

25 October 2021

Operational and Trading Update

Viva Energy Group Limited (the **Company**) today provides an operational update for the three months ended 30 September 2021 (**3Q2021**). The Company also provides an update on financial performance for 3Q2021.

		3Q2020	3Q2021
Retail Fuel Volumes	<i>ML</i>	900	946
Commercial Volumes	<i>ML</i>	1,897	2,105
Total Group Volumes	<i>ML</i>	2,797	3,051
Weekly Alliance Fuel Sales	<i>ML per week</i>	52.2	48.4
Geelong Refining Margin (GRM) ¹	<i>(US\$/BBL)</i>	2.3	5.5 ²
Refining Crude Intake	<i>MBBL</i>	7.9	9.4

The results in 3Q2021 were heavily impacted by state-wide lockdowns across both Victoria and NSW through most of the period. Retail fuel sales in these States were down 25% compared with the prior quarter ended 30 June 2021 (**2Q2021**), and sales of jet fuel also fell by 31% from 2Q2021 as a result of border closures with the rest of the country.

Refining production was negatively impacted by planned major maintenance activity and reduced domestic demand, which resulted in surplus production being despatched to other markets incurring additional shipping costs. Retail fuel margins were negatively impacted by consistently rising oil prices through the period and the normal lag associated with reflecting these increased costs in retail pump prices.

Despite these significant headwinds, the Company has maintained Retail market share and the Commercial business continued to perform strongly, in line with the first half of 2021, with the exception of Aviation and Wholesale, which were naturally impacted by lower market demands in 3Q2021. The Refining business achieved approximately breakeven Underlying EBITDA after accruing for support from the Federal Government's Fuel Security Services Payment³, and the Company delivered an Unaudited Underlying Group EBITDA (RC)⁴ of \$57.7M⁵ in 3Q2021.

The Company remains well positioned to complete the final stage of its capital management program as announced on 24 August 2021. The \$100M capital return and share consolidation have been completed⁶ and the on-market buy-back targeting up to \$40M of securities is expected to commence in late October 2021.

Scott Wyatt, CEO and Managing Director, said "The third quarter was an extraordinary period with simultaneous lockdowns across both of our largest markets restricting the movement of more than half the Australian population. This had a material impact on fuel demand with knock-on impacts to our refining business which relies on Victoria and New South Wales markets to quit production. Given these

headwinds which are now behind us, I am pleased with the way the Company managed these challenges and the financial performance we achieved through this period.

Both States have now commenced re-opening plans in accordance with the Federal Government roadmap, and we are expecting a strong recovery in both Retail and Aviation fuel sales over the remainder of the year. Geelong Refinery has returned to full production, and regional refining margins are significantly improved on the back of general oil/energy tightness and anticipated recovery in global oil demand.

It is good to be taking steps to put the pandemic behind us, and I am looking forward to a return to a much-improved trading environment in the fourth quarter as the country re-opens, and beginning 2022 with momentum from a sustained and long term recovery. I look forward to sharing our future plans during our Investor Day which is scheduled for 24 November 2021.”

Investor Day

Please register for the Investor Day via the following registration [link](#). Further information will follow closer to the date.

Authorised for release by: the Board of Viva Energy Group Limited

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Notes

1. The Geelong Refining Margin is a non-IFRS measure calculated in the following way: IPP less the COGS, and is expressed in US dollars per barrel (US\$/BBL), where:

IPP: a notional internal sales price which is referable to an import parity price for the relevant refined products, being the relevant Singapore pricing market and relevant quality or market premiums or discounts plus freight and other costs that would be incurred to import the product into Australia

COGS: the actual purchase price of crude oil and other feedstock used to produce finished products

Geelong Refining Margin is a financial measure Viva Energy uses to illustrate and aid in the understanding of the performance of the Geelong Refinery. It involves elements of estimation and is not alone a measure of historical financial performance. In addition, it is only one contributor to the replacement cost Underlying EBITDA of Viva Energy. In its financial reporting, Viva Energy converts GRM into Australian dollars using the prevailing month average exchange rate.

2. 3Q2021 GRM excludes accruals for support under the Government Fuel Security Services Payment program
3. Please refer to announcement dated 17 May 2021 for details of the Fuel Security Services Payment and the broader government program. The final acceptance into the program is subject to Government confirmation - Viva Energy has applied and expects to participate with support provided from 1 July 2021
4. Viva Energy reports its 'Underlying' performance on a "replacement cost" (RC) basis. RC is a non-IFRS measure under which the cost of goods sold is calculated on the basis of theoretical new purchases of inventory instead of historical cost
5. On 24 August 2021, the Company announced changes to its financial reporting to include lease expenses in the underlying results, among others (see announcements of 24 August 2021 for further information). The Underlying Group EBITDA (RC) reported in this release applies the new basis of reporting. For the purposes of comparison with results reported in prior periods, the Underlying Group EBITDA (RC) for 3Q2021 applying the old basis of reporting is \$136.0M.
6. Viva Energy consolidated shares will commence trading on a normal settlement basis on 26 October 2021 – **ASX Code: VEA**

About Viva Energy

Viva Energy (ASX: VEA) is one of Australia's leading energy companies and supplies approximately a quarter of the country's liquid fuel requirements. It is the exclusive supplier of high-quality Shell fuels and lubricants in Australia through an extensive network of more than 1,330 service stations across the country.

Viva Energy owns and operates the strategically located Geelong Refinery in Victoria, and operates bulk fuels, aviation, bitumen, marine, chemicals and lubricants businesses supported by more than 20 terminals and 55 airports and airfields across the country.

www.vivaenergy.com.au