We are Energising Communities

2023

Integrated Annual Report

We are Energising Communities

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Our 2023 Integrated Annual Report

For 2023 Puma Energy has developed an Integrated Annual Report, combining financial and business reporting with sustainability reporting. The decision to integrate our reporting reflects our progress towards a more holistic approach to performance evaluation and our efforts to incorporate environmental, social and governance (ESG) considerations into our core business strategy. By providing a comprehensive overview of our financial, operational and ESG performance, we aim to offer our stakeholders a deeper understanding of how we are managing risks, capturing opportunities and contributing to a just and equitable energy transition while we deliver on our purpose of 'energising communities'.

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Mobility

by supplying fuels to power transport by land, sea and air to connect people and businesses in over 30 countries.

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Everyday Life

by providing access to affordable energy through nearly 2,000 stations to improve livelihoods and enable prosperity.

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Industry

by delivering energy solutions to help companies improve their performance and achieve their goals.

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The Transition

by moving into cleaner energy that creates opportunities and secures the future of our communities.

Strategic Report

Delivering Our Purpose

Supplying fuels to power transport by land, sea and air to connect people and businesses across 37 countries.

We are energising
Mobility

Building Fuel Capacity
We are keeping travellers and businesses moving without delay in Zimbabwe. By tripling our fuel storage capacity and investing in another jet refueller this year, we secured our ability to comfortably supply the growing number of international and domestic aircraft we support at Harare International Airport.

Read more on page 38

Investing in Road Safety
We are helping to save young lives and keep people safe on roads across Africa. We created the Be Road Safe programme in primary schools across Tanzania and Botswana. The programme uses tailored learning to raise road safety awareness.

Read more on page 67

117
Airports and Airfields Served

Delivering Our Purpose continued

1,979

Number of Retail Stations

Fuelling Rural Communities

This year, we unveiled our first rural service station in the remote community of Chifunabuli, rural Zambia, which provides fuels and bottled LPG as well as access to banking services and a pharmacy with essential healthcare products – all in one place.

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Keeping the Lights On

We are helping to keep the lights on for millions in Guatemala. When a devastating drought struck Guatemala in 2023, the power grid faltered and vast areas of the country were suddenly without electricity, Puma Energy stepped up to provide fuel to restore power to 1.8 million homes.

Read more on page 28

We are energising

Everyday Life

Providing access to energy through nearly 2,000 stations to improve livelihoods and enable prosperity.

Delivering Our Purpose continued

We are energising Industry

Delivering energy solutions to help companies improve their performance and achieve their goals.

We are Powering Business

We are empowering sustainable businesses. An innovative solar power installation project at an amethyst mine in Zambia will transform energy costs. Puma Energy is helping Kariba Minerals install and run a 200 kWp solar power and battery system that will offset the diesel required for the mine's current needs, reduce emissions and significantly reduce running costs.

Read more on page 54

+12,000

B2B Customers

Delivering Our Purpose continued

11.8MWp

Installed Solar MW Capacity

Cleaner Cooking with LPG

We are making cooking cleaner. We have scaled up the Liquefied Petroleum Gas (LPG) supply in Africa to enable cleaner and safer cooking. The widespread use of charcoal and firewood causes significant household air pollution and is responsible for the loss of four million hectares of African trees through unsustainable harvesting. Bottled LPG is a clean, safe, portable and lower-carbon alternative.

Read more on page 30

Reducing Operational GHG Emissions

We are reducing our emissions. Solar energy now powers our Napa Napa Refinery outside Port Moresby, Papua New Guinea. This year, we installed 684 solar panels, which can deliver 300 kW of solar power. The installation will help modernise the facility and reduce CO_2 emissions as part of our broader sustainability strategy to reduce operational GHG emissions.

Read more on page 34

We are energising

The Transition

Moving into lower carbon and renewable energy that creates opportunities and secures the future of our communities.

Financial & Non-Financial *Highlights*

In 2023 we made good progress as we continued to focus on strengthening our capital structure, improving business performance and reinvigorating our downstream activities.

Financial Highlights

Net Sales
US$**13,365**m

FY23	$13,365
FY22	$18,559
FY21	$13,679

Throughput Volumes
4,753k m^3

FY23	4,753
FY22	13,934
FY21	14,809

Net Tangible Fixed Assets (Excluding Assets Held for Sale)
US$**1,006**m

FY23	$1,006
FY22	$1,153
FY21	$1,761

Organic Capital Expenditure, Net
US$**137**m

FY23	$137
FY22	$168
FY21	$226

Operating Profit
US$**320**m

FY23	$320
FY22	$299
FY21	$(900)

EBITDA
US$**548**m

FY23	$548
FY22	$599
FY21	$568

Gross Profit
US$**1,052**m

FY23	$1,052
FY22	$1,089
FY21	$1,129

Sales Volumes
16,952k m^3

FY23	16,952
FY22	19,473
FY21	20,453

Financial & Non-Financial Highlights continued

Non-Financial Highlights

Number of Employees (Not Including Contingent Workers)

3,015

FY23	3,015
FY22	2,903
FY21	3,517

Investment in Training (US$)

600,000

FY23	600,000
FY22	590,000
FY21	1,300,000

Scope 1, 2 and 3 Greenhouse Gas Emissions (MT of CO_2e)

50,925,839

Scope 1 Emissions

FY23	157,185
FY22	165,184
FY21	209,574

Scope 2 Emissions

FY23	21,632
FY22	29,357
FY21	38,673

Scope 3 Emissions

FY23	50,747,021
FY22	57,060,431
FY21	53,509,965

Climate and ESG Risk Ratings

CDP
DRIVING SUSTAINABLE ECONOMIES
A-

SUSTAINALYTICS
Rated Medium-Risk
28.8

Diversity of Middle and Senior Management (Female)

23%

FY23	23%
FY22	24%
FY21	24%

Lost-Time Injury Frequency Rate (LTIFR)

0.91

FY23	0.91
FY22	0.25
FY21	0.15

Percentage of Locally-Hired Employees

92%

FY23	92%
FY22	93%
FY21	90%

Number of Spills Above 8,000 Litres

3

FY23	3
FY22	6
FY21	5

Chairman's Letter

A business with renewed strength.

The true test of any business is how it performs in the face of challenges. These challenges ask searching questions about the fundamentals: your products, your people, your brand and your strategy.

I was therefore encouraged to see how we at Puma Energy responded to the macroeconomic headwinds that presented in 2023: global inflation, strained consumer and business budgets, devaluation of currencies in emerging markets and Dollar-related FX issues.

The results we achieved reflect a Company that has built on its strengths, addressed its challenges and can start to look to a future built on firmer foundations. We exited the year with a stronger balance sheet, a renewed strategy for prudent growth, and solutions to help improve energy access and contribute to a low carbon future.

"As we look to the future, we are confident that we have a firm foundation from which we can begin to implement a prudent growth strategy.

Chairman's Letter continued

We are proud of the role we play: a role that recognises the crucial importance of sustainable growth in an ever-changing economic and geopolitical climate.

Driving ESG

In recent years we have made sound progress against our ESG agenda. Our dedicated ESG Board Committee, created two years ago, continues to be responsible for ensuring that all our major decision-making – from the emissions reductions we target, to the way we finance the Company – is assessed on the basis of ever-challenging ESG criteria. This year, to further underscore our sustainability drive, we took the decision to issue our inaugural sustainability-linked loan.

Across the business, we continue to decarbonise the way we work, contribute to the Sustainable Development Goals (SDGs) and help our B2B customers cut emissions in support of their own decarbonisation goals – all while we enable energy access and socio-economic progress across our communities.

These efforts have been validated by independent assessments, and we are particularly pleased to have maintained our CDP score of A- for the second consecutive year.

Our Board

I would like to thank the Board for their counsel and contributions during the year. Around the table we are fortunate to have a diverse group of energy industry professionals, and the resilience and strength of Puma Energy are in no small part due to their guidance. At the end of 2023 we were delighted to welcome Patrick Burke, who brings a wealth of experience in M&A and business development in the energy, metals and mining industry.

During the year the Board visited our businesses in Zambia and Panama. It is always a positive experience to visit our sites, meet our local teams and have the opportunity to learn from those closest to our customers.

A Powerful Sense of Purpose

We are proud of the role we play: a role that recognises the crucial importance of sustainable growth in an ever-changing economic and geopolitical climate, tempered with the realisation that what works for certain markets may not for others.

For the past two years, the Company has focused its efforts on turning around and strengthening the business to build a more resilient organisation. The year's financial performance is a testament to the success of these efforts as the Company navigated various market-specific and broader macro-economic challenges. As we look to the future, we are confident that we have a firm foundation from which we can begin to implement a prudent growth strategy.

As we go into 2024, we do so with purpose and a clear sense of the economic and social impacts we can continue to make.

René Médori
Chairman

CEO's Letter

Focusing on the basics. Delivering prudent growth.

Puma Energy has achieved its second consecutive year of profitability after navigating five years of financial turbulence. This accomplishment serves as a testament to the hard work of everyone across the organisation and unwavering focus to strengthen and turn around the business.

As part of this effort, we have also achieved the lowest debt levels in over a decade and a strong EBITDA performance on a perimeter adjusted basis. These achievements underscore our dedication to financial prudence, as well as our focus on operational excellence and efficiency.

After five years of divestments, we have strategically reshaped our portfolio and paved the way for a renewed focus on the future. While there is still room for improvement, our overarching strategy is now geared towards prudent growth.

An Encouraging Performance

A key highlight in 2023 was the liability management exercise we undertook to reduce our debt and strengthen our balance sheet. In doing so, we reduced our net-debt to EBITDA from 3.5x to 1.3x — giving us the headroom we need to invest in future growth. Furthermore, we once again generated strong operational cashflow during the year, underscoring our renewed ability to consistently generate cash from our operations and effectively manage our working capital.

Across our core markets of Sub-Saharan Africa and Central America, we reclaimed and grew our overall market share. While this growth can be attributed to several drivers, including the optimisation of the networks, among the most meaningful improvement is our focus on making our sites not just a fuel stop, but a place to convene, eat and shop. In doing so, we have started to grow our non-fuel revenues through an enhanced customer offering, which includes an improved convenience store experience at our Super 7 and ShopExpress brands, as well as a larger choice of quick service restaurants through various partnerships.

Across our other lines of business, bitumen had a relatively challenging year due to weaker global demand, driven in large part by reduced government spending. Conversely, our aviation business continued to strengthen its position and

> **"We have strategically reshaped our portfolio and paved the way for a renewed focus on the future. While there is still room for improvement, our overarching strategy is now geared towards prudent growth.**

CEO's Letter continued

capture growth opportunities as part of the sector's post-Covid recovery. Overall, the business had an outstanding year, expanding our presence to a total of 117 airports and airfields and establishing a strategic position in Mozambique through a notable asset acquisition.

Collectively, these successes helped us improve our gross profit and EBITDA, on a constant perimeter basis, by 11 per cent and 21 per cent, respectively.

Prioritising Safety

While we made progress on advancing our safety agenda, I am saddened to say that in 2023 a life was lost of a contractor while working on one of our sites. We will learn from this accident and continue to work towards eliminating all fatalities across our operations. At the same time our Lost-Time Injury Frequency Rate, or LTIFR, has risen to 0.91 in 2023.

Our aspiration is to place safety at the heart of our organisational culture. Safeguarding the wellbeing of each individual and ensuring a safe environment is incumbent upon everyone in our business and across our supply chains.

To lead this effort, we have appointed a new Global Head of HSSE as a member of the Executive Committee with the experience and track record to allow our Company to continue improving its safety culture and processes. We recognise this will not be achieved overnight; however, 2024 will represent an important step on this journey.

An Equitable Transition

As a Company with a presence spanning various diverse regions, we understand the unique circumstances and challenges of countries as they balance the need for a low carbon and renewable energy mix with the imperative of ensuring energy access to drive economic progress.

While it is clear that traditional transport fuels will remain central to the energy mix across our markets for many years ahead, we recognise that the share of low carbon and renewable energy will gradually grow. For Puma Energy this represents an important opportunity that requires us to balance and position our business within the specific energy transition pathways of each of our countries.

As part of our ambition to support energy access, we launched our Rural Station programme with the delivery of two stations in north-west Zambia where we are helping make a meaningful difference in the lives of the community by improving, not only access to fuel for transport and LPG for clean cooking, but also to banking services and healthcare.

We also took important steps that will help us progressively capture these opportunities. We expanded our LPG business through the acquisition of Ogaz in Zambia as part of our effort to accelerate the adoption of clean cooking.

We also continued to solarise our operations and Puma branded retail stations, achieving a total of 100 sites in addition to the existing 200. We will continue to build on this programme in the years ahead.

These are important steps in establishing the foundation necessary to pursue our target of generating 30 per cent of our EBITDA from renewable energy and low carbon transition fuels in Africa. While we recognise this is an ambitious target, we remain dedicated to working towards achieving it.

2024 and Beyond: Prudent Growth

While we still have opportunities to further simplify and strengthen the organisation, the last two years have confirmed that we have put Puma Energy on the right path. Today, we are well-placed to begin shifting our focus from turning around the business to carrying out a prudent growth plan.

As we look ahead, our refreshed strategy will continue to reflect the different characteristics and stages of economic development of our markets. Africa, on the cusp of soaring growth in its population, economy and urbanisation, presents compelling opportunities as our customer base expands. In response, we must continually adapt to meet their evolving needs and expectations. Similarly, Latin America shows promising growth prospects, albeit at a more measured pace, yet with increasingly discerning customers who have more choice and brand loyalty. Across these two core regions our strategies to capture growth will differ; however, they will be guided by our two strategic themes: 'Focus on the Basics' and 'Prudent Growth'.

As we 'Focus on the Basics'—as we have done over the past two years—we will concentrate on some core fundamentals. These include: further strengthening our balance sheet and improving our credit profile; continuing to digitise and simplify our business and increasing our talent density and improving our employee value proposition while also investing to strengthen our brand. And most importantly, will focus on reinforcing our safety efforts over the next couple of years as we further embed safety within our organisational culture.

In parallel, we will also look to 'Grow Prudently', either on our own or with strategic like-minded partners. Our rich experience navigating not only opportunities, but also the challenges of emerging markets will guide our organic and inorganic growth agenda. This means investing in improving our offering to strengthen our market share and customer base, as well as explore M&A opportunities that fit naturally into our existing business.

As we approach the future with cautious optimism, we remain strong believers in the potential and diversity of our regions as well as the renewed strength and resilience of Puma Energy.

Hadi Hallouche
Chief Executive Officer

Financial Review

Our Company has demonstrated resilient overall performance across our key regions, showcasing our ability to navigate challenges and maintain stability. The achievement of positive net income for two consecutive years reflects our commitment to prudent management and strengthening our financial position.

Furthermore, the solid operating cash flow in both 2022 and 2023 underscores our ability to generate consistent and reliable cash flow from our operations and manage our working capital. These positive indicators speak to our cautious yet confident approach in maintaining a strong financial position while pursuing growth opportunities.

The volume sold in 2023 was 16,952 km^3, compared to 19,473 km^3 in 2022, representing a decrease of 13 per cent compared to the previous year. This decrease was largely driven by the divestment of our UK, Ivory Coast and Senegal entities. On a like-for-like constant perimeter, our volume was 3 per cent lower than the prior year, primarily due to lower spot supply volumes.

In the retail sector, we experienced a 7 per cent increase, mainly driven by our Americas business.

In addition, our wholesale business saw a 7 per cent increase, particularly driven by our operations in Africa. Additionally, the performance of our aviation business continued to improve, with strong results in both Africa and the Americas.

However, bitumen volumes experienced a 40 per cent decrease, attributed to lower demand in key regions.

The EBITDA (on a full IFRS basis) for 2023 amounted to US$548.2 million, compared to US$599.3 million in 2022, representing a 9 per cent decrease compared to the previous year. This decrease was mainly driven by the divestment of entities under the infrastructure perimeter, as well as additional take-or-pay expenses related to this transaction, amounting to an additional costs of US$28 million to the business. On a constant perimeter basis, after considering the like-for-like additional take-or-pay expenses for 2022, we are only US$6 million lower than 2022.

Furthermore, we have achieved positive net income for two consecutive years for the first time since 2017, ending the year with a positive net income of US$39.8 million.

Mergers and Acquisitions

Puma Energy has made various small portfolio adjustments, mostly in Africa. This includes, the sale of our LPG and retail business in Senegal to Oryx for US$11 million reflects Puma Energy's commitment to focusing on core downstream operations and to unlocking additional untapped value.

The acquisition of aviation fuel assets in Mozambique will bolster Puma Energy's presence across seven major airports in Mozambique, aligning with the Company's strategic goal to concentrate growth on high-potential downstream markets through prudent investment.

Finally, the Company took steps to accelerate growth into low carbon fuels and renewable energy in Africa with the acquisition of Ogaz, a leading player in the LPG market in Tanzania, to jumpstart the distribution of LPG bottles in a growing market.

Impairment Charges

The macro-economic environment has led to the recording of US$58 million in impairment charges in 2023.

The impairments relate to our business operations in the Baltics which continued to be affected by sanctions on Russia, resulting in US$20 million of impairment charges. An impairment of US$45 million in Papua New Guinea was triggered by the shortage of foreign exchange required to purchase oil. This was offset by a reversal of the US$10.1 million impairment taken in 2020 in Benin due to a significant improvement in business performance.

Strengthening Our Balance Sheet and Deleveraging

We are pleased to announce that on 1 October 2023, US$358 million of the Company's existing shareholder loan was successfully converted into equity, significantly bolstering our equity base. This strategic move marks a significant step in strengthening and deleveraging our balance sheet, positioning the Company for a more robust and sustainable financial future.

Financial Review continued

Capital Structure

The Company's capital structure demonstrated significant improvement, with gross debt decreasing from US$1,561 million in the previous year to US$1,032 million as of December 2023. This reduction was primarily attributed to the full redemption of our 2024 notes which stood at US$531 million prior at 30 June 2023. The Company undertook a two-phased liability management exercise, and completed a capped tender offer in August, where US$377.5 million was accepted for buy-backs. The remaining US$153.5 million was called at par in December. Additionally, the Company also repaid €62.3 million of its Euro Private Placement in 2023, with the remaining €3.7 million to be fully amortised in 2024.

Finally, the Company's revolving credit facility remained undrawn at the end of the year, and the Company enjoyed a strong liquidity position with US$497 million of cash and approximately US$650 million of committed RCF undrawn. Based on a standard definition of net debt, excluding inventories and net of cash, net debt stood at US$352 million or 1.3x LTM EBITDA, reflecting a healthy financial position which is the lowest ratio in ten years.

This allowed the Company to end 2023 with a net debt to EBITDA[1] of 1.3x and position itself favourably to refinance its upcoming maturities.

Improved Liquidity and Operating Cash Flows

In 2023, our cash flow statement continued to reflect a positive trend that began in 2021, with the Group generating US$519 million of cash flow from operations on a full IFRS basis, compared to the US$478 million generated in 2022.

Notably, working capital contributed US$69 million to the operating cash flow, highlighting Puma Energy's robust capacity to generate value from its core business and manage its working capital.

In May 2023, we closed our 2023 revolving credit facility and term loan. These facilities raised US$847.5 million, the highest amount for five years, demonstrating the confidence that the wide range of participating banks have in the turnaround and future potential of Puma Energy. The facilities' ESG linked KPIs relating to GHG emissions reduction as well as security and human rights reinforced the Company's active commitment to sustainability.

In summary, despite the challenging market environment, our Company has achieved continued profitability for two consecutive years, demonstrating our improving resilience. We are ready to transition our focus from turning around the business to implementing a prudent growth plan.

1 Standard definition of net debt (gross debt minus cash and cash equivalents).

Our Integrated Business Model

Our work to energise communities is driven by an integrated, yet decentralised business model and market specific strategies.

What makes us different

Presence in High-Growth Markets

Our focus on high-potential emerging markets around the world is a key strength. Many of the markets in which we operate are in non-OECD countries where demand for energy is expected to increase.

At the same time, many of the countries where we have an established presence are seeking energy partners with the expertise to support their transition to renewable energy.

Countries of Operation

37

Operational Excellence

In 2023, we continued our focus on operational excellence across our core downstream segments, including retail, lubricants, aviation fuel, LPG and bitumen. Our success in our markets is driven by our robust supply chains, storage facilities and network of retail stations and underpinned by many years of experience and by the decentralisation of decision-making powers to local and regional managers who know their markets best and operate within the framework of our strong corporate governance.

Storage Capacity

3.1m m²

Our Integrated Business Model continued

Guided by

Our Purpose
Read more on page 21

Our Strategy
Read more on page 21

Our Approach to ESG
Read more from page 41

We make money through

We live in an exciting, fast-changing world in need of the right energy solutions. From giving the people who visit our retail sites a great experience to working closely with industrial businesses to help them optimise their operations – we focus on delivering the very best for our customers.

1. Refining
2. Storage
3. Commercial
4. Lubricants
5. LPG
6. Aviation
7. Retail
8. Solar Energy
9. Bitumen

And create value for all our stakeholders

Customers
We deliver high-quality, competitively-priced products and services to our customers safely and reliably.

Read more on page 22

Communities
We add value as a long-term, responsible partner engaging in many social, environmental and educational programmes.

Employees
Our people enjoy the opportunity to develop their skills to achieve their full potential.

Shareholders
We aim to create long-term value for our shareholders by managing our business growth carefully and maximising returns on investment.

Our Integrated Business Model continued

Where We Make a Difference

From Latin America to Africa to Asia Pacific, we operate in high-potential markets around the world where we can make a real difference in driving growth and prosperity.

From great shopping destinations for local communities to fuel and lubricants for global businesses – we provide a wide range of energy solutions and services to our retail and commercial customers.

To grow and lead, we develop and deliver compelling customer value propositions – from an outstanding end-to-end retail experience to targeted energy solutions for businesses in different segments.

Asia, Pacific and Middle East

Read more on page 32

	Retails Sites	Convenience Stores (Super 7)	Airports and Airfields	Lubricants	Bitumen	No. of Terminals	Storage Capacity (m³)
Asia – Pacific – Middle East							
Australia	–	–	–		*	6	98,206
China	–	–	–		*	–	–
India[1]	–	–	–		*	–	–
Malaysia	–	–	–		*	1	74,905
Papua New Guinea	47	18	12	*	*	12	534,558
Singapore[1]	–	–	–			–	–
Vietnam	–	–	–		*	2	28,000
Total	**47**	**18**	**12**			**21**	**735,669**

1 Regional hub.

Latin America

Read more on page 26

	Retails Sites	Convenience Stores (Super 7)	Airports and Airfields	Lubricants	Bitumen	No. of Terminals	Storage Capacity (m³)
Latin America							
Belize	17	3	1	*		–	0
Colombia	100	–	2	*		1	8,034
El Salvador	125	55	1	*	*	–	0
Guatemala	332	57	1	*		–	
Honduras	247	34	–	*		–	
Nicaragua	54	22	1	*	*	3	250,821
Panama	84	22	1	*		–	
Puerto Rico and USVI	297	198	4	*		3	384,812
Total	**1,256**	**391**	**11**			**7**	**643,667**

Our Integrated Business Model continued

Europe

	Retails Sites	Convenience Stores (Super 7)	Airports and Airfields	Lubricants	Bitumen	No. of Terminals	Storage Capacity (m³)
Europe							
Estonia	–	–	–			2	859,900
Finland	–	–	–			1	250,000
Norway	–	–	–			1	95,061
Spain	–	–	–		*	1	66,587
Switzerland[1]			–			–	
UK and Ireland	–	–	3			–	
Total			**2**			**5**	**1,271,548**

1 Regional hub.

Africa

Read more on page 29

	Retails Sites	Convenience Stores (Super 7)	Airports and Airfields	Lubricants	Bitumen	No. of Terminals	Storage Capacity (m³)
Africa							
Benin	–	–	1	*	*	2	76,000
Botswana	43	21	4	*		1	2,500
Congo	36	13	–	*	*	–	–
Ghana	65	25	4	*		4	168,400
Lesotho	36	15	–	*		2	1,962
Malawi	74	69	2	*		3	18,567
Mozambique	34	23	10	*	*	–	–
Namibia	60	54	6	*		2	6,618
Nigeria	–					2	23,100
Senegal	–	–	2	*		1	50,919
South Africa	118	97	42	*		2	1,200
Eswatini	21	8	1	*		1	669
Tanzania	78	15	–	*		5	94,800
Uganda[1]	–	–	–			–	–
Zambia	61	39	4	*		4	23,712
Zimbabwe	50	17	5	*		–	966
Total	**676**	**396**	**77**			**29**	**469,413**

1 Regional hub.

Other Airport and Airfield Locations	Airports Served
St. Helena Island	1
Angola	4
Paraguay	1
Burundi	1

Our Global Statistics

Retail Sites
1,979

Convenience Stores
805

Airports and Airfields Served
117

Terminals and Depots
62

Countries with Retail
21

Storage Capacity
3.1m m3

Solar Sites Operational
311

Global Headcount
3,015

Strategic Priorities

Focus on the Basics

Safety (HSSE)

- Continue to reinforce our HSSE performance by prioritising capability development, risk management, governance and leadership engagement.
- Baseline and strengthen key safety and environment-related data.

People

- Develop, retain and attract.
- Increase talent density and invest in the development of our people.

Retail and Commercial

- Concentrate our efforts on refurbishing and maintaining our network, while ensuring a differentiated customer offering.
- Ensure we are delivering quality products safely and reliably.

Prudent Growth

Retail and Commercial

- Expand our offering beyond fuel through our convenience store offering and quick-service restaurant partnerships.
- Place a greater focus on lubricant sales in select markets.

Renewable and Low-Carbon Energy

- Continue to expand our solar and low carbon fuel solutions.
- Further decarbonise our operations.

Brand

- Invest more in marketing to strengthen our brand awareness and customer loyalty.
- Explore dual brand opportunities in select markets.

Stakeholder Value Creation

At Puma Energy, building a strong, sustainable business means energising communities through a positive economic, social and environmental impact.

To do this well, we engage with all our key stakeholders, not just to share with them what we are doing but to also listen to them and respond appropriately. This section highlights who our key stakeholders are, what matters to them and how our business responded in 2023.

See the Business Review from page 26

Retail Customers
Our products and services are used by millions of people around the world. The continued strong performance of our business would not be possible without understanding our customers' needs and expectations.

Commercial Customers
Our commercial customers rely on us to provide them with high-quality and reliable tailored energy solutions, lubricants and bitumen solutions to support their growth and success.

Employees
Our employees are at the heart of our business. We aim to create a safe, trusting, respectful and inclusive culture so our colleagues can be proud of their work and are empowered to succeed.

Local Communities
We aim to support and empower the communities where we live, work and operate. By ensuring we make a positive contribution. By providing energy, jobs and local retail sites we can help build thriving communities and strengthen our business.

Governments and Regulators
As a responsible business we are committed to engaging constructively with governments and regulators in regard to regulation and energy policy in the countries in which we operate.

Retail Customers

How We Engage
- We conduct research to understand what our consumers think and, most importantly, we listen carefully to feedback from our Puma Energy colleagues and our partners in our dealer network who serve customers every day.

What Mattered Most to Them in 2023
- Price and quality of products and services.
- Security of supply of fuel and other essential products
- Safety and security at our sites.

How We Responded in 2023
- Increasing investment in our retail network to improve the customer experience.
- Partnering with major convenience and quick service restaurant brands to increase our range of products and services.
- Rolling out our Puma PRIS loyalty programme in Latin America.
- Improving access to clean cooking through our LPG offering with the acquisition of OGAZ in Zambia.
- Direct support for communities through our CSR programme.

Commercial Customers

How We Engage
- We have regular dialogue and meetings with commercial customers and we attend industry events and conferences.

What Mattered Most to Them in 2023
- Price and quality of products and services.
- Security of supply.
- Improving efficiency through digitisation.
- Decarbonisation.

How We Responded in 2023
- Integrating commercial offers to meet customers' fuel, lubricants and lower carbon needs as a one stop service.
- Continuing the roll out of our eAviation technology.
- Innovated and rolled out lower carbon bitumen products.
- Maintaining supply in a volatile energy market through our close working relationship with Trafigura.

Stakeholder Value Creation continued

Employees

How We Engage

- We have an open, collaborative and inclusive management culture and structure and engage regularly with our employees. We do this through weekly updates, regular management briefings and our PumaWorld intranet.

What Mattered Most to Them in 2023

- Opportunities for development and progression.
- A chance to share ideas and make a difference.
- A safe working environment.

How We Responded in 2023

- Investing nearly US$600,000 in over 73,000 hours of training.
- Putting learning and development at the core of our people strategy, enabling our talent to develop their careers within the business and ensure that each member of staff has the necessary skills and capabilities to be able to do their job to the highest standards.
- Continuing our graduate programme and Puma Commercial Assessment Programme.
- Improving safety reporting to provide better insight into leading indicators.

Local Communities

How We Engage

- We have deep links with the communities we serve and are part of. In many cases these relationships have been built over many years. Our links are further strengthened through targeted community development programmes.

What Mattered Most to Them in 2023

- Behaving in an ethical and responsible manner.
- Supporting education and youth opportunities in our communities.
- Road safety.
- Access to quality and secure jobs.

How We Responded in 2023

- Ongoing initiatives to support local communities such as the Rural Station programme in Zambia.
- Establishing the Be Road Safe programme aimed at educating school children about road safety.
- Ongoing dialogue and engagement with community and stakeholders.

Governments and Regulators

How We Engage

- We build strong relationships with governments and regulators through ongoing communication and information sharing and regular face-to-face meetings.

What Mattered Most to Them in 2023

- Price of products and services.
- Energy security and support for economic growth.
- An equitable energy transition.
- Road safety.
- Employment and contribution to local and national socio-economic development.

How We Responded in 2023

- Ongoing dialogue to ensure security of supply in light of unprecedented energy price volatility.
- Publishing our ESG Strategy showing all our stakeholders how we will approach the energy transition, corporate governance and social responsibility.
- Maintaining our #BePumaSafe campaign.

Investors

How We Engage

- We have regular dialogue with our investors, lenders and credit rating agencies. In doing so we ensure that their views are brought into our boardroom and considered in our decision-making. We provide transparent and comprehensive updates on business performance through our quarterly reporting presentations, led by our Chief Executive Officer or Chief Financial Officer.

What Mattered Most to Them in 2023

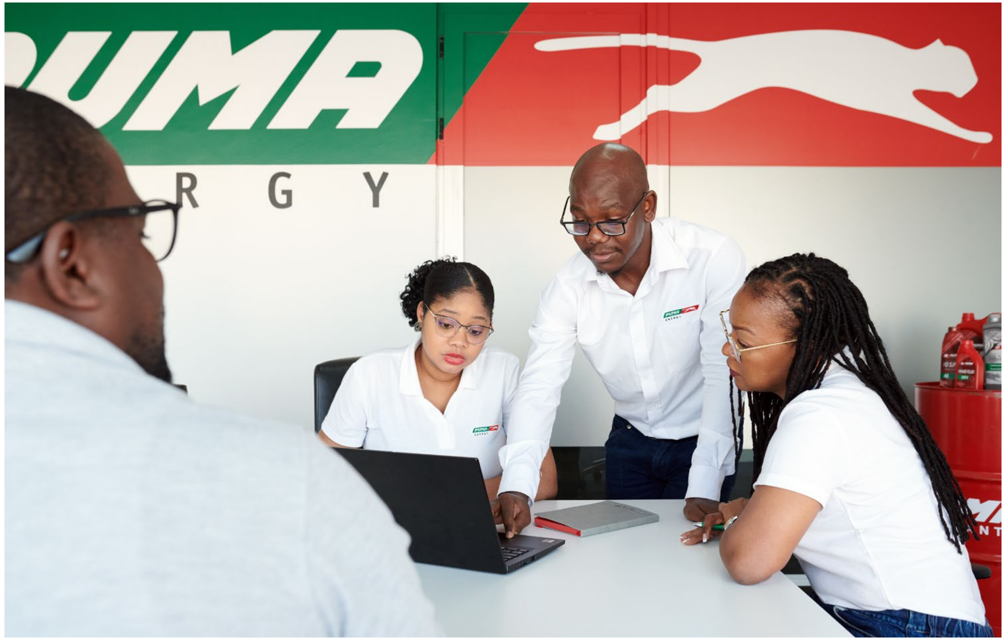
- Financial performance.
- Future strategy and plans.
- Capital structure and debt profile.
- ESG performance.

How We Responded in 2023

- Ongoing regular dialogue with shareholders and debt providers through quarterly presentations and deal and non-deal roadshows.
- Improving credit metrics through debt reduction and solid operating performance, resulting in upgraded ratings from Moody's and Fitch.
- Strengthening our capital structure and materially reducing our net debt to EBITDA ratio.
- Maintained our score of A- from CDP.

Key Performance Indicators

We use the following financial and non-financial KPIs to assess the Company's performance.



Financial and Operational KPIs*

Sales Volumes (km³)

Volume of oil products sold to Puma Energy customers from the retail, wholesale, B2B, aviation, LPG, bitumen and lubricant sub-segments.

Rationale

This figure is a strong indicator of the Group's downstream market share. Management targets growth in sales volumes that exceeds growth in target markets.

FY23	16,952
FY22	19,473
FY21	20,453

Unit Margin (US$/m³)

Downstream gross profit divided by sales volumes. This is the main indicator of basic profitability after deducting the purchase price and variable costs from the sales price.

Rationale

This measures pricing performance and is usually the key factor to determine profitability and the return on investments.

FY23	62
FY22	58
FY21	55

Gross Profit (US$m)

Revenue from sales, less the cost of purchase and delivery of products.

Rationale

This figure provides a top-line view of our profitability, especially in downstream markets. We optimise sales performance by increasing sales volume and/or adjusting pricing to increase unit margin. Gross profit shows the effectiveness of these two strategies in combination.

FY23	$1,052
FY22	$1,089
FY21	$1,129

EBITDA (US$m)

(including discontinued operations and including full IFRS 16 impact). Earnings before interest, tax, depreciation and amortisation.

Rationale

EBITDA is a key measure of profitability and a proxy for cash generation.

FY23	$548
FY22	$599
FY21	$568

KPIs continued

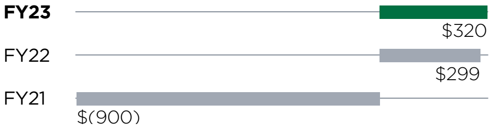
Financial and Operational KPIs* continued

Operating Profit (US$m)

Profit after depreciation and amortisation but before interest and tax.

Rationale

Operating profit is its total earnings from the core business functions of the Company excluding the deduction of interest and taxes.

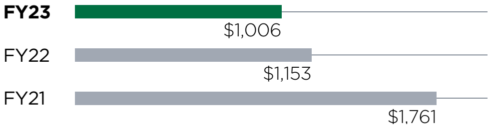


Net Tangible Fixed Assets (US$m)

Total value of property, plant and equipment less cumulative depreciation. Excluding assets held for sale.

Rationale

Indicative total value of our underlying asset base. Fixed assets are kept at historic costs less accumulated depreciation.

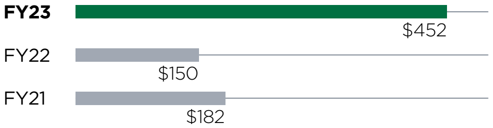


Consolidated Net Worth (US$m)

Consolidated value of shareholders' equity. This reflects the net book value of Puma Energy's assets at the year end.

Rationale

The sum of equity and the amount reported on the balance sheet. It is one way to indicate the minimum value of the business.



* All relevant figures in full IFRS and including discontinued operations.

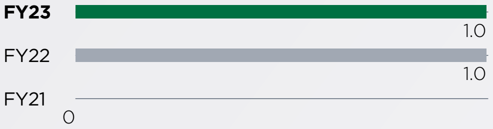
Non-Financial KPIs continued

Work-Related Fatal Injuries

Total number of direct work-related fatalities among Puma Energy's employees and directly-supervised contractors.

Rationale

Our aim is to have zero work-related fatalities for our employees and contractors.

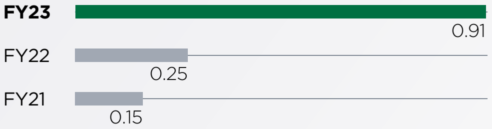


Lost-Time Injury Frequency Rate

Number of lost-time injuries multiplied by 1,000,000 divided by total man-hours worked. Also known as LTIFR.

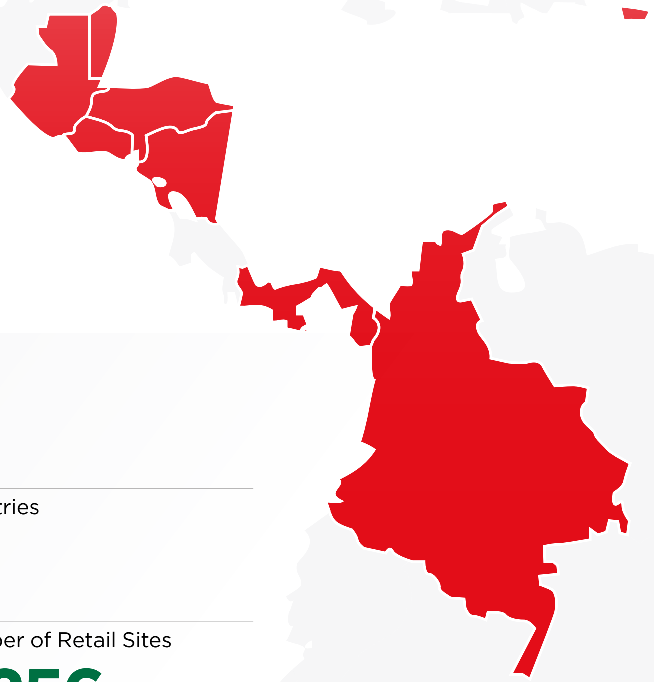
Rationale

This is an absolute measure of safety levels for Puma Energy employees and our contractors. Management closely monitors LTIFR trends to inform corrective measures that must be applied and to continuously improve safety performance.



Business Review
Latin America

Another strong year powered by our brand, customer loyalty and our growing retail offering.



Where We Operate

- Belize
- Colombia
- El Salvador
- Guatemala
- Honduras
- Nicaragua
- Panama
- Puerto Rico & US Virgin Islands

Highlights

Gained market share.

Increased penetration of Super 7 stores.

Expanded Puma Pris loyalty programme.

Solarised 18 per cent of sites by year end.

Operating Profit
US$311m

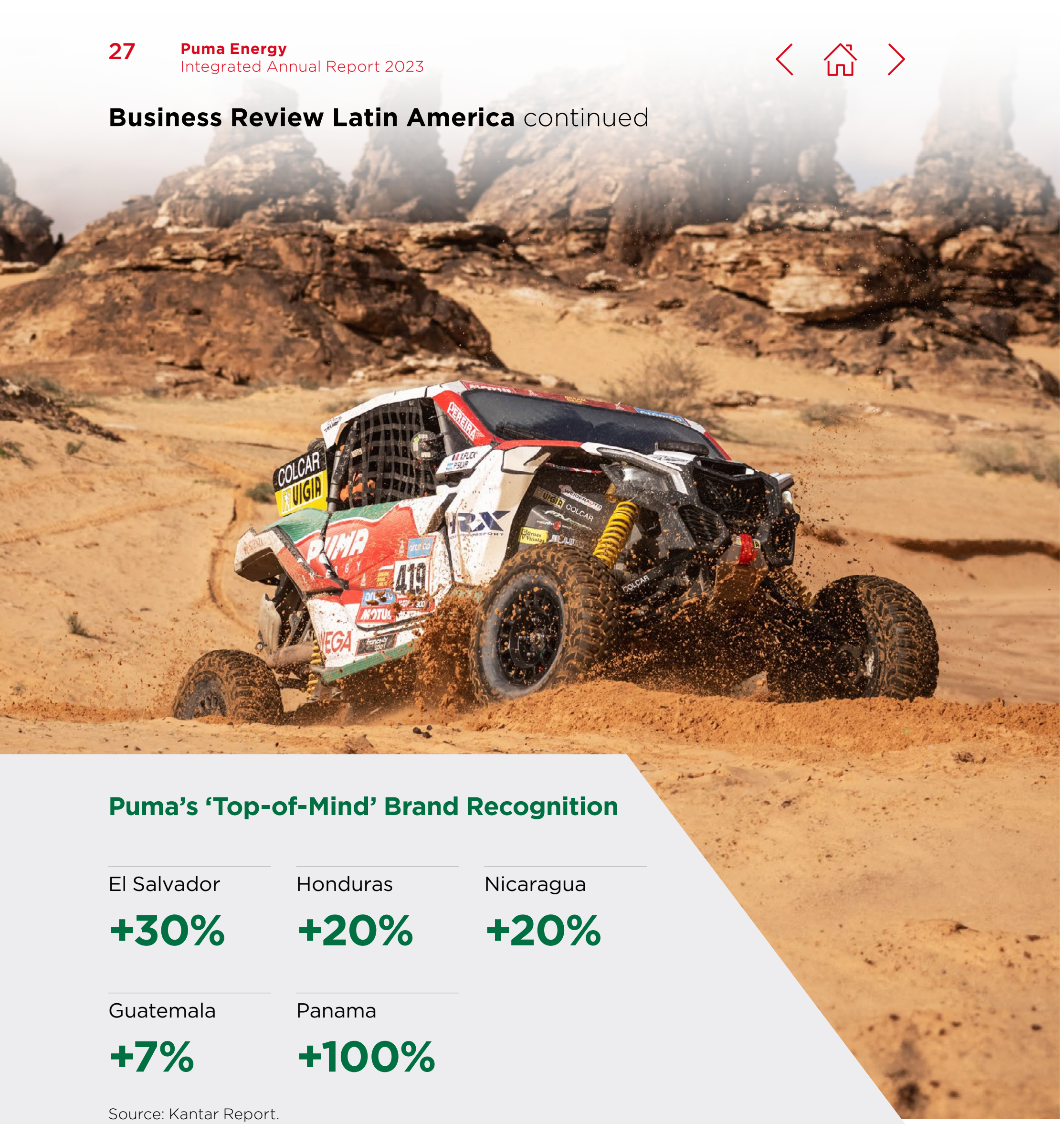
Countries
8

Sales Volume
9,935k m^3

Number of Retail Sites
1,256

Revenue
US$7.0bn

Business Review Latin America continued



Puma's 'Top-of-Mind' Brand Recognition

El Salvador	Honduras	Nicaragua
+30%	+20%	+20%

Guatemala	Panama
+7%	+100%

Source: Kantar Report.

While the region experienced some challenges in the year, including political instability in some countries, inflation and decelerated economic growth, the long-term fundamentals remain strong underpinned by a growing population, urbanisation and an emerging middle class.

These fundamentals have had a positive impact on our business, where we saw a resilient 2022 followed by a strong 2023 across the region. Importantly, the retail business performed well, recapturing market share through an aggressive growth strategy and a compelling Super 7 convenience store offering.

Upgrading Retail: the Key to Volume Growth

Growth in the reporting year was driven by two main factors: more sites and an increase in our convenience store footprint.

The presence of a convenience store has typically had a direct positive impact on fuel volumes. For this reason we place great emphasis on attracting consumers through a strong retail proposition. During the year, we added 43 Super 7 convenience stores, ending the year with 253. In El Salvador, for example, one in two sites now has a Super 7. New outlets, together with our refurbishment programme to upgrade older stores, positions us well for future growth.

Our site expansion plans align with market trends and are core to our growth and competitiveness.

Our ambitions and ability to deliver are reflected in the addition of 30 sites in Guatemala – a major undertaking due to the permitting, licencing, procurement and construction management that entailed.

Building our Brand

Puma is a challenger brand in our Latin American markets and the growth in our brand awareness is closing the gap with some of the other major players.

In a Kantar consumer research report, Puma's 'top-of-mind' brand recognition increased significantly in El Salvador (+30 per cent), Guatemala (+7 per cent), Honduras (+20 per cent), Nicaragua (+20 per cent) and Panama (+100 per cent). This reflects our consistent investment in marketing during 2022 and 2023, and our brand strategy based on three key pillars:

- Fuel Quality: products certified by Top Tier, alliances with leading car brands, including Volkswagen and BMW, and our sponsorship of the Puma Dakar rally team.
- Convenience Retail: promotions in every market, partnerships with banks and credit cards, and our payment and loyalty app Puma Pris helped strengthen our customer loyalty.
- Customer Service: the introduction of mystery shopper audits, training and incentives for our retail station dealers, underpinned by our Super 7 strategic offering, helped give our customers an improved experience.

Business Review Latin America continued

Trialling and Learning

Evolving trends, tastes and behaviours require ongoing efforts to refine and innovate.

Our willingness to innovate led us to open two standalone Super 7 convenience stores in El Salvador, not attached to a fuel forecourt. This is a model that has worked successfully in Europe, and in 2023 we delivered our first pilot non-fuel site in El Salvador.

Separately, in Honduras, we adopted a multi-brand strategy whereupon we re-branded some of our service stations to the Shell brand, mirroring a similar move in Puerto Rico, where we have an established partnership with Texaco. This multi-brand approach is helping us increase our market share in an important territory for Puma Energy.

Getting Closer to Customers

Our customer loyalty app Puma Pris saw significant growth in 2023. By the end of the year, the programme had extended across five countries: Guatemala, El Salvador, Honduras, Nicaragua and Panama. More than 500,000 members had signed up – up from 136,000 in 2022 – scanning the QR code on their app to earn points to exchange for discounted fuel, snacks, groceries and drinks from our shops.

Along with customer loyalty, Puma Pris is enabling us to collect a rich source of data, revealing valuable insights into customer spending, preferences and behaviours. A priority now is to use our technology and data to bring even better service to customers. We have a significant opportunity to make the Puma Energy brand even more relevant to them with personalised offers and communications.

Installing Solar

The business continued to roll out additional solar projects across the Latin American region. The installations at our sites will reduce our greenhouse gas emissions as well as the emissions of our franchisee local dealers who operate our retail sites.

The expertise we have developed positions us to offer our commercial and industrial customers solar generation packages and other low carbon energy solutions, alongside the fuels we have traditionally supplied.

By the end of 2023 our progress stood at 18 per cent of sites in Latin America, with cumulative installed capacity of 9 MW.

Read more in Energy Transition & Climate Change on page 47

Looking Ahead

We will continue to build on the successes of 2023. In 2024, we plan to refurbish more of our existing sites and roll out new ones, and continue to benefit from the increased volumes that our retail offering brings.

Our solar programme will reach more of our sites during 2024, and we will continue to build on our investment in marketing and raising the profile of our brand.

In addition, we will:

- Explore opportunities for dealers and dealer operators to join our brand, as a cost-effective means of expanding our network.
- Develop our multi-brand strategy. Our recent tie-up with Shell in Honduras is extending to El Salvador.

HELPING TO POWER GUATEMALA

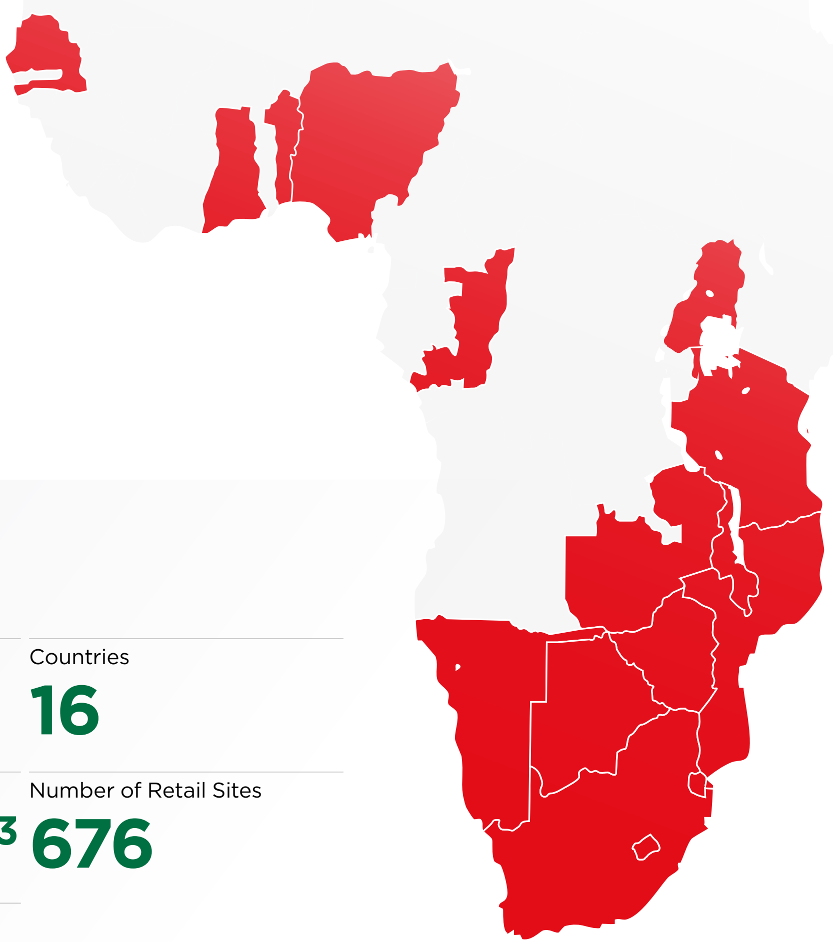
In Guatemala, much of the country's electricity is hydro-generated. But, of course, hydro needs vast quantities of water to turn the generating turbines, and in 2023 the country experienced a drought as a result of the 'El Niño' phenomenon.

Alternative sources of power were needed urgently, and Puma Energy was able to step in to provide fuel oil. However, these resources were needed within days rather than weeks and – with deliveries required six times per month – it was a logistical impossibility for Puma Energy to do this alone.

Trafigura, Puma Energy's majority owner, was able to step in and leverage their distribution capabilities to respond to this emergency, restoring power to 1.8 million people.

Business Review Africa

A solid year, built on firm foundations as we design a business ready to energise Africa's future growth.



Where We Operate

- Benin
- Botswana
- Congo
- Eswatini
- Ghana
- Lesotho
- Malawi
- Mozambique
- Namibia
- Nigeria
- Senegal
- South Africa
- Tanzania
- Uganda
- Zambia
- Zimbabwe

Highlights

- Enhanced retail network.
- Established new non-fuel partnerships.
- Expanded supply of LPG.
- Installed solar at 94 more sites.
- Launched rural station programme.

Operating Profit
US$124m

Countries
16

Sales Volume
4,503k m^3

Number of Retail Sites
676

Revenue
US$4.5bn

Business Review Africa continued

Africa presents a significant opportunity for growth, with a population projected to almost double by 2050.

As Africa's economy develops and becomes more prosperous, we aspire to be a catalyst for this growth by ensuring the continent has what it needs in terms of energy and services – be it LPG for clean cooking, fuel for cars, trucks, farms and factories, or solar panels to power businesses.

Puma Energy Africa has been through a reset in recent years, and in 2023 we started to see the early benefits of that work. Market share remains resilient and volumes were stable, and our retail operations continued to expand. Our progress was underpinned by new and leaner processes and our strong team. This meant that the business was equipped to address the macro-economic challenges across the continent. Increasing inflation, liquidity issues with foreign currencies and, in specific markets, fluctuations in currency values have collectively prompted a need for enhanced efficiencies, value-add services and attractive consumer offerings.

Strengthening Our Retail Offering

Retail is a crucial contributor to our business. In 2023, we optimised our retail network while also adding 39 new stations, closing the year with a total network of 676 retail sites across Africa.

Convenience stores are an extension of our brand and give us the opportunity to play a useful part in a customer's day. When these visits deliver what customers want, they soon become habit-forming. It is therefore our continuous focus to keep those assets fresh, welcoming and innovative.

- We upgraded 247 sites with new awnings and signage and replaced older pumps and shop fittings.
- We delivered 82 projects to refine the non-fuel offering of our sites, ranging from improved snacking, restaurant and restroom facilities, stocking new product ranges, refining the grocery/fresh food mix and, where applicable, giving a platform for local produce sourced from neighbouring farmers.
- We introduced 7 new Quick Service Restaurants (QSR) at our service stations in Africa, providing our customers with food options and one-stop destinations whilst optimising our real estate. Partnering with these QSR brands like KFC in South Africa, Hungry Lion in Namibia and local favourites help employment in our communities, especially the youth.

We find that each improvement, whether a simple refresh or a full re-build, encourages a greater spend per visit. The programme also attracts new customers and generates repeat visits.

Expanding Lubricants

In a dynamic and demanding market, our lubricants business is also growing across Africa. This has been driven by signing significant B2B contracts with mining and agricultural customers, as well as a continued focus on promoting lubricant ranges at our retail sites.

In addition, to help improve our service offering, we have introduced the Total Fluid Management (TFM) programme. TFM is an audit process implemented by Puma to ensure the delivery of lubricants is accompanied by comprehensive technical support, facilitating optimal customer utilisation. This strategic approach aims to extend equipment lifespan while concurrently reducing production costs for our clients.

Throughout the TFM audit process, Puma prioritises delivering the highest-quality service to our customers. We consistently revisit, refresh and revitalise these services, incorporating new innovations, solutions and improvements into our value proposition. This proactive approach enables us to effectively address evolving challenges, thereby enhancing operational efficiency, especially for mining customers, and reducing the total cost of operations.

Advancing Sustainable Solutions

Across Africa, nearly one billion people have no access to clean and safe cooking. As a result, 500,000 people die prematurely every year due to household air pollution caused by cooking over wood and charcoal.

This also has negative impacts on the environment, with four million hectares of African trees lost to unsustainable harvesting of wood for energy.

Puma Energy is scaling up the supply of Liquefied Petroleum Gas (LPG) as a source of lower carbon energy than firewood and charcoal. This bottled gas is cleaner, safer and portable, and can therefore reach both urban and remote communities. This is recognised by the United Nations' Sustainable Energy for All initiative, which sees LPG as a pathway to meet the goal of universal access to clean cooking and heating solutions by 2030.

During 2023 we strengthened our commitment to the sector by acquiring OGAZ, an LPG supplier in Zambia with 18 per cent of the LPG market. The deal provides us with LPG storage, a cylinder-filling facility and additional cylinders.

Separately, we invested more in LPG cylinders and launched a microfinance initiative to offer LPG fuel together with cooking stoves.

Sustainable transport is another major focus, and during the year we launched our Sustainable Aviation Fuel (SAF) option at five airports in Africa. SAF has the potential to reduce CO_2 emissions by 80 per cent.

Together, these developments advance us further towards an ambitious target: to achieve 30 per cent of our EBITDA in Africa from low carbon fuels and renewable energy by the end of 2027.

Business Review Africa continued

"Our progress was underpinned by new and leaner processes and our strong team. This meant that the business was equipped to address the macro-economic challenges across the continent.

Investing in Solar

We at Puma Energy have been investing in the diversification of our product portfolio, and are now providing renewable energy solutions to customers across our markets. As an example, we have been taking our solar energy offering to commercial Customers, such as a major mining customer in Zambia who has contracted Puma Energy to install a solar solution that will deliver clean electricity.

The installation of solar projects in our own business also continues at pace. One of our key targets in 2023 was to install solar panels across 300 Puma Energy-branded retail sites and fuel depots. In Africa, we made a significant contribution to that goal, with 78 of our locations now equipped with fully-operational solar panels.

Making Social Impact

Across Africa, we directly employ approximately 1,300 people in 16 countries. Around 95 per cent of our people are African nationals recruited locally.

During the year we also supported African communities across our five CSR areas of road safety, environmental conservation, youth empowerment, community development and emergency first response.

Our Road Safety Programme is directed at everyone, from our own employees, including our tanker fleets and colleagues driving to work, to children in schools. Working with the NGO Amend, we are investing in road safety lessons for primary school children through Be Safe clubs, road safety competitions and other initiatives.

Read more in Our People & Communities on page 58

ENHANCING ENERGY ACCESS IN RURAL ZAMBIA

During 2023 we developed an innovative concept to take our offering – alongside other essential services – to a remote location in Zambia.

In August, the community of Chifunabuli welcomed Puma's first rural service station, removing the need for the 35 km journey to the next available source of fuel. The station offers a range of our fuels together with bottled LPG, which enables remote households to cook more safely.

The location also includes a branch of ZANCO (Zambia National Commercial Bank), saving a 100 km round trip, and a pharmacy with essential healthcare products. The economic benefits to the community have been immediate: the site is providing employment for attendants and maintenance staff, as well as supporting the local fishing, mining and farming businesses with ready and reliable access to the fuels they need.

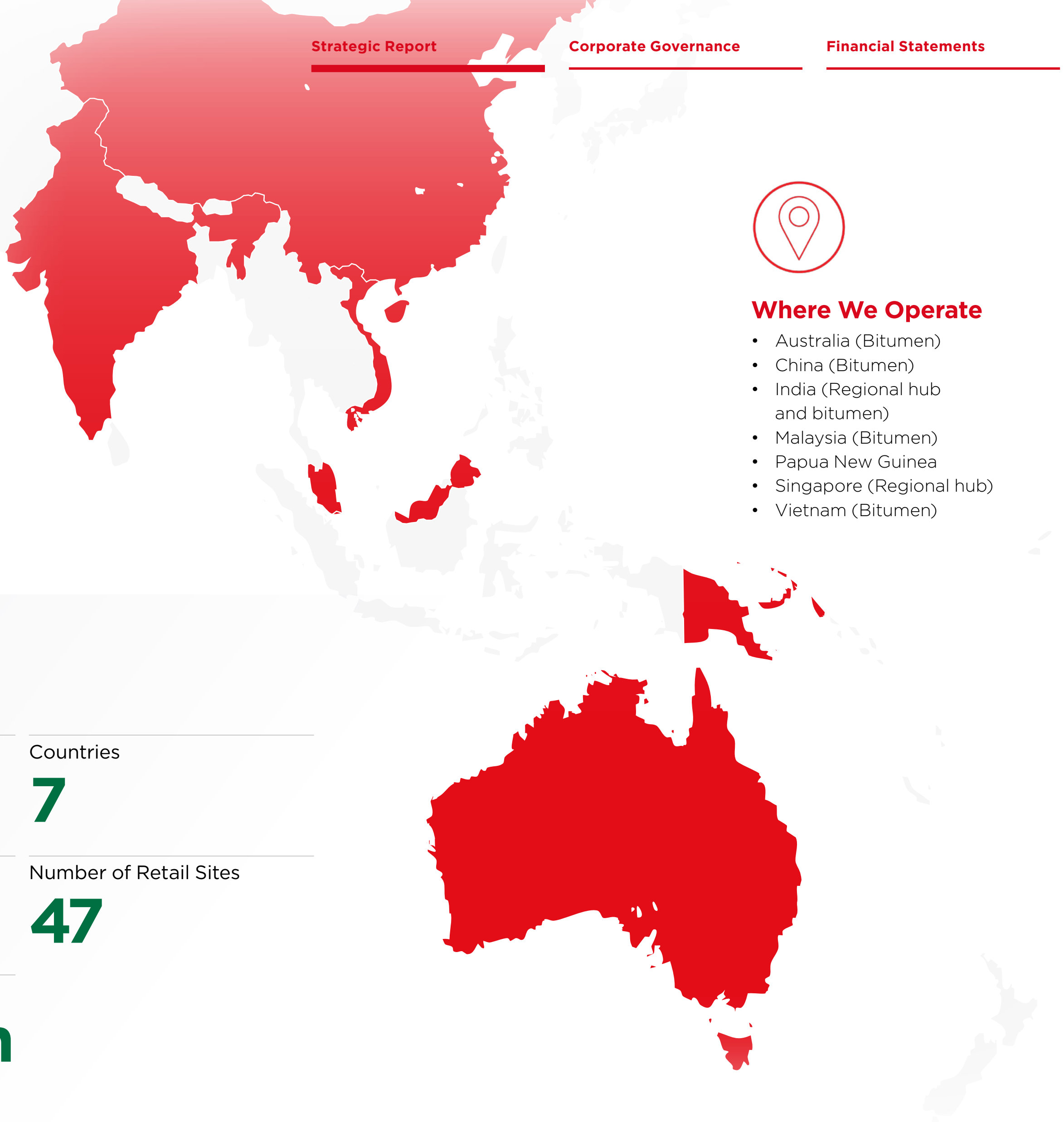
The inauguration of the Chifunabuli station marks the beginning of Puma Energy's broader rural station programme for Zambia aimed at improving energy, banking and healthcare access in rural parts of the country and contributing to the Sustainable Development Goals (SDGs): 3, Good Health and Wellbeing, 7, Affordable and Clean Energy, 8, Decent Work and Economic Growth and 10, Reduced Inequalities. The programme will see 25 stations open across Zambia over the next three years, with plans to expand the programme into other parts of Africa.

Our rural station programmes makes an important contribution to four Sustainable Development Goals (SDGs).

Business Review

Asia-Pacific

A resilient year in the face of local and global economic challenges.



Where We Operate

- Australia (Bitumen)
- China (Bitumen)
- India (Regional hub and bitumen)
- Malaysia (Bitumen)
- Papua New Guinea
- Singapore (Regional hub)
- Vietnam (Bitumen)

Highlights

- Refurbished three retail sites.
- Installed solar power in the Napa Napa refinery.
- Delivered award-winning innovation in Bitumen.

Operating Profit
US$(51)m

Countries
7

Sales Volume
1,635k m^3

Number of Retail Sites
47

Revenue
US$1,193m

Business Review Asia-Pacific continued

After a post-pandemic rebound in 2022, we experienced a challenging period in 2023 across our two principal operating markets in the region.

In Papua New Guinea (PNG), we continue to be the leading player, albeit with a higher level of competition than in recent years. This, together with an inflationary climate and continued FX challenges, has sharpened our focus on shaping a more resilient business.

In Australia, our bitumen business faced a slowdown in demand for bitumen; however, despite the broader macro challenges, the team delivered a suite of leading and environmentally-important products that we hope will contribute to the global decarbonisation drive.

Papua New Guinea

We have a strong presence in PNG, where Puma Energy owns a refinery, 12 storage terminals, 11 airports and 47 retail sites.

We support PNG with our aviation fuels and services available through our operations in 11 airports. We also help energise business and social needs by fuelling cars, lorries, trucks and boats, and industries such as mining, agriculture and power generation.

The price of fuel is regulated in PNG, which means that for passing customers, the motivating factor for choosing one site over another is the experience they can expect.

Eriku Service Station in Lae welcomed the opening of 'Wickid Chicken', the most popular fast-food brand in Lae and the first time this brand has been offered in a service station in PNG. Manu Service Station and 9 Mile Service Station have also partnered with 'Enzo's Pizza', the premium pizza brand in PNG and the first time takeaway pizza has been offered in service stations in PNG.

Across PNG, Puma completed the refurbishment of three service stations. Puma also completed one new to industry (NTI) service station in Port Moresby.

In PNG, 86 per cent of the country's nine million people live in rural communities. Our cylinders of LPG make domestic energy portable to wherever it is needed and, importantly, they make homes considerably safer, reducing the dangerous levels of household air pollution associated with using open woodfires for cooking and heating.

Supporting the Local Community

Alongside our commercial operations, we maintained our strong community-focused work programmes in PNG. Our multi-pronged approach supports environmental protection, youth, health and community initiatives.

In 2023 our support helped local organisations to reach more than 13,000 adults and children. We are proud to support these initiatives, which include many multi-year partnerships:

- St John's Ambulance, the only ambulance service in the country. In 2022 they drove more than 250,000 km, with 75 per cent of cases being emergencies.
- Susu Mamas, caring for children and adults in urban and rural outreach settings.
- Cheshire Disability Services, which Puma Energy has supported since 2014.
- City Mission, caring for children in crisis and victims of abuse.
- Buk Bilong Piknini (BbP), providing books for rural children and promoting child literacy. In 2023, the sixth year of our partnership, BbP used Puma-provided fuel to carry out its activities including teachers' movements and book donations.
- Port Moresby Nature Park, PNG's leading recreational attraction focused on appreciation of the country's natural biodiversity to inspire its protection.

Business Review Asia-Pacific continued

POWERING OUR NAPA NAPA REFINERY WITH SOLAR ENERGY

In 2023, Puma Energy installed 684 solar panels at the Napa Napa Refinery outside Port Moresby.

This new setup can deliver 300 KW of solar power, producing 485.5 MWh of energy per year, which will help modernise and reduce the facility's CO_2 emissions.

The development is a key part of Puma Energy's sustainability strategy to reduce its operational GHG emissions.

Alongside the 11.8 MW capacity of solar generation we have already installed across our global network, this project strengthens our ability to market the expertise we've gained to our commercial customers.

PNG's enhanced Nationally Determined Contribution sets out ambitious plans to reduce its carbon emissions by half by 2030 and be entirely carbon neutral by 2050.

This project supports these goals and, by helping our customers to install similar renewable solutions, Puma Energy can play a major role in helping the country meet its commitments and promote energy security.

Read more in Energy Transition & Climate Change on page 47

PNG Challenges

Lack of sufficient foreign exchange (FX) supply is a significant ongoing challenge in PNG. This, together with challenges relating to long-term access to local banking facilities, impacted our ability to ensure the sustainable supply of fuel to our customers. Throughout 2023 our team engaged pro-actively with the Government, customers and various key stakeholders in an effort to establish a long-term sustainable solution. We remain committed to our business in PNG and these efforts remain ongoing in 2024.

Bitumen Australia

Our focus in Australia is our bitumen business, where Puma Energy's R&D team has created a series of bitumen solutions that are sustainable – either because they sequester carbon, use recycled material in their manufacture or can be applied at lower temperatures. (Please see more on this innovative range on page 40.)

Over the past year we continued our work to develop a binder-incorporating biogenic (plant-grown) material, while maintaining at least equal quality and technical performance. This alternative to conventional products significantly reduces the overall carbon footprint of bitumen and the asphalt products that contain it. The new CarbonBind® product range is proven to reduce the carbon footprint of bitumen by capturing carbon from the atmosphere and permanently storing it in the road pavement, thereby supporting the sustainable use of bitumen. This pioneering product won the Australian Flexible Pavement Association's National Innovation Award in 2023.

In addition, Puma is working on a project to capture solar energy to heat bitumen tanks. Bitumen needs to be stored at elevated temperatures and by using solar thermal energy rather than gas or electricity to heat bitumen tanks the project could achieve a significant reduction in emissions.

Looking Ahead

We will continue to focus on projects that strengthen our customer relationships and add to the differentiation of our offering. These include:

Papua New Guinea

- Focus on ensuring the sustainability of our business.
- Rolling out further refurbishments across our retail footprint.

Australia

- Optimisation of our terminals.
- Investing in solar installations at more of our sites.

Business Review

Aviation

In a year of growing demand, our network, expertise and new technologies delivered safety, reliability and a robust supply chain.

Where We Operate

- Worldwide
- Servicing airports and airfields in 26 countries

Highlights

- Secured volume growth through new business wins.
- Grew through M&A.
- Activated community engagement programmes.

Airports and Airfields Supported
117

Countries Served
26

Number of Customers
649

Sales Volume
1,329k m^3

Business Review Aviation continued

With travel constraints now behind us, business not only returned to, but exceeded, pre-pandemic levels. 2023 was a record year for our aviation division, in which we served higher numbers of customers with greater volumes of fuel than ever before.

The year also brought challenges: high interest rates, inflation and FX volatility all had an impact on our business as well as the wider industry. This called for greater agility to meet rapidly-growing demand as the sector recovered. Notwithstanding these factors, our teams responded swiftly and maintained our brand's reputation for reliable, safe and competitive fuel supply across the 117 airports and airfields we serve.

Highlights in 2023 included:

- **Adding operations** in the United Kingdom, Mozambique and South Africa, growing our portfolio of airports and airfields to 117 and taking our customer numbers to over 640.
- **Safety:** we managed a record number of refuellings, on time and without incident.
- **Responding to surging** demand, led by Tanzania, Ghana, South Africa and Puerto Rico; recruited and trained people, and increased investment in ground support vehicles, to keep pace with demand.
- **Investing** in refuelling technology and storage requirements.
- **Managed** credit risk amid airline turbulence.

Expanding our Footprint and Reach

Puma Aviation concluded 2023 as a larger and more productive business.

During the year we completed the acquisition of AirBP's fuel assets in Mozambique. The deal aligns with our strategy to seek growth in high-potential downstream markets and will increase our presence in seven major airports across the country.

We also secured significant new contracts with airlines including JetBlue and Airlink, as well as deals to supply and manage refuelling at new airports such as Upington in South Africa.

Investment on the Ground

Airlines' operating schedules and passenger satisfaction demand service on time and in the narrow windows when passengers are not on board. To ensure we meet these expectations, we upgraded to state-of-the-art refuellers with the latest safety and filtration technology. We also increased and improved storage facilities in various global locations, including a new 1,000 m^3 Jet A-1 tank in Harare, Zimbabwe (see case study on page 38).

Digitising Processes

During the year, Puma Aviation further expanded its digitised, integrated refuelling solution for our customers.

Traditional refuelling is a largely manual process, requiring teams to complete multiple forms and collect signatures. This can take as long as refuelling itself and is vulnerable to inaccuracies, lost forms and fraud.

This led Puma Aviation to create eAviation, a set of best-in-market technologies that give real-time, 360° visibility to our customers. From pricing and delivery tickets to the final invoice, eAviation automates and secures the process from end-to-end, reducing delays and errors, and saving significant administrative time.

Strengthening Our Position in Avgas

We supply two aviation fuels to the highest international quality standards: JET A1 and aviation gasoline (Avgas) 100 LL. Dwarfed by the market for commercial Jet A1, global demand for Avgas is worth around US$ 2 billion. Recreational flying, flying clubs and schools and the private charter sector all rely on Avgas.

In 2023 we upgraded our Avgas production facility in Estonia. Our fully-automated Avgas production facility in Estonia can distribute product around the world via tankers, rail tank cars, truck cisterns, ISO tank containers and drums. This combination of world-class logistics has made us the largest Avgas supplier in Africa and the second-largest supplier across Europe.

Working to Reduce Emissions

As our airport footprint increases around the world, we are capturing opportunities to cut waste and reduce our use of fossil fuels. At the airports where we operate we now use solar PV panels with the capacity of 190.34 kWp (kilowatt peak).

We are also exploring opportunities to support the wider aviation industry by supplying sustainable aviation fuels (SAFs), which can cut CO_2 emissions by up to 80 per cent (see case study on page 37). During 2023 we launched our own SAF option at five airports in Africa and have been working with local stakeholders to increase understanding of this more sustainable alternative to traditional aviation fuel. We plan to roll this out further, in line with customer demand.

Read more in Managing and Reducing Operational GHG Emissions on page 49

Business Review Aviation continued

Our Social Impact

In 2023 Puma Aviation launched Make a Difference Day, an initiative to encourage people within the organisation to dedicate a day to volunteering for the benefit of their communities (see case study on page 38).

Puma Aviation is also committed to promoting skills and prosperity through local recruitment. Our Annual Internship Programme allows recent college graduates to gain practical experience and knowledge of aviation operations. So far, we have recruited 16 interns in Zanzibar, Accra, Blantyre, Lilongwe and Harare.

Looking ahead

In 2024, we will:

- Continue to seek high-growth opportunities in downstream markets.
- Add more airport partnerships to our portfolio.
- Increase our sustainable aviation fuel volumes.

1 Research source: www.IATA.org/flynetzero

SUSTAINABLE AVIATION FUELS (SAF)

The aviation sector has pledged to achieve net zero operation by 2050.

Sustainable aviation fuels (SAFs), which are supplied by Puma Energy and other fuel providers, will be key in achieving this target: they can reduce CO_2 emissions in commercial aviation by up to 80 per cent. Sustainable aviation fuels (SAFs) will be key to achieving this target, since they can reduce CO_2 emissions in commercial aviation by up to 80 per cent.

SAF can be produced from a variety of feedstocks, from waste fats, oil and greases to municipal solid wastes, agricultural and forestry residues and non-food crops.

An exciting reality, now Puma Aviation is already making SAF available to key markets in Africa.

IATA, the trade association of most of the world's airlines, found that in 2023:

- SAFs fuelled more than 490,000 flights.
- 300 million litres were produced (2022).
- Average CO_2 reduction was 70 per cent.
- More than 130 renewable fuel projects have been announced across 30 countries.

IATA also estimates that SAFs could contribute 65 per cent of the emissions reduction that aviation needs to find if the industry is to achieve net zero by 2050. Still, while there is positive progress in advancing SAF, supplies are currently limited.

Business Review Aviation continued

SUPPORTING COMMUNITIES ON MAKE A DIFFERENCE DAY

2023 saw every Puma Aviation-operated airport depot take part in Make a Difference Day, contributing an array of volunteering initiatives to support local communities.

Our Papua New Guinea depots assembled 12 teams, who offered free vehicle safety checks and car washing at our retail service stations.

In Tanzania, a team set aside a day to remove potentially hazardous foreign object debris (FOD) from Songwe Airport. This proved so useful it has become a monthly event.

In Blantyre, Malawi, colleagues supported the local hospital with painting and fitting new locks to give privacy to patients.

In Malawi, our team visited Chinkhuti Secondary School to commemorate the International Day of the Girl Child. The team was led by Laika Chibwana, who holds a leadership position as the head of depot.

JET STORAGE EXPANSION AT HARARE AIRPORT

We are constructing a new 1,000 m^3 Jet A-1 storage tank at Robert Gabriel Mugabe International Airport depot in Harare, Zimbabwe, with the aim of tripling our capacity to meet growing demand.

When we opened the Harare depot in 2015 we had just one customer with a monthly throughput of around 500 m^3. Today, the depot is a major Jet A-1 supplier with an average throughput of 2,500-3,000 m^3 per month.

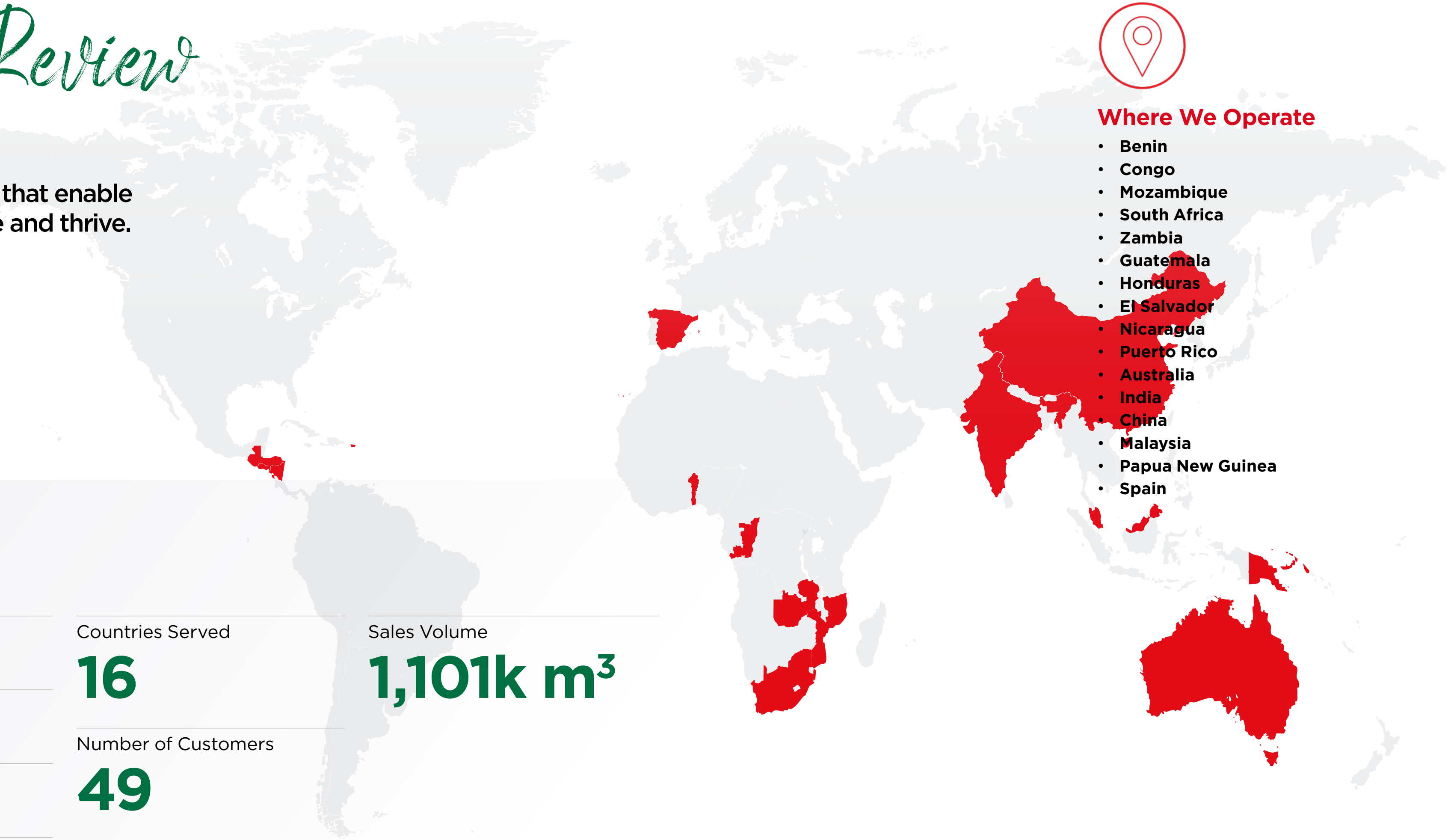
The depot is supplied from a marine terminal in neighbouring Beira, Mozambique. Transit times are significantly impacted by congestion at border points, hence our investment to increase our on-site reserves.

The Aviation team is also preparing to take delivery of a third jet refueller, enabling us to comfortably supply the majority of all uplifts from that airport. The new one million litre storage is key to provide additional supply security to support the growing number of airlines and activities.

Business Review

Bitumen

Our bitumen lays the pathways that enable the world to live, connect, trade and thrive.



Where We Operate

- Benin
- Congo
- Mozambique
- South Africa
- Zambia
- Guatemala
- Honduras
- El Salvador
- Nicaragua
- Puerto Rico
- Australia
- India
- China
- Malaysia
- Papua New Guinea
- Spain

Highlights

Demonstrated resilience in the face of slowing global demand.

Reacted nimbly to product imbalances.

Developed award-winning CarbonBind®.

Countries Served
16

Number of Customers
49

Sales Volume
1,101k m^3

Business Review Bitumen continued

Our bitumen division experienced downward pressure in the face of challenging global economics in 2023.

An inflationary environment impacts every link in a supply chain, and the bitumen sector is not immune. Materials, labour, energy and transport all saw inevitable rises in costs, and, as interest rates rose to counter inflation, customer demand began to decline.

The Bipartisan Infrastructure Deal (Infrastructure Investment and Jobs Act) in the US, aiming at rebuilding the country's deteriorating infrastructure including roads, bridges and rails, has contributed to cushion to a degree the general slowdown in demand for bitumen that was witnessed in most regions of the world. Important regions such as north and west Africa saw poor demand, and optimistic forecasts for China, projected as recently as 2022, failed to materialise.

Tanks and Tankers: Creating Opportunities

Leveraging Trafigura's global tanker fleet and Puma Energy's local infrastructure allow us to react more swiftly to market imbalances and opportunities.

The Trafigura fleet of 21 owned or long-term chartered vessels represent a deadweight tonnage of 380,000. In peak season, we are able to extend that capacity through short-term time charterers, voyage charterers and long-term contracts of affreightment (COA) partners.

Onshore, the Company has access to storage capacity of more than 400,000 tonnes, spread across a network of 22 terminals. This also equips us to create and ship special customer blends and open up more diverse opportunities.

This sizeable terminal resource, coupled with one of the largest and most advanced fleets, positions us to transport bitumen safely and reliably worldwide.

Award-Winning Sustainable R&D

We are proud that our quest to produce ever-lower carbon products is combined with our contribution to the United Nations' Sustainable Development Goal, specifically SDG 9, to build resilient infrastructure. Our portfolio of sustainable and innovative products includes:

- **CarbonBind**®: in 2023, this new product won the National Innovation Award from the Australian Flexible Pavement Association.

  CarbonBind® captures carbon from the atmosphere by using a sustainably-grown plant-based component in its blend. In a typical application, every tonne of CarbonBind® sequesters 150 kg of CO_2 into the road or pavement.

  The biogenic material is sustainably sourced in a process certified under the International Sustainability and Carbon Certification (ISCC) system.

- **OLEXOCRUMB**® was developed at Puma Energy's Global Bitumen Technology Centre with the aim of finding a beneficial use for some of the 56 million passenger tyres that are replaced in Australia each year, many of which end up in landfill or are burned as fuel in heavy industry. Stockpiles of waste tyres are a fire hazard.

Our team identified a high-value application for this waste rubber as an elastomeric modifier for bitumen in roads, which allows roads to be built with increased flexibility and durability.

Unlike binders using crumb rubber, Olexocrumb® meets industry specifications and has close to no residual rubber particles, allowing the binder to be used more widely by the industry as a straight substitute for conventional binders in existing asphalt mix designs.

- **Low temperature bitumen**: asphalt needs to be heated to be workable, but this comes with an environmental cost. Puma's formulations can include a preblended warm mix additive that enhances asphalt workability, improves reliability and allows compaction at temperatures 25°C to 40°C lower than conventional products, reducing emissions significantly.

As well as this innovative, low carbon portfolio, we're helping customers to achieve their decarbonisation ambitions. Puma Bitumen, in partnership with our owners Trafigura, offers customers the option to offset their emissions with projects that have been registered on leading voluntary registries such as Verra, Gold Standard, American Carbon Registry (ACR), Climate Action Reserve (CAR) and Australian Carbon Credit Units (ACCU).

Looking Ahead

Market outlook for 2024 is expected to be volatile, driven by a conflicted demand picture and the effects of geopolitical events on supply and logistics. Inflationary pressures on infrastructure projects are expected to continue capping demand, despite optimism surrounding the largest global election year in history. In addition, the unrest in Ukraine and the Middle East continues to put at risk the steady and reliable availability of traditional crude oil and oil feedstock required to produce consistent quality and volumes of bitumen. Despite the volatility, we are very well-positioned to offer our customers reliable supply and expand our bitumen asset base in the years ahead.

Our Approach to ESG

Our Approach

In 2023 we believe we made good progress in advancing our ESG strategy aimed at ensuring the long-term sustainability of the business and supporting our purpose of 'energising communities'.

As an energy Company, we recognise the important dual role we play in reliably and safely supplying energy to support socio-economic development, whilst also helping enable the energy transition and advocating for environmental stewardship.

Our societal impact is derived from four key areas:

- Our products and services help power communities and businesses, underpinning growth and development.
- Our commercial and aviation fuels power industrial, manufacturing and extractive industries, and enable domestic and international trade and tourism.
- Our bitumen products are integral to road infrastructure development.
- Our newer segments, such as LPG, support clean and safe cooking, and solar energy enables clean power and a diversified energy mix.

In all our activities, we seek to:

- Reduce our environmental footprint.
- Increase the skills, capacity and wellbeing of our staff.
- Be productive members of our communities.
- Support an equitable and just energy transition.

We continue to integrate best practices and build on our ESG ambitions while informing our approach in line with evolving stakeholder expectations and guidelines, such as the Task Force on Climate-related Financial Disclosures (TCFD), and report with reference to the Global Reporting Initiative (GRI) standards. In 2023, Puma maintained its (A-) score from the CDP Climate Change questionnaire and was rated as Medium Risk by the ESG rating agency Sustainalytics. Trafigura Group is a signatory of the ten principles of UN Global Compact. As part of the Trafigura Group, we adhere to these principles across our operations. In addition, we are taking steps to prepare for upcoming disclosure requirements related to the European Union's Corporate Sustainability Reporting Directive (CSRD).

Inside this section

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES | CDP DRIVING SUSTAINABLE ECONOMIES A- | SUSTAINALYTICS Rated Medium-Risk 28.8 | United Nations Global Compact | GRI

Our Approach to ESG continued

Our Sustainability Ambition

Sustainability Strategy

Our strategy is built on four core pillars, designed to deliver on each of the Environment, Social and Governance (ESG) drivers to strengthen the long-term sustainability of our business as we continue to support the communities we serve and help support an equitable energy transition.

Energy Transition and Climate Change

Read more on page 47

We are reducing our operational GHG emissions and deploying renewable energy and lower carbon fuels across the markets we serve.

Our ambition under this pillar is the reduction of our Scope 1 and 2 emissions via a comprehensive GHG reduction programme, and the deployment of renewable energy and lower carbon fuels like solar, LPG, LNG and SAF to help enable the energy transition.

Local Environment and Nature

Read more on page 55

We place a strong emphasis on managing and minimising impacts on our natural environment through our HSSE policies, management plans and mitigating actions.

Our goal is to minimise our impact on local ecosystems and natural assets, actively monitor and mitigate against oil spills, and assess our environmental footprint.

People and Communities

Read more on page 58

We are committed to providing meaningful employment opportunities and promoting the social and economic development of the communities we serve.

Our core objective is to create a collaborative and inclusive workplace environment to empower high performance, employee safety and strategic growth, as well as strengthening our CSR initiatives.

Governance and Supply Chains

Read more on page 69

We aim to embed good governance and procedures across our value chain to protect our business and drive sustainability.

Our ambition is to constantly enhance our suite of policies and procedures across our value chain.

Our Approach to ESG continued

Targets and Metrics

We set both quantitative and qualitative targets and initiatives to make the business ever-more sustainable across our four key pillars, with the aim of continued improvements over the course of the year. Among them, key measures include our mid-term and long-term operational net zero GHG emission targets, and the number of sites we have solarised. We remain committed to continue to challenge ourselves in our target-setting in the years to come and to increase efforts to monitor key metrics across the business. As we have entered the preparation phase for the reporting requirements under the EU CSRD, we will establish improved KPI measurement and reporting procedures for increased data transparency during 2024.

ESG Governance

As part of our broader Governance framework, the ESG Board Committee reviews, approves and oversees the implementation of ESG best practices and associated KPIs. We have also created an ESG Working Group, which meets periodically to manage ESG issues on a day-to-day basis. This Governance provides a robust framework to address the range of topics and priorities the business faces – and ensures agency and responsibility sits with the executive management and Board.

Externally, our GHG reporting is aligned to international standards such as the Oil & Gas – Refining & Marketing Sustainability Accounting Standard from SASB, and the GRI Oil and Gas Sector Standard. In addition, our GHG accounting is informed by standards such as the GHG protocol and GLEC.

Reporting Against EU CSRD

The evolution of ESG standards is advancing rapidly and we continuously monitor regulatory developments across our markets that can have impacts and levy expectations on the Company. During 2023, this included the IFRS ISSB and the EU CSRD. The EU CSRD is a regulatory framework aimed at advancing sustainability reporting standards for environmental, social and governance matters. Puma Energy is in scope to report against the CSRD. We have been preparing internally to report in alignment with the CSRD in 2026 for FY 2025 as part of the broader Trafigura Group. Whilst it is undeniable that the CSRD comes with an increased level of complexity and volume of ESG-related data requirements for companies, we view it as an opportunity to improve our own ESG data reporting procedures and strengthen our ESG credentials. Importantly, we believe CSRD represents a significant step towards more harmonised and transparent ESG reporting across industries.

Our Approach to ESG continued

How We Contribute to the SDGs

Puma Energy is proud of our positive socio-economic impact and our contribution to the United Nations Sustainable Development Goals (SDGs). We are fully aware of the private sector's role in supporting the SDGs in the broad scale of overall collaboration and investment that is needed to achieve the SDGs. Whilst our impact as an individual business is modest, relative to global public and private sector efforts, we directly and indirectly support 17 SDGs, with three areas that are fundamental to what we do:

SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

From homes and shops to factories and airports, our suite of fuels powers citizens, businesses, infrastructure and development. We continue to develop a more diversified energy mix including low carbon and renewable energy, while reducing our Scope 1 and 2 emissions. By year-end 2023 we had also solarised 300 of our sites.

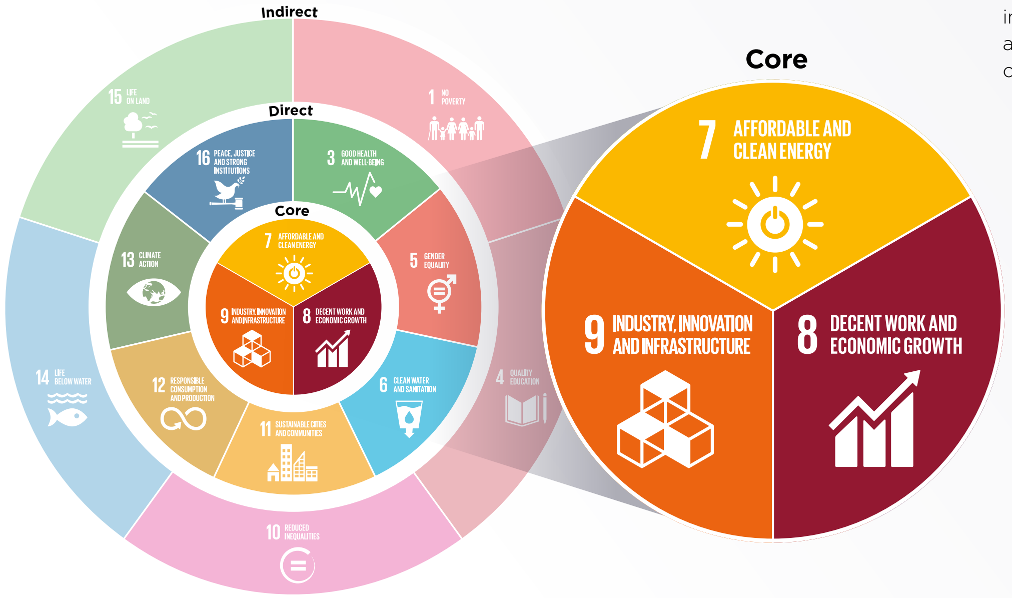
SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Energy is the engine of growth and we are proud of our role in powering emerging economies across Latin America and Sub-Saharan Africa. We bring high-quality employment to more than 3,000 people, both directly and indirectly along the value chain and generate tax revenues wherever we do business. We provide safe workplaces and have zero tolerance of modern slavery, child labour or discrimination of any kind.

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

By increasing investment in our operations and associated infrastructure we contribute to industrialisation and socio-economic development. This includes brownfield upgrades and greenfield investments across our bitumen, retail, aviation, terminals, storage and refinery assets. Furthermore, we foster product innovation through research and development investment (eg lower carbon bitumen).

In addition, we continue to advocate for increased investment in supporting efficient infrastructure and enhanced regulatory frameworks in our countries of operation.



Our Approach to ESG continued

Other direct and indirect contributions in addition to core SDG's, we contribute directly to a number of wider SDGs:

SDG	Target	SDG Sub-Target Description	Examples of Puma Energy Contribution
SDG 3: Good Health and Wellbeing	3.6	Halve the number of global deaths and injuries from road traffic accidents.	A strong focus on achieving zero employee fatalities and reducing community road traffic accidents across our third-party truckers via our HSSE policies and initiatives.
SDG 5: Gender Equality	5.1	End all forms of discrimination against all women and girls everywhere.	Increasing our focus on gender equality, inclusion and equal opportunities. Internal policies and value chain expectations preclude any form of discrimination. Our CSR initiatives and the Puma Energy Foundation has, and is, providing active support to a range of female entrepreneurs and youth in emerging markets.
	5.5	Full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	
SDG 6: Clean Water and Sanitation	6.3	Improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, including untreated wastewater and recycling.	Across our industrial and wider operations we have strong HSSE measures in place, including Environmental Management Systems, Environmental Management plans and monitoring systems. These include measures to avoid point source emissions into waterways and groundwater, alongside water efficiency measures and circulatory (within our industrial sites). Though our CSR activities we support community-led initiatives. For example, the 'El Corredor del Yaguazo' initiative in Puerto Rico, which is the largest urban wetland in the metropolitan area of San Juan – providing important ecosystems services.
	6.4	Increase water-use efficiency and ensure sustainable withdrawals and supply of freshwater to address water scarcity.	
	6.6	By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.	
SDG 11: Sustainable Cities and Communities	11.2	Access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, expanding public transport and giving attention to the needs of those in vulnerable situations.	We enable transport solutions (motor vehicles, aviation, road infrastructure) and place significant efforts on employee and community road safety. We are developing lower carbon transport fuel solutions that include LPG and CNG.
SDG 12: Responsible Consumption and Production	12.4	Environmentallysound management of chemicals and all wastes, and significantly reduce their release to air, water and soil.	Deploying circular and resource efficiency measures and expanding the end-of-life of products and assets, including water efficiency and solid waste management. This includes resource efficiency at our industrial operations, the development of low carbon bitumen that incorporates plant waste and expanding our used cooking oil (UCO) initiative.
	12.6	Adopt sustainable practices and to integrate sustainability information into their reporting cycle.	
SDG 13: Climate Action	13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.	Reducing our GHG and environmental footprint across key emitting sites. Reinforcing resilience of sites subject to floods and extreme weather events. Diversifying into lower carbon fuels and improving energy efficiency. Advocating for cleaner energy solutions.
	13.A	Support implementation of climate finance to developing countries.	
SDG 16: Peace, Justice and Strong Institutions	16.3	Promote the rule of law at the national and international levels.	Implement and promote strong compliance and ethical safeguards across our value chain in line with OECD and UN Global Compact standards. Implementing the voluntary principles on security and human rights.
	16.5	Reduce corruption and bribery in all their forms.	

Indirect

1 NO POVERTY — No Poverty

4 QUALITY EDUCATION — Quality Education

10 REDUCED INEQUALITIES — Reduced Inequalities

14 LIFE BELOW WATER — Life Below Water

15 LIFE ON LAND — Life on Land

Our products and services allow business to operate supporting: domestic jobs and wages at both higher and lower income levels; GVA and international trade contributing to economic development and reduction in poverty and inequalities. Our Foundation and CSR supports educational efforts, including in STEM, and we are committed to employing staff locally and increasing our partnerships with local base educational facilities. Our limited industrial footprint undertakes monitoring and prevention measures to avoid impact on life below water and on land. For example, we are one of a few organisations to monitor the coral reefs around our refinery in Papua New Guinea.

Our Approach to ESG continued

Materiality Analysis

In 2022, we engaged with our key stakeholders to create a materiality matrix which identified the most significant ESG issues that impact our business. This process supports the identification and assessment of material impacts, risks and opportunities. To this day, the results of the 2022 materiality assessment remain valid.

Our materiality assessment centred on three criteria: the importance of each issue to key internal and external stakeholders; the impact of each issue on Puma Energy's business; and Puma Energy's ability to act on each issue.

Every item on the materiality matrix holds importance for our business – representing themes prioritised through discussions with stakeholders rather than an exhaustive list. Through this assessment, 22 issues were identified as material to our business activities and strategic goals, and as fundamental to our four core pillars within our ESG framework.

Whilst a helpful exercise, it is important to emphasise that we have a very diverse set of stakeholders across the globe and various business segments. Therefore, ESG takes on different meanings to these stakeholders. We continue to see that for some the E (environment) in ESG is of prime importance, whilst for others there is particular focus on the S (social) side. Nonetheless, our stakeholders' input provided valuable insights resulting in strong guidance in the formulation of our ESG strategy.

Looking ahead to the preparation for the CSRD, Puma Energy is set to conduct a double-materiality assessment in 2024, expanding beyond traditional financial considerations to also evaluate our broader impact on the environment and society as a whole.

Energy Transition & Climate Change

Reducing GHG emissions and helping to drive the deployment of lower carbon fuels and renewable energy across the markets we serve.

Local Environment & Nature

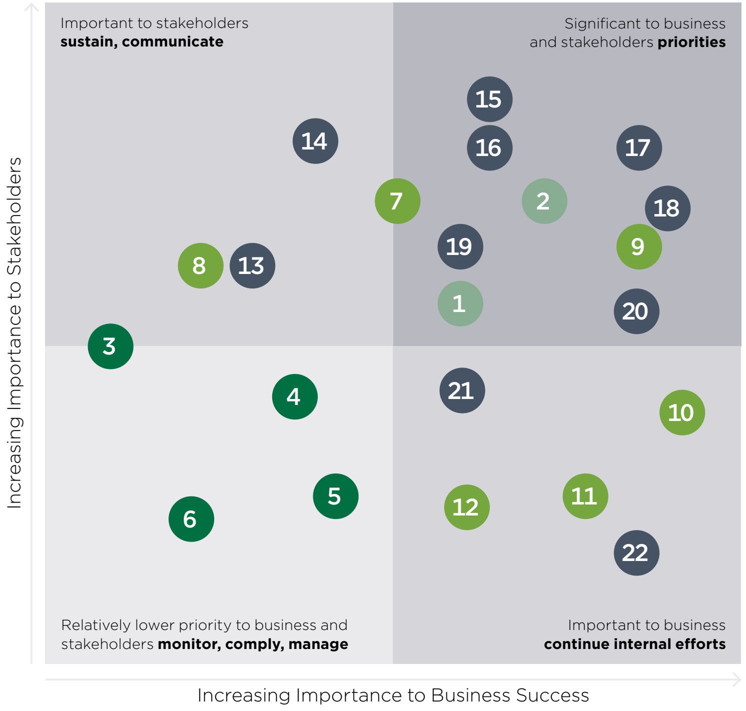
Taking steps to actively manage our environmental footprint.

People & Communities

Contributing to the development of employees and our host communities through investment in access to energy and locally initiated corporate social responsibility (CSR) projects.

Governance & Supply Chains

Adhering to the highest standards of business ethics and governance, and engaging with our supply chain.



1 Climate Change and Transition
2 GHG Emissions

3 Air Quality
4 Environmental Conservation and Biodiversity
5 Water and Wastewater Management
6 Waste and Hazardous Materials Management

7 Diversity, Inclusion and Equity
8 Freedom of Association and Collective Bargaining
9 Community Engagement
10 Talent Development
11 Employment Practices and Benefits
12 Customer Engagement

13 Responsible Value Chains
14 Transparency and Reporting
15 Crisis and Risk Management
16 Legal Compliance
17 Employee Health and Safety
18 Business Ethics
19 Product Quality and Price
20 Human Rights
21 Code of Conduct and Grievance Mechanisms
22 Data Privacy and Security

Energy Transition & Climate Change

Key Targets and Initiatives

- **Install solar panels across 300 Puma Energy-branded retail sites and fuel depots sites by the end of 2023.**
- **Reduce operational (Scope 1 and 2) GHG emissions by:**
  - **15 per cent by the end of 2025.**
  - **35 per cent by the end of 2032.**
  - **100 per cent by 2050 (Net Zero Ambition).**
- **Achieve 30 per cent of our EBITDA in Africa from low carbon fuels and renewable energy by the end of 2027.**

Strong Progress On Track
Needs Improvement Missed

We are committed to focus on initiatives that contribute to the adoption of low carbon and renewable energy solution to help mitigate climate change.

There are two key strands to our strategy:

- **Internally**: manage and reduce our own emissions (Scope 1 and 2).
- **Externally**: begin to take steps to diversify our products into low carbon fuels and renewable energy to reduce the GHG impact of our products and services.

Progress to Date

During 2023 we made progress against both strands of our above strategy.

- We achieved our 2023 target to solarise 300 of our Puma Energy-branded retail stations and will continue to solarise Puma Energy-branded retail sites going forward.
- We reduced our Scope 1 and 2 emissions to 178,818 tCO_2e, through mitigation efforts and a lower operational footprint in one of our refineries. In addition our GHG emission intensity remained flat vs baseline.
- Solar PV, industrial energy-efficiency retrofits and process improvements are all contributing to reducing our GHG emissions.
- GHG reduction targets: we have set more ambitious decarbonisation targets setting a medium-term operational GHG (Scope 1 and 2) reduction objective of 35 per cent by the end of 2032, on our way to longer-term operational net zero by 2050 ambition.
- Our 30 per cent Africa EBITDA target is starting to take shape, with significant planning and business development progress on which to address Scope 3 intensity.
- We took mitigation actions following fugitive emission surveys at our two refineries.

Energy Transition & Climate Change continued

Our Decarbonisation Journey

In our mission to decarbonise, we have defined firm and challenging milestones to achieve along the way:

A 15 per cent operational GHG reduction (Scope 1 and 2) by the end of 2025 is our immediate target. This important first step has given us good visibility of our emission footprint and the suite of opportunities and associated costs to reduce it.

Over the past year we undertook further analysis and set out a medium-term target to reduce operational emissions by 35 per cent by the end of 2032 and a long-term pathway to achieve operational net zero emissions by 2050. This represents an average annual reduction of roughly 3.5 per cent from our advanced baseline year of 2020 to 2050.

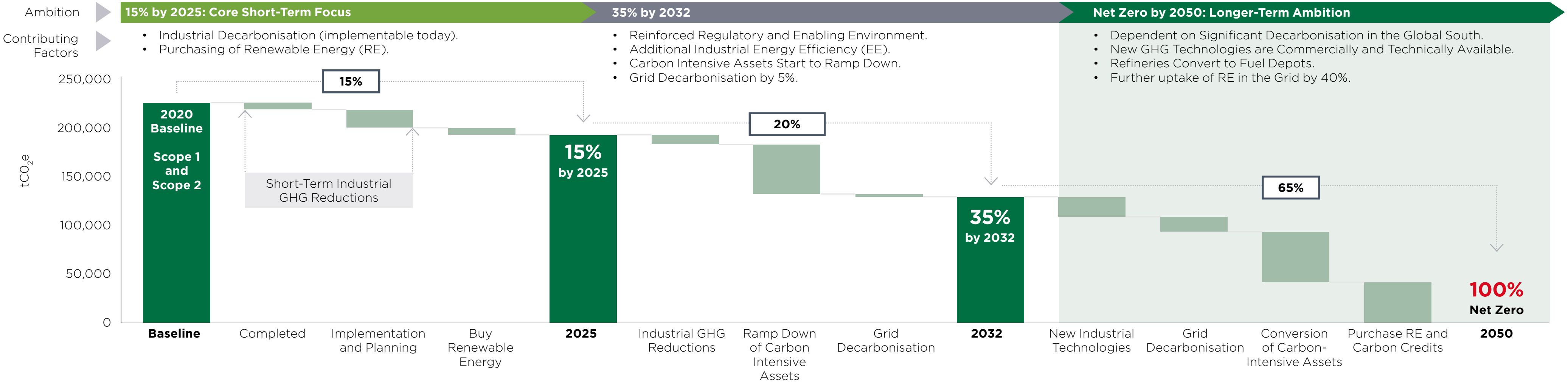
We see this as an ambitious, but nonetheless critical, target that sits alongside our commercial objectives. It is also predicated on a number of factors.

Internally, this includes identifying and deploying mitigation actions, including:

- industrial decarbonisation measures such as energy efficiency; purchase of new equipment; and operational control and process enhancements;
- an installation programme of solar PV;
- the purchase of electricity from renewable sources, where possible; and
- achieving important reductions as we ramp down and convert our carbon-intensive assets.

Externally, we expect a contribution to our targets from the gradual decarbonisation of local grids. Our medium- and longer-term targets will also be dependent on meaningful and accelerated global action, including in the global south. While we are determined and inspired to take action independently, we look to governments and regulators to raise their ambition and provide both an enabling environment and a level playing field to incentivise private sector action. Increased flows of climate finance are also crucial for many of the emerging markets in which we operate to enable the climate and energy transition.

Pathway to 2032 and Net Zero 2050 (Scope 1 and 2)



Energy Transition & Climate Change continued

Managing and Reducing Operational GHG Emissions

The first key area of meeting our target is to manage and reduce our operational (Scope 1 and 2) GHG footprint.

This needs a strong emphasis on understanding and managing our GHG footprint, and during the year we continued to refine our GHG inventory and accounting approach. This included verifying our 2020 baseline as well as our 2022 and 2023 emissions by an external third-party verifier (ERM CVS), and expanding the number of Scope 3 categories we report against.

As a downstream Company, our Scope 1 and 2 footprint of 178,818 tCO_2e in 2023 is relatively modest compared to major oil and gas companies. This is currently heavily weighted (see chart) to our two refineries; our terminals in Estonia and our bitumen operations in Spain, Australia and Malaysia. The fourth 'Other' category relates to our operationally controlled retail sites and wider terminals and depots.

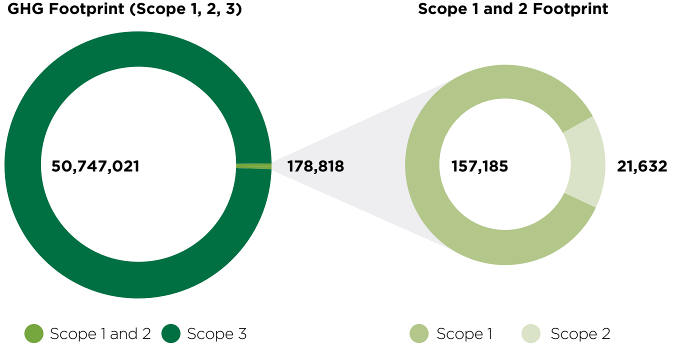
Our Scope 3 emissions in 2023 were c 50,747,021 tCO_2e – a 15% reduction vs baseline. Still, our Scope 3 emissions represent c 99 per cent of our total emission footprint. Most is linked to the combustion of our fuels, namely 'Scope 3 Category 11 Products Sold'.

Dynamism in our GHG Emission Data

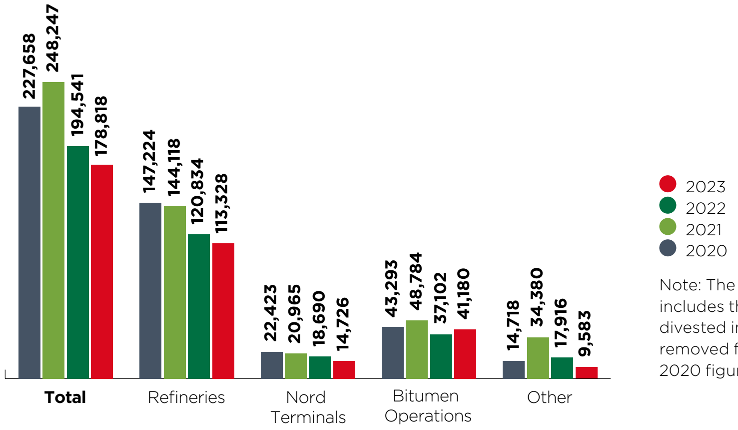
There are various factors that make our operational GHG footprint (Scope 1 and 2) vary year-on-year:

- Due to a significant turnaround in one of our refineries, and the start of Covid-19 and its staggered impact on national economic output, our 2020 baseline displays mixed operational outputs below our 'business as usual'.
- Our GHG footprint is heavily weighted to a fairly small number of sites. If market dynamics drive a key emitting site's activity up or down, this impacts our GHG emissions for the given year.
- In 2022 and 2023 we re-baselined our emission footprint due to the sale of infrastructure assets, impacting the relative weight of operational emissions.
- Lastly, GHG savings initiatives are helping to reduce our carbon footprint. However, most of 2023's reductions relative to 2020 were due to operational reductions in our refining operations and our Baltics terminals. In addition, our Scope 3 footprint decreased, mostly due to the decrease in sales volumes experienced in 2023.

Our Footprint and Main Emitting Assets



Breakdown of Scope 1 and 2 Across Key Emitting Sites and Years



Note: The 2021 'Other' figure includes the terminals that were divested in 2022 and 2023, and removed from the re-baselined 2020 figure.

Energy Transition & Climate Change continued

Managing and Reducing Operational GHG Emissions continued

Our GHG Data and Accounting Approach

The table below highlights our GHG footprint across our:

- Scope 1, which accounts for emissions from our refineries, owned vessels, local power generation and owned road transportation.
- Scope 2, which accounts for indirect emissions from our purchased energy consumption across our terminals, refineries, offices, aviation sites and depots, and Company-owned and operated (COCO) retail sites.
- Indirect Scope 3 value chain emissions, which includes seven out of the 15 Scope 3 categories. These have been selected on a materiality basis in line with the GHG protocol guidance.
- The Scope 1 and 2 intensity of volume sold, which identifies the Scope 1 and carbon intensity per volume (m^3) of products sold.

	2020	2021	2022	2023
Direct Operational Emissions: Scope 1 and 2 (tCO_2e)				
Scope 1	195,674	209,574	165,184	157,185
Scope 2	31,983	38,673	29,357	21,632
Subtotal Operational Emissions	**227,658**	**248,247**	**194,541**	**178,818**
Indirect Emissions Scope 3 (tCO_2e)				
Category 1	9,495,026	–	10,852,001	8,885,867
Category 3	64,644	65,419	44,070	39,876
Category 4	70,999	87,889	84,150	94,562
Category 6	777	–	2,112	4,707
Category 8	186,288	197,576	230,604	6,309
Category 11	49,582,881	53,116,406	45,808,800	41,658,361
Category 14	58,424	42,675	38,694	57,339
Subtotal Scope 3	59,459,039	53,509,965	57,060,431	50,747,021
Total GHG Emissions	**59,686,697**	**53,758,212**	**57,254,972**	**50,925,839**
Volume Sold Carbon Intensity (kg of CO_2e per m^3 of volume sold)				
Scope 1 and 2 Carbon Intensity	10.5	12.1	10.0	10.6

Totals may not add due to rounding

ERMCVS Informed Assured

In 2023 ERM CVS provided limited assurance on our GHG emissions, including our Scope 1, Scope 2 and total Scope 3 emissions for 2023 and our Scope 3 category 1 and category 6 emissions for 2020. Please see ERM CVS' independent assurance report on page 89.

GHG Accounting and Reporting Methodology

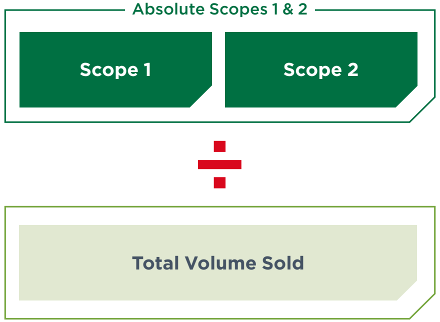
We continue to measure, monitor and report our GHG emissions footprint in line with the 'Puma Energy Greenhouse Gas Manual'.

Our reporting is carried out on a best-effort basis and in line with leading standards and approaches as follows:

- The 'Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard for our Scope 1 and 2 emissions.
- The GHG Protocol Corporate Value Chain Accounting and Reporting Standard for our Scope 3 emissions.
- Emission factors are sourced from a range of empirical sources including: The Global Logistics Emissions Council (GLEC); International Energy Agency (IEA); and, where needed, UK Government conversion factors.
- Estimations and assumptions:
  - Our Scope 1 and Scope 2 emissions are calculated under the 'operational control' approach, and Scope 2 emissions are calculated on a 'location-based' basis, unless 'market-based' emissions data is available.
  - We use primary data where it's available. However, in some of our developing markets there are constraints in the availability and quality of data. Where primary data is not available we use proxy data.
  - Relevant upstream and downstream emissions that do not fall in Scope 1 or Scope 2 are accounted for in our Scope 3 emissions.
  - Selection of which categories of Scope 3 emissions to account for and report is based upon their relevance to Puma Energy's operations and materiality assessments, as well as ease of reporting. This is carried out separately to our assessment of Scope 1 and Scope 2 emissions but follows the same consolidation approach of organisational boundaries as those defined for Scope 1 and Scope 2.
  - We may seek to expand the number of Scope 3 categories we report on in future years, noting Category 11 use of sold products constitutes our major source of reported Scope 3 emissions.

Product Carbon Intensity Methodology

We used the following methodology to calculate our product carbon intensity.



Energy Transition & Climate Change continued

Managing and Reducing Operational GHG Emissions continued

Progress on Reducing Our Operational GHG Footprint

Identifying Opportunities

In 2022 we set out a detailed GHG reduction programme to meet our short-term target: to reduce our operational emissions by 15 per cent by the end of 2025, relative to our 2020 baseline. This is key to identifying material emissions sources and solutions while aligning with the Company's timeframes for decisions and budget allocation.

We focused on the key emission sources across the business and identified over 30 interventions across our refineries in Nicaragua and Papua New Guinea, our bitumen operations in Australia and Spain, and terminals in Estonia.

The projects were assessed on impact, technical and commercial readiness, and NPV and payback metrics. For those projects with a negative NPV, we analysed the required theoretical carbon price to bring these specific initiatives to cost parity.

This portfolio of shorter-term reduction opportunities equates to c 33,000 tCO_2e, and a roughly US$15-20 million capex programme.

Approach and Hierarchy

We intend to adopt a hierarchical approach to meeting our targets and will primarily focus on:

1. **Industrial decarbonisation**: improving energy efficiency and reducing emissions across our industrial operations.
2. **Build out of renewable energy**: capital expenditure focused on solar power to decarbonise our operations.
3. **Procurement of renewable energy**: we will seek to procure electricity from renewable sources, where electricity regulators and suppliers offer Guarantees of Origin, with a particular focus on our energy-intensive facilities.
4. **Carbon credits**: where residual, hard-to-abate emissions cannot be avoided, we will aim to offset these via carbon credits.

Implementation Status

We are now in the process of implementing the first inventory of identified initiatives.

- Decarbonisation of our industrial operations: we have already completed a number of projects in our Nicaraguan refinery and Australian bitumen operations – such as reduced flaring and installing new heat exchangers, absorber towers and burner oxygen controls. In addition, we have a large inventory of projects that are in the process of being installed and in early design phases.
- Solar power: by the close of December 2023 we had deployed 300 solar projects. This includes our own retail operations and dealer-operated or franchise models. This represented around 15 per cent of the network, and with a combined capacity of 11.8 MWp. The knowledge we gain from our solar programme also enables us to offer our commercial and industrial customers their own low-carbon solar solutions.

Methane Emissions Outlook

We continue to examine our methane emission exposure. It is a gas with significantly higher short-term global warming potential compared with CO_2 and other gases.

In 2022 we started to review our methane emission footprint to take stock of potential sources of releases.

We first examined the theoretical methane share of our Scope 1 emissions, and, second, performed a bottom-up review of possible methane leaks arising from our use natural gas as a fuel and from industrial processes.

The first exercise looked into the fuel sources that fall into our Scope 1 emissions and identified a small theoretical methane footprint. We then reviewed our refineries, which is where methane emissions could arise, and to a lesser extent our bitumen operations where natural gas is used. This review confirmed that in the main any potential methane leaks are already actively managed, as they can pose safety risks.

Even so, we commissioned optical surveys across our two refineries. These identified a number of fugitive emissions and resulted in mitigation measures. See our Nicaragua survey case study on the right-hand side.

REDUCING GHG EMISSIONS AT OUR NICARAGUA REFINERY

Since 2022, Puma Energy's Manref Refinery in Managua, Nicaragua has been undergoing an important GHG reduction programme.

Early initiatives resulted in savings of 9,000 tCO_2e, through measures such as reduced flaring of tail gas, installing new heat exchangers and replacing pipes.

To achieve further reductions, a fugitive emissions study in 2023 used infrared cameras to help identify leaks, often invisible to the naked eye, in tanks, pipelines and facilities. This also limits the need for shutdowns to enable surveying.

This study revealed 98 minor leaks, resulting in 185 tonnes of emissions releases per year releases across methane, ethane, propane, butane, pentane, hexane and heptane. Of these, c 40 tonnes per year were methane-related. By summer 2023, the vast majority of these leaks had been prevented through valve replacements, plugs, improved tubing, seal maintenance and gasket replacements.

To stay ahead of any future leaks, we are implementing a periodic survey programme.

Energy Transition & Climate Change continued
Managing and Reducing Operational GHG Emissions continued

Energy Consumption

Puma Energy's energy consumption is heavily dominated by the energy demand of our operations, namely by our key main assets, such as the refineries, bitumen terminals and storage facilities. Natural gas and LPG account for a large share of energy mix to power our industrial operations.

Increasingly, we seek to use solar power across our sites, where it is technically and economically feasible. In 2023, we made great progress and closed the year with a total of 300 solarised Puma Energy-branded retail sites, depot sites and terminals, which is reflected in the increase of self-generated renewable energy in comparison to 2022. This is part of our plan to reduce our operational GHG emission footprint. We recognise that a lot more needs to be done, therefore going forward we are looking to solarise more stations.

The table below represents Puma Energy's 2023 energy consumption.

Energy Consumption in MWh

	2022	2023
Consumption of Fuel	838,728	711,829
Consumption of Electricity	53,451	45,125
Self-Generated Renewable Energy	1,234	16,121
Energy Intensity (kWh/m³)	45.88	45.72
Total Consumption	**893,413**	**773,075**

PUMA ENERGY JOINS COP28 OIL AND GAS DECARBONISATION CHARTER

Net Zero Emissions (Scopes 1 and 2) by

2050

Near-zero Upstream Methane Emissions

2030

Zero Gas Routine Flaring

2030

In December 2023, Puma Energy committed to the Oil and Gas Decarbonisation Charter, an initiative launched by the Presidency of COP28.

This initiative is endorsed by over 50 National and International Oil Companies at the COP28 Summit in the UAE and outlines key goals, including: achieving net zero emissions in Scopes 1 and 2 by 2050, near-zero upstream methane emissions by 2030 and zero gas routine flaring by 2030. Furthermore, all members are committed to monitor, publish and verify the progress in accordance with internationally recognised frameworks.

The Charter's commitment aligns with global decarbonisation efforts and underscores Puma Energy's dedication to reducing its operational environmental footprint.

Energy Transition & Climate Change continued

Lower Carbon Products and Services

The second key area of meeting our target is to expand our lower carbon fuels and energy product offering.

The significance of low carbon and renewable energy solutions in global efforts to mitigate climate change is indisputable. With projections indicating a substantial increase in energy demand across our markets, driven by demographic shifts and economic growth, we recognise the substantial potential and opportunity of low carbon and renewable energy within the context of the global climate and energy transition. While this remains a relatively new business line, we are intensifying our efforts to deploy renewable energy and low carbon fuels, which will form an essential part of future energy mixes, particularly in industrial and transportation transition pathways[1].

As a supplier of energy, we at Puma Energy have witnessed the ever-changing landscape of energy products and subsequently our and our customers' needs for diversified energy solutions. Within this setting, we identify strong potential for integrated fuel and solar power solutions, as well as LPG for clean cooking accessibility, which along with other products like Sustainable Aviation Fuel (SAF), lower carbon bitumen form our low carbon and renewable energy product range.

Our progress in lower carbon bitumen, the successful launch of our LPG business in Tanzania and Zambia, and ongoing solar pipeline development are a testament to our efforts. While our current emphasis lies on advancing our solar and LPG business, we are also gearing up for the future for SAF, driven by global policy. Furthermore, there is a growing need for natural gas solutions, particularly in the power and urban mobility sectors. This demand is partly propelled by governmental initiatives and supported by international organisations aiming to diversify energy mixes, lower grid carbon intensity, foster environmentally-friendly cities and boost industrial development.

Expanding Our Lower Carbon Fuel and Renewable energy Product Offering

	More Developed			Earlier Stages		
	Low Carbon Bitumen	**Solar Power**	**LPG**	**CNG/LNG**	**UCO**	**SAF**
Readiness	Immediate	Immediate	Immediate	Strong, but with longer lead times	Good, but with supply and price constraints	Good, but with supply and price constraints
Category	Sustainable road infrastructure	• Power: small to mid-scale projects • Integrated solutions	• Clean cooking • SME and Industrial applications	• Power generation • Mobility	Feedstock for biofuels	Biofuels for aviation
Impact Value Proposition	Captured CO_2 embodied in the road	Renewable energy (displace GHG from other sources) Energy access	• Displace coal • Reduce deforestation • Improved health	• Displace diesel/HFO with lower carbon fuel	• Circular feedstock • Displacing new feedstocks	Innovation; and reduce GHG footprint of aviation
Target Market	Public municipalities	Commercial and industrial (C&I) • Mining sector	Residential Commercial/B2B	Public transport utilities	Commercial/B2B	Commercial aviation

1 For example, see the IEA World Energy Outlook, DNV's Pathway to Net Zero, and regional outlooks such as the AfDB and IEA African energy outlooks, which highlight the need for growth in renewable power and lower carbon transition fuels to meet regional demand.

Energy Transition & Climate Change continued
Lower Carbon and Renewable energy Products continued

INSTALLING A MAJOR SOLAR PROJECT AT KARIBA MINES IN ZAMBIA

In July 2023 Puma Energy won a contract to install a 200 kWp solar power and battery system at the Kariba Minerals mine site.

Puma Energy will see the Company install, finance and operate the system for ten years.

The 940 m^2 solar power system will include 364 high-quality solar panels and generate 283 megawatt hours (MWh) of electricity annually. The solar energy generated will cost Kariba Minerals less than its current energy supply – and will offset much of the diesel required for the mine's current needs.

This new project coincided with Puma's refreshed ESG strategy and the goal to achieve 30 per cent of our EBITDA from renewable and lower carbon fuels in Africa by 2027.

PUMA ENERGY ACQUIRES ZAMBIAN LPG SUPPLIER OGAZ

This year, Puma Energy acquired the Zambian-based Liquid Petroleum Gas (LPG) supplier OGAZ. This acquisition aligns with Puma Energy's focus on core downstream markets and commitment to energising communities and providing lower carbon alternatives to traditional fuels.

LPG plays a vital role in the energy mix in Sub-Saharan Africa, where an estimated 970 million people lack access to clean cooking fuels and technologies according to the IEA. Many households rely on solid fuels such as wood and charcoal, or kerosene, leading to environmental and health hazards. The use of LPG in place of traditional fuels protects the community's health and is a more environmentally-friendly and lower carbon alternative than many of the alternative sources of fuel.

Local Environment & Nature

Key Targets and Initiatives

- Reinforce safeguards and environment management systems across high-risk sites.
- Baseline and manage water, and waste and non-GHG emissions.
- Achieve zero significant spills (L4 and Higher[1]).

Strong Progress · On Track · Needs Improvement · Missed

We fully recognise the threat that oil spills or point source pollution can pose to nature and, by extension, our local communities. We make no distinction between whether our sites are in urban or semi-urban locations, or close to areas of greater environmental sensitivity such as oceans, rivers and wider natural habitats. In any and every location we continue to place the strongest emphasis on managing and minimising this risk through our HSSE policies, training, management plans and mitigating actions.

1 Spills Above 8,000 litres.

Progress to Date

During 2023, we:

- Started to take steps to expand our environmental baselines, including water, hazardous and non-hazardous waste. We focused this exercise on our highest risk sites; namely, our refineries, terminals and fuel depots.
- Continued to maintain leading environment management standards and certifications at our highest-risk sites.
- Piloted the integration of high-risk Puma Energy sites within the Trafigura Group's environmental and social risk assessment software.

Environmental Risk Management

Over the last year, our emphasis remained on the management of environmental risks.

This involved taking first steps towards extending our environmental baselines and conducting inventory mapping for water consumption, as well as both hazardous and non-hazardous waste. These efforts are an extension of our continuous monitoring of terrestrial and marine ecology at high-risk sites.

Furthermore, we conducted studies on fugitive non-GHG emissions at our two refineries, analysing the extent of fugitive emissions and gaining a more detailed understanding of our methane leak footprint. Subsequently, we implemented various mitigating actions at both refineries. Our focus on implementing environmental best practices extends across our supply chain, where we have elevated expectations outlined in our supplier code of conduct and increased our engagement and initiatives to raise awareness.

Secondly, we enhanced collaboration with Trafigura and evaluated the environmental risk of our refineries using risk assessment software for social and environmental risk (TESSA) helping to assess sites against a number of metrics, including: biodiversity, cultural heritage, community impact, natural hazards and water resources. In the upcoming year we plan to continually refine and enhance our approaches across broader business areas.

Local Environment & Nature continued

ISO Certification – Environmental and Quality Control Management Systems

As of 2023, 54 per cent of our sites were ISO 9001 certified, 46 per cent held ISO 14001 certification and 85 per cent of our operations complied with API 650/653 standards, in line with country-specific regulatory requirements. For non-certified facilities we adhere to the Puma Environmental Management System (PEMS). To ensure compliance, our HSSE team conducts regular internal audits and on-site reviews.

Our fuel tanks are designed to local and/or API standards, and incorporate appropriate environmental abatement technologies such as floating roofs and vapour recovery units. Furthermore, we actively minimise flaring at our refineries by recovering hydrocarbon gases to the fullest extent possible.

Environmental and Quality Certifications and Systems Across our Sites

	ISO 9001 CERTIFIED	ISO 14001 CERTIFIED	API 650/653 Compliant	PUMA EMS
2023				
Number of Accredited Sites	46	39	72	85
Percentage of Accredited Sites	54%	46%	85%	100%
2022				
Number of Accredited Sites	43	36	72	85
Percentage of Accredited Sites	51%	44%	85%	100%
2021				
Number of Accredited Sites	73	67	N/A	N/A
Percentage of Accredited Sites	43%	40%	N/A	N/A

Oil Spills

We monitor, record and report all spills that occur. Spills are reported to relevant regulatory authorities as per jurisdictional legislative requirements. At Puma Energy, spills above 8,000 litres (approximately 50 BBLs) are considered high severity.

In 2023 we reported 28 spills of greater than 160 litres were recorded, the same number recorded in 2022. In 2023, three high severity spills were reported by Puma Energy's transport operations and contracted transportation providers. This represents a 50 per cent decrease year-on-year.

By clearly identifying measurable site spills, we are able to investigate and identify potential improvements within our systems that can be implemented to ensure prevention of future occurrences.

Traffic accidents present the largest exposure to significant spills. We are therefore working closely with our internal transport operations and our transportation providers to ensure implementation of relevant standards of training, appropriate procedures and monitoring systems, to minimise potential risk at every stage of loading, transport and delivery of our products.

Oil Spills Data

Item	2020	2021	2022	2023
Number of Spills Above 8,000 Litres	6	5	6	**3**
Number of Spills Above 160 Litres at Puma Energy Sites and on Roads	36	38	28	**28**
Litres Released to the Environment	124,379	48, 887	82,484	**66,768**

Local Environment & Nature continued

Water, Waste and Non-GHG Emissions

In 2023, we took steps to expand our environmental baselines for water and hazardous and non-hazardous waste, in alignment with our ambition to build on our environmental baselines and to establish the necessary cadence of collecting and reporting data.

As a general observation based on our work so far, quality, frequency and granularity of data availability displays great variability and depends on the jurisdiction and type of asset. Due to this, we focused on internally aligning the methodology across our sites to improve the accuracy of the data collected. While we acknowledge the ongoing need for refinement in data accuracy, our focus in the upcoming year will centre on implementing the methodology consistently across sites, marking a significant stride toward enhancing the coverage of our environmental baseline. Therefore, we include our initial water consumption estimates for our highest risk sites, namely our refineries, terminals and fuel depots that are subject to change, whilst we continue to improve accuracy of our waste data.

Initial Estimated Resource Consumption

Item	Unit	2022
Water Consumption	m^3	**793,873**

Notes: This data represent initial figures across our core downstream infrastructure assets (eg terminals, storage facilities and refineries).

Air Quality and Non-GHG Emissions

In preparation for the disclosure in alignment with CSRD, in 2023 we contracted an external third party specialist to conduct an initial Air Quality Materiality Assessment to baseline and identify key emission sources of air pollutant and non-greenhouse gas emissions within our operations. This assessment was conducted in accordance with Stockholm Environment Institute (SEI) guidance and EMEP/EEA air pollutant Emission Inventory Guidebook 2019, looking at various pollutants of interest, including: NOX, SO2, CO, PM2.5, PM10, black carbon, organic carbon, non-methane volatile organic compounds and ammonia. The below table represents a first high-level overview of Puma Energy operations' key air pollutant and non-GHG emissions from main emitting sources, based on our 2022 data. Going forward, we will work on further refining this assessment, to monitor our non-GHG emissions. This analysis represents the first step in informing our future reporting disclosures under CSRD.

Air Quality and Non-GHG Emissions

in tonnes per year

Asset Type	NO_x	SO_2	CO	PM10	PM2.5	BC	NMVOCs	NH3
Puma Offices and Fleet	20.9	4.3	65.6	1.8	1.7	0.7	7.0	0.3
Refineries	1.3	1.6	0.5	0.2	0.2	0.1	0.1	0.0
Depots	1.2	3.3	0.3	0.4	0.4	0.1	0.0	0.0
Terminals	98.1	56.9	45.3	8.5	7.3	1.2	22.3	0.1

Conducted by ERM CVS.

ENVIRONMENTAL CONSERVATION IN PUERTO RICO – PARTNERSHIP WITH CORREDOR DEL YAGUAZO

Just a few miles from the Puma Energy facility in San Juan, Puerto Rico lies the largest urban wetland in the area. Ciénaga Las Cucharillas is a nature reserve consisting of a territorial extension of approximately 1,236 acres of land.

El Corredor del Yaguazo is responsible for the reserve's conservation, reforestation and restoration, and since 2015 the Company has invested US$100,000 to assist these efforts by planting an additional 15,000 trees in the southern extension of the reserve.

This effort improves biodiversity and flood control in the lower parts of Ciénaga Las Cucharillas and its surrounding communities.

Our People & Communities

Key Targets and Initiatives

- Talent development and local excellence.
  - Invest in employee wellbeing and skills.
  - 95 per cent of recruitment from local talent, including from our graduate programme.
- Improve access to clean cooking across Africa with an additional one million LPG cylinders by the end of 2027[1].
- Invest in high-impact community projects through our CSR initiatives.
- Health and Safety (H&S): zero workplace fatalities.

Strong Progress | On Track | Needs Improvement | Missed

Puma Energy operates in 37 countries and we contribute to socio-economic prosperity in a number of ways:

- By creating and sustaining thousands of jobs directly and indirectly.
- Through our energy solutions, we fuel businesses, factories, transport and trade, and mobilise nations' customers and workers.
- Through our social investments in our surrounding communities.

Puma Energy is a global community, bringing together the talents of people from 72 different nations. Our business success comes from their passion, creativity and hard work, and our approach to their wellbeing, opportunities and rewards.

Beyond the energy that our products and services provide, our own CSR programme and that of the Puma Energy Foundation enables us to expand the scope of our social impact into important community projects.

1 Target was restated due to divestment of Senegal operations.

Progress to Date

- 92 per cent of our workforce are employed locally.
- Continued to build on the Puma Graduate Programme, internships and Puma Commercial Assessment Programme (PCAP) (for mid-level professionals).
- Continued to drive a strong 'speak-up' (whistleblowing) culture.
- Launched new LPG opportunities, which provides cleaner and more reliable energy than many of the alternatives available today, which in particular supports marginalised communities.
- Expanded our youth-focused road safety campaigns and continued to implement a wide variety of CSR initiatives.

Our People & Communities continued

People

2023 was a year of evolution in our approach to creating a great place to work, a place to grow and develop, and a place firmly focused on delivering value for the business and its people alike.

Building on plans laid in 2022, we have continued to test and refine our approach, becoming ever-more sophisticated in how we hire, train and reward.

Around the world we are roughly 3,800-strong, as well as providing indirect employment through our contractors and dealer networks. And while our approach flexes with local conditions and needs, our values bring a uniform character to who we are.

Recruiting, Training and Retaining Talent

The Company's workforce is a healthy mix of home-grown talent we have advanced and developed, external hires who bring fresh perspectives and experiences, including from other sectors and fresh graduates.

We offer the chance to build careers, with exposure to different roles and, potentially, international opportunities as well.

- **The Puma Commercial Assessment Programme (PCAP)** was launched in Africa in 2022, followed by its roll-out in our Asia Pacific region in 2023. The concept is designed to attract mid-level professionals, regardless of their current sector, who can bring their skills and experiences to a fresh challenge with us. This could lie in a variety of our business segments, such as retail, the supply chain, general management, B2B, finance and future energies.

- **Future Leadership Programme.** With significant structural changes to the business in recent years, Puma Energy has created many opportunities for high-potential people. Many of these professionals are early in their career and may not have had relevant leadership experience.

- **Graduate Programme.** This is a locally-based initiative which offers graduates starting out in the world of work the opportunity to experience the contrasting business segments that make up our Company. Over a 12-month period, they rotate across the supply, operations and retail sides of the business. This gives them a broadly-based induction, and at the close of the year they present a formal business case to us. The successful candidates are then offered full-time roles. 18 graduates joined us in 2023 this way.

- **Internships.** The Company also runs an internship programme for recent college graduates to experience working with Puma Energy first-hand. The programme gave 13 young people valuable experience of our working environment and the vibrant energy sector.

- **Learning Week Programme.** The Learning Week Programme is a learning opportunity for young professionals looking to become effective managers. This programme spans resilience training, leadership reflection through our insights programme and other skills that will foster effective management skills. This programme has been conducted in India, South Africa and Papua New Guinea with a roadmap to cover all Puma countries.

Shaped by our Values

Regardless of where we work or the role we perform, we bring four clear values to what we do:

- **We work as a team.** Puma Energy is entrepreneurial in spirit, flat in structure and we succeed together.

- **We work with integrity.** We have zero tolerance of illegality and non-compliance. We treat each other fairly, respectfully and offer equal opportunities to everyone. And if something is wrong, we encourage anyone to speak up, anonymously if needed.

- **We are accountable.** We take ownership and pride in our own contribution to our teams and the business as a whole.

- **We work hard.** We bring our full energy to work and keep our objectives firmly in sight. The business is a meritocracy and, at every level, compensation is linked to rewarding good work.

Our People & Communities continued

People continued

Diversity and Inclusion

At Puma Energy, diversity is core to our organisation. We believe that diversity enriches our workforce, fosters innovation and reflects the global communities we serve. We are dedicated to ensuring that everyone, regardless of their background, has an equal opportunity to thrive within our Company. Since 2020, our workforce gender diversity has increased steadily, reaching 26 per cent by 2023, as more women enter the workforce in the markets we operate. To date, 92 per cent of our workforce is hired locally.

We recognise that the perception of barriers to entry in certain industries can deter talented individuals from pursuing careers within those fields. At Puma Energy, we are committed to breaking down these barriers and ensuring that a lack of industry understanding does not impede anyone's chances of joining our team.

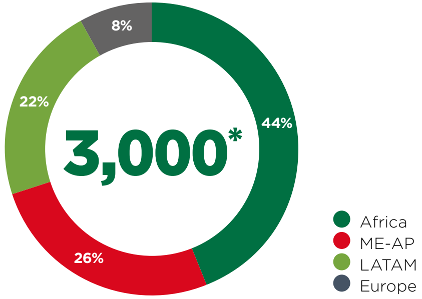
To address this concern, we actively organise career fairs and industry information sharing events. These initiatives serve as platforms to educate potential candidates about the numerous opportunities available within our organisation and the broader energy industry. By providing access to valuable insights and resources, we empower individuals to make informed decisions about their careers.

We believe in hiring and promoting individuals based on their merits. Therefore, we take proactive measures to ensure a diverse pool of candidates that are high-potential individuals. By attracting a wide range of talents, backgrounds and experiences, this translates in the recruitment process into dynamic, diverse and inclusive work environment that benefits everyone.

We are dedicated to fostering a workplace where everyone feels welcome, valued and empowered to reach their full potential. Through career fairs, industry information sharing and our merit-based approach, we are working diligently to ensure that diversity thrives within our organisation and that opportunities are accessible to all.

Breadth of Geographic and Employment Opportunities

Employee Head Count by Region



Nationalities
72

To date
92%
of our workforce is hired locally

* Without contingent workers.

Our Workforce in Numbers

Item	2020	2021	2022	2023
Employee Profile				
Number of employees (with contingent workers)	5,600	4,300	3,700	**3,800**
Number of employees (without contingent workers)	4,600	3,600	2,900	**3,000**
% Staff locally hired	N/A	90%	93%	**92%**
% of senior management hired from local community	N/A	N/A	N/A	**61%**
% of employees under 30	15%	14%	14%	**15%**
% of employees 30-50	72%	70%	71%	**68%**
% of employees over 50	13%	16%	15%	**17%**
Industrial and Office Workers				
% Industrial workers	N/A	42%	44%	**40%**
% Office workers	N/A	58%	56%	**60%**
Employee Gender Diversity				
% Male	78%	76%	75%	**74%**
% Female	22%	24%	25%	**26%**
Middle and Senior Management Diversity				
% Male	82%	76%	76%	**77%**
% Female	18%	24%	24%	**23%**
Learning and Development				
Hours invested in learning and development	N/A	79,000	67,000	**73,000**
US$ invested in learning and development	1,430,000	1,300,000	590,000	**600,000**
Fair and Respectful Employment				
Number of complaints filed through channels for workers to raise concerns (including grievance mechanisms)	38	57	106	119

Accompanying notes:

- Employee figures are rounded to the nearest hundred.
- 2022 data was adjusted to reflect headcount at the end of the year.
- The 2020 figures reported employee headcount from the start of the year and not the end of the year. The figures have been readjusted to reflect this change and lower headcount.
- Reduction in employee numbers can be largely attributed to the strategic pivot and revamp of the business, which include the divestment and reduction in workforce across our infrastructure division.
- The number of complaints was lower in 2020 and 2021 largely due to different operating conditions experienced during the Covid-19 pandemic.
- Definition of 'senior management', 'local' and 'significant operations'.

Our People & Communities continued
People continued

Engaging with Our People
We believe that well-informed, fully-engaged people are more motivated and better equipped to achieve the success we all want to deliver. Of course, this works both ways: the Company also needs to receive direct and honest feedback, and we therefore provide a host of channels and mechanisms to communicate everything from ideas and issues to concerns and whistleblowing.

This free-flow of communication takes many forms, including: updates through a written forum; online townhalls with senior leadership team; quickfire business updates from colleagues at every level; and face-to-face meetings to deliver news of significant changes and appointments.

Everyone who works with us has the right to be represented by a trade union, and approximately 18 per cent of our employees worldwide exercise this right. We are proud, however, that a significant majority feel that their voices are already heard.

Naturally, everyone at Puma Energy is entitled to be treated with respect, and their human rights fully observed. We do not tolerate discrimination, harassment, bullying or modern slavery of any kind, and every team member undergoes compulsory training to ensure that they fully understand what we expect of them.

2024 Agenda
Our people agenda for 2024 remains the same: to attract good people and to enhance our standing as an employer of choice.

During the year we will:
- Embark on an ambitious Learning and Development Programme called ‘International Certification Framework’ (ICF) that will touch all areas of the business facilitating career development and upskilling of the Puma Workforce.
- Expand the PCAP programme from Africa, Asia and now into Latin America.
- Launch our new Future Leaders Programme designed for the sourcing and assessment of non-commercial functions such as finance and HSSE.

We seek to be an agile, thoughtful employer, providing meaningful work, a safe workplace, opportunities to grow and rewards for good performance.

Our People & Communities continued

Our Workers and Contractors in the Value Chain

We see our working culture as being one of collaborative entrepreneurship.

We work and learn with each other, whether that's our direct employees or the contractors and suppliers we bring into the supply chain.

Puma Energy is a widespread employer, with our main employment focused across Latin America, Africa and Asia Pacific. This includes careers in a range of sub-sectors and working environments: from engineers in our terminals and industrial operations; to energy traders; to retail managers and forecourt workers; and a range of specialised staff in corporate functions.

We employ approximately 3,000 people (or 3,800 including contingent workers). In addition, the Company generates a strong indirect employment multiplier across our contractors, as well as across our entire value chain. Compared with 2022, our headcount in 2023 increased around 3 per cent driven by the creation of new employment opportunities.

In 2024, we will seek to build our workforce with additional talent at every level, and strengthen and widen our capabilities through our learning and development programme. This includes, as ever, reinforcing a culture of safety and wellbeing at every level and every role in the business.

Working Conditions

We believe that creating a well-informed, safe, well-trained and fairly paid workforce is the right way to treat our colleagues. It is also better for our business. Our aim is to protect and empower our workforce, our value chain stakeholders and the wider community.

Secure and Safe Employment

We have a strong workforce base, comprising both permanent workers and contractors with secure and safe employment, social protection, competitive remuneration, learning and development, and a focused safety culture.

Working Time, Work/Life Balance and Fair Wages

As a baseline, we align with national employment practices and standards. Naturally, individual conditions will differ with roles: many will work on shift and rotational rosters while others on our forecourts and in offices work on standard single-shifts. We pay fairly and recognise that work/life balance is important for wellbeing, and have expanded our global work-from-home policy and employee social engagements.

Employee Engagement

We place a strong emphasis on a free-flow of information and open dialogue with our direct and indirect colleagues, suppliers and customers. We have therefore significantly increased communication through our local offices and corporate channels, including: via periodic team engagements; promoting an 'open door' policy; weekly newsletters; and regular virtual town halls.

We also promote a 'speak-up' culture, raise awareness of our grievance mechanisms, and regularly engage with our teams to listen, learn and provide feedback. Outside the business, we also welcome employee-led initiatives and have revitalised our CSR programmes.

Freedom of Association and Collective Bargaining

Approximately 18 per cent of our employees choose to associate with a union, with the largest proportion being in Africa. This is a freedom we respect, whether with a formal union body or any internal employee forums.

We have a strong and open relationship with unions. We work actively together, and through regular discussion we have significantly improved the strength and depth of our industrial relations.

Our People & Communities continued

Our Workers and Contractors in the Value Chain continued

Equal Opportunities and Training

Recruitment and Retaining Talent

We believe that talent can come from any background, anywhere, and a key component of our strategy is to attract, nurture and reward it.

We are investing to give our people professional and personal training to fulfil their potential. We also provide opportunities for high-performing individuals from diverse backgrounds. In particular, we have created opportunities for internal promotion and to recruit locally from the markets in which we operate.

Our core programmes thrived in 2023:

- The Puma Graduate Programme, launched in 2022, offers fresh graduates a one-year rotational scheme across the business, with rotations in supply, operations and retail functions.
- The Puma Commercial Assessment Programme, for mid-level professionals from all industries and locations, who are looking for a new challenge.

We also built on our partnerships with educational organisations and facilitated a number of digital career fairs that helped to attract candidates for a range of roles at Puma Energy.

Training and Skills Development

In 2022, we reviewed and revamped our global learning and development programme.

Following a review in 2022, all our training in 2023 was fully-aligned with our commercial strategy with particular emphasis on the most significant issues including commercial, HSSE, compliance and future energy topics.

Employee and Human Rights

Human Rights

As part of our ESG commitments, we have a robust policy approach to defending human rights, including prohibiting modern slavery, discrimination and bullying.

This is embedded into our induction programme for new joiners, as well as mandatory training for everyone in our business. During the year we continued to align with the Voluntary Principles on Security and Human Rights, with the aim of full alignment by the end of 2024. We also adopt best practice standards from the International Labour Organisation and the UN Guiding Principles on Business and Human Rights.

Measures Against Violence and Harassment in the Workplace

We actively encourage all employees and external parties to report suspected breaches of compliance or other grievances. Our Speak-Up hotline is open 24/7 and operates in every language spoken at Puma Energy, to discuss sensitive issues with a non-related third party in confidence. Our 'no retaliation' policy also ensures that employees can report concerns without fear of adverse consequences.

Child and Forced Labour

Puma Energy forbids any form of child or forced labour, or any other form of human trafficking – either directly or through our contracted workforce. We also require our suppliers to adhere to our Supplier Code of Conduct, which holds them responsible for any breach.

Privacy

Puma Energy commits to safeguarding the personal information it holds relating to employees and to take all reasonable steps to protect it against unauthorised access, disclosure or loss.

Any data collection, storage and use of personal information is carried out in strict compliance to applicable laws.

Our People & Communities continued

Health, Safety and Security

The safety and wellbeing of our people and the communities we work in is one of Puma Energy's highest priorities.

Health and safety is an essential part of the way we approach everything we do. We strive to embed health and safety in all organisational aspects, focusing on our operational practices, road transportation activities, training and development, and our assurance programmes.

Our people recognise the importance of executing their work activities safely and are responsible for their own safety and that of their colleagues and members of their communities.

Our leaders are continuously working on improving health and safety and ensuring that all our workers operate in line with the requirements of the HSSE Management System. We also expect our business partners, suppliers and contractors to implement high health and safety standards such that we apply to ourselves.

Our 2023 Performance

Based on our organisation's guiding principle and ambition of 'Zero Harm', our performance for 2023 indicates that there is room for improvement. In 2023, our Lost-Time Frequency Rate (LTIFR) was 0.91 injuries per million hours worked, compared to 0.25 in 2022. Regrettably, a contractor has lost their life in the process of conducting work for Puma Energy in our African region. Incidents such as these affect our organisation deeply and we are determined to learn from such events and communicate learnt lessons throughout the organisation to ensure we are able to effectively prevent similar occurrences in the future.

We have aligned reporting with the widely-accepted IOGP standard – Safety Data Reporting User Guide: Scope and Definitions (2023). This allows for improved data quality and the ability to benchmark with our industry peers, compare our safety performance across our organisational workplaces and further provide information on the effectiveness of our HSSE strategic initiatives. The main difference in how we will report is related to third-party contractors that are not under our direct supervision, control or management.

Health and Safety Metrics

Item	2019	2020	2021	2022	2023
Wokplace Fatalities (employees and contractors)	0	0	0	1	1
Employees and Contractors Lost-Time Injury Frequency Rate (LTIFR)	N/A	0.8	0.15	0.25	0.91
In-house HSSE Training hours	N/A	N/A	N/A	40,000	21,000
Percentage of VPSHR audits carried out at security contractors for sites we operationally control	N/A	N/A	N/A	N/A	59%

LTIFR metric is determined using only work hours for our employees and contractors under our supervision. Historic figures were adjusted accordingly.

Embedding a Health and Safety Culture

Our Health, Safety, Security and Environment (HSSE) Policy and underpinning Management System, reflect our responsibilities and objectives to support our activities in delivering our commitments to our customers, stakeholders and communities.

Our sites are compliant to our internal HSSE Management System. This is verified through our internal assurance programme.

Our safety performance is continually reviewed, through our established HSSE Governance structure. Our HSSE Committee, chaired by our CEO and attended by Executive Committee members and other key leaders, meets monthly to discuss our ongoing HSSE performance and discuss lessons to be learnt from high-severity events (incidents and near-misses) and monitor progress of key HSSE-focused programmes.

Our People & Communities continued

Health, Safety and Security continued

Enhancing Our Road Safety

In many countries we operate, road safety remains one of highest risks. To mitigate this, we have chosen to align with industry best practice and commenced implementation of In Vehicle Monitoring System (IVMS) technology in transport vehicles. Information collected through these devices, supports our strategic initiatives and awareness programmes to proactively and effectively manage unsafe driver behaviour and further safeguard our communities. In 2023 we commenced implementation of IVMS technology across our transportation providers in eight African countries. In 2024 we aim to expand IVMS roll-out into other African markets, while also proactively managing unsafe driver behaviour to foster a safe driving culture.

The implementation of these systems will continue into 2026 to cover all our global operations to facilitate the realisation of benefits such as to:

- Enhance and protect driver, health, safety and wellbeing.
- Reduce high-potential, catastrophic, major or serious accidents that may result in fatalities or permanent disability (driver or member of the public) or major spills with environmental impacts.
- Reduce fuel consumption and environmental emissions through effective journey management.

Building on Our Health, Safety and Security

Moving into 2024 we will continue our work in protecting the health and wellbeing of our people. To achieve this, in 2023 we commenced the strengthening of our HSSE function by appointing a new Global Head of HSSE. This ensures our strategic influence on HSSE initiatives within all our business operations and a consistent global HSSE approach.

Furthermore, through our active operational engagement with our workers (Bottom Up), meaningful HSSE initiatives have been established that will enable the realisation of our vision to 'empower and develop our people to be influential Health, Safety, Security and Environmental (HSSE) leaders that energise our communities'. Supported by the Puma Energy Executive Committee (Top Down), our three-year Global HSSE Strategy will be deployed with focus on impacts across leadership, people and capability, effective risk management and standardised HSSE governance.

Our People & Communities continued

Supporting Our Communities Through CSR and the Puma Energy Foundation

Puma Energy's purpose is to energise communities. We do this literally in the form of providing energy, and through the jobs, growth and social impact we create for communities.

Beyond our business activities, we create social impact in two ways:

- Puma Energy invests directly in communities and projects in accordance with our Corporate Social Responsibility Framework.
- We also support the Puma Energy Foundation, which is independent of the Company. It provides funding and expertise to high-impact organisations that deliver long-term projects around the world.

Corporate Social Responsibility

CSR Framework

Puma Energy's direct support for projects in the communities in which we operate is guided by the five areas of our CSR framework. Examples of our CSR efforts under our framework can be found in the CSR initiative table.

Area Number 1: Road Safety

Road safety is a priority for Puma Energy as our business relies on the safe and timely delivery of products across our network. Furthermore, we want all our customer and people living in the communities we serve to travel safely. At the same time, road safety is a particularly acute problem in many of our markets, making it a priority for us to create real impact.

Our #BePumaSafe campaign is aimed at our own employees and contractors as well as the communities we serve. We work with schools and others to raise awareness of key road safety issues. Our #BeRoadSafe programme is a good example of this commitment in action.

Area Number 2: Environmental Conservation

We are committed to conserving, protecting and enhancing the environment in the countries we operate in and actively contribute to several initiatives ranging from environmental education to protection and restoration. Just one example is our support for Corredor del Yaguazo – for more, see the case study on page 57.

Area Number 3: Youth Empowerment

We allocate resources to training programmes, internships and apprenticeships, emphasising skills crucial to Puma Energy's business or addressing specific educational gaps in local communities. These initiatives not only enhance individuals' and communities' wellbeing but also contribute to Puma Energy's success by expanding the pool of skilled individuals and fostering community development.

Area Number 4: Community Development

Aligned with our commitment to energise communities, we endorse various projects aimed at strengthening communities, spanning from schools to health centre outreach initiatives. For instance, in Nicaragua, Puma Energy backs APROQUEN, the only documented burns prevention education programme in Latin America. And in Zambia, our rural station programme is making a positive impact in the community. (See Africa section on page 29.)

Area Number 5: Emergency First Response

Apart from our responsibility to guarantee a secure supply, during natural disasters we actively contribute to relief endeavours within the communities where we operate. This assistance is offered as needed, responding to natural disasters or emergencies in those specific communities.

One example was our support behind the humanitarian response to Cyclone Freddy in Malawi and Mozambique where our facilities in Blantyre Chileka Airport were instrumental in supporting the relief effort.

Examples of Initiatives and Programmes

Area	Initiative	Geography
Road Safety	Be Road Safe Campaign	Botswana/Tanzania
	Road Safety School initiative – Orban Pre-Primary School	Namibia
Environmental Conservation	Safety Desert Elephants, Elephant Conservation	Namibia
	Environmental Conservation Partnership with Corredor del Yaguazo	Puerto Rico
Youth Empowerment	Summer programmes offering educational, artistic, recreational, sports and community service activities for kids from five to 18 years of age	Puerto Rico
	Youth Graduate Training Programme	Tanzania
Community Development	Rural Station Programme (see Africa page 31 for more detail)	Zambia
	Farmer Community Support	Namibia
Emergency First Response	Cyclone Freddy Relief	Malawi, Mozambique

Our People & Communities continued
Supporting Our Communities through CSR and the Puma Energy Foundation continued

ROAD SAFETY IN AFRICA – PARTNERSHIP WITH AMEND

BE ROAD SAFE

In 2023, Puma Energy, in partnership with the Road Safety NGO Amend, rolled out a road safety campaign specifically targeting young people in Tanzania and Botswana.

Together with Amend, Puma Energy is investing in initiatives such as road safety lessons for primary school children, the establishment of be safe clubs, road safety competitions and other programmes aimed at promoting road safety.

Puma Energy Tanzania has been engaged in collaborative efforts with Amend for several years. We plan to expand these efforts across other markets in Africa, and to build further upon the existing work, which has already benefited over 100 primary schools and impacted more than 100,000 children in various regions of Tanzania through seven distinct safety projects.

Our People & Communities continued

Supporting Our Communities through CSR and the Puma Energy Foundation continued

In 2023, Puma Energy was proud to support the Puma Energy Foundation in its work to improve livelihoods and make a meaningful change to people's lives.

Although we share a name, the Puma Energy Foundation stands independently of the Company. Established in 2013, the Foundation pursues its mission by supporting programmes in three focus areas: fair and sustainable employment, clean and safe logistics, and community care.

During 2023, the Company supported the Foundation with funds totalling US$1,000,000, which in turn was used to energise a range of social impact projects.

These Include:

- **Solar Sister, Tanzania:** women's entrepreneurship and access to solar energy for last-mile communities. The project will support 325 Solar Sister Entrepreneurs with training and access to credit across 22 regions in Tanzania. The aim is for 50 per cent of participating entrepreneurs to double their renewable energy sales, leading to 60,000 renewable energy products sold.
- **Barefoot College International, Guatemala**: women's empowerment and access to electricity for remote communities. By working with indigenous female leaders, we expect to support the electrification of 600 homes, replacing unhealthy and high-carbon sources of energy such as kerosene and firewood.
- **Conexion, El Salvador:** youth employability in the IT sector. The Foundation is investing in eight bootcamps for 240 vulnerable young people, half of whom are female.
- **Young Africa International, Mozambique:** youth employability in the solar energy sector in region where conflict has disrupted livelihoods.

In 2024 and beyond, the Foundation will pursue a two-pronged strategy focusing on:

- **Road Safety.** Every year more than 1.3 million people are killed in road traffic accidents. 93 per cent of fatal road accidents happen in low- and middle-income countries. The Foundation will fund organisations who drive road safety education, safe mobility solutions and behavioural change.
- **Clean Cooking.** One in ten people globally have no access to electricity and burn highly-polluting and dangerous fuels indoors to cook and keep warm. Stoves burning renewable energy could save the lives of 800,000 children alone. The Foundation will support by providing clean solutions, awareness-raising and microfinance. In addition, they will assist with taking solar power to remote health clinics, maternity wards and operating rooms.

PUMA ENERGY FOUNDATION

Governance and Supply Chains

Key Targets and Initiatives

- 100 per cent employee participation in our mandatory anti-bribery and corruption training bi-annually.
- Continue to embed responsible governance, risk and compliance frameworks across the business.
- Drive value chain sustainability through engagement with major suppliers and customers.
- Alignment with the Voluntary Principles on Security and Human Rights by the end of 2024.

Strong Progress | On Track
Needs Improvement | Missed

Our business ethics sit at the core of every business decision and action we take. In 2023, we continued to solidify and embed our policies and procedures.

As part of this, we have reinforced our ESG Governance structures and extended our impact across our value chain. Puma Energy has zero tolerance to bribery, corruption and money laundering, and we continue to place a strong focus on our corporate culture and the underlying policies governing our business conduct.

Progress to Date

- Provided information sessions on ESG-related topics, such as CSRD, ESG and greenwashing risk to the Board.
- Integrated best practice approaches to business conduct, compliance, risk and ethics. This includes investigating irregularities and unlawful or unacceptable behaviour, reported through our grievance and whistleblowing mechanisms and other channels.
- Increased our transparency related to government or state-owned enterprise payments with our data reported at parent Trafigura Group-level.
- Furthered our training on compliance, including anti-bribery, corruption and money laundering, with integration with our procurement systems.
- Enhanced our responsiveness in addressing complaints.
- Extended impact through our value chain, integrating our expectations of suppliers' expectations on a range of environmental and social aspects.
- Commenced our alignment to the Voluntary Principles on Security and Human Rights, having audited 59 per cent of contracted security providers and developed action plans where needed.
- Enhanced our engagement with a range of ESG rating agencies and disclosure platforms, and maintained our CDP score of A-.

Governance and Supply Chains continued

Compliance and Ethical Business Conduct Operating Responsibly

As a responsible business, our operations are centred on ethical business conduct and compliance guidelines. In 2023, we continued to focus on the implementation of our policies and commitments, such as extensive face-to-face training and awareness sessions on the importance of risk prevention, detection and remediation across multiple locations in more than 15 countries. This programme also included a comprehensive suite of online and classroom trainings demonstrating that our people play a pivotal role in upholding Puma Energy's compliance standards.

With every action and every decision, we share the collective responsibility of ensuring that Puma Energy operates responsibly, and we are all accountable for it.

Code of Conduct

We exhibit our policies and procedures in our comprehensive Code of Business Conduct. The Code also outlines requirements and expectations with respect to our four core values – Work Hard, Work Together, Accountability and Integrity – which form the basis of everything we do.

Every employee must complete training to ensure they know and understand the content of our Code of Conduct, which is available in English, French, Portuguese and Spanish. This training is also supplemented with required courses related to anti-money laundering as well as anti-bribery and corruption. Every employee is required to undertake these training every two years.

Anti-Bribery and Corruption

Puma Energy does not tolerate bribery, money laundering or corrupt behaviour of any kind. We take every measure to ensure compliance, not only with our Code of Conduct but with the relevant laws in the countries we operate in. Every employee, and all our third-party service providers with online access, must complete our e-learning module on anti-bribery and corruption. In 2023, 100 per cent of employees (excluding only those on maternity or long-term sick leave) completed the training.

Know Your Counterparty

We always seek to verify the legitimacy of our prospective customers, suppliers and service providers, and their compliance with relevant policies. We perform this task using our well-established Know Your Counterparty (KYC) processes and platforms.

Human Rights and Anti-Slavery

Puma Energy actively promote human rights of everyone in our business and throughout our supply chain. We do not tolerate any form of forced, child, bonded or involuntary labour and we have provided online training in how to guard against any violation of human rights within our operations.

In addition, and in line with Trafigura, our Parent Company, we have committed to align our operations with the requirements of the Voluntary Principles on Security and Human Rights, with external verification by the end of 2024. This further enhances our commitment to upholding local and international human rights and labour standards across our operations.

Furthermore, we act with reference to best practice standards of the International Labour Organization (ILO) and the UN Guiding Principles on Business and Human Rights.

Whistleblowing Helpline – Speak Up

We highly value the contribution of all our employees, contractors, partners and customers as an effort to operate responsibly and actively encourage everyone to speak up if they see something they think is not right, whomever they are and wherever they are in the world. They can do so anonymously online or via telephone using our Speak Up! Helpline, which is our independent, third-party-managed whistleblowing helpline, and raise any concern about ethics, compliance and our Code of Conduct. It is easily accessible and available on the homepage of our corporate website.

We have internal processes in place ensuring that we investigate every issue raised and follow-up with adequate actions, wherever needed.

To further facilitate this interaction, our policy training includes clear guidelines for our employees to know what they are expected to speak up about, how to do it and our assurance that we will not tolerate any retaliation if a concern is raised, so everyone feels safe doing so.

#BETHEFACEOFINTEGRITY COMPLIANCE INITIATIVE

In alignment with our commitment to integrity, in November 2023 Puma Energy launched the #BeTheFaceOfIntegrity compliance initiative – an entire month dedicated to compliance.

The initiative's overall objectives were to reinforce key messages surrounding integrity as a core Puma value, build awareness of the critical role compliance plays in our business success and ensure a clear understanding of expected employee behaviours, like the use of the Speak Up! Helpline. Using a comprehensive multichannel approach, the initiative consisted of a series of internal communications and employee participation through engagement activities that helped ensure the initiative's global reach.

The initiative involved employees across all our operations and created unprecedented engagement levels around compliance at the Company. It exemplifies our commitment to ethical practices, and building awareness around compliance.

Governance and Supply Chains continued

Data and Cybersecurity

Puma Energy adopts a suite of robust policies and processes to safeguard data and protect against cyberattacks. Our systems employ multiple layers of advanced threat detection mechanisms, together with automated countermeasures. In addition, we continuously upgrade our cyber defences, which, as part of the Trafigura Group, are regularly tested in partnership with industry specialists to ensure highest resilience and security.

Payment Practices

In 2023, Puma Energy started to report its payments to governments and state-owned enterprises (SOE) through consolidated reporting at Trafigura Group level, in its support of the Extractive Industries Transparency Initiative (EITI). This is an important step to enhance transparency and demonstrates our contribution to public entities.

Responsible Supply Chains

We at Puma Energy continue to engage with our supply chain responsibly and collaboratively. With this aim, we:

- Build strong relationships with our supply chain based on trust and integrity.
- Embed relevant ESG requirements into our tenders.
- Require agreement to our Suppliers Code of Conduct, with standards ranging across environmental and social stewardship, to climate change abatement and a suite of compliance and ethics matters.
- Continue to respond to customer CDP engagement requests.
- Undertake supplier awareness information and training sessions to promote fair working and living conditions.
- Commit to align to the Voluntary Principles on Security and Human Rights (VPSHR).

For fuel supply, Trafigura remains our main supplier and through our integration into the Trafigura Group we have been able to enhance synergies and learnings.

We continue to engage with our non-fuel suppliers, and with our customer base and local fuel retail dealers and franchisees on a range of governance-specific and broader ESG topics.

Climate risk management (TCFD)

In 2022 and 2023 we expanded upon our TCFD review and fully-integrated physical and transition risks into our enterprise risk assessment.

Introduction

We continue to enhance our risk management framework by aligning it with the recommended practices by the Task Force on Climate Related Financial Disclosures (TCFD).

TCFD analysis serves to explore the risks and opportunities arising from the energy transition and physical impacts of climate change. We furthered our review this past year, including our disclosures on: Governance; Strategy; Risk Management; and our Metrics and Targets.

As a summary of this years review, whilst there are pockets of increasing transition risk across the countries we operate in, for the most part there is: currently limited climate-focused regulation targeting downstream energy companies; limited history of climate litigation; and low deployment rates of low carbon technologies that directly displace our predominantly transport and B2B-focused products and services. However, we recognise the pace of change can accelerate rapidly and continue to monitor emerging risks and opportunities. In addition, we are proactively investing in lower carbon alternatives as evidenced in this report in support of climate change and the energy transition.

From a physical risk perspective our most at-risk sites are those that have faced coastal and in-land weather events in Central America, East Africa and Australia. Whilst these have had limited financial and business disruption impact to date, we have applied learnings from prior events (eg hurricanes in Central America), and continue to monitor weather warning alerts to adapt to prepare and adapt to physical risks as they emerge.

1 Please see the 2022 Annual Report Risk section for more information on our risk management approach and integration of climate transition and physical risk into our Enterprise Risk Assessment.

Methodology: our analysis was carried out and prioritised as follows:

- Alignment to TCFD guidance, including on strategy, governance, risk and targets.
- Integrated transition and physical risk categories into the enterprise risk assessment.
- Building on this, we analysed literature[1] and with relevant teams reviewed a sub-set of business relevant topics, as follows:
  1. Regulatory developments – including the applicability of carbon taxes and emissions trading schemes – with a deeper dive in Australia relative to our locally-present bitumen business.
  2. The deployment of electric vehicles in Africa and Central America.
  3. Technology developments across low carbon aviation solutions.
  4. Additional reviews across our countries of operations on:
     - 4.1 The expansion of renewable power, as a proxy for general climate action.
     - 4.2 The extent to which legal action taken against firms involved in the distribution of fuels on the basis of climate change.
  5. Climate physical weather trends and impacts on our sites.

Scenarios: we continue to align to the scenarios defined by Trafigura which highlight four different climate scenarios across two axes – 'Strength of Policy Response' and 'Level of Coordination'. The former refers to the strength of the mechanisms through which global action on climate change is delivered; the latter refers to the extent to which governments and companies work collaboratively to deliver climate change solutions.

Accepting Overshoot
- Paris Agreement holds together, but short-term development concerns prevail, lowering ambition.
- Implementing a just transition proves difficult and unpopular.
- Low carbon technologies remain costly and carbon prices stay low, slowing the transition.
- The focus on carbon removal and geoengineering grows.

Global Ambition
- G20+ economies adopt ambitious and consistent policies within a strong, deepening Paris Agreement.
- Developing countries are supported to transition and adapt.
- Increasing carbon prices and a functioning Article 6 drive rapid adoption of low carbon technologies and least-cost emissions reduction.

1.5°C

High — Global Coordination — Low

Weak — Strength of Policy Response — Strong

3°C

Breakdown
- 'Nation first' policymaking from some governments leads them to reject the Paris Agreement.
- Trade barriers (CBAMs) multiply.
- Adoption of low carbon technologies is slow and uneven.
- Overshoot of emissions limits leads to increasing activism, geopolitical instability, conflict.

Multipolar Transition
- Uneven ramp-ups of climate policies across countries.
- Coalitions of the willing from under a weaker Paris Agreement.
- Early movers erect trade barriers to protect domestic industries.
- Slower overall innovation and lack of carbon market raise costs and slow transition.

Climate Risk Management (TCFD) continued

Climate Transition Risk and Opportunity Summary[2]

Short-Term Risk (0-1 years)	Medium-Term Risk (1-5 years)	Long-Term Risk (5-20 years)
Low	Low-Medium	Medium-High

Transition risks are driven by: (i) policy and legal actions, (ii) technology changes, (iii) market responses and (iv) reputational considerations. For the majority of the emerging markets we operate in, climate transition risks are not yet highly prevalent. Regulation does not currently limit the distribution of transport fuels, and our core business lines face limited short- to medium-term technology substitution risks. Whilst the transition does present opportunities to develop new business segments (eg SAF, lower carbon transition fuels, solar power and EV charging networks), these have different levels of technology and commercial readiness, cost structures and deployment levels. With the exception of solar power, many of the above technologies continue to face important price hurdles and insufficient regulatory support in our countries of operation.

The breadth and depth of climate policy across our core markets is limited at present. From a regulatory environment perspective, where policy documents such as Nationally Determined Contributions (NDC) and Long-Term Strategies (LTS) address the phase down of transport fuels, these tend to be limited and contingent on international finance support. In addition, discussions on net zero commitments, the phase out of oil and gas and uptake of carbon taxes or emission trading schemes are not prevalent, or are in early stages of discussion or implementation across our key jurisdictions. For example, South Africa and Colombia are rare examples across our emerging markets which have firm carbon tax policies that are currently focused on high carbon-emitting producers and industrial sectors. While Puma Energy does have a smaller presence in countries with advanced climate policy frameworks (such as Europe and Australia), our sector activity (bitumen and fuel storage and terminals) exposure to carbon-related regulations is relatively limited at present. However, there remains a growing body of voluntary standards (eg CDP, IFRS ISSB, GRI) and 'soon to be required' reporting regulations (eg EU CSRD), alongside a range of sustainable finance taxonomies which raises the bar on corporate sustainability. In addition, we expect that the EU's Carbon Border Adjustment Mechanism could encourage a number of our industrial and extractive clients to increase their decarbonisation efforts.

Conversely, the nascent regulatory outlook limits the growth of our emerging lower carbon fuels and solar energy offering. As such, we continue to advocate for policies that increase efficiencies in traditional fuel markets and support pivots to lower carbon fuels and renewable energy.

The deployment of electric vehicles in Central America and Sub-Saharan Africa is currently low, with affordability, supply chain, regulatory and grid connection constraints. Whilst EV deployment rates in East Asia and an array of developed economies has been impressive, the gap in enabling environments and deployment rates across our core emerging economies remains significant. Positively, there are signs of initial growth across countries such as South Africa and Namibia (alongside select east and northern African countries). However, the barriers to meaningful deployment remain high. As a result, in the short to medium term, and given the vehicle stock, extent of second-hand internal combustion engine market (ICE), limited local production and high import tariffs, we expect a strong demand for traditional motor fuels to remain. However, we are cognisant of the decreasing cost trend and of the growth prospects – especially in the two- and three-wheeler EV markets. As a result, we continue to evaluate opportunities in charging infrastructure, alongside lower carbon fuel solutions for public mobility and heavy-duty vehicles.

Sustainable aviation fuels offer promise, and Puma Energy is well-positioned to capture this market. Sustainable aviation has significantly expanded in focus in the past years, with a range of technology solutions being explored, including HEFA[3], Alcohol to Jet, Biomass Gasification and E-Fuels amongst others. The most commercial and technology-ready solution is HEFA, which can be 'dropped-in' into current aircrafts. Encouragingly, new and tightening regulations and increasing incentives in the EU and US have increased interest and investment plans across the aviation spectrum, and an array of organisations highlight strong growth fundamentals. As a result, we are proactively exploring our offering with SAF, but like other market participants, face barriers including: (1) limited supply, estimated at 1 per cent of total global jet fuel; (2) elevated price points relative to standard Jet-A fuel; and (3) limited to non-existent regulation in our emerging markets, which results in limited current demand for SAF for outbound flights. However, we do see the opportunity for voluntary adoption, and through synergies across the Trafigura Group, Puma Energy is well-positioned to capture market share as demand grows.

2 For the transition risk analysis consulted sources such as: Bloomberg's New Energy Finance 2022 Climate Scope review, which looks into: the state of regulation; power markets; and EV deployment at the country-level; Sustainable Fitch ESG Regulatory Review; the IEA World Energy Outlook scenarios, and separately analysis on power markets and EVs; World Bank Carbon Market 2022 review; IATA and CORSIA SAF reviews, and a range of wider topical sources relevant to each of the focus areas.
3 Hydro processed esters and fatty acids (HEFA).

Climate Risk Management (TCFD) continued

S Short-term 0-1 years | M Medium-term 1-5 years | L Long-term 5-20 years

The below table provides a snapshot of the climate-related risks (policy, technology, market, reputation) for a selection of our business segments. Please note this is not an exhaustive review and provided for illustrative purposes only.

Low Carbon Outlook	Motor Fuels (Fuel Retail) and Lubricants	Aviation Fuel	Bitumen (Focus on our Australia Business)
Summary	• The rate of transition to EVs and lower carbon fuels will take place at a faster pace in advanced economies. • There remains a strong demand outlook for traditional motor fuels[4] in our core emerging markets in the medium to longer term, with a potential opportunity to play an early role in the creation of EV markets.	• Lower carbon alternatives to Jet A1 fuel exist today, but with limited supply. • Deployment rates are dependent on supply and price, alongside customer willingness to pay. • Longer-term technology penetration from more nascent solutions (hydrogen, short-haul electric battery) is low, but could increase in the medium to longer term. • Puma Energy is well-positioned to meet future SAF demand.	• Bitumen is a relatively hard-to-abate product. • Positively, lower carbon alternatives exist today that can reduce carbon intensity. • Incentives and regulation are still lacking, which holds back potential to-scale market share rapidly. • Puma Energy is well-positioned to meet demand with our innovative products.

Risk Type	Motor Fuels: Advanced Economy Outlook	Motor Fuels: Puma: Africa/Central America	Aviation Fuel: Advanced Economy Outlook	Aviation Fuel: Puma: Africa/Central America	Bitumen: Advanced Economy Outlook	Bitumen: Puma Australia Outlook*
Policy and Legal Risk						
Strength of policy and regulatory outlook for low carbon alternatives/policy limiting fossil fuels.	**Strong:** Regulation in place including future reduction in manufacturing of ICE vehicles, air quality standards, incentives and taxes. **Timeframe:** S M L	**Limited:** Low regulatory risk in Puma Energy's fuel retail markets. Fuel demand expected to grow in the near and medium term. In addition, there is a lack of policy to incentivise consumer adoption of EVs. **Timeframe:** M L	**Mixed:** A shift from voluntary to regulated mechanisms (eg from CORSIA to EU ETS), alongside increased policy-driven incentives. **Timeframe:** S M L	**Limited:** Policies today do not prioritise the shift from traditional fuels to low carbon alternatives. CORSIA offsetting could drive demand from 2026 onwards. **Timeframe:** M L	**Limited:** Regulations targeting bitumen are limited which reduces drive to uptake of lower carbon alternatives today. **Timeframe:** M L	**Limited:** Regulations targeting bitumen are limited which reduces the drive to uptake of lower carbon alternatives today. **Timeframe:** M L
Technology Risk						
Readiness of substitutions; commercial potential; cost basis.	**Strong:** EV technologies are technologically and commercially ready and being deployed at scale. **Timeframe:** S M L	**Limited:** Penetration of EV technologies, including charging infrastructure, is limited at present. **Timeframe:** M L	**Mixed:** HEFA is 'ready'; whilst E-fuels, electric and hydrogen powered planes are at demonstration phases and capital intensive. **Timeframe:** S M L	**Limited:** While technologies can be 'transferred' to emerging economies, there is limited focus today. **Timeframe:** M L	**Strong:** A suite of lower carbon bitumen alternatives exist across the market. However, there is the need for further R&D. **Timeframe:** S M L	**Strong:** Puma Energy provides a strong lower carbon bitumen offering today and is investing in further R&D of our products to enhance technology confidence. **Timeframe:** S M L
Market Risk						
Demand and supply potential.	**Strong:** EV demand signals are very strong in advanced economies. Supply bottlenecks and life-cycle impacts are being addressed. **Timeframe:** S M L	**Limited:** Short and medium-term demand is limited, but could accelerate at a strong pace if supported with regulatory incentives. **Timeframe:** M L	**Mixed:** Demand is increasing, but remains low compared to Jet-A1. Supply constraints pose a key barrier at present to accelerated uptake. **Timeframe:** S M L	**Limited:** Market demand and supply signals remain weaker in our core markets; however, a shift could occur as ICAO's CORSIA initiative comes into force in 2026. **Timeframe:** M L	**Mixed:** Limited supply constraints at present, but demand from customer base is mixed. **Timeframe:** S M L	**Mixed:** Limited supply constraints at present, but demand from customer base is mixed. **Timeframe:** S M L
Reputation Risk						
Is the reputation of the firm at risk.	**Mixed:** Customers and Government stakeholders expect increased action from corporate actors. **Timeframe:** S M L	**Limited:** There are marginal reputational concerns from key stakeholders at present. **Timeframe:** M L	**Strong:** There are currently good reputational forces for companies taking action. **Timeframe:** S M L	**Limited:** Whilst limited current demand, there is increasing stakeholder interest across our markets. This could change in the medium term. **Timeframe:** M L	**Mixed:** There are mixed reputational aspects with pursuing traditional carbon-intensive forms for bitumen. Front runners seek reputational advantages. **Timeframe:** S M L	**Strong:** Australia presents stronger reputational drivers for low carbon bitumen relative to some other advanced economies. **Timeframe:** S M L

4 For example, the IEA 2022 World Energy Outlooks highlights a growth in demand for oil and natural gas demand in Africa in line with economic and population growth estimates.
* The bitumen analysis focused on Australia as a key market with a more mature regulatory environment for comparative purpose.

Climate Risk Management (TCFD) continued

Physical Climate Risk

Physical climate risks arise from climate change induced weather changes, which can be classified as acute and chronic risks.

Definition of Physical Risks

Type	Examples of Physical Related Risks
Acute	Increased severity of extreme weather events such as cyclones and floods.
Chronic	Changing weather patterns and rising mean temperature and sea levels.

Our 2022 enterprise risk assessment and desk-based review highlighted a number of weather-related risks across the business[5].

- The business continues to face extreme weather-related impacts and financial costs from events such as flooding, storms and hurricanes.
- To date chronic risks such as business impeding droughts or sea level rise have not been observed or materially impacted the business, but we recognise these could manifest over the long term.
- Overall it is too early to indicate whether the frequency and impact of acute weather-related events have increased specifically for our assets. However, we complemented our enterprise risk assessment with a review of publicly available information, which suggest potential increase in frequency and unpredictability in planning for climate-related physical risks.
- To date, the cost to the business remains manageable, and over the past year has not seen significant increases in insurance premiums.
- In addition, with the divestment of a number of our marine and in-land terminals, the base of 'assets at risk' has reduced relative to previous years.
- Measures that are deployed to manage these risks include business continuity planning, emergency plans and, where relevant, adherence to enhanced construction measures.

A number of countries highlighted low risk, whilst others indicated elevated levels of risk, for example:

- **Australia:** a number of our operations are susceptible to weather impacts and have faced floods and cyclones – in particular in Townsville and Botany. This has led to access restrictions to sites, inundations of pumps and operation and maintenance costs.
- **Mozambique and Malawi:** both countries have particularly elevated vulnerability to both acute and chronic physical risks, which pose lasting impacts on development – and has been worsened due to long trends in deforestation. Floods and cyclones are relatively common in these two countries and both faced the consequences of Cyclone Freddy this past year. As a result, Puma Energy has increased its preparedness and was able to assist our communities and international governments in response measures.
- **Congo:** our operations in Congo face elevated risks from flooding – to both our retail and fuel storage sites. As a result the local business has developed response measures.
- **Guatemala:** Guatemala is affected by hurricanes and storms that generate flooding in costal cities and landslides on the mountainous terrains, both pose risks to the country's infrastructure. Over the past year we have not been adversely impacted, but continue to monitor risks from La Niña and El Niño climate pattern changes. Puma has contingency plans for all offices, terminals, sites and operations. For example, to mitigate road and bridges damages, Puma keeps a mixed truck fleet with an adequate number of small trucks (<4,000 AG capacity), that are able to circulate on Bailey Bridges and reduced spaces on roads.
- **Puerto Rico:** hurricanes and storms take place in Puerto Rico every year. In previous years this has led to relatively large damages and costs to the business, such as Hurricane Maria in 2017.
- **Papua New Guinea:** our refinery and terminals in Papua New Guinea are in close proximity to the sea and are prone to weather-related events, including storms and potential sea surges. To mitigate impacts, we adhere to robust environmental management systems, and we have invested capex to reinforce our seawalls in Alotau and Kavieng, the two most prone areas to rising sea levels.

5 This included a range of sources such as the WRI Water Risk Atlas and the World Bank Climate Change Knowledge Portal.

Risk Management

Risk GOVERNANCE

We align our risk management closely to our purpose, strategy and the world we live and work in.

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.

Our risk governance structure is designed to ensure we continue to provide clear business ownership and oversight, helping us make the right decisions at the right time. Our Board is responsible for setting the risk appetite, entrusting the detailed oversight of risk management to the Finance, Audit and Risk Committee. This committee is responsible for overseeing the effectiveness of the risk management framework. Our Risk Management Framework enables us to deploy our mitigation strategy, helping us deliver financial targets, enhance our reputation, safeguard our employees and assets, and protect future financial security.

Governance and Culture

Governance sets the Group's tone, reinforcing the importance of, and establishing oversight responsibilities for our risk management. Culture describes our ethical values, desired behaviours and the understanding of risk in our business entities.

Strategy and Objective Setting

Our risk appetite is established and aligned with strategy; we put our strategy into practice through our business objectives, which serve as a basis for identifying, assessing and responding to risk.

Performance

We need to identify and assess risks that may affect the achievement of our strategy and business objectives. Risks are prioritised by severity and we then select the appropriate risk responses. The results of this are reported to key risk stakeholders.

Review and Revision

By reviewing the performance of our business entities, the Group can consider how well the risk management components are functioning over time, against a backdrop of what can be substantial changes and assess what revisions are needed.

Information, Communication and Reporting

Risk management requires a continual process of obtaining and sharing necessary information, from both internal and external sources. This information flows up, down and across the organisation.

Risk Management Framework

Our Risk Management Framework is structured around three lines of defence endorsed by the Institute of Internal Auditors (IIA). The first line of defence involves operational management directly assessing, controlling and mitigating risks. The second line of defence is provided by compliance and enterprise risk management expertise and internal controls specialists with internal audit forming the third line of defence.

Updating Our Risk Register

To align our risk monitoring with business needs and performance, in 2023 we reviewed and updated our risk register. We simplified risk categories from five to four: Ethics and Compliance Risks, Operational Risk, Financial Risk and Country Risk. This categorisation also adheres to current industry practice. Furthermore, climate transition and physical risk is under the operational risk category.

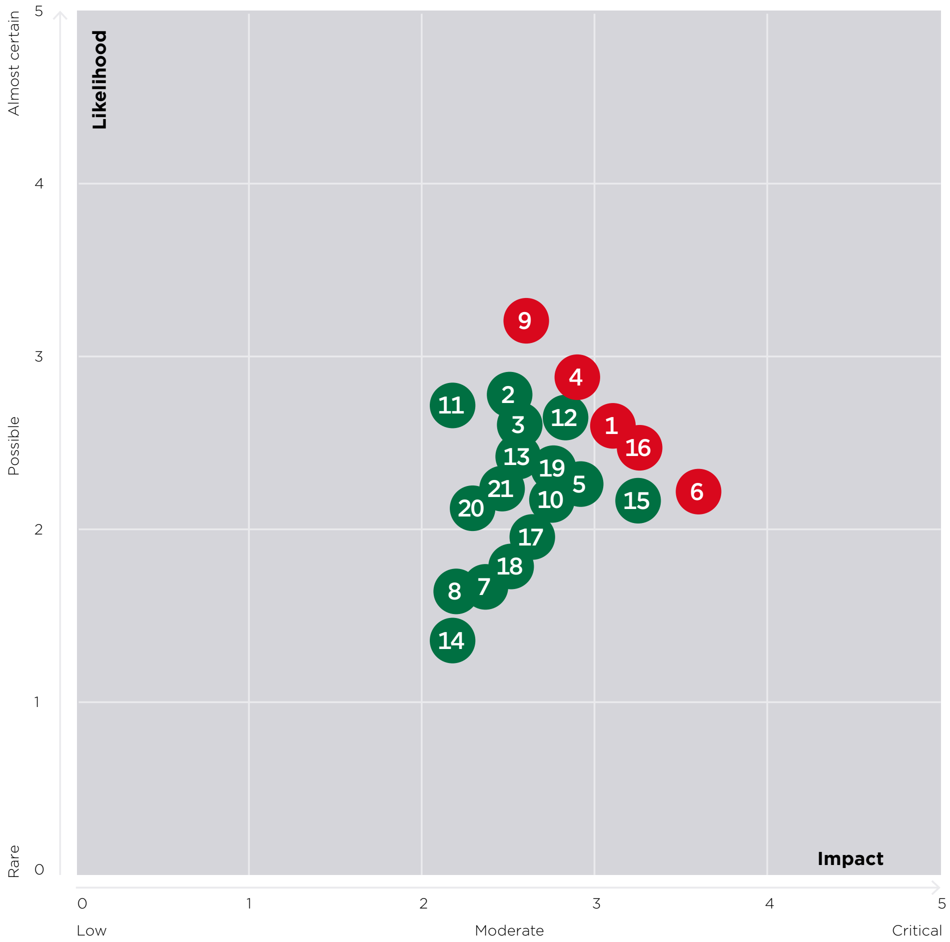
In terms of risks, we are tracking two new sub-categories:
1) **Taxation**, which previously was a sub-set of Standards and Regulations, but we separated it to have closer oversight over negative impact form non-compliance with Tax Laws; and
2) **Concentration**, which is a new category to monitor the risk of Puma's revenue coming from a limited number of customers or markets, to mitigate dependencies, which trigger other risks such as pricing and profitability, organisational effectiveness or reputational risk.

Risk Management continued

Identifying Our Key Risks

To ensure we stay up-to-date with our risk landscape, we follow a Risk and Control Self-Assessment process that is managed at a business level and regularly reviewed and challenged by the risk team at least twice a year. This includes running a series of interviews with the Executive Committee, business leaders and stakeholders at country-level in order to gain grassroots feedback and understanding of our risks. The outcomes of the 2023 reviews have enabled us to identify and prioritise our top five enterprise risks so we can focus on mitigating them effectively. For risks that cannot be fully prevented, they have mitigation plans in place, for example, currency hedging, property insurance, bank guarantees and disaster recovery planning. The maturity of our Risk Management enables us to report on the basis of net risk – ie risk ratings take into consideration the risk mitigation initiatives adopted in response to risks as they were initially identified and defined. The Group Risk Chart therefore reflects net risks for each of the 21 sub-categories. A number of key themes underpin our risk landscape, linking to five of our most material risks.

Risk Table



Description of Top Risks

Topics with a red icon indicate the top 5 risks.

1	Country Risk
2	Standards and Regulation, Legal Risk
3	Customer Credit Management
4	FX Exposure
5	Pricing and Profitability
6	Working Capital Management
7	Financial Reliability and Reporting
8	Portfolio Management – M&A
9	Taxation
10	Concentration
11	Organisational Effectiveness
12	Business Support
13	Supply of Product
14	Digital Infrastructure and Cyber Security
15	Environment Protection and Remedies
16	Physical Security, Health and Safety
17	Ethics and Compliance
18	Reputation, Brand and Trademarks
19	Pandemics
20	Climate – Transition Risk
21	Climate – Physical Risk

Risk Management continued

1. Financial Risks: Foreign Exchange Exposure

For a Company with a global footprint as Puma Energy, managing foreign exchange risk is crucial. The Company faces transactional risk as transactions involving different jurisdictions are usual in the markets we operate and exchange rate changes may take place before transaction settlements. To mitigate this risk, the Company uses different strategies to hedge currencies. The Company also faces economic risk related to foreign exchange rate deriving from government actions and policies that may result in currency devaluation in a market we operate or currency scarcity, impacting cashflow. Finally, as a global business, translation risk also impacts reporting on assets and liabilities held in foreign currency. To manage this risk, the Company keeps close oversight on transactions in different currencies in each market to monitor and manage exposure.

2. Financial Risk: Taxation

Refers to the potential negative impact on Puma's financial performance, reputation and operational stability resulting from non-compliance with tax laws and regulations or from uncertainties in tax positions taken by the Company. Tax risk can arise from various factors, including errors in tax calculations and/or tax accounting, non-compliance with tax regulations, changes in tax laws and regulations, including legislation on transfer pricing, income tax and indirect taxes. To address these risks Puma Energy strives to have a comprehensive tax compliance model, training of key personnel on tax requirements and document retention, enabling system-based controls, and keeping an active monitoring and action on changes in tax policies or regulations.

3. Operational Risks: Physical Security, Health and Safety Risk

This risk could arise from insufficient prevention and solutions to adverse events that affect the integrity of people and assets in Company custody or within our perimeter. Insufficient prevention and solutions to conditions and events affecting the health and physical integrity of employees, business partners and of any person expected to access Company sites, facilities and operations.

We monitor and actively manage our Health, Safety, Environment and Community 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 fire-fighting systems. In terms of ISO accreditation, 57 per cent of our terminals hold ISO 9001 certification and 85 per cent hold ISO 14001 certification. In 2023, 86 per cent of our operations were API 650/653-compliant. Furthermore, we continuously promote Puma Energy's Safety Management System to improve industrial safety.

We also contract top industry experts to help on the ground should a major incident occur. We work with transporters to improve their own HSEC performance and encourage them to train their drivers properly, control driving hours and educate drivers on fatigue management. We provide and mandate the use of personal protective equipment (PPE). We train our employees in line with the highest international standards and actively promote a high safety awareness culture. We run campaigns across our markets promoting greater safety awareness, both at our operations and among the wider community, and have provided access to all employees to our operational and HSE solution, where they can report any incident or near-miss they witness at our facilities or service stations network.

Risk Management continued

4. Country Risk: Country Risk

The markets we focus on tend to be highly-regulated and can feature political instability as well as geopolitical risks such as possible international sanctions. We actively monitor financial, regulatory and political developments, both at an international level and through our local businesses, and put in place measures to mitigate these risks. Our local employees are well-placed to react promptly to local challenges and opportunities. In some jurisdictions, we operate through subsidiaries and joint ventures that are partially-owned by state-backed organisations – both a constraint in terms of operating autonomy and an opportunity in terms of political risk management. We engage in dialogue with relevant expert third parties and local authorities continually, to promote high standards across our operations and ensure readiness to conform with the legal norms and requirements globally, as well as local content requirements that mandate a certain level of domestic goods, services, manpower or local shareholders and allies to be used in an entity or project, which can impact the cost, quality and timeline of the investment. In addition, we have a diverse geographical footprint, lines of business and customers. We have a unique expertise in sourcing and supplying a wide range of products, all of which mitigate our political risks. 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 consequently not suffered from any material losses due to these risks. We continue to monitor environmental, social and climate change regulatory developments, and expect this to rise further up the agenda in 2024 and beyond.

5. Financial Risk: Working Capital Management

To manage this risk, the Company keeps tight controls on liquidity/funding requirements and also managing inventory levels. Each week the entity forecasts liquidity needs based on collection expectations, upcoming payables and inventory needs based on expected demand, stock levels, inventory in transit and supply conditions. Each market has target working capital indicators that ensure oversight, and look to have favourable payment and credit terms both with customers and vendors. This also allows the entity to identify which markets require keeping overdraft facilities and foresee additional external financing needs timely.

Corporate Governance

Board of Directors

Our Board of Directors brings together diverse energy industry professionals from around the world who are committed to practising and promoting good governance throughout the Group.

René Médori

Non-Executive Chairman, Puma Energy

René joined the Puma Energy Board as Non-Executive Chairman on 3 March 2020. René holds dual French and British nationality. He brings significant experience to the Board from his executive roles in the energy and natural resources sectors. He also has invaluable direct experience of international best practice in corporate governance and operating responsibly in emerging markets to the company. René was previously Chief Financial Officer of Anglo American, and Group Finance Director of The BOC Group. He currently holds Non-Executive Directorships at Newmont and Vinci and he is also Chairman of Petrofac.

Three years at Puma Energy.

Hadi Hallouche

Chief Executive Officer of Puma Energy

Hadi joined the Puma Energy Board in October 2020 and became Chief Executive in October 2021. He also served as Co-Head of Trafigura's Oil Trading Division for four years up to October 2023. This followed his two-year tenure as Head of Oil Singapore where he was responsible for managing the company's oil and gas trading activity across the Asia-Pacific region. Hadi joined Trafigura in 2011 as an LNG Trader. Prior to joining Trafigura, Hadi spent seven years in Royal Dutch Shell. Hadi, an Algerian national, holds a PhD in economics.

Four years at Puma Energy.

Pierre Lorinet

Director, Trafigura

Pierre joined Trafigura in 2002 and was appointed CFO in January 2007. Before joining Trafigura, he was employed by Merrill Lynch London and Banque Indosuez in the Middle East in various debt and capital market roles. Pierre left Trafigura in October 2015 but remains a director on several boards.

19 years at Puma Energy.

Patrick Burke

Board Director, Puma Energy

Patrick joined the Puma Energy Board in October 2023. He joined Trafigura in 2013 and as part of the M&A team he has been actively involved in all of Puma Energy's major transactions since 2019. Prior to joining Trafigura, Patrick worked in the Metals & Mining M&A team at Rothschild & Co. Patrick, a UK and Irish national, has a first class BA in History from the University of Cambridge.

Appointed in October 2023.

Executive Committee

Our highly-experienced Executive Committee works closely together to set the strategy and lead the growth and success of Puma Energy. As at 31 December 2023, its membership was:

Hadi Hallouche
Chief Executive Officer of Puma Energy

For full biography, see page 81.

Carlos Pons
Chief Financial Officer

Carlos was appointed Chief Financial Officer of Puma Energy in September 2021 having joined Trafigura in 2013.

Martin Urdapilleta
Head of Latin America

Martin was appointed Head of Puma Energy Latin America in June 2021 and is responsible for Puma Energy's Downstream businesses and operations across the region. He also holds the position of General Manager, Argentina for Trafigura.

Fadi Mitri
Head of Africa

Before becoming Puma Energy's Head of Africa in September 2021, Fadi was Trafigura's Head of Business Development for LNG and gas.

Nicacio Brusaferro
General Counsel

Prior to becoming General Counsel at Puma Energy, Nicacio spent ten years as senior counsel at Trafigura, mainly focused on Africa and Latin America with 22 years' experience in the commodities industry.

Omar Zaafrani
Global Head of Corporate Affairs, Carbon and ESG

Omar joined Puma Energy as Head of Corporate Affairs and ESG in January 2022.

Rebekah Ganim
Global Head of HSSE

Rebekah was appointed Global Head of Health, Safety, Security and Environment (HSSE) for Puma Energy in July 2023.

Sean Craig
Global Head of Human Resources

Sean took up his appointment as Head of Human Resources at Puma Energy in April 2021. Sean joined the business in July 2012 as Head of HR Systems.

For full biographies, see our website: https://pumaenergy.com/governance/#leadership

Chairman's Governance Report

We are committed to good governance. It is fundamental to our ongoing growth and success.

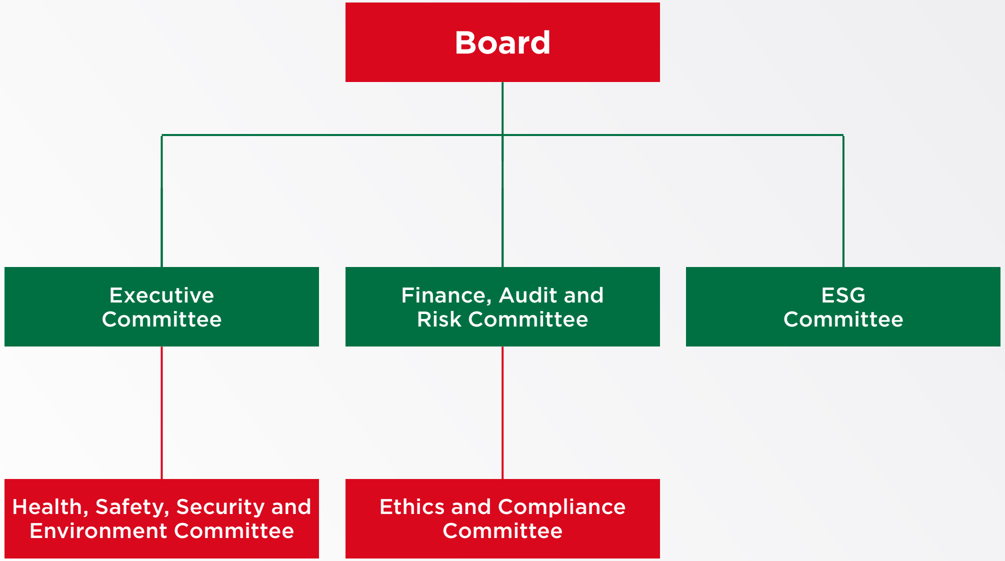
Robust Governance Structure

Puma Energy's principal oversight body is its Board of Directors, chaired by independent Chairman, René Médori. As well as its Executive Committee, the Finance Audit and Risk Committee and the Environment, Social and Governance (ESG) Committee report directly to the Board. Our Ethics and Compliance Committee reports to the Board via the Finance Audit and Risk Committee and our Health, Safety, Security and Environment (HSSE) Committee reports to the Board via the Executive Committee.

ESG Governance

We recently enhanced our approach to ESG with a refreshed ESG Strategy and through the creation of an ESG Board Committee. The Committee maintains oversight and control of our ESG Strategy and framework which drive the Company's climate transition strategy. The Committee also provides the Group's leadership with information and assurance of our ESG activities as well as matters related to safety and wellbeing, diversity and inclusion, business ethics and governance.

Our ESG Governance Framework



Chairman's Governance Report continued

Managing our Business Responsibly

We employ more than 3,000 people (without contingent workers) from over 72 countries, and have implemented a structure of global, regional and local offices to ensure we manage our business responsibly.

Find out more in our section on operating responsibly on page 70.

Subsidiaries and Joint Ventures

In most countries we operate through a local subsidiary. Most subsidiaries are either wholly-owned or majority-owned. In some countries, we have joint ventures with local or state-owned businesses. A general manager or local management team oversees each local business, supported by regional and central functions, and they are accountable to the Head of the Region.

Unless contrary to local requirements, each subsidiary's Board includes at least one member of the executive team. The General Manager is not normally on the Board unless there is a local requirement. For our investments in associates, the executive team chooses a Puma Energy representative on a case-by-case basis.

Ownership and Shareholders

We operate independently of our main shareholder Trafigura. However, we can draw on their management expertise and market knowledge. Trafigura is one of the world's leading international commodity traders, specialising in the oil, power and renewables, minerals and metals markets across Europe, Africa, Asia, Australia and North, Central and South America.

Trafigura's primary trading businesses are involved in the supply and transport of crude oil, petroleum products, renewable energies, coal, refined metals, ferrous and non-ferrous ores and concentrates.

For more information about Trafigura visit: www.trafigura.com

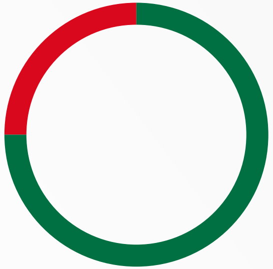
Chairman’s Governance Report continued

Our Leadership

Across our Board and Executive Committee we have a range of experienced people with complementary skills. Our senior leaders focus on ensuring good governance and delivering our strategy for our stakeholders.

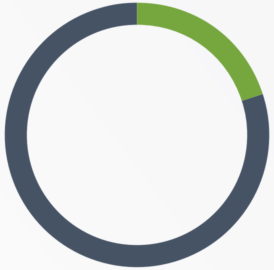
Tenure

Board



- >5 years
- <5 years

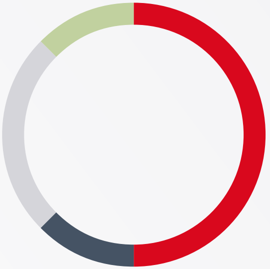
Executive Committee



- >2 years
- <2 years

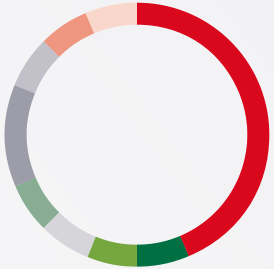
Experience

Board



- Oil & Gas/Energy
- Corporate Affairs
- Technology
- Economics
- Finance

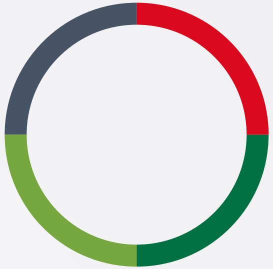
Executive Committee



- HR
- Mining
- Trading
- Legal
- HSSE
- Industrial Goods

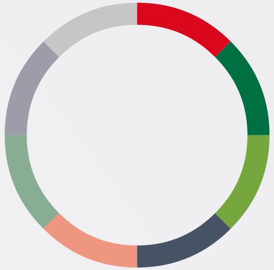
Nationality

Board



- Algerian
- French
- French and British
- Irish and British

Executive Committee



- Australian
- Belgian
- Algerian
- Brazilian
- Spanish
- Canadian
- Argentinian
- South African

Chairman's Governance Report continued

Ensuring Good Governance

Our governance is strong and well-established at Puma Energy.

Governance Objectives

Our approach is driven by three overriding objectives. We seek:

1. To support a performance-driven global business focused on profitability.
2. To maximise our commercial flexibility by light-touch central management that empowers individual employees at a local level.
3. To balance the previous two principles by promoting a strong culture of governance and using effective information systems to ensure transparency and accountability.

The Board of Directors

The Board comprises an independent, Non-Executive Chairman, the Chief Executive Officer and two other Board members who represent our major shareholders. The biographies of the Board members are provided on page 81.

The Board meets at least four times a year to, among other matters, set our strategy and oversee how it is implemented. In 2023 it met on a quarterly basis.

The Board's main duties and responsibilities include:

- Approving the nominations of Executive Committee members and such other specialised committees as deemed necessary.
- Defining Puma Energy's strategic orientation.
- Approving Puma Energy's annual budget and five-year business plan, including its investment programme.
- Reviewing information on significant events related to the Company's affairs.

Key issues the Board considered during 2023 included:

- Health and safety and financial performance are key items discussed at each quarterly Board meeting.
- Renewing of 2023 Revolving Credit Facility, which will be sustainability linked.
- Evaluating business strategy and the Group's five-year projections based on different strategic options.
- Approval of the Group Financial Statements.
- Approval of a new Delegation of Authority for the Group.
- Review Terms of Reference for the Puma Energy Group ESG Board Committee and approving the ESG Sustainability Report.
- Separate business reviews were also discussed for Asia, Africa, the Americas and Europe.
- Review of the 2024 Budget.
- Review of Selected Group Risks, Intra-Group Financing Restructuring and various M&A initiatives.
- Review and approval of long-term business strategy.

Roles and Responsibilities of our Chairman and CEO

Puma Energy has had separate Chairman and Chief Executive functions since 2012.

Our independent Chairman, René Médori, is responsible for:

- Leading our Board and ensuring it makes effective decisions.
- Maintaining good relations between our Board and shareholders.
- Representing us in high-level discussions with governments and other important partners.
- Chairing the Board's activities and ESG Committee.

Our Chief Executive, Hadi Hallouche, is responsible for:

- Managing the Company.
- Reporting the Company's results and outlook to shareholders and the financial community.
- Overseeing the strategic direction of the Company.
- Chairing our Ethics and Compliance and Health, Safety, Security and Committees.

Executive Team

Our highly-experienced executive team take decisions to grow our business effectively and profitably. Puma Energy has a lean and agile management structure that enables us to make quick, robust decisions in a transparent way. As part of our efforts to decentralise the lines of business into the regions, changes were made to the Executive Committee to reflect this strategy. Furthermore, the Company's new Global Head of HSSE joined the Executive Committee as part of the Company's increasing focus on HSSE.

The main duties and responsibilities of the executive team include:

- Implementing the strategic vision defined by the Board of Directors.
- Providing organisational direction on behalf of the Board.
- Advising the Board on decisions and business matters, ranging from strategy planning and policy to investment and risk.
- Setting financial plans, monitoring and evaluating the implementation of these plans and ensuring that any necessary adjustments are made if required.
- Ensuring that systems and structures are in place to provide effective management and support for employees.
- See our executive team section on page 82 for details of our leadership team.

Chairman's Governance Report continued

Our Committees

Our Committees

As well as our Executive Committee, we have appointed the following committees to ensure the smooth and effective running of our business:

Finance, Audit and Risk Committee

Ethics and Compliance Committee

Health, Safety, Security and Environment Committee

Environment, Social and Governance Committee

Committee Reports

Finance, Audit and Risk Committee Report

Members of the Committee

Pierre Lorinet (Chair), Rene Medori, Hadi Hallouche, Patrick Burke and Carlos Pons (as advisory member in his capacity of CFO).

Number of Meetings

Four.

Key Responsibilities:

To review and make recommendations to the Company in relation to matters affecting:

- The Group's capital structure, its financial position, balance sheet and cash flow.
- The Group's capital allocation, including organic or inorganic investments which may have material impact on the Group's capital position.
- The Group's investment programme and to recommend for consideration and approval potential transactions within the Group's investment programme to the Board of the Company.
- The Group's debt portfolio, credit facilities, requirements for financing and compliance with any financial covenants to which it is subject.
- The Group's commodity, interest rate or currency derivative strategies.
- The amounts, timing, types and terms of any equity and equity-related issuances and public or private debt offerings.
- The Group's dividend policy, dividend schedule and pay out, if any.
- Due diligence on acquisitions and divestments including proposals which may have a material impact on the Group's capital position.
- To oversee the governance and activities of the Company's Treasury functions.
- To oversee the financial reporting and disclosure process of the Company.
- To oversee that ethics and compliance risks are adequately managed by the Company, via the Ethics and Compliance Committee that reports to it.
- To engage independent advisors as it determines necessary to carry out its duties.
- To review related party transactions.

Key Issues Addressed:

- Internal Audit and Internal Controls updates are provided at every meeting.
- Year End Audit Close and review of auditor's findings and recommendations.
- Creation of a new Delegation of Authority for the Group.
- Renewal of the Company's Revolving Credit Facility.
- Portfolio activity and various M&A initiatives.
- Approval of the Group Financial Statements.
- Approval of the Company's budget.

Ethics and Compliance Committee Report

Members of the Committee

Hadi Hallouche (Chair), Carlos Pons, Rhibetnan Yaktal, Sean Craig, Fadi Mitri and Martin Urdapilleta.

Number of Meetings

Three.

Key Responsibilities:

- To review and make recommendations to the Company in relation to matters affecting:
  i. The programme for ethics and compliance, including benchmarking against external references, based on the governance and oversight committee structures in place.
  ii. Significant ethics and compliance risks and confirm that appropriate risk management activities and plans are in place and implemented, including ensuring that ethics and compliance risks have appropriate resources assigned.
  iii. Ethics and compliance standards.
- Ensure affiliated processes (eg talent and performance management and reward) are designed to reinforce expected behaviours as identified in the Code of Conduct.
- Review the systems in place to enable those who work for Puma Energy to speak up about potential breaches of the Company Code of Conduct and the output of those systems.
- Review significant investigations to identify lessons learned and opportunities for systemic remediation and review disciplinary outcomes.

Chairman's Governance Report continued
Our Committees

- Review and resolve significant ethics and compliance matters that have the potential to adversely and materially impact Puma Energy's reputation.
- Set out and provide guidance on the culture and values of Puma Energy in support of an effective compliance management framework.

Key Issues Addressed:
- Monitor ethics and compliance performance in Puma Energy, including: 'Speak Up! Programme', assessment results, ethical culture, training, audits and certifications.
- Discuss and resolve challenges to implementing ethics and compliance initiatives and promote alignment across business and functions.
- ISO 37001 Certification GAP Analysis and Certification Plan.
- Conflict of Interest Policy Update.

Health, Safety, Security and Environment (HSSE) Committee Report

Members of the Committee
Hadi Hallouche (Chair), Rebekah Ganim, Fadi Mitri, Martin Urdapilleta, Richard Head, Priit End, Christophe Dantcikian, Sean Craig, Omar Zaafrani, Ricardo Bendana and Daniel Duffau.

Number of Meetings
Ten.

Key Responsibilities:
- To review and make recommendations to the Company in relation to matters affecting:
  i. Governance framework for HSSE.
  ii. The culture of HSSE compliance.
  iii. The HSSE policy and plan.
  iv. Global HSSE performance and targets.
  v. HSSE reporting.
- Set the tone for HSSE in the organisation.
- Decide on and approve HSSE initiatives and campaigns.

Key Issues Addressed:
- Review of major incidents and lessons learnt.
- Embedding our one best way of HSSE excellence across Puma Energy.
- Setting appropriate and challenging health and safety targets for the year.
- Increasing the Company's emphasis on leading indicators such as the reporting of near-misses.
- Exploring options to improve road safety, including vehicle monitoring systems.

Environmental, Social and Governance (ESG) Committee

Members of the Committee
Rene Medori (Chairman), Omar Zaafrani, Hadi Hallouche, Carlos Pons, Pierre Lorinet and Claire Divver.

Number of Meetings
Four.

Key Responsibilities:
- Ensure that the Company has an ESG Strategy in place and that it remains fit for purpose.
- Ensure that objectives and KPIs for ESG activities are in place and that key metrics are monitored and reported on.
- Ensure that ESG-related policies are in place, are regularly reviewed for their relevance, effectiveness and compliance with relevant national and international regulations, and are updated as necessary.
- Review current and emerging ESG trends, relevant international standards and legislative requirements, while identifying how these are likely to impact strategy, operations and the reputation of the Company.
- Discuss and resolve challenges to implementing ESG initiatives and promote alignment across business and functions.
- Review significant ESG risks and confirm that appropriate risk management activities and plans are in place and implemented, including ensuring that such risks have appropriate resources assigned.
- Oversee and approve Sustainability Key Performance Indicators for our Revolving Credit Facility.
- Approve all internal and external ESG reporting, including information to be included in the Annual and Sustainability Reports.
- Review and approve the results of any reviews, independent audits or assurances of the Company's performance.

Main Issues Addressed:
- Overseeing the delivery of the ESG strategy and setting of targets.
- Approval of sustainability-linked finance KPIs.
- Approval of our GHG reduction strategies and implementation programmes.
- Reviewed ESG ratings throughout the year (CDP, Sustainalytics).
- Guiding the LPG strategy in Africa.
- Kept informed of upcoming ESG-related regulation, including the European Union's Corporate Sustainability Reporting Directive.

GHG Independent Limited Assurance Report

Independent Limited Assurance Report to Puma Energy Holdings Pte Ltd

ERM Certification and Verification Services Limited ("ERM CVS") was engaged by Puma Energy Holdings Pte Ltd ("Puma Energy") to provide limited assurance in relation to the selected information set out below and presented in Puma Energy's Integrated Annual Report 2023 (the "Report").

Engagement summary	
Scope of our assurance engagement	Whether the 2023 data and information for the following selected disclosures are fairly presented on page 50 of the Report in all material respects, in accordance with the reporting criteria. • Total Scope 1 GHG emissions [metric tonnes CO_2e] • Total Scope 2 GHG emissions (location-based) [metric tonnes CO_2e] • Total Scope 3 GHG emissions from the following categories [metric tonnes CO_2e]: - Category 1: Purchased goods and services - Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2 - Category 4: Upstream Transportation and Distribution - Category 6: Business travel - Category 8: Upstream Leased Assets - Category 11: Use of sold products (produced products only) - Category 14: Franchises (Puma Energy CODO service stations) Whether the 2020 data and information for the following selected disclosures are fairly presented on page 50 of the Report in all material respects, in accordance with the reporting criteria. • Total Scope 3 GHG emissions from the following categories [metric tonnes CO_2e]: - Category 1: Purchased goods and services - Category 6: Business travel Our assurance engagement does not extend to information in respect of other reporting periods or to any other information included in the Report.
Reporting periods	• 2020 (1st January 2020 – 31st December 2020) – for Scope 3 GHG emissions from categories 1 and 6 only • 2023 (1st January 2023 – 31st December 2023)
Reporting criteria	• WRI/WBCSD Greenhouse Gas Protocol Corporate Accounting and Reporting Standard for the Scope 1 and Scope 2 GHG emissions. • WBCSD/WRI Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard for the Scope 3 GHG emissions. • Puma Energy's internal GHG accounting procedures, as described in the Report.
Assurance standard and level of assurance	We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Respective responsibilities	Puma Energy is responsible for preparing the Report, and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the selected disclosures. ERM CVS' responsibility is to provide a conclusion to Puma Energy on the agreed scope based on our engagement terms with Puma Energy, the assurance activities performed and exercising our professional judgement.

Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the 2023 and 2020 data and information for the selected disclosures listed under 'Scope' above are not fairly presented on page 50 of the Report, in all material respects, in accordance with the reporting criteria.

Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the selected disclosures a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the selected disclosures;
- Interviews with relevant Puma Energy staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the selected disclosures;
- A review of a sample of qualitative and quantitative evidence supporting the reported data and information;
- An analytical review of the year-end data submitted by all locations included in the consolidated 2023 group data for the selected disclosures which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary;
- A review and sample testing of Scope 3 Category 1 and Category 6 GHG emissions data for the 2020 reporting year;
- Evaluating the conversion and emission factors and assumptions used; and
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Puma Energy in any respect.

Gareth Manning
Partner, Corporate Assurance
London, United Kingdom

22nd March 2024

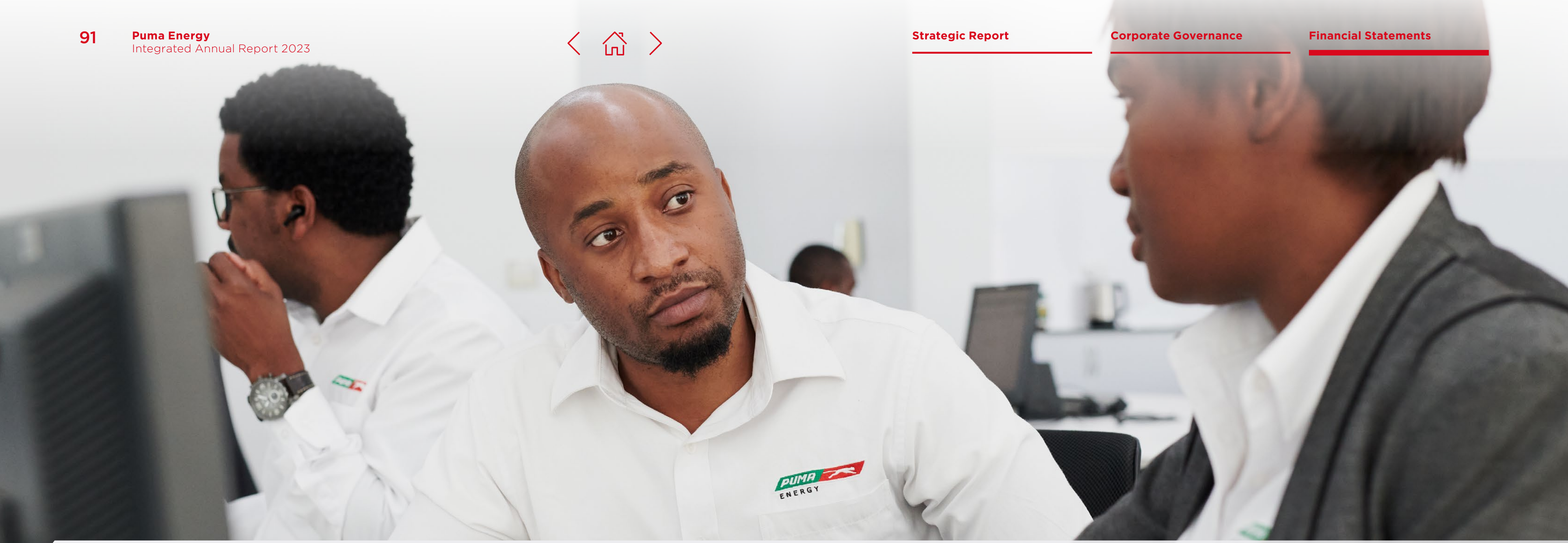
On behalf of:

ERM Certification and Verification Services Limited
www.ermcvs.com | post@ermcvs.com

Abbreviations, Acronyms, Units of Measure

API	American Petroleum Institute (standard)
B2B	Business-to-business
BBL	Barrel (unit of measurement)
BbP	Bukl bilong Pikinini (non-government organisation)
CDP	Carbon Disclosure Project
CNG	Compressed natural gas
CO_2-e	CO_2 equivalent
CODO	Company-owned, dealer-operated
CSR	Corporate social responsibility
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ESG	Environmental, social and governance
EU CSRD	European Union Corporate Sustainability Reporting Directive
FFP	Fuels of the Future Programme
GHG	Greenhouse gas (emissions)
GRI	Global Reporting Initiative (organisation)
HSSE	Health, safety, security and environment
ISO	International Organisation for Standardisation
KYC	Know Your Counterparty (verification process)

LNG	Liquified natural gas
LPG	Liquified petroleum gas
LTIFR	Lost-time injury frequency rate
MWp	Megawatt peak
NDC	Nationally Determined Commitments
OHSAS	Occupational Health and Safety Assessment Series (standard)
PEMS	Puma Environmental Management System
PV	Photovoltaic
R&D	Research and development
RTA	Road traffic accident
SAF	Sustainable aviation fuel
SAPS	Safety management system
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goal
Mt	Metric tonne
TCFD	Taskforce on Climate-Related Financial Disclosures
TRCFR	Total recordable case frequency rate



Financial Statements

Consolidated Statement of Income
For the year ended 31 December

In US$000	Notes	2023	2022 Restated[(i)]
Continuing operations			
Revenue from contracts with customers	10.1	**13,364,879**	15,909,352
Cost of sales		**(12,312,906)**	(14,849,510)
Gross profit		**1,051,973**	1,059,842
Selling and operating costs	10.2	**(618,016)**	(751,832)
General and administrative expenses	10.3	**(177,293)**	(154,913)
Other operating income	10.4	**80,076**	13,570
Other operating expenses	10.4	**(17,233)**	(1,333)
Share of net profits and losses of associates		**662**	3,745
Operating profit/(Loss)		**320,169**	169,079
Finance income	10.5	**29,506**	17,023
Finance costs	10.6	**(198,646)**	(174,225)
Net foreign exchange losses	10.7	**(11,306)**	(10,915)
Profit/(Loss) before tax		**139,723**	962
Income tax expense	11.1	**(99,947)**	(85,440)
Profit/(Loss) after tax from continuing operations		**39,776**	(84,478)
Profit/(Loss) after tax from discontinued operations	12.1	**-**	110,291
Profit/(Loss) for the period		**39,776**	25,813
Attributable to:			
Owners of the parent		**32,016**	13,931
Non-controlling interests		**7,760**	11,882

(i) Prior year figures have been restated as per IFRS 5 – Discontinued operations – and IAS8 – change in accounting policy – due to:
The reintegration of Ghana, Tanzania and Puerto Rico infrastructure division terminals back into continuous operations.
The reintegration of Baltics operations into continuing operations.

A detail of this restatement can be found in notes 3, 10.8 and 12.

Consolidated Statement of Comprehensive Income
For the year ended 31 December

In US$000	2023	2022
Profit/(Loss) for the period	**39,776**	25,813
Other comprehensive income/(loss)		
Exchange differences on translation of foreign operations, net of tax	**(45,920)**	(37,330)
Other income/loss	**1,601**	(882)
Net other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods	**(44,319)**	(38,212)
Remeasurement losses on defined benefit plans, net of tax	**(102)**	(517)
Net other comprehensive income/(expense) not to be reclassified to profit or loss in subsequent periods	**(102)**	(517)
Total other comprehensive income/(expense)	**(44,421)**	(38,729)
Total comprehensive income/(loss) for the period, net of tax	**(4,645)**	(12,916)
Attributable to:		
Owners of the parent	**(2,319)**	(26,860)
Non-controlling interests	**(2,326)**	13,944

Consolidated Statement of Financial Position
For the year ended 31 December

In US$000	Notes	**2023**	2022
Assets			
Non-current assets			
Property and equipment	13	**1,006,045**	991,178
Intangible assets and goodwill	14	**272,904**	306,894
Right-of-use	15	**551,713**	543,838
Investments in associates	9	**134,832**	23,600
Other financial assets	18	**20,848**	37,033
Deferred tax assets	11	**29,509**	60,809
Other assets	19	**140,590**	132,150
Total non-current assets		**2,156,441**	2,095,502
Current assets			
Inventories	17	**793,802**	927,785
Other assets	19	**196,333**	307,412
Income tax receivable		**17,622**	21,100
Trade receivables	20	**642,037**	753,664
Other financial assets	18	**207,718**	214,233
Cash and cash equivalents	21	**495,027**	835,450
Total current assets		**2,352,539**	3,059,644
Asset classified as held for sale	12.9	**4,908**	169,508
Total assets		**4,513,888**	5,324,654

In US$000	Notes	**2023**	2022
Equity and liabilities			
Equity			
Share capital	22	**2,165,931**	2,165,931
Retained earnings		**(1,147,757)**	(1,514,738)
Foreign currency translation reserve		**(571,833)**	(550,391)
Other components of equity		**4,810**	4,921
Equity attributable to owners of the parent		**451,151**	105,723
Non-controlling interests		**1,152**	44,096
Total equity		**452,303**	149,819
Non-current liabilities			
Interest-bearing loans and borrowings	23	**885,258**	1,789,646
Lease liabilities	24	**634,884**	617,841
Retirement benefit obligations		**(162)**	905
Other financial liabilities	26	**8,042**	5,423
Deferred tax liabilities	11	**40,965**	52,333
Provisions	25	**20,144**	28,568
Total non-current liabilities		**1,589,131**	2,494,716
Current liabilities			
Trade and other payables	27	**1,927,967**	2,092,973
Interest-bearing loans and borrowings	23	**155,615**	117,073
Lease liabilities	24	**80,868**	76,644
Other financial liabilities	26	**149,694**	246,309
Income tax payable	11	**108,213**	101,017
Provisions	25	**33,126**	29,217
Total current liabilities		**2,455,483**	2,663,233
Liabilities directly associated with the assets classified as held for sale	12.9	**16,971**	16,886
Total liabilities		**4,061,585**	5,174,835
Total equity and liabilities		**4,513,888**	5,324,654

Consolidated Statement of Changes in Equity
For the year ended 31 December

In US$000		Attributable to owners of the parent						
		Share capital	**Retained earnings**	**Foreign currency translation reserve**	**Other components of equity**	**Total**	**Non-controlling interest**	**Total equity**
At 1 January 2023		**2,165,931**	**(1,514,738)**	**(550,391)**	**4,921**	**105,723**	**44,096**	**149,819**
Profit for the period		**-**	**32,016**	**-**	**-**	**32,016**	**7,760**	**39,776**
Other comprehensive income		**-**	**1,608**	**(35,832)**	**(111)**	**(34,335)**	**(10,086)**	**(44,421)**
Total comprehensive income/(loss)		**-**	**33,624**	**(35,832)**	**(111)**	**(2,319)**	**(2,326)**	**(4,645)**
Dividends		**-**	**-**	**-**	**-**	**-**	**(4,539)**	**(4,539)**
Capital contribution from shareholder loan		**-**	**358,215**	**-**	**-**	**358,215**	**-**	**358,215**
Divestment of subsidiaries	6.2	**-**	**-**	**-**	**-**	**-**	**(271)**	**(271)**
Acquisition of non-controlling interest	6.4	**-**	**(24,858)**	**14,390**	**-**	**(10,468)**	**15,319**	**4,851**
Scope variations	6.3	**-**	**-**	**-**	**-**	**-**	**(51,127)**	**(51,127)**
At 31 December 2023		**2,165,931**	**(1,147,757)**	**(571,833)**	**4,810**	**451,151**	**1,152**	**452,303**

In US$000		Attributable to owners of the parent						
		Share capital	Retained earnings	Foreign currency translation reserve	Other components of equity	Total	Non-controlling interest	Total equity
At 1 January 2022		2,168,099	(1,625,043)	(510,939)	5,378	37,495	144,224	181,719
Profit for the period		–	13,931	–	–	13,931	11,882	25,813
Other comprehensive income		(2,168)	1,286	(39,452)	(457)	(40,791)	2,062	(38,729)
Total comprehensive income/(loss)		(2,168)	15,217	(39,452)	(457)	(26,860)	13,944	(12,916)
Dividends		–	–	–	–	–	(15,785)	(15,785)
Capital contribution[(i)]		–	96,746	–	–	96,746	–	96,746
Treasury shares[(ii)]		–	(1,864)	–	–	(1,864)	–	(1,864)
Acquisition/(Divestments) of non-controlling interests	6.4	–	206	–	–	206	(26,549)	(26,343)
Scope variation	6.3	–	–	–	–	–	(71,738)	(71,738)
At 31 December, 2022		2,165,931	(1,514,738)	(550,391)	4,921	105,723	44,096	149,819

(i) Capital contribution for the interest free portion of the shareholder loan. See note 23.
(ii) Own shares received as consideration of a loan receivable.

Consolidated Statement of Cash Flows
For the year ended 31 December

In US$000	Notes	**2023**	2022
Operating activities			
Profit before tax from continuing operations		**139,723**	962
Profit before tax from discontinued operations		**-**	111,267
Profit before tax		**139,723**	112,229
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property and equipment	10.2, 12.3, 13	**193,767**	230,574
Amortisation and impairment of intangible assets	10.2, 12.3, 14	**20,588**	88,173
Amortisation and impairment of lease right-of-use	10.2, 12.3, 15	**74,702**	113,121
(Gain) on disposal of assets and investments	10.4	**(80,067)**	(160,595)
Net interest expense	10.5, 10.6	**115,511**	144,953
Lease financial costs	7, 10.6, 12.7	**51,673**	37,076
Dividend income	10.5	**(2,932)**	(1,105)
Share of net profit of associate	9.2	**(662)**	(3,777)
Provisions		**1,007**	386
Changes in value of derivative financial instruments		**(5,950)**	(48,950)
Working capital adjustments:			
Decrease/(Increase) in trade, other receivables and prepayments		**48,303**	(57,983)
Decrease/(Increase) in inventories		**62,113**	(54,525)
(Decrease)/Increase in trade, other payables and accrued expenses		**(41,865)**	152,050
Interest received	10.5	**9,549**	6,928
Dividends received from associates		**1,000**	1,748
Income tax paid	11	**(67,869)**	(82,696)
Net cash flows from operating activities		**518,591**	477,607

In US$000	Notes	**2023**	2022
Investing activities			
Net proceeds from sale of investments	6.2	**29,483**	746,944
Proceeds from sale of fixed assets		**14,014**	15,294
Purchase of intangible assets	14	**(2,598)**	(4,271)
Purchase of property and equipment	13	**(134,468)**	(163,469)
Cash outflow from change in control	6.3	**(90,814)**	(50,686)
Investment in associates		**(1,535)**	-
Dividends received	10.5	**667**	1,105
Net cash flows from/(used in) investing activities		**(185,251)**	544,917
Financing activities			
Loans granted		**992**	34,834
Proceeds from/(repayment of) borrowings		**(466,027)**	(411,297)
Proceeds from equity (reimbursement)		**-**	(882)
Interest paid		**(83,195)**	(127,644)
Lease payments		**(137,800)**	(144,001)
(Acquisitions) of non-controlling interests	6.4	**(3,784)**	-
Dividends paid	30.6	**(3,549)**	(14,621)
Net cash flows used in financing activities		**(693,363)**	(663,611)
Net increase/(decrease) in cash and cash equivalents		**(360,023)**	358,913
Effects of exchange rate differences		**16,585**	7,453
Cash and cash equivalents under continuing operations at 1 January	21	**835,450**	452,542
Cash and cash equivalents under assets held for sale at 1 January		**5,171**	21,713
Cash and cash equivalents at 1 January		**840,621**	474,255
Cash and cash equivalents at 31 December	21	**497,183**	840,621
Less: cash and cash equivalents under assets held for sale at 31 December		**2,156**	5,171
Cash and cash equivalents under continuing operations at 31 December		**495,027**	835,450

Notes to the Consolidated Financial Statements

1. Corporate Information

Puma Energy Holdings Pte Ltd (the 'Company') was incorporated in Singapore as a private company limited by shares on 2 May 2013. The registered office of the Company is 1 Marina Boulevard #28-00, One Marina Boulevard, Singapore 018989.

The principal business activities of the Company and its subsidiaries (the 'Group') are the ownership and operation of storage facilities for, and the sale and distribution of, petroleum products.

The Group is owned by Trafigura PE Holding Ltd (58.15 per cent), Trafigura PTE Ltd. (34.19 per cent), TPE Holdings 2 LLC (4.33 per cent), PE Investments Limited (3.13 per cent) and other investors (0.20 per cent). Trafigura related companies account for 96.75 per cent of ownership.

The consolidated financial statements of Puma Energy Holdings Pte Ltd for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 6 March 2024.

2. Accounting Methods

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value and those inventories that qualify for fair value accounting using the IAS 2 *Inventories* exemption.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has all of the following:

- Power over the investee (ie existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group accounting policies. All intra-Group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit of loss. Any investment retained is recognised at fair value.

2.3 Summary of Material Accounting Policies

a) 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 the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Notes to the Consolidated Financial Statements continued

2. Accounting Methods continued

At the acquisition date, the identifiable assets acquired, and the liabilities assumed, are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively.
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (eg the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Where the acquisition of subsidiaries and businesses does not constitute a business, the Group has accounted for that transaction or event as an asset acquisition. The Group has identified, recognised individual identifiable assets acquired, and liabilities assumed. The cost of the Group is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of purchase. The asset acquisition transaction has not given rise to any goodwill or bargain gain.

b) Foreign currency translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect at the closing date of each reporting period. These items are recorded, according to their nature, either as income and expense in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Notes to the Consolidated Financial Statements continued

2. Accounting Methods continued

Group companies

The presentation currency of the Group is the US Dollar. Consolidated statement of financial position items are translated into US Dollars at the exchange rate applicable on the date of closure of the reporting period, and consolidated statement of income items are translated using the average exchange rate over the reporting period. Foreign exchange differences arising on translation for consolidation are recognised in other comprehensive income and included in consolidated shareholders' equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

c) Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly-probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups ceases to be classified as held for sale when the sale is highly not probable and the asset is not available for immediate sale. The Group includes any required adjustment to the carrying amount of the non-current asset that ceases to be classified as held for sale in profit or loss from continuing operation in the period in which it ceases to be held for sale.

d) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interest in joint operations are recorded according to IFRS 11 *Joint Arrangements*:

- Assets, including its share of any assets held jointly.
- Liabilities, including its share of any liabilities incurred jointly.
- Revenue from the sale of its share of the output arising from the joint operation.
- Share of the revenue from the sale of the output by the joint operation.
- Expenses, including its share of any expenses incurred jointly.

The results of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

Notes to the Consolidated Financial Statements continued

2. Accounting Methods continued

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a Group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

e) Goodwill

Goodwill is measured as being the excess of the aggregate of the consideration transferred, the amount recognised 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 (CGUs) or group of CGUs expected to benefit from the combination's synergies.

Following initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the CGU or group of CGUs to which the goodwill relates. Where the recoverable amount of the CGU or group of CGUs is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period. For the impairment test, see note 16.

Goodwill may also arise upon investments in associates, being the surplus of the cost of investments in associates. Goodwill is included in the carrying amount of the investment in an associate and is neither amortised nor individually tested for impairment.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite live are amortised according to the straight-line method for the periods corresponding to their expected useful lives. Intangible assets are mainly comprised of software licences (useful lives ranging from three to five years) and certain long-term concession rights related to land usage (useful lives ranging from 33 to 99 years).

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

g) 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 capitalised value of a finance lease is also included within property and equipment. Land and buildings are accounted for under the cost model. Hence no revaluation is carried out, in line with IAS 16 *Property, Plant and Equipment*.

Notes to the Consolidated Financial Statements continued

2. Accounting Methods continued

Depreciation is provided on a straight-line basis over estimated useful lives of the respective assets, considering the residual value. The estimated useful lives are:

Buildings	33 years
Machinery and equipment	Three to 20 years
Other fixed assets	One to five years

The expected useful lives of property and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

h) Impairment of non-financial assets

The Group assesses its 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 recognised in the Group results from time to time.

Such indicators include changes in the Group business plans, an increase in the discount rate, low asset utilisation, 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 (CGU) with its recoverable amounts being the higher of fair value less costs to sell and value in use. A CGU 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 CGU exceeds the recoverable amount, the asset or CGU 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 the outlook for global or regional market supply and demand conditions for petroleum products, discount rates, and the effects of inflation on operating expenses. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs 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, the Group estimates the asset's or CGU's recoverable amount. A previously recognised 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 recognised. 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 recognised for the asset in prior years. Impairment losses relating to goodwill cannot be reversed in future periods.

i) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised 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 the Group's business model for managing them.

Notes to the Consolidated Financial Statements continued

2. Accounting Methods continued

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

Financial assets at amortised cost (debt instruments)

The Group measures financial assets (debt instruments) at amortised 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 recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through OCI (debt instruments)

The Group measures 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 recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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

Upon initial recognition, the Group can elect to classify irrevocably its 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 recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits 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 recognised 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 derecognised (ie removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has 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) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has transferred control of the asset.

When the Group has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has 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 the Group could be required to repay.

Notes to the Consolidated Financial Statements continued

2. Accounting Methods continued

Impairment of financial assets

The Group recognises 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 the Group expects 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, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

j) Financial liabilities

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings. For more information, refer to note 23.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

k) Derivative financial instruments

The Group utilises derivative financial instruments (shown separately in the consolidated statement of financial position under other financial assets and other financial liabilities) to economically hedge its 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, the Group will enter into positions through Trafigura Pte Ltd and Trafigura Derivatives Ltd. The Group has an agreement in place with Trafigura Pte Ltd and Trafigura Derivatives Ltd whereby those derivative transactions entered into on behalf of the Group by Trafigura Pte Ltd and Trafigura Derivatives Ltd are contractually binding to the Group and therefore any gains or losses arising from such transactions are strictly for the account of the Group.

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.

Notes to the Consolidated Financial Statements continued

2. Accounting Methods continued

Hedge Accounting

Generally, the Group does not apply hedge accounting, but in some instances, it may elect to apply hedge accounting. Those derivatives qualifying and designated as hedges are either:

- a cash flow hedge of the change in cash flows to be received or paid relating to a recognised asset or liability or a highly-probable transaction; or
- a fair value hedge of the change in fair value of a recognised asset or liability or an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instruments.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of the hedged item.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be re-calibrated by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for at the time of the hedge relationship re-calibration.

Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Consolidated Statement of Income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges against its exposure to foreign currency risk in forecast transactions and firm commitments, interest rate swaps as hedges against its exposure to volatility in interest rates as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts and interest rate swaps is recognised in finance income and expense. The ineffective portion related to commodity contracts is recognised in materials, transportation and storage costs.

The amounts accumulated in other comprehensive income are accounted for depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income must be accounted for depending on the nature of the underlying transaction as described above.

Notes to the Consolidated Financial Statements continued

2. Accounting Methods continued

Fair value hedge

The Group elects to apply fair value hedge accounting to hedge certain risk components of non-financial hedged items. When applicable, the Group designates derivative hedging instruments as fair value hedges in relationship to the hedged item. The hedged item may be individual risk components, which are separately identifiable and reliably measurable or maybe valued in entirety, considering all the risk components of the hedged item for the designated period.

The hedged item is accounted for at fair value through profit and loss, and reflected in the Consolidated Statement of Financial Position as either a recognised asset or liability or an unrecognised firm commitment. Each identified risk component of the hedged item will be revalued at each period with its corresponding benchmark accounted for at fair value and recognised through profit and loss. Further, it is reflected on the Consolidated Statement of Financial Position as either a recognised asset or liability or an unrecognised firm commitment.

A change in the fair value of derivatives designated as a fair value hedge is reflected together with the change in the fair value of the hedged item in the Consolidated Statement of Income. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

Current versus non-current classification

Derivative 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 (ie the underlying contractual cash flows). The Company does not bear derivatives over 12 months.

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 recognised amounts and there is an intention to settle on a net basis, or to realise 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 (eg the underlying contracted cash flows).

- Where the Group will hold a derivative as an economic hedge (and does 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.

l) Inventory

Inventories, other than inventories held for trading purposes, are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs, cost of production, transportation and manufacturing expenses. Borrowing costs are not included in the cost of inventory.

Net realisable value of petroleum products is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition.

Any write-off is recognised when the probable realisable value is lower than the net book value.

With respect to inventories held for trading purposes, the Group accounts for them at fair value less costs to sell and any changes in value are recognised in profit or loss. Trading activities include optimisation of the Group's supply cycle and the supply of petroleum products to business-to-business and wholesale clients. Further details are provided in note 17.

Notes to the Consolidated Financial Statements continued

2. Accounting Methods continued

m) Leases

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. Both are presented as separated items in the statement of financial position under notes 15 and 24.

The right-of-use assets is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimated of costs for dismantling less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability (for example, escalations). At implementation of the norm, we included any lease prepayment pending to amortise as of 31 December 2018 in the right-of-use.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery, vehicles, vessels and IT and office equipment that have a lease term of 12 months or less and any kind of leases nature when low-value assets are concerned. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group net investment outstanding in respect of the leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are subtracted from lease on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements continued

2. Accounting Methods continued

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

n) Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

o) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

p) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duty. Revenue is reduced for estimated customer returns, discounts and other similar allowances. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. The transfer of control of petroleum products usually coincides with title passing to the customer and the customer taking physical possession.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold.
- Revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

q) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised in other comprehensive income is also recognised in other comprehensive income and not in profit or loss.

Notes to the Consolidated Financial Statements continued

2. Accounting Methods continued

Deferred tax

Deferred tax assets and liabilities are recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date and for operating loss and tax credit carry forwards. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. In assessing the recoverability of deferred tax assets, the Group relies on future business plans used elsewhere also in the financial statements and in other management reports.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect on deferred tax assets and liabilities of changes in tax rates is recognised in profit or loss in the period of the enactment of the change in tax rates.

Tax exposure

In determining the amount of current and deferred tax, the Company considers the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities and such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, as well as the contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events. Changes in these assumptions may materially affect the consolidated financial position or performance reported in future periods.

Impairment of Assets

In accordance with IAS 36 *Impairment of Assets*, the Group performs an assessment at each reporting date to determine whether there are any indications of impairment at each reporting date. If indications of impairment exist, an impairment test is performed to assess the recoverable amount of the assets.

Goodwill Impairment

Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the CGU, and a suitable discount rate, in order to calculate present value. Details of the Group goodwill impairment assessment at 31 December 2023 and 2022 are described in note 16.

Useful Lives of Intangible Assets and Property and Equipment

Intangible assets and property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. 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.

Notes to the Consolidated Financial Statements continued

3. Significant Accounting Judgements, Estimates and Assumptions continued

Provision for Expected Credit Losses

For trade receivables and contract assets, the Group applies a simplified approach in calculating Expected Credit Losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting. The Group has established a provision matrix that is based on its historical credit loss experience date (considering the ageing of trade receivables and geographical risk as a proxy for counterparty risk), adjusted for forward-looking factors specific to the debtors and the economic environment.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Environmental Costs

Costs associated with environmental remediation obligations are provided for when the Group has a present obligation and the provision can be reasonably estimated. Such provisions are adjusted as further information develops or circumstances change.

Recovery of Deferred Tax Assets

Judgement is required in determining whether deferred tax assets should be recognised in the consolidated statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred income tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, oil and natural gas prices, reserves, operating costs, decommissioning costs, capital expenditure, dividends and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction.

To the extent that future cash flows impacting the taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Determination of Fair Values in Business Combinations

The Group has applied estimates and judgements 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 recognised at the acquisition date are recognised at fair value. In determining fair value, the Group has utilised 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. 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.

4. Significant Events

Australia Bank Guarantee Release

The bank guarantee for environmental and tax litigation related to Australia divestment amounting US$81.4 million and classified as restricted cash was released in January 2023, making these funds available in our Luxembourg subsidiary.

Notes to the Consolidated Financial Statements continued

4. Significant Events continued

Sustainability-Linked Revolving Credit Facility and Term Loan

Puma Energy's 2023 Revolving Credit Facility (RCF) and Term Loan (TL) was launched in March and closed in May[1] with facilities representing commitments of US$832.5 million. The Sustainability Linked facilities will see margins adjusted subject to Puma Energy achieving independently verified KPIs relating to greenhouse gas emissions reduction as well as security and human rights. The facility is split into Facility A1 (loans and credit instruments for US$30 million), Facility A2 (swingline facility for US$30 million) and Facilities A3 (one-year RCF for US$465 million) and A4 (loans only, two-year RCF for US$147.5 million); and a term loan facility ('Facility B', two-year TL for US$160 million).

On 4 August the Revolving Credit and Term Loan facility was increased by US$15 million through an accordion transaction, increasing the total amount of the facility from US$832.5 million to US$847.5 million. The additional liquidity increased the two-year term loan facility ('Facility B') from US$160 million to US$175 million.

Puerto Rico, Tanzania and Ghana Infrastructure Terminals Excluded From Divestment Scope

The Group and Impala Terminals Group agreed to remove the terminals in Ghana, Tanzania and Puerto Rico from the transaction due to various regulatory constraints. The aforementioned terminals have been moved from assets held for sale and discontinued operations and classified as continuous operations.

Divestment of CEPA Terminal in El Salvador

In May 2023 the Group completed the divestment of El Salvador CEPA terminal for a total consideration of US$21 million. This terminal has been fully leased back for a lease term of eight years, leading to the recognition of US$21 million lease liability and US$3 million gain through profit and loss.

Infrastructure divestment transaction is considered completed as at 31 December 2023.

Liability Management Exercise

On 18 July 2023 the Group announced a capped US$410 million offer to purchase its 5.125 per cent US Dollar-denominated Senior Notes due 2024 and its 2.650% Euro-denominated Amortising Senior Notes due 2024.

1 The revolving facility was increased on 4 August by US$15 million ('Facility B') through an accordion transaction.

This followed the content solicitation that was done on 25 May which modified certain pro rata repayment requirements under the terms of its 2026 Notes in order to permit the Company and/or its restricted subsidiaries to deploy a portion of the net proceeds from the previously-announced sale of the Group's infrastructure and storage assets to Impala Terminals towards the repayment, repurchase, prepayment or redemption of the 2024 Notes without being subject to a pro rata offer requirement with respect to the 2026 Notes.

The Notes Offer expired on 15 August, 2023 and on that date, an aggregate principal amount of the 2024 Notes and the 2024 Euro PP Notes equal to US$425,005,000 and €33,333,333 respectively, had been validly tendered and not validly withdrawn.

As the Aggregate Purchase quantum that would be deployed if all validly tendered Notes were accepted for purchase would not exceed the cap of US$410 million, the Issuer, based on the proration mechanics, set out in the Offer to Purchase, repaid US$377.47 million of the US Dollar-denominated 2024 Notes and €29,615,167 of the 2024 Euro PP Notes. This reflects the application of a proration factor of 84.5735 per cent and 88.7588 per cent to the 2024 Notes and 2024 Euro PP Notes, respectively.

On 18 December 2023, the Company called the remaining US$153.5 million 2024 Notes at par with cash generated by the business.

Acquisition of BP Aviation Business in Mozambique

On 1 August 2023 the Group acquired BP aviation business in Mozambique. This asset deal comprised mainly the transfer of seven airport concessions, depots, refuellers, contracts, government licences and inventories.

Divestment of Senegal LPG and Retail Activities

The Group sold its LPG and Retail business in Senegal to Oryx for US$11 million proceeds.

Puma Energy Tanzania Change in Consolidation Method

The Group deconsolidated Puma Energy Tanzania on 28 October as per IFRS10 definition and it started applying IAS28 equity consolidation method. This event did not imply any change in ownership but was completed to reflect the governance of the Joint Venture with the Tanzanian government more accurately. The Group keeps a significant influence on the Puma Energy Tanzania's operations.

Notes to the Consolidated Financial Statements continued

4. Significant Events continued

Purchase of 40 Per Cent Stake in Redan Petroleum

On 18 October 2023 the Group acquired 40 per cent stake of Redan Petroleum (pvt) ltd. to Seagrass through an exchange of assets (the Group transferred 21 service stations for Seagrass' 40 per cent stake). This effectively increased its shareholding to 100 per cent in Redan Petroleum (pvt) ltd.

Shareholder Loan Qualification as Equity

On 1 October 2023 the Group amended the US$424 million subordinated loan maturing in January 2027 with Trafigura Pte Ltd. This loan became a perpetual subordinated loan, which in combination with the other characteristics of the loan, qualifies it as an equity instrument. That has result in a US$358 million net increase in equity.

MBHE Acquisition

In December 2023 the Group acquired a 49.65 per cent stake in MBHE Group for US$0.7 million consideration and a capital injection of US$0.8 million. MBHE develops, implements and maintains renewable energy solutions for customers across southern Africa. The Company also owns a network of high-quality renewable energy assets across the African continent. The Group has a significant influence in the Company and consolidate it as an associate.

5. Changes in Accounting Standards

New and Amended Standards and Interpretations

In 2023, the Group adopted the following new or amended standards and interpretations for the first time:

Effective from 1 January 2023.
- Insurance contracts – Amendments to IFRS17.
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2. Presentation of financial statements: classification of liabilities as current or non-current and disclosure of accounting policies.
- Definition accounting estimates – Amendments to IAS 8.
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12.

Effective from 23 May 2023.
- International Tax Reform: Pillar Two Model Rules[2] – Amendments to IAS 12. The amendments introduce a relief from deferred tax accounting for the global minimum top-up tax under Pillar Two, which applies immediately, and new disclosure requirements, which apply from 31 December 2023. No disclosures are required in interim periods ending on or before 31 December 2023.

Standards Issued But Not Yet Effective

The standards and interpretations that have been issued or amended but not yet effective, up to the date of issuance of the Group's consolidated financial statements, are disclosed below. The Group intends to adopt the following standards, interpretations and amendments when they become effective, to the extent they are relevant to the Group.

Effective from 1 January 2024.
- Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current.
- Lease liability in a sale and leaseback – Amendments to IFRS 16.
- Supplier finance arrangements – Amendments to IAS 7 and IFRS 7.

Effective from 1 January 2025.
- Lack of exchangeability – Amendments to IAS 21.

Available for optional adoption/effective date deferred indefinitely.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28.

The adoption of these issued or amended standards and interpretations is not expected to have material impact on the consolidated financial position or performance of the Group.

2 The amendments introduce a relief from deferred tax accounting for the global minimum top-up tax under Pillar Two, which applies immediately, and new disclosure requirements, which apply from 31 December 2023. No disclosures are required in interim periods ending on or before 31 December 2023.

Notes to the Consolidated Financial Statements continued

6. Business Combinations: Acquisitions/Divestments

6.1 Subsidiaries Acquired

There were no new subsidiaries acquired during 2022 and 2023.

6.2 Divestments

6.2a Divestments 2023

In 2023 the Group divested its CEPA terminal in El Salvador, LPG and retail operations in Senegal and some additional assets in Namibia and Puerto Rico linked to the infrastructure business division.

In US$000	Downstream	Midstream	Consolidated
Assets			
Cash and cash equivalents	1,221	-	1,221
Inventories	1,473	-	1,473
Receivables	31,966	-	31,966
Property and equipment	10,860	3,006	13,866
Goodwill and intangible assets	5,892	-	5,892
Right-of-use	330	-	330
Other long-term assets	172	-	172
Assets previously classified as held for sale	-	-	-
Liabilities			
Trade and other payables	31,178	-	31,178
Other current liabilities	1,595	-	1,595
Non-current liabilities	128	-	128
Total net assets disposed of	**19,013**	**3,006**	**22,019**
Gain/(Loss) on disposal of net assets attributable	(13,880)	(3,006)	(16,886)
CTA reclassified to profit and loss	(440)	-	(440)
Other gains/(losses) associated to the divestment	2,593	12,965	15,558
Leased back assets	-	(17,648)	(17,648)
Sales proceeds	15,195	21,266	36,461
Gain/(Loss) on investment disposal	3,468	13,577	17,045
Sales proceeds[i]	13,803	21,149	34,952
Proceeds received on prior year transaction[i]	3,329	117	3,446
Paid transaction costs	(163)	(7,888)	(8,051)
(Cash)/Overdraft on deconsolidated perimeter	(864)	-	(864)
Net cash inflow	**16,105**	**13,378**	**29,483**

(i) Includes US$3.1 million sales proceeds for NEPAS and PEAS divestment in 2022 that was received in January 2023.

6.2b Divestments 2022

In 2022 the Company did the following divestments: the Company disposed of its storage operations in Russia (Murmansk) in January 2022 and its downstream activities in Ivory Coast the 28 October 2022. In December 2022 it divested its minority stake in Puma Energy Asia Sun (PEAS) and National Energy Puma Aviation Services (NEPAS). The Company divested part of its infrastructure division in September, 19 storage terminals in ten countries, following the agreement signed in March with Impala Terminals Group Sarl for US$894 million consideration.

In US$000	Downstream	Midstream	Consolidated
Assets			
Cash and cash equivalents	2,265	9,322	11,587
Inventories	3,022	82,025	85,047
Receivables	2,441	303,803	306,244
Property and equipment	14,641	438,582	453,223
Goodwill and intangible assets	–	343,070	343,070
Right-of-use	4,123	73,112	77,235
Other long-term assets	8,388	19,330	27,718
Assets previously classified as held for sale			
Liabilities	(21,263)	(230,971)	(252,234)
Trade and other payables	(6,690)	(611,517)	(618,207)
Other current liabilities	(3,443)	(81,698)	(85,141)
Non-current liabilities	–	(4,328)	(4,328)
Other intercompany positions	–	(4,328)	(4,328)
Total net assets disposed of	3,484	340,730	344,214
Attributable equity for the Group	45	(477,255)	(477,210)
CTA reclassified to profit and loss	(124)	(20,537)	(20,661)
Other costs associated to the divested perimeters	(10,884)	(25,792)	(36,676)
Leased back assets – Right of use recognised	–	(233,154)	(233,154)
Sales proceeds	19,303	893,973	913,276
Gain/(Loss) on investment disposal	8,340	137,236	145,576
Sales proceeds[i]	16,203	893,973	910,176
Paid transaction costs	–	(28,601)	(28,601)
(Cash)/Overdraft on deconsolidated perimeter	6,070	(140,701)	(134,631)
Net cash inflow	22,273	724,671	746,944

(i) US$3.1 million sales proceeds for NEPAS and PEAS divestment was received in January 2023.

Notes to the Consolidated Financial Statements continued

6. Business Combinations: Acquisitions/Divestments continued

6.3 Scope Variations

6.3a Scope variations 2023

The Group deconsolidated Puma Energy Tanzania on 28 October 2023 as per IFRS10 definition and it started applying IAS28 equity consolidation method. This event did not imply any change in ownership but was completed to reflect the governance of the Joint Venture with the Tanzanian government more accurately. The Group keeps a significant influence on the Puma Energy Tanzania's operations.

In US$000	**Downstream**	**Total**
Non-current assets	**51,693**	**51,693**
Current assets	**197,224**	**197,224**
Non-current liabilities	**(12,664)**	**(12,664)**
Current liabilities	**(166,507)**	**(166,507)**
Total net assets derecognised	**69,746**	**69,746**
Attributable to:		
Owners of the parent	**34,873**	**34,873**
Non-controlling interest	**51,127**	**51,127**

In US$000	**Downstream**	**Total**
Equity cost prior to scope variation	**(34,873)**	**(34,873)**
Investment in subsidiary derecognised	**(3,903)**	**(3,903)**
CTA Reclassified to profit and loss	**(16,150)**	**(16,150)**
Fair value of investment in associate recognised	**110,222**	**110,222**
Gain due to scope variation	**55,296**	**55,296**

In US$000	**Downstream**	**Total**
Cash deconsolidated with the perimeter	**(90,814)**	**(90,814)**

6.3b Scope variations 2022

Beginning 2022 the Company considered it did not have the control of the investee National Energy Puma Aviation Services (NEPAS). This implied a variation of the scope in consolidation for the investee, from subsidiary to associate, and a change in the method of consolidation, from global to equity method. The impacts of these changes can be seen in the following table:

In US$000	Downstream	Total
Non-current assets	38,475	38,475
Current assets	66,742	66,742
Non-current liabilities	(572)	(572)
Current liabilities	(25,455)	(25,455)
Total net assets derecognised	79,190	79,190
Attributable to:		
Owners of the parent	16,452	16,452
Non-controlling interest	71,738	71,738

In US$000	Downstream	Total
Equity cost prior to scope variation	(16,452)	(16,452)
Investment in subsidiary derecognised	(21,000)	(21,000)
Fair value of investment in associate recognised	37,452	37,452
Gain/(Loss) due to scope variation	–	–

In US$000	Downstream	Total
Cash deconsolidated with the perimeter	(50,686)	(50,686)

Later in the year, the Group fully divested its investment in National Energy and Puma Aviation Services (note 6.2).

Notes to the Consolidated Financial Statements continued

6. Business Combinations: Acquisitions/Divestments continued

6.4 Non-Controlling Interests' Movements Due to Acquisitions/(Divestments)

6.4a Non-controlling interests' movements due to acquisitions/(divestments) in 2023

In US$000	Downstream segment(i)	Midstream segment(ii)	Total
Increase/(Decrease) in non-controlling interests due to investment/divestments in subsidiaries(i)	**17,836**	**(2,517)**	**15,319**
Increase/(decrease) in non-controlling interests	**17,836**	**(2,517)**	**15,319**

In US$000			
Consideration paid, net(ii)	**(3,202)**	**(3,784)**	**(6,986)**
Increase/(Decrease) in retained earnings from non-controlling interests' acquisition	**(20,389)**	**2,517**	**(17,872)**
Increase in foreign currency translation reserves from non-controlling interests' acquisition	**14,390**	**-**	**14,390**
Impacts in retained earnings due to non-controlling interests' acquisition	**(9,201)**	**(1,267)**	**(10,468)**

(i) Movement in the non-controlling interest linked to the acquisition of the 40 per cent stake in Redan Petroleum (Pvt) Ltd in exchange for 21 service stations. The consideration paid in kind does not implies a cash transaction and consequently it is not reflected in the cash flow statement.
(ii) Movement in the non-controlling interest linked to the acquisition of a further 2.5 per cent ownership of our Baltics operations for a total consideration of US$3.78 million.

6.4b Non-controlling interests' movements due to acquisitions/(divestments) in 2022

In US$000	Downstream segment	Midstream segment	Total
Increase/(Decrease) in non-controlling interests due to divestment of subsidiaries(i)	13,041	(39,481)	(26,440)
Increase/(Decrease) of non-controlling in non-controlling interests, other(ii)	266	(375)	(109)
Increase/(decrease) in non-controlling interests	13,307	(39,856)	(26,549)

In US$000			
Consideration, net	–	–	–
Increase/(Decrease) in retained earnings from non-controlling interests' acquisitions/divestments	(266)	472	206
Impacts in retained earnings due to non-controlling interests' acquisitions/divestments	(266)	472	206

(i) Movement in the non-controlling interest linked to the divestment of Ivory Coast and Myanmar for downstream and infrastructure division and Russia for midstream segment.
(ii) Includes impacts linked to infrastructure division carve-out activities.

Notes to the Consolidated Financial Statements continued

7. Leases

As a Lessee

The Group as lessee has around 1,000 leases of different natures, mostly related to lands (either for service stations, terminals or office buildings), services stations (the lease comprises a mix of land, building and equipment on the site), storage capacity for fuel and bitumen inventory, buildings (mainly office space and shops in service stations), vessels for bitumen transport. In addition, the Group leases some equipment and machinery, mainly for our terminals, as well some cars and IT and office equipment.

In US$000	2023	2022 – restated
Amortisation expense of right-of-use assets	**(74,411)**	(105,426)
Interest expense on lease liabilities	**(51,673)**	(35,053)
Expense relating to short-term lease	**(13,542)**	(11,940)
Expense relating to leases of low-value assets	**(676)**	(508)
Variable lease expenses (recognised in cost of goods sold)	**(42,686)**	(32,104)
Variable lease expenses (selling and operating expenses)	**(1,960)**	(1,137)
Variable lease expenses (recognised in general and administrative expenses)	**(8,125)**	(7,509)

Variable payments

It is frequent to have variable payments for terminal leases based in volume of the terminal used (throughput), as well as variable lease payments for service stations leases based on volumes sold. These are considered as variable payments and recognised in the income statement under cost of goods sold.

Short-term leases and low-value assets

The Group applies the short-term lease recognition exemption to leases of machinery, vehicles, vessels and IT and office equipment whenever they have a lease term of 12 months or less. It also applies the low-value recognition exemption to leases of any nature that are considered low-value: leased assets below $5,000. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The amount of lease expense recognised in the statement of profit or loss under short-term recognition exemption is US$13.5 million (2022: US$11.9 million), and the amount of lease expense under low-value recognition exemption is US$0.7 million (2022: US$0.5 million).

Sale and lease back of infrastructure assets

In May 2023 the Group divested CEPA terminal in El Salvador to Impala Terminal Group sarl and leased it back for an eight years period with optional two-year renewal periods. The lease liability and right-of-use recognised for this sale and lease back transaction was US$21 million and US$3.4 million respectively, not recognising a gain of US$17.5 million.

In September 2022 The Group divested some of its infrastructure assets to Impala Terminal Group sarl and leased back some of them for an eight years period with optional two-year renewal periods. In the case of the following terminals, IFRS16 sale and lease back treatment apply: Walvis Bay (Namibia), Colon (Panama), Loyola (Belize), San Jose 1 (Guatemala), San Jose 2 (Guatemala), Santo Tomas 1 (Guatemala), Santo Tomas 2 (Guatemala), Tela (Honduras) and San Lorenzo (Honduras).

The initial lease liability and right-of-use recognised for these sale and lease back transaction was US$366 million and US$133 million[1] respectively.

As a Lessor

The Group does not have any material financial lease. Concerning operational leases, the Group leases or subleases out to third and related parties some of its owned terminals' capacity, jetty rights, services stations and office space. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

In US$000	2023	2022 – Restated
Operating lease income	**62,024**	48,374
Thereof sub-lease income	**18,581**	15,803

(1) The net carrying value of the assets divested and leased back. This implied to do not recognise US$233 million gain on the transaction and reduce the right-of-use for the same amount as per IFRS 16, paragraphs 99-102

Notes to the Consolidated Financial Statements continued

8. Segment and Geographic Information

8.1 Segment Information

For management purposes, the Group is organised into business units based on products and services and has two reportable segments as follows:

- Downstream business activities that include refining, distribution, wholesale and retail sales of refined products.
- Midstream business activities that include storage of oil and gas products.

No operating segments have been aggregated to form the above reportable operating segments.

The Group Executive Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

Year ended 3 December 2023

In US$000	Downstream	Midstream	Consolidated
Sales volumes (000m³)	**16,931**	**21**	**16,952**
Throughput volumes (000m³)	**2,671**	**2,082**	**4,753**
Revenue from contracts with customers	**13,317,745**	**47,134**	**13,364,879**
Gross profit	**966,707**	**85,266**	**1,051,973**
Selling and operating costs	**(493,441)**	**(124,575)**	**(618,016)**
General and administrative expenses	**(166,214)**	**(11,079)**	**(177,293)**
Other operating income/(expenses), net	**57,801**	**5,042**	**62,843**
Share of net profits of associates	**662**	**-**	**662**
Operating profit	**365,515**	**(45,346)**	**320,169**
Finance income			**29,506**
Finance costs			**(198,646)**
Net foreign exchange losses			**(11,306)**
Profit before tax			**139,723**

At 31 December 2023	Downstream	Midstream	Consolidated
Total non-current assets (excluding other financial, deferred tax and other assets)	**1,785,757**	**179,737**	**1,965,494**
Total current assets	**2,204,150**	**148,389**	**2,352,539**
Total current liabilities	**2,423,633**	**31,850**	**2,455,483**

Year ended 31 December 2022 – restated for discontinued operations

In US$000	Downstream	Midstream	Consolidated
Sales volumes (000m³)	17,498	39	17,537
Throughput volumes (000m³)	1,540	5,085	6,625
Revenue from contracts with customers	15,733,902	175,450	15,909,352
Gross profit	901,700	158,142	1,059,842
Selling and operating costs	(619,677)	(132,155)	(751,832)
General and administrative expenses	(142,288)	(12,625)	(154,913)
Other operating income/(expenses), net	(19,419)	31,656	12,237
Share of net profits of associates	3,745	–	3,745
Operating profit/(loss)	124,061	45,018	169,079
Finance income			17,023
Finance costs			(174,225)
Net foreign exchange losses			(10,915)
Profit/(Loss) before tax			962

At 31 December 2022	Downstream	Midstream	Consolidated
Total non-current assets (excluding other financial, deferred tax and other assets)	1,613,628	251,882	1,865,510
Total current assets	2,819,347	240,297	3,059,644
Total current liabilities	2,631,889	31,344	2,663,233

Selling and operating costs and general and administrative expenses that are not specifically linked to a segment operating entity are allocated on a pro-rata basis according to the relative weighting of gross profit for each segment.

Notes to the Consolidated Financial Statements continued

8. Segment and Geographic Information continued

Finance income/(costs), net foreign exchange losses and income tax expenses are not allocated as they do not relate to a specific segment and are managed on a Group basis. These accounts do not form part of the review of the operating segment performance monitored by management.

8.2 Geographic Information

The Group is organised in four main regions:

- Latin America
- Asia Pacific
- Africa
- Europe

Year ended 31 December 2023

In US$000	Latin America	Asia Pacific	Africa	Europe	Consolidated
Sales volumes (000m³)	**9,935**	**1,635**	**4,503**	**879**	**16,952**
Throughput volumes (000m³)	**71**	**350**	**1,462**	**2,870**	**4,753**
Revenue from contracts with customers	**7,031,969**	**1,193,106**	**4,458,057**	**681,747**	**13,364,879**
Gross profit	**636,394**	**128,855**	**281,001**	**5,723**	**1,051,973**
Selling and operating costs	**(257,092)**	**(155,391)**	**(138,233)**	**(67,300)**	**(618,016)**
General and administrative expenses	**(80,247)**	**(29,554)**	**(67,033)**	**(459)**	**(177,293)**
Other operating income/(expenses), net	**12,182**	**5,114**	**47,789**	**(2,242)**	**62,843**
Share of net profits of associates	**117**	**56**	**498**	**(9)**	**662**
Operating profit/(loss)	**311,354**	**(50,920)**	**124,022**	**(64,287)**	**320,169**
At 31 December 2023					
Total non-current assets (excluding other financial, deferred and other assets)	**913,882**	**416,141**	**530,112**	**105,359**	**1,965,494**

Year ended 31 December 2022 – restated for discontinued operations

In US$000	Latin America	Asia Pacific	Africa	Europe	Consolidated
Sales volumes (000m³)	9,830	2,080	5,414	213	17,537
Throughput volumes (000m³)	521	385	1,393	4,326	6,625
Revenue from contracts with customers	8,077,887	1,795,553	5,589,554	446,358	15,909,352
Gross profit	532,103	147,827	349,562	30,350	1,059,842
Selling and operating costs	(325,557)	(153,932)	(179,266)	(93,077)	(751,832)
General and administrative expenses	(60,975)	(24,361)	(67,751)	(1,826)	(154,913)
Other operating income/(expenses), net	78,762	(17,704)	(45,198)	(3,623)	12,237
Share of net profits of associates	2,875	1,755	(878)	(7)	3,745
Operating profit/(loss)	227,208	(46,415)	56,469	(68,183)	169,079
At 31 December 2022					
Total non-current assets (excluding other financial, deferred and other assets)	784,527	500,566	452,396	128,021	1,865,510

Selling and operating costs and general and administrative expenses that are not specifically linked to an operating region are allocated on a pro-rata basis according to the relative weighting of gross profit for each region.

The Group has no material commercial operations and no material non-current assets in its country of incorporation, Singapore.

Non-current assets for this purpose consist of investments in associates, property and equipment, intangible assets and goodwill (notes 9, 13 and 14).

Previous year figures have been restated for the new perimeter of discontinued operations as per IFRS 5.

Notes to the Consolidated Financial Statements continued

9. Investments in Associates

The following table summarises the Group's investments in associates for the year ended 31 December 2023 and the year ended 31 December 2022. None of the entities included below is listed on any public exchange.

9.1 List of Investments

Associate name	Activity	Location	Proportion of voting interests held at 31 December 2023 %	2022 %
Empresa Cubana de Gas	Fuel marketing	Caribbean	**50.00%**	50.00%
Sakunda Petroleum (Pvt) Ltd	Fuel marketing	Zimbabwe	**49.00%**	49.00%
Bitumen Storage Services (WA) Pty Ltd (Australia)	Storage	Australia	**50.00%**	50.00%
RAM Petroleum (Pvt) Ltd	Fuel supply	Zimbabwe	**48.00%**	48.00%
High Heat Tankers Pte. Ltd.	Shipping of high heat liquid products	Singapore	**50.00%**	50.00%
Puma Energy Tanzania Ltd(i)	Fuel marketing	Tanzania	**50.00%**	50.00%
MBHE African Power (Pty) Ltd.	Renewable energies	South Africa	**49.64%**	0.00%

(i) The Group lost the control of this subsidiary since October 2023 and considered the investee as an associate since then.

9.2 Associates Summarised Financial Information

The following table illustrates summarised financial information of the Group's investments in associates:

In US$000	2023	2022
Associates' assets and liabilities		
Current assets	**251,073**	61,929
Non-current assets	**247,887**	25,712
Current liabilities	**(197,111)**	(39,136)
Non-current liabilities	**(45,115)**	1,276
Equity	**256,734**	49,781
Total carrying amount of the investments	**134,832**	23,600
Less: discontinued operations	**-**	-
Carrying amount of the investments	**134,832**	23,600
Associates' revenues and net profits:		
Revenues	**232,548**	111,570
Profits net of tax	**3,706**	8,818
Total Group's share of net profits of associates	**662**	3,777
Less: discontinued operations	**-**	32
Group's share of net profits of associates	**662**	3,745

10. Consolidated Statement of Income

10.1 Net Sales

In US$000	2023	2022 Restated
Net sales of goods(i)	**13,196,831**	18,318,130
Rendering of services	**168,048**	240,809
Total revenue from contracts with customers	**13,364,879**	18,558,939
Less: discontinued operations	**-**	2,649,587
Revenue from contracts with customers from continuing operations	**13,364,879**	15,909,352

(i) Sales of goods are net of any sales taxes, value-added taxes, petroleum taxes and discounts.

Notes to the Consolidated Financial Statements continued

10. Consolidated Statement of Income continued

10.2 Selling and Operating Costs

In US$000	2023	2022 Restated
Employee benefit expenses	**(101,180)**	(119,734)
Operating expenses	**(227,780)**	(218,687)
Depreciation	**(141,333)**	(111,701)
Amortisation	**(14,926)**	(25,021)
Depreciation of right-of-use	**(74,412)**	(111,020)
Impairment	**(58,095)**	(182,025)
Impairment assets right-of-use	**(290)**	(2,102)
Total selling and operating costs	**(618,016)**	(770,290)
Less: discontinued operations	**-**	(18,458)
Selling and operating costs from continuing operations	**(618,016)**	(751,832)

10.3 General and administrative expenses

In US$000	2023	2022 Restated
Employee benefit expenses	**(88,624)**	(86,667)
Operating expenses	**(88,669)**	(72,764)
Total general and administrative expenses	**(177,293)**	(159,431)
Less: discontinued operations	**-**	(4,518)
General and administrative expenses from continuing operations	**(177,293)**	(154,913)

10.4 Other Operating Income/(Expenses)

In US$000	2023	2022 Restated
Gain on disposal of assets	**7,550**	6,462
Gain on disposal of investments(i)	**72,341**	145,576
Foreign exchange gain on operations	**185**	-
Total other operating income	**80,076**	152,038
Less: discontinued operations	**-**	138,468
Other operating income from continuing operations	**80,076**	13,570

(i) Includes gain due to change in scope from Puma Energy Tanzania Ltd.

In US$000	2023	2022 Restated
Provision increase for doubtful accounts	**(3,973)**	(1,054)
Movements in other provisions	**(1,888)**	(991)
Other expenses	**(11,372)**	(13,921)
Total other operating expenses	**(17,233)**	(15,966)
Less: discontinued operations	**-**	(14,633)
Other operating expenses from continuing operations	**(17,233)**	(1,333)

10.5 Finance income

In US$000	2023	2022 Restated
Interest income on loans and deposits with third parties	**23,266**	8,218
Interest income on loans and deposits with related parties	**403**	1,591
Bond buy-back	**2,905**	3,234
Dividend income	**2,932**	1,105
Other financial income	**-**	2,992
Total finance income	**29,506**	17,140
Less: discontinued operations	**-**	117
Finance income from continuing operations	**29,506**	17,023

Notes to the Consolidated Financial Statements continued

10. Consolidated Statement of Income continued

10.6 Finance Costs

In US$000	2023	2022 Restated
Interest on loans and borrowings from third parties	**(125,903)**	(133,975)
Interest on loans and borrowings from related parties	**(1,126)**	(2,354)
Interest on lease liability	**(51,673)**	(37,076)
Unwinding of discount	**(15,174)**	(18,433)
Other financial cost	**(4,770)**	–
Total finance costs	**(198,646)**	(191,838)
Less: discontinued operations	**–**	(17,613)
Finance costs from continuing operations	**(198,646)**	(174,225)

10.7 Net Foreign Exchange Gains/(Losses)

In US$000	2023	2022 Restated
Financial foreign exchange losses	**(9,487)**	(7,640)
Net gain on foreign exchange derivatives	**(1,819)**	(4,572)
Net foreign exchange (losses)	**(11,306)**	(12,212)
Less: discontinued operations	**–**	(1,297)
Net foreign exchange (losses) from continuing operations	**(11,306)**	(10,915)

10.8 Foreign Exchange Gains/(Losses) on Operations Restatement Due to Change in Accounting Policy

In US$000	2023	2022 Restated
Cost of sales from continuous operations before change in accounting policy and discontinued operations scope	**(12,302,510)**	(14,842,823)
Restatement linked to change in the discontinued operations scope	**–**	(417)
Restatement linked to foreign exchanges losses on operations	**(10,396)**	(6,270)
Cost of sales from continuous operations after change in accounting policy	**(12,312,906)**	(14,849,510)

In US$000	2023	2022 Restated
Other operating expenses from continuous operations before change in accounting policy and discontinued operations scope	**(27,629)**	(9,235)
Restatement linked to change in the discontinued operations scope	**–**	1,632
Restatement linked to foreign exchanges losses on operations	**10,396**	6,270
Other operating expenses from continuous operations after change in accounting policy	**(17,233)**	(1,333)

11. Income Tax

11.1 Current Income Tax Expense

In US$000	2023	2022 Restated
Current income tax		
Current income tax charge	**67,573**	73,418
Adjustments in respect of current income tax of previous year	**2,558**	1
Provision for tax contingencies	**8,291**	9,789
Current income tax	**78,422**	83,208
Deferred tax		
Relating to origination and reversal of temporary differences	**20,750**	1,286
Withholding tax	**–**	–
Applicable withholding tax in the current year	**775**	946
Income tax expense reported in the consolidated statement of income	**99,947**	85,440

11.2 Income Tax Recognised Directly in Other Comprehensive Income

Income tax totalling US$(0.2) million (2022: US$(0.4) million) was recognised directly in other comprehensive income. The entire amount recognised is related to the actuarial losses recognised during the year from the Group's various defined benefit plans.

Notes to the Consolidated Financial Statements continued

11. Income Tax continued

11.3 Reconciliation of Accounting Profit to Income Tax Expense

The reconciliation between tax expense and the product of accounting profit, multiplied by the Company's statutory blended income tax rate for the years ended 31 December 2023 and 2022 are as follows.

The Group's effective tax rate differs from the Company's statutory income tax rate in Singapore, which was 17 per cent in 2023 due to the Group operating in several jurisdictions. A reconciliation between tax expense and the product of accounting profit multiplied by the Group's statutory blended income tax rate of jurisdictions the Group operates in for the years ended 31 December is as follows:

In US$000	2023	2022 Restated
Accounting profit/(loss) before income tax	**139,723**	962
Share of net profits in associates	**662**	3,745
Accounting profit/(loss) before tax net of share of net profits in associates	**139,061**	(2,783)
Income tax (expense)/benefit at expected statutory rate	**(35,423)**	(72,139)
Permanent differences		
Non-deductible expenses	**(9,880)**	(17,790)
Other non-taxable income	**2,418**	8,377
Capital gains or losses	**2,709**	25,039
Other permanent differences	**(8,885)**	(10,361)
Adjustment for countries not based on net taxable income	**1,737**	1,695
Adjustments recognised in the current year in relation to current income tax of previous years	**(2,558)**	(189)
Adjustments recognised in the current year in relation to deferred income tax of previous years	**(5,135)**	351
Impact of rate differences on deferred tax items	**(1,209)**	984
Effect of unrecognised and unused tax losses not recognised as deferred tax assets	**(45,066)**	(5,249)
Withholding tax	**(775)**	(946)
Minimum tax and surtax	**(6,886)**	(5,837)
Rate difference impacts	**153**	419
Other adjustments	**8,853**	(9,794)
At the effective income tax rate of 71.5% (2022: 8,877.2%)	**(99,947)**	(85,440)

The Group operates in a multitude of jurisdictions and adheres to applicable local and international tax law in the countries in which it operates, including legislation on transfer pricing. The Group's tax policy is to pay appropriate tax according to work carried out in each jurisdiction, as determined by a functional analysis of operations using standard measures wherever possible, underpinned by reports prepared to fulfil local transfer pricing requirements. The Group's effective tax rate – the average rate at which consolidated pre-tax profits are taxed – varies from year-to-year according to circumstances, but for FY 2023 it is 71.5 per cent. The difference in effective tax rate between the two years is explained, by non-recognition of deferred tax assets relating to tax loss carry forwards.

11.4 Current Tax Assets and Liabilities

Current income taxes are computed on the profit presented in the consolidated statement of income, adjustment to taxable profit in accordance with local tax legislation. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities.

Current tax assets mainly relate to overpaid tax. Current tax liabilities relate to income tax payable.

11.5 Deferred Tax Assets and Liabilities

	Consolidated statement of financial position		Consolidated statement of income	
In US$000	2023	2022	2023	2022 – restated
Accelerated depreciation for tax purposes	**(6,760)**	870	**(1,366)**	(2,936)
Revaluations	**(13,478)**	(16,269)	**(280)**	(4,294)
Losses	**17,359**	29,011	**11,257**	(24,018)
Other temporary differences	**(8,577)**	(5,135)	**11,138**	32,409
Deferred tax expense/(income)			**20,749**	1,161
Deferred tax assets/(liabilities), net	**(11,456)**	8,477		
Reflected in the consolidated statement of financial position as follows:				
Deferred tax assets	**29,509**	60,809		
Deferred tax liabilities	**(40,965)**	(52,333)		
Deferred tax assets/(liabilities), net	**(11,456)**	8,477		

Notes to the Consolidated Financial Statements continued

11. Income Tax continued

Reconciliation of net deferred tax assets/(liabilities)

In US$000	2023	2022 – Restated
Opening balance at 1 January 2023	**8,477**	8,858
Deferred tax income recognised in profit or loss during the year for continuing operations	**(20,750)**	(1,161)
Change in tax rate recognised in profit or loss during the year	**–**	(297)
Other movements during the year	**–**	–
Less: net deferred tax assets/(liabilities) associated to assets held for sale	**817**	1,077
Closing balance at 31 December 2023	**(11,456)**	8,477

At 31 December 2023, the Group had unrecognised tax loss carry forwards amounting to US$683.0 million (2022: US$637.6 million).

These losses relate to subsidiaries that have had historical losses, which have an expiry date of more than four years. These losses may not be used to offset taxable income elsewhere in the Group and where the subsidiaries have no taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets.

The Group had at 31 December 2023 unrecognised other temporary differences amounting to US$22.2 million (2022: US$2.9 million). These temporary differences have no expiry date. If the Group was able to recognise all unrecognised deferred tax assets, profit would increase by US$162.8 million (2022: US$139.4 million).

At December 31 December 2023, the unrecognised deferred tax assets on losses amount to US$140.6 million (2022: US$136.5 million). The deductible temporary differences as well as the unused tax losses and tax credits for which no deferred tax assets are recognised expire as follows:

In US$000	2023	2022
Within one year	**2,053**	8,653
Between one and five years	**48,715**	45,577
More than five years (including other temporary differences of US$2.5 million and US$19.7 million relating to Papua New Guinea)	**112,027**	88,196
Unrecognised deferred tax assets at 31 December 2023	**162,795**	139,426

11.6 IFRIC 23 – Uncertainty Over Income Tax Treatment

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. Due to its global reach, including operating in high-risk jurisdictions, the Group is subject to enhanced complexity and uncertainty, which may lead to uncertain tax treatments and the corresponding recognition and measurement of current and deferred taxes. The judgements and estimates made to separately recognise and measure the effect of each uncertain tax treatment are re-assessed whenever circumstances change or when there is new information that affects those judgements. The Group has re-assessed its global tax exposure and the key estimates taken in determining the positions recorded to adopt IFRIC 23. As of 1st January 2023, the global tax exposure has been determined by referencing to the uncertainty that the tax authority may not accept the Group's proposed treatment of tax positions. The interpretation does not have a material impact on the Group.

11.7 BEPS 2.0 Disclosure

The Organization for Economic Co-operation and Development (OECD) initiative to combat base erosion and profit shifting (BEPS) has led to the development of a number of measures which countries plan to introduce. These include the Pillar Two initiative, focused on the introduction of a minimum corporate tax rate, with the possibility of top-up taxes being introduced in cases where jurisdictions do not comply with the minimum tax rate. The Group is currently assessing the accounting implications and the jurisdictions that could give rise to additional taxation as a result of the implementation of the Pillar 2 Model Rules in national laws, which is not expected to be material for the Group.

12. Discontinued operations and assets held for sale

Assets held for sale presented in the Group consolidated statement of financial position at 31 December, 2023 comprises Nigeria and Vietnam operations. Tanzania, Ghana and Puerto Rico infrastructure division terminals, which they were expected to be divested along the rest of infrastructure and storage business division on a later stage, have been reintegrated into the Group's operating assets.

Concerning the discontinued operations presented in the statement of income, they are comprised by the operations of the 19 terminals and UK operations already divested as of September 2022, as well as Cepa's El Salvador terminal which was divested in May. Tanzania, Ghana and Puerto Rico terminals, which they were expected to be divested along the rest of infrastructure and storage business, have been reintegrated into the Group's continuous operations.

Notes to the Consolidated Financial Statements continued

12. Discontinued Operations and Assets Held For Sale continued

12.1 Statement of Income From Discontinued Operations

In US$000	2023	2022 – Restated
Revenue from contracts with customers	-	2,649,587
Cost of sales	-	(2,620,418)
Gross profit	-	29,169
Selling and operating costs	-	(18,458)
General and administrative expenses	-	(4,518)
Other operating income	-	138,468
Other operating expenses	-	(14,633)
Share of net profits and losses of associates	-	32
Operating profit/(loss)	-	130,060
Finance income	-	117
Finance costs	-	(17,613)
Net foreign exchange losses	-	(1,297)
Profit/(Loss) before tax	-	111,267
Income tax expense	-	(976)
Profit/(Loss) for the year from discontinued operations	-	110,291

12.2 Net Sales From Discontinued Operations

In US$000	2023	2022 – Restated
Net sales of goods(i)	-	2,593,428
Rendering of services	-	56,159
Revenue from contracts with customers	-	2,649,587

(i) Sales of goods are net of any sales taxes, value-added taxes, petroleum taxes and discounts.

12.3 Selling and Operating Costs From Discontinued Operations

In US$000	2023	2022 – Restated
Employee benefit expenses	-	(12,971)
Operating expenses	-	(14)
Depreciation	-	121
Depreciation of right-of-use	-	(5,594)
Selling and operating costs	-	(18,458)

12.4 General and Administrative Expenses From Discontinued Operations

In US$000	2023	2022 – Restated
Employee benefit expenses	-	(2,244)
Operating expenses	-	(2,274)
General and administrative expenses	-	(4,518)

12.5 Other Operating Income/(Expenses) From Discontinued Operations

In US$000	2023	2022 – Restated
Gain on disposal of assets	-	166
Gain on disposal of investments	-	138,302
Other operating income	-	138,468

In US$000	2023	2022 – Restated
Loss on disposal of investments	-	(12,999)
Movements in other provisions	-	1
Other expenses	-	(1,635)
Other operating expenses	-	(14,633)

Notes to the Consolidated Financial Statements continued

12. Discontinued Operations and Assets Held For Sale continued

12.6 Finance Income From Discontinued Operations

In US$000	2023	2022 – Restated
Interest income on loans and deposits with third parties	-	88
Interest income on loans and deposits with related parties	-	29
Finance income	**-**	117

12.7 Finance Costs From Discontinued Operations

In US$000	2023	2022 – Restated
Interest on loans and borrowings from third parties	-	(1,340)
Interest on loans and borrowings from related parties	-	(13,755)
Interest on lease liability	-	(2,024)
Unwinding of discount	-	(494)
Finance costs from continuing operations	**-**	(17,613)

12.8 Net Foreign Exchange Gains/(Losses) From Discontinued Operations

In US$000	2023	2022 – Restated
Financial foreign exchange losses	-	(1,398)
Net gain on foreign exchange derivatives	-	101
Net foreign exchange (losses) from continuing operations	**-**	(1,297)

12.9 Statement of Financial Position From Assets Held For Sale

In US$000	2023	2022 – Restated
Assets		
Non-current assets		
Property and equipment	**1,587**	162,873
Intangible assets and goodwill	**-**	-
Right-of-use	**-**	-
Investments in associates	**-**	-
Other financial assets	**-**	-
Deferred tax assets	**1**	1
Other assets	**586**	350
Total non-current assets	**2,174**	163,224
Current assets		
Inventories	**-**	-
Other assets	**502**	1,021
Income tax receivable	**72**	74
Trade receivables	**4**	18
Other financial assets	**-**	-
Cash and cash equivalents	**2,156**	5,171
Total current assets	**2,734**	6,284
Total assets held for sale	**4,908**	169,508
Non-current liabilities		
Interest-bearing loans and borrowings	**-**	-
Lease liabilities	**1,600**	1,568
Other financial liabilities	**-**	-
Deferred tax liabilities	**-**	-
Provisions	**8,258**	8,257
Total non-current liabilities	**9,858**	9,825
Current liabilities		
Trade and other payables	**6,733**	6,694
Interest-bearing loans and borrowings	**-**	70
Lease liabilities	**7**	6
Other financial liabilities	**-**	-
Income tax payable	**135**	113
Provisions	**238**	178
Total current liabilities	**7,113**	7,061
Total liabilities	**16,971**	16,886
Net assets held for sale	**(12,063)**	152,622

Notes to the Consolidated Financial Statements continued

12. Discontinued Operations and Assets Held For Sale continued

12.10 Previous Year Income Statement Restatement Detail

Tanzania, Ghana and Puerto Rico terminals, which they were expected to be divested along the rest of infrastructure and storage business, have been reintegrated into the Group's continuous operations.

Consequently, we proceeded to restate the previous year consolidated income statement(i) as per below:

In US$000	2022	Restatement	2022 Restated
Revenue from contracts with customers	15,897,234	12,118	15,909,352
Cost of sales	(14,842,823)	(6,687)	(14,849,510)
Gross profit	**1,054,411**	5,431	1,059,842
Selling and operating costs	(749,110)	(2,722)	(751,832)
General and administrative expenses	(154,855)	(58)	(154,913)
Other operating income	12,960	610	13,570
Other operating expenses	(9,235)	7,902	(1,333)
Share of net profits and losses of associates	3,745	–	3,745
Operating profit	**157,916**	11,163	169,079
Finance income	17,021	2	17,023
Finance costs	(175,012)	787	(174,225)
Net foreign exchange losses	(10,915)	–	(10,915)
Gain/(Loss) before tax	**(10,990)**	11,952	962
Income tax expense	(82,998)	(2,442)	(85,440)
Gain/(Loss) after tax	**(93,988)**	9,510	(84,478)
Profit/(Loss) after tax from discontinued operations	119,801	(9,510)	110,291
Gain for the year	**25,813**	–	25,813

(i) As per IFRS 5 paragraphs 31 – 36A requirements.

Notes to the Consolidated Financial Statements continued

13. Property and Equipment

In US$000	Land and buildings	Machinery and equipment	Motor vehicles	Office and IT equipment	Fixed assets in progress	Total
Cost						
Cost at 1 January 2022	624,256	1,352,738	88,571	67,366	70,540	2,203,471
Additions	8,400	16,447	537	1,166	104,413	130,963
Disposals	(40,526)	(109,926)	(891)	(2,610)	(381)	(154,334)
Write-offs	(574)	(4,503)	(56)	(1,018)	–	(6,151)
Reclassifications[i]	69,055	143,424	2,381	2,658	(225,091)	(7,573)
Disposal of assets due to sale of interest (note 6.2)	(11,540)	(15,311)	490	200	–	(26,161)
Scope variation (note 6.3)[ii]	50	(106)	(490)	(53)	(814)	(1,413)
Exchange adjustment, other	(16,730)	(43,371)	(1,842)	(1,860)	7,941	(55,862)
Classified from assets held for sale	103,849	201,597	(17,275)	1,404	118,360	407,935
Cost at 31 December 2022	736,240	1,540,988	71,425	67,253	74,968	2,490,874
Additions	**8,168**	**20,554**	**1,287**	**2,592**	**101,867**	**134,468**
Disposals	**(11,661)**	**(18,680)**	**(1,142)**	**(4,147)**	**2,120**	**(33,510)**
Write-offs	**(3,240)**	**(4,847)**	**(1,329)**	**(1,448)**	**–**	**(10,864)**
Reclassifications[ii]	**35,930**	**61,287**	**549**	**7,355**	**(114,350)**	**(9,229)**
Disposal of assets due to sale of interest (note 6.2)	**(6,665)**	**(32,656)**	**(970)**	**(830)**	**(803)**	**(41,924)**
Scope variation (note 6.3)[iii]	**(18,646)**	**(44,214)**	**(5,503)**	**(1,755)**	**(7,112)**	**(77,230)**
Exchange adjustment, other	**(6,124)**	**(29,261)**	**(2,170)**	**(1,713)**	**(2,923)**	**(42,191)**
Classified from assets held for sale	**132,446**	**413,553**	**3,759**	**6,500**	**3,822**	**560,080**
Cost at 31 December 2023	**866,448**	**1,906,724**	**65,906**	**73,807**	**57,589**	**2,970,474**
Cost of assets held for sale at 31 December 2023	**24,813**	**17,698**	**2,508**	**834**	**572**	**46,425**
Depreciation and impairment						
Depreciation and impairment at 1 January 2022	(270,844)	(840,953)	(62,426)	(56,927)	–	(1,231,150)
Depreciation (note 10.2)	(25,731)	(76,389)	(5,227)	(3,463)	–	(110,810)
Disposals	18,304	76,679	772	2,256	–	98,011
Impairment (note 10.2 and 16)[iii]	(28,748)	(85,207)	(135)	(105)	–	(114,195)
Write-offs	574	4,504	56	1,018	–	6,152
Reclassifications[i]	(1,414)	6,953	22	(175)	–	5,386
Disposal of assets due to sale of interest (note 6.2)	5,161	11,730	(493)	(330)	–	16,068
Scope variation (note 6.3)[ii]	–	8,529	490	193	–	9,212
Exchange adjustment, other	7,219	14,051	1,293	1,227	–	23,790
Classified from assets held for sale	(55,960)	(156,726)	11,946	(1,420)		(202,160)
Depreciation and impairment at 31 December 2022	(351,439)	(1,036,829)	(53,702)	(57,726)	–	(1,499,696)
Depreciation (note 10.2)	**(31,177)**	**(100,077)**	**(4,497)**	**(5,582)**	**-**	**(141,333)**
Disposals	**4,281**	**17,715**	**1,128**	**4,061**	**-**	**27,185**
Impairment (note 10.2 and 16)[iii]	**215**	**(53,305)**	**487**	**169**	**-**	**(52,434)**
Write-offs	**3,240**	**4,847**	**1,329**	**1,448**	**-**	**10,864**
Reclassifications[i]	**(1,016)**	**9,030**	**1,462**	**1,145**	**-**	**10,621**
Disposal of assets due to sale of interest (note 6.2)	**1,676**	**25,026**	**597**	**758**	**-**	**28,057**
Scope variation (note 6.3)[ii]	**5,541**	**19,488**	**2,590**	**1,456**	**-**	**29,075**
Exchange adjustment, other	**515**	**22,301**	**1,276**	**1,092**	**-**	**25,184**
Classified from assets held for sale	**(76,448)**	**(316,429)**	**(3,167)**	**(5,908)**	**-**	**(401,952)**
Depreciation and impairment at 31 December 2023	**(444,612)**	**(1,408,233)**	**(52,497)**	**(59,087)**	**-**	**(1,964,429)**
Depreciation and impairment of assets held for sale at 31 December 2023	**(23,299)**	**(17,703)**	**(3,002)**	**(834)**		**(44,838)**
Net book value						
At 31 December 2023	**421,836**	**498,491**	**13,409**	**14,720**	**57,589**	**1,006,045**
At 31 December 2022	384,801	504,159	17,723	9,527	74,968	991,178

(i) US$0.5 million net was reclassed in intangibles and US$1.7 million was reclassed in other receivables in 2022. In 2023, US$0.7 million net was reclassed to intangibles, US$2.0 million net to right-of-use and US$0.3 million net to other positions in the financial statements.

(ii) For 2022, concerns the change in control of in National Energy and Puma Energy Aviation Services (NEPAS), from subsidiary to associate. In addition, US$7.8 million equipment impairment related to NEPAS was reclassed into investment impairment as consequence of this scope variation in 2022. In 2023, it concerns the change in control of Puma Energy Tanzania ltd (see note 6.3 for details).

(iii) Impairment concerns mainly Puerto Rico Bayamon terminal ($84.5 million), Estonia (US$16.8 million), Ghana (US$7.4 million) and Namibia (US$2.4 million) in 2022. The impairments in 2023 relates mainly to Papua new Guinea (US$39.6 million), Estonia (US$20.7 million) and the reversal of Benin (US$10.1 million).

Certain items included in property and equipment are pledged as collateral for the third-party loans granted to certain of the Group's affiliates amounting to US$84 million (2022: US$72 million). The Group does not hold any property for investments purposes. Exchange rate adjustments reflect the translation effects from movements in foreign currencies against the US Dollar. All property, plant and equipment is valued at historic cost, and no revaluations are made, in line with Group policy.

Notes to the Consolidated Financial Statements continued

14. Intangible Assets and Goodwill

In US$000	Goodwill	Licences	Other intangibles	Total
Cost or valuation				
Cost or valuation at 1 January 2022	422,286	107,005	167,304	696,597
Additions	–	4,271	–	4,271
Disposals	–	(708)	(20)	(728)
Write-off	–	(153)	–	(153)
Reclassifications(i)	4,731	140	(13,784)	(8,913)
Disposal of assets due to sale of interest and scope variation	–	(135)	(20,889)	(21,024)
Exchange adjustment, other	(14,151)	(229)	(5,769)	(20,149)
Classified from assets held for sale	43,101	71	3,639	46,811
Cost or valuation at 31 December 2022	455,967	110,262	130,481	696,710
Additions	**-**	**2,502**	**96**	**2,598**
Disposals	**-**	**(351)**	**(1,305)**	**(1,656)**
Write-off	**-**	**(341)**	**(1,536)**	**(1,877)**
Disposal of assets due to sale of interest	**(8,160)**	**(137)**	**(644)**	**(8,941)**
Reclassifications	**-**	**2,576**	**51**	**2,627**
Scope variations	**(3,903)**	**(447)**	**-**	**(4,350)**
Exchange adjustment, other	**(6,715)**	**(370)**	**(55)**	**(7,140)**
Classified from assets held for sale	**-**	**1,166**	**19,700**	**20,866**
Cost or valuation at 31 December 2023	**437,189**	**114,860**	**146,788**	**698,837**
Cost of assets held for sale at 31 December 2023	**13,201**	**96**	**990**	**14,287**
Amortisation and impairment				
Amortisation and impairment at 1 January 2022	(144,620)	(82,463)	(117,990)	(345,072)
Amortisation charge for the year (note 10.2)	–	(17,756)	(7,265)	(25,021)
Impairment (note 10.2 and note 16)(ii)	(39,015)	–	1	(39,014)
Disposals	–	626	–	626
Write-off	–	153	–	153
Reclassifications(i)	(4,730)	(138)	7,526	2,658
Disposal of assets due to sale of interest and scope variation	–	128	20,869	20,997
Exchange adjustment, other	1,159	224	3,661	5,044
Classified from assets held for sale	(6,582)	(12)	(3,592)	(10,186)
Amortisation and impairment at 31 December 2022	(193,788)	(99,238)	(96,791)	(389,816)
Amortisation charge for the year (note 10.2)	**-**	**(8,855)**	**(6,071)**	**(14,926)**
Impairment (note 10.2 and note 16)(ii)	**(4,061)**	**(601)**	**(999)**	**(5,661)**
Disposals	**-**	**351**	**1,169**	**1,520**
Write-off	**-**	**341**	**1,536**	**1,877**
Disposal of assets due to sale of interest and scope variation	**2,912**	**137**	**-**	**3,049**
Reclassifications(i)	**-**	**(1,104)**	**(737)**	**(1,841)**
Scope variations	**-**	**447**	**-**	**447**
Exchange adjustment, other	**65**	**301**	**(81)**	**285**
Classified from assets held for sale	**-**	**(1,019)**	**(19,847)**	**(20,866)**
Amortisation and impairment at 31 December 2023	**(194,872)**	**(109,241)**	**(121,820)**	**(425,933)**
Amortisation and impairment of assets held for sale at 31 December 2023	**(13,201)**	**(96)**	**(990)**	**(14,287)**
Net book value				
At 31 December 2023	**242,317**	**5,619**	**24,968**	**272,904**
At 31 December 2022	262,179	11,024	33,691	306,894

(i) US$0.5 million was reclassed from property, plant and equipment, US$5.9 million into right-of-use and US$0.9 million into other receivables in 2022. US$0.8 million was reclassed from PPE in 2023.

(ii) Impairments in 2022 concerned mainly our Baltics operations for US$32.9 million and Namibia for US$6.1 million. In 2023 impairments concerned our Papua New Guinea operations for $5.6 million. Refer to note 16 for details.

Notes to the Consolidated Financial Statements continued

15. Right-of-use

In US$000	Land	Buildings	Service stations	Storage facilities	Equipment and machinery	Vehicles	Vessels	Equipment and IT material	Total
Cost									
Cost at 1 January 2022	202,862	84,642	239,120	55,065	485	3,862	231,526	66	817,628
Additions	9,457	480	12,155	133,304	311	514	12,559	–	168,780
Decrease	(4,641)	(1,407)	(736)	(165)	(1)	(27)	(83,709)	–	(90,686)
Write-off	(3,338)	(4,457)	(10,565)	(268)	(3)	(544)	(156,154)	(44)	(175,373)
Disposals	(952)	–	(231)	–	–	–	–	–	(1,183)
Reclassification(i)	4,836	(27)	1,064	–	–	–	–	–	5,873
Asset disposal due to sale of interest	(954)	(3,779)	–	–	–	(9)	–	–	(4,742)
Exchange adjustment, other	(6,311)	(1,929)	(1,937)	(3,367)	(3)	(200)	–	–	(13,747)
Classified from assets held for sale	31,703	1,081	–	–	16,647	534	–	–	49,965
Cost at 31 December 2022	232,662	74,604	238,870	184,569	17,436	4,130	4,222	22	756,515
Additions	**9,611**	**21,196**	**62,861**	**10,438**	**15**	**1,049**	**1**	**13**	**105,184**
Decrease	**(1,367)**	**(945)**	**(4,164)**	**(591)**	**-**	**(76)**	**-**	**-**	**(7,143)**
Write-off	**(2,901)**	**(11,166)**	**(16,884)**	**-**	**-**	**(536)**	**(4,223)**	**(23)**	**(35,733)**
Disposals	**(199)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(199)**
Reclassification(i)	**1,728**	**-**	**306**	**-**	**-**	**-**	**-**	**-**	**2,034**
Scope variations(ii)	**(9,919)**	**-**	**(4,526)**	**-**	**-**	**-**	**-**	**-**	**(14,445)**
Asset disposal due to sale of interest	**(87)**	**-**	**-**	**(51)**	**-**	**(1,059)**	**-**	**-**	**(1,197)**
Exchange adjustment, other	**(2,510)**	**(2,783)**	**(555)**	**(2,169)**	**(27)**	**(35)**	**-**	**-**	**(8,079)**
Classified from assets held for sale									
Cost at 31 December 2023	**227,018**	**80,906**	**275,908**	**192,196**	**17,424**	**3,473**	**-**	**12**	**796,937**
Cost of assets held for sale at 31 December 2023	**1,333**	**-**	**-**	**213**	**-**	**-**	**-**	**-**	**1,546**

Notes to the Consolidated Financial Statements continued

15. Right-of-use continued

In US$000	Land	Buildings	Service stations	Storage facilities	Equipment and machinery	Vehicles	Vessels	Equipment and IT material	Total
Depreciation and impairment									
Depreciation and impairment at 1 January 2022	(42,841)	(24,387)	(76,700)	(18,143)	(100)	(1,652)	(117,475)	(51)	(281,349)
Depreciation	(16,852)	(7,240)	(26,684)	(11,531)	(309)	(1,070)	(41,713)	(14)	(105,413)
Disposal	–	–	–	–	–	–	–	–	–
Impairment	–	–	–	–	(2,102)	–	–	–	(2,102)
Write-off	3,338	4,457	10,565	268	3	544	156,154	44	175,373
Reclassifications(i)	–	(27)	24	–	–	–	–	–	(3)
Asset disposal due to sale of interest	235	240	–	–	–	6	–	–	481
Exchange adjustment, other	1,463	1,224	129	1,549	–	93	–	–	4,458
Classified from assets held for sale	(2,661)	(348)	–	–	(764)	(349)	–	–	(4,122)
Depreciation and impairment at 31 December 2022	(57,318)	(26,081)	(92,666)	(27,857)	(3,272)	(2,428)	(3,034)	(21)	(212,677)
Depreciation	**(14,310)**	**(6,183)**	**(27,132)**	**(24,362)**	**(308)**	**(917)**	**(1,189)**	**(11)**	**(74,412)**
Disposal	**(190)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(190)**
Impairment	**(49)**	**-**	**-**	**-**	**(241)**	**-**	**-**	**-**	**(290)**
Write-off	**2,901**	**11,166**	**16,884**	**-**	**-**	**537**	**4,223**	**23**	**35,734**
Reclassifications	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Scope variation(ii)	**2,375**	**-**	**621**	**-**	**-**	**-**	**-**	**-**	**2,996**
Asset disposal due to sale of interest	**25**	**-**	**-**	**34**	**-**	**808**	**-**	**-**	**867**
Exchange adjustment, other	**388**	**687**	**20**	**1,637**	**8**	**8**	**-**	**-**	**2,748**
Classified from assets held for sale									
Depreciation and impairment at 31 December 2023	**(66,178)**	**(20,411)**	**(102,273)**	**(50,548)**	**(3,813)**	**(1,992)**	**-**	**(9)**	**(245,224)**
Depreciation and impairment of assets held for sale at 31 December 2023	**(1,333)**	**-**	**-**	**(213)**	**-**	**-**	**-**	**-**	**(1,546)**

(i) US$2.0 million was reclassed from tangible assets.
(ii) It concerns the change in control of Puma Energy Tanzania ltd (see note 6.3 for details).

Net book value	Land	Buildings	Service stations	Storage facilities	Equipment and machinery	Vehicles	Vessels	Equipment and IT material	Total
At 31 December 2023	**160,840**	**60,495**	**173,635**	**141,648**	**13,611**	**1,481**	**-**	**3**	**551,713**
At 31 December 2022	175,344	48,523	146,204	156,712	14,164	1,702	1,188	1	543,838

Notes to the Consolidated Financial Statements continued

16. Impairment Testing of Goodwill and Intangible Assets with Indefinite Lives

Goodwill acquired through business combinations and intangible assets with indefinite lives have been allocated to two cash-generating units (CGUs), which are also operating and reportable segments, for impairment testing as follows:

- Midstream CGU.
- Downstream CGU.

The carrying amount of goodwill (other than goodwill relating to discontinued operations) was allocated to CGUs as follows:

In US$000	**2023**	2022
Midstream unit(i)	**268**	1,721
Downstream unit(ii)	**242,049**	260,458
Total carrying amount of goodwill	**242,317**	262,179
Less: discontinued operations	**-**	-
Carrying amount of goodwill in continuing operations	**242,317**	262,179

Midstream CGU:

The Midstream CGU relates to entities with refining and storage facilities. The recoverable amounts of the net assets tested under this CGU have been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period, and an average post-tax discount rate of 5.88 per cent per annum (2022: 6.40 per cent). The discount rate is calculated as a weighted average cost of capital, based on the implied yield on the Group's Senior Notes, and a cost of equity for each country.

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a continuous 2.0 per cent per annum growth rate (2022: 2.0 per cent).

The most significant impairment amounts have been taken on Papua New Guinea (US$39.6 million of property, plant and equipment and US$5.6 million of goodwill and intangibles) due to the reduction in the business plan triggered by the shortage of foreign exchange required to purchase oil and Estonia (US$20.7 million of property, plant and equipment) driven mainly by the sanctions in Russia therefore the decrease in the storage business.

Downstream CGU:

The Downstream CGU pertains to entities that include distribution of refined oil and gas products. The recoverable amount of the net assets tested under this CGU have been determined based on a value in use calculation. This method uses cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period, and an average post-tax discount rate of 7.59 per cent per annum (2022: 8.49 per cent). The discount rate is calculated as a weighted average cost of capital, based on the implied yield on the Group's Senior Notes, and a cost of equity for each country.

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 2.0 per cent per annum growth rate (2022: 2.0 per cent).

The most significant impairment amounts have been taken on Estonia (US$20.7 million of property, plant and equipment) driven mainly by the sanctions in Russia, therefore the decrease in the storage business and Papua New Guinea (US$39.6 million of property, plant and equipment, and US$5.6 million of goodwill and intangibles) due to the reduction in the business plan triggered by the shortage of foreign exchange required to purchase oil. The Company continues to reassess the current projections for our Papua New Guinea business and will reassess the impairment should there be any material change to the business plan.

There was a reversal of an impairment for our Benin business due to a significant improvement in business performance (US$10.1 million on property, plant and equipment). The asset was initially impaired in 2020.

16.1 Key Assumptions Used in Value in Use Calculations

Gross profits – The gross profits are based on the budgeted unit margins multiplied by the expected sales volume of each product sold. The unit margins used are based on the relevant price structures in each country. The sales volumes are increased over the five-year forecast period according to the expected gross domestic product growth and applicable local petroleum regulations of each country where the unit operates.

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital. The weighted average cost of capital considers both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on its interest-bearing loans and borrowings that the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on management's knowledge of the particular markets in which it operates.

Notes to the Consolidated Financial Statements continued

16. Impairment Testing of Goodwill and Intangible Assets with Indefinite Lives continued

Market share assumptions – These assumptions are important because, as well as using industry data for growth rates (as noted below), management assesses how the unit's position, relative to its competitors, might change over the budget period. Management expects the Group's share of the petroleum product market to be stable over the budget period.

Growth rate estimates – Rates are based on the expected growth rate for similar industry peer in each geography.

17. Inventories

In US$000	**2023**	2022
Petroleum inventories at fair value(i)	**341,274**	286,618
Petroleum product inventories at lower of cost or net realisable value, net	**443,211**	633,481
Merchandise inventories, net	**9,317**	7,686
Total inventories, net in continuing operations	**793,802**	927,785
Inventories in perimeter held for sale	**-**	–

(i) Inventories held for trading purposes are stated at fair value less costs to sell and any changes in net fair value are recognised in profit or loss. Certain of the Group's subsidiaries engage in commodity trading activities for which the exemption stipulated in IAS 2 Inventories for commodity broker-traders apply. Trading activities undertaken include optimisation of the Group's supply cycle and the supply of petroleum products to business-to-business and wholesale clients.

The cost of inventories recognised in cost of sales in 2023 amounted to US$12,188 million (2022: US$14,706 million). Out of the total net inventories held, none have been effectively pledged at 31 December 2023 (2022: US$1.7 million).

18. Other Financial Assets

In US$000	**2023**	2022
Financial assets carried at fair value through profit or loss(i)	**208,712**	202,309
Finance lease receivable(ii)	**175**	1,524
Loans to other entities(iii)	**20,150**	46,929
Other financial assets	**(471)**	504
Total other financial assets	**228,566**	251,266
Of which due from related parties (note 28)	**206,564**	226,851
Other financial assets in perimeter held for sale	**-**	–
Non-current	**20,848**	37,033
Current	**207,718**	214,233
	228,566	251,266

(i) Includes commodity and currency futures and swaps used to economically hedge certain of the Group's financial risks. Besides trading derivatives, the account also includes an equity instrument in Senegal and another in South Africa.
(ii) The Group has a finance lease arrangement for petroleum storage equipment.
(iii) The Group makes a limited number of loans to third and related parties. Management believes that none of these loans should be impaired however they are subject to loss provisions in line with IFRS 9.

19. Other Assets

In US$000	**2023**	2022
Prepayments, deposits and guarantees(i)	**76,492**	136,259
Other tax receivables(ii)	**176,535**	171,299
Other receivables	**83,896**	132,004
Total other assets	**336,923**	439,562
Of which due from related parties (note 28)	**4,339**	64,311
Other assets in perimeter held for sale	**1,088**	1,371
Non-current	**140,590**	132,150
Current	**196,333**	307,412
	336,923	439,562

(i) Prepayments, deposits and guarantees mainly include payments made for the purchase of equipment and construction materials, capital expenditure prepayments, as well as other guarantees and deposits.
(ii) Other tax receivables include non-income tax related items such as VAT and petroleum tax receivables.

Notes to the Consolidated Financial Statements continued

20. Trade Receivables

Trade and other accounts receivable include the short-term portion of trade accounts receivable and related accounts.

In US$000	2023	2022
Trade receivables	**642,037**	753,664
Of which due from related parties (note 28)	**151,571**	230,091
Trade receivables in perimeter held for sale	**4**	18

Trade receivables are non-interest-bearing and are generally on cash to 30 days terms. Group days of sales outstanding amounted to 15.0 days (2022: 13.3 days). There are US$53.2 million receivables (2022: US$11.2 million) effectively pledged as collateral for third-party loans granted to certain of the Group's affiliates.

The impairment recognised represents the difference between the carrying amount of the trade receivables and the present value of the expected proceeds. The Group does not hold any collateral over these balances. As illustrated below, there were no significant movements in the allowance for impairment of receivables.

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

In US$000	2023	2022
Balance at beginning of the period	**(12,729)**	(13,005)
Impairment losses recognised on receivables	**(5,825)**	(5,199)
Amounts written off during the year as uncollectible	**900**	1,445
Amounts recovered during the year	**2,441**	3,768
Disposal of subsidiary	**663**	–
Foreign exchange translation gains and (losses), other	**176**	262
Less: assets held for sale	**(54)**	–
Balance at end of the period	**(14,428)**	(12,729)

Set out below is the information about the credit risk exposure on the Group's trade receivables and accrued income using a provision matrix at 31 December, in line with IFRS 9:

			Days past due			
At 31 December 2023 – In US$000	**Total**	**Current**	**< 90 days**	**90-180 days**(i)	**180-360 days**	**>360 days**
Expected credit loss rate	**–**	**–**	**–**	**–**	**35%**	**70%**
Gross carrying amount	**504,843**	**441,985**	**41,488**	**8,756**	**3,283**	**9,331**
Expected credit loss	**(7,681)**				**(1,149)**	**(6,532)**

			Days past due			
At 31 December 2022 – In US$000	Total	Current	< 90 days	90-180 days(i)	180-360 days	>360 days
Expected credit loss rate	–	–	–	–	35%	70%
Gross carrying amount	536,320	463,172	55,388	5,820	4,164	7,776
Expected credit loss	(6,900)	–	–	–	(1,457)	(5,443)

(i) No provision has been recorded on receivables due between 90 and 180 days. Based on past experience, the Group has grounds to believe that these receivables should not be impaired.

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

At the end of the period the ageing analysis of trade receivables from third parties (net of allowance for doubtful debts) was as follows:

			Past due but not impaired			
In US$000	Total	Neither past due nor impaired	< 90 days	90-180 days	180-360 days	>360 days
At 31 December 2023	**490,469**	**434,481**	**41,444**	**8,353**	**3,229**	**2,962**
At 31 December 2022	523,573	456,508	55,383	5,703	3,618	2,361

Notes to the Consolidated Financial Statements continued

20. Trade Receivables continued

20.1 Receivables sold without recourse

At 31 December 2023, trade receivables of US$55.7 million (2022: US$40.9 million), related to Australia, South Africa, Guatemala and Puerto Rico were sold without recourse.

21. Cash and Cash Equivalents

In US$000	**2023**	2022
Cash at banks and on hand	**284,154**	310,066
Restricted cash	**524**	82,803
Short-term deposits	**210,349**	442,581
Cash and short-term deposits	**495,027**	835,450
Cash and short-term deposits in perimeter held for sale	**2,156**	5,171

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. No cash is effectively pledged in 2023 (2022: US$16.7 million).

22. Capital and Reserves

The registered share capital of the Group at 31 December 2023 was US$2,165,931 thousand (2022: US$2,165,931 thousand) divided into 145,686,645 issued ordinary shares (2022: 145,686,645 ordinary shares). The Group holds 135,499 of its own ordinary shares for a value of US$1.9 million, received as consideration for the reimbursement of a shareholder's debt(i).

Opening number of shares on 31 December 2022	145,686,645
Closing number of shares on 31 December 2023	**145,686,645**

(i) The shares received in 2022 as consideration for the reimbursement of a shareholder's debt, has been deducted from equity for the loan value, as per IAS 32, paragraph 33.

23. Interest-Bearing Loans and Borrowings

In US$000	**2023**	2022
Unsecured – at amortised cost		
Senior notes(i)	**714,800**	1,366,315
Bank overdrafts	**62,905**	31,733
Accrued interest	**18,686**	24,880
Unsecured bank loans(ii)	**186,554**	114,458
Related parties(iv)	**4,370**	345,743
	987,315	1,883,129
Secured – at amortised cost		
Secured bank loans(iii)	**53,558**	23,590
	53,558	23,590
Total Interest-bearing loans and borrowings	**1,040,873**	1,906,719
Of which due to related parties (note 28)	**4,370**	345,800
Interest-bearing loans and borrowings in perimeter held for sale	**-**	70
Non-current	**885,258**	1,789,646
Current	**155,615**	117,073
	1,040,873	1,906,719

(i) Includes US$750 million of 5 per cent Senior Notes maturing in 2026 and a 2.65 per cent private placement of EUR200 million, repayable in instalments and maturing in 2024, of which is left US$4.12 million to reimburse. At the end of December 2023, the Group holds 30.0 million of Senior Notes maturing in 2026. The Group fully reimbursed by the end of December 2023 the US$600 million of 5.125 per cent senior notes that were expected to mature in 2024.

(ii) Secured and unsecured bank loans consist of fixed and floating rate loans, for which the weighted average effective interest rate (including fees) was 14.68 per cent for the year ended 31 December 2023 and 8.8 per cent for the year ended 31 December 2022. The fair value of Interest-bearing loans and borrowings for disclosure purposes is based on quoted prices in an active market for similar liabilities. These financial instruments are fair valued, based on Level 2 measurement.

(iii) Bank loans are secured by mortgages over certain of the Group's assets (mainly inventories, qualifying receivables, shares of certain subsidiaries and other long-term assets). The total value of effectively pledged assets at 31 December 2023 was US$70.7 million (2022: US$101.1 million).

(iv) In June 2020 the Group entered into a US$390 million subordinated loan agreement maturing in January 2027 with Trafigura PE Holding Limited which was subsequently novated to Trafigura Pte Ltd. The loan was used entirely to re-purchased ordinary shares held by Trafigura PE Holding Limited and bore an interest of 5.45 per cent per annum until end of 2021, when it was amended and became interest free. This was then considered extinguished and re-established as a new loan, accordingly the difference between the nominal amount and the fair value of the loan as of grant date was recognised through equity as a capital contribution. In October 2023, the loan was amended, fully qualifying as equity.

Notes to the Consolidated Financial Statements continued

23. Interest-Bearing Loans and Borrowings continued

Loan maturity schedule

In US$000	2023	2022
Not later than one year	**155,615**	117,073
Later than one year and not later than five years	**885,258**	1,789,646
Later than five years	**-**	-
Total Interest-bearing loans and borrowings	**1,040,873**	1,906,719

24. Lease Liabilities

In US$000	2023	2022
Lease liabilities – non-current (third parties)	**332,774**	296,719
Lease liabilities – non-current (related parties)	**302,110**	321,121
Lease liabilities – current (third parties)	**40,191**	40,557
Lease liabilities – current (related parties)	**40,677**	36,088
Total lease liabilities	**715,752**	694,485
Of which due to related parties (note 28)	**342,787**	357,209
Lease liabilities in perimeter held for sale	**1,607**	1,574
Non-current	**634,884**	617,841
Current	**80,868**	76,644
	715,752	694,485

Lease liability maturity

Within one year	**80,868**	76,644
After one year, but less than five years	**337,614**	296,043
More than five years	**297,270**	321,798
	715,752	694,485

25. Provisions

In US$000	Employee-related provisions(i)	Provisions for contingencies and expenses(ii)	Provision for remediation(iii)	Total
At 1 January 2023	**6,292**	**42,535**	**8,958**	**57,785**
Arising during the year	**1,247**	**3,043**	**1,631**	**5,921**
Reclassified to another balance sheet position	**-**	**(751)**	**-**	**(751)**
Utilised	**-**	**3,105**	**-**	**3,105**
Unused amounts reversed	**(479)**	**(9,734)**	**-**	**(10,213)**
Other movements	**(90)**	**(1,443)**	**-**	**(1,533)**
Foreign exchange translation gains and losses	**(310)**	**(205)**	**(529)**	**(1,044)**
Reclassed from/(to) assets held from sale	**-**	**-**	**-**	**-**
At 31 December 2023	**6,660**	**36,550**	**10,060**	**53,270**
Provisions in perimeter held for sale	**64**	**8,432**	**-**	**8,496**
Non-current	**1,920**	**8,199**	**10,025**	**20,144**
Current	**4,740**	**28,351**	**35**	**33,126**
	6,660	**36,550**	**10,060**	**53,270**
At 31 December 2022				
Non-current	1,833	17,812	8,923	28,568
Current	4,459	24,723	35	29,217
	6,292	42,535	8,958	57,785

(i) Employee-related provisions mainly reflect holiday accruals, provision for employee benefits as well as provisions for long service leave (mainly in Papua New Guinea, Nicaragua Australia, Zimbabwe and Zambia).

(ii) Provisions for contingencies and expenses mainly relate to operations in Botswana, Tanzania and Benin, as well as some onerous contracts linked to United Kingdom divestments. They also include the claims provisions created in the captive insurance company of the Group.

(iii) Remediation provisions mainly relate to the Papua New Guinea business.

Notes to the Consolidated Financial Statements continued

26. Other Financial Liabilities

In US$000	**2023**	2022
Financial liabilities carried at fair value through profit or loss[i]	**149,694**	246,309
Vendor loan – third parties	**–**	–
Other liabilities	**8,042**	5,423
Total other financial liabilities	**157,736**	251,732
Of which due to related parties (note 28)	**149,584**	246,055
Other financial liabilities in perimeter held for sale	**–**	–
Non-current	**8,042**	5,423
Current	**149,694**	246,309
	157,736	251,732

(i) Derivative positions include commodity and currency futures and swaps used to economically hedge certain of the Group's financial risks. A substantial portion of the derivatives are transacted with Trafigura Pte Ltd and Trafigura Derivatives Ltd.

27. Trade and Other Payables

In US$000	**2023**	2022
Trade payables	**1,592,654**	1,783,753
Other payables and accrued liabilities	**255,415**	225,563
Other liabilities[i]	**79,898**	83,657
Total trade and other payables	**1,927,967**	2,092,973
Of which due to related parties (note 28)	**1,354,877**	1,340,466
Trade and other payables in perimeter held for sale	**6,733**	6,694

(i) Other current liabilities include mainly tax, social security and VAT payables.

Terms and conditions of the above liabilities:

- Trade payables are generally non-interest-bearing.
- Interest payable is normally settled on a monthly basis throughout the financial year.

28. Related Party Disclosures

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Related parties not part of the Group include the following:

		% equity interest in the Group	
Entity name	Country of incorporation	**31 December 2023**	31 December 2022
Trafigura PE Holding Limited	Malta	**58.15%**	58.15%
Trafigura PTE Ltd.	Singapore	**34.19%**	34.19%
TPE Holdings 2 LLC	Marshall Islands	**4.33%**	4.33%
PE Investments Limited	Malta	**3.13%**	3.13%
Global PE Investors PLC	Malta	**0.12%**	0.12%
PE SPV Limited	Malta	**0.08%**	0.08%

28.1 Related Party Transactions

Group entities entered into the following transactions with related parties that are not members of the Group:

	Sales and finance income related parties		Purchases, management fees and finance cost related parties	
	Year ended 31 December		Year ended 31 December	
In US$000	**2023**	2022 – Restated[i]	**2023**	2022 – Restated[i]
Trafigura Group	**593,755**	1,100,104	**(8,674,420)**	(10,826,987)
Others	**762,483**	381,507	**(104,400)**	(6,149)
Total	**1,356,238**	1,481,611	**(8,778,820)**	(10,833,136)

(i) 2022 has been restated for discontinued operations as per IFRS 5 requirements.

Notes to the Consolidated Financial Statements continued

28. Related Party Disclosures continued

In US$000	Amounts owed by related parties(i) 31 December 2023	Amounts owed by related parties(i) 31 December 2022	Amounts owed to related parties(ii) 31 December 2023	Amounts owed to related parties(ii) 31 December 2022
Trafigura Group	**237,242**	375,780	**(1,458,620)**	(1,884,925)
Others	**125,232**	145,473	**(392,998)**	(404,605)
Total	**362,474**	521,253	**(1,851,618)**	(2,289,530)

(i) Includes trade and other receivables, loans to related parties and other assets.
(ii) Includes trade and other payables, lease liabilities and loans from related parties.

28.2 Related Party Loans

The Group has acquired, by virtue of its various acquisitions, certain legacy loans made to employees of acquired entities. These loans are, individually and in aggregate, immaterial to the Group.

In June 2020 the Group entered into a US$390 million subordinated loan agreement maturing in January 2027 with Trafigura PE Holding Limited which was subsequently novated to Trafigura Pte Ltd. The loan was used entirely to re-purchased ordinary shares held by Trafigura PE Holding Limited and bore an interest of 5.45 per cent per annum until end of 2021, when it was amended and became interest-free. In October 2023 the loan was amended again qualifying it as equity.

28.3 Key Management Personnel Compensation

Key management personnel compensation amounted to US$9.2 million in 2023 (2022: US$9.4 million).

29. Commitments and Contingencies

Off balance sheet commitments:

In US$000	2023	2022
Storage and land rental	**731**	389
Assets under construction	**10,158**	8,793
Long term service contracts(i)	**247,557**	283,785
Other commitments	**5,806**	15,033
Total	**264,252**	308,000

In US$000	2023	2022
Within one year	**52,922**	59,615
After one year but not more than five years	**144,912**	145,078
More than five years	**66,418**	103,307
Total	**264,252**	308,000

Contingent liabilities:

In US$000	2023	2022
Letters of credit(ii)	**147,519**	287,362
Guarantees(iii)	**117,714**	20,027
Legal and other claims(iv)	**35,898**	47,932
Total	**301,131**	355,321

(i) The Group has long-term contracts for storage services on some of the infrastructure assets that were divested to Impala Terminals Ltd. and that do not qualify for IFRS16 treatment as there is not a specific asset in the contract (due to substitution rights on lessor side and only using partially the storage capacity of the terminal). The long-term commitment on these contracts is disclosed here.
(ii) The Group utilises standby letters of credit and documentary credits, where appropriate, where certain of the Group suppliers or underwriting banks require such facilities to be put in place.
(iii) 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. The main component is the guarantee for environmental and tax litigation related to Australia divestment amounting for US$81 million, previously classified as restricted cash.
(iv) Legal and other claims include 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 favourably.

Excluded from the contingent liabilities listed above are those mortgages and assets pledged as collateral on certain financing transactions. These items are disclosed in notes 13, 17, 20, 21 and 23.

Notes to the Consolidated Financial Statements continued

30. Financial Risk Management Objectives and Policies

The Group Executive Committee oversees the management of financial risks and reviews and agrees policies for managing these risks, which are defined in the Group Risk Management Framework.
The Group Risk Management Framework is a comprehensive management tool utilised by the Group Executive Committee to assess potential risks facing the Group. With the support of the Group internal audit team, the Group Risk Management Framework provides a context through which the Group is able to continuously monitor external risks.

The Group is primarily a Midstream and Downstream business with a strong risk management philosophy. The Group manages its exposure to key financial risks in accordance with the Group Risk Management Framework. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's 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. As a rule, commodity price risk relating to the physical supply activities is systematically economically-hedged, with the support of Trafigura Pte Ltd and Trafigura Derivatives Ltd. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision.

It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken as all derivative transactions are entered into for the purpose of managing the Group's physical inventory exposure. At this stage, the Group does not currently apply any form of hedge accounting.

Furthermore, the Group, through the Group Risk Management Framework, has established conservative consolidated risk limits and closely monitors the Group's risk positions to ensure that the Group's risk exposure remains well within these limits.

30.1 Market Risk

The Group operates in various national markets where petroleum prices are predominantly regulated and, therefore, in many of its markets it has limited market risk in terms of price exposure. Furthermore, where the Group operates in unregulated markets, the Group is typically able to price its products so as to reflect increases or decreases in market prices on a timely basis and thereby substantially mitigate its price exposure. Despite the Group selling into markets where price exposure is largely mitigated, the Group does economically hedge its physical supply. The primary purpose of the economic hedging activities is to protect the Group against the risk of physical supply transactions being adversely affected by changes in commodity prices. The Group systematically enters into economic hedging contracts to cover price exposures in its physical supply activities. In particular, substantially all supply stock is at all times either pre-sold or the commodity index price risk is economically-hedged.

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

	Fair value of derivatives	
In US$000	**2023**	2022
Commodity futures and swaps	**29,488**	19,526
Currency swaps	**(3,025)**	2,864
Total	**26,463**	22,390

Currency risk

The Group has exposures to foreign currency risk on its activities, and movements in currency exchange rates may have a material negative effect on our financial condition and result of operations. The Group reduces its exposure to changes in foreign currency exchange rates by borrowing in local currencies and entering into currency hedges whenever is possible.

The Group does not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries and non-consolidated companies. Refer to the consolidated statement of changes in equity to see the impact of changes in foreign currencies on the Group's equity.

Interest rate risk

Interest rate risk of the Group is mainly applicable on the long-term funding of the Group.
Please refer
to the comments below for further details on the Group's funding.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's 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	
In US$000	**2023**	2022
+ 1.0 percentage point	**2,051**	6,907
– 1.0 percentage point	**(2,051)**	(6,907)

Notes to the Consolidated Financial Statements continued

30. Financial Risk Management Objectives and Policies continued

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 summarises the fair value of interest-bearing loans and borrowings:

	Carrying amount		Fair value	
In US$000	**2023**	2022	**2023**	2022
Interest-bearing loans and borrowings(i)	**1,040,873**	1,906,719	**940,913**	1,623,130
Total	**1,040,873**	1,906,719	**940,913**	1,623,130

(i) 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. These financial instruments are based on a Level 2 fair value measurement (refer to note 30.7).

30.2 Liquidity Risk

The Group, by virtue of the nature of its operations, has demonstrated a consistent ability to generate cash through its ongoing daily operations. The Group generates stable cash flows as the Group's assets are utilised to deliver an essential product to customers in specific, national markets and the Group is therefore not entirely exposed to international commodity market movements. At the same time, the Group has the flexibility to decide whether to invest or not in capital expenditures as its ability to generate cash flows is not bound, in the short term, by significant capital commitments or significant mandatory capital asset maintenance.

Furthermore, the Group monitors its risk to a shortage of funds by monitoring the maturity dates of existing debt. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. At 31 December 2023, the Group had US$657.5 million (2022: US$595.5 million) of undrawn fair value borrowing facilities.

14.95 per cent of the Group's debt will mature in less than one year at 31 December 2023 (2022: 6.1 per cent) based on the balances reflected in the consolidated financial statements. The maturity profile of the Group's debt is summarised in note 23 and below. The Group liquidity risk is further mitigated as a large part of the borrowing activities of the Group are related to the financing of petroleum stocks and by their nature, these stocks are easily convertible into cash. The table below summarises the maturity profile of the Group's financial liabilities based on contractual payments:

In US$000	**Less than 1 year**	**1-5 years**	**5+ years**	**Total**
At 31 December 2023				
Interest-bearing loans and borrowings(i)	**155,615**	**885,258**	**-**	**1,040,873**
Lease liabilities	**80,868**	**337,614**	**297,270**	**715,752**
Trade and other payables	**1,927,967**	**-**	**-**	**1,927,967**
Financial derivatives	**149,694**	**-**	**-**	**149,694**
Other financial liabilities	**-**	**8,042**	**-**	**8,042**
Total	**2,314,144**	**1,230,914**	**297,270**	**3,842,328**
At 31 December 2022				
Interest-bearing loans and borrowings(i)	205,285	1,957,889	-	2,163,174
Lease liabilities	76,644	296,043	321,798	694,485
Trade and other payables	2,092,973	-	-	2,092,973
Financial derivatives	246,309	-	-	246,309
Other financial liabilities	-	5,423	-	5,423
Total	2,621,211	2,259,355	321,798	5,202,364

(i) Includes also interest cash flows.

30.3 Credit Risk

The Group has a formalised credit process, with credit officers in the key locations around the world. 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 the Group's consolidated statement of financial position. The Group conducts transactions with the following major types of counterparties:

- Physical commodity counterparties spread across the vertical chains for oil (eg wholesalers, dealers 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 (eg prime financial institutions from which the Group obtains payment guarantees).

Notes to the Consolidated Financial Statements continued

30. Financial Risk Management Objectives and Policies continued

The Group is present in different geographic regions. Wherever appropriate, guarantees, insurance and letters of credit are used to reduce payment or performance risk. The Group's maximum exposure to credit risk is equivalent to the amounts of financial assets presented in the consolidated statement of financial position. The Group has no significant concentrations of credit risk and no single customer accounts for more than 3 per cent of the Group's sales volumes. In addition, a significant part of the activity of the Group's downstream business (mainly retail sites) is on a cash or prepayment basis.

Refer to note 20 for an ageing analysis of trade receivables.

30.4 Operational Risk

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

The Group, when chartering vessels, applies a strict vessel vetting procedure that complements insurance requirements and focuses on the vessel age, classification, protection, indemnity and pollution insurance cover. Similar vetting procedures are also applied for both rail, car and truck movements. The Group also has 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 stock analysis is undertaken to avoid losses such as theft and contamination, and each approved location is checked annually to evaluate the ongoing situation.

By virtue of the Group's relationship with its significant shareholder, Trafigura PE Holding Limited, the Group does have a risk of supplier concentration as the Trafigura group companies' accounts for around 82 per cent (2022: 79 per cent) of all purchases made by the Group.

30.5 Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and adjusts it in light of changes in economic conditions in order to ensure a sound capital structure.

30.6 Changes in Liabilities Arising From Financing Activities

In US$000	Financial debt(i)	Lease liabilities	Vendor loans	Dividends	Total
At 1 January 2022	2,365,388	593,081	150	–	2,958,619
Cash flows	(538,501)	(144,001)	(150)	(14,621)	(697,273)
Interest expense	136,329	37,076	–	–	173,405
Shareholder loan	(79,588)	–	–	–	(79,588)
Dividends declared during the year	–	–	–	15,785	15,785
New leases/increase	–	372,004	–	–	372,004
Lease reassessment	–	(63,231)	–	–	(63,231)
Other movements (including FX)	30,582	(15,294)	–	–	15,288
Divestment of subsidiaries	(7,421)	(83,577)	–	–	(90,998)
Total debt at 31 December 2022	1,906,789	696,058	–	1,164	2,604,011
Liabilities associated to assets held for sale	(70)	(1,573)	–	–	(1,643)
Debt at 31 December 2022 for continuous operations	1,906,719	694,485	–	1,164	2,602,368

In US$000	**Financial debt(i)**	**Lease liabilities**	**Vendor loans**	**Dividends**	**Total**
At 1 January 2023	**1,906,789**	**696,058**	**-**	**1,164**	**2,604,011**
Cash flows	**(550,203)**	**(137,800)**	**-**	**3,549**	**(684,454)**
Interest expense	**144,068**	**51,673**	**-**	**-**	**195,741**
Shareholder loan	**(344,672)**	**-**	**-**	**-**	**(344,672)**
Dividends declared during the year	**-**	**-**	**-**	**(4,539)**	**(4,539)**
New leases/increase		**50,559**	**-**	**-**	**50,559**
Lease reassessment	**-**	**67,494**	**-**	**-**	**67,494**
Other movements (including FX)	**(64,641)**	**12**		**-**	**(64,586)**
Divestment of subsidiaries	**(50,468)**	**(10,637)**	**-**	**-**	**(61,105)**
Total debt at 31 December 2023	**1,040,873**	**717,359**	**-**	**174**	**1,758,406**
Liabilities associated to assets held for sale	**-**	**(1,607)**	**-**	**-**	**(1,607)**
At 31 December 2023 for continuous operations	**1,040,873**	**715,752**	**-**	**174**	**1,756,799**

(i) For the purpose of the above disclosure, current and non-current Interest-bearing loans and borrowings have been grouped together.

Notes to the Consolidated Financial Statements continued

30. Financial Risk Management Objectives and Policies continued

30.7 Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments, which are measured at fair value by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

All financial assets and liabilities, and inventories measured at fair value, at 31 December 2023 and 2022, fall under the Level 2 category described above, and include financial open derivatives for a net amount of US$26.5 million (2022: US$22.4 million) and inventories for US$341.3 million (2022: US$286.7 million). There have been no transfers between fair value levels during any of the reporting periods.

31. Events After the Reporting Period

No material events after the reporting period.

32. Significant Consolidated Subsidiaries and Participating Interests

The consolidated financial statements for the year ended 31 December 2023 include the Company's financial statements and those of the following operating entities listed in the table below:

		Proportion of ownership interest held by the Group at 31 December for the year ended		
Name of subsidiary	Place of incorporation	**2023**	2022	Legal relationship
Puma Energy Holdings Pte Ltd	Singapore	**100%**	100%	Parent company
Alexela Slovag AS	Norway	**97.5%**	95%	Subsidiary
AS Alexela Logistics	Estonia	**97.5%**	95%	Subsidiary
Puma Aviation Europe OU	Estonia	**100%**	100%	Subsidiary
Bitumen Storage Services (WA) Pty Ltd (Australia)	Australia	**50%**	50%	Equity investment
Blue Ocean Energy Ltd(i)	Ghana	**49%**	49%	Subsidiary
Comercial el Hogar SA	Honduras	**100%**	100%	Subsidiary
DP Drakensberg Properties Pty Ltd	South Africa	**100%**	100%	Subsidiary
Drakensberg Oil Pty Ltd	South Africa	**100%**	100%	Subsidiary
Empresa Cubana de Gas	Cuba	**50%**	50%	Equity investment
Energy Infrastructure Investments sarl	Luxembourg	**100%**	100%	Subsidiary
High Heat Tankers Pte Ltd	Singapore	**50%**	50%	Equity investment
Kpone Marine Services Ltd	Ghana	**100%**	100%	Subsidiary
Mazen Global Insurance Ltd	Federal Territory of Labuan	**100%**	100%	Subsidiary
PC Puerto Rico LLC	Puerto Rico	**100%**	100%	Subsidiary
PE Bitumen Resources Nigeria Ltd	Nigeria	**60%**	60%	Subsidiary
PE Swaziland (Pty) Ltd	Swaziland	**100%**	100%	Subsidiary
PE Tanzania Services Assets Ltd	Tanzania	**100%**	100%	Subsidiary
Puma El Salvador SA de CV	El Salvador	**100%**	100%	Subsidiary

Notes to the Consolidated Financial Statements continued

32. Significant Consolidated Subsidiaries and Participating Interests continued

Name of subsidiary	Place of incorporation	Proportion of ownership interest held by the Group at 31 December for the year ended 2023	2022	Legal relationship
Puma Energia España SLU	Spain	**100%**	100%	Subsidiary
Puma Energy (Australia) Bitumen Pty Ltd	Australia	**100%**	100%	Subsidiary
Puma Energy (Aviation) SA	Switzerland	**100%**	100%	Subsidiary
Puma Energy (Malaysia) Sdn Bhd	Malaysia	**100%**	100%	Subsidiary
Puma Energy (Moçambique) Lda	Mozambique	**100%**	100%	Subsidiary
Puma Energy (Namibia) (Pty) Ltd	Namibia	**100%**	100%	Subsidiary
Puma Energy (Singapore) Pte Ltd	Singapore	**100%**	100%	Subsidiary
Puma Energy Procesing Services LLP	India	**100%**	100%	Subsidiary
Puma Energy Bahamas SA	Bahamas	**100%**	100%	Subsidiary
Puma Energy Benin SA	Benin	**100%**	100%	Subsidiary
Puma Energy Bitumen (Vietnam) Ltd	Vietnam	**80%**	80%	Subsidiary
Puma Energy Botswana (Pty) Ltd	Botswana	**80%**	80%	Subsidiary
Puma Energy Caribe LLC	Puerto Rico	**100%**	100%	Subsidiary
Puma Energy Colombia Combustibles SAS	Colombia	**100%**	100%	Subsidiary
Puma Energy Colombia Holdings AG	Switzerland	**100%**	100%	Subsidiary
Puma Energy Distribution Benin SA	Benin	**100%**	100%	Subsidiary
Puma Energy Guatemala SA	Guatemala	**100%**	100%	Subsidiary
Puma Energy Honduras SA de CV	Honduras	**100%**	100%	Subsidiary
Puma Energy International BV, Geneva Branch	Netherlands	**100%**	100%	Branch
Puma Energy International SA	Switzerland	**100%**	100%	Subsidiary
Puma Energy LS (Pty) Ltd	Lesotho	**100%**	100%	Subsidiary
Puma Energy Ltd (FZE)	Nigeria	**100%**	100%	Subsidiary
Puma Energy Luxembourg Sàrl	Luxembourg	**100%**	100%	Subsidiary
Puma Energy (Malawi) Ltd[i]	Malawi	**50%**	50%	Subsidiary
Puma Energy PNG Ltd	Papua New Guinea	**100%**	100%	Subsidiary
Puma Energy PNG Refining Ltd	Papua New Guinea	**100%**	100%	Subsidiary
Puma Energy PNG Supply Ltd	Cayman Islands	**100%**	100%	Subsidiary
Puma Energy Senegal SA	Senegal	**0%**	80%	Subsidiary
Puma Energy Services (Singapore) Pte Ltd	Singapore	**100%**	100%	Subsidiary
Puma Energy Services South Africa (Pty) Ltd	South Africa	**100%**	100%	Subsidiary
Puma Energy South Africa (Pty) Ltd	South Africa	**70%**	70%	Subsidiary
Puma Energy Supply & Trading Pte Ltd	Singapore	**100%**	100%	Subsidiary
Puma Energy Tanzania Ltd	Tanzania	**50%**	50%	Equity investment
Puma Energy Zambia PLC	Zambia	**75%**	75%	Subsidiary

Notes to the Consolidated Financial Statements continued

32. Significant Consolidated Subsidiaries and Participating Interests continued

Name of subsidiary	Place of incorporation	Proportion of ownership interest held by the Group at 31 December for the year ended 2023	2022	Legal relationship
Puma International Congo SA	Congo	**100%**	100%	Subsidiary
Puma International Financing SA	Luxembourg	**100%**	100%	Subsidiary
Puma Overseas Projects Pte Ltd	Singapore	**100%**	100%	Subsidiary
RAM Petroleum (Pvt) Ltd	Zimbabwe	**48%**	48%	Equity investment
Redan Petroleum (Pvt) Ltd	Zimbabwe	**100%**	60%	Subsidiary
Rutile Investments Ltd	Mauritius	**100%**	100%	Subsidiary
Sakunda Petroleum (Pvt) Ltd	Zimbabwe	**49%**	49%	Equity investment
Tema Offshore Mooring Ltd	Ghana	**100%**	100%	Subsidiary
Tropifuels SA	Panama	**100%**	100%	Subsidiary
UBI Group Ltd(i)	Ghana	**49%**	49%	Subsidiary

Presented below are explanations for those entities that are consolidated despite the Group having less than 50 per cent interest in those entities:

(i) Management believes that the Group retains effective control over this entity as a result of there being both a shareholder and an investment agreement stipulating that the Group has 100 per cent economic control over the entity.

The Group does not have any non-controlling interests exceeding 5 per cent of the Group's long-term assets or 20 per cent of the Group's operating profit.

Independent Auditor's Report

Report of the Independent Auditor with Consolidated Financial Statements at 31 December 2023 of Puma Energy Holdings Pte Ltd

6 March 2024

Opinion

We have audited the consolidated financial statements of Puma Energy Holdings Pte Ltd and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position at 31 December 2023 and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group at 31 December 2023, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ('ISA'). Our responsibilities under those provisions and standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code') and we have fulfilled our ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of Property and Equipment, Intangible Assets and Goodwill

Risk

As at 31 December 2023, the Group's balance sheet includes property and equipment amounting to US$1,006 million, intangible assets amounting to US$30.5 million and goodwill amounting to US$242 million.

The assessment of the recoverable value of these assets for property and equipment, and intangible assets, or of the relevant cash-generating unit for goodwill, incorporates significant judgement in respect of factors such as gross profits, discount rates, petroleum product prices, market shares and growth rates which are affected by expected future market or economic conditions in many different countries.

The Group's disclosures about property and equipment, intangible assets and goodwill, are included in notes 13, 14 and 16 of the consolidated financial statements.

Our Audit Response

We performed the following procedures:

We reviewed the Group's calculation of the value in use or fair value less costs of disposal.

We involved our valuation specialists to evaluate methodologies and key assumptions, such as cash flow forecasts included in the impairment assessment for each cash-generating unit or asset tested on a stand-alone basis, and discount rate assumptions.

We assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation.

Our audit procedures did not lead to any material reservations regarding the impairment testing.

Independent Auditor's Report continued

Other Information in the Annual Report

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's reports thereon. Our opinion on the consolidated financial statements does not cover the other information in the Annual Report and we do not express any form of assurance conclusion thereon.

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

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Ernst & Young Ltd

Mark Hawkins
Swiss licensed audit expert
(Auditor in charge)

Didier Lequin
Swiss licensed audit expert

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