Notes and the 2024 Parent Guarantee are effectively subordinated to any of PIF's and the Company's respective existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. The 2024 Senior Notes and the 2024 Parent Guarantee are structurally subordinated to any existing and future indebtedness of our subsidiaries that do not guarantee the 2024 Senior Notes.

The 2024 Senior Notes contain covenants, that, among other things, limit the ability of the Company and its restricted direct and indirect subsidiaries to, subject to certain limitations and exceptions, incur or guarantee additional indebtedness; pay dividends on, redeem or repurchase our capital stock; make certain restricted payments and investments, including dividends or other distributions with regard to the shares of the Company or its restricted direct and indirect subsidiaries; create or incur certain liens; enter into agreements that restrict the restricted subsidiaries' ability to pay dividends or other distributions or make loans or advances to the Company, PIF or any of the restricted subsidiaries; transfer or sell assets; merge or consolidate with other entities; change the lines of business and engage in certain transactions with affiliates.

2026 Senior Notes

On January 24, 2018, PIF issued $750 million of 5.000% Senior Notes due 2026 (the "**2026 Senior Notes**").

The 2026 Senior Notes are traded on the Euro MTF market of the Luxembourg Stock Exchange and will mature on January 24, 2026. The 2026 Senior Notes are guaranteed on a senior unsecured basis by the Company (the "**2026 Parent Guarantee**").

The 2026 Senior Notes and the 2026 Parent Guarantee rank *pari passu* in right of payment to all of PIF's and the Company's existing and future senior unsecured indebtedness and that is not subordinated in right of payment to the 2026 Senior Notes and the 2026 Parent Guarantee, respectively.

The 2026 Senior Notes and the 2026 Parent Guarantee are effectively subordinated to any of PIF's and the Company's respective existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. The 2026 Senior Notes and the 2026 Parent Guarantee are structurally subordinated to any existing and future indebtedness of our subsidiaries that do not guarantee the 2026 Senior Notes.

The 2026 Senior Notes contain covenants, that, among other things, limit the ability of the Company and its restricted direct and indirect subsidiaries to, subject to certain limitations and exceptions, incur or guarantee additional indebtedness; pay dividends on, redeem or repurchase our capital stock; make certain restricted payments and investments, including dividends or other distributions with regard to the shares of the Company or its restricted direct and indirect subsidiaries; create or incur certain liens; enter into agreements that restrict the restricted subsidiaries' ability to pay dividends or other distributions or make loans or advances to the Company, PIF or any of the restricted subsidiaries; transfer or sell assets; merge or consolidate with other entities; change the lines of business and engage in certain transactions with affiliates.

Trafigura Facilities Agreements

Overview and Structure

On August 6, 2018, PIF entered into a subordinated facilities agreement (the "**Trafigura Facilities Agreement**") with Trafigura Pte Ltd as lender consisting of a committed revolving Facility A of $500,000,000 and an uncommitted Facility B of $1,000,000,000 (together, the "**Trafigura Facilities**"). These facilities are available for utilization until maturity.

On June 10, 2020, the Company entered into a shareholder loan agreement (the "**2020 Subordinated Shareholder Restructuring Loan Agreement**", together with the Trafigura Facilities Agreement, the "**Trafigura Facility Agreements**") with Trafigura PE Holding Limited for a loan in an amount equal to the sum of a $390,000,000 facility plus S$1,082,328 (or $778,653) (which reflects the stamp duty paid by Trafigura PE Holding Limited and required to be reimbursed by the Company under a share buyback agreement between the Company and Trafigura PE Holding Limited) (the "**2020 Subordinated Shareholder Restructuring Loan**").

The Trafigura Facility Agreements provide that, in the event of a winding-up of PIF (as borrower under the Trafigura Facilities Agreement) or the Company (as borrower under the 2020 Subordinated Shareholder Restructuring Loan Agreement), all obligations and liabilities owing or payable to the lender under the agreement will rank in priority immediately after the borrower's unsubordinated obligations and liabilities and *pari passu* with any subordinated claims ranking equally but in priority to all other claims against the borrower.

Amounts borrowed under the Trafigura Facilities Agreement are required to be used for general corporate purposes, including repaying existing indebtedness.

The 2020 Subordinated Shareholder Restructuring Loan was used to finance the repurchase of shares in the Company held by Trafigura PE Holding Limited.

Maturity and Repayment Requirements

Amounts borrowed under the Trafigura Facilities Agreement are repayable on the last day of the relevant interest period. Unless the maturity date is extended, the Trafigura Facilities will mature on September 30, 2023.

Amounts borrowed under the 2020 Subordinated Shareholder Restructuring Loan Agreement will be repayable on January 25, 2027.

Interest Rate

Amounts borrowed under the Trafigura Facilities Agreement bear interest at a fixed margin over LIBOR.

The 2020 Subordinated Shareholder Restructuring Loan bears interest at a fixed annual rate. Accrued interest will be added to the outstanding principal amount of the 2020 Subordinated Shareholder Restructuring Loan each June 20 on an annual basis, and all accrued interest will automatically be treated as part of the principal amount of the outstanding 2020 Subordinated Shareholder Restructuring Loan. Accrued interest will be payable on January 25, 2027, unless previously paid.

Prepayment and Cancellation

The lender may require mandatory prepayment of the Trafigura Facilities upon the occurrence of certain prepayment events, including (i) illegality, (ii) change of control (specifically if Trafigura Group Pte. Ltd. and Sonangol Holdings Limitada, acting together, cease to, directly or indirectly, have control of the Company, the lender may cancel the available facilities and all outstanding loans together with accrued interest and all other amounts accrued and owing to the lender will become immediately due and payable), and (iii) an initial public offering of shares in the Company (the lender may cancel the available facilities and all outstanding loans together with accrued interest and all other amounts accrued and owing to the lender will become immediately due and payable).

PIF may voluntarily cancel any part of the Trafigura Facilities, subject to satisfaction of a notice period and a minimum cancellation amount.

PIF may re-borrow any part of the Trafigura Facilities which is prepaid or repaid.

PIF may, without penalty, voluntarily prepay all or any part of any amount borrowed under the Trafigura Facilities Agreement.

The Company may, without penalty, voluntarily prepay all or any part of the 2020 Subordinated Shareholder Restructuring Loan provided that such prepayment must be made with the proceeds of equity.

Representations, Warranties, Covenants and Events of Default

The Trafigura Facilities Agreement contains limited events of default (including, amongst others, non-payment, breach of other obligations, and insolvency). There are no representations, warranties, or restrictive covenants in either of the Trafigura Facility Agreements.

Other Credit Facilities

PIF and other members of the Group have entered into several other credit facilities with international and local banks, including borrowing base facilities, trade finance facilities and bilateral credit facilities which are used for working capital purposes.

Borrowing Base Facilities

The borrowing base facilities are generally uncommitted and are generally used for working capital purposes and the purchase of commodities (*e.g.*, crude oil and other petroleum products) that constitute our inventories. Under certain borrowing base facilities, there is a mechanism to enable extension of maturity.

The borrowing base facilities provide for customary representations and warranties, affirmative and negative covenants and events of default. Also, since the amount of the utilizations under such facilities and/or certain repayment obligations are determined on the basis of a borrowing base amount, which is calculated taking into account the aggregate of inventory, receivables and (in most cases) cash in specified collection accounts, these facilities provide for specific obligations relating to the calculation of such amount and the delivery of relevant reports. The borrowing base facilities also contain mechanisms pursuant to which the borrower is required to maintain certain collection accounts to be credited with the proceeds of payment by the purchasers of the inventory financed by the borrowing base facilities.

The borrowing base facilities generally contain a guarantee from the Company of the obligations of the relevant borrower(s) in connection with the borrowing base facility agreement. The security package generally reflects the scope of the borrowing base (inventory; cash in collection accounts; receivables derived from the inventory).

Trade Finance and Other Working Capital Facilities

Certain members of the Group have entered into trade finance facilities or other (often bilateral) credit facilities which are used for working capital purposes. Facilities include term and revolving loan facilities and other facilities granted in order to facilitate foreign exchange dealings and hedging transactions, or to allow the borrower to request the issuance of letters of credit, bank guarantees and other similar trade or non-cash credit instruments. The same agreement typically regulates the terms of several different types of facility made available by the same bank. Some trade finance and short-term facilities are uncommitted and some may be repayable on demand, generally subject to notice periods.

Certain of these facilities are supported by a guarantee from the Company of the obligations of the relevant borrower(s).

Certain of the trade facilities in particular require the borrowers to grant security over certain assets. Where security is required, the scope of the security may include: the inventory whose purchase, storage or shipment is being financed; bank accounts opened with the lender, receivables derived from the inventory; and/or loss payee arrangements with respect to insurance relating to the inventory being financed.

These facilities contain customary representations and warranties, restrictive and affirmative covenants and undertakings, events of default and mandatory prepayment events. The scope of these varies. Our general practice is to satisfy ourselves that these are no more onerous than the equivalent terms in our Annual Syndicated Credit Facilities Agreements.

NOTE ON DEFINED TERMS USED IN THIS DOCUMENT

In this supplement to Puma Energy Holdings Pte. Ltd.'s (the "**Company**") first half-yearly interim financial results for the six month period ended 30 June 2020 (the "**Document**"), unless otherwise indicated or the context requires otherwise, the following terms have the following meanings assigned to them. In addition, capitalized terms referring to geographic regions defined in "*Presentation of Financial and Other Information—Certain Source-Dependent Definitions*" and used in "*Industry* Overview" may have different meanings from the meanings ordinarily given to such terms and used elsewhere in the Document, and may also have different meaning from the meanings given to such geographic regions in "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" and our financial statements included elsewhere in this Document.

Also see "*Glossary of Technical Terms*" for definitions of certain technical terms used in this Document.

"**2016 RCF**"	The $286 million revolving loan facility provided under the 2016 Credit Facilities Agreement
"**2016 Credit Facilities Agreement**"	The credit facilities agreement originally entered into on May 4, 2016 (as amended on April 25, 2019 and May 4, 2020), between, amongst others, PIF, Natixis and various other lenders
"**2018 Term Loan Facility B**"	The $700 million term loan facility provided under the 2018 Credit Facilities Agreement.
"**2018 Credit Facilities Agreement**"	The credit facilities agreement originally entered into on April 27, 2018 (as amended on April 25, 2019 and May 4, 2020), between, amongst others, PIF, Australia and New Zealand Banking Group Limited and various other lenders
"**2020 RCF**"	The revolving credit facilities of $62.5 million (utilized by way of non-cash credit instruments) and $248 million (utilized by way of cash loans) provided under the 2020 Credit Facilities Agreement
"**2020 Credit Facilities Agreement**"	The credit facilities agreement entered into on April 27, 2020, between, among others, PIF, Société Générale and various other lenders
"**2020 Subordinated Shareholder Restructuring Loan**"	The subordinated loan entered into on June 10, 2020 between the Company as borrower and Trafigura PE Holding Limited as lender in order to finance the repurchase by the Company of a portion of Cochan's shareholding in the Company. For further information, see *"Description of Certain Other Indebtedness—Trafigura Facilities Agreements"*
"**2024 Euro Amortizing Senior Notes**"	The €200 million 2.650% Euro-denominated Amortizing Senior Notes due 2024 originally issued by PIF in May 2014 (as amended in May 2018 to, among other things, extend the maturity date from 2022 to 2024 and modify the provisions pertaining to payment of interest and principal)
"**2024 Senior Notes**"	The $600 million 5.125% Senior Notes due 2024 issued by PIF in October 2017
"**2026 Senior Notes**"	The $750 million 5.000% Senior Notes due 2026 issued by PIF in January 2018
"**Africa**"	As used in "*Management's Discussion and Analysis of Financial Condition and Results of Operation*," refers to the following countries of operation: Angola, Benin, Botswana, the Republic of the Congo, Democratic Republic of the Congo, Ghana, Ivory Coast, Lesotho, Malawi, Mozambique, Namibia, Nigeria, Senegal, South Africa, Swaziland, Tanzania, Togo, Zambia and Zimbabwe
"**Americas**"	As used in "*Management's Discussion and Analysis of Financial Condition and Results of Operation*," refers to the following countries of operation: Belize, Chile, Colombia, Cuba, Paraguay, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, Puerto Rico and the U.S. Virgin Islands
"**Annual Syndicated Credit Facilities**"	The annual bank market syndicated credit facilities provided or available to PIF as at June 30, 2020, comprising: (i) the $286 million 2016 RCF, (ii) the $700 million 2018 Term Loan Facility B and (iii) the $62.5 million and $248 million revolving credit facilities that comprise the 2020 RCF. For further information, see "*Description of Certain Other Indebtedness*"
"**Asia Pacific**"	As used in "*Management's Discussion and Analysis of Financial Condition and Results of Operation*," refers to the following countries of operation: UAE, Myanmar, Papua New Guinea, Pakistan, Indonesia, New Zealand, Malaysia and Australia. For further information, see "*Presentation of Financial and Other Information—Australia Sale*"
"**Australia Sale**"	The sale of our Australian Fuels Business on June 30, 2020 to Chevron Australia Downstream Pty Ltd
"**Australian Fuels Business**"	Our Australian commercial and retail fuels business, which was sold to Chevron Australia Downstream Pty Ltd on June 30, 2020

"**Central America**"	As used in "*Management's Discussion and Analysis of Financial Condition and Results of Operation*," refers to the following countries of operation: Belize, El Salvador, Guatemala, Honduras, Nicaragua and Panama
"**Club Facilities**"	The $375 million in aggregate term facilities provided under the Club Facility Agreement
"**Club Facility Agreement**"	The term facility agreement originally entered into on September 14, 2017 (as amended on April 25, 2019 and May 4, 2020) between, among others, PIF, Industrial and Commercial Bank of China, London Branch, and various other lenders
"**Cochan**"	Cochan Holdings LLC
"**Company**"	Puma Energy Holdings Pte. Ltd., a private company limited by shares, incorporated and existing under the Laws of Singapore
"**Delta Lloyd Facility**"	The $100 million facility provided under the Delta Lloyd Facility Agreement maturing in 2023
"**Delta Lloyd Facility Agreement**"	The facility agreement entered into on January 11, 2016 between, among others, PIF, DL Levensverzekering NV and DL Life N.V./SA, governed by English law
"**DOI**"	Days inventory outstanding, which for a given period is the result of refined oil product inventories at the end of the period divided by the cost of sales during the period multiplied by the number of days during the period. DOI represents the average number of days we hold inventories of refined oil products during a given period before they are sold
"**DPO**"	Days payable outstanding, which for a given period is the result of trade and other payables at the end of the period divided by cost of sales during the period multiplied by the number of days during the period. DPO represents the average number of days taken to pay our invoices to trade creditors during a given period. For further information, see also "*Third-Party DPO*"
"**DSO**"	Days sales outstanding, which for a given period is the result of trade accounts receivable at the end of the period divided by net sales during the period multiplied by the number of days during the period. DSO represents the average number of days taken to collect trade receivables during a given period. See also "*Third-Party DSO*"
"**Europe**"	As used in "*Management's Discussion and Analysis of Financial Condition and Results of Operation*," refers to the following countries of operation: United Kingdom, Estonia, Norway, Russia, Spain, Sweden and Switzerland
"**free markets**"	When used with regard to the free markets in which we operate, refers to the unregulated markets as described in the "*Regulation*" section
"**FY 2017**"	The year ended December 31, 2017
"**FY 2018**"	The year ended December 31, 2018
"**FY 2019**"	The year ended December 31, 2019
"Group", "us", "we", "our"	Puma Energy Holdings Pte. Ltd. and its consolidated subsidiaries unless the context requires otherwise
"**H1 2019**"	The six months ended June 30, 2019
"**H1 2020**"	The six months ended June 30, 2020
"**IAS**"	International Accounting Standards
"**IFRS**"	International Financial Reporting Standards of the International Accounting Standards Board
"**IFRS 16**"	International Financial Reporting Standard 16 'Leases'
"**LTM 2020**"	The twelve months ended June 30, 2020
"**Net Debt (excluding inventories)**"	The Group's consolidated total borrowings less cash and cash equivalents and less inventories
"**Operating Group**"	Puma Energy B.V.'s subsidiaries, including intermediate holding companies of operating company subsidiaries, but excluding finance companies (such as PIF) and their intermediate holding companies
"**PIF**"	Puma International Financing S.A., a public limited liability company (*société anonyme*) organized and existing under the laws of the Grand Duchy of Luxembourg
"**regulated markets**"	When used with regard to the regulated markets in which we operate, refers to the regulated markets as described in the "*Regulation*" section
"**semi-regulated markets**"	When used with regard to the semi-regulated markets in which we operate, refers to the semi-regulated markets as described in the "*Regulation*" section
"**Sonangol**"	Sonangol Holdings Lda

"**Third-party DPO**"	DPO determined using only trade accounts payable to third parties and purchases from third parties. Third-party DPO excludes trade accounts payable to, among others, Trafigura and Sonangol
"**Third-party DSO**"	DSO determined using only trade accounts receivable from third parties and net sales to third parties. Third-party DSO excludes, among others, trade accounts receivable from, among others, Trafigura and Sonangol
"**Trafigura**"	Trafigura Group Pte. Ltd.
"**Trafigura Facilities**"	The $1.5 billion in aggregate loan facilities provided for under the Trafigura Facilities Agreement, which are comprised of a $500 million committed loan facility and a $1 billion uncommitted loan facility
"**Trafigura Facilities Agreement**"	The facilities agreement originally entered into on August 6, 2018 between PIF as borrower and a subsidiary of Trafigura as lender
"**UAE**"..	United Arab Emirates
"**United Kingdom**" **or** "**U.K.**".......	The United Kingdom of Great Britain and Northern Ireland
"**United States**" **or** "**U.S.**"	The United States of America

CURRENCY PRESENTATION

In this Document, references to "**U.S. dollars**," and "**$**" are to the United States dollar, the lawful currency of the United States of America. References to "**€**" or "**euro**" are to the single currency of the participating member states in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time. References to "**AUD**" are to the Australian Dollar, the lawful currency of Australia. References to "**S$**" are to the Singapore dollar, the lawful currency of Singapore.

GLOSSARY OF TECHNICAL TERMS

Below we provide definitions of technical terms used in this Document:

"**arbitrage cargoes**"......................	Method of supply consisting in comparing prices of refined oil products simultaneously in different markets
"**Avgas**"...	A gasoline fuel suitable for piston engines and sold in connection with the Company's aviation business
"**API**"	American Petroleum Institute
"**bitumen**"	A residual product in petroleum refineries after higher tractions such as gas, petrol, kerosene and diesel are removed by distillation from crude oil used as a common binder for bituminous road constructions
"**bulk-breaking**"............................	The breaking of large bulk cargoes into smaller ones
"**bunker fuel oil**"	A type of fuel oil used aboard ships
"**CoCo operating model**".............	Company owned and Company operated fuel station operating model for a fuel station whereby the fuel station site is owned and the fuel station is operated by the Company
"**CoDo operating model**".............	Company owned and dealer operated fuel station operating model for a fuel station whereby the fuel station site is owned by the Company but a dealer is responsible for the operation of the fuel station under the Company's brand under a dealer or similar agreement
"**contango**"....................................	A situation in which the spot or cash price of a commodity is lower than the forward price
"**diesel**"..	A heavy petroleum fraction used as fuel in diesel engines
"**DoDo operating model**".............	Dealer-owned and dealer-operated fuel station operating model for a fuel station whereby the fuel station site and infrastructure are owned and the fuel station is operated by a dealer under the Company's brand under a dealer or similar agreement
"**emulsion-grade bitumen**"...........	Suspension of bitumen in water, with the aid of an emulsifying agent. Such bitumen is mainly used in road construction and maintenance
"**ex-works**"....................................	Incoterm corresponding to the sale of products from our storage terminal, without freight and insurance
"**Jet A-1**".......................................	A kerosene-grade jet fuel suitable for reactor turbine engines
"**LPG**"...	Liquefied petroleum gas which is comprised of propane and butane
"**lubricants**"..................................	Substances including greases, oils and coolants used to reduce friction between two surfaces in relative motion
"**marine gasoil**"	A type of gasoil distilled from petroleum used for ships
"**OSRL**"	Oil Spill Response Ltd, an industry collective that works to prevent and mitigate oil spills around the world
"**polymer-modified bitumen**".......	A type of modified bituminous binder used for roads
"**refined oil products**"..................	Fuel products produced from processed crude oil at refineries
"**sales volume**"...............................	Quantity of refined oil products sold in our downstream operations or from our refinery
"**throughput volume**"	Quantity of oil products going through our storage facilities or pipelines in our midstream operations