21 February 2023

Market Announcements Office
Australian Securities Exchange

2022 Annual Report and Appendix 4E

The attached documents have been authorised for release by the Board of Viva Energy Group Limited.

Julia Kagan
Company Secretary

Viva Energy Group Limited (the “Company”)
ACN 626 661 032
Appendix 4E - Preliminary Final Report

Results for announcement to the market

The current reporting period is the year ended 31 December 2022. The previous corresponding period is the year ended 31 December 2021.

	Year ended 31 December 2022 $M	Year ended 31 December 2021 $M	% Change
Revenue	**26,432.6**	**15,900.0**	**66.2%**
Profit from ordinary activities after tax / net profit for the period attributable to shareholders			
Historical cost basis	**514.3**	**232.9**	**120.8%**
Replacement cost basis	**596.6**	**191.6**	**211.4%**

Brief explanation of basis of results

Viva Energy reports its 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 the historical cost of inventory. As a result, it removes the effect of timing differences and management believes it enables users of the financial information to more clearly observe the operating performance of the business independently of the impact of movements in the oil price. Replacement cost basis reporting also includes lease expense to provide better transparency of underlying cash performance. The effects of applying inventory and lease relating accounting standards are captured between NPAT (RC) and NPAT (HC), as are any significant items, and revaluation impacts on FX and oil derivatives.

	Year ended 31 December 2022 cents	Year ended 31 December 2021 cents	% Change
Statutory earnings per share (Historical cost basis)	**33.3**	**14.6**	**128.1%**
Underlying earnings per share (Replacement cost basis)	**38.6**	**12.0**	**221.7%**

The above earnings per share calculations are based on the weighted average number of ordinary shares on issue in the Company over the current year ended 31 December 2022 and also the comparative period. Underlying earnings per share is prepared on the basis of underlying profit.

	Year ended 31 December 2022 $	Year ended 31 December 2021 $	% Change
Net tangible asset per share	**1.14**	**0.96**	**18.8%**

Net tangible asset per share is derived by dividing net tangible assets by the number of ordinary shares on issue as at 31 December of each year. Net tangible assets are net assets attributable to members less intangible assets. Right of use assets have been treated as tangible for the purpose of this calculation.

Dividends	**2022**
2022 Interim dividend – amount per security (fully franked)	13.7 cents
2022 Final dividend – amount per security (fully franked)	13.3 cents
Trading on ex dividend basis	7 March 2023
Record date for determining entitlement to final dividend	8 March 2023
Date dividend expected to be paid	24 March 2023

There is no dividend or distribution reinvestment plan currently in operation and there is no foreign sourced income component distributed in relation to the dividend.

This information should be read in conjunction with the 2022 Financial Report of Viva Energy Group Limited ('2022 Financial Report') and associated ASX market releases made during the period. The 2022 Financial Report includes additional Appendix 4E disclosure requirements and commentary on the results for the year ended 31 December 2022.

This report is based on the 2022 Financial Report which has been audited by PricewaterhouseCoopers ('PwC'). PwC has not audited Underlying numbers included in the Directors' report. The Independent Auditor's Report provided by PwC is included in the 2022 Financial Report.

Julia Kagan
Company Secretary
21 February 2023

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Annual Report 2022

Helping people reach their destination

Viva Energy Australia

A leading retail, industrial and energy business with a history spanning more than 120 years in Australia.

- Supporting an extensive network of more than 1,300 retail sites across Australia, located to meet the everyday convenience and mobility needs of our customers – supplying Shell and Liberty-branded fuels to customers nationally.
- Acquiring Coles Express, which, upon completion in 2023, will make us Australia's largest fuel and convenience network under a single operator.
- As a leading supplier of energy and industrial solutions, we service customers in all sectors that drive Australia's economy. This includes aviation, marine, mining, transport, construction and manufacturing.
- Distributing energy through a nationwide network of import and distribution facilities and infrastructure, including 24 fuel import terminals and a presence at over 50 airports and airfields.
- Operating our Geelong Energy Hub, including the country's most complex oil refinery, capable of manufacturing a wide range of specialty products, strategic storage of oil and refined products, and plans to import and store liquefied natural gas.

Our purpose

Helping people reach their destination

Across every part of our business, our enduring goal is to 'help people reach their destination'. We do this by providing the products and services that help people get around and deliver business outcomes, and by supporting our employees and contractors to reach their career aspirations.

Our values

Our values guide the people who work with us about what we stand for. They help us make difficult decisions and shape the way we interact with each other, our customers, our suppliers and our broader community stakeholders.

Integrity	Responsibility	Curiosity	Commitment	Respect
The right thing always	Safety, environment, our communities	Be open, learn, shape our future	Accountable and results focused	Inclusiveness, diversity, people


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Contents

2022 Reporting suite

About this Annual Report

This Annual Report contains information on the operations, activities and performance of the 'Viva Energy Group' for the year ended 31 December 2022 and its financial position as at 31 December 2022.

The Viva Energy Group comprises Viva Energy Group Limited (ACN 626 661 032) (the 'Company') and its controlled entities. In this Annual Report, references to 'we', 'us', 'our', and 'Group' are references to the Viva Energy Group.

PwC provided limited assurance over selected sustainability performance metrics within this Annual Report. A copy of PwC's limited assurance report is included on page 138.

Printed copies of this Annual Report will be posted to those shareholders who have requested to receive one. It is also available at www.vivaenergy.com.au.

Additional information

We produce a suite of reports to meet the needs and requirements of a wide range of stakeholders.

Additional sustainability reporting, providing stakeholder with further information on our sustainability priorities and performance, will be released prior to our Annual General Meeting.

Once released, the following documents will be available at www.vivaenergy.com.au

- 2022 Corporate Governance Statement
- 2022 Sustainability Report
- 2022 Sustainability Data Supplement
- 2022 Modern Slavery Statement
- 2022 Taxes Paid Report

Acknowledgement

Viva Energy acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples. We particularly pay respects to the Traditional Custodians of the land, across the nation where we conduct business.

Title: *Wa-ngal yalinguth, yalingbu, yirramboi.*
Created by: Dixon Patten, Yorta Yorta and Gunnai, Bayila Creative.

Our year at a glance

Financial performance

$1.076B
Group Underlying EBITDA (RC)
(2021: $484.2M)

$596.6M
Underlying NPAT (RC)
(2021: $191.6M)

27¢
2022 Dividend per share, fully franked
(2021: 7.3c)

$731.8M
Profit before tax (HC)
(2021: $343.4M)

$766.9M
Underlying Free Cash Flow
(2021: $261.1M)

Safety, Environment and People

5.95[1]
Total Recordable Injury Frequency Rate
(2021: 6.7)

Process Safety Events[1]

1
API Tier 1
(2021: 1)

4
API Tier 2
(2021: 3)

44%
Female representation in our Senior Leadership Group
(2021: 44%)

72%
Employee engagement
(2021: 69%)

4
Significant spills (>1,000kg)
(2021: 1)

1. Excludes performance of Liberty Oil Holdings Pty Ltd.

Strategic Highlights

Announced the acquisition of the Coles Express Convenience Retailing business, which will create the largest fuel and convenience business in Australia under a single operator

Completed the acquisition of the LyondellBasell Australia business (rebranded Viva Energy Polymers)

Commenced construction of 90ML Diesel Storage at our Geelong Energy Hub, supported by the Federal Government's 'Boosting Australia's Diesel Storage Program'

Commenced procurement and planning to upgrade the Geelong Refinery to produce ultra-low sulphur petrol and support the introduction of Euro6 low emissions vehicles from 2025

Progressed the Gas Terminal Project through an agreement with GeelongPort and continuing the Environmental Effects Statement approval process

Chairman and Chief Executive Officer's report

We have made excellent progress on our strategy to extend our businesses into new areas, providing pathways for future growth.

Robert Hill
Chairman

Scott Wyatt
Chief Executive Officer

Dear Shareholders,

2022 was a challenging year, which was very much shaped by global factors and rapid change in our markets. The war in Ukraine in particular has significantly disrupted energy markets. Higher energy costs, low unemployment and increased spending as populations emerge from lockdowns have driven inflation and put significant pressure on cost of living. Security of supply and access to affordable energy are more important than ever, as is the need to accelerate the transition to cleaner energies and reduce emissions.

With this backdrop, Viva Energy has had a remarkable year. All our businesses performed extremely well, maintaining reliable supply to all our markets through periods of significant global supply chain disruption, supporting energy security while delivering exceptional year on year sales and earnings growth.

Our decision to maintain refining capability in Australia served us well. We supported the Australian economy by maintaining domestic supply of fuel and specialty products. Substantial value was also gained from strengthening global refining margins, driven by global recovery in oil demand and reduced refining capacity. This value, together with elements of energy security, would be lost to international refineries had we not committed to maintain refining capacity in Australia.

Leveraging this refining position, Viva Energy continued to make good progress on the development of our Energy Hub during 2022. We commenced construction of additional Diesel Storage under the Federal Government's 'Boosting Australia's Diesel Storage Program'. We also advanced plans to upgrade the Geelong Refinery to produce ultra-low sulphur petrol, supporting the introduction of lower-emission petrol engine vehicles from 2025.

Our proposed Gas Terminal awaits ministerial assessment as part of the Environment Effects Statement (EES) approval process, and we expect to begin construction on our first green hydrogen refuelling facility for heavy vehicles (trucks and buses) from 2023. We are also exploring options to co-process bio and waste feedstocks at our Geelong Refinery to produce lower-carbon fuels and recycled plastics. As these initiatives progress, we expect the Energy Hub to play an increasingly important role in energy security and transition.

During the year we also made good progress on the transformation of our retail and commercial marketing businesses. The acquisition of the Coles Express business in 2023 will bring together the fuels and convenience businesses to create the largest Australian network under a single operator. We see significant opportunity to expand and grow our position in the fast-growing convenience markets, and reduce our reliance on earnings from fuels over time. We expect to further invest in this part of our business to establish a leading position in the retail convenience market and support the introduction of new energies such as hydrogen and electric vehicle recharging.

In our Commercial business we continue to leverage the diverse range of markets and customers that we service. Our non-fuels and specialty businesses performed extremely well, and the acquisition of the LyondellBasell Australian Polymers business during 2022 opened up new markets for our commercial business in Australia and New Zealand. We launched a comprehensive range of accredited carbon-neutral fuels during 2022, working closely with our commercial customers to partner with them on pathways to reduce their emissions and trial new energies, such as hydrogen-powered buses and trucks.

Despite the challenging conditions, 2022 has been an exceptional year for Viva Energy. The Company delivered strong top-line sales growth across all businesses and record financial results, and made substantial progress on our long-term strategies. Management demonstrated capability to successfully navigate challenging and volatile market conditions with a firm eye on the future, and looks forward to making further progress on our strategic agenda in the year ahead.

2022 Performance

Group underlying EBITDA (RC) more than doubled to $1.1 billion in 2022 compared to the previous year. Several factors supported growth: an ongoing recovery in sales volumes following the pandemic, increasing returns across Retail, Fuels & Marketing (RFM) and a strong contribution from Refining. RFM grew 45% to deliver an EBITDA (RC) of $571.4 million, supported by both the Retail and Commercial businesses. Refining EBITDA (RC) increased 452% to $504.4 million. The Geelong Refinery operated at near-full production during a period of strengthening regional refining margins.

Overall, our safety performance is consistent with the prior year, with our Total Recordable Injury Rate improving and loss of containments and process safety incidents slightly up. We see opportunities to improve performance in a number of areas and these plans are embedded with the leadership of each business. With the exception of the unplanned outage to the residue catalytic cracking unit (RCCU), operational performance was strong throughout the business.

Our financial position remains robust. Earnings converted to substantial free cash flow in 2022, with net cash of $290.5 million at the end of the period. We determined a full-year dividend of $418.7 million and bought back $4.8 million worth of shares. Of the $40 million program, $22.7 million has been completed to date. The Company maintains capacity to pursue further growth opportunities in line with our long-term strategy and prudent capital management framework.

Executive leadership changes

During the year, we announced changes to the Executive Leadership Team that will support our strategic agenda. Jevan Bouzo, previously Chief Operating and Financial Officer, was appointed Chief Executive, Convenience and Mobility. In this role, he will have responsibility for the combined Coles Express and Viva Energy Retail businesses and the broader development of new energies and other mobility-related offers as they are implemented across the retail network.

Carolyn Pedic has been appointed as Chief Financial Officer. Carolyn brings extensive industry experience to the position, with over 20 years' experience in finance and risk management roles across energy and mining. Jennifer Gray, who previously led the Company's Liberty Wholesale business, has been appointed as Executive General Manager, Supply Chain.

Megan Foster, Executive General Manager, Retail, will leave the Company in early 2023 to pursue the next chapter in her career. The Board thanks Megan for her significant contribution to the success of the business and wishes her well in her future endeavours.

Sustainability

Our assets provide energy security at a time of global disruption. We operate one of the two remaining refineries in the country, and own nationwide infrastructure with more than one billion litres of fuel storage. As a large emitter, we contribute to a lower-carbon future by diversifying our business into new energies and lowering our own emissions to achieve the commitments we established in 2021.

The policy framework and Fuel Security Package that was developed with the Federal Government supports our role in both energy security and in the energy transition. It allows us to maintain refining capacity while we progress our vision to transform the site into a modern Energy Hub. In the short term we are investing approximately $520 million in major upgrades, strategic storage and a green hydrogen refuelling station. We have proposed the development of a gas terminal to meet the gas supply shortage that is emerging in Victoria.

Long-term opportunities include the opportunity to co-process bio and waste feedstocks to produce renewable or biofuels and recycled plastics. This is only possible by keeping the refinery running and retaining the expertise of our people in Geelong.

The Board and management are focused on reducing the Company's emissions and helping our customers achieve their own emission reduction goals. For the Geelong Refinery, which is responsible for 97% of our Scope 1 and Scope 2 emissions, we are progressing initiatives to improve energy efficiency and invest in renewable projects. We are focused on reducing our Scope 3 emissions by collaborating with customers on opportunities such as biofuels and hydrogen, and by upgrading our refinery to allow more fuel-efficient vehicles into Australia. In the interim, we expanded our carbon solutions business by achieving carbon neutral certification by Climate Active for most of our products.

We present an update on our sustainability program as part of this Annual Report.

Business outlook

After a strong year, Viva Energy is well placed to navigate uncertainty and volatility in global and domestic energy markets. We anticipate:

- The refining and supply environment to remain elevated relative to historical averages, but volatile and uncertain. Margins will likely be driven by the impact of sanctions on Russian oil and refined products, Chinese demand and export strategies, and more broadly global demand for oil.
- Fuel demand to remain robust in Retail despite changes in mobility and working modes. Site expansion will continue through the extension of the Liberty Convenience network.
- The continued strength in economic activity and the recovery in travel to underpin demand in Commercial, offsetting potential headwinds to margin from elevated quality premia and freight, and a reduced benefit from procurement and uncontracted spot sales.
- The business to manage higher inflation, interest rates and energy costs via a strongly disciplined focus on pricing and cost pass through.

We are excited about the progress we have made with our strategic objectives in 2022, and look forward to further opportunities as we unlock the value of our three increasingly distinct businesses.

Robert Hill
Chairman

Scott Wyatt
Chief Executive Officer and Managing Director

How we create value

Value drivers

Diverse operations and infrastructure

- Nationwide network of **1,330 convenience retail stores**
- **Strategically located Geelong Refinery** in one of Australia's largest markets
- **Nationwide supply chain capability** supported internationally by Vitol
- **Network of 55 fuel import terminals**[2]
- Presence at over **50 Australian airports and airfields**

Financial capital

- **$766.9M** underlying Free Cash Flow (RC)
- **$2,139M** average capital employed
- **$290.5M** net cash

People

- **1,705** employees
- **Innovative practices** to drive flexibility, wellbeing and equality

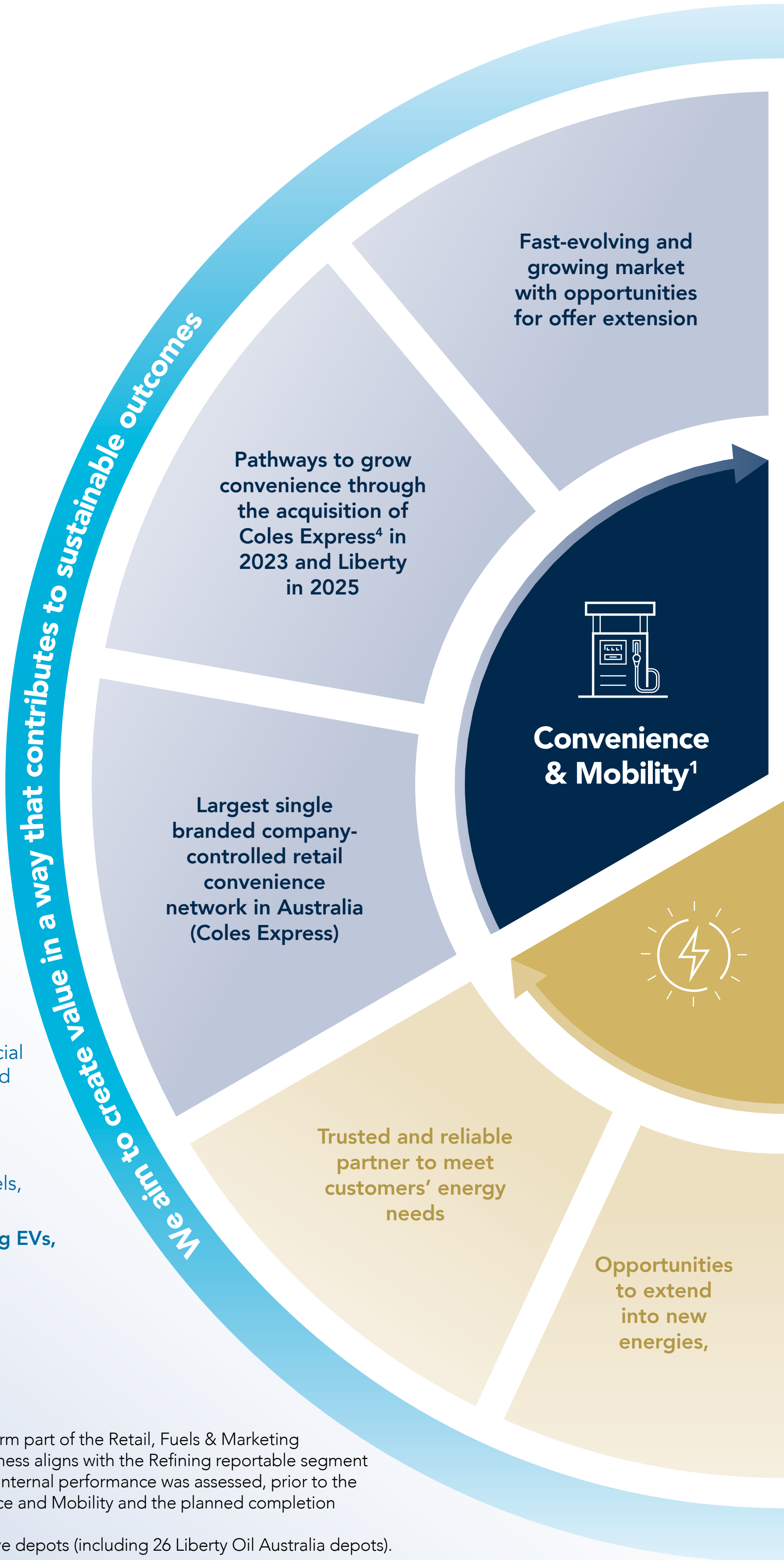
Customers

- Supply approximately **one-quarter of Australia's fuel requirements**
- **A trusted partner** to many of Australia's largest commercial and industrial businesses
- **Continued demand strength** across our Commercial business, including Aviation, Marine, Resources and Specialties

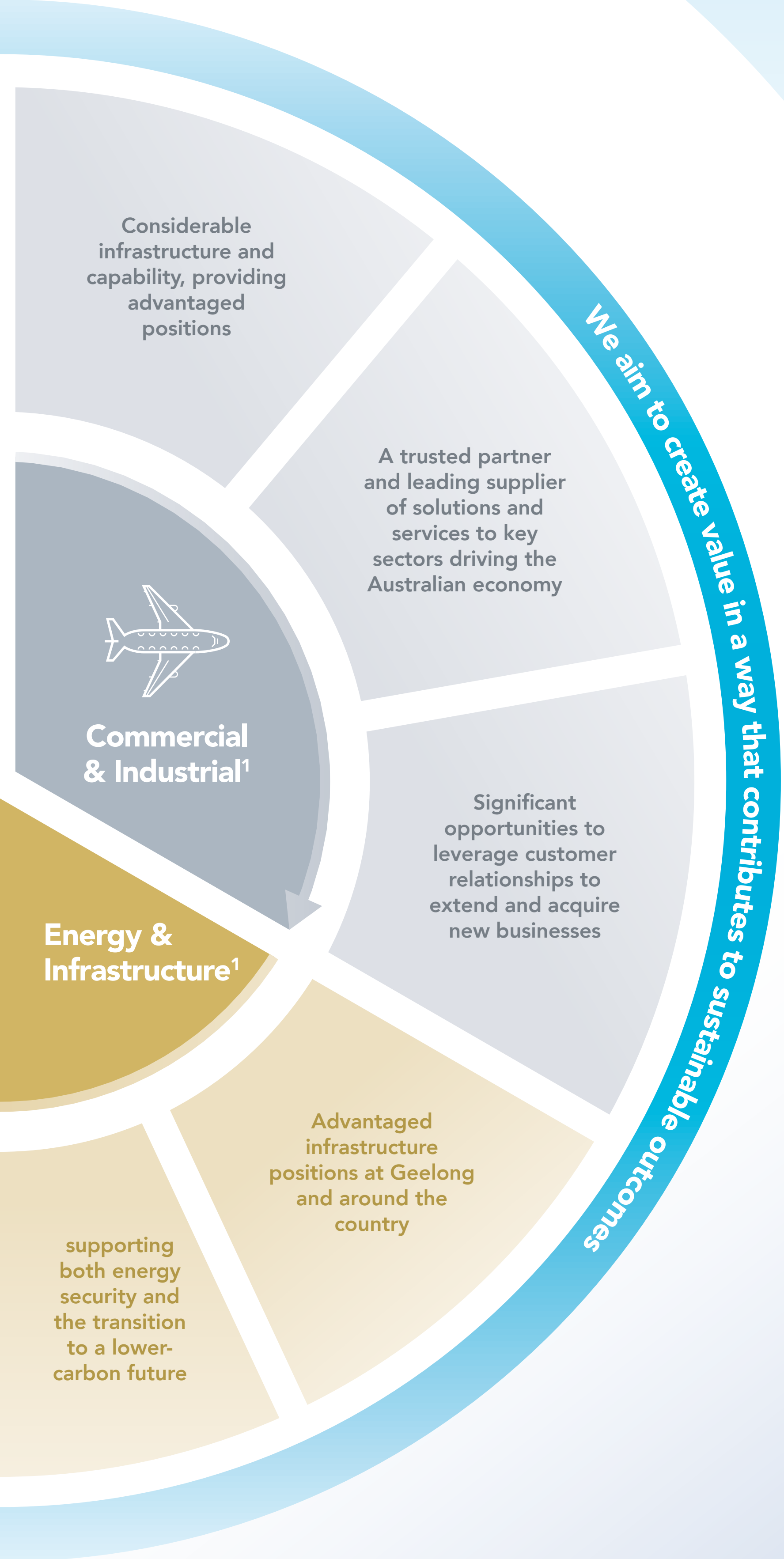
Trusted products

- **Exclusive Australian supplier** of Shell branded fuels, lubricants and greases
- Emerging opportunities in **new energies, including EVs, bio and waste energies**

Net zero by 2050



1. Convenience & Mobility' and 'Commercial & Industrial' form part of the Retail, Fuels & Marketing reportable segment, and the Energy & Infrastructure business aligns with the Refining reportable segment in the FY2022 financial report. This is consistent with how internal performance was assessed, prior to the appointment of the Chief Executive Officer of Convenience and Mobility and the planned completion of the Coles Express acquisition in 2023.
2. Includes 24 fuel import terminals and a network of 31 active depots (including 26 Liberty Oil Australia depots).
3. Excludes performance of Liberty Oil Holdings Pty Ltd.
4. Completion of the transaction is subject to customary closing conditions and is expected to occur in in the first half of 2023.



Delivering stakeholder value

Shareholders – delivering strong, sustainable returns

- **$1,075.8M** Group underlying EBITDA (RC)
- **$596.6M** Underlying NPAT (RC)
- **27¢** 2022 dividend per share, fully franked
- **$731.8M** PBT (HC)

Customers – providing superior, innovative products and services

- **7M** Coles Express fuel transactions per month
- **Long term** (+10 years) commercial relationships with **14 of our top 20** customers

Strategic initiatives – creating value in new growth areas

- **Coles Express acquisition**, accelerating plans to create a leading Convenience & Mobility business
- **Geelong Refinery upgrades** to produce ultra-low sulphur petrol
- **90ML diesel storage construction** – supporting the Boosting Australia's Diesel Storage Program
- **Proposed LNG import and storage facility** – supporting growing gas shortfalls in Victoria and southern states
- **New Energies Service Station**, to offer commercial-scale green hydrogen production and refuelling
- **Potential for advanced recycling initiatives** via Viva Energy Polymers

People – an engaged, inclusive and safe workforce

- **72%** employee engagement
- **5.95** Total Recordable Injury Frequency Rate[3]
- **Increased the number of females** in operator roles by 13% since 2019

Community – maintaining our social licence and a sustainable future

- **$5.81B** in taxes paid to government
- **Invested $1.26M** in community partnerships
- **79%** of hazardous waste diverted from landfill

Our strategy

Leveraging our diversity

In a large and diverse country, Australians rely on affordable energy to move around, transport products to every corner of the country and beyond our shores, and produce the goods and services that drive the economy. Petrol, diesel, jet and fuel oils remain an important part of every Australian's daily life. We are, however, at the beginning of a long-term energy transition that is necessary to reduce emissions and we have an important role to play in providing the energy that people need today, as well as the energies of the future. Our strategies will focus on both. We continue to invest in our long-term sustainability through the continued diversification of our business. We are increasing our exposure to non-fuel earnings, into areas where we have proven success and see new growth opportunities.

Our three businesses are all supported by industry leading-capabilities and infrastructure. The strategic positioning of these businesses is as follows:

- **Convenience & Mobility:** Positioned to be Australia's largest branded network under a single operation, meeting the convenience and mobility needs of our customers.
- **Commercial & Industrial:** A leading diversified supplier of energy and industrial solutions and services to our customers, across key sectors of Australia's economy.
- **Energy & Infrastructure:** Supplying the energy needs of our customers through our extensive national import, storage and distribution infrastructure network and refinery, while leveraging these positions to support the transition to lower-carbon energies.

We will continue to deliver reliable and attractive cash flow by maintaining discipline in our core business while progressing a focused diversification and extension strategy. Refer to the Sustainability section of this report (from page 16) for our broader sustainability approach and performance.

Today

Outperform in our core businesses

Convenience & Mobility

- Drive network performance and efficiency
- Extend and optimise the network
- Grow brand preference and share

Commercial & Industrial

- Expand regional coverage in transport, aviation and agricultural sectors
- Grow integrated value of specialties businesses

Energy & Infrastructure

- Drive productivity, reliability and operating cost efficiency
- Reduce energy intensity through efficiency projects and lower-carbon fuels
- Execute intensive multi-year capital program at the Geelong Refinery
- Leverage infrastructure position and optimise supply chain costs

Pathway	Future
Leverage capability to develop new growth pathways	**Acquire capability to accelerate proven opportunities**
• Develop and extend convenience offering • Hydrogen for heavy vehicles • Electric vehicle recharging	• Coles Express acquisition[1] – creating the largest single-branded network in Australia under one operator • Right to acquire the Liberty Oil Convenience business in 2025[2]
• Extend commercial solutions and services offering • Develop and extend carbon solutions offers • Develop hydrogen fuel and commercial electric vehicle recharge offerings	• Viva Energy Polymers acquisition provides access to new markets in Australia and New Zealand • Other adjacent commercial businesses that leverage our core business to business sales and supply chain capabilities
• Geelong Gas Terminal project • Additional strategic diesel storage at Geelong Refinery • Opportunities in energy transition, including low-carbon fuels, co-processing, waste recycling and energy efficiency	• Further opportunities in polypropylene manufacturing and related processes via the Viva Energy Polymers acquisition • Partner with key technology and customer participants

1. Completion of the transaction is subject to customary closing conditions and is expected to occur in the first half of 2023.
2. Viva Energy has a 50% non-controlling interest in Liberty Oil Convenience with rights to fully acquire the business from 2025.

Convenience & Mobility

Our Convenience & Mobility business continued to deliver strong and consistent growth in 2022, with the acquisition of the Coles Express Convenience business poised to accelerate our transition to fully controlled convenience retail platforms.

Convenience & Mobility at Viva Energy has a number of unique attributes that drive the strength and value of this business.

Our extensive network consists of 1,330 sites across Australia, offering a range of differentiated customer offerings through three unique operating platforms.

Shell and Coles Express
706 sites

- Australia's largest single-branded fuel and convenience network.
- Leverages the world's most recognisable and respected fuel brand, Shell, with a leading position in premium fuels.
- Located in advantaged locations, close to suburban population centres and on main transport routes.
- Leverages partnership and customers of Coles supermarkets through access to Flybuys (the largest loyalty program in Australia) and the 4cpl fuel dockets.
- Viva Energy captures the full retail margin and Coles Express operates the sites, earns commission on fuel sales and pays royalty to Viva Energy on convenience sales.

Liberty Convenience
94 sites

- A value-led, independent brand that provides a differentiated fuel and convenience offer through our partnership with Liberty Convenience.
- Regionally and highway focused, with large format convenience stores and a focus on the on-road markets.
- Providing network growth, with a goal of 150 sites by the end of 2024.
- Viva Energy earns wholesale margin on fuel sales and Liberty Convenience captures the retail margin.
- 50% joint venture with a right to fully acquire the Liberty Oil Convenience business from 2025, which will further solidify Viva Energy's leadership position in convenience and mobility.

Owner dealer
530 sites

- Typically family owned businesses with local focus, operating under Shell or Liberty brands.
- Expands network coverage to regional locations.
- Viva Energy earns wholesale margin on fuel sales under contracted supply agreement.

New energies

We expect demand for traditional fuels to remain strong well into the next decade. However, the adoption of new energies such as battery and hydrogen electric vehicles (EV) will lead to a growing demand for convenient on-road recharging and refuelling options.

New energies will be integrated into our Convenience & Mobility offerings as they mature. In 2022, we partnered with Evie Networks, a leading EV recharging specialist offering ultra-fast charging stations to introduce six pilot EV recharging stations across the network. These stations, situated in Victoria, Queensland and Tasmania, are part of a trial. The timing of a broader roll-out across the networks will depend on when demand materialises from retail customers, the upgrade of grid infrastructure to support the load, and the future refresh of the Coles Express network.

Our initial new energies focus has been on green hydrogen. Government support and demand from commercial customers – who have their own Scope 1 and 2 emissions reductions targets – justifies the business case in the short term. Planning has commenced for heavy vehicle hydrogen refuelling at service centres along busy freight routes.

Convenience offers

We expect the convenience business to deliver strong growth potential over the long term, driven by population growth, changes in mobility and increased consumer demand for convenience led offers. Our strategy incorporates future convenience offers, including:

- Popular food and beverage adjacencies to support ‘destination visits’ and utilising significant capacity on surplus land.
- Establishing deeper relationships with customers through digital enablement and enhanced loyalty offers.
- Developing ‘community hub’ opportunities, such as smart lockers for last-mile delivery.

Coles Express acquisition – accelerating our plans to create a leading Convenience & Mobility business

The acquisition of the Coles Express Convenience Retailing business and capability will create Australia’s largest fuel and convenience network under a single operator, with 706 sites.

Upon completion of the acquisition, our Convenience and Mobility business will combine Coles Express and Viva Energy’s retail capability to establish a retailing business that will lead our broader Convenience & Mobility strategy.

The acquisition, announced in September 2022, will allow us to directly capture convenience earnings and increase our exposure in this area by:

- Establishing a platform to pursue a variety of emerging revenue streams, including food and beverage, new energies, digital, logistics and last-mile delivery.
- Unlocking synergies through the integration of network and store development, improving the effectiveness of our marketing and capital spend.
- Leveraging a sophisticated, industry-leading and team-driven convenience platform.

The acquisition accelerates our transition to an integrated business. It will allow us to more efficiently optimise the current network and progress our convenience strategies. We will continue to evolve the business in response to the increasing demand for greater convenience offers, and take advantage of recovering sales and fuel volumes.

Completion of the transaction is expected to occur in 2023, and is subject to customary closing conditions. We have committed to a continuing relationship with Coles Group through the transition, including the continuation of existing loyalty programs and the supply of Coles products. The network will continue to carry the Shell brand under a long-term brand licence agreement through to 2029.

Commercial & Industrial

Commercial & Industrial thrived in 2022. In a disruptive and volatile period for energy markets, the business benefited from its diversity and reputation as a reliable and secure supplier.

Our Commercial & Industrial business is a trusted partner to many of the country's largest companies. Its strengths lie in deep relationships with customers, leading market positions in more products and services than competitors and a nationwide supply chain backed by the international capability of Vitol.

Under our long-term strategy, we aim to leverage these competitive advantages. We will continue to maximise the value in our core business and develop solutions that cater to the evolving energy needs of our customers. We will also explore opportunities to expand into adjacent products and services, with a focus on opportunities outside traditional fuel.

In progressing our objectives this year, we:

- delivered a strong contribution from our existing businesses, driven by a strong economy, customer growth and continued recovery in areas impacted by the pandemic;
- acquired the LyondellBasell Australia (LBA) business (rebranded Viva Energy Polymers), diversifying into plastic feedstock manufacturing and marketing; and
- expanded our carbon solutions offering by achieving carbon neutral certification by Climate Active. In addition to jet fuel, we now offer commercial customers the option to offset emissions from diesel, marine fuel, unleaded petrol, solvents and bitumen. Carbon offsets provide an interim solution for customers until low-emissions technologies become commercially viable.

Aviation

- Market-leading network includes into-plane fuelling and storage in all major airports and over 50 minor airports and airfields across Australia
- First Australian company to launch Carbon Neutral Jet A-1
- Only Australian manufacturer of Avgas

Marine

- Market-leading supplier of marine fuels and lubricants across Australia
- Nationwide network of marine fuelling locations, including marine barges in Sydney, Melbourne and Geelong
- Primary supplier for marine fuels to the Australian Defence Force

Resources

- Supplier of fuels, lubricants and associated services to the mining sector
- National supply chain servicing all key mining regions of Australia
- Offering end-to-end solutions and technical support

Polymers

- Only Australian manufacturer of polypropylene
- A significant supply and marketing business, supporting customers across a diverse range of polymers-based products
- Complementary to existing Geelong Refinery operations

Specialties

- Only manufacturer of bitumen, hydrocarbon solvents and Low Aromatic Fuel in Australia
- Strategically located supply chain and import capability across major population centres
- Long-term relationships with key construction companies and chemical resellers

Transport & Agriculture

- Company-owned transport fleet, supporting direct delivery to customers (Liberty business)
- Local capability combined with a nationwide refuelling network, supporting regional markets across the country
- Access to the Shell and Liberty-branded networks (through Shell Card) for customer on-road refuelling requirements

Vitol supply agreement offers security of supply and product pricing certainty

Vitol is one of the largest independent energy traders in the world, representing around 7% of global oil flow. It has a significant presence in the Asian region, which gives us deep access to markets, scale and expertise that would be difficult to replicate independently.

Vitol is also a major shareholder in the company through the Vitol Investment Partnership (VIPL).

Longstanding customer relationships

Commercial & Industrial is a passionate people business that delivers a customer-driven agenda. We believe in true longstanding customer relationships that deliver mutual value.

Testament to this is that 14 out of our top 20 customers – many of which are the largest and most successful companies in Australia – have worked with us for more than 10 years.

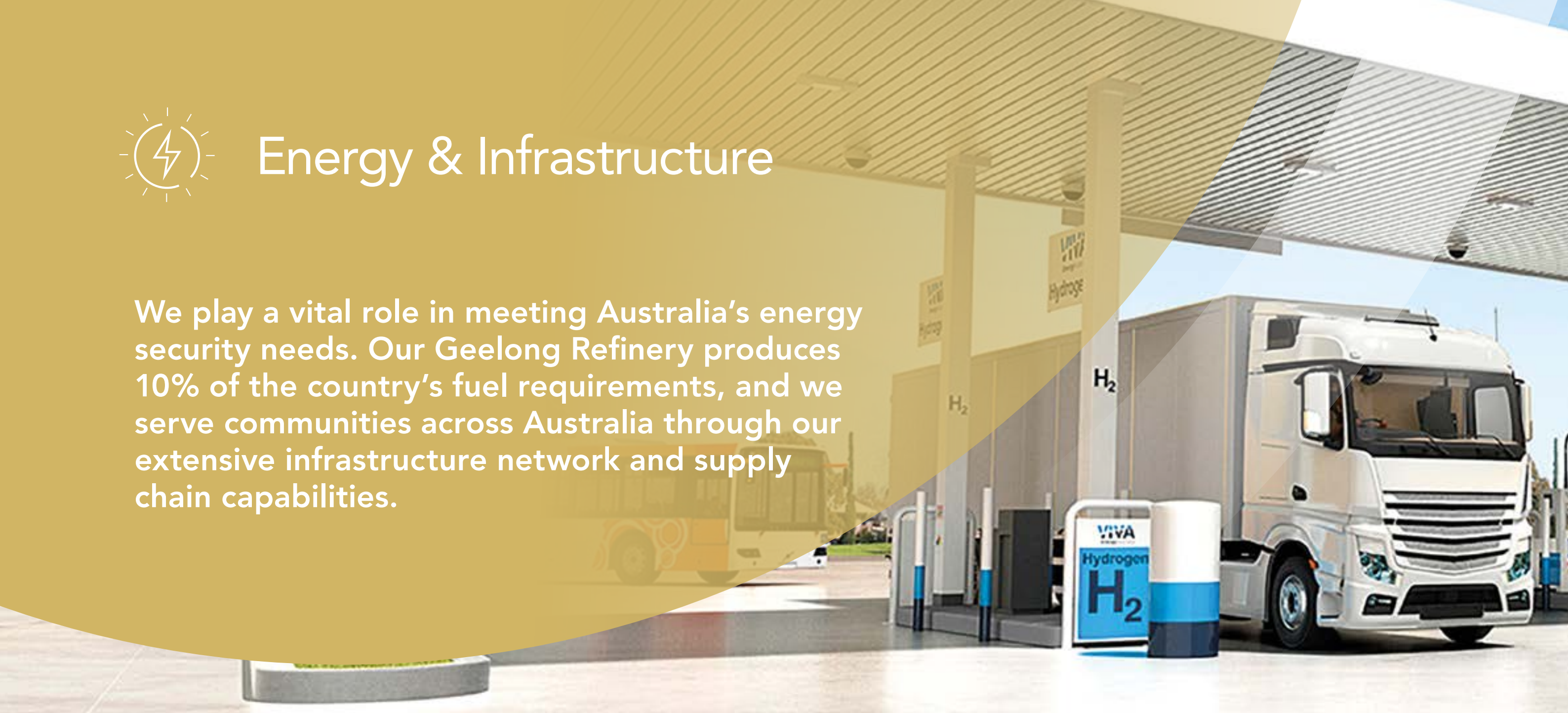
LyondellBasell Australia acquisition – an adjacent Commercial business that is highly complementary to existing operations

We announced and completed the acquisition of LyondellBasell Australia (rebranded Viva Energy Polymers) in the first half of 2022. The acquisition supports our long-term strategy by diversifying Commercial's customers and broadening the business's specialty product offerings.

Viva Energy Polymers, located next to the Geelong Refinery, is the country's only polypropylene manufacturer. The business supplies raw material for the production of a diverse range of products, including food packaging, medical equipment and polymer bank notes. It serves more than 60 customers across Australia, New Zealand, Asia, India, the Middle East and North America.

The business is highly complementary to our existing refining operations for several reasons:

- The Geelong Refinery's propylene production is utilised in its manufacturing operations, providing an efficient source of feedstock.
- Many of our customers have long-standing relationships with the polymers business.
- It incorporates a significant supply and marketing business, providing polymers-based products to businesses in Australia.
- Provides capability and future opportunities to divert soft plastic waste streams into Australian recycling for the first time.



Energy & Infrastructure

We play a vital role in meeting Australia's energy security needs. Our Geelong Refinery produces 10% of the country's fuel requirements, and we serve communities across Australia through our extensive infrastructure network and supply chain capabilities.

In addition to the Geelong Energy Hub, our presence includes a network of 55 fuel import terminals and depots[1], and a presence at over 50 airports and airfields across the country. In 2022 we supplied 24% of Australia's required petroleum products through our national networks. Our major terminals operate 24 hours a day, seven days a week.

Our supply chain capability is supported internationally by Vitol, one of the world's largest independent energy trading companies. Our long-term agreement with Vitol for the supply of refined products, crudes and refinery feedstock provides us with competitive, cost-effective and reliable crude and product supply.

Fuel Security Package

Finalised during 2021, the Australian Government's Fuel Security Package (FSP) underpinned our commitment to continue refining until mid-2028, and undertake a range of investments to produce ultra-low sulphur gasoline, increase the country's fuel reserves, and improve productivity and performance.

In 2022 we finalised the terms of the grant agreement in relation to the Australian Government's Boosting Australia's Diesel Storage Program. We are in the process of building 90 million litres of new strategic Diesel Storage at Geelong. The grant will cover up to 50% of total eligible expenditure (up to a maximum of $33.3 million).

The FSP provides certainty in a time of significant market volatility. It gives us confidence to maintain refining while further developing our Energy & Infrastructure business and support our longer-term aspirations in transitioning to lower-carbon energies.

Developing our Energy & Infrastructure business requires substantial investments over the next few years. They include upgrading the Geelong Refinery to produce ultra-low sulphur gasoline, our planned Energy Hub projects and regular capital investments and major maintenance turnarounds. We also continue to explore opportunities to leverage and maximise the value that underpins our other significant pipeline, terminal and logistics infrastructure positions.

Our significant infrastructure

Geelong Refinery (Victoria)

- One of two refineries remaining in Australia, employing over 900 people[2]. Began operations in 1954.
- Supplies over 50% of Victoria's fuel, and 10% of Australia's fuel requirements.
- Manufactures petrol, diesel, LPG, Low Aromatic Fuel and jet fuel for a wide range of industries.
- The only manufacturer of bitumen, solvents, Avgas and Low Aromatic Fuel in Australia.

Newport Terminal (Victoria)

- Main storage and distribution centre, supplying fuels to Victorian customers, including jet fuel to Melbourne Domestic and International Airport. Operating since 1916.
- Includes bulk storage tanks for transport fuels, and vehicle filling gantries for fuel, solvents, oils and greases.

Gore Bay and Parramatta/Clyde Terminals (New South Wales)

- Operating as a fuel import and storage facility for the New South Wales (NSW) market since 1901 (Gore Bay).
- Fuel products imported into Gore Bay include diesel, marine fuel oil, jet fuel and gasoline.
- Fuel products received via pipeline from Gore Bay Terminal and stored at Parramatta/Clyde include diesel, jet fuel, gasoline and blend E10.
- A pipeline connected to Mascot services the Kingsford Smith (Sydney) Airport with jet fuel.

Pinkenba Terminal (South-east Queensland)

- Supplies fuels, bitumen, oils and greases to commercial and retail customers throughout south-east Queensland and northern NSW.
- Includes fuel storage for gasoline, jet fuel, diesel, LPG, ethanol and blend E10, a bitumen plant, a bulk lubricants plant, and road gantries.

National pipelines

- We own and operate high-pressure pipelines along the east coast of Australia that are licensed to carry products including crude oil, petroleum products and LPG.
- Includes the ownership of major pipelines servicing Melbourne and Sydney markets, and the 135km WAG pipeline between Westernport, Altona and Geelong in Victoria.

1. Includes 24 fuel import terminals and a network of 31 active depots (including 26 Liberty Oil Australia depots).
2. Includes employees and an average number of contractors employed across the year.

Supply chain network

Note: Leasehold terminals refers to land only, excludes tanks and other improvements.

Geelong Energy Hub

Backed by the FSP, we are now considering the longer-term role of the Geelong Refinery in the energy transition. We are assessing how the facility could transform and contribute to a low-carbon future.

The following suite of projects at Geelong supports our plan to transition the site to an Energy Hub, supporting energy security, the energy transition and the circular economy:

- Significant refinery upgrades to introduce ultra-low sulphur gasoline by 2025 (supported by the Australian Government).
- Australia's first commercial-scale hydrogen refuelling station (supported by ARENA and the Victorian Government).
- The 2022 acquisition of Viva Energy Polymers, providing opportunities for advanced waste plastics recycling in the future.
- Investments in additional Diesel Storage (supported by the Australian Government).

The Geelong Energy Hub has significant capability both in terms of the hardware and processing units and our people to play a bigger role in the production of renewable fuels and energy.

The following opportunities are also being investigated for the Geelong Energy Hub:

- The development and delivery of lower-carbon fuels, such as fuels made from bio and alternative feedstocks.
- A solar energy farm.
- A floating gas import terminal designed to support the energy security of the east coast of Australia.

The Geelong Energy Hub will continue to provide energy supply and security for traditional fuels, while working towards supporting the energy needs of the future.

Our approach to sustainability

At Viva Energy, everything we do is driven by our purpose to help people reach their destination. We aim to achieve this in a way that contributes to sustainable outcomes and is aligned with our values.

Sustainability is integrated into our business model and strategy. We recognise that in order to create long-term value for our shareholders and customers, we must achieve and maintain sustainable outcomes for our business.

The transition of Australia's energy system is a complex process that requires long-term commitment. Australia does not currently have the infrastructure in place to support sudden changes in the national energy mix. Many things will need to come together to support the transition: new technologies, markets and consumer behaviours, a stable and appropriate policy framework, and significant investment in infrastructure by governments and the private sector.

Our approach to sustainability is overseen by the Viva Energy Board. The Board's Sustainability Committee assists the Board in its oversight of health, safety, security and environment (HSSE) matters, as well as greenhouse gas emissions, community and product quality. The Board's Strategy and Investment Committee assists the Board in its oversight of strategy around the transition to new energies. Our Board and management team are committed to protecting shareholder value by upholding a code of conduct that is ethical, responsible and respectful of customers, communities, our people and other stakeholders.

Sustainability is integrated into our business model and strategy. We recognise that in order to create long term value for our shareholders and customers, we must achieve and maintain sustainable outcomes for our business.

Refer to the 2022 Corporate Governance Statement for more information on our Sustainability Committee.

We have identified the following four focus areas:

- **Climate Change and the Energy Transition:** reducing our own emissions and helping our customers reduce theirs, supporting the development and introduction of lower-carbon technologies.
- **Health, Safety, Security and Environment:** keeping people safe, caring for their health and mental wellbeing, minimising the impact of our operations on the environment and playing an important role in the circular economy.
- **Our People:** attracting and retaining a capable, diverse and highly engaged workforce who supports our Company values and behaviours.
- **Our Community:** maintaining the confidence and respect of the communities where we operate.

We have established frameworks to set targets and strategies and track progress against our sustainability objectives. Our performance against these categories is essential for us in working towards a safe, resilient and sustainable future for Viva Energy. Sustainability Performance metrics have been prepared in accordance with the reporting definitions set out within the glossary on page 141.

Further detail on our performance against these focus areas will be included in our standalone 2022 Sustainability Report and 2022 Sustainability Data Supplement.

Sustainability performance

2022 Sustainability performance summary

44%
female representation in our Senior Leadership Team
2021: 44% Target: 40%

Total Recordable Injury Frequency Rate (TRIFR)[1]
5.95
2021: 6.70

Process Safety Events[1]

1	**4**
API Tier 1 Events	API Tier 2 Events
2021: 1	2021: 3

Increased level of employee engagement
72%
2021: 69%

Scope 1 and 2 GHG emissions[2,3]
1,378,488
tCO_2-e
2021/22: 1,202,054

77%
of freshwater used for the Geelong Refinery is from recycled sources
2021: 77%

2022 Highlights

Second RAP
endorsed by Reconciliation Australia

Net Zero
emissions reduction commitments[4]
Non-refining by 2030
Group by 2050

Obtained
Climate Active Certification
for a suite of opt-in carbon-neutral fuels and specialty products

Winner of the annual
AREEA Diversity & Inclusion Award

Received the
WGEA Employer of Choice for Gender Equality
citation

Received certification as a
Family Inclusive Workplace
by Parents at Work and in partnership with UNICEF

Achieved
ISO 50001
Energy Management System at Geelong Refinery

Geelong Energy Hub
projects under development including
New Energies Service Station

$1.26M
invested in community partnerships
2021: $776,000

1. Excludes performance of Liberty Oil Holdings Pty Ltd.
2. This data is reported on a 1 July to 30 June (FY) basis. It excludes Viva Energy Polymers.
3. Figures are from our section 19, NGER reports, submitted to the Clean Energy Regulator annually by 31 October.
4. Operational Scope 1 and Scope 2 greenhouse gas emissions.

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Climate change and the energy transition

As a significant consumer and supplier of energy, we have a critical role to play in reducing carbon emissions and improving environmental outcomes.

We supply about 25% of Australia's liquid fuel energy. Our supply chain is supported by considerable infrastructure and long-term relationships with energy users across most of Australia's key economic sectors. We recognise our role in leveraging this position to **reduce emissions**, **support energy security and the energy transition**, and pursue emerging growth opportunities in **new energies and lower carbon solutions**.

Our approach to the energy transition is two-fold. We will continue to support Australia's energy security, while actively supporting the energy transition through the development, integration and commercialisation of new lower carbon energies.

Balancing energy security and the energy transition will be important to reaching our nation's climate goals, while maintaining economic prosperity and living standards. Page 20 provides more detail on our approach to supporting Australia's energy security.

Scope 1 and 2 emissions reduction

We have made the following commitments to reduce carbon and other emissions across our operations:

- Achieve net zero Scope 1 and 2 emissions across Retail, Fuels and Marketing (all non-refining business operations) by 2030.
- Achieve a 10% reduction in emissions intensity at our Geelong Refinery operation by 2030.
- Achieve net zero Scope 1 and 2 emissions across all Group-wide operations by 2050.

We plan to achieve these goals by:

- improving energy efficiency through operational energy optimisation;
- implementing and investing in new assets and processes to improve energy efficiency at our operational sites;
- sourcing renewable electricity for our operations through investment in renewable projects (such as the proposed solar farm at our Geelong Refinery) and directly purchasing renewable electricity or acquiring LGCs[1] from renewable generation projects; and
- offsetting residual emissions by investing in carbon offset projects and purchasing offsets sourced from certified and credible offset schemes.

Over the longer term, we expect that the refinery's role in the energy market will evolve. We are exploring opportunities to repurpose the refinery to support processing of bio and waste feedstocks and to produce lower-carbon energies for hard-to-abate sectors (such as aviation). Our aim is to balance our role in supporting Australia's energy security with our commitment to achieve net zero Scope 1 and 2 emissions, including for the Geelong Refinery, by 2050 at the latest.

2022 Performance

1,378,488

Viva Energy Group Total Scope 1 and 2 GHG emissions (tCO_2-e)[2,3,5] (2020-21: 1,202,054)

Refining: 1,331,406 Total Scope 1 and 2 GHG emissions (tCO_2-e)[2,3,5] (2020-21: 1,148,245)

Non-refining: 47,082 Total Scope 1 and 2 GHG emissions (tCO_2-e)[2,3,5] (2020-21: 53,809)

37,911,755

Scope 3 GHG emissions (tCO_2-e)[2,5] (2020-21: 35,572,492)

5.34

Geelong Refinery emissions intensity of production (tCO_2-e / TJ)[2,5] (2020-21: 5.048)

111.9

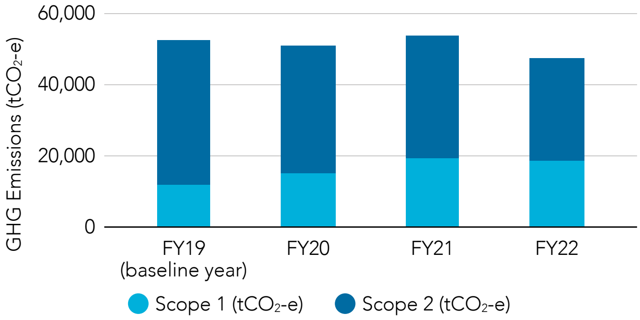
Geelong Refinery Energy Intensity Index[4] (2021: 118.1)

268,191,802

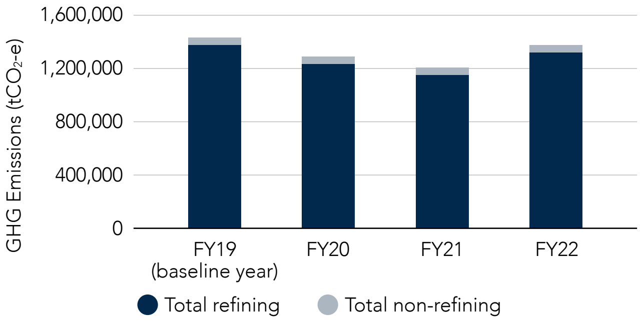
Viva Energy Group total energy consumed (GJ)[2,3,5] (2020-21: 247,016,673)

1. LGC = Large-scale Generation Certificates, representing renewable electricity generation from eligible power stations accredited under the *Commonwealth Renewable Energy (Electricity) Act 2000*.
2. This data is reported on a 1 July to 30 June (FY) basis. Excludes Viva Energy Polymers.
3. Figures are from our section 19, NGER reports, submitted to the Clean Energy Regulator annually by 31 October.
4. The EI calculation method has been amended retrospectively to improve accuracy of reporting. Changes in the methodology include: a wider definition of High Value Products, improved accounting for fuel components as stock positions vary month by month, and removal of imported finished products that receive no refinery treatment from the High Value Product calculation.
5. Excludes FY2022 data for Viva Energy Polymers.

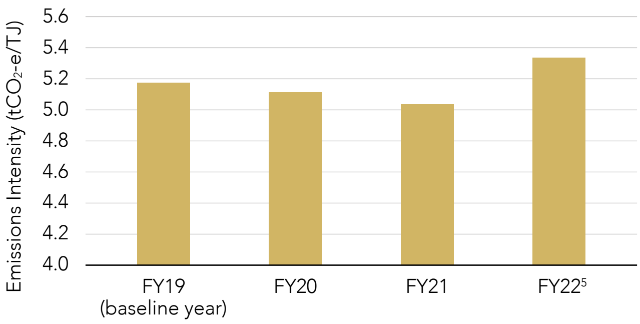
Non-refining GHG emissions[5]



GHG emissions – Viva Energy Group[5]



Geelong Refinery – emissions intensity of production



Overall, our 2021-22 Group operational GHG emissions were 15% higher than the previous year. This is largely a result of increased production at the Geelong Refinery. In the previous reporting year, the refinery had a period of constrained production due to market conditions and large-scale maintenance shutdowns. Production increased in 2021-22 as a result of increased demand for fuel post-COVID-19 lockdowns. The Geelong Refinery accounts for 97% of our total operational GHG emissions. The emissions intensity of the refinery reported also increased from the previous year due to reduced heat exchanger and furnace efficiency on a refinery crude distillation unit as it approached the end of its current operational cycle (turnaround scheduled in 2023), and higher coke content in Residual Catalytic Convertor Unit (RCCU) feedstock.

Our Group emissions reduction target is net zero by 2050 for our operational (Scope 1 and 2) emissions. Compared to the 2018-19 base year emissions referenced in our target setting, our overall Group operational GHG emissions were 4% lower in 2021-22.

2022 Highlights

- **Commenced construction of new Packinox feed/effluent heat exchanger** at Geelong Refinery, which will deliver 3-5MW per annum of improved energy efficiency (completion mid-2023, estimated cost $15M).
- **Achieved independent ISO 50001 certification** of the Geelong Refinery Energy management system.
- **Completed energy efficiency projects** (upgrades to lighting, air-conditioning and sub-metering) at our Newport Terminal.
- **Exploring value-creating opportunities in battery storage and solar power generation** as part of the Coles Express acquisition.
- **Advanced work on Ultra-low Sulphur Gasoline Project** at Geelong Refinery to support new fuel standards in 2025 (estimated cost $300M supported by Federal Government grant of $125M). The upgrade is required for new lower-emissions vehicles, to be introduced into the Australian market.

Climate change and the energy transition continued

New energies and carbon solutions

We recognise we have a key role to play in helping our customers and suppliers reduce their emissions, through the development of lower-carbon energy solutions. These solutions will help our customers and suppliers reduce their emissions over time, as well as build new opportunities for our business as they evolve.

Collaboration with customers, suppliers and governments is important in developing solutions that have commercially viable outcomes for all participants. These collaborations greatly reduce the risks of early investment while technology and government policy is still evolving. Our strategy is to focus on leveraging our existing capability (such as our retail network, customer relationships, refining and supply chain infrastructure) and partnering with others to build integrated solutions. Opportunities we are currently pursuing include:

- Electric vehicles (EV): expected to be the decarbonisation pathway for passenger and light vehicles. We expect to incorporate EV recharging facilities within our nationwide retail network, as part of a broader convenience and mobility offering as EV uptake grows. We continue to assess the commerciality of EV solutions and associated customer behaviour.
- Hydrogen Fuel Cell Electric Vehicles (HFCEV): strong long-term growth potential as a low-emissions solution for heavy vehicle transport. We are actively leveraging our supply chain capability and infrastructure footprint, and bringing together our customers, vehicle manufacturers and governments to help establish our early position in this market. Refer to 2022 Highlights on page 21 for further information on our hydrogen-focused New Energies Service Station.
- Biofuels: a potential transition fuel for hard-to-abate applications such as heavy vehicles and aviation. Our existing infrastructure and experience, as well as the capability to process bio-feedstocks at the Geelong Refinery, provide us with future opportunities in the production and supply of bio-diesel and sustainable aviation fuel. We are currently evaluating the technical and commercial feasibility of various co-processing pathways within our existing refinery processing configuration.
- Carbon offsets: important decarbonisation pathway component, particularly in hard-to-abate applications, or to accelerate short-term emissions reduction until low-carbon alternatives are commercially available. We are able to bundle offsets with existing energy supply arrangements and provide off-the-shelf solutions to customers. Our initial range of opt-in carbon neutral products, covering the majority of products our commercial customers use, were recently certified by Climate Active.

Supporting energy security and the energy transition

We own and operate infrastructure that is critical in maintaining a reliable and competitive supply of traditional energies. Consumers and businesses depend on these products. The national significance of this infrastructure is underscored by the Federal Government Fuel Security Package, which aims to preserve refining capacity in Australia.

Maintaining and investing in energy distribution infrastructure does not, in itself, increase demand for traditional fuels. Instead, it ensures supply security while the energy transition and demand for these fuels evolves. In time, infrastructure, such as refining capability can be repurposed to play an important role in the energy transition, while supporting the supply of other energies critical to the transition. We are currently pursuing the following initiatives to support Australia's energy security:

- Establishing 90ML strategic storage to meet new minimum stockholding requirements and improve energy security by increasing diesel inventories in Victoria. Project expected to be completed in 2024 at a cost of $75M-$85M, supported by a Federal Government grant of $33.3M.
- Supporting Coogee, our bulk fuels terminal provider in Western Australia, in securing a project that involved the construction of 120ML of new storage capacity as part of the Federal Government's 'Boosting Australian Diesel Storage' Program. The project improves supply chain robustness into south-west Western Australia, following the closure of BP's Perth refinery.
- The proposed development of a Gas Terminal at Geelong. The project proposes to import natural gas from other parts of Australia and internationally to Victoria, thereby developing the critical infrastructure needed to ensure the reliable and secure supply of gas as supply from local fields decline.

Further detail of our climate change performance and future priorities, including disclosures aligned with the Taskforce on Climate-related Financial Disclosure (TCFD) framework, will be available in the 2022 Sustainability Report and 2022 Sustainability Data Supplement.

2022 Highlights

- **Announced Australia's first publicly accessible hydrogen-focused refuelling facility**, offering commercial-scale hydrogen refuelling for heavy HFCEVs (trucks and buses).
  - **Our initial focus is on back-to-base refuelling through our New Energies Service Station, planned for the Geelong Energy Hub.** The project is expected to be the catalyst for a network of hydrogen refuelling stations reaching from Geelong and Melbourne to Sydney and Brisbane.
  - **Subject to regulatory approvals, the New Energy Service Station is expected to commence operations in 2024.** Its estimated cost is $43.3M, supported by government grants of $23.8M ($22.8M from the Australian Renewable Energy Agency (ARENA) and $1M from the Victorian Government's Renewable Hydrogen Commercialisation Pathways Fund).
- **Achieved Climate Active certification for a range of opt-in carbon neutral products**, including jet fuel, marine fuels, solvents, bitumen products and transport fuels.
- **Partnered with one of our largest rail customers to establish a supply of B20 biodiesel for its locomotive engines.** This allowed for a successful initial trial along three legs of the Melbourne to Brisbane rail route. We will continue to work with our customers across different industries in trialling low-carbon fuels and how they can be operationalised.

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Health, safety, security and environment (HSSE)

We believe every incident is preventable and are committed to pursuing the goal of no harm to people and protecting the environment. We call this Goal Zero.

Our commitment to health, safety, security and environment (our HSSE Policy) sets out how we conduct our operations safely and responsibly. We measure and assess our performance against established benchmarks (and relevant licences) to promote continuous improvement. Our HSSE Management System is reviewed annually, defining our approach and the controls in place for managing HSSE risks. It applies across our operations and to all employees, contractors and visitors.

Our HSSE strategy is based on the principle that our people are the solution. They hold the knowledge and expertise to work safely and attend to any safety issue, and we trust and empower them to do so. In support of this principle, our strategy focuses on leadership, learning and the capability of our people, as well as understanding what motivates them to drive performance beyond Goal Zero.

Our approach to HSSE:

- To maintain a strong culture of learning and leadership, empowering our people and developing their capability.
- Deliver a proactive approach to physical and mental health and wellbeing, identifying and managing psychosocial risk and threats, and supporting our evolving ways of working.
- Continue to build our reputation as a trusted operator (with strong HSSE expertise) in the eyes of regulators, key stakeholders and customers.
- Apply simple and robust HSSE critical processes and procedures to allow our HSSE Policy to be effectively operationalised, implemented and delivered.

Health and wellbeing

Supporting the health and physical, emotional and social wellbeing of our people continued to be a focus in 2022.

We worked to improve awareness of mental health and wellbeing through leadership training and resources, and promoted the 'Be Well' philosophy around physical wellbeing throughout the business. Our Wellbeing Strategy aligns with our Community Program on initiatives to support our people's social wellbeing.

We also refined our approach to managing the business continuity threats still posed by COVID-19 and the return to greater business travel.

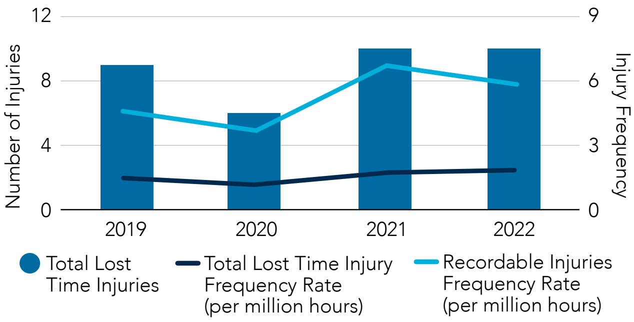
2022 Highlights

- **Mental Health training delivered** to more than 95% of our leaders.
- **Launched new Wellbeing Committee**, championing the delivery of our wellbeing strategy.
- **Focused on wellbeing at our October Safety Day**, through sessions on mental health resources, fatigue and sleep management for shift workers, good nutrition, and first aid in the workplace.

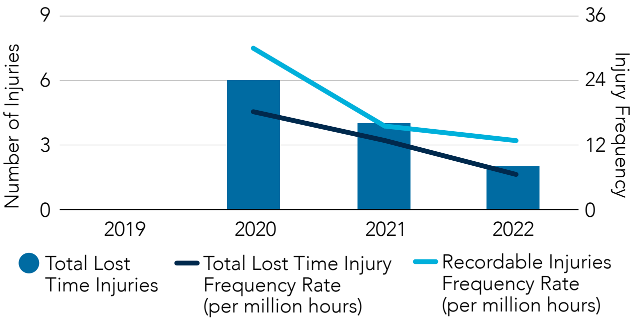
Personal safety

Personal safety focuses on the prevention of injuries to our employees, contractors and anyone who could be impacted by our operations. During 2022 we experienced 30 recordable injuries across our business, including six that were categorised as serious injuries[1,2].

Personal safety performance – Viva Energy[2]



Personal safety performance – Liberty Oil Holdings Pty Ltd



Recordable injuries continue to be predominantly musculoskeletal-related. The majority of injuries occurred while workers were undertaking routine activities, such as lifting hoses or other objects, and stepping down from vehicles, stairs or ladders. These generally resulted in strains and sprains from slips, trips and falls, and hand/finger injuries from 'line of fire' events. Most injuries had short-term impacts. Affected individuals returned to work quickly; however, three injury events resulted in ankle and leg fractures that required longer periods away from work, which contributed to the serious injuries experienced in 2022.

As part of our response to this risk, we rolled out the 'Move for Life' program to national supply chain operational employees and across all operational shifts at the Geelong Refinery. The program focuses on addressing the risk of musculoskeletal injuries and supporting the physical wellbeing of our workforce. It involves easy and quick changes that can be made to be more proactively aware of the way we move and prepare for manual tasks.

2022 Highlights

- **Safety continued to be our top rating area (91%)** within the 'Your Voice' employee engagement survey.
- **Completed two Group-wide Safety Days,** with focus on leadership safety commitments.
- **12% improvement** in total recordable injuries[2].

Security

Our extensive security program is based on protocols for security management, security procedures and risk assessment, and security operating level guidelines.

Across our sites and our industry there has been an increase in general security incidents. We expect further escalation as cost of living pressures continue to rise. Our major sites have documented Facility Security Plans, which assist site management in responding to security incidents. We work with various stakeholders, including our customers and local law enforcement, to meet our security obligations. Together, we rely on systems, controls and countermeasures to respond to security incidents.

Security risk assessment is embedded in the planning for all major investments and business growth initiatives, ensuring a secure path for future growth.

1. Defined as Lost Time Injuries exceeding five days.
2. Represents performance of Viva Energy Group (excluding the results of Liberty Oil Holdings Pty Ltd).

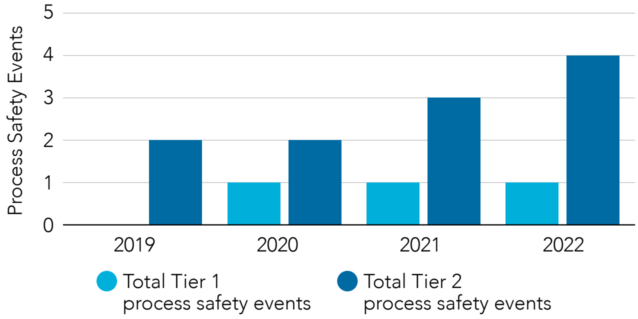
Process safety

Process safety focuses on the safe storage, processing and transportation of hydrocarbon products to minimise risk of leaks, spills and flammable conditions. Our asset integrity programs and operating procedures (in place at all Viva Energy facilities) are critical to reducing the potential for process safety incidents. They are designed to prevent the types of equipment failures that could lead to loss of containment incidents or process safety events. Programs include:

- risk-based inspection programs on significant assets such as tanks;
- major turnaround maintenance events targeted at our refinery process units; and
- targeted maintenance schedules specifically for equipment classified as safety critical.

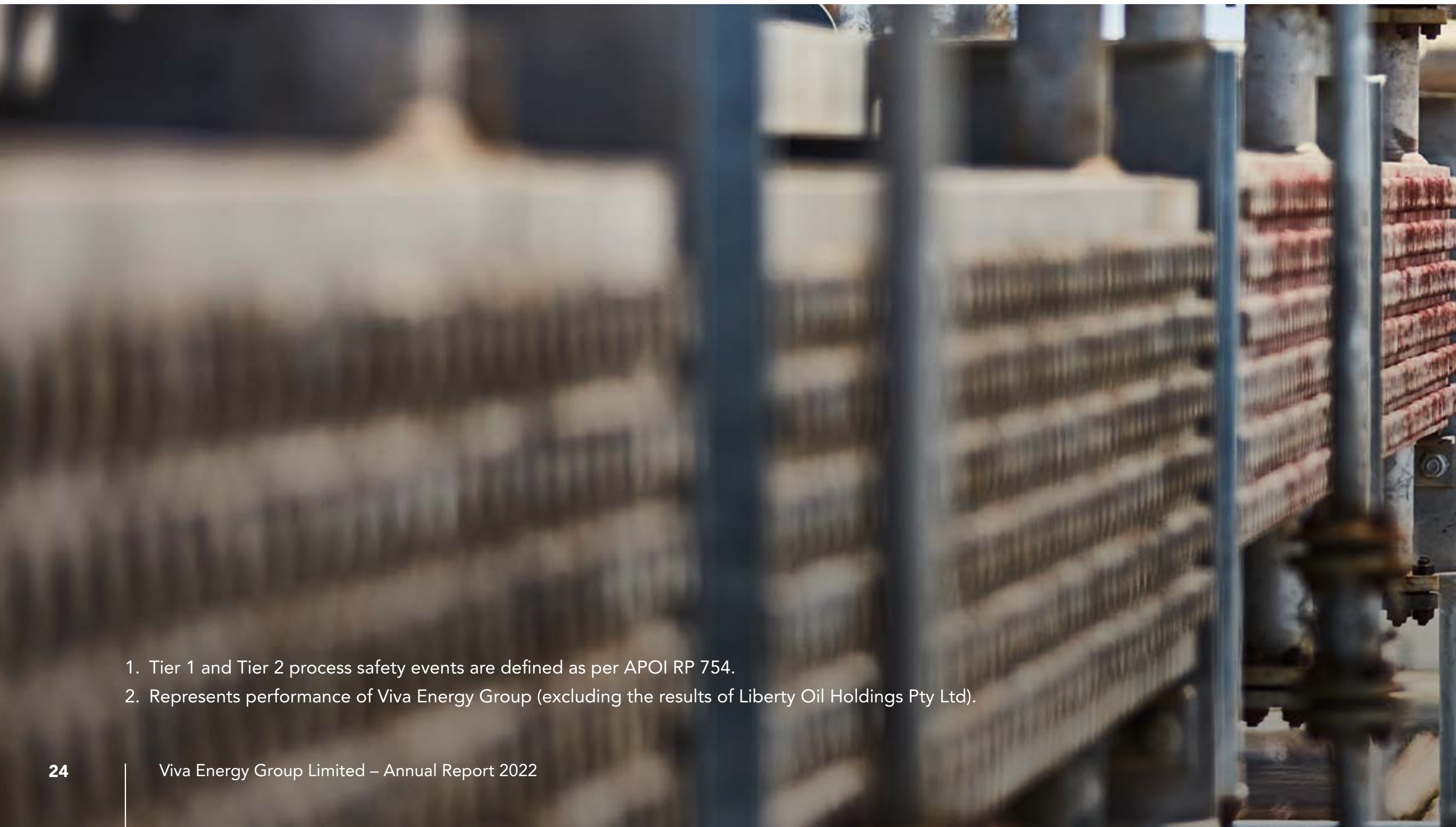
During 2022 we recorded one Tier 1[1] process safety event and an additional three Tier 2 events (four Tier 2 events in total including the Tier 1 event)[2]. The Tier 1 event occurred at the Geelong Refinery, where a large volume of petrol was released to our containment systems due to an error in tank and valve line-ups. One of the Tier 2 events involved a road tanker being overfilled in a terminal gantry during loading, due to an inappropriate system bypass by the pick-up carrier. The other Tier 2 events occurred at the Geelong Refinery. They included a pinhole loss of containment of butane from piping, crude making its way onto a tank roof after a heavy rain event and a significant release of spent caustic. All events resulted in internal reviews, further training and process upgrades where appropriate.

Process safety performance – Viva Energy[2]



Our asset integrity programs and operating procedures (in place at all Viva Energy facilities) are critical to reducing the potential for process safety incidents.

The Geelong Refinery continued its integrity inspection program in 2022, undertaking asset-specific reviews. Work included the replacement of pressure vessels, fabrication of steam superheaters, and the continuation of the refinery jetty pipe refurbishment program. We also further integrated the Advanced Error Reduction in Organisations (AERO) principles into the critical procedures and management systems of the Geelong Refinery.



1. Tier 1 and Tier 2 process safety events are defined as per APOI RP 754.
2. Represents performance of Viva Energy Group (excluding the results of Liberty Oil Holdings Pty Ltd).

Environment

Our 'No Product to Ground' objective aims to prevent the uncontrolled release of hydrocarbon products to the environment.

No environmental non-compliance (ENC) sanction incidents were recorded in 2022. Community complaints remained low. We received one verified community complaint in 2022 as a result of refinery operations, and three verified complaints related to noise and odour in relation to our Newport Terminal. We record and investigate all complaints and make necessary assessments and regulatory reports where required.

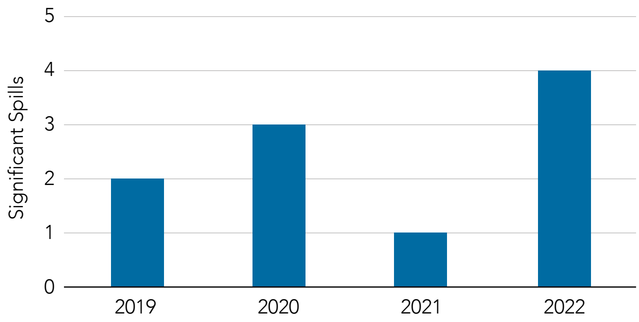
Our waste recovery performance at the Geelong Refinery remained strong in 2022. We diverted hazardous waste (excluding wastewater) of 79% from landfill and sent 100% of wastewater to the Northern Water Plant for recycling. Recycled water accounted for 77% of the refinery's water consumption (excluding seawater).

In collaboration with Veolia, we mix our tank sludge waste with green waste to enhance natural biodegradation processes. This resulted in over 419 tonnes of hydrocarbon-impacted waste diverted from landfill in 2022. The resulting compost mulch was used to promote tree growth at the Geelong Refinery.

We are investigating opportunities to process feedstocks generated from waste plastics and other materials that would otherwise go to landfill. These feedstocks can be used to produce new (recycled) plastics or lower-carbon fuels.

Our Viva Energy Polymers business is scoping out a project with APR Plastics to set up Australia's first commercially sustainable advanced recycling. Viva Energy Polymers manages its environmental responsibilities in a systematic manner, using an environmental management system certified to ISO 14001. It is also a pledged partner of Operation Clean Sweep® to prevent pellet loss to the environment.

Significant spills – Viva Energy[2]



Further detail on our health, safety, security and environment performance and future priorities will be available in the 2022 Sustainability Report and 2022 Sustainability Data Supplement.

Our people

Our purpose drives what we do at Viva Energy. We recognise it is our people who make us successful. Our ability to attract, motivate and develop great people enables our outstanding business results today and into the future. Our inclusive, diverse and highly skilled workforce is committed to building a sustainable future for our business.

Areas of continued focus in 2022 included positioning Viva Energy as an employer of choice for women, developing our future leaders, continuing to drive greater employee engagement, inclusion and belonging, and adjusting our ways of working as we emerged from the pandemic.

Our employee engagement survey reflected a Company-wide engagement score of 72%, up from 69% in 2021. The steady improvement in engagement over the last few years reflects the progress we are making to transform our Company, the results we have achieved, and the ongoing actions we have taken as a result of previous surveys. Our core values of Safety (91%) and Diversity and Inclusion (83%) continue to be our strongest areas. Our people feel safe at work. We are collectively committed to a company culture where people from diverse backgrounds feel confident and supported to be themselves.

2022 Performance

1,705

Employees, with 43% based in regional areas (2021:1,447 employees, 43% based in regional areas)

50%[1]

Female representation in our Executive Leadership Team (2021: 29%)

44%

Female representation in our Senior Leadership Group (2021: 44%, target: 40%) **and 28% overall female representation** (2021: 26%)

9.95%

Gender pay gap (2021: 3.6%)

23%

Female operators in our Geelong Refinery (2021: 22%)

72%

Level of employee engagement (2021: 69%)

1. As at 1 January 2023 (excludes CEO).

Employee value proposition

We introduced our 'Grow, Belong and Thrive' Employee Value Proposition this year, capturing what we value about Viva Energy and the reasons to join, stay and grow a career with us. The three concepts reflect what our people value the most – *grow* through work that matters, *belong* to an amazing organisation, and *thrive* as a whole person. The proposition helps us understand the goals of our people, working preferences and factors that contribute to inclusion and wellbeing. This in turn helps us to improve our employee and recruitment experience.

We continued to embed our 'Smart with Heart' leadership framework throughout our business, defining the competencies that will set our people up for success. Related training programs were rolled out to over 110 Viva Energy leaders this year. We focused on building on strengths, remediating possible 'derailers' and progressing individual aspirations.

Inclusion and diversity

Our aim is that everyone, every day feels respected and valued at work. Everyone has a part to play in actively and intentionally recognising diversity and behaving with inclusion in mind. By seeking and including a diverse range of ideas, perspectives and approaches, we are better able to understand and connect with each other and our stakeholders.

Our programs and frameworks focus on multiple pillars of inclusion and diversity:

Gender

Striving for a gender-balanced workforce to benefit from diversity of thought, productivity and engagement

First Nations Peoples

Celebrating First Nations cultures, promoting reconciliation, building respect and increasing employment opportunities

Pride

Empowering everyone to bring their full self to work while building understanding, respect and allyship

Culture

Igniting the conversation on, and celebrating, our cultural diversity

Family

Supporting our people at different life stages and with diverse caring responsibilities, to thrive

Abilities

Exploring inclusion opportunities for neurodiverse people and for people with a physical disability

Our aim is that everyone, every day feels respected and valued at work. Everyone has a part to play in actively and intentionally recognising diversity and behaving with inclusion in mind.

This year we were again recognised by the Workplace Gender Equality Agency as a 2021-2022 Employer of Choice, for the fourth consecutive year. This is an important reflection of the commitments we made to ensure our business systems and processes align with best practice and meet the highest gender equity standards. Our certification as a 'Family Inclusive Workplace' by Parents At Work, in partnership with UNICEF Australia, recognises the commitment and progress we have made in driving family friendly workplace practices.

The Australian Resources and Energy Employer Association (AREEA) also recognised us as a top industry performer, awarding us its Diversity & Inclusion Award. Our nomination emphasised the innovative work undertaken at our Geelong Refinery in the space. This included increasing women's representation in frontline, shift-based operator roles and challenging assumptions around flexible working in operational environments. As a result of encouraging more flexible and part-time working modes, we have increased the number of females in operator roles by 13% since 2019.

One of the key metrics that we track to assess our progress in gender diversity is our gender pay gap. The gender pay gap includes the total remuneration pay gap (expressed as a percentage) between women and men in the workforce. We internally calculated the Group-level gender pay gap of 9.95% for 2022, which was also reported to our Board. There were a range of factors that negatively impacted the pay gap in 2022, the most significant include timing of new starters, seniority, allowances and overtime.

Further detail on our people strategy and performance will be available in the Viva Energy 2022 Sustainability Report and 2022 Sustainability Data Supplement.

Our community

Relationships with our communities are central to our aspirations in achieving a sustainable future for Viva Energy. We recognise that while our operations provide employment and economic benefits to local economies, of equal importance is our commitment to the wellbeing of the community and its environment.

Building respectful and productive relationships within the community is essential to maintaining our social licence to operate. It demonstrates that we are a good corporate citizen, and helps to engender community support for the Company and the projects and initiatives we want to deliver.

Community engagement

Each of our operations and facilities are unique. As a result, we tailor our community engagement to align with our operations, the projects we are pursuing and the community's interest.

We keep communication lines with our local communities open via community activities, including meetings, briefings and information sessions, newsletters, traditional and social media and our website.

We have been a part of the Geelong community since 1954 and have an important role to play as a contributor to the region.

We are committed to supporting the Geelong community through a range of ongoing initiatives. In addition to supporting not for profit organisations Northern Futures and Give Where You Live, this year we sponsored 16 local grass roots sports clubs, an increase from 10 in 2021. Since 2017, our Club Legends Awards have celebrated and recognised the unsung heroes and positive role models within our Greater Geelong sporting clubs community. In 2022 we expanded this program to become the Community Legends Awards to reward volunteers across community not for profits, charity organisations and sporting clubs.

In conjunction with the Geelong Football Club (as a major club sponsor), we support an annual Welcome to Geelong Day at GMHBA Stadium, to welcome new arrivals to the community. In 2022, nearly 200 people from culturally and linguistically diverse backgrounds joined us for an introduction to the game and to the region.

Regular community information sessions provide updates on projects that are planned or underway at the Geelong Refinery and broader Energy Hub. They provide the opportunity for face-to-face engagement and feedback. We also operate a 24-hour phone line for our Geelong Refinery to receive any community queries or complaints, and have an opt-in SMS service where members of the community can receive updates about maintenance events or on-site incidents that may have the potential to impact the local community.

Other key operational sites proximate to neighbouring communities include Newport Terminal in Victoria and Gore Bay Terminal in Sydney. Engagement with these communities has become more bespoke over recent years due to dwindling numbers at community forums and a reduction in community queries. We continue, however, to actively engage with these communities via newsletters and face-to-face engagements, where we share operational updates and information on planned projects at the site.

Community partnerships

We are a proudly Australian business and are committed to building partnerships that help make our communities better places to live. Our primary partnerships include Koorie Heritage Trust, Racing Together (a First Nations youth participation program in motorsports and STEM careers) and CareFlight.

This year we signed a three-year partnership with CareFlight, a leading national aeromedical organisation that uses helicopters and other aircraft to transport sick and injured patients within Australia and overseas to emergency hospital care. Our $3M commitment will support the CareFlight medical rescue helicopter to continue to deliver emergency healthcare and retrieval across the Top End of the Northern Territory. The partnership will also deliver a Pathways to Employment program to provide work experience, traineeships and scholarships at CareFlight for rural and remote Indigenous and non-Indigenous young people.

Our partnerships with local communities across our national operating footprint are central to our aspirations. Our Community Support Grants program is in its seventh year.

Grants of up to $5,000 are awarded to not for profit groups to implement programs that might improve the circumstances of people living within our local communities – Geelong or Newport in Victoria, Clyde or Gore Bay in New South Wales, and Pinkenba in Queensland. Eleven grants were awarded under the 2022 program, with a total value of $50,315. Recipients were varied and included (among others) programs for cancer patients to look and feel better, assisting the removal of financial barriers for gifted students, and reconnecting senior citizens at their local community hall.

Our second Reconciliation Action Plan

We launched our second Reconciliation Action Plan (RAP) in April 2022. Our 'Innovate' RAP celebrates Indigenous Australian culture, promotes reconciliation, builds respect and aims to continue to raise cultural awareness.

Our vision for reconciliation is a nation where Aboriginal and Torres Strait Islander Peoples have equal and equitable opportunities to reach their destination. The key vision for our second RAP is that our employees, other stakeholders and, most importantly, the First Nations communities whose land upon which we work, will know that we are allies of Aboriginal and Torres Strait Islander Peoples.

This RAP aims to learn from our inaugural RAP. It focuses on:

- building long-standing relationships with, and sustainable benefits for, the Traditional Owners of our major site locations;
- maintaining our focus on increasing First Nations employment and retention; and
- increasing the number of First Nations businesses we contract with, and building stronger relationships with our existing First Nations business connections.

2022 RAP deliverables included (among others):

- Developing and implementing an engagement plan to work with Aboriginal and Torres Strait Islander stakeholders and organisations, and documenting agreements that guide how we work with our First Nations Community Partners.
- The continued celebration of National Reconciliation Week and National Aboriginal Islander Day of Observance Committee (NAIDOC).
- Continuing to build relationships with the Traditional Owner Organisations at our major sites and facilities, including Wathaurong Aboriginal Cooperative and Wadawurrung Traditional Owners Aboriginal Corporation, both in Geelong.

2022 Highlights

- **Over 500 First Nations Peoples and an additional 60 young Australians supported** via our partners programs.
- **83% of our people completed cultural awareness training** (2021: 80%).
- **$3.58M spend with First Nations businesses and organisations** (2021: $3.5M).
- **$1.26M invested into community partnerships** (2021: $776,000).

Further detail on our relationship with our communities will be available in the Viva Energy 2022 Sustainability Report and 2022 Sustainability Data Supplement.

Board of Directors

Robert Hill

Independent Non-Executive Director and Chairman

LLB, BA, LLD(Hon), LLM, DPolSc(Hon)

Term of office

Appointed to the Board on 18 June 2018. Formerly an Independent Non-Executive Director of Viva Energy Holding Pty Limited (5 February 2015 to 17 July 2018).

Skills and experience

The Hon. Robert Hill is a former barrister and solicitor who specialised in corporate and taxation law and who now consults in the area of international political risk. He has had extensive experience serving on boards and as chairman of public and private institutions, particularly in the environment and defence sectors.

Robert Hill was previously Australia's Minister for Defence, Minister for the Environment and Leader of the Government in the Senate during his time as a Senator for South Australia. He served as Australia's Ambassador and Permanent Representative to the United Nations in New York. Robert is a former Chancellor of the University of Adelaide. In 2012, he was made a Companion of the Order of Australia for services to government and the parliament.

Robert is currently the Chairman of Re Group Pty Limited, Director of North Harbour Clean Energy Pty Ltd, and a former Chairman of the NSW Biodiversity Conservation Trust.

Board Committee memberships

- Chair of the Remuneration and Nomination Committee
- Member of the Sustainability Committee
- Member of the Strategy and Investment Committee

Scott Wyatt

Chief Executive Officer and Executive Director

BCA

Term of office

Appointed as CEO on 13 August 2014. Appointed to the Board on 7 June 2018.

Skills and experience

Scott Wyatt has more than 30 years' experience in the oil and gas sector and has held various leadership roles within Viva Energy's downstream oil and gas business (formerly Shell), including strategy, marketing (consumer and commercial) and supply and distribution.

After a long career with Shell in New Zealand, Australia and Singapore, Scott was appointed as CEO in August 2014.

Scott is a director of the Australian Institute of Petroleum and is a former board member of Viva Energy REIT (now Waypoint REIT) (2016 to 2019).

Board Committee memberships

- Member of the Strategy and Investment Committee

Arnoud De Meyer

Independent Non-Executive Director

MSc.E, MSc.BA, PhD Management, Hon Phd

Term of office

Appointed to the Board on 18 June 2018.

Skills and experience

Arnoud De Meyer is a former President of Singapore Management University (SMU) and was previously a Professor in Management Studies at the University of Cambridge and Director of Judge Business School. Arnoud was also associated with INSEAD as a professor for 23 years, and was the founding Dean of INSEAD's Asia Campus in Singapore. Currently he is Professor Emeritus at SMU.

Arnoud currently serves on the Boards of Banyan Tree Holdings, upGrad Tech Pte Ltd, Singapore Symphonia Company, INSEAD and the Ghent University Global Campus, and he is the Chair of Temasek's Stewardship Asia Centre. He was previously an Independent Director of Dassault Systèmes (2005 to 2019) and served as an Independent Director for the Department for Business Enterprise and Regulatory Reform (UK) and the Singapore Economic Review Committee. Arnoud also served on the Boards of Singapore International Chamber of Commerce and Temasek Management Services.

Board Committee memberships

- Chair of the Strategy and Investment Committee
- Member of the Remuneration and Nomination Committee

Sarah Ryan

Independent Non-Executive Director

PhD (Petroleum Geology and Geophysics), BSc (Geophysics) (Hons 1), BSc (Geology), FTSE

Term of office

Appointed to the Board on 18 June 2018.

Skills and experience

Sarah Ryan has over 30 years of international experience in the energy industry, ranging from technical, operational and leadership roles at a number of oil and gas and oilfield services companies, to a decade of experience as an equity analyst covering natural resources.

Sarah is a Fellow of the Australian Academy of Technological Sciences and Engineering (ATSE), a Fellow of the Australian Institute of Energy, a Member of the Australian Institute of Company Directors, a Member of Women Corporate Directors and a member of Chief Executive Women. She serves as a member of the ASIC Corporate Governance Consultative Panel and the Federal Government's Maritime Strategic Fleet Taskforce, as Non-Executive Director of the Future Battery Industries Cooperative Research Centre, and is Chair of the ATSE Energy Forum.

Sarah is currently a Non-Executive Director of Woodside Petroleum Limited (since 2012), Aurizon Holdings Limited (since 2019) and OZ Minerals Limited (since 2021). She is a former Director of Akastor ASA (2014 to 2021), Central Petroleum Limited (2017 to 2018), Aker Solutions ASA (2010 to 2014) and MPC Kinetic Pty Ltd (2016 to 2022).

Board Committee memberships

- Chair of the Audit and Risk Committee
- Member of the Sustainability Committee
- Member of the Strategy and Investment Committee

Nicola Wakefield Evans

Independent Non-Executive Director

BJuris/LLB, FAICD

Term of office

Appointed to the Board on 3 August 2021.

Skills and experience

Nicola Wakefield Evans is a highly experienced Director with broad-ranging commercial, strategy and corporate finance legal experience gained over a 30-year international career, including 20 years as a Partner of King & Wood Mallesons. During her time at King & Wood Mallesons, Nicola held a variety of senior management positions with responsibility for development and growth of the international practice and the Hong Kong, China and London offices of King & Wood Mallesons. Nicola's key areas of industry experience include resource and energy, infrastructure, financial services and technology.

Nicola is currently a Non-Executive Director of two other ASX listed companies, Macquarie Group and Lendlease Corporation, and also serves on the board of MetLife Australia.

Nicola is also the Chair of 30% Club Australia, Member of the Takeovers Panel, and member of the boards of the Clean Energy Finance Corporation, the Goodes O'Loughlin Foundation and the University of New South Wales Foundation.

Nicola holds a Bachelor of Jurisprudence and a Bachelor of Laws from the University of New South Wales.

Board Committee memberships

- Chair of the Sustainability Committee
- Member of the Audit and Risk Committee
- Member of the Strategy and Investment Committee

Dat Duong

Non-Executive Director

BBA, CFA

Term of office

Appointed to the Board on 7 June 2018. Formerly a Non-Executive Director of Viva Energy Holding Pty Limited (1 January 2017 to 17 July 2018).

Skills and experience

Dat Duong is the Head of Investments for Vitol in Asia Pacific.

Dat joined Vitol in 2010, prior to which he was an Associate Partner at Leopard Capital, an investment fund focused on Asia's frontier and emerging markets.

Dat has extensive international investment banking experience, including with Merrill Lynch in the Global Energy and Power Investment Banking Group in both Hong Kong and Canada, where he led multiple landmark downstream oil transactions.

Dat commenced his career at Esso Imperial Oil in Canada as a business analyst. He is currently a director of a number of Vitol Group companies, including (among others) VG Mobility (UK) Advisers Limited, Vitol (UK) Advisers Limited and VIP Green Mobility GP Limited.

Board Committee memberships

- Member of the Audit and Risk Committee
- Member of the Remuneration and Nomination Committee
- Member of the Strategy and Investment Committee

Michael Muller

Non-Executive Director

BA (Econ.Geography)

Term of office

Appointed to the Board on 1 October 2020.

Skills and experience

Mike Muller joined Vitol in 2018 and is currently the Head of Vitol Asia Pte Ltd and a member of the Vitol Group Board of Directors.

Prior to Vitol, Mike was an executive with Shell in the UK, Australia and Singapore. A member of Shell's Global Trading Leadership since 1999, he coordinated global supply of chemical feedstocks and led various oil trading desks, both physical and derivatives. In 2013, Mike was appointed Vice President, Global Crude Oil Trading and Supply. In this role he was a Director of Shell Trading International Ltd, Chairman of Shell Western Supply & Trading Ltd and of Shell Trading Russia BV, and a member of global Trading Risk, Credit and Compliance committees.

Mike is currently a Director of Boustead Petroleum Marketing Sdn. Bhd. (formerly BP Malaysia) and a Director of Arq Limited (UK).

Board Committee memberships

- Member of the Sustainability Committee
- Member of the Strategy and Investment Committee

Executive Leadership Team

5 4 2 8 1 3 6 9 7

1	**Scott Wyatt** Chief Executive Officer	Scott Wyatt has more than 30 years' experience in the oil and gas sector, and has held various leadership roles within Viva Energy's downstream oil and gas business (formerly Shell) including strategy, marketing (consumer and commercial) and supply and distribution. After a long career with Shell in New Zealand, Australia and Singapore, Scott was appointed as CEO in August 2014. Scott holds a Bachelor of Commerce and Administration from Victoria University of Wellington.
2	**Carolyn Pedic** Chief Financial Officer	Carolyn Pedic brings extensive industry experience, with over 20 years' experience in finance and risk management roles across energy and mining in Australia, Europe and South America. Previously, Carolyn was Group Financial Controller at BHP and, prior to that, Head of Wholesale Markets Risk at AGL Energy. She has also spent more than 15 years in professional services firms EY and PwC, focusing on financial advisory and audit services in the energy sector. Carolyn is a Chartered Accountant and holds a Bachelor of Commerce from the University of Melbourne.
3	**Jevan Bouzo** Chief Executive Officer, Convenience and Mobility	Since joining the Company in 2015, Jevan Bouzo has held roles with responsibility for supply chain operations, distribution and logistics, fuel procurement, scheduling, wholesale supply and commercial pricing as well as finance, tax, treasury, group procurement and insurance. Jevan has also delivered complex transactions including the group IPO, establishment of the private business and transformation to publicly listed company, as well as the establishment and IPO of Viva Energy REIT (now Waypoint REIT). Prior to joining the Company, Jevan worked at Ernst & Young in assurance and business services where he led assurance and business improvement engagements for a number of clients across the energy and retail sectors. Jevan is a Chartered Accountant and holds a Bachelor of Commerce (majoring in Accounting and Finance) from Monash University.
4	**Dale Cooper** Executive General Manager, Refining	Dale Cooper has over 35 years' experience in the oil and gas, refining and transportation industries. Dale spent over 20 years with Irving Oil in Canada, where he has held refining and commercial roles, most recently as General Manager of the 320 kb/d Saint John Refinery. Prior to this, Dale held roles as General Manager, Mid-Continent Crude and leadership roles in Rail Logistics, Supply Chain Operations, Refinery Operations and Project Management. Prior to joining Irving Oil, Dale held operational and engineering roles with Saudi Aramco and Esso Petroleum Canada. Dale holds a Bachelor of Science, Chemical Engineering from the University of New Brunswick and a Masters of Business Administration from the University of New Brunswick.

5 Natasha Cuthbert

Chief People and Culture Officer

Natasha Cuthbert has over 20 years of experience in human resources and transformation across both supermarket and leisure goods retail, and in oil and gas.

Prior to joining Viva Energy, Natasha had long tenure in retail across the Coles Group and Super Retail Group, holding senior leadership roles through turnaround and transformation. She held various senior human resources roles during her time at Coles Group, including Head of Talent and Diversity, and General Manager Merchandise Business Units. At Super Retail Group, Natasha held General Manager roles in Business Partnering and Transformation. Prior to this role, she was General Manager – People and Culture at Viva Energy.

Natasha holds a Bachelor of Science with Honours (majoring in Zoology) from the University of Melbourne. Natasha has also completed post-graduate studies in human resources at Deakin University.

6 Amanda Fleming

Chief Digital and Transformation Officer

Amanda Fleming has over 20 years of experience across retail, fast food and FMCG leading business-wide transformations, as well as human resources, merchandise, operations and commercial functions.

Prior to Viva Energy, Amanda was the Chief Transformation Officer (CTO) and Managing Director, Commercial, for Super Retail Group, the owners of Super Cheap Auto, Rebel, Boating, Camping, Fishing (BCF) and MacPac. Previously, Amanda has held executive roles including Director of Human Resources for Coles Group in the Wesfarmers organisation, Chief Operations Officer and Chief People Officer for Pizza Hut USA, and Human Resources Director for Mars in Australia (where she also served as European Organisational Development Manager for Mars in the UK and Europe). Prior to this role, Amanda was Viva Energy's Chief People and Technology Officer, a role she had held since 2019.

Amanda holds a Masters of Organisational Change from Hult International Business School and a Bachelor of Business from Deakin University.

7 Jennifer Gray

Executive General Manager, Supply Chain

Jennifer has more than 25 years' experience in the oil and gas sector, and was most recently the CEO of Liberty Oil Australia.

Jennifer has held various leadership roles within Viva Energy and Shell across a broad range of disciplines including retail operations, supply chain, commercial sales, pricing and strategy. This has seen her work extensively in operations around the world, including five years based in London. She is a Director of Liberty Oil Australia, Liberty Oil Convenience and a former board member of the Australian Association of Convenience Stores.

Jennifer holds a Bachelor of Arts in Linguistics and a Bachelor of Commerce and Administration from Victoria University in Wellington.

8 Lachlan Pfeiffer

Chief Business Development and Sustainability Officer

Lachlan Pfeiffer joined the business in 2014, and is responsible for the business development, mergers and acquisitions, new energies and sustainability functions of Viva Energy, as well as legal and external affairs. He has held a number of previous roles within the Group including as General Counsel. From 2018 to 2020, he also served as a Non-Executive Director of Viva Energy REIT (now Waypoint REIT). Prior to joining Viva Energy, Lachlan worked in mergers and acquisitions for Skadden, Arps, Slate, Meagher and Flom (UK) LLP, based in London, after commencing his career in Melbourne.

Lachlan holds a Bachelor of Commerce from Melbourne University and a Bachelor of Laws (with Hons) from Monash University. He is a member of the Australian Institute of Company Directors and a legal practitioner.

9 Denis Urtizberea

Executive General Manager, Commercial

Denis Urtizberea joined Viva Energy Australia late 2015, bringing 25 years of experience in the oil and gas industry. He developed a passion for customer centricity through a number of diverse sales and marketing leadership positions, primarily in the business-to-business arena.

Starting his career in a small subsidiary of Total, moving then to BP/Castrol Group before joining Puma Energy and finally Vivo Energy and Viva Energy Australia, Denis has had the opportunity to build a strong international culture through negotiating deals in more than 100 countries across the globe.

Denis holds a qualification in engineering (Physics and Chemistry).

Executive changes

There were changes to our Executive Leadership Team during the year.

Jevan Bouzo, previously Chief Operating and Financial Officer, was appointed Chief Executive, Convenience and Mobility. In this role, he will have responsibility for the combined Coles Express and Viva Energy Retail businesses and the broader development of new energies and other mobility-related offers as they are implemented across the retail network.

Carolyn Pedic has been appointed as Chief Financial Officer. Ms Pedic brings extensive industry experience to the position, with over 20 years' experience in finance and risk management roles across energy and mining.

Jennifer Gray, who previously led the Company's Liberty Wholesale business, has been appointed as Executive General Manager, Supply Chain.

Amanda Fleming, who was previously Chief People and Technology Officer, has been appointed as Chief Digital and Transformation Officer.

Natasha Cuthbert has been appointed as Chief People and Culture Officer.

Megan Foster, Executive General Manager, Retail, will leave the Company in early 2023 to pursue the next chapter in her career.

Risk management

Our growth and success depends on our ability to understand and respond to the challenges of an uncertain and changing environment. This uncertainty generates risk, with the potential to be a source of both opportunities and threats. By understanding and managing risk, we provide greater certainty and confidence for all our stakeholders.

Our Enterprise Risk Management (ERM) Framework and related risk management policies and procedures are designed to identify, assess, monitor and manage risk and, where appropriate, keep relevant stakeholders informed of material changes to the Group's risk profile.

The Board considers risk management fundamental and pertinent to the success of the Group, and takes ultimate responsibility for its oversight and stewardship. Notwithstanding, risk oversight and management is a responsibility shared by all in the Group.

The Group articulates its tolerance levels for risk that it is prepared to accept in the execution of its strategic and business objectives. Management regularly demonstrates to the Board that the Company is operating with due regard to its risk appetite.

We identify:

- Those risks, being operational, financial and regulatory that have the capability of impacting achievement of the Group's strategy and goals (Strategic risks).
- Those risks that have the capability to cause harm to people, the environment, assets or our reputation as a result of Viva Energy undertaking its operations (HSSE risks).

Some risks are both Strategic and HSSE in nature.

Executive management and the Board regularly review the risks identified, challenge how they are mitigated and assess the assurance activities directed towards the key controls over each of the risks.

Strategic risk	Our response
Compliance and regulatory risk	
Compliance Viva Energy is subject to a wide range of legislative and regulatory obligations and we operate a number of facilities under various permits, licences and approvals (Regulatory Approvals), including facilities designated as Major Hazard Facilities. Failure to comply with legislative requirements or the conditions of Regulatory Approvals may cause damage to our brand and reputation. It could also result in fines and penalties and/or loss of applicable Regulatory Approvals, which would adversely impact Total Shareholder Return (TSR). **Action by governments and regulators** Changes in laws or the conditions of Regulatory Approvals could also materially impact our strategic objectives, operations and TSR.	**Compliance** • Our compliance program incorporates Business Principles and Code of Conduct, policies and procedures, staff compliance training and audits. • We have detailed operating procedures, standards, training, audit and assurance programs. • We have the specialised knowledge we need in our teams and from external consultants and we involve subject matter experts to minimise the risk of non-compliance with permits, legislation and regulation. • We monitor existing regulatory requirements. • We have a robust licence renewal submission process to ensure that the business is not subject to onerous additional conditions. **Action by governments and regulators** • We monitor political activity and proposed changes to the law. • We work with select industry bodies to influence on issues that may affect our industry. • We engage with regulatory bodies and lawmakers both directly and through industry bodies on issues that may affect our industry.
Commodity price exposure	
Viva Energy is exposed to the risk of movements in global hydrocarbon pricing, particularly in respect of the refining margin earned by the Geelong Refinery. Fluctuation in the refinery margin can impact TSR.	• We manage commodity price exposure through active monitoring of commodity price exposure, hedging and the purchase or sale of swap contracts up to 24 months forward. • The Federal Government Fuel Security Services Payment (FSSP) will provide financial support in a low refining margin environment during the applicable commitment period.

Strategic risk	Our response
Operational and supply chain risks	
Our operations and supply chain can be disrupted by events such as extreme weather, accidents, breakdown or failure of infrastructure, interruption of power supply, and off-shore supply impacts. Disruption to any part of Viva Energy's supply chain could impact our operations and TSR. The Geelong Refinery may be disrupted by mechanical failures, equipment shutdowns, major accidents and other events that disrupt operations. Any such event may have a material adverse impact on refining capacity and revenues.	**Supply chain** • We maintain minimum stock levels. • We conduct due diligence assessments on shipping and road transport providers. • We also manage this risk through alternative supply options. • We maintain insurance coverage for major events and supply interruptions. **Refinery** • The Geelong Refinery has a proactive monitoring, inspection and preventative maintenance program to manage the risk of HSSE incidents and unplanned plant outages. • In line with better practice and industry standards, unit turnarounds are undertaken every four to six years. • The business has emergency and crisis management plans in place and regularly undertakes simulated response exercises to test the effectiveness of these plans. These exercises often include the relevant community and emergency response authorities. • We invest in utility infrastructure to minimise the impact of disruptions to externally provided resources such as gas, electricity or water. • We maintain sufficient finished product stock levels to ensure an adequate buffer to cover typical potential unplanned outages. • We continue to monitor and vet international shipping and procurement activities, and provide regular updates to all employees, including current advice from the Department of Health.
HSSE risks	
Processing, transportation and storage of crude oil and petroleum products, aviation refuelling at airports nationally, and the operation of the Geelong Refinery and fuel storage facilities include inherently hazardous and dangerous activities. A major incident could result in injury or fatality and/or damage to the environment. This could also negatively impact our brand and reputation, and TSR. There is also a risk of smaller spills and leaks of petroleum and crude oil to the environment, which would give rise to liabilities for clean-up and remediation costs.	• We have in place a comprehensive HSSE control framework and Management System. • Our HSSE Management System is supported by a number of policies, procedures and standards designed to ensure that HSSE risks are either eliminated or reduced so far as reasonably practicable. • We provide appropriate information, instruction, training and supervision to our people to drive safe operations at all levels. • We have a risk-based audit and assurance program, which reviews facilities and critical activities against the HSSE Management System, legislative requirements and industry best practice in order to identify continuous improvement opportunities. • Significant and high potential events are investigated to identify root causes, with corrective actions put in place and learnings shared across our operations. • HSSE performance is one of our key performance indicators that is actively measured and reported to the Board.
Key strategic relationships and third party branding	
We have a number of key business and operational relationships, including with Coles Express, Shell, Vitol and Liberty Oil Convenience. A material deterioration in the nature of Viva Energy's arrangements with these parties or a material decline in the performance of these parties or their reputation or brand has the potential to negatively impact our brand and reputations, as well as TSR.	• We manage this risk through our contractual rights. • We carry out assurance activities at Coles Express sites, which address key operational performance. • We have established a crisis management team and we undertake an annual crisis management training exercise jointly with Shell. • We have regular engagement with representatives of all third parties. • We have representation on the boards of Viva Energy equity interests (e.g. Liberty Oil Convenience) to oversee that an appropriate internal control framework is in place.

Strategic risk	Our response
Climate change	
Climate change risk has both transitional and physical elements. Transitional risk is the risk flowing from a transition to a lower-carbon economy that may affect the Group's business model in the future. Physical risk is the risk flowing from acute events or chronic longer-term shifts in climate patterns resulting from climate change that may require mitigation and adaptation actions. The risk to our business includes: • decline in demand for our products due to government policy, technology or market changes in response to climate change (including shifts in consumer preferences); • increased operating costs arising from regulatory responses to reduce greenhouse gas emissions (such as a price on carbon); • increased exposure to legal action as stakeholder scrutiny of emissions intensive industries grows; • increased reputational impacts affecting our ability to attract investment and talent; and • physical impacts on our assets and supply chains from increased frequency and severity of extreme weather events and rising sea levels.	• We seek to understand our performance in a range of future demand scenarios, including by assessing the potential impacts of transitional risks on the performance of our business units. • We have adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as a framework for our climate risk assessment and disclosures. • We actively monitor industry forecasts and technological developments to understand where the industry and energy markets are heading. • Our strategy focuses on our core business, as well as pursuing new sustainability strategic opportunities that we see developing in the low-carbon energy transition, such as our vision for the Geelong Energy Hub. • We are incorporating climate-related issues into our financial planning process by applying carbon pricing in our investment evaluation and capital allocation process. • We consider physical climate risks when developing significant projects such as the Gas Terminal Project. • We monitor and report on our carbon footprint, and have committed to operational emissions reduction targets, including 'net zero by 2050'. • We are a member of energy forums, industry groups and peak advocacy bodies and see value in joint industry action on climate change in order to promote sustainable industry development. • We also monitor potential regulatory change and participate in consultation processes either directly or through industry associations to shape policy in the area of climate change, and we maintain a policy dialogue with all levels of government on climate change issues.
Liquidity and financing	
Viva Energy has substantial working capital requirements due to the need to purchase large shipments of crude oil and refined products. We rely on banks and supply and trade financing arrangements to provide working capital funding. Adverse changes in our relationship with providers of funding or in financial markets, which reduce our access to, or increase the cost of, funding could adversely impact our financial position.	• Our treasury function operates within a fit-for-purpose Board-approved Treasury Policy. The Policy requires maintenance of sufficient cash reserves and ensures robust reporting of our cash position to management and the Board. • We have access to working capital funding sources through a syndicated financing facility and a range of trade finance facilities. • Our credit risk management function ensures credit is provided within our desired risk parameters. • We actively monitor cash flow through the proactive management of accounts receivable and accounts payable, and we have insurance cover in the event of a major incident to supplement loss of income (cash receipts). • The Federal Government Fuel Security Services Payment (FSSP) will assist to maintain sufficient liquidity during the applicable commitment period.
Refining margin exposure	
The Geelong Refining Margin (GRM) is based on the difference between the value of the refined products that the Geelong Refinery produces and the cost of the crude oil and feedstock it consumes to do so. Refining margins are affected by a range of factors including a decline in regional demand for refined products, increased refining capacity, international freight costs and exchange rate fluctuations. A low GRM can materially impact earnings of the Geelong Refinery.	• We undertake regular assessment of the economic viability of maintaining refining activities. This includes rigorous economic justification for capital projects and turnarounds, as well as the ability to shut down unprofitable individual processing units, logical groups of units or the complete refinery. • We utilise dynamic inventory planning to optimise refining margin performance. • We have programs to improve operational availability and reliability. • We have in place a fit-for-purpose refinery margin hedging policy. • FSSP will provide financial support in a low refining margin environment during the applicable commitment period. • Refining margin movements as a result of regional market forces are inherent in the refining business, and the activities outlined above are not designed to completely eliminate this exposure.

Strategic risk	Our response
Exchange rate	
Viva Energy purchases crude oil, feedstock and finished products in US dollars and sells its products predominantly in Australian dollars. Fluctuations in the AUD/USD exchange rate may negatively impact our earnings and cash flow.	• We operate a hedging program that is designed to manage the impact of exchange rate fluctuations.
Credit risk	
Credit risk is the risk that a customer or counterparty fails to meet its contractual payment obligations. Such a default could impact our revenue and cash flow.	• We undertake credit risk assessments on customers. • We establish credit limits. • We manage exposure to individual entities. • We have insurance cover in place in the event of major incidents to supplement loss of income (cash receipts).
Material decline in demand for our products	
A number of external factors, including a decline in economic activity, the entry of new competitors into the businesses in which we operate, a change in government policies/regulation, shifts in consumer preferences and changes in technology, have the potential to negatively impact demand for our products. If there is a significant decline in demand for our products, this could materially impact TSR.	• We operate in a range of businesses, with a range of product offerings. • We seek to understand our performance in a range of future demand scenarios. • We actively monitor industry forecasts and technological developments to understand where the industry and energy markets are heading. • Our strategy is to optimise performance of our core business as well as to identify new adjacent areas for growth and new opportunities in the energy sector, such as electric vehicles, hydrogen, biofuels and other alternative fuels.
Labour costs, labour availability and industrial disputes	
Viva Energy's operations are affected by availability and costs of labour and the health of our working relationships with employees and labour unions. A major dispute with one or more unions representing our (or our major contractors') employees could disrupt operations at one or more of our facilities and materially impact TSR. Similarly, a material increase in the cost of labour could impact production costs and profit margin.	• We proactively manage the relationship with our employees. • We have in place employee agreements. • We conduct regular benchmarking to ensure that wages and other benefits offered to employees remain competitive. • In the event that a risk of employee or third party industrial activity is heightened, we develop contingency plans to mitigate potential impacts on our operations.
Cyber security	
A cyber security breach by an external attacker or trusted insider could cause operational, reputational or financial damage or loss to Viva Energy.	• Viva Energy has a range of user access controls that restricts and contains the ability for a user to have wide-ranging access. • We have robust user education and training as the frontline defence mechanism to phishing and malware attacks. Our recent focus has been on increasing users' ability to identify and handle cyber-related threats. • We operate a third party Security Operations Centre, which monitors and analyses Viva Energy's security posture. • We utilise extensive technology-based controls and undertake independent technology controls testing and validation. • Viva Energy engages with agencies/bodies that monitor and provide intelligence to companies regarding cyber threats. These include the Critical Infrastructure Centre, the Australian Security Intelligence Organisation – Business & Government Liaison Unit and the Australian Cyber Security Centre.

Operating and financial review

FY2022 Business performance summary

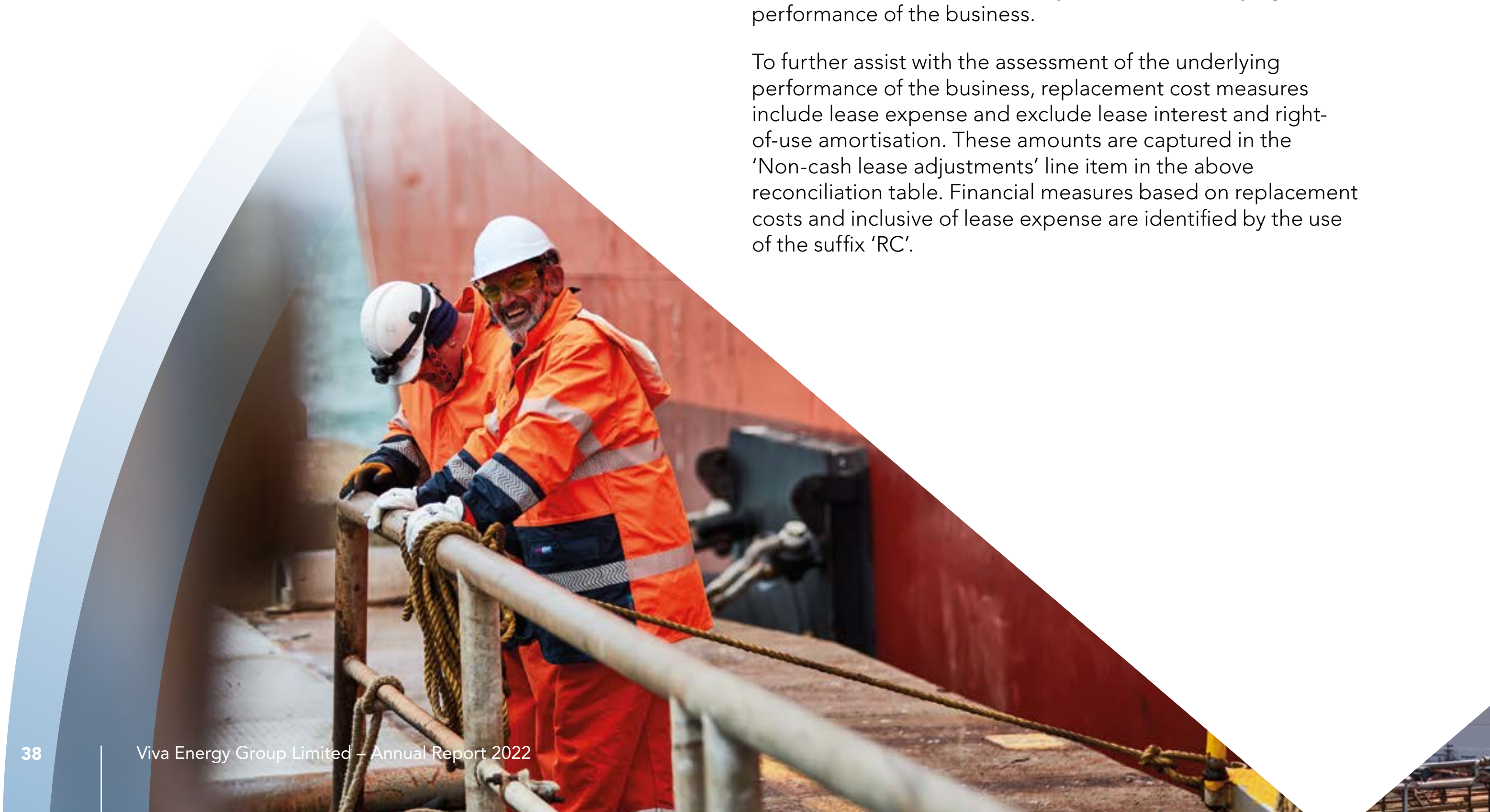
The FY2022 results further demonstrate Viva Energy's capability to outperform through periods of volatility and disruption, while maintaining safe and secure supply to customers. The inherent diversity within our businesses, with exposure to a broad range of sectors and products, is a core strength and competitive differentiation that has again served the Company extremely well.

All parts of the Company performed well in FY2022. Both Retail and Commercial delivered exceptional sales and earnings growth, and the Refining Business benefited from a very strong refining margin environment driven by recovering global demand, reduced refining capacity from closures and outages, and supply chain disruptions caused by the war in Ukraine.

This year, Viva Energy takes a major step forward in its strategy to build a leading convenience business through the acquisition of the Coles Express Convenience Retailing business. The convenience market presents considerable non-fuels growth opportunities, which can be pursued through this acquisition, as well as improving the general operating efficiency by bringing the Company's fuel and convenience businesses together under one operation.

The acquisition of the LyondellBasell Australia business (rebranded Viva Energy Polymers) also provides further diversification of both the refining and Commercial businesses, as well as opportunities for co-processing and production of recycled plastics. The development of the Energy Hub at Geelong continues to progress, with construction of strategic storage facilities underway and plans for production of ultra-low sulphur petrol well advanced. The Company is awaiting regulatory approval for the proposed Gas Terminal.

Viva Energy has retained a robust balance sheet for further growth, and is well positioned to be able to return a dividend of 27 cents per share.



Viva Energy consolidated results for the full year ended 31 December 2022

The Group net profit after tax on a historical cost basis ('HC') for FY2022 was $514.3 million. After adjusting for net inventory loss, significant one-off items, revaluation gains and non-cash lease adjustments, net profit after tax on a replacement cost ('RC') basis for the year was $596.6M. A reconciliation is provided below:

Reconciliation of statutory profit after tax to net profit after tax (RC)	$M
Statutory profit after tax	**514.3**
Add: Net inventory loss[1]	119.1
Less: Significant one-off items[1,2]	(2.6)
Less: Revaluation gain on FX and oil derivatives[1]	(88.7)
Add: Non-cash lease adjustments[1]	54.5
Net profit after tax (RC)	**596.6**

1. Results are reported net of tax.
2. Significant one-off items includes gain on bargain purchase of $8.4M, partially offset by $5.8M in expenses related to one-off transaction costs and isolated historical tax adjustments.

Historical cost is calculated in accordance with IFRS and shows the cost of goods sold at the actual prices paid by the business using a first in, first out (FIFO) accounting methodology. As such, HC accounting includes gains and losses resulting from timing differences between purchases and sales of inventory and the rise and fall of oil and product prices during that time. Gains and losses arising from the rise and fall of oil and product prices are typically offset by a change in working capital because of the higher or lower cost to replenish inventory. Replacement cost 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 the historical cost of inventory. As a result, it removes the effect of timing differences to enable users of the financial information to more consistently assess the underlying performance of the business.

To further assist with the assessment of the underlying performance of the business, replacement cost measures include lease expense and exclude lease interest and right-of-use amortisation. These amounts are captured in the 'Non-cash lease adjustments' line item in the above reconciliation table. Financial measures based on replacement costs and inclusive of lease expense are identified by the use of the suffix 'RC'.

Summary statement of profit and loss

	$M	31 December 2022 Group	RFM[1]	Refining	31 December 2021 Group	RFM[1]	Refining	Variance
	Revenue	**26,432.6**	**26,432.6**	**–**	15,900.0	15,900.0	–	10,532.6
	Cost of goods sold (RC)	**(23,846.7)**	**(24,721.5)**	**874.8**	(14,274.0)	(14,559.3)	285.3	(9,572.7)
	Gross profit (RC)	**2,585.9**	**1,711.1**	**874.8**	**1,626.0**	**1,340.7**	**285.3**	**959.9**
	Retail, Fuels & Marketing							
	Retail	**867.3**	**867.3**	**–**	747.6	747.6	–	119.7
	Commercial	**843.8**	**843.8**	**–**	593.1	593.1	–	250.7
	Refining	**874.8**	**–**	**874.8**	285.3	–	285.3	589.5
1.	**Total EBITDA (RC)**	**1,075.8**	**571.4**	**504.4**	**484.2**	**392.8**	**91.4**	**591.6**
	Retail, Fuels & Marketing							
	Retail	**249.6**	**249.6**	**–**	187.5	187.5	–	62.1
	Commercial	**335.3**	**335.3**	**–**	217.3	217.3	–	118.0
	Refining	**517.9**	**–**	**517.9**	103.4	–	103.4	414.5
	Corporate	**(27.0)**	**(13.5)**	**(13.5)**	(24.0)	(12.0)	(12.0)	(3.0)
2.	Share of profit from associates	**2.2**	**2.2**	**–**	0.6	0.6	–	1.6
	Net loss on other disposal of assets	**(6.5)**	**(6.5)**	**–**	(0.4)	(0.4)	–	(6.1)
3.	Depreciation and amortisation	**(179.0)**	**(106.4)**	**(72.6)**	(176.1)	(112.8)	(63.3)	(2.9)
	Profit before interest and tax (RC)	**892.5**	**460.7**	**431.8**	**308.3**	**280.2**	**28.1**	**584.2**
4.	Net finance costs	**(40.1)**	**(34.9)**	**(5.2)**	(23.9)	(21.2)	(2.7)	(16.2)
	Profit before tax (RC)	**852.4**	**425.8**	**426.6**	**284.4**	**259.0**	**25.4**	**568.0**
5.	Income tax expense (RC)	**(255.8)**	**(127.8)**	**(128.0)**	(92.8)	(85.2)	(7.6)	(163.0)
	Net profit after tax (RC)	**596.6**	**298.0**	**298.6**	**191.6**	**173.8**	**17.8**	**405.0**
6.	Significant one-off items[2]	**2.6**	**2.6**	**–**	–	–	–	2.6
7.	Net inventory (loss)/gain[2]	**(119.1)**	**(107.4)**	**(11.7)**	88.6	79.6	9.0	(207.7)
8.	Revaluation gain on FX and oil derivatives[2]	**88.7**	**44.4**	**44.3**	11.3	5.7	5.6	77.4
9.	Non-cash lease adjustments[2]	**(54.5)**	**(54.5)**	**–**	(58.6)	(58.6)	–	4.1
10.	**Net profit after tax (HC)**	**514.3**	**183.1**	**331.2**	**232.9**	**200.5**	**32.4**	**281.4**
	Statutory earnings (cents) per share (HC)	**33.3**			14.6			18.7
	Underlying earnings (cents) per share (RC)	**38.6**			12.0			26.6

1. Retail, Fuels & Marketing (RFM).
2. Results are reported net of tax.

FY2022 Business performance summary continued

The table below provides a reconciliation between profit before tax (RC) shown above and profit before tax (HC) in Note 3 *Segment information* within the financial statements.

	31 December 2022				31 December 2021			
$M	RFM	Refining	Corporate	Total	RFM	Refining	Corporate	Total
Profit before tax (RC) as above	425.8	426.6	–	852.4	259.0	25.4	–	284.4
Adjusted for:								
Lease expense	305.7	–	4.5	310.2	296.2	0.1	3.9	300.2
Allocations	13.5	13.5	(27.0)	–	12.0	12.0	(24.0)	–
Interest income	(4.0)	–	4.7	0.7	(1.1)	(0.8)	1.9	–
Right-of-use amortisation	(222.4)	–	(2.8)	(225.2)	(215.8)	–	(2.8)	(218.6)
Lease interest expense	(160.9)	–	(2.6)	(163.5)	(162.6)	–	(2.7)	(165.3)
Revaluation gain on FX and oil derivatives	63.3	63.2	–	126.5	8.1	8.0	–	16.1
Net inventory (loss)/gain	(153.4)	(16.8)	–	(170.1)	113.7	12.9	–	126.6
Significant one-off items	0.8	–	–	0.8	–	–	–	–
Profit/(loss) before tax (HC) as per segment note	268.4	486.6	(23.2)	731.8	309.5	57.6	(23.7)	343.4

Summary statement of profit and loss analysis

1. EBITDA (RC)

Retail, Fuels and Marketing

Retail

Retail sales volumes in FY2022 were up 7.3% on FY2021, with growth achieved in the Alliance, Dealer Owned and Liberty Convenience channels as mobility increased due to recovery from COVID-19. Weekly fuel sales in the Alliance channel averaged 57.3 million litres per week, increasing from 55.6 million litres per week achieved in FY2021 as the country continued to recover from COVID-19 with no lockdowns in any states.

Premium petrol penetration declined slightly from the prior year to 30%, and premium diesel penetration remained in line with the prior year, primarily due to inflationary pressures that have meant that consumers have been downgrading to non-premium products.

During the year, the Company announced its intention to acquire Coles Group's convenience retailing business (Coles Express), which will create Australia's largest fuel and convenience network under a single operator. The transaction is expected to be completed in the second quarter of 2023.

Retail EBITDA (RC) of $249.6M increased from the $187.5M result achieved in FY2021 due to stronger volumes in all channels along with improved fuel margins. The Company continues to grow and enhance its retail network, with the total branded network (including independently owned and operated) of 1,330 sites.

Commercial

Commercial EBITDA (RC) increased by 54% to $335.3M compared to the previous year supported by sustained growth, continued cost discipline, a selective approach to tenders and the diversity and resilience of its segments.

Margins improved for most segments as the Group successfully managed impacts of higher quality premia, increased freight costs and the stronger US dollar. In addition, supply constraints led to an increase in short-term spot supply opportunities and the Group benefited from the security of our import supply arrangements.

Sales volumes increased by 9.5% to 9,737 million litres, led by the recovery in the Aviation and Marine businesses. New customer wins and steady sales growth in the other traditional fuels businesses also supported volumes, most notably in Resources, which has been largely unaffected by the pandemic.

The acquisition of LyondellBasell Australia (rebranded Viva Energy Polymers) was completed and integrated into the Group. The Polymers business brings further diversification to the Commercial customer base and broadens the business's specialty product offerings beyond bitumen, lubricants, chemicals and avgas.

During the period the Group engaged with customers extensively on decarbonisation efforts, including the potential use of biofuels and hydrogen as these markets mature. The Group also expanded its carbon solutions business and achieved carbon neutral certification by Climate Active for most of its products. In addition to jet fuel, the Group now offer the option to offset emissions from diesel, marine fuel, unleaded petrol, solvents and bitumen.

Refining

Refinery operations and financial performance improved significantly compared to 2021, driven by strong global demand for refined products, especially diesel, and tightening supply as a result of refinery closures both local and regionally. Geelong Refining Margin (GRM) was US$17.1 per barrel ('BBL'), up from US$7.1/BBL in the prior period, with margins benefiting from higher diesel, jet and gasoline cracks, higher production and improved product yield. The refinery delivered an EBITDA (RC) of $517.9M, up from $103.4M in the prior period.

During the year the Geelong Refinery operated at near full capacity, with intake at 41.9MBBL (up from 41.2MBBL last year) and availability at 92% (down from 94.2% due to an unplanned outage in the refinery's residue catalyst cracking unit (RCCU)). With energy in the Australian east coast in tight supply, the refinery incurred higher variable costs. Increased costs relating to exporting products, demurrage and ocean losses, as well as overall cost pressures, were also incurred during the year.

The refinery received no payments under the Fuels Security Services Payment (FSSP), compared to the prior period in which it received $53.0M.

Corporate

Corporate costs relate to certain head office functions and commonly used resources that are not considered appropriate to be allocated to the Group's reportable segments. The increase year on year is reflective of the Group's activity and increased incentives due to improved performance during 2022.

2. Share of profit from associates

Share of profit from associates of $2.2M represents the Group's 50% ownership of the yearly results of associate investments in Liberty Oil Convenience and Fuel Barges Australia.

3. Depreciation and amortisation

Depreciation and amortisation for the year includes $143.1M of depreciation on property, plant and equipment, $32.9M of amortisation expense on intangible assets and $3.0M on leases classified as finance leases. Total depreciation and amortisation of $179.0M is broadly in line with the prior comparative year. Amortisation of right-of-use assets is captured in line item 'Non-cash lease adjustments'.

4. Net finance costs

Net finance costs of $40.1M were $16.2M higher than the prior comparative year and consisted of interest income of $4.7M, interest expense on borrowings, amortised transaction costs and fees associated with trade finance instruments of $32.4M, finance costs associated with leases classified as finance leases prior to the adoption of AASB 16 *Leases* of $7.9M, and $4.5M from the unwinding of discounted balance sheet provisions.

The increase in net finance costs is due primarily to an increase in fees associated with trade finance instruments used to facilitate purchases and sales transactions. These costs are impacted by the price of crude and product prices, which has seen significant increases year on year. Additional commitment fees were paid during the year as part of the refinancing of the Group's US$700M syndicated, revolving credit facility.

5. Income tax expense

The Group is subject to income tax on the basis of historical cost earnings (NPAT HC) rather than replacement cost earnings (NPAT RC). The income tax expense for the period is $255.8M (RC) and $217.5M (HC), representing effective tax rates of 30.0% and 29.7% respectively.

6. Significant one-off items (net of tax)

The current year significant items totalling $2.6M is comprised of the $8.4M gain on bargain purchase as a result of the Group's acquisition of LyondellBasell Australia, with the fair value of the identifiable assets and liabilities in the acquisition exceeding the total consideration paid, offset by $5.8M in expenses relating to one-off transaction due diligence costs and isolated historical tax adjustments posted in the current year.

7. Net inventory (loss)/gain

The net inventory loss relates to the effect of movements in crude and refined product prices and foreign exchange on inventory recorded at historical cost using the FIFO principle of accounting. The loss of $119.1M (net of tax) reflects the falling oil prices experienced during the second half of the year and the impact of foreign exchange movements.

8. Revaluation gain on FX and oil derivatives

Revaluation gain/(loss) on FX and oil derivatives is impacted by realised and unrealised FX and associated hedges, flat oil price hedges and refinery margin hedging. During the year a gain of $88.7M (net of tax) was recognised as a result of the impact of net favourable oil prices movement compared to hedges positions throughout the year, and gains on FX hedges due to a decrease in the AUD/USD exchange rate in the second half of the year.

9. Non-cash lease adjustments

The non-cash lease adjustments reflects the elimination of lease expenses recorded in EBITDA (RC) and the recognition of lease interest and right-of-use amortisation.

10. Net profit after tax (HC)

Net profit after tax (HC) of $514.3M for the year increased by $281.4M, a year on year growth of 121%. This growth is a result of strong refining performance amid elevated refining margins globally, ongoing volume recovery and new business wins in the sales businesses and improving margins from both contracted and spot sales markets.

FY2022 Business performance summary continued

Summary statement of financial position

$M	31 December 2022	31 December 2021	Variance
1. Working capital	**41.3**	177.5	(136.2)
2. Property, plant and equipment	**1,645.7**	1,518.8	126.9
3. Right-of-use assets	**2,088.4**	2,184.8	(96.4)
4. Intangible assets	**599.6**	621.5	(21.9)
5. Investment in associates	**15.7**	16.0	(0.3)
6. Net cash/(debt)	**290.5**	(95.2)	385.7
7. Lease liability	**(2,456.5)**	(2,480.5)	24.0
8. Long-term provisions, other assets and liabilities	**(179.8)**	(136.9)	(42.9)
9. Net deferred tax asset	**315.9**	305.9	10.0
10. Total equity	**2,360.8**	**2,111.9**	**248.9**

Summary statement of financial position analysis

1. Working capital

Working capital decreased by $136.2M, primarily as a result of increases in average benchmark crude and refined product prices of A$37.40/BBL between December 2021 and December 2022 leading to significantly higher crude and refined product-related payables.

2. Property, plant and equipment

Property, plant and equipment (PPE) relates to freehold terminal property, leasehold retail and terminal improvements, plant and infrastructure such as tanks and pipelines held at terminals, airports and retail sites and the Geelong Refinery land and equipment.

PPE increased by $126.9M in FY2022, driven by capital expenditure over the period of $303.7M and non-cash additions to asset retirement obligation cost base of $1.7M, partially offset by depreciation of $143.1M, disposals of $18.5M, transfers of completed software projects to intangibles of $11.0M and a $5.9M reduction in the Group's asset retirement costs due to the revision of inflation and discount rates.

A breakdown of capital expenditure by segment is outlined below.

$M	2022	2021	Variance
a. Retail, Fuels and Marketing	**121.3**	81.6	39.7
b. Refining			
Base expenditure	**42.4**	44.4	(2.0)
Major maintenance	**47.7**	36.2	11.5
c. Energy Hub	**92.3**	22.9	69.4
Capital expenditure	**303.7**	185.1	118.6

a. Retail, Fuels and Marketing

Retail, Fuels and Marketing capital expenditure of $121.3M includes capital expenditure of $51.9M ($41.6M in FY2021) for new site branding, refreshing network convenience stores and forecourts together with tank replacements, tank relines and other asset integrity works. In addition, $69.4M ($40.0M in FY2021) relates to spending to ensure the integrity of the Group's terminals, pipelines, depot works and branding of dealer-owned sites within the Liberty Wholesale network. The period-on-period increase is reflective of the continued return to pre-COVID-19 activity levels, with focus on improving the customer experience.

b. Refining

Base expenditure

Base refining capital expenditures during the period was $42.4M, of which $8.0M was in relation to the Distributed Controls System upgrade and $3.6M regarding the execution phase of the field centre relocation to the Refinery Controls Room. The remaining expenditure relates to ongoing asset integrity and tank maintenance activity.

Major maintenance

Major maintenance capital expenditure during the year of $47.7M relates primarily to activity on the Crude Distillation Unit in preparation for the 2023 turnaround event, completion of the Hydrocarbon Solvent Production Unit's maintenance in December, and work currently being undertaken on a refinery's boiler unit.

c. Energy Hub

Energy Hub expenditure during the period of $92.3M related to progressive works on the Ultra-Low Sulphur Gasoline Project of $42.5M, $13.5M to advance the Gas Terminal Project towards a final investment decision, reaching the first milestone on the Hydrogen Refuelling Station ($6.3M), and $29.3M on progression to execution phase on the minimum stock obligation Strategic Storage Facility, along with other minor spend of $0.7M. Although not shown in the above figures, a total of $25.3M of government funding towards the Energy Hub infrastructure projects was received during the year.

3. Right-of-use assets

The right-of-use assets balance at year end was $2,088.4M, a decrease of $96.4M from FY2021. Impacting this balance during the period was right-of-use depreciation recognised of $228.2M and lease terminations or derecognitions of $3.5M, with these decreases partially offset by lease extensions, new leases and the impact of lease payment escalations totalling $135.3M.

4. Intangible assets

Intangible assets decreased by $21.9M during the year primarily due to amortisation charges of $32.9M offset in part by the capitalisation of software projects totalling $11.0M.

5. Investment in associates

This balance relates to the Group's 50% ownership of Liberty Convenience and Fuel Barges Australia. Associate company profit of $2.2M was recognised during the year, offset by $2.5M in dividends.

6. Net cash/(debt)

Net cash/(debt) relates to Viva Energy's Revolving Credit Facility (RCF) which is used as a working capital facility to fund fluctuations in working capital, net of cash at bank. Viva Energy does not hold any long term structural debt. The Group repaid its outstanding debt during the year. The balance of $290.5M year end represents the Group's cash balance.

7. Lease liability

The lease liability balance at 31 December 2022 was $2,456.5M, a decrease of $24.0M from the prior comparative year end, with lease extensions, new leases and lease escalations of $135.1M, offset by payments of lease principal balances totalling $156.0M made during the period and terminations of $3.3M.

8. Long-term provisions, other assets and liabilities

The increase in the net liability of $42.9M during the year primarily represents the non-current deferred income arising from the receipt of government grants during the period totalling $25.3M to assist in funding the Strategic Storage Facility and New Energies Service Station projects, and the $18.4M non-current portion of the contingent consideration as part of the LyondellBasell Australia acquisition.

9. Net deferred tax asset

The net deferred tax asset relates to the tax-effected difference between the carrying value of assets and liabilities recorded for accounting purposes, and those recorded for tax purposes.

The movement in this balance during the year arises from the typical movements in deferred tax due to origination or reversal of temporary differences between taxable income and profit during the period, along with movements posted directly to equity or other comprehensive income, with the primary driver of the increase being the higher relative tax base of trading stock for tax purposes given increased oil prices.

10. Total equity

Total equity increased by $248.9M due to the recognition of net profit after tax of $514.3M and a $0.8M net increase from a combination of OCI movements, transactions relating to the Group's share-based incentive plans and the associated purchase of treasury shares, partially offset by the share buy-back program activities during the year ($4.7M), and the payment of dividends ($261.5M net of $0.7M in dividends payable to treasury shares).

Operating and financial review continued

FY2022 Business performance summary continued

Summary statement of cash flows

	$M	31 December 2022	31 December 2021	Variance
	Profit before interest, tax, depreciation and amortisation (HC)	**1,339.1**	**927.3**	**411.8**
	Increase in trade and other receivables	**(701.5)**	(502.3)	(199.2)
	Increase in inventories	**(324.2)**	(480.8)	156.6
	Increase in other assets	**(8.0)**	(9.5)	1.5
	Increase in trade and other payables	**1,123.4**	801.3	322.1
	(Decrease)/increase in provisions	**(0.2)**	10.3	(10.5)
1.	Changes in working capital	**89.5**	(181.0)	270.5
2.	Non-cash items in profit before interest, tax, depreciation and amortisation	**(2.6)**	2.8	(5.4)
	Repayment of lease liabilities	**(156.0)**	(137.7)	(18.3)
	Interest on capitalised leases	**(171.5)**	(173.3)	1.8
	Operating free cash flow before capital expenditure	**1,098.4**	**438.1**	**660.4**
	Payments for PPE and intangibles	**(303.7)**	(185.1)	(118.6)
	Proceeds from sale of PPE	**11.9**	5.1	6.8
	Net inflow for land developments	**-**	1.6	(1.6)
	Repayment of loan by associate	**-**	4.2	(4.2)
3.	Acquisition of investments	**(18.0)**	(15.8)	(2.2)
4.	Payment for treasury shares (net of contributions)	**(10.9)**	(9.4)	(1.5)
5.	Share buy back	**(4.7)**	(18.0)	13.3
6.	Government grants receipts	**25.3**	-	25.3
7.	Dividends received from associates	**2.5**	-	2.5
	Net free cash flow before financing, tax and dividends	**800.8**	**220.7**	**580.2**
8.	Finance costs	**(25.7)**	(8.9)	(16.8)
9.	Net Income tax payments	**(122.7)**	(36.1)	(86.6)
	Net cash flow available for dividends and before borrowings	**652.4**	**175.7**	**476.8**
10.	Dividends paid	**(261.5)**	(65.7)	(195.8)
	Capital return	**-**	(99.6)	99.6
11.	Net (repayment)/drawings of borrowings and upfront fees	**(197.1)**	37.3	(234.4)
	Net cash flow	**193.8**	**47.7**	**146.2**
	Opening net debt	**(95.2)**	**(104.2)**	**9.0**
	Movements in capitalised borrowing costs	**(5.2)**	(1.4)	(3.8)
	Closing net cash/(debt)	**290.5**	**(95.2)**	**385.8**
	Change in net debt	**385.7**	**9.0**	**376.8**

Summary statement of cash flows analysis

1. Changes in working capital

Crude and refined product-related payables as well as inventory balances have significantly increased primarily as a result of increases in average benchmark crude and refined product prices of A$37.40/BBL during 2022.

2. Non-cash items

Non-cash items comprises unrealised foreign exchange gains of $10.3M, a $8.4M gain on bargain purchase from the LyondellBasell Australia acquisition and $2.2M from share of profit in associates, offset by $11.6M in transactions relating to employee share-based payments and share plan expenses, $6.5M in net loss on disposal of property, plant and equipment and $0.2M in other minor items.

3. Acquisition of investments

The $18.0M net cash outflow from the acquisition of investments represents the initial $25.4M paid to acquire LyondellBasell Australia, less the $7.4M in cash and cash equivalents in the books of the acquired subsidiary.

4. Payments for treasury shares

During the year 4,224,859 shares were purchased at an average price of $2.58 per share totalling $10.9M.

5. Share buy-back

In 2022 the Company continued with the buy-back program activities that were introduced in 2020 and purchased 1,850,747 shares on-market at an average price of $2.58.

6. Government grant receipts

During the year the Group received government grants totalling $25.3M to fund the Strategic Storage Facility and New Energies Service Station projects.

7. Dividends received from associates

The Group received $2.5M in dividends during the year from associate company Liberty Oil Convenience.

8. Finance costs

Financing cost cash outflows have increased by $16.8M due primarily to an increase in fees associated with trade finance instruments used to facilitate purchases and sales transactions. These costs are impacted by the price of crude and product prices, which have significantly increased year on year. Additional commitment fees were paid during the year as part of the refinancing of the Group's US$700M syndicated, revolving credit facility.

9. Net income tax payments

The net income tax payments of $122.7M for the year represent tax instalments of $172.2M paid by the Group to the ATO in relation to the current year, and tax payments of $4.1M by the Group on behalf of its Singapore tax resident entity (Viva Energy S.G. Pte Ltd) to the Singapore tax authority, partially offset by a $53.6M tax refund received post-lodgement of the Group's 2021 and 2020 financial years' income tax return (whereby instalments paid during the prior year exceeded the Group's final tax liability).

10. Dividends paid

During the year the Company paid a final 2021 dividend of 3.2 cents per share ($49.6M) in relation to the six months ended 31 December 2021, and an interim 2022 dividend of 13.7 cents per share ($212.6M) for the six-month period ended 30 June 2022, both fully franked. Included in the $262.2M dividends was $0.7M in dividends payable to treasury shares on hand during the year.

11. Net (repayment)/drawings of borrowings

All borrowings related to the Group's syndicated working capital facility were repaid during the year, with increased cash flow from operating activities used to manage working capital requirements. The Group repaid its borrowing of $195.0M in FY2022. An additional $2.1M of upfront financing costs were paid and capitalised, and is unwound over the life of the facility.

Remuneration report

Letter from the Remuneration and Nomination Committee Chair – Robert Hill

Dear Shareholders,

On behalf of the Board, I am pleased to present Viva Energy's 2022 Remuneration Report.

Our performance

2022 was an extraordinary year shaped by a challenging global geo-political environment, the war in Ukraine and significant disruption in energy markets. Our focus remained on serving our customers safely and reliably through this period of significant global supply chain disruption.

Despite the challenging conditions, Viva Energy delivered exceptional performance, strong sales growth and record financial results, with Group underlying EBITDA (RC) more than doubling to $1.1B in 2022 compared to the previous year.

We also made significant progress on our strategic agenda. While we provide more detail in section 1, this includes our Geelong Energy Hub projects and the acquisition of the LyondellBasell Australian business and the Coles Express convenience business, which, on completion, will bring together the fuels and convenience businesses to create the largest Australian convenience store network under a single operator. The addition of approximately 6,000 Coles Express team members and 710 sites will significantly expand the scope of our Convenience and Mobility business.

The Board is very pleased with the performance of the management team in 2022 and the significant value delivered for our shareholders. This is reflected in a more than 16% accretion in our share price over the 2022 calendar year.

2022 Remuneration outcomes

Remuneration outcomes in 2022 reflect the exceptional performance delivered by the management team in 2022. The Board has awarded 92% of the maximum STI to Executive KMP for performance in 2022. Our exceptional performance exceeded our targets on almost all of our measures. However, the Board believes that our STI outcome, being below maximum, demonstrates that we set a high bar for incentives even in what has been a year of record financial performance and strong progress on our strategic agenda.

The 2020-2022 LTI, which comprises performance conditions relative Total Shareholder Return (rTSR) (50%), Return on Capital Employed (ROCE) (25%) and cumulative Free Cash Flow (FCF) (25%), reached the end of its three-year performance period on 31 December 2022.

The Board determined the FCF condition was met at stretch ($1.2B FCF over the performance period), performance on the ROCE condition was between target and stretch (average annual ROCE was 19.6% over the performance period) and rTSR performance condition achieved stretch (47.2% TSR delivered over the performance period), resulting in a final LTI outcome approved by the Board of 94.7% of maximum opportunity.

Further detail on the STI and LTI Plans and the Board's assessment of outcomes for 2022 are set out in sections 1 and 5 of the Remuneration Report.

Looking ahead – 2023 remuneration

The Board reviewed Non-Executive Director (NED) fees against our peers and considering the workload of our Board and has resolved to increase the fees from 2023 for the first time since the Company listed on the ASX in 2018.

The Board also completed a review of the fixed and variable remuneration arrangements of our Executive KMP in 2022. The Board has decided to make an adjustment to the CEO's remuneration in 2023, taking into consideration the relative positioning of the CEO's remuneration package against the market, the movement in the median remuneration levels of the peer group over the past year and the growing scale and complexity of our business.

During the year, we announced changes to our executive team to support our strategic agenda. Jevan Bouzo was appointed Chief Executive, Convenience and Mobility and will remain an Executive KMP of the Company. The Board has adjusted his remuneration to reflect the increase in scale and complexity of the retail business.

The Board has also approved some modifications for the STI Scorecard going forward to better align performance measures with our commitments to reduce emissions.

While these changes do not form part of the remuneration arrangements for 2022, in the interests of transparency, the Board has provided information on these changes in section 10 for shareholders to consider, as well as the remuneration arrangements of Carolyn Pedic, who joined the Company in January 2023 as Chief Financial Officer.

I hope you find this Remuneration Report informative and, as always, we welcome your feedback.

Yours faithfully,

Robert Hill

Robert Hill

Remuneration report – contents

1. 2022 at a glance

This section provides a high-level summary of the remuneration outcomes for 2022 for the Executive Key Management Personnel (KMP). Further detail is provided in the remaining sections of this report.

Key performance and outcomes

- Exceptional performance against the backdrop of significant geo-political turmoil and rapid change in the energy markets, with Group underlying EBITDA (RC) more than doubling to $1.1B in 2022 compared to the previous year.
- Record year for our Commercial and Refining businesses, delivering underlying EBITDA (RC) of $335 million and $518 million respectively.
- Significant progress on our strategy to develop non-fuel growth pathways:
  - announced the acquisition of the Coles Express business, a significant opportunity to expand and grow our position in the fast-growing convenience markets;
  - acquired LyondellBasell's Australian Polymers business, a Geelong-based national polymer manufacturer and distributor; and
  - took a final investment decision on our first green hydrogen refuelling facility for heavy vehicles (trucks and buses), with construction to commence from 2023.
- Commenced construction of additional diesel storage under the Federal Government's 'Boosting Australia's Diesel Storage Program'.
- Commenced engineering and contracting for construction of ultra-low sulphur petrol production at the Geelong Refinery from 2025 to support lower-emission petrol vehicles.
- Launched a comprehensive range of accredited carbon-neutral fuels during 2022.
- Significant improvement in the Company's employee engagement score from 69% to 72%, as well as strong performance in representation of women and women in leadership in our workforce.
- The Executive KMP earned 92% of the maximum STI, reflecting the extraordinary result delivered in 2022 and significant progress on the strategic agenda.
- The Executive KMP earned 94.7% of the 2020-2022 LTI, with the Board determining the FCF condition was met at stretch ($1.2 billion FCF over the performance period), performance on the ROCE condition was between target and stretch (average annual ROCE was 19.6% over the performance period), and the rTSR performance condition was achieved at stretch (47.2% TSR delivered over the performance period).

The final outcomes approved by the Board are shown below.

2022 STI outcome

Executive KMP	STI outcome (% of maximum opportunity)	Total STI award	STI award provided in cash	STI award provided in Share Rights[1]
Scott Wyatt	92%	$1,725,920	$862,960	$862,960
Jevan Bouzo	92%	$736,000	$368,000	$368,000

1. Share Rights (to be granted in 2023) will vest into shares in two equal tranches, on 1 January 2024 and 1 January 2025, subject to conditions as set out in section 4.2. The number of Share Rights granted to each Executive KMP is determined by dividing the dollar value of the STI award to be provided in Share Rights by $2.6474, being the weighted average share price of the Company's shares over the performance period 1 January 2022 to 31 December 2022.

2020-2022 LTI outcome

	Number of 2020 PR granted	% of 2020 PR vested	Number of 2020 PR vested	Value of 2020[1] PR vested	Number of 2020 PR lapsed	% of 2020 PR lapsed
Executive KMP						
Scott Wyatt	556,121	94.7%	526,507	$1,595,316	29,614	5.3%
Jevan Bouzo	301,232	94.7%	285,191	$864,129	16,041	5.3%

1. Calculated based on share price of $3.03, being the closing share price on the date of vesting on 20 February 2023.

2. Overview

2.1. Introduction

This report has been prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*. The content in this report has been audited by PricewaterhouseCoopers, the Company's external auditor.

The Company is required to prepare a remuneration report in respect of KMP, being those people who have responsibility and authority for planning, directing and controlling the activities of Viva Energy, either directly or indirectly. In 2022, the KMP were the Non-Executive Directors and designated executives.

2.2. Details of KMP

The following individuals were KMP of the Company in 2022.

Name	Title	Term as KMP
Non-Executive Directors		
Robert Hill	Chairman and Independent Non-Executive Director	18 June 2018 – current
Arnoud De Meyer	Independent Non-Executive Director	18 June 2018 – current
Dat Duong	Non-Executive Director	7 June 2018 – current
Michael Muller	Non-Executive Director	1 October 2020 – current
Sarah Ryan	Independent Non-Executive Director	18 June 2018 – current
Nicola Wakefield Evans	Independent Non-Executive Director	3 August 2021 – current
Executive KMP		
Scott Wyatt	Chief Executive Officer and Managing Director	7 June 2018 – current
Jevan Bouzo	Chief Operating and Financial Officer[1]	7 June 2018 – current

1. On 1 January 2023, Jevan Bouzo assumed the role of Chief Executive Officer, Retail and Mobility.

3. Executive remuneration – overview

3.1. Executive remuneration objectives

The overall objectives of executive remuneration at Viva Energy are to:

- drive sustainable value creation for our shareholders;
- drive appropriate behaviours and culture;
- attract and retain high-calibre talent; and
- ensure remuneration is well understood and transparent.

To achieve these objectives, the Board seeks to set executive remuneration at levels that are competitive in the market (for ASX-listed companies comparable in terms of size, complexity and industry to the Company), and also to appropriately reward the leadership team for achieving long-term sustainable growth. The Board reviews the executive remuneration objectives and levels on an annual basis.

3. Executive remuneration – overview continued

3.2. 2022 Executive remuneration framework – overview

The 2022 executive remuneration framework is summarised below.

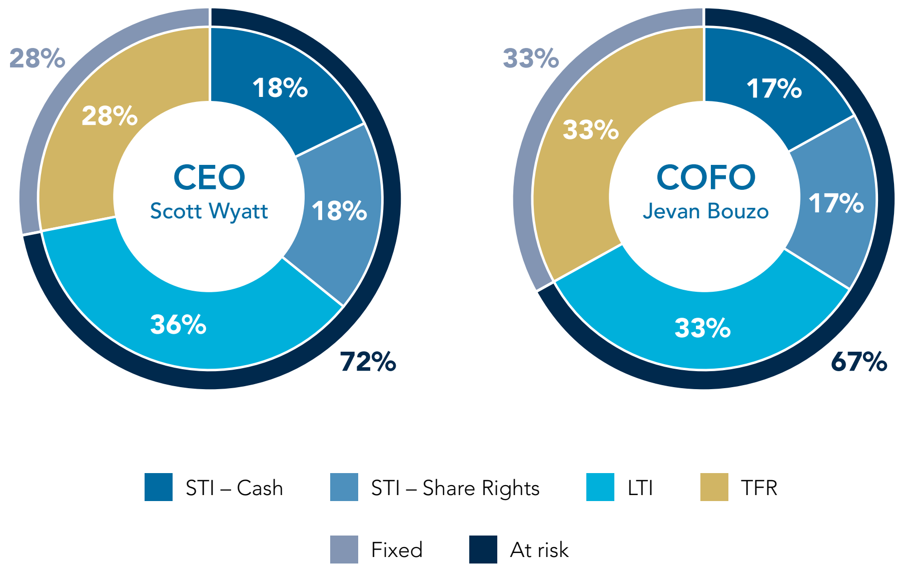
	Fixed elements	Variable elements		
	Total Fixed Remuneration (TFR)	**Short Term Incentive (STI)**		**Long Term Incentive (LTI)**
How it is delivered	Cash (For the CEO, the 2022 TFR was delivered through a combination of cash and Restricted Stock Units (RSUs) that are subject to a one-year service period and a further one-year restriction period)	Cash	Equity (Share Rights)	Equity (Performance Rights)
How it works	Base salary and superannuation.	50% paid in cash.	50% deferred into Share Rights, which vest into shares in two equal tranches 12 and 24 months after the grant.	Performance Rights are allocated at face value at the beginning of the three-year performance period. Subject to performance conditions being met, some or all of the Performance Rights may vest into shares.
What it does	Enables Viva Energy to motivate, engage and retain the calibre of executives who can execute the Company's strategy and continue to deliver value to shareholders.	Rewards execution on annual performance against a balanced scorecard of performance measures focused on financial objectives (60%), individual personal objectives aligned with the Company's strategic goals (30%), and safety, environment and people outcomes (10%). STI deferral creates further alignment with shareholders and acts as a retention instrument.		Drives the delivery of Viva Energy's long-term objectives in a sustainable manner, provides alignment with the interests of shareholders and encourages long-term value creation. Vesting of the Performance Rights is conditional on achieving against a scorecard of performance conditions over a three-year performance period, focused on relative Total Shareholder Return (45%), Free Cash Flow per share (20%), Return on Capital Employed (20%) and Strategic (15%).

3.3. Minimum shareholding policy

The Board has adopted a minimum shareholding policy that requires each member of the KMP (other than Non-Independent, Non-Executive Directors) to accumulate a minimum shareholding equivalent to 100% of their Total Fixed Remuneration within five years of the date on which they became KMP, and to maintain such minimum shareholding for so long as they remain KMP. Our KMP either already meet or are on track to meet this requirement.

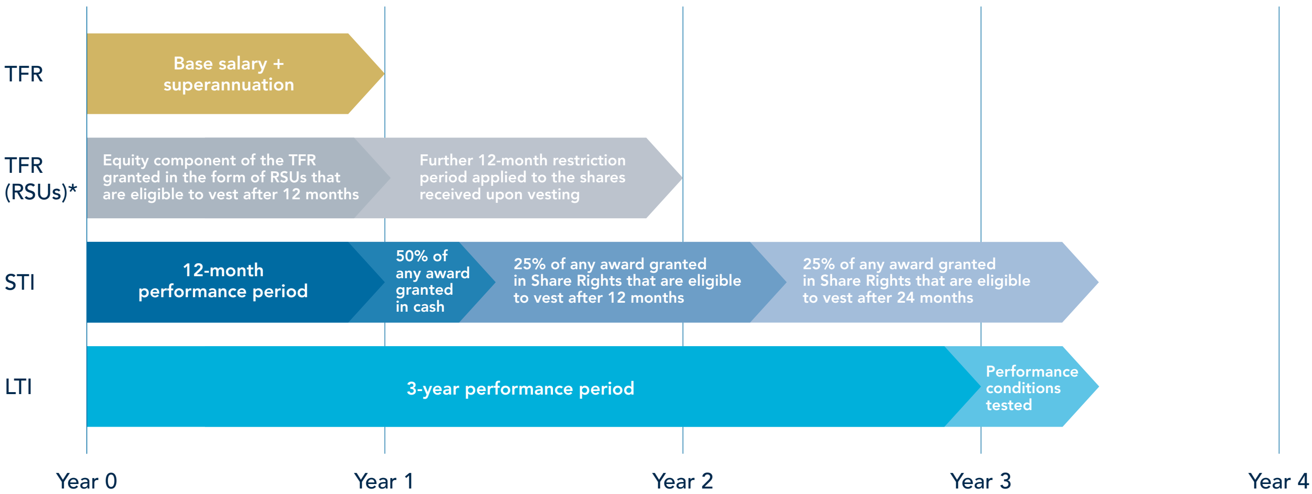
3.4. 2022 Executive remuneration mix

The weighting of each remuneration component of an executive's total remuneration opportunity in 2022 was aligned to the objectives of the executive remuneration framework outlined in section 3.1, in particular driving sustainable value for the Company. The following diagrams[1] set out the weighting of each remuneration component for the CEO and COFO based on their maximum potential STI and LTI opportunities and does not represent actual remuneration received for 2022.



1. For the CEO, the 2022 TFR was delivered through a combination of cash and Restricted Stock Units (RSUs) that are subject to a one-year service period and a further one-year restriction period.

3.5. Executive remuneration delivery timeline – 2022 awards



* Applicable only for the CEO.

4. 2022 Executive remuneration framework – in more detail

The components of the 2022 executive remuneration framework are explained in detail below.

4.1. Total Fixed Remuneration (TFR)

TFR is comprised of base salary and superannuation. For the CEO, the 2022 TFR was delivered through a combination of cash and Restricted Stock Units (RSUs) that are subject to a one-year service period and a further one-year restriction period.

4.2. 2022 Short Term Incentive (STI)

Viva Energy established an STI Plan to reward Executive KMP and other members of the executive team for strong performance levels and contributions to the Company over a 12-month performance period.

STI performance is assessed against a balanced scorecard comprised of a robust set of performance measures, which drive the Company's short-term financial, strategic and operational objectives and set the platform for long-term success. The Board retains overall discretion to adjust outcomes as appropriate.

Further information about the 2022 STI Plan is set out below. Please refer to section 5.2 for STI performance outcomes for 2022.

Opportunity	CEO (Scott Wyatt) • Target: 67% of TFR • Maximum: 134% of TFR COFO (Jevan Bouzo) • Target: 50% of TFR • Maximum: 100% of TFR
Performance period	Performance was assessed over a 12-month performance period from 1 January 2022 to 31 December 2022.
Performance measures	For 2022, the following performance measures and weightings applied to the Executive KMP.

Category	Measure	Weighting
Financial	• Underlying Group EBITDA (RC)	60%
Personal objectives	• A mix of individual and Group objectives, which we have designed around the delivery of our strategy	30%
Safety, environment and people	• TRIFR (Total Recordable Injuries/Frequency Rate)[1] • Serious injuries • API Tier 1 and 2 incidents[1] • LOPCs > 100kg[2] • Medium/High PQ incidents[3] • Employee engagement • Representation of women • Women in management and leadership	10%
Total		100%

2022 target and maximum opportunity	The maximum stretch opportunity for each performance measure was set at 200% of target. For each performance measure, a threshold level of performance was also set. This level had to be met to receive any STI.
Governance and approval process	The CEO's STI outcome was recommended by the RNC based on his performance, and any other relevant considerations, and was approved by the Board. The STI outcome for the COFO was recommended by the CEO to the RNC based on the executive's performance, and any other relevant considerations, and was approved by the Board. The Board had the ability to apply discretion in determining the STI outcomes to ensure they were appropriate.
Delivery	STI is provided as a mix of cash and deferred equity as follows: • 50% in cash; and • 50% in Share Rights, with 50% of those Share Rights eligible to vest on 1 January 2024 and the other 50% eligible to vest on 1 January 2025. A Share Right entitles the participant to receive one ordinary share for nil consideration if the Share Right vests.

Voting and dividends entitlements	Unvested Share Rights do not carry dividend or voting rights. For each Share Right that vests, the participant will receive a cash payment equivalent to the dividends paid by the Company on a share during the period between 1 January 2023 and the relevant vesting date.
Restrictions on dealing	Holders of Share Rights must not sell, transfer, encumber or otherwise deal with Share Rights unless the Board allows it or the dealing is required by law. Additionally, in no circumstances will a holder of Share Rights be able to hedge or otherwise affect their economic exposure to the Share Rights before they vest. Holders of Share Rights will be free to deal with the ordinary shares allocated on exercise of Share Rights, subject to the requirements of Viva Energy's Securities Trading Policy.
Cessation of employment	If a participant ceases to be employed and is considered to be a Good Leaver, any unvested Share Rights that have been granted as part of the 2022 STI will remain on foot, unless the Board determines otherwise in its absolute discretion. If the participant ceases to be employed and is not a Good Leaver, any unvested Share Rights granted as part of the 2022 STI will lapse. Generally, a participant will be a Good Leaver unless their employment is terminated for cause or the participant resigns.
Change of control	The Board may determine in its absolute discretion that all or a specified number of a participant's Share Rights will vest on a change of control.

1. TRIFR and API Tier 1 and 2 measures are industry standard safety performance metrics that reflect personal safety and process safety performance (respectively).
2. Loss of Primary Containment. This measures the incidents resulting in the uncontrolled or unplanned release of material from a process or storage that serves as primary containment.
3. Product quality incidents that have a medium or high consequence risk rating measured against Viva Energy's Risk Assessment Matrix.

4.3. 2022-2024 Long Term Incentive (LTI)

Viva Energy has established an LTI Plan to assist in the attraction, motivation, retention and reward of the Executive KMP and other members of the Executive Leadership Team.

The LTI Plan is designed to reward long-term performance, provide alignment with the interests of shareholders and encourage long-term value creation.

We use a combination of performance conditions, which reflect our long-term financial, strategic and operational objectives, and focus on sustainable, long-term performance.

Further information on the 2022-2024 LTI Plan is set out below.

Opportunity	CEO (Scott Wyatt) • Maximum: 134% of TFR	COFO (Jevan Bouzo) • Maximum: 100% of TFR
Instrument	Performance Rights. A Performance Right entitles the participant to acquire one ordinary share for nil consideration at the end of the performance period, subject to satisfaction of the performance conditions. The Board retains discretion to make a cash payment to participants on the vesting of Performance Rights in lieu of an allocation of shares.	
Grant value	Performance Rights were granted using face value methodology.	

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4. 2022 Executive remuneration framework – in more detail continued

4.3. 2022-2024 Long Term Incentive (LTI) continued

Performance conditions	**Condition**	**Weighting**	**Measure**	**Objective**
	Relative Total Shareholder Return (rTSR)	45%	Total Shareholder Return over the period, relative to the ASX50-150 peer group (Comparator Group).	To create strong alignment between LTI outcomes and the experience of shareholders.
	Cumulative Free Cash Flow (RC) per share (FCF per share) over the performance period	20%	Cumulative FCF per share is calculated based on Underlying EBITDA (RC), normalised for market movements in AUD refining margins and adding/subtracting (as appropriate) maintenance capital expenditure, realised FX and derivative movements, dividends received from associated entities, interest and taxes paid.	This measure rewards strong cost and capital management with positive conversion of underlying earnings to cash flow to maximise cash that the Company has available to fund growth opportunities, pay dividends and repay debts.
	Average Return on Capital Employed (RC) (ROCE) for each year of the performance period	20%	Underlying EBIT (RC) divided by average capital employed (total shareholder's equity plus net debt) for each year.	This measure rewards executives for prudent management of capital to maintain positive returns on capital employed over the performance period.
	Strategic	15%	Performance against agreed strategic measures over the performance period.	This measure rewards progress against strategic, operational and financial milestones.
	Replacement cost (RC) methodology is used in calculating both the FCF and ROCE outcomes, in order to provide a truer reflection of underlying performance. This approach removes the impact of net inventory gain/(loss) caused by fluctuations in crude oil prices and foreign currency exchange rates. The Board considers that the use of RC methodology in setting FCF and ROCE targets within the LTI is appropriate, and provides a suitable balance with the relative TSR measure.			
Performance period and exercise	Performance will be assessed over a 36-month period from 1 January 2022 to 31 December 2024. Vested Performance Rights may be exercised during exercise periods aligned to the share trading windows outlined in the Company's share trading policy for up to three years after vesting. There will be no re-testing of any of the performance conditions, and Performance Rights that do not vest after the performance conditions are tested will lapse (and expire).			

Components

rTSR component (45%)

The percentage of Performance Rights comprising the relative TSR component that vest, if any, will be based on the Company's TSR ranking relative to the Comparator Group over the performance period, as set out in the following vesting schedule:

TSR ranking relative to the Comparator Group	% of Performance Rights that vest
Less than 50th percentile	Nil
At 50th percentile	50%
At 75th percentile or above	100%

* Straight-line pro-rata vesting for performance between 50th and 75th percentile.

FCF per share component (20%)

The percentage of Performance Rights comprising the FCF per share component that vest, if any, will be determined over the performance period by reference to the following vesting schedule:

Cumulative FCF per share over the performance period	% of Performance Rights that vest
Less than target FCF per share performance	Nil
Equal to target FCF per share performance	50%
At or above stretch FCF per share performance	100%

* Straight-line pro-rata vesting for performance between target and stretch.

ROCE component (20%)

The percentage of Performance Rights comprising the ROCE component that vest, if any, will be determined over the performance period by reference to the following vesting schedule:

Average ROCE over each year of the performance period	% of Performance Rights that vest
Less than target ROCE performance	Nil
Equal to target ROCE performance	50%
At or above stretch ROCE performance	100%

* Straight line pro-rata vesting for performance between target and stretch.

Strategic component (15%)

The percentage of Performance Rights comprising the strategic component that vest, if any, will be determined over the performance period by reference to the following vesting schedule:

Company's performance	% of Performance Rights that vest
Less than threshold performance	Nil
Equal to threshold performance	33%
Equal to target performance	66%
At or above stretch performance	100%

* Straight-line pro-rata vesting for performance between threshold, target and stretch.

4. 2022 Executive remuneration framework – in more detail continued

4.3. 2022-2024 Long Term Incentive (LTI) continued

Disclosure of FCF, ROCE and strategic targets	The Board considers that the FCF and ROCE targets are commercially sensitive as disclosure of those targets can potentially indicate the Group's margins and, as such, jeopardise Viva Energy's competitive position. Therefore, those targets will not be disclosed during the performance period. However, the Board will provide full details of the vesting outcomes in connection with these components, including the levels at which the targets were set at the beginning of the performance period, following completion of the performance period. The targets and the vesting outcomes will be detailed in the Remuneration Report for the year in which the LTI will be tested. The specific initiatives and targets comprising the strategic component have been set by the Board. The Board considers some of these initiatives and targets to be commercially sensitive and, accordingly, disclosure of these at this point could be potentially prejudicial to the interests of the Company. Performance against the strategic component and the vesting outcomes achieved (including the rationale for the vesting outcomes) will be disclosed after the end of the performance period in the Remuneration Report for the year in which the LTI will be tested. Information on the 2020-2022 LTI targets and performance against those targets is set out in section 5.3.
Other features	Performance Rights have the same voting and dividend entitlements, restrictions on dealing, treatment on cessation of employment and change of control provisions as the Share Rights described in section 4.2 above. For completeness, it is noted that there is no dividend equivalent payment that applies to Performance Rights.

4.4. Claw back and preventing inappropriate benefits

Under the rules governing the STI and LTI Plans, the Board has broad powers to 'claw back' incentives that it may exercise in certain circumstances (for example the Executive KMP has acted fraudulently or dishonestly, has engaged in gross misconduct, brought the Group into disrepute or materially breached their obligations to the Group). The claw back regime applies to cash STI, Share Rights granted under the STI Plan and Performance Rights granted under the LTI Plan.

4.5. Executive service agreements

Remuneration and other terms of employment for the CEO and COFO are formalised in an Employment Agreement as summarised below:

Executive KMP	Contract duration	Total fixed remuneration at the end of 2022 financial year	Termination notice period by executive	Termination notice period by Company[1]
Scott Wyatt	Ongoing	$1,400,000[2]	12 months	12 months
Jevan Bouzo	Ongoing	$800,000	12 months	12 months

1. Viva Energy may elect to pay the executive in lieu of all or part of such notice period with any such payment to be based on the executive's TFR over the relevant period. Any payments made to the executive upon termination of employment will be limited to the maximum amount permitted by the Corporations Act.
2. The CEO's 2022 TFR was delivered through a combination of cash ($1,150,000) and Restricted Stock Units (RSUs) ($250,000) that are subject to a one-year service period and a further one-year restriction period.

4.6. Loans and other transactions with KMP

4.6.1 Loans to key management personnel

There were no loans made to the KMP of the Company, including their personally related entities, during the year.

4.6.2 Other transactions with key management personnel

There were no other transactions (as contemplated by the *Corporations Regulations 2001*) with the KMP during the year.

5. Group performance and 2022 remuneration outcomes

5.1. Company performance and remuneration outcomes – 2022 and historical

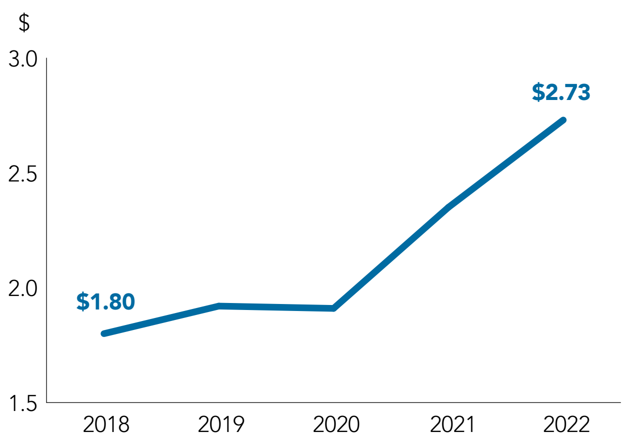
The table below outlines the Company's performance for the years 2018 to 2022.

	2018	2019	2020	2021	2022
Underlying Group EBITDA (RC)[1]	$531.5M	$392.9M	$244.6M	$484.2	**$1,075.8M**
TRIFR (Total Recordable Injuries/ Frequency Rate)	36/5.77	29/4.55[2]	19/3.6[2]	34/6.7[2]	**30/6.0[2]**
Share price – close	$1.80	$1.92	$1.91	$2.35	**$2.73**
Dividend per share (fully franked)	4.8 cents[3]	4.7 cents	0.8 cents	4.1 cents	**27 cents**
Special dividend (unfranked)	–	–	5.94 cents	–	**–**
Capital return	–	–	21.46 cents	6.2 cents	**–**
Statutory earnings per share basic/diluted	29.8/29.4 cents	5.8/5.7 cents	(1.9)/(1.9) cents	14.5/14.5 cents	**33.3/33.1 cents**
Underlying earnings per share	15.4 cents	8.1 cents	1.8 cents	12.0 cents	**38.6 cents**
STI outcomes – % of maximum	0%	0%	26.25%	86.3%	**92%**
LTI outcomes – % of maximum	N/A	N/A	25%[4]	50%[5]	**94.7%[6]**

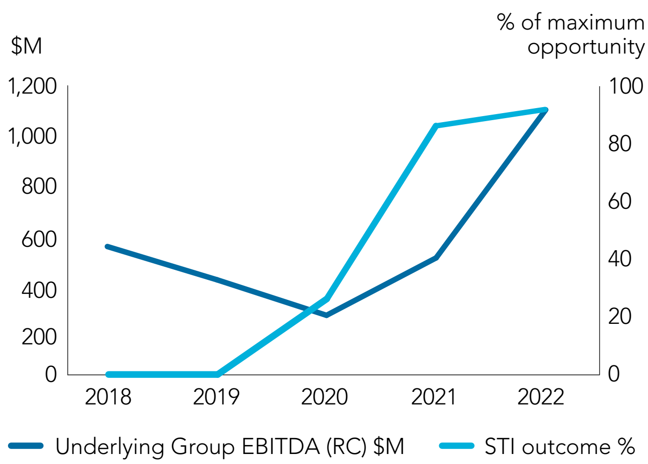
1. In 2021, the Company changed its approach to reporting underlying financial information to include lease expenses in the underlying results for the Group. For the purposes of comparison, the historical results shown in this table also apply the new basis of reporting.
2. Excludes performance by Liberty Oil Holdings, which was acquired in December 2019 and does not form part of the safety and environment hurdles set under the STI.
3. This is the final dividend for the six months ended 31 December 2018. No interim dividend was paid in 2018.
4. Vesting of the 2018-2020 LTI.
5. Vesting of the 2019-2021 LTI.
6. Vesting of the 2020-2022 LTI.

STI outcomes since listing have aligned with performance.

Share price – close



STI outcomes



5. Group performance and 2022 remuneration outcomes continued

5.2. 2022 STI outcomes

5.2.1 Performance against the 2022 STI scorecard

This section discusses performance against the 2022 STI scorecard by the Executive KMP.

Category	Objective	Weighting	Performance against target range: Below threshold	Threshold	Target	Stretch	Performance against the performance measure
Financial	Deliver sustainable shareholder returns and consistent operating cash flows.	60%				▼	The Group's financial performance in 2022 exceeded the stretch hurdle, with actual EBITDA (RC) more than doubling year on year to $1,075.8M.

Personal objectives	Progress key personal objectives aligned with the Company's strategic goals that deliver long-term growth and position the Company for future success.	30%				▼	The Executive KMP achieved stretch on their personal objectives, delivering on significant strategic initiatives:
							• Significant progress on our strategy to develop non-fuel growth pathways:
							  • announced the acquisition of the Coles Express business, a significant opportunity to expand and grow our position in the fast growing convenience markets;
							  • acquired LyondellBasell's Australian Polymers business, a Geelong-based national polymer manufacturer and distributor; and
							  • took final investment decision on our first green hydrogen refuelling facility for heavy vehicles (trucks and buses), with construction to commence from 2023.
							• Commenced construction of additional diesel storage under the Federal Government's 'Boosting Australia's Diesel Storage Program'.
							• Commenced engineering and contracting for construction of ultra-low sulphur petrol production at the Geelong Refinery from 2025 to support lower emission petrol vehicles.
							• Launched a comprehensive range of accredited carbon-neutral fuels during 2022.

Safety, environment and people	Build a generative safety culture and a highly engaged workforce focused on delivering high-quality results.	10%			▼		Although we have not met our aspiration to improve personal and process safety from 2021, performance remains strong compared with broader industry benchmarks. Strong focus during the year to address areas of lower engagement across the Company led to a significant improvement in the employee engagement score year on year. Targets relating to representation of women and women in leadership achieved a Stretch outcome. Overall, management achieved Target in this category: • TRIFR 6.0 (6.7 in 2021)1. Majority are relatively minor incidents associated with manual handling, line of fire and slips, trips and falls. • 4 Tier 2 incidents and 1 Tier 1 incident (three Tier 2 and one Tier 1 in 2021)[1]. • 24 LOPC > 100kg (19 LOPC in 2021)[1]. • Engagement score 72% (69% in 2021). • Representation of women 31% (29% in 2021). • Women in management/leadership 29% (26% in 2021).

1. Excludes performance by Liberty Oil Holdings, which was acquired in December 2019 and does not form part of the safety and environment hurdles set under the STI.

5.2.2 Final 2022 STI outcome

Executive KMP	STI outcome (% of maximum opportunity)	STI outcome (% of target opportunity)	Maximum STI foregone	Total STI award	STI award provided in cash	STI award provided in share rights[1]
Scott Wyatt	92%	184%	$150,080	$1,725,920	$862,960	$862,960
Jevan Bouzo	92%	184%	$64,000	$736,000	$368,000	$368,000

1. Share Rights (to be granted in 2023) will vest into shares in two equal tranches, on 1 January 2024 and 1 January 2025, subject to conditions as set out in section 4.2. The number of Share Rights granted to each Executive KMP is determined by dividing the dollar value of the STI award to be provided in Share Rights by $2.6474, being the weighted average share price of the Company's shares over the performance period 1 January 2022 to 31 December 2022.

5.3. 2020-2022 Long Term Incentive outcome

5.3.1 Performance against the 2020-2022 LTI performance conditions

The three-year performance period of the 2020-2022 LTI grant ended on 31 December 2022. The 2020-2022 LTI performance conditions along with the outcome against the maximum opportunity under the grant are shown in the table below.

2020-2022 LTI measures, hurdles and outcome

Measure	Weighting	Vesting schedule	Minimum (0% vesting)	Maximum (100% vesting)	Performance	Vesting (% of maximum)
Cumulative FCF over the performance period	25%	Straight-line pro-rata vesting between 50-100% for performance between Target and Stretch hurdles	Less than target performance of $680M	Stretch performance of $780M	$1,224M[1]	100%
Average ROCE for each year of the performance period	25%		Less than target performance of 15%	Stretch performance of 23%	19.6%	78.7%
TSR relative to the ASX100 Comparator Group	50%	Straight-line pro rata vesting between 50% and 100% for performance between 50th percentile and 75th percentile	Less than 50th percentile	At 75th percentile or above	89th percentile[2]	100%
Total	100%					94.7% vesting

1. In accordance with the terms of the 2020-2022 LTI, the FCF measure was normalised for movements in refining margins and foreign exchange (both on an after-tax basis). The normalisation process involved restating the actual Group performance over the three-year performance period by applying available margins and exchange rate assumptions used to set the target at the beginning of the performance period. Normalised FCF over the performance period is shown in the table. Actual (not-normalised) FCF over the performance period was $1,245M. Both normalised and actual performance exceeded the Stretch performance hurdle set under the 2020-2022 LTI.
2. The Board engaged Aon to independently assess Viva Energy's rTSR performance against the ASX 100 peer group over the performance period. The Company's TSR over the three-year performance period was 47.2%.

5.3.2 Final 2020-2022 LTI outcome

The outcome for each Executive KMP under the 2020-2022 LTI is shown in the table below.

	Date 2020 PR[1] granted	Number of 2020 PR granted	Value at grant date[2]	% of 2020 PR vested	Number of 2020 PR vested	Value of PR vested[3]	% of 2020 PR lapsed	Number of 2020 PR lapsed
Executive KMP								
Scott Wyatt	6 July 2020	556,121	$692,371	94.7%	526,507	$1,595,316	5.3%	29,614
Jevan Bouzo	18 February 2020	301,232	$295,207	94.7%	285,191	$864,129	5.3%	16,041

1. 2020-2022 LTI Performance Rights.
2. The value of the Performance Rights granted is based on the total grant date fair value. Refer to section 9.1 for further details on the fair value of the Performance Rights.
3. Calculated based on share price of $3.03, being the closing share price on the date of vesting on 20 February 2023.

5. Group performance and 2022 remuneration outcomes continued

5.4. 2022 Realised pay – Executive KMP (unaudited)

The following table sets out the pay actually earned by the executive during or in relation to the 2022 financial year, as a summary of real or 'take home' pay. This includes fixed remuneration and any other benefits paid/payable in relation to the 2022 financial year. It also includes the full value of incentive pay that has been earned in relation to the 2022 performance period.

This table is non-IFRS information and is unaudited. This disclosure is voluntary and is supplemental information to the statutory remuneration disclosed in section 7 of this Remuneration Report.

	Total Fixed Remuneration		STI				
	Cash $	RSU $	Cash $	Deferred share rights $	LTI vested $	Other $	Total $
		1	2	3	4	5	
Executive KMP							
Scott Wyatt	1,127,368	288,547	862,920	$634,670	$1,595,316	31,372	$4,540,193
Jevan Bouzo	777,368	–	368,000	$333,551	$864,129	25,910	$2,368,958

1. Represents the deferred equity component of Scott Wyatt's 2022 total fixed remuneration – 108,070 Restricted Stock Units will vest and be automatically exercised into ordinary shares in accordance with its terms. The value is based on the share price of $2.67, being the closing share price on 3 January 2023. They are subject to a further one-year restriction period.
2. STI cash represents the cash component of the 2022 STI award (50%), which will be paid in March 2023.
3. Deferred STI represents the deferred equity component of the 2020 and 2021 STI – 209,462 and 110,082 deferred Share Rights vested for Scott Wyatt and Jevan Bouzo respectively and will be automatically exercised into ordinary shares in accordance with its terms. The value is based on the share price of $3.03, being the closing share price on 20 February 2023.
4. LTI vested represents the value of the vested 2020-2022 LTI award. The value is based on the number of Performance Rights that vested (526,507 and 285,191 performance rights for Scott Wyatt and Jevan Bouzo respectively) multiplied by $3.03, being the Viva Energy closing share price at the time of vesting on 20 February 2023.
5. Comprises superannuation and other benefits including the Viva Energy discount benefit received, the payment of premiums for death and total permanent disability insurance cover and the payment of plan management fees for the Viva Energy Superannuation Plan. Accruals for annual leave and long service leave have been excluded.

6. Remuneration governance

Remuneration governance

Board

The Board, with the guidance of the Remuneration and Nomination Committee (**RNC**), is responsible for:

- approving the remuneration of the Non-Executive Directors and Executive KMP;
- ensuring the Company's remuneration framework is aligned with the Company's purpose, values, strategic objectives and risk appetite;
- evaluating the performance of the CEO and other members of the Executive Leadership Team (ELT); and
- approving incentive plans and engaging external remuneration consultants as appropriate.

Remuneration and Nomination Committee (RNC)

The RNC is comprised of three Non-Executive Directors, a majority of whom are independent.

The RNC's responsibilities include Board composition and governance-related matters as well as making recommendations to the Board in relation to:

- remuneration policies that will be designed to support the execution of the Company's strategy and plans, and set remuneration and rewards at levels to attract and retain the best people;
- the remuneration of the Non-Executive Directors;
- the remuneration packages (including Total Fixed Remuneration, incentive plans and any other benefits or arrangements) of the CEO and other members of the ELT; and
- the administration and operation of equity and incentive plans and assessing the effectiveness and implementation of such plans.

Management

- Provides information relevant to remuneration decisions and makes recommendations to the RNC.

Consultation with shareholders and other stakeholders

Remuneration consultants and other external advisers

The RNC seeks external remuneration advice to ensure that it is fully informed when making decisions, including on recent market trends and practices and other remuneration-related matters.

Any advice provided by external advisers is used to assist and inform the Board, and it is not a substitute for the Board and RNC processes.

In 2021, no remuneration recommendations were received from remuneration consultants as defined under the *Corporations Act 2001*.

Remuneration consultants and other external advisers

Management may seek its own advice relevant to remuneration matters (for example, market trends, legal advice, tax advice).

7. Executive statutory remuneration

The table below has been prepared in accordance with the requirements of the *Corporations Act 2001* and the relevant Australian Accounting Standards. The amounts provided under the 'STI share-based payment' and 'LTI share-based payment' columns are based on accounting values and do not reflect actual payments received in 2022.

			Short-term benefits		Post-employment	Long-term benefits					
								STI	LTI		
		Salary and fees $	STI $	Other benefits $	Superannuation $	Annual leave $	Long service leave $	Share-based payment $	Share-based payment $	Total $	Performance-related remuneration %
		1	2	3		4,12	4,12	5	6		
Executive KMP											
Scott Wyatt	**2022**	**1,127,368[7]**	**862,960**	**6,940**	**24,432**	**50,564**	**(65,468)**	**1,035,992**	**1,537,160**	**4,579,948**	**75%**
	2021	975,168[8,12]	662,245	5,394	22,632	49,813	(23,225)	492,493	557,953	2,742,473	62%
Jevan Bouzo	**2022**	**777,368**	**368,000**	**1,478**	**24,432**	**(42,016)**	**363**	**372,213**	**643,731**	**2,145,569**	**65%**
	2021	754,168[9]	345,000	4,452	22,632	28,330	28,856	179,802	423,599	1,786,839	53%
Former Executive KMP											
Thys Heyns[10]	**2022**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2021	285,026[11]	–	956	5,424	10,390	(17,529)	–	(448,574)	(164,307)	0%
Total	**2022**	**1,921,403**	**1,230,960**	**8,418**	**48,864**	**8,549**	**(65,105)**	**1,408,205**	**2,180,891**	**6,725,517**	
	2021	2,014,362	1,007,245	10,802	50,688	88,533	(11,899)	672,295	532,978	4,365,005	

1. Salary and fees include a $150 per month working from home allowance received by all eligible employees.
2. STI award provided in cash (50% of the total STI award). The 2022 STI cash award will be paid in March 2023.
3. Other benefits include Viva Energy fuel discount, payment of premiums for death and total and permanent disability insurance cover and payment of plan management fees for the Viva Energy Superannuation Plan.
4. Annual leave and long service leave benefits include leave taken during the year. Negative balances are as a result of the leave taken being greater than the leave accrued in the relevant financial year.
5. STI share-based payment represents the amortisation of the fair value of deferred share rights granted under the 2020, 2021 and an estimate of the fair value of 2022 STI, calculated in accordance with accounting standards.
6. LTI share-based payment represents amortisation of fair value of Performance Rights granted to date and the statutory expense recorded in the income statement for the value of Legacy LTI options vesting across the period, calculated in accordance with accounting standards.
7. Scott Wyatt's total fixed remuneration (inclusive of base salary and superannuation) was increased from $1,146,000 to $1,400,000, effective on 1 January 2022. $250,000 of this increase was effected through a grant of 108,070 Restricted Stock Units (RSU) and, as such, has been expensed under the STI share-based payment amount. RSUs are deferred share rights that are subject to a service condition of one year and a further restriction period of one year.
8. Scott Wyatt's total fixed remuneration (inclusive of base salary and superannuation) was increased from $896,000 to $1,146,000, effective on 1 January 2021. $150,000 of this increase was effected through a grant of 86,530 RSUs and, as such, has been expensed under the STI share-based payment amount.
9. Jevan Bouzo's total fixed remuneration (inclusive of base salary and superannuation) was increased from $650,000 to $800,000 effective on 1 March 2021 when he took on an expanded role of Chief Operating and Financial Officer.
10. 2021 remuneration for Thys Heyns is shown from 1 January 2021 until he ceased as KMP on 31 March 2021.
11. Includes a termination payment of $150,000.
12. The methodology for calculating salary and fees, annual leave and long service leave has been corrected in the current period. The comparative disclosure has therefore been restated for consistency purposes.

8. Non-Executive Director remuneration

8.1. Non-Executive Director fees

Non-Executive Directors are paid annual fees. With the exception of the Chairman, each Non-Executive Director who is a chair or a member of a Board Committee receives Committee fees in recognition of the additional responsibilities, time and commitment required. Non-Executive Directors do not receive any performance-related remuneration.

The table below sets out Non-Executive Director remuneration, inclusive of statutory superannuation.

	Description	Fees
Board	Chair	$400,000[1]
	Director	$165,000
Committee fees[2]	Chair	$35,000
	Member	$17,500

1. The Board Chair does not receive any additional fees for being the Chair or member of any Board Committees.
2. Standing Board Committees comprise: Audit and Risk; Remuneration and Nomination; Sustainability; and Strategy and Investment.

Under the ASX Listing Rules and Viva Energy's Constitution, the total amount paid to all Non-Executive Directors must not exceed in aggregate in any year the amount fixed by Viva Energy in a general meeting for that purpose. As disclosed in the Prospectus, this amount has been fixed by the Company at $1.9 million per annum. Non-Executive Director fees paid in 2022 were within this cap.

8.2. 2022 Non-Executive Director fees

The fees paid to the Non-Executive Directors in 2022 are set out in the table below:

		Short-term benefits		Post-employment benefits	Other long-term benefits	
		Salary and fees $	Other benefits $	Super-annuation $	Other $	Total $
Non-Executive Directors						
Robert Hill (Chairman)	**2022**	**375,568**	**–**	**24,432**	**–**	**400,000**
	2021	377,368	–	22,632	–	400,000
Arnoud De Meyer	**2022**	**217,500**	**–**	**–**	**–**	**217,500**
	2021	217,500	–	–	–	217,500
Dat Duong[1]	**2022**	**–**	**–**	**–**	**–**	**–**
	2021	–	–	–	–	–
Michael Muller[1]	**2022**	**–**	**–**	**–**	**–**	**–**
	2021	–	–	–	–	–
Sarah Ryan[2]	**2022**	**235,000**	**–**	**–**	**–**	**235,000**
	2021	235,000	–	–	–	235,000
Nicola Wakefield Evans[3]	**2022**	**213,153**	**–**	**21,847**	**–**	**235,000**
	2021	86,926	–	8,693	–	95,619
Former Non-Executive Directors						
Jane McAloon[4]	**2022**	**–**	**–**	**–**	**–**	**–**
	2021	138,892	–	13,353	–	152,245
Total	**2022**	**1,041,221**	**–**	**46,279**	**–**	**1,087,500**
	2021	1,055,686	–	44,678	–	1,100,364

1. Dat Duong and Michael Muller have agreed to not receive any remuneration for their positions as Non-Executive Directors.
2. Sarah Ryan did not receive superannuation in 2021 and 2022 pursuant to an exemption granted by the ATO under section 19AA of the *Superannuation Guarantee (Administration) Act 1992*. Accordingly, Dr Ryan's 2021 and 2022 fees include the amounts that would otherwise have been contributed as superannuation.
3. 2021 remuneration for Nicola Wakefield Evans is shown from 3 August 2021 when she was appointed a Non-Executive Director.
4. Jane McAloon resigned as a Non-Executive Director with effect on 25 August 2021.

9. Equity interests

9.1. Performance Rights, Deferred Share Rights and Legacy LTI option holdings – KMP

Abbreviations used in the following table:

2019 PR – 2019-2021 LTI Performance Rights | 2020 PR – 2020-2022 LTI Performance Rights | 2021 PR – 2021-2023 LTI Performance Rights | 2022 PR – 2022-2024 LTI Performance Rights | Options – Legacy LTI options | RSU – Restricted Stock Units | DSR – Deferred Share Rights

	Held at 1 January 2022		Granted[1]			Vested and exercised		Held at 31 December 2022[2]				Max value yet to amortise[5]
Type	Vested	Unvested	Number	Value $	Lapsed	Number	Value[3] $	Vested	Unvested	Vested %	Lapsed %	$
Scott Wyatt												
2022 RSU	–	–	108,070	263,691	–	–	–	–	108,070	–	–	–
2021 RSU	–	86,530	–	–	–	86,530	211,133	–	–	100%	–	–
2021 STI DSR	–	–	326,052	802,088	–	–	–	–	326,052	–	–	133,681
2020 STI DSR	–	92,871	–	–	–	46,435	113,301	–	46,436	50%	–	–
2022 PR	–	–	923,637	2,114,667	–	–	–	–	923,637	–	–	1,409,778
2021 PR	–	905,501	–	–	–	–	–	–	905,501	–	–	455,035
2020 PR	–	556,121	–	–	–	–	–	–	556,121	–	–	–
2019 PR	–	541,198	–	–	270,599	270,599	665,674	–	–	50%	50%	–
Jevan Bouzo												
2021 STI DSR	–	–	169,858	417,851	–	–	–	–	169,858	–	–	69,642
2020 STI DSR	–	50,305	–	–	–	25,152	61,371	–	25,153	50%	–	–
2022 PR	–	–	393,875	694,796	–	–	–	–	393,875	–	–	463,197
2021 PR	–	471,725	–	–	–	–	–	–	471,725	–	–	185,204
2020 PR	–	301,232	–	–	–	–	–	–	301,232	–	–	–
2019 PR	–	270,599	–	–	135,300	135,299	332,836	–	–	50%	50%	–
Options[4]	–	384,524	–	–	–	384,524	424,968	–	–	100%	–	–

1. The following equity securities were granted in 2022:
   - Restricted Stock Units were granted to Scott Wyatt on 22 February 2022 and represent $250,000 of Mr Wyatt's 2022 total fixed remuneration. The number of rights were calculated by dividing $250,000 by the volume weighted average price of the Company's shares on the ASX (VWAP) over the 30-day period immediately prior to the award.
   - Deferred Share Rights were granted to Scott Wyatt and Jevan Bouzo on 20 February 2022. The number of Deferred Share Rights were calculated by dividing the dollar value of the equity component of their 2021 STI amount vested by the VWAP over the period from 1 January 2021 to 31 December 2021.
   - 2022 LTI Performance Rights were awarded to Jevan Bouzo on 21 March 2022 and Scott Wyatt on 26 May 2022. The number of Performance Rights were calculated by dividing the dollar value of their maximum LTI opportunity by $2.0311, being the VWAP over the period from 1 January 2021 to 31 December 2021. The value of the Performance Rights granted in 2022 is based on the total grant date fair value.
2. Of the 2020 PRs held by Scott Wyatt and Jevan Bouzo, 94.7% have vested and the remaining 5.3% have lapsed since 31 December 2022.
3. The value of Restricted Stock Units and Deferred Share Rights exercised is calculated based on the share price of $2.44, being the closing share price on the date of exercise on 22 February 2022. The value of Performance Rights exercised is calculated based on the share price of $2.46, being the closing share price on the date of exercise on 20 February 2022. The value of Options exercised represents the number of shares received on the exercise of the options via cashless exercise facility multiplied by Viva Energy's closing share price on the date of exercise ($2.32).
4. Prior to the Company's listing on the ASX in 2018, the previous owners put in place an incentive plan referred to in this report as the Legacy LTI. The program previously acted to motivate executives to transform and grow the value of the business through to a potential exit event (such as listing on the ASX). The last of the Legacy LTI tranches of options vested for the Chief Operating and Financial Officer in January 2022 and no executive currently holds any Legacy LTI options. The exercise price of each option was $1.21. No further grants will be made under the Legacy LTI.
5. Scott Wyatt and Jevan Bouzo are entitled to 2022 STI Deferred Share Rights that will be granted in 2023. The estimated value, yet to be amortised, for Scott Wyatt and Jevan Bouzo is $503,525 and $214,723 respectively.

Further details of each grant of Performance Rights outstanding at the end of 2022 are set out below:

Type	Grant date	Fair value at grant date $	Exercise price $	Vesting date
2022 PR – TSR	7 March 2022	$1.50	–	As notified by the Company to the participant after 31 December 2024
2022 PR – FCF/ROCE/Strategic	7 March 2022	$1.98	–	
2022 PR – TSR	24 May 2022	$2.13	–	
2022 PR – FCF/ROCE/Strategic	24 May 2022	$2.42	–	
2022 RSU	22 February 2022	$2.46	–	1 January 2023
2021 STI DSR	20 February 2022	$2.44	–	50% on 1 January 2023 50% on 1 January 2024

9.2. Shareholdings – KMP

The number of shares in the capital of the Company held directly and indirectly by each KMP are set out below:

	Balance as at 1 January 2022	Acquired in 2022	Acquired through vesting of rights	Acquired through exercise of options	Disposed in 2022	Balance as at 31 December 2022[1]
Robert Hill	**94,284**	**25,000**	–	–	–	**119,284**
Dat Duong	–	–	–	–	–	–
Arnoud De Meyer	**156,942**	–	–	–	–	**156,942**
Mike Muller	–	–	–	–	–	–
Sarah Ryan	**106,667**	–	–	–	–	**106,667**
Nicola Wakefield Evans	**29,100**	**10,900**	–	–	–	**40,000**
Scott Wyatt	**7,885,887**	–	**403,564**	–	**(310,000)**	**7,979,451**
Jevan Bouzo	**515,000**	**384**[2]	**160,451**	**183,176**[3]	**(200,000)**	**659,011**

1. Post 31 December 2022, Scott Wyatt and Jevan Bouzo are due to receive 526,507 and 285,191 ordinary shares respectively following the vesting of their 2020-2022 LTI Performance Rights.
2. Acquired under the Employee Share Plan 2022 Exempt Share Award.
3. Following the exercise of the Legacy LTI options via cashless exercise facility, 183,176 shares were transferred to Jevan Bouzo on 7 January 2022.

10. 2023 Remuneration

10.1. KMP

10.1.1 Non-Executive Director fees

The Board reviewed Non-Executive Director (NED) fees and has resolved to increase the fees by 5% from 2023. This is the first adjustment to the NED fees since the Company listed on the ASX in 2018. In coming to this decision, the Board considered the workload of directors, relative positioning of the fees against the Company's comparator group (ASX 50-150) to ensure that we offer competitive fees to attract and retain directors with appropriate skill and experience and the increasing breadth and complexity of the Viva Energy Group as it delivers on its strategic agenda, including the transformation of its retail business through the acquisition of the Coles Express business announced in 2022.

10.1.2 Executive KMP changes

The Board completed a review of the fixed and variable remuneration arrangements of our Executive KMP in 2022, to ensure that they remain competitive against market peers.

As a result of this review, the Board has decided to make an adjustment to the CEO's fixed remuneration in 2023, from $1,400,000 to $1,470,000 and his long term incentive opportunity from 134% to 150% of fixed remuneration. The Board is mindful as the size and scope of the Viva Energy Group grows, particularly as we continue to pursue our strategy, so do the responsibilities of our executive team. The Board aims to keep remuneration levels for our Executive KMP, and our CEO in particular, competitive with their peers. In making this change, the Board noted that the relative positioning of the CEO's remuneration package against the market had declined over the past year as the median remuneration level of the peer group increased year on year. Following this increase, the CEO's fixed remuneration will be positioned between the 50th and 60th percentile of the ASX 50-150 peer group and his total remuneration (including his incentive opportunities at maximum) will be positioned between the 60th and 75th percentile of the peer group. The CEO will only realise the total reward under the incentive opportunities if STI and LTI targets are achieved at maximum aligning the majority of his package with the experience of shareholders.

During the year, we announced changes to our executive team to support our strategic agenda. Jevan Bouzo was appointed Chief Executive, Convenience and Mobility, and will remain an Executive KMP of the Company. The Board has adjusted Mr Bouzo's remuneration for 2023 to recognise the increase in the scope and scale of the retail business as we integrate the Coles Express acquisition. Mr Bouzo's fixed remuneration will increase from $800,000 to $850,000, with STI opportunity remaining at 100% and LTI opportunity increased from 100% to 106% of fixed remuneration.

The Board has approved an increase in LTI opportunity for both the CEO and the Chief Executive, Convenience and Mobility to align more of their incentive opportunity to the success of our strategic agenda while we work towards building a lower carbon future.

Carolyn Pedic was appointed Chief Financial Officer, effective January 2023. Ms. Pedic's TFR has been set at $600,000 and both LTI and STI opportunities set at $450,000 at maximum. As an Executive KMP, details of Ms Pedic's remuneration outcomes will be reported in future remuneration reports.

10.2 2023 STI

The Board has also adjusted the STI scorecard going forward as we look to provide a link between incentives and our climate change targets into the short term incentive. In order to ensure that individual measures are sufficiently material, the Board approved a slight reweighting of the scorecard to increase the Safety and ESG measures to 15% of the total to allow for the introduction of climate change measures and to reduce the strategic priorities component from 30% to 25% of the total scorecard.

Category	2022 STI (current)	2023 STI
Financial	60%	60%
Strategic priorities	30%	25%
Safety and ESG	10% Measure: Safety, environment and people	15% Measure: Incorporates climate change measures, in addition to safety, environment and people

Directors' Report

The Directors present this report, together with the financial report of Viva Energy Group Limited (the Company) and the entities it controlled (collectively, the Group), for the financial year ended 31 December 2022.

This Directors' Report has been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth). The following information, contained in other sections of this Annual Report, forms part of this report:

- The Group's business and strategy on pages 8 to 29;
- Director biographies on pages 30 to 31;
- Risk management disclosures on pages 34 to 37;
- Operating and financial review on pages 38 to 45;
- Remuneration report on pages 46 to 66;
- External auditor's independence declaration on page 72; and
- Note 35 *Auditor's remuneration* on page 129.

Directors, Secretaries and meetings

The Directors of the Company at any time during the financial year ended 31 December 2022 and up until the date of this report, unless otherwise stated, are:

- Robert Hill
- Scott Wyatt
- Arnoud De Meyer
- Dat Duong
- Michael Muller
- Sarah Ryan
- Nicola Wakefield Evans

Information on the qualifications, experience, special responsibilities and other directorships of our Directors is set out on pages 30 to 31.

Company Secretaries

Julia Kagan

BBus (Banking and Finance), LLB (Hons), FGIA

Julia Kagan was appointed Company Secretary on 26 July 2019.

Julia joined Viva Energy in August 2018. Prior to this, Julia held governance roles at BHP and at ASX as part of the Listings Compliance team. Julia is a legal practitioner and holds a Bachelor of Business and a Bachelor of Laws (Honours) from Monash University. She is a Fellow of the Governance Institute of Australia.

Cheng Tang

BCom, LLB, AGIA

Cheng Tang was appointed Company Secretary on 19 August 2021.

Prior to joining Viva Energy in March 2020, Cheng was a senior adviser in the Listings Compliance team at ASX and started her career in assurance at Ernst & Young. Cheng holds a Bachelor of Commerce and a Bachelor of Laws from Monash University and is an Associate of the Governance Institute of Australia.

Directors' meetings

Details regarding Board and Board Committee meetings held during the year and each Director's attendance at these meetings are set out below. Directors have a standing invitation to attend all standing Board Committee meetings. Attendance by Directors at meetings of Committees of which they are not a member is not reflected in the table below.

All Directors receive copies of the agendas, minutes and papers of each standing Board Committee meeting, save to the extent they are subject to a relevant conflict.

	Board meetings		Board Sub-committee meetings		Audit and Risk Committee		Sustainability Committee		Remuneration and Nomination Committee		Strategy and Investment Committee	
	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)
Robert Hill	16	16	2	2			4	3	4	4	2	2
Arnoud De Meyer	16	16							4	4	2	2
Dat Duong	16	15			7	7			4	4	2	2
Sarah Ryan	16	16			7	7	4	4			2	2
Michael Muller	16	16					4	4			2	2
Nicola Wakefield Evans	16	15			7	7	4	4			2	2
Scott Wyatt	16	16	2	2							2	2

(A) Number of meetings held during the period that the Director was eligible to attend.
(B) Number of meetings attended by the Director.

Principal activities and review of operations

Principal activities

During the year, the principal activities of the Group included the following:

- sales of fuel and specialty products through Retail and Commercial channels across Australia;
- management of a national supply, distribution and terminal network; and
- manufacturing activities at the Group's Geelong oil refinery.

State of affairs

There were no significant changes in the Group's state of affairs during the year other than as set out in the Operating and financial review, which is set out on pages 38 to 45 and in the Notes to the consolidated financial statements.

Review of operations

The Operating and financial review of the Group for the 2022 financial year is set out on pages 38 to 45 of this report.

Dividends

We paid the following dividends during the financial year ended 31 December 2022:

Dividend	Total Dividend	Payment date
Final dividend of 3.2 cents per share (fully franked) for the six months ended 31 December 2021	$49.6M	24 March 2022
Interim dividend of 13.7 cents per share (fully franked) for the half year ended 30 June 2022	$212.6M	23 September 2022

Matters subsequent to the end of financial year

On 27 January 2023, the Group received FIRB approval, further to the ACCC approval received on 24 November 2022, to proceed with its acquisition of the Coles Express Convenience Retailing business. The completion of the transaction remains subject to closing conditions with Coles Group (COL) and is anticipated to occur in the second quarter of 2023.

At completion, the Alliance Agreement will be terminated and the Group will acquire the retail convenience business operated by Coles Express for a headline consideration of $300M, subject to customary adjustments at completion.

Remuneration and share interests

Remuneration Report

The Remuneration Report is set out on pages 46 to 66.

Directors' interests in share capital

The relevant interests of each Director in the share capital of the Company as at the date of this Directors' Report are set out below.

Director	Number of ordinary shares in which the Director has a relevant interest
Robert Hill	119,284
Scott Wyatt	7,979,451*
Arnoud De Meyer	156,942
Dat Duong	–
Sarah Ryan	106,667
Michael Muller	–
Nicola Wakefield Evans	40,000

* The CEO will be entitled to receive ordinary shares following the vesting of the 2020 LTI Performance Rights, 2020 and 2021 STI Deferred Share Rights and 2022 Restricted Stock Units. See the Remuneration Report for further information.

Our Managing Director and CEO, Scott Wyatt, holds the following share rights:

- Performance Rights:
  - 556,121 (2020 LTIP)
  - 905,501 (2021 LTIP)
  - 923,637 (2022 LTIP)
- Deferred Share Rights:
  - 46,436 (2020 STIP)
  - 326,052 (2021 STIP)
- Restricted Stock Units:
  - 108,070 (2022 RSU)

Non-Executive Directors do not hold any rights or options over shares in the Company or any Group entity.

Rights and Options over shares in the Company

The table below details the number of Options, Performance Rights and Deferred Share Rights the Company had on issue as at the date of this report. Further information is available in the Remuneration Report.

	Number on issue as at 31 December 2021	Changes during the 2022 financial year	Number on issue as at 31 December 2022	Changes since the end of the 2022 financial year	Number on issue as at the date of this report
Options	384,524 Options exercisable at $1.21 expiring 1 January 2022	384,524 Options exercised	–	–	–
Performance Rights issued under LTIP	5,940,889 Performance Rights	2,449,902* Performance Rights issued 699,045** Performance Rights vested and exercised 699,049 Performance Rights lapsed	6,992,697 Performance Rights	1,713,010** Performance Rights vested 96,351 Performance Rights lapsed	5,183,336 Performance Rights
Deferred Share Rights issued under LTIP and STIP	3,637,914 Deferred Share Rights	2,395,002*** Deferred Share Rights issued 1,998,638** Deferred Share Rights vested and exercised 128,313 Deferred Share Rights lapsed	3,905,964 Deferred Share Rights	198,003** Deferred Share Rights vested and exercised	3,707,961 Deferred Share Rights

* Of these, 923,637 Performance Rights were granted to the CEO on 26 May 2022 as approved by shareholders at the 2022 AGM.

** Each Performance Right or Deferred Share Rights that vests entitles the holder to acquire one ordinary share. The shares allocated upon vesting and exercise are acquired on market and transferred to the holder.

*** Of these, 317,034 Deferred Share Rights and 86,530 Restricted Stock Units were granted to the CEO under the Company's STIP and LTIP.

Corporate governance

As at the date of this report, our corporate governance arrangements and practices complied with the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Our 2022 Corporate Governance Statement is available on our website at www.vivaenergy.com.au.

Auditor

Our external auditor, PricewaterhouseCoopers (PwC), has provided an independence declaration in accordance with the Corporations Act. This is set out at page 72.

Non-audit services

Details of non-audit services provided by, and amounts paid to, our external auditor are set out in Note 35 *Auditor's remuneration* to the financial statements.

The Directors have formed the view, based on advice from the Audit and Risk Committee, that the provision of non-audit services during the 2022 financial year was compatible with, and did not compromise, the general standard of independence for auditors imposed by the *Corporations Act 2001*. The non-audit services provided did not involve the external auditor reviewing or auditing its own work or acting in a management or decision-making capacity for the Company, or otherwise could reasonably be expected to compromise its independence.

No officer of the Company was a partner or director of PricewaterhouseCoopers during the financial year.

Environmental performance

The Group is subject to federal, state and local government environmental regulation in respect of its land holdings, manufacturing, terminal and distribution facilities and marketing operations. Licences are held for a number of these operations issued by the relevant state environmental regulator.

In 2022, the Group received an infringement notice of approximately $14,000 from the Department of Environment and Science in Queensland, for failing to transition away from fluorine-containing firefighting foams at Townsville within the provided deadline. This was due to delays in the supply of relevant components, as well as significant changes in the transition scope.

Proceedings in the Queensland Land & Environment Court to appeal an Environmental Protection Order issued by the Queensland Department of Environment and Science relating to perfluoroalkyl and polyfluoroalkyl substances (PFAS) in stormwater discharges from the Pinkenba Terminal (received in 2021) reached its conclusion in May 2022, with a reduced scope agreed on between the parties. The Group continues to work with the Environment Protection Authority (EPA) in Victoria in relation to similar impacts at our Newport Terminal (notice received in 2020). These notices relate to legacy PFAS contamination associated with the historical use of fluorinated firefighting foams at the terminal as part of the site's fire safety systems. At both the Newport and Pinkenba sites and in consultation with the relevant regulators, mitigation actions have been implemented to reduce the PFAS contamination in stormwater. These mitigations include covering or capping the former fire training grounds at each of the sites, as these areas are responsible for the majority of the contamination in stormwater. Further work is underway to finalise an appropriate level of water treatment.

The Group also developed a management plan for the remediation of PFAS impacted soil and groundwater at the Geelong Refinery. This has involved extensive consultation between our environmental contractors, auditors, regulators and neighbours.

It is expected that a new version of the National Environment Management Plan (NEMP) will be released in 2023, which will set out the acceptable PFAS limits. The Group has reviewed a draft version of the Plan and has fed back to the Department of Environment with regards to methodology and limits.

Indemnities and insurance

The Company maintains a deed of access, insurance and indemnity with each Director and each Company Secretary of the Group. Under those deeds, the Company indemnifies, to the extent permitted by law, each Director and each Company Secretary against any loss that may arise from, or in connection with, any act or omission by that Director/Company Secretary in the performance of, or relating to or in connection with, their position as an officer of the Company or the execution or discharge of duties as such an officer, to the full extent permitted by law. Each deed provides that the Company must meet the full amount of any such loss, including legal costs (calculated on a full indemnity basis) that are reasonably incurred, charges and expenses.

Under the deeds, the Company must arrange and maintain a directors' and officers' insurance policy for the Directors and the Company Secretaries to the extent permitted by law, and must use reasonable endeavours to maintain such insurance for the period from the date of the deed until seven years after the Director/Company Secretary ceases to hold office. This seven-year period can be extended where certain actions or proceedings commence before the period expires.

The Group has entered into insurance policies to insure the Directors and Company Secretaries. The Group has paid the premiums for those policies. In accordance with common commercial practice, the insurance policies prohibits disclosure of the nature of the liabilities insured against and the amount of the premiums.

Viva Energy Group Limited has agreed to reimburse its auditors, PricewaterhouseCoopers, for any liability (including reasonable legal costs) incurred in connection with any claim by a third party arising from Viva Energy's breach of its audit engagement agreement.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, all amounts in this Directors' Report have been rounded to the nearest one hundred thousand dollars ($100,000), or in certain cases, to the nearest one thousand dollars ($1,000).

This Directors' Report is made in accordance with a resolution of the Board.

Robert Hill

Robert Hill
Chairman

Scott Wyatt
CEO and Managing Director

Date: 21 February 2023

Auditor's independence declaration

Auditor's Independence Declaration

As lead auditor for the audit of Viva Energy Group Limited for the year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Viva Energy Group Limited and the entities it controlled during the period.

Trevor Johnston
Partner
PricewaterhouseCoopers

Melbourne
21 February 2023

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Financial report

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Consolidated statement of profit or loss

For the year ended 31 December 2022

	Notes	2022 $M	2021 $M
Revenue	1	**26,432.6**	15,900.0
Cost of goods sold	2	**(24,016.9)**	(14,147.4)
Gross profit		**2,415.7**	**1,752.6**
Net loss on disposal of property, plant and equipment		**(6.5)**	(0.4)
Gain on bargain purchase	29	**8.4**	–
Grant income	2	**–**	56.1
Other income		**1.9**	**55.7**
Transportation expenses		**(385.7)**	(255.0)
Salaries and wages		**(320.3)**	(281.7)
General and administration expenses		**(203.8)**	(160.9)
Maintenance expenses		**(132.9)**	(105.5)
Lease-related expenses	12	**(12.0)**	(6.2)
Sales and marketing expenses		**(125.7)**	(88.8)
		1,237.2	**910.2**
Interest income		**5.2**	1.9
Share of profit of associates	30	**2.2**	0.6
Realised/unrealised fair value gain on derivatives	2	**45.4**	31.0
Net foreign exchanges gain/(loss)	2	**54.3**	(14.5)
Depreciation and amortisation expenses	2	**(404.2)**	(394.7)
Finance costs	2	**(208.3)**	(191.1)
Profit before income tax		**731.8**	**343.4**
Income tax expense	27	**(217.5)**	(110.5)
Profit after tax		**514.3**	**232.9**

Earnings per share		cents	cents
Basic earnings per share	4	**33.3**	14.6
Diluted earnings per share	4	**33.1**	14.5

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income

For the year ended 31 December 2022

	Notes	2022 $M	2021 $M
Profit for the year		514.3	232.9
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent years (net of tax)			
Changes in fair value of equity investments		(1.8)	(0.6)
Remeasurement of post-employment benefits	33	1.6	6.5
Net other comprehensive income		(0.2)	5.9
Total comprehensive income for the year (net of tax)		514.1	238.8

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position
As at 31 December 2022

	Notes	2022 $M	2021 $M
ASSETS			
Current assets			
Cash and cash equivalents	6	**290.5**	96.7
Trade and other receivables	8	**2,001.8**	1,293.1
Inventories	5	**1,561.3**	1,179.5
Assets classified as held for sale	11	**1.9**	1.4
Derivative assets	20	**3.3**	6.8
Prepayments	9	**30.6**	28.0
Total current assets		**3,889.4**	**2,605.5**
Non-current assets			
Long-term receivables	13	**52.3**	40.6
Property, plant and equipment	11	**1,643.8**	1,517.4
Right-of-use assets	12	**2,088.4**	2,184.8
Goodwill and other intangible assets	16	**599.6**	621.5
Post-employment benefits	33	**7.0**	6.8
Investments accounted for using the equity method	30	**15.7**	16.0
Financial assets at fair value through other comprehensive income	14	**6.6**	9.2
Net deferred tax assets	27	**315.9**	305.9
Other non-current assets		**4.9**	1.2
Total non-current assets		**4,734.2**	**4,703.4**
Total assets		**8,623.6**	**7,308.9**
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	10	**3,248.7**	2,145.7
Provisions	17	**161.8**	143.1
Short-term lease liabilities	12, 22	**172.1**	149.4
Derivative liabilities	20	**24.5**	8.6
Current tax liabilities		**141.9**	34.2
Total current liabilities		**3,749.0**	**2,481.0**
Non-current liabilities			
Provisions	17	**86.5**	96.2
Long-term borrowings	21	**–**	191.9
Long-term lease liabilities	12, 22	**2,284.4**	2,331.1
Other long-term liabilities	15	**142.9**	96.8
Total non-current liabilities		**2,513.8**	**2,716.0**
Total liabilities		**6,262.8**	**5,197.0**
Net assets		**2,360.8**	**2,111.9**
Equity			
Contributed equity	23	**4,247.4**	4,252.5
Treasury shares	23	**(18.2)**	(12.7)
Reserves	23	**(4,195.0)**	(4,201.7)
Retained earnings		**2,326.6**	2,073.8
Total equity		**2,360.8**	**2,111.9**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 31 December 2022

	Notes	Contributed equity $M	Treasury shares $M	Reserves $M	Retained earnings $M	Total equity $M
Balance at 1 January 2021		4,373.9	(6.8)	(4,216.6)	1,906.6	2,057.1
Statutory profit for the year		–	–	–	232.9	232.9
Remeasurement of post-employment benefits	33	–	–	6.5	–	6.5
Changes in the fair value of equity investments through other comprehensive income		–	–	(0.6)	–	(0.6)
Total comprehensive income for the year		–	–	5.9	232.9	238.8
Dividends paid (net of dividends paid on treasury shares)	24	–	–	–	(65.7)	(65.7)
Share buy-back	23a, 23c	(21.7)	–	3.7	–	(18.0)
Capital return to shareholders	23a	(99.7)	0.3	(0.2)	–	(99.6)
Share-based payment reserve movement	23c	–	–	5.5	–	5.5
Issue of shares to plan participants	23b	–	3.2	–	–	3.2
Purchase of treasury shares	23b	–	(9.4)	–	–	(9.4)
Balance at 31 December 2021		4,252.5	(12.7)	(4,201.7)	2,073.8	2,111.9
Balance at 1 January 2022		**4,252.5**	**(12.7)**	**(4,201.7)**	**2,073.8**	**2,111.9**
Statutory profit for the year		**–**	**–**	**–**	**514.3**	**514.3**
Remeasurement of post-employment benefits	33	**–**	**–**	**1.6**	**–**	**1.6**
Changes in the fair value of equity investments through other comprehensive income		**–**	**–**	**(1.8)**	**–**	**(1.8)**
Total comprehensive income for the year		**–**	**–**	**(0.2)**	**514.3**	**514.1**
Dividends paid (net of dividends paid on treasury shares)	24	**–**	**–**	**–**	**(261.5)**	**(261.5)**
Share buy-back	23a, 23c	**(5.1)**	**–**	**0.4**	**–**	**(4.7)**
Share-based payment reserve movement	23c	**–**	**–**	**6.5**	**–**	**6.5**
Issue of shares to plan participants	23b	**–**	**5.4**	**–**	**–**	**5.4**
Purchase of treasury shares	23b	**–**	**(10.9)**	**–**	**–**	**(10.9)**
Balance at 31 December 2022		**4,247.4**	**(18.2)**	**(4,195.0)**	**2,326.6**	**2,360.8**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 31 December 2022

	Notes	2022 $M	2021 $M
Operating activities			
Receipt from trade and other debtors		33,602.6	19,225.4
Payments to suppliers and employees		(32,208.0)	(18,529.7)
JobKeeper payments received		–	6.2
Federal Security Services Package payments received		12.4	44.7
Interest received		5.2	1.9
Interest paid on loans		(12.0)	(8.4)
Interest paid on lease liabilities		(171.5)	(173.3)
Net income tax paid		(122.7)	(36.1)
Net cash flows from operating activities	7	**1,106.0**	**530.7**
Investing activities			
Payments for purchases of property, plant and equipment and intangibles		(303.7)	(185.1)
Proceeds from sale of property, plant and equipment		11.9	5.1
Receipt of government grant		25.3	–
Purchase of financial assets		–	(10.1)
Net cash consideration paid for acquisitions		(18.0)	(1.5)
Dividends received from associates	30	2.5	–
Other investing activities		–	1.6
Net cash flows used in investing activities		**(282.0)**	**(190.0)**
Financing activities			
Drawdown of borrowings		2,695.0	3,985.0
Repayments of borrowings		(2,890.0)	(3,945.0)
Dividends paid (net of dividend paid on treasury shares held)	24	(261.5)	(65.7)
Capital return (net of return paid on treasury shares held and transaction costs)		–	(99.6)
Upfront financing cost paid and capitalised		(2.1)	(2.7)
Repayment of lease liability		(156.0)	(137.7)
Share buy-back		(4.7)	(18.0)
Net purchase of employee share options		(10.9)	(9.4)
Net cash flows used in financing activities		**(630.2)**	**(293.1)**
Net increase in cash and cash equivalents		193.8	47.6
Cash and cash equivalents at the beginning of the year		96.7	49.1
Cash and cash equivalents at the end of the year	6	**290.5**	**96.7**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

General information

Reporting entity

The consolidated financial statements of Viva Energy Group Limited ('Company') and the entities it controlled (collectively, 'Group') for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 21 February 2023. The Company is a for-profit company limited by shares incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX: VEA).

The Group is principally engaged in refining, marketing, sale, supply and distribution of fuel and related specialty products. The Group's principal place of business is Level 16, 720 Bourke Street, Docklands, Australia.

Significant changes in the current reporting period

The financial position and performance of the Group were particularly affected by the following events and transactions during the reporting period:

- The Group acquired LyondellBasell Australia on 31 May 2022 for a total purchase consideration of $67.6 million, and recognised a gain on bargain purchase of $8.4 million (see Note 29 *Business Combinations*).

Basis of preparation

Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a going concern basis. The Directors have made this assessment on the basis that the Group has sufficient liquidity and undrawn borrowing facilities to meet its obligations and pay its debts as and when they fall due.

The financial report has been prepared on a historical cost basis, except for financial assets and liabilities (including derivative instruments, equity securities and defined benefit plan assets and liabilities), which have been measured at fair value.

The Group's consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial report is presented in Australian dollars. In accordance with ASIC Legislative Instrument 2016/191, all values are rounded to the nearest one hundred thousand ($100,000), or in certain cases, to the nearest one thousand ($1,000).

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Notes to the consolidated financial statements continued

Use of estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Estimates and judgements require assumptions to be made about uncertain external factors, such as discount rates, interest rates, inflationary impacts, probability factors, the outlook for global and regional market supply and demand conditions, asset useful lives, and climate change and energy transition-related risks. As such, the actual outcomes may differ from these judgements and assumptions.

The significant estimates and judgements that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are highlighted below.

- Information about the assumptions and the risk factors relating to impairment are described in Note 8 *Trade and other receivables* and Note 16 *Goodwill and other intangible assets*.
- Note 11 *Property, plant and equipment* describes the policy and estimation of minimum operating stock and also the process of assessing for impairment of property, plant and equipment.
- Note 12 *Leases* provides an explanation of the key assumptions used to determine the lease related right-of-use assets and lease liabilities.
- Note 16 *Goodwill and other intangible assets* outlines the key assumptions and methodology used to assess the carrying value of the Group's goodwill for impairment.
- Note 17 *Provisions* provides key sources of estimation, uncertainty and assumptions used in regards to estimation of provisions.
- Note 19 *Financial assets and liabilities* and Note 25 *Fair value of financial assets and liabilities* provide an explanation of the key assumptions used to determine the fair value of financial assets and liabilities.
- Information about the assumptions and the risk factors relating to income tax expense and deferred tax balances are described in Note 27 *Income tax and deferred tax*.

New and revised accounting standards

In the current reporting period, several amendments and interpretations were issued by the Australian Accounting Standards Board. The Group has adopted all of the new amendments and interpretations issued that are relevant to its operations and effective for the current annual reporting period. These are listed below:

- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments [AASB 3, AASB 9, AASB 116, AASB 137]*.
- AASB 2021-3 *Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions beyond 30 June 2021*.

The adoption of these new amendments and interpretations do not have a significant impact on the consolidated financial statements of the Group in the current or future periods. Other new amendments and interpretations introduced in the current period are not applicable to the Group.

Standards issued but not yet effective as at 31 December 2022

A number of new accounting standards and interpretations have been published that are not yet effective for periods beginning 1 January 2022 and have not been early adopted by the Group. These standards and interpretations applicable from periods beginning 1 January 2023 or beyond as noted by the effective date are not expected to have a material effect on the consolidated financial statements.

Reclassification and changes in financial presentation

Where presentation and classification of items in the consolidated financial statements changes the comparative amounts are also reclassified unless it is impractical to do so. The nature, amounts and reason for the reclassification are also disclosed. If the reclassification affects an item on the balance sheet, a third consolidated statement of financial position is also presented.

Results for the year

1. Revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2022 $M	2021 $M
Revenue from contracts from customers		
Revenue from sale of goods	**26,196.5**	15,670.6
Non-fuels income	**202.5**	197.5
	26,399.0	15,868.1
Other revenue	**33.6**	31.9
Total revenue	**26,432.6**	15,900.0

Revenue from sale of goods

The Group primarily generates revenue from the sale of refined products in Australia directly to motor vehicle users via the Shell Coles Express Alliance network, directly or indirectly to service stations for sale to motor vehicle users, and to commercial businesses such as road transport, shipping companies, government bodies and airlines. The products that the Group sells are either refined at its own Geelong Refinery or imported into Australia as refined products. In 2022, revenue from the sale of goods also included the sale of polypropylene products from the newly acquired LyondellBasell Australia (now Viva Energy Polymers). Refer to Note 29 *Business combinations*.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery.

Commercial customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. No element of financing is deemed present as the sales are made with a credit term of typically 15 to 45 days, which is consistent with market practice.

Revenue is recognised based on the price specified in the contract, net of expected returns, trade allowances, rebates and GST collected on behalf of third parties. Total revenue includes the recovery of excise paid.

Non-fuels income

Non-fuel income is principally from the site licence payments that the Group receives under a long-term alliance with Coles Express. Other non-fuel income includes income from sub-leases, income from the use of Shell Card and the payment of royalties on convenience sales at Alliance retail sites.

(i) Site licences

The Group generates income from site licences that permits the use of our premises. Calculation of the site licence fee payable is detailed in each Site Agreement and on commercial terms that are bespoke. Revenue from licence fees is recognised over the licence period.

(ii) Brand licence fees

Licence fees relate to the right to access and to market fuel under the Shell brand. The Group (i.e. licensor) holds the licence to Shell brand and therefore retains the control over the brand. Revenue from licence fees is recognised over the licence period.

(iii) Shell Card fees

The Group offers Shell Cards that provide customers a secure and efficient way to buy quality fuels, access to an extensive national service stations network and the option to use online tools to manage fuel spending. The Group charges a monthly card fee to its customers for the use of the card. Revenue from Shell Card is recognised over a period of time. No element of financing is deemed present as the sales are made with a credit term of typically 15 to 45 days, which is consistent with market practice.

(iv) Royalties

The Group receives royalties on convenience store sales in excess of agreed sales thresholds. The amount payable to the Group is calculated on an annual basis as a percentage of any excess over a threshold amount of gross sales of certain kinds of goods and services made on certain sites. Revenue from royalties is recognised over a period of time.

Results for the year continued

1. Revenue continued

Other revenue

Other revenue includes rental recoveries and management fees earned through the Aviation business. Other revenue is recognised as or when the Group satisfies its related performance obligations.

Assets and liabilities related to contracts with customers

There were no assets or liabilities recognised in the balance sheet related to revenue from contracts with customers because the period of amortisation is less than one year.

Disaggregation of revenue from contracts with customers

No one customer accounts for more than 10% of revenue.

2. Other profit or loss items

Cost of goods sold	2022 $M	2021 $M
Cost of products and raw materials	**(19,172.1)**	(8,961.9)
Sales duties, taxes and commissions	**(4,201.3)**	(4,965.5)
Import freight expenses	**(643.5)**	(220.0)
Total cost of goods sold	**(24,016.9)**	(14,147.4)

Cost of goods sold includes the cost of products and raw materials in addition to those costs incurred to bring inventories to a saleable condition. These costs include sales duties, taxes and commissions and import freight expenses.

Grant income	2022 $M	2021 $M
Temporary Refinery Production Payment	**–**	40.6
Fuel Security Services Payment	**–**	12.4
JobKeeper	**–**	3.1
Total grant income	**–**	56.1

During the first half of 2021, the Group received a Temporary Refinery Production Payment (TRPP) grant income amount of $40.6 million as part of the Australian Government's Fuel Security Package. This program was superseded by the Federal Security Services Package (FSSP), which commenced on 1 July 2021 and will conclude on 30 June 2028 (unless extended at the option of the Group). The FSSP resulted in additional income of $12.4 million in 2021. No FSSP income was recognised during 2022 due to high refining margins experienced during the year. In a cap and collar approach, FSSP income commences and is recognised only when refining margin markers fall below $10.20 per barrel (BBL), which did not occur during the year.

In 2021, the Group also received income of $3.1 million from the government's COVID-19 related JobKeeper scheme, which ended on 28 March 2021. No JobKeeper payments were received in the current 2022 year.

The FSSP, TRPP and JobKeeper income are accounted for as government grants and recognised at their fair value upon reasonable assurance that the grant would be received and the Group has complied with all attached conditions.

Realised/unrealised gains on derivatives	2022 $M	2021 $M
Derivative contracts	45.4	31.0

The Group is exposed to the effect of changes in foreign exchange and commodity price movements. During the year the Group entered into derivative contracts, being principally foreign exchange currency contracts (forwards and swaps) and commodity derivative instruments for the purpose of managing the market risks arising from the Group's operations and to hedge market exposure.

Derivatives are recognised at fair value. The gain or loss on subsequent remeasurement is recognised immediately in the consolidated statement of profit or loss. For the year ended 31 December 2022 and including any open positions at balance date, gains of $45.4 million were made (2021: $31.0 million gain). The gains in the current period were the result of various commodity price movements and a weakening Australian dollar through the year.

Foreign exchange gain/(loss)	2022 $M	2021 $M
Foreign exchange gains	291.3	51.3
Foreign exchange losses	(237.0)	(65.8)
Net foreign exchange gain/(loss)	54.3	(14.5)

Foreign currency transactions are translated into Australian dollars using the exchange rate at the date of transactions. Gains and losses resulting from the settlement of such transactions and from the translation of foreign exchange denominated monetary assets and liabilities at year end exchange rates are recognised in the consolidated statement of profit or loss. The net foreign exchange gain/(loss) primarily relates to the foreign currency movements arising from the Group's trade and other payables.

Depreciation and amortisation expense	2022 $M	2021 $M
Depreciation of property, plant and equipment	(143.1)	(140.4)
Depreciation charge of right-of-use assets	(228.2)	(221.6)
Amortisation of intangible assets	(32.9)	(32.7)
Total depreciation and amortisation expense	(404.2)	(394.7)

Finance costs	2022 $M	2021 $M
Interest on borrowings, trade finance and commitment fees	(32.4)	(12.2)
Interest on lease liabilities	(171.5)	(173.3)
Unwinding of discount on provisions	(2.0)	(3.2)
Unwinding of discount on long-term payables	(2.4)	(2.4)
Total finance costs	(208.3)	(191.1)

Results for the year continued

3. Segment information

The Group has identified its operating segments on the basis of how the Chief Operating Decision Maker reviews internal reports about components of the Group to assess performance and determine the allocation of resources.

The Group is organised into business units based on operational activities and has three reportable segments:

Retail, Fuels and Marketing

The Retail, Fuels and Marketing segment consists of both retail and commercial sales and marketing of fuel and specialty products in Australia under the Shell, Liberty, Westside Petroleum and Viva Energy brands, as well as generation of substantial non-fuel income. All sales and marketing-focused activities are included in this segment, in addition to an allocation of supply and corporate overheads.

Refining

The Group's Geelong Refinery in Corio, Victoria, refines crude oil into petrol, diesel and jet fuel. The refinery also manufactures and produces specialty products such as liquid petroleum gas, bitumen, oils, chemical and polymers products. All refinery operating activities are included in this segment, including an allocation of supply and corporate overheads.

Corporate

The Corporate segment consists of Group level costs that cannot meaningfully be allocated to the segments. All other corporate and overhead costs are allocated based on an appropriate cost driver.

The Group owns and manages an integrated supply chain of terminals, storage facilities, depots, pipelines and distribution assets throughout Australia in order to facilitate product distribution and delivery through wholesale and retail sites. Revenues and costs associated with supply and distribution are allocated to the operating segments based on appropriate cost drivers, most commonly, sales volumes.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. The performance of operating segments is evaluated based on segment profit and loss, and is measured consistently with profit or loss in the consolidated financial statements in accordance with the Group's accounting policies. Transfer prices between operating segments are on an arm's length basis similar to transactions with third parties.

Geographical information

The Group's country of domicile is Australia. The Group has operations in Australia, Singapore and Papua New Guinea. All of the Group's non-financial non-current assets are located in Australia.

Information about reportable segments

31 December 2022	Retail, Fuels and Marketing $M	Refining $M	Corporate $M	Total segments $M
Segment revenue:				
Total segment revenue	26,432.6	8,249.1	–	34,681.7
Inter-segment revenue	–	(8,249.1)	–	(8,249.1)
External segment revenue	26,432.6	–	–	26,432.6
Gross profit	1,557.7	858.0	–	2,415.7
Earnings before interest, tax, depreciation and amortisation	797.2	564.4	(22.5)	1,339.1
Interest income	0.5	–	4.7	5.2
Depreciation and amortisation expenses	(328.8)	(72.6)	(2.8)	(404.2)
Finance costs	(200.5)	(5.2)	(2.6)	(208.3)
Segment profit/(loss) before tax expense	268.4	486.6	(23.2)	731.8
Other material items:				
Capital expenditure	121.3	182.4	–	303.7

31 December 2021	Retail, Fuels and Marketing $M	Refining $M	Corporate $M	Total Segments $M
Segment revenue:				
Total segment revenue	15,900.0	4,842.0	–	20,742.0
Inter-segment revenue	–	(4,842.0)	–	(4,842.0)
External segment revenue	15,900.0	–	–	15,900.0
Gross profit	1,454.4	298.2	–	1,752.6
Earnings before interest, tax, depreciation and amortisation	822.9	124.5	(20.1)	927.3
Interest income	–	–	1.9	1.9
Depreciation and amortisation expenses	(328.6)	(63.3)	(2.8)	(394.7)
Finance costs	(184.8)	(3.6)	(2.7)	(191.1)
Segment profit/(loss) before tax expense	309.5	57.6	(23.7)	343.4
Other material items:				
Capital expenditure	81.6	103.5	–	185.1

Results for the year continued

4. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive options into ordinary shares. In line with the requirements of AASB 133 *Earnings Per Share* adjustments to the weighted average number of ordinary and diluted shares are made for events, other than the conversion of potential ordinary shares, that have changed the number of shares outstanding without a corresponding6 change in resources.

The following tables reflect the earnings and share data used in the basic and diluted EPS computations:

(a) Basic earnings per share

	2022 Cents	2021 Cents
Total basic earnings per share attributable to the ordinary equity holders of the Group	**33.3**	14.6

(b) Diluted earnings per share

	2022 Cents	2021 Cents
Total diluted earnings per share attributable to the ordinary equity holders of the Group	**33.1**	14.5

(c) Weighted average number of shares used as the denominator

	2022 Number	2021 Number
Weighted number of ordinary shares used as the denominator in calculating basic earnings per share	**1,545,432,035**	1,593,579,427
Adjustments for calculation of weighted diluted earnings per share:		
Options	**9,388,057**	10,378,108
Weighted number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**1,554,820,092**	1,603,957,535

(d) Information concerning the classification of securities

Ordinary shares

Ordinary shares at 31 December 2022 of 1,549,639,715 represent the 1,944,535,168 shares listed on the ASX as part of the IPO on 13 July 2018, adjusted for the reduction of 357,722,143 ordinary shares as a result of share consolidations undertaken by the Group in 2020 and 2021, and further reductions of 37,173,310 ordinary shares through share buy-back activities between 2020 and 2022.

Any profit is available for distribution to the holders of Viva Energy Group Limited ordinary shares in equal amounts per share, subject to the Group's approved dividend strategy.

Options and rights

Options and rights granted to employees are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the exercise price of the options is lower than the listed share price of Group shares as at 31 December 2022 or if it is considered likely that performance conditions in relation to the rights will be achieved. The options and rights have not been included in the determination of basic earnings per share. Details relating to the options and rights are set out in Note 34 *Related party disclosures*.

Working capital and cash flow

5. Inventories

	2022 $M	2021 $M
Crude for processing	307.4	235.6
Hydrocarbon finished products	1,174.4	910.8
Polymer products	40.4	–
	1,522.2	1,146.4
Stores and spare parts	39.1	33.1
Total inventories	1,561.3	1,179.5

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in-first-out (FIFO) principle and includes the direct cost of acquisition or manufacture.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Impairment of inventories is recognised when net realisable value falls below carrying cost. This primarily occurs as a result of movements in crude oil and refined product prices between the date of purchase and balance date, and is recorded in cost of goods sold in the consolidated statement of profit or loss. No inventory impairment was recognised during the year (2021: nil).

6. Cash and cash equivalents

	2022 $M	2021 $M
Cash at bank per consolidated statement of financial position	290.5	96.7

Cash and cash equivalents include cash deposits held at call with financial institutions. Cash at bank earns interest at floating rates based on daily bank deposit rates during the year, and at the end of the reporting year there were no restrictions on cash (2021: nil).

Working capital and cash flow continued

7. Reconciliation of profit to net cash flows from operating activities

	2022 $M	2021 $M
Profit	514.3	232.9
Adjustments for:		
Net loss on disposal of property, plant and equipment	6.5	0.4
Depreciation and amortisation	176.0	173.1
Depreciation of right-of-use assets	228.2	221.6
Non-cash interest and amortisation on long-term loans	9.5	7.0
Non-cash gain on purchase of business	(8.4)	–
Unrealised loss/(gain) on derivatives	19.3	(17.6)
Unrealised foreign exchange movements	(29.6)	14.3
Share of associate's profit not received as dividends or distributions	(2.2)	(0.6)
Non-cash employee share option taken up in reserves	10.5	8.1
Non-cash treasury shares granted to employees	1.1	0.8
Non-cash loss/(gain) on early termination of leases	0.2	(1.0)
Net cash flows from operating activities before movements in assets/liabilities	925.4	639.0
Movements in assets and liabilities:		
Working capital balances		
Increase in receivables	(701.5)	(502.3)
Increase in inventories	(324.2)	(480.8)
Increase in payables	1,123.4	801.3
Other		
Increase in other assets	(13.8)	(12.3)
(Increase)/decrease in deferred tax assets	(12.9)	17.5
Decrease in post-employment benefits	2.1	2.8
Decrease in tax asset	107.7	55.2
(Decrease)/increase in provisions	(0.2)	10.3
Net cash flows from operating activities	1,106.0	530.7

Movements in the assets and liabilities in the 2022 period were adjusted for the assets and liabilities transferred from LyondellBasell Australia, which was acquired on 31 May 2022, as well as elimination of intercompany balances due to the acquisition.

8. Trade and other receivables

	2022 $M	2021 $M
Trade receivables		
Trade receivables	1,714.4	1,157.2
Allowance for impairment of receivables	(12.5)	(5.5)
Total trade receivables	1,701.9	1,151.7
Other receivables		
Receivables from related parties (Note 34)	137.6	17.6
Receivables from associates	56.3	36.4
Finance lease receivables (Note 12)	1.5	1.4
Other debtors	104.5	86.0
Total other receivables	299.9	141.4
Total trade and other receivables	2,001.8	1,293.1

Trade receivables

Trade receivables are non-interest bearing and are generally on terms of 15 to 45 days. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and are held with the objective to collect the contractual cash flows, and therefore subsequently measured at amortised cost using the effective interest method. Due to the short-term maturity, the carrying amount approximates the fair value. Periodically, the Group enters into factoring arrangements on specific trade receivable balances as part of its overall collections strategy. At 31 December 2022, there were no outstanding trade receivables subject to factoring (2021: nil).

The Group applies the AASB 9 *Financial Instruments* simplified approach to measuring trade receivable expected credit losses which uses a lifetime expected loss allowance for expected credit losses for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over past periods using historical data and also using forward looking projections of customer payment expectations. Trade receivables are often insured for events of non-payment, through third party insurance, which has also been factored into the expected loss rate calculations.

The loss allowance as at 31 December year end was determined as follows for trade receivables:

31 December 2022	Total $M	Current $M	Not more than 30 days past due $M	More than 30 days but not more than 60 days past due $M	More than 60 days but not more than 90 days past due $M	More than 90 days but not more than 120 days past due $M	More than 120 days past due $M
Expected loss rate		0.2%	1.0%	2.0%	5.0%	10.0%	40.0%
Gross carrying amount – trade receivables	1,714.4	1,531.5	155.5	5.4	3.1	0.5	18.4
Loss allowance	(12.5)	(3.1)	(1.6)	(0.1)	(0.2)	(0.1)	(7.4)

31 December 2021	Total $M	Current $M	Not more than 30 days past due $M	More than 30 days but not more than 60 days past due $M	More than 60 days but not more than 90 days past due $M	More than 90 days but not more than 120 days past due $M	More than 120 days past due $M
Expected loss rate		0.1%	1.0%	2.0%	5.0%	10.0%	30.0%
Gross carrying amount – trade receivables	1,157.2	1,136.5	5.2	1.8	0.7	0.0	13.0
Loss allowance	(5.5)	(1.3)	(0.1)	(0.1)	(0.1)	(0.0)	(3.9)

Working capital and cash flow continued

8. Trade and other receivables continued

Trade receivables continued

Movements in the allowance for impairment of receivables were as follows:

	2022 $M	2021 $M
Opening loss allowance as at 1 January	(5.5)	(5.1)
Increase in loss allowance recognised in profit or loss during the year	(8.0)	(1.5)
Receivables written off as uncollectible	1.1	1.1
Amount recognised as a result of acquisitions	(0.1)	–
Closing loss allowance at 31 December	(12.5)	(5.5)

The creation and release of loss allowances for trade receivables has been included within general and administration expense in the consolidated statement of profit or loss. Amounts charged to the allowance account are generally written off when there is no reasonable expectation of recovering additional cash.

Other receivables

Other receivables include receivables from related parties and other debtors of which the majority relates to GST receivable balances and other specific receivable balances. Other receivables are measured at amortised cost as they are held with the objective to collect contractual cash flows of principal and interest payments. Given the nature of the other receivable balances and based on both previous history of collections and future expectations of receipts, the Group believes that other receivables are fully collectable and have not applied a credit loss allowance to these balances.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within trade and other receivables or trade and other payables in the consolidated statement of financial position.

9. Prepayments

	2022 $M	2021 $M
Prepayments	30.6	28.0

Prepayments primarily relate to insurance, prepaid council rates, prepaid IT-related subscriptions and shipping-related costs.

10. Trade and other payables

	2022 $M	2021 $M
Trade payables	1,110.9	806.5
Amounts due to related parties	2,136.6	1,339.1
Amounts due to associates	–	0.1
Contingent consideration – current	1.2	–
Total trade and other payables	3,248.7	2,145.7

Trade payables and amounts due to related parties and associates are non-interest bearing and are normally settled in 30 to 60 days. Amounts due to related parties are primarily for purchases of hydrocarbon. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the end of the reporting period. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

The contingent consideration within trade and other payables relates to the current portion of the expected future earn-out payment as part of the LyondellBasell acquisition. Refer to Note 29 *Business combinations*.

Long-term assets and liabilities

11. Property, plant and equipment

	Construction in progress $M	Freehold land $M	Freehold buildings $M	Plant and equipment $M	Total $M
As at 1 January 2021					
Opening net book value	116.5	118.8	156.5	1,086.3	1,478.1
Additions	182.3	0.9	0.3	6.6	190.1
Disposals	–	(3.1)	(0.9)	(3.6)	(7.6)
Depreciation	–	–	(11.0)	(129.4)	(140.4)
Change of ARO discount/inflation rate	–	–	–	0.2	0.2
Transfers*	(109.2)	(1.6)	(8.3)	117.5	(1.6)
As at 31 December 2021	**189.6**	**115.0**	**136.6**	**1,077.6**	**1,518.8**
Cost	189.6	115.0	213.5	1,759.9	2,278.0
Accumulated depreciation	–	–	(76.9)	(682.3)	(759.2)
Balance as above	**189.6**	**115.0**	**136.6**	**1,077.6**	**1,518.8**
Assets held for sale	–	(1.4)	–	–	(1.4)
Property, plant and equipment	**189.6**	**113.6**	**136.6**	**1,077.6**	**1,517.4**
As at 1 January 2022					
Opening net book value	**189.6**	**115.0**	**136.6**	**1,077.6**	**1,518.8**
Additions	**300.5**	**0.5**	**–**	**4.4**	**305.4**
Disposals	**–**	**(0.3)**	**(0.3)**	**(17.9)**	**(18.5)**
Depreciation	**–**	**–**	**(11.0)**	**(132.1)**	**(143.1)**
Change of ARO discount/inflation rate	**–**	**–**	**–**	**(5.9)**	**(5.9)**
Transfers**	**(119.5)**	**–**	**7.7**	**100.8**	**(11.0)**
As at 31 December 2022	**370.6**	**115.2**	**133.0**	**1,026.9**	**1,645.7**
Cost	**370.6**	**115.2**	**214.2**	**1,814.5**	**2,514.5**
Accumulated depreciation	**–**	**–**	**(81.2)**	**(787.6)**	**(868.8)**
Balance as above	**370.6**	**115.2**	**133.0**	**1,026.9**	**1,645.7**
Assets held for sale	**–**	**(1.9)**	**–**	**–**	**(1.9)**
Property, plant and equipment	**370.6**	**113.3**	**133.0**	**1,026.9**	**1,643.8**

* Net transfers of $1.6 million in 2021 represents $2.2 million in software transferred out from construction in progress to intangibles, offset by $0.6 million in reclassifications.

** Net transfers of $11.0 million in 2022 represents software transferred out from construction in progress to intangibles.

Long-term assets and liabilities continued

11. Property, plant and equipment continued

All property, plant and equipment is stated at historical cost less depreciation, with the exception of construction in progress and freehold land, which are not subject to depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Buildings 20 years
- Plant and equipment 4 to 15 years
- Supply and refining infrastructure 20 to 30 years
- Land Not depreciated

Minimum operating stock – significant estimate

Minimum operating stock, which is the minimum level of inventories held in the entire supply chain and is necessary to operate supply and refining as a going concern, is treated as part of property, plant and equipment. The process of identifying the minimum operating stock volume estimate involves calculations in consultation with engineers responsible for the Group's refining, supply and distribution operations. Minimum operating stock is valued at cost.

Assets held for sale

The Group has a number of in-use property, plant and equipment assets that are classified as held for sale from continuing operations. As at 31 December 2022, these assets totalling $1.9 million comprised mainly retail assets (2021: $1.4 million) and meet the AASB 5 *Non-current Assets Held for Sale and Discontinued Operations Classification Requirements*.

Refining assets

The Group's property, plant and equipment includes refining assets with a net book value of $533.5 million as at 31 December 2022 (2021: $426.2 million). In line with AASB 136 *Impairment of Assets*, the refining assets have been subject to an assessment as to whether any indication of asset impairment exists.

In making this assessment, in addition to considering refinery performance, the following factors have been taken into account:

The Group's commitment to medium-term (2030) emissions reduction targets for our operational emissions (Scope 1 and 2) from a 2019 base year, including a 10% reduction in emissions intensity at the Geelong Refinery.

The Australian Federal Government's long-term Fuel Security Package implemented in 2021 to support and enhance the long-term viability of Australia's refining industry. The payment support provided to the Group will run until 30 June 2028, with the Group having the option to extend the support until 30 June 2030. The payment support structure has been designed to protect earnings during periods of low refining margins, providing for more certain and reliable cash flow. In a cap and collar approach, the payment will commence when the relevant margin marker falls below $10.20 per oil barrel (BBL). The support will increase from 0 cents per litre (cpl) to 1.8 cpl (or $0.0/BBL to $2.90/BBL) on a linear basis until the support caps is at the margin marker level of $7.30/BBL. Below this margin level, full support at 1.8 cpl ($2.90/BBL) will be provided. To receive this support, the Group has committed to continue its refining operations over the support period. The Fuel Security Package is subject to a post-implementation review after two years to ensure it is still appropriate for the Australian market conditions. The scope of the review is to ensure that the initial settings of the package are delivering the policy objective of providing support for refineries when it is needed, noting there is no indication that the Government intends to remove the FSSP following this review.

With the continuation of the Government's Fuel Security Package designed to underpin the financial viability of the refinery and its asset base, and a favourable present and future economic outlook for the refining industry, the assessment concluded that no impairment indicators were identified in relation to the refining assets in the current period.

In respect to the potential impact of the proposed reforms to the Safeguard Mechanism, management continues to consider a range of capital investment scenarios and associated carbon costs. However, the full impacts of the Safeguard Mechanism remain uncertain and are subject to an assessment of the final details of the reforms when they are finalised. The Group does not consider the proposed reforms to be an indication of impairment.

Changes in circumstances may alter the Group's estimates of future costs and useful lives of the refining assets. In such circumstances, some or all of the carrying value of assets may be impaired and the impairment would be charged to the income statement.

12. Leases

This note provides information on the Group leases accounted for under AASB 16 *Leases*.

(a) Amounts recognised on the consolidated statement of financial position

Right-of-use-assets	2022 $M	2021 $M
Retail sites	**1,903.6**	2,000.1
Supply and distribution sites	**152.9**	151.0
Corporate offices	**30.7**	33.5
Motor vehicles	**1.2**	0.2
Total right-of-use assets	**2,088.4**	**2,184.8**

Net additions and transfers to right-of-use assets during the year were $131.8 million (2021: $84.9 million). These additions were offset by depreciation expense of $228.2 million (2021: $221.6 million).

Lease liabilities	2022 $M	2021 $M
Current	**172.1**	149.4
Non-current	**2,284.4**	2,331.1
Total lease liabilities	**2,456.5**	**2,480.5**

Finance lease receivables	2022 $M	2021 $M
Current	**1.5**	1.4
Non-current	**5.6**	6.9
Total finance lease receivables	**7.1**	**8.3**

Finance lease receivables are disclosed within Trade and other receivables in the consolidated statement of financial position.

(b) Amounts recognised on the consolidated statement of profit or loss

Depreciation charge of right-of-use assets	2022 $M	2021 $M
Retail sites	**195.7**	189.7
Supply and distribution sites	**29.2**	28.8
Corporate offices	**2.8**	2.8
Motor vehicles	**0.5**	0.3
Total depreciation charge for right-of-use assets	**228.2**	**221.6**
Interest expense (included within finance costs)	**171.5**	173.3
Expense relating to short-term leases, leases of low-value assets and variable lease related payments not included in leases above	**12.0**	6.2

The total cash outflow for leases for the year amounted to $327.5 million (2021: $311.0 million).

Long-term assets and liabilities continued

12. Leases continued

(c) The Group's leasing activities and how they are accounted for

Group as a lessee

The Group leases various service station sites, office premises, vehicles, and storage and handling facilities. Rental contracts are typically made for fixed periods of two to 15 years, but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of amounts assessed to be included as lease payments under AASB 16 *Leases*.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

In line with accounting standard guidance, where leases have a fixed escalation rate, the fixed rate has been applied when accounting for the lease payments. No rate has been applied to leases that increase at the rate of the Consumer Price Index (CPI) or leases that have a variable escalation rate.

Right-of-use assets are measured at cost comprising the initial measurement of the lease liability and other components as required under AASB 16 *Leases*.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise computer equipment and small office-related items.

Various extension and termination options are included in a number of leases across the Group. These options are negotiated by the Group to provide flexibility in managing the leased-asset portfolio and align with the Group's operational requirements. Judgement is used in determining whether these extension and termination options are reasonably certain to be exercised.

13. Long-term receivables

	2022 $M	2021 $M
Receivables	19.0	6.9
Loans to equity-accounted investees	27.7	26.8
Lease receivables (Note 12)	5.6	6.9
Total long-term receivables	52.3	40.6

14. Financial assets held at fair value through other comprehensive income

	2022 $M	2021 $M
Equity securities	6.6	9.2
Total financial assets held at fair value through other comprehensive income	6.6	9.2

The Group holds public securities in Waga Energy SA and Hyzon Motors Inc. In line with accounting standard requirements, after initial recognition any subsequent valuation measurements are recorded through other comprehensive income. As at 31 December 2022 the fair value of the Group's holdings in Waga Energy SA and Hyzon Motors Inc was $5.7 million (2021: $5.6 million) and $0.9 million (2021: $3.6 million) respectively. There was no movement in the number of securities held during 2022.

15. Other long-term liabilities

	2022 $M	2021 $M
Coles Express long-term payable	**99.2**	96.8
Deferred income	**25.3**	–
Contingent consideration – non-current	**18.4**	–
Total other long-term liabilities	**142.9**	**96.8**

The Coles Express long-term payable represents the present value recognition of a payment due in the future to Coles Express in relation to the transfer of inventory at the time of the Alliance Agreement Amendments that took effect 1 March 2019. While the payment is considered non-current as it is not contractually due within the next 12 months, it is expected to be settled on completion of the Coles Express acquisition in 2023 (refer to Note 36 *Events occurring after the reporting period*).

In 2022 the Group received $25.3 million in government grant cash receipts towards Energy Hub infrastructure projects expected to be completed in 2024. As these government grants relate to purchases of property, plant and equipment, they are included in long-term liabilities as deferred income and will unwind through other income within the consolidated statement of profit or loss on a systematic basis, in line with the related asset depreciation. This accounting treatment is in line with AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*.

The $18.4 million contingent consideration relates to the non-current portion of the expected future earn-out payment as part of the LyondellBasell acquisition. Refer to Note 29 *Business combinations*.

16. Goodwill and other intangible assets

	Goodwill $M	Software $M	Customer contracts $M	Joint venture rights $M	Other $M	Total $M
Net book value						
As at 1 January 2021	337.0	47.9	22.6	124.7	114.5	646.7
Additions	5.3	–	–	–	–	5.3
Transfers	–	2.2	–	–	–	2.2
Amortisation for the year	–	(7.9)	(3.2)	(7.5)	(14.1)	(32.7)
As at 31 December 2021	342.3	42.2	19.4	117.2	100.4	621.5
Cost	342.3	62.2	50.0	152.1	139.9	746.5
Accumulated amortisation	–	(20.0)	(30.6)	(34.9)	(39.5)	(125.0)
As at 31 December 2021	342.3	42.2	19.4	117.2	100.4	621.5
As at 1 January 2022	**342.3**	**42.2**	**19.4**	**117.2**	**100.4**	**621.5**
Transfers	**–**	**11.0**	**–**	**–**	**–**	**11.0**
Amortisation for the year	**–**	**(8.0)**	**(3.0)**	**(7.6)**	**(14.3)**	**(32.9)**
As at 31 December 2022	**342.3**	**45.2**	**16.4**	**109.6**	**86.1**	**599.6**
Cost	**342.3**	**73.2**	**50.0**	**152.1**	**139.9**	**757.5**
Accumulated amortisation	**–**	**(28.0)**	**(33.6)**	**(42.5)**	**(53.8)**	**(157.9)**
As at 31 December 2022	**342.3**	**45.2**	**16.4**	**109.6**	**86.1**	**599.6**

Long-term assets and liabilities continued

16. Goodwill and other intangible assets continued

(a) Goodwill

Goodwill arises when the fair value of the consideration paid for a business acquisition exceeds the fair value of the identifiable assets and liabilities acquired. Where consideration is less than the fair value of acquired net assets, the difference is recognised immediately in the consolidated statement of profit and loss. Goodwill is not amortised and is measured at cost less any impairment losses. In accordance with Australian accounting standard requirements, goodwill is allocated to a Cash-Generating Unit (CGU) and is tested for impairment annually and whenever there is an indication that it may be impaired. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the associate. A CGU level summary of the goodwill allocation is presented below.

	2022 $M	2021 $M
Marketing and Supply	**342.3**	342.3
Refining	**–**	–
Total goodwill recognised	**342.3**	**342.3**

Goodwill represents other intangible assets that did not meet the criteria for recognition as separately identifiable assets. Goodwill allocated to the Marketing and Supply CGU relates to the acquisition of Shell Aviation in 2017, the acquisition of Liberty Oil Holdings Pty Ltd in 2019, the Westside Petroleum Pty Ltd acquisition in 2020 and some small acquisitions in 2021.

Goodwill is tested for impairment annually based on a value-in-use calculation. The calculation uses post-tax cash flow projections based on financial budgets approved by management with growth rates consistent with industry expectations.

Key assumptions in the value-in-use calculation;

Assumption	Approach used to determining values
Cash flow	Earnings before interest, depreciation and amortisation adjusted for working capital movement expectations and capital spend projections
Estimated long-term average growth rate	2.5% (2021: 2.5%)
Post-tax discount rate	7.4% (2021: 5.7%)

The above key assumption values used in the goodwill assessment represent management's expectations of future trends within the industry of which the Marketing and Supply CGU operates, based on both external and internal data sources. The Group has considered and assessed reasonably possible changes in the key assumptions used, including any reasonable estimate of cost to be incurred to achieve the Group's carbon reduction targets and changes in fuel demand, and have not identified any instances that could cause the carrying amount of the Marketing and Supply CGU to exceed its recoverable amount.

There were no goodwill impairment losses recognised during the year ended 31 December 2022 (2021: nil).

(b) Other intangibles

The Group capitalises amounts paid for the acquisition of identifiable intangible assets, such as software, customer contracts and joint venture rights, where it is considered that they will provide benefit in future periods through revenue generation or reductions in costs. These assets, classified as finite life intangible assets, are carried in the consolidated statement of financial position at the fair value of consideration paid less accumulated amortisation and impairment losses. Other intangibles are assessed at the end of each reporting period for impairment indicators.

Intangible assets with finite useful lives are amortised on a straight-line basis over their useful lives. Amortisation for the period is included within the depreciation and amortisation expenses in the statement of profit and loss. The estimated useful lives in the current and comparative periods are reflected by the following amortisation periods:

- Software 5 to 12 years
- Customer contracts 5 to 10 years
- Joint venture rights 20 years

(i) Software

Software primarily relates to the Group's enterprise platform, Oracle JDE, which was implemented in 2018. The Group estimates the useful life of the software to be at least 12 years based on the expected technical obsolescence of such asset. This useful life profile aligns with the written commitment to provide premier support of the platform, underpinning the asset integrity of the system until at least December 2030, not including extended support option periods generally available. The actual useful life may be shorter or longer than 12 years, depending on technical innovations.

(ii) Customer contracts and joint venture rights

The customer contracts and joint venture rights were acquired as part of a business combination, namely, the Shell acquisition in 2014, the Shell Aviation acquisition in 2017 and the Liberty Oil Holdings Pty Limited acquisition in 2019. These intangible assets were recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives.

(iii) Other

On 27 February 2019, the Company announced the extension of the Alliance Agreement with Coles Express through to 2029 under revised terms to create greater alignment between both parties and position the agreement for future growth. Under the revised terms, the Group paid Coles Express a one-off payment of $137.0 million to assume responsibility from 1 March 2019 for the provision of the fuel offering, including retail fuel pricing and marketing across the Alliance network. The Group has assessed the accounting treatment of this transaction under the reacquired rights guidance of the Australian Accounting Standards, and this has been recognised as an intangible asset to be amortised over the remaining life of the Alliance Agreement. Also included in 'Other' are brands' intangibles with a cost base of $2.9 million, acquired as part of the Liberty Oil Holdings Pty Ltd acquisition in 2019.

17. Provisions

	Employee benefits $M	Restructuring provision $M	Asset retirement obligation $M	Environmental remediation $M	Other $M	Total $M
At 1 January 2022	**88.7**	**–**	**94.5**	**43.5**	**12.6**	**239.3**
Additions	**56.2**	**–**	**2.0**	**5.3**	**3.3**	**66.8**
Provisions acquired	**7.0**	**–**	**–**	**–**	**–**	**7.0**
Utilised	**(46.1)**	**–**	**(0.3)**	**(6.6)**	**(7.0)**	**(60.0)**
Unwinding	**2.1**	**–**	**(0.7)**	**0.6**	**–**	**2.0**
Change of discount/inflation	**–**	**–**	**(5.9)**	**(0.9)**	**–**	**(6.8)**
At 31 December 2022	**107.9**	**–**	**89.6**	**41.9**	**8.9**	**248.3**
Current	**104.9**	**–**	**16.7**	**35.7**	**4.5**	**161.8**
Non-current	**3.0**	**–**	**72.9**	**6.2**	**4.4**	**86.5**

	Employee benefits $M	Restructuring provision $M	Asset retirement obligation $M	Environmental remediation $M	Other $M	Total $M
At 1 January 2021	72.7	0.8	99.7	40.1	12.7	226.0
Additions/(write-back)	41.6	3.5	(0.7)	4.2	1.2	49.8
Utilised	(26.7)	(4.3)	(1.7)	(8.9)	(1.3)	(42.9)
Unwinding	1.1	–	1.7	–	–	2.8
Change of discount/inflation	–	–	3.2	0.4	–	3.6
Transfers*	–	–	(7.7)	7.7	–	–
At 31 December 2021	88.7	–	94.5	43.5	12.6	239.3
Current	85.0	–	17.0	31.2	9.9	143.1
Non-current	3.7	–	77.5	12.3	2.7	96.2

* In 2021 $7.7 million of asset retirement obligation provisions were reclassified to environmental remediation provisions as a result of a classification reassessment.

Long-term assets and liabilities continued

17. Provisions continued

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(a) Employee benefits

Liabilities for wages and salaries, including annual leave and long service leave expected to be settled within 12 months of the end of the year, are measured at the amounts expected to be paid. These obligations are presented as current liabilities in the consolidated statement of financial position.

Liabilities for long service leave and annual leave that are not expected to be settled within 12 months of the end of the year are measured at present value. In determining present value, consideration is given to the expected future wage and salary levels, expectations of employee departures and periods of service. Expected future payments are adjusted for future wage and inflation movement expectations, and discounted using market yields of corporate bonds. As required by accounting standards, these obligations are presented as current liabilities in the consolidated statement of financial position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur. However, based on past experience, the Group does not expect the full $104.9 million current employee benefits liability to be taken or paid out within the next 12 months. The following amounts reflect current leave obligations that are not expected to be taken or paid in the next 12 months.

	2022 $M	2021 $M
Current employee benefits liability expected to settle after 12 months	50.3	49.2

(b) Asset retirement obligation – significant estimate

The present value of costs for the future dismantling and removal of assets, and restoration of the site on which the assets are located, is capitalised and depreciated over the useful life of the asset. Subsequent accretion to the amount of a provision due to unwinding of discounting is recognised as a finance cost.

The costs for the future dismantling and removal of assets is based upon management's best estimate using actual costs incurred in similar past projects inflated to the estimated end of useful life date and discounted using an appropriate discount rate.

The Group has recognised a provision associated with plant and equipment including tanks at retail service station sites and fuel storage terminals. In determining the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the assets from the site and the expected timing of those costs. The carrying amount of the provision as at 31 December 2022 was $89.6 million (2021: $94.5 million). The Group estimates that the costs would be incurred upon lease expiry and subsequent exit of the relevant site.

In determining the appropriateness of the asset retirement obligation (ARO) provisions, the Group has considered whether climate change and energy transition are anticipated to result in decreasing fuel demand in the Retail business, which by extension may lead to changes in existing lease tenure for the Group's network of retail sites. The Group continues to focus on the establishment expansion of a network to leverage both fuel and convenience offerings as well as integrating new energies as they emerge. The value of the Group's network extends beyond the fuel infrastructure and, as such, climate change and energy transition risk and the potential impact on fuel demand do not in isolation lead to a decision to reduce the lease terms that inform the timing of estimated cash flows.

As disclosed in Note 12 *Leases*, the Group's rental lease contracts are typically for two to 15 years but may have extension options.

Asset retirement obligations for refinery facilities generally become firm at the time the facilities are permanently shut down and dismantled. These obligations may include the costs of asset disposal and additional soil remediation. For the Geelong Refinery, no ARO has been recognised as the site has an indeterminate life based on plans for continued operations, which prevents the estimate of the fair value of the associated ARO. The Group performs periodic reviews of any changes in its facts and circumstances that might require recognition of an asset retirement obligation.

(c) Environmental provision – significant estimate

Provisions for environmental remediation resulting from ongoing or past operations or events are recognised in the period in which an obligation, legal or constructive, to a third party arises and the amount can be measured reliably. Measurement of liabilities is based on current legal requirements and existing technology.

Where environmental impact studies have been completed, the result of this is used to estimate the cost of site remediation. In other cases, estimates are based on management experience of remediation at similar sites.

The Group has environmental provisions relating to various supply and distribution sites including the Clyde import terminal, which once operated as a refinery, and various owned retail sites. The carrying amount of the provision as at 31 December 2022 was $41.9 million (2021: $43.5 million). The environmental remediation work provided for is expected to be undertaken within the next three years.

(d) Other provisions

Other provisions include costs associated with the removal of contents and cleaning of tanks in preparation for demolition, and provisions against legal claims.

18. Commitments and contingencies

(a) Capital commitments

At 31 December 2022, the Group had capital expenditure contracted at the reporting date but not recognised as liabilities related to property, plant and equipment totalling $110.0 million (2021: $30.5 million). There are no capital commitments from associate companies at the end of the period; therefore, the included amount from associates in the Group's overall amount is nil (2021: nil).

(b) Guarantees

As at 31 December 2022, guarantees amounting to $71.6 million (2021: $55.9 million) have been given in respect of the Group's share of workers compensation, surety for major contracts and other matters including government works.

Under the terms of the Deed of Cross Guarantee entered in accordance with ASIC Instrument 2016/785, each Australian Group entity guarantees to each creditor payment in full of any debt in accordance with the Deed. Parties to the Deed are identified in Note 32 *Deed of Cross Guarantee*. No liabilities have been recognised in the consolidated statement of financial position in respect of financial guarantee contracts.

(c) Contingencies and other disclosures

As at 31 December 2022, the Group has contingent liabilities of $4.4 million primarily related to legal matters that management considers it not probable that a present obligation exists (2021: $13.8 million).

Capital funding and financial risk management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- the interest cover ratio must not be less than 3.0x;
- the liquidity ratio must not exceed 0.60; and
- the leverage ratio must not be more than 2.0x.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 2021.

19. Financial assets and liabilities

This table provides a summary of the Group's financial instruments, how they are classified and measured, and reference to relevant disclosure notes within the financial statements.

The Group holds the following financial instruments at the end of the reporting period:

	Notes	2022 $M	2021 $M
Financial assets			
Financial assets held at amortised cost			
Trade and other receivables	8	**2,001.8**	1,293.1
Long-term receivables	13	**52.3**	40.6
Cash and cash equivalents	6	**290.5**	96.7
Financial assets at fair value through profit and loss			
Derivative assets	20	**3.3**	6.8
Financial assets at fair value through other comprehensive income			
Equity securities	14	**6.6**	9.2
		2,354.5	**1,446.4**
Financial liabilities			
Financial liabilities held at amortised cost			
Trade and other payables (excluding contingent consideration)	10	**3,247.5**	2,145.7
Long-term borrowings	21	**–**	191.9
Lease liabilities	12, 22	**2,456.5**	2,480.5
Other long-term liabilities (excluding contingent consideration)	15	**124.5**	96.8
Financial liabilities at fair value through profit and loss			
Derivative liabilities	20	**24.5**	8.6
Contingent consideration	10, 15	**19.6**	–
		5,872.6	**4,923.5**

Financial assets

(a) Initial recognition and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss).

The classification of financial assets at initial recognition depends on the financial assets contractual cash flow characteristics and business model the Group uses to manage them. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and its associated cash flow characteristics. The Group's three measurement categories are as follows:

(i) Amortised cost

This category is the most relevant to the Group. Financial assets are measured at amortised cost if the asset is held within a business model to collect contractual cash flows where those cash flows represent solely payments of principal and interest. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade and other receivables, long-term receivables and cash and cash equivalents.

(ii) Fair value through other comprehensive income (FVOCI)

The Group measures financial assets at FVOCI if the financial asset is held within a business model to collect contractual cash flows and for selling the financial assets, where those cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest income and foreign exchange gains and losses, which are recognised in the consolidated statement of profit or loss. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group, however, can make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured through profit or loss to present all subsequent changes, with the exception of dividends, in FVOCI, including upon derecognition. The Group holds public securities in Waga Energy SA and Hyzon Motors Inc, and on initial recognition of these financial assets elected to recognise any subsequent measurement at FVOCI.

(iii) Fair value through profit and loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL and include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets required to be measured at fair value. Financial assets at FVPL 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. During the year, derivative assets were the only assets measured at FVPL.

(b) Derecognition

A financial asset is derecognised 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 and, has transferred substantially all the risks and rewards of the asset and/or control of the asset.

(c) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on the determined risk profile of each financial asset and the future expected credit risks relating to the identified asset. For trade receivables, the Group applies a simplified approach to calculating expected credit losses as permitted by AASB 9 *Financial Instruments*, recognising a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. See Note 8 *Trade and other receivables* for further details.

Capital funding and financial risk management continued

19. Financial assets and liabilities continued

Financial liabilities

(a) Initial recognition and subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities measured at amortised cost (which for the Group are trade and other payables, long-term payables, lease liabilities and borrowings) or as financial liabilities at FVPL. All financial liabilities are recognised initially at fair value and, in the case of payables and borrowings, net of directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as described below:

(i) Amortised cost

This is the category most relevant to the Group and includes trade and other payables, lease liabilities, borrowings and long-term payables. Trade payables and amounts due to related parties are non-interest bearing and are normally settled in 30 to 60 days. Amounts due to related parties are primarily for purchases of hydrocarbon. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the end of the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Due to their short-term nature, the carrying amounts of trade and other payables are considered to be the same as their fair values. Trade and other payables (excluding contingent consideration), lease liabilities, borrowings and long-term liabilities (excluding contingent consideration) are initially recognised at fair value net of transaction costs incurred, and subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the liabilities using the effective interest method.

(ii) Fair value through profit and loss (FVPL)

Derivatives and contingent consideration are the Group's only financial liabilities that are measured at FVPL. Derivatives are classified as held for trading and are entered into by the Group to mitigate exposure to the effects of changes in foreign exchange and commodity price movements. Changes in fair value of any derivative liabilities are recognised immediately in realised/unrealised (loss)/gain on derivatives in the consolidated statement of profit or loss. Contingent consideration relates to the expected future earn-out payment as part of the LyondellBasell acquisition in 2022. After being initially recognised at fair value, contingent consideration as part of a business acquisition is subsequently measured at fair value with changes recognised in profit or loss.

(b) 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.

20. Derivative assets and liabilities

Derivatives are classified as held for trading and accounted for at fair value through profit or loss. The Group has the following derivative financial instruments at the end of the reporting period:

	2022 $M	2021 $M
Derivative assets	**3.3**	6.8
Derivative liabilities	**(24.5)**	(8.6)

The Group has determined the fair value, which is classified as Level 2 in the fair value hierarchy, using the present value of estimated future settlements based on market quoted information.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss category are presented in the consolidated statement of profit or loss in the period in which they arise. Interest income from these financial assets are recognised in the consolidated statement of profit or loss.

21. Long-term borrowings

	2022 $M	2021 $M
Long-term bank loans	–	195.0
Net capitalised borrowing costs on long-term bank loans	–	(3.1)
Total long-term borrowings	**–**	**191.9**

On 9 June 2022, the Group refinanced its US$700 million syndicated, revolving credit facility for a three-year term with a one-year extension option. The facility is unsecured with terms and conditions largely consistent with the previous facility held, and the refinancing did not classify as a financial liability extinguishment under AASB 9 *Financial Instruments*.

At the end of the reporting period, the Group had access to the unsecured facility limit amounting to $1,033.2 million (2021: $964.7 million unsecured) that is in place primarily for working capital purposes. The amount drawn at 31 December 2022 is nil (2021: $195.0 million). The weighted average interest rate on long-term bank loans in 2022 was 2.15% (2021: 1.43%).

This borrowing facility is subject to covenant arrangements disclosed under Capital funding and financial risk management on page 100.

22. Consolidated net debt

	2022 $M	2021 $M
Net debt		
Cash and cash equivalents	290.5	96.7
Borrowings – repayable after one year	–	(191.9)
Net debt excluding lease liabilities	**290.5**	**(95.2)**
Lease liabilities – repayable within one year	(172.1)	(149.4)
Lease liabilities – repayable after one year	(2,284.4)	(2,331.1)
Net debt including lease liabilities	**(2,166.0)**	**(2,575.7)**

	Other assets	Liabilities from financing activities				
Analysis of changes in consolidated net debt	**Cash/ overdrafts $M**	**Leases due within 1 year $M**	**Leases due after 1 year $M**	**Borrowings due within 1 year $M**	**Borrowings due after 1 year $M**	**Total $M**
At 1 January 2021	49.1	(135.9)	(2,398.4)	–	(153.3)	(2,638.5)
Cash flows	47.6	137.7	–	–	(40.0)	145.3
Other non-cash movements	–	(151.2)	67.3	–	1.4	(82.5)
At 31 December 2021	**96.7**	**(149.4)**	**(2,331.1)**	**–**	**(191.9)**	**(2,575.7)**
Cash flows	193.8	156.0	–	–	195.0	544.8
Other non-cash movements	–	(178.7)	46.7	–	(3.1)	(135.1)
At 31 December 2022	**290.5**	**(172.1)**	**(2,284.4)**	**–**	**–**	**(2,166.0)**

Capital funding and financial risk management continued

23. Contributed equity and reserves

(a) Contributed equity

Ordinary shares are classified as equity. These shares entitle the holder to participate in dividends and to share in the proceeds of winding up the Group in proportion to the number of, and amounts paid on, the shares held.

	2022 $M	2021 $M
Issued and paid up capital	**4,247.4**	4,252.5
Cost per share	**$2.741**	$2.741

Movements in ordinary share capital	Shares	$M
At 1 January 2021	1,607,638,647	4,373.9
Buy-back of shares, net of tax	(7,924,716)	(21.7)
Capital return to shareholders	–	(99.7)
Share consolidation	(48,223,469)	–
At 31 December 2021	1,551,490,462	4,252.5
At 1 January 2022	**1,551,490,462**	**4,252.5**
Buy-back of shares, net of tax	**(1,850,747)**	**(5.1)**
At 31 December 2022	**1,549,639,715**	**4,247.4**

Share buy-back

During the period, the Company purchased, and subsequently cancelled, 1,850,747 ordinary shares (2021: 7,924,716) on-market as part of the Company's buy-back program. The cancellation of the shares has been treated as a reduction in share capital of $5.1 million (2021: $21.7 million), with the $0.4 million (2021: $3.7 million) difference between the par value of the purchased shares and the buy-back price being recorded against the Company's capital redemption reserve. The total value of the share buy-back during the period was $4.7 million (2021: $18.0 million).

Share consolidation

In 2021, the Group's capital management initiatives included a capital return to shareholders of $99.7 million. A share consolidation was then undertaken commensurate with the overall return to shareholders, reducing the number of ordinary shares by 48,223,469. No share consolidation activities were undertaken in 2022.

(b) Treasury shares

Treasury shares are shares in Viva Energy Group Limited that are held by the Viva Energy Employee Share Plan Trust for the purpose of issuing shares under various share-based incentives plans. Shares issued to employees are recognised on the first-in-first-out basis.

Movements in treasury shares	Shares	$M
At 1 January 2021	4,907,660	6.8
Acquisition of treasury shares (average price: $2.20 per share)	4,269,221	9.4
Transfer of shares to employees	(2,510,384)	(3.2)
Capital return to shareholders	–	(0.3)
Share consolidation	(154,805)	–
At 31 December 2021	6,511,692	12.7
At 1 January 2022	**6,511,692**	**12.7**
Acquisition of treasury shares (average price: $2.58 per share)	**4,224,859**	**10.9**
Transfer of shares to employees	**(3,595,970)**	**(5.4)**
At 31 December 2022	**7,140,581**	**18.2**

(c) Reserves

The following table shows a breakdown of the reserve balances and the movements in these reserves during the year.

	Post-employment benefits reserve $M	Share-based payment reserve $M	IPO reserve $M	Capital Redemption Reserve $M	Equity Investment Revaluation Reserve $M	Total $M
At 1 January 2021	3.2	(3.8)	(4,237.7)	21.7	–	(4,216.6)
Share-based payment expenses, net of tax		8.2	–	–	–	8.2
Issue of shares to employees	–	(2.7)	–	–	–	(2.7)
Remeasurement of retirement benefit obligations	6.5	–	–	–	–	6.5
Share buy-back	–	–	–	3.7	–	3.7
Capital return	–	–	–	(0.2)	–	(0.2)
Changes in the fair value of equity investments at fair value through other comprehensive income	–	–	–	–	(0.6)	(0.6)
At 31 December 2021	9.7	1.7	(4,237.7)	25.2	(0.6)	(4,201.7)
Share-based payment expenses, net of tax	**–**	**10.4**	**–**	**–**	**–**	**10.4**
Issue of shares to employees	**–**	**(3.9)**	**–**	**–**	**–**	**(3.9)**
Remeasurement of retirement benefit obligations	**1.6**	**–**	**–**	**–**	**–**	**1.6**
Share buy-back	**–**	**–**	**–**	**0.4**	**–**	**0.4**
Changes in the fair value of equity investments at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**(1.8)**	**(1.8)**
At 31 December 2022	**11.3**	**8.2**	**(4,237.7)**	**25.6**	**(2.4)**	**(4,195.0)**

IPO reserve

On 13 July 2018 the Group was part of an initial public offering (IPO) and listed a total of 1,944,535,168 shares on the ASX. At this time a reserve was recognised representing the excess in IPO consideration over the pre-listing net book value of the Company. Applicable transaction costs were also recorded in the reserve.

Capital Redemption Reserve

Shares purchased under the buy-back program result in a reduction in equity, with the impact to the Capital Redemption Reserve being the difference between the total amounts paid to buy back each share and the cost per share of $2.741. In line with accounting standard requirements, the costs associated with the share buy-back program, such as broker commission and legal fees, are also captured in the Capital Redemption Reserve.

Capital funding and financial risk management continued

24. Dividends declared and paid

Dividends determined and paid during the year	2022 $M	2021 $M
Fully franked dividend relating to the prior period	49.6	–
Interim fully franked dividend	212.6	65.9
Dividends determined and paid during the year	262.2	65.9

The Company paid a 2021 final dividend of $49.6 million – 3.2 cents per share to shareholders on 24 March 2022 (2021:nil). This fully franked dividend was in relation to the six-month period ended 31 December 2021. Included in the $49.6 million dividend was $0.1 million in dividends payable to treasury shares on hand in the previous year. The net impact of the total dividend on retained earnings amounted to $49.5 million.

In addition, the Company paid an interim 2022 dividend of $212.6 million – 13.7 cents per share to shareholders on 23 September 2022 (2021: $65.9 million – 4.1 cents per share). This fully franked dividend was in relation to the six-month period ended 30 June 2022. Included in the $212.6 million dividend was $0.6 million in dividends payable to treasury shares on hand during the year. The net impact of the total dividends on retained earnings amounted to $212.0 million.

Subsequent to year end, the Board has determined a final dividend of 13.3 cents per fully paid ordinary share in relation to the six months ended 31 December 2022. The aggregate amount of the proposed dividend expected to be paid on 24 March 2023 out of retained earnings at 31 December 2022, but not recognised as a liability at year end, is $206.1 million.

Dividend franking account

The balance of the franking account of the Australian consolidated tax group, headed by Viva Energy Group Limited, is $9.3 million at 31 December 2022 (2021: $2.9 million) based on a tax rate of 30%.

25. Fair value of financial assets and liabilities

The Group's accounting policies and disclosures may require the measurement of fair values for both financial and non-financial assets and liabilities. The Group has an established framework for fair value measurement. When measuring the fair value of an asset or a liability, the Group uses market observable data where available.

Fair values are categorised into different levels in a fair value hierarchy based on the following valuation techniques:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(a) Fair value measurement hierarchy for the Group

	Quoted in active markets (Level 1) $M	Significant observable inputs (Level 2) $M	Significant unobservable inputs (Level 3) $M
31 December 2022			
Derivative assets	–	3.3	–
Derivative liabilities	–	(24.5)	–
Equity securities	6.6	–	–
Contingent consideration	–	–	19.6
Total at 31 December 2022	6.6	(21.2)	19.6
31 December 2021			
Derivative assets	–	6.8	–
Derivative liabilities	–	(8.6)	–
Equity securities	9.2	–	–
Total at 31 December 2021	9.2	(1.8)	–

(b) Recognised fair value measurements

Equity securities

The Group holds public securities in Waga Energy SA and Hyzon Motors Inc. The fair value of these publicly traded securities is based on quoted market prices at the end of the reporting period.

Derivative assets and liabilities

The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employ the use of market observable inputs. As at 31 December 2022, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

Contingent consideration

In 2022, the acquisition of LyondellBasell Australia (LBA) included contingent consideration of $19.6 million as part of the total purchase consideration. In the event that performance targets are achieved by the subsidiary over a six-year period beginning at the completion date, an additional consideration of up to $25.0 million may be payable in cash throughout the earn-out period. The potential undiscounted amount payable under the agreement is between $0 and $25.0 million. The fair value of the contingent consideration of $19.6 million has been estimated by using discounted cash flow modelling to derive the present value of the future expected cash flows of the subsidiary over the earn-out period. Key inputs into the calculation include a risk adjusted discount rate based on the risk profile of the subsidiary and expected future cash flow projections based on historical volume and pricing data.

Capital funding and financial risk management continued

26. Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise current and non-current borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group also holds lease liabilities and long-term payables. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that were derived directly from its operations. The Group also holds equity securities and derivative financial assets and enters into derivative transactions.

Exposure to foreign currency risk, interest rate risk, liquidity risk, commodity price risk and credit risk arises in the normal course of the Group's business. The Group's overall financial risk management strategy is to seek to ensure that the Group is able to fund its corporate objectives and meet its obligations to stakeholders. Derivative financial instruments may be used to hedge exposure to fluctuations, especially movements in foreign exchange rates.

Financial risk management is carried out by Group Treasury while risk management activities in respect to customer credit risk are carried out by the Finance and Credit teams. The Group Treasury and Finance and Credit teams operate under policies approved by the Board. The teams identify, evaluate and monitor the financial risks in close cooperation with the Group's operating units.

(a) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to movements in foreign exchange rates in the normal course of its business primarily due to the fact that it purchases product and crude in United States dollars (USD) and sells in Australian dollars (AUD). Any specific foreign exchange exposure that relates to borrowings is managed separately and subject to separate Board approvals.

The objective of the Group's foreign exchange program is to minimise the effect of a fluctuation in foreign exchange rates on Group earnings and its cash flows. Transactions that could be regarded as speculative are not permitted. The program of foreign exchange risk management identifies, measures, takes actions to mitigate this risk, and reports the performance of the program in a controlled and non-speculative manner. The focus is on cash flow exposures rather than just profit and loss.

The Group manages foreign currency risk by using foreign currency forward contracts to offset foreign exchange exposures. At 31 December 2022 and 2021, the Group hedged 100% of its net USD payables and this is actively managed on a daily basis through a hedge program. As at 31 December 2022, the total fair value of all outstanding foreign currency exchange forwards amounted to a $21.2 million net liability (2021: $1.8 million net liability).

The Group's exposure to foreign exchange rates for classes of financial assets and liabilities, including sensitivities to pre-tax profit of the Group if the AUD strengthened/weakened by 10% against the USD with all other variables held constant, is set out below. The foreign exchange program outlined is undertaken to mitigate this risk.

	2022 $M	2021 $M
USD denominated trade receivables (in AUD)	**343.3**	173.3
USD denominated trade payables (in AUD)	**(2,491.2)**	(1,409.3)
Net exposure	**(2,147.9)**	**(1,236.0)**
Effect in pre-tax profit		
AUD strengthens against USD by 10%	**214.8**	123.6
AUD weakens against USD by 10%	**(214.8)**	(123.6)

The Group has minimal exposure to other currencies (Euro, British Pound, Singapore Dollar, Papua New Guinea kina and Malaysian Ringgit) with total payable balances denominated in other currencies of $2.7 million at 31 December 2022 (2021: $2.6 million).

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's syndicated bank loan and cash holdings with floating interest rates.

The Group's exposure to interest rate risk for classes of financial assets and liabilities including sensitivities to pre-tax profit of the Group if interest rates had changed by -/+1% from the year end rates, with all other variables held constant, is set out as follows:

	2022 $M	2021 $M
Financial assets		
Cash and cash equivalents	**290.5**	96.7
Loan to related party	**27.7**	26.8
Total financial assets	**318.2**	**123.5**
Financial liabilities		
Long-term bank loans	–	191.9
Total financial liabilities	–	**191.9**
Net exposure	**318.2**	**(68.4)**
Interest rates increase by 1%	**3.2**	(0.7)
Interest rates decrease by 1%	**(3.2)**	0.7

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Due to the dynamic nature of the underlying business, the liquidity risk policy requires maintaining sufficient cash and an adequate amount of committed credit facilities to be held above the forecast requirements of the business.

The Group manages liquidity risk centrally by monitoring cash flow forecasts, maintaining adequate cash on hand and debt facilities. The debt portfolio is periodically reviewed to ensure there is funding flexibility across an appropriate maturity profile. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	No more than 1 year $M	More than 1 year but no more than 5 years $M	More than 5 years $M	Total $M
31 December 2022				
Trade and other payables	**3,248.7**	–	–	**3,248.7**
Long-term payables	–	**43.1**	**120.1**	**163.2**
Long-term bank loans	–	–	–	–
Derivative liabilities	**24.5**	–	–	**24.5**
Lease liabilities	**332.0**	**1,318.4**	**1,852.0**	**3,502.4**
Total at 31 December 2022	**3,605.2**	**1,361.5**	**1,972.1**	**6,938.8**
31 December 2021				
Trade and other payables	2,145.7	–	–	2,145.7
Long-term payables	–	–	114.2	114.2
Long-term bank loans	–	195.0	–	195.0
Derivative liabilities	8.6	–	–	8.6
Lease liabilities	312.7	1,256.7	2,082.8	3,652.2
Total at 31 December 2021	**2,467.0**	**1,451.7**	**2,197.0**	**6,115.7**

The financial liabilities due within the next 12-month period amount to $3,605.2 million (2021: $2,467.0 million). The Group has current assets of $3,889.4 million (2021: $2,605.5 million) and a net current asset position of $140.4 million (2021: $124.5 million net current asset position). The Group has access to undrawn credit facilities of $1,033.2 million, in place primarily for working capital purposes, and is in a position to meet its financial liability obligations as and when they fall due.

Capital funding and financial risk management continued

26. Financial risk management continued

(d) Commodity price risk

The Group is exposed to the effect of changes in commodity price (i.e. oil and refined product prices) in its normal course of business.

The objective of the Group's commodity price strategy is to reduce earnings volatility as a result of movements in oil and refined product prices. The Group achieves this by:

- monitoring hydrocarbon volumes priced in and out on a monthly basis and hedging up to 100% of the net exposure; and
- monitoring expected refining margins and hedging constituent components to protect refining income, hedging up to 100% of net refinery exposure.

The Group manages commodity price exposure through the purchase or sale of swap contracts up to 36 months forward. Commodity price hedges outstanding at 31 December 2022 totalled $1.7 million (2021: nil).

Commodity price sensitivity analysis

The Group's exposure to commodity prices risk, including sensitivities to pre-tax profit if commodity prices had changed by -/+10% from the year end prices, with all other variables held constant, are set out as follows:

	2022 $M	2021 $M
Commodity prices decrease by 10%	**7.0**	4.4
Commodity prices increase by 10%	**(6.4)**	(4.0)

(e) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Customer credit risk

The Group manages credit risk and the losses that could arise from default by ensuring that parties to contractual arrangements are of an appropriate credit rating, or do not show a history of defaults.

The Group applies the AASB 9 *Financial Instruments* simplified approach to measuring trade receivable expected credit losses, which uses a lifetime expected loss allowance for expected credit losses for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over past periods using historical data and also using forward looking projections of customer payment expectations. Trade receivables are often insured for events of non-payment, through third party insurance, which has also been factored into the expected loss rate calculations. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

The ageing profile of the receivable balance and expected credit loss rates are detailed in Note 8 *Trade and other receivables.*

Financial institution credit risk

Financial assets such as cash at bank and forward contracts are held with high credit quality financial institutions.

Maximum exposure to credit risk

The Group's maximum credit risk exposure at balance date in relation to each class of recognised financial assets, other than equity and derivative financial instruments, is the carrying amount of those assets as indicated in the consolidated statement of financial position.

Taxation

27. Income tax and deferred tax

(a) Reconciliation of income tax expense at Australian standard tax rate to actual income tax expense

	2022 $M	2021 $M
Accounting profit before income tax expense	731.8	343.4
Tax at the Australian tax rate of 30%	(219.5)	(103.0)
Non-deductible transaction costs	(6.4)	(4.3)
Sundry items	0.3	(0.1)
Adjustment relating to prior periods	4.7	(4.3)
Net non-refundable carry forward tax offsets	0.9	1.2
Gain on bargain purchase	2.5	–
Income tax expense for the period	(217.5)	(110.5)

(b) Income tax benefit/(expense)

	2022 $M	2021 $M
Current tax expense	(231.3)	(92.9)
Deferred tax benefit/(expense)	9.1	(13.3)
Adjustment relating to prior periods	4.7	(4.3)
Income tax expense reported in the consolidated statement of profit or loss	(217.5)	(110.5)
Deferred income tax benefit included in income tax expense comprises:		
Decrease in deferred tax assets	(58.3)	(52.8)
Decrease in deferred tax liabilities	28.3	42.8
Adjustment in deferred tax relating to prior periods	39.1	(3.3)
	9.1	(13.3)
Tax relating to items recognised in other comprehensive income or directly in equity rather than through the statement of profit or loss		
Deferred tax related to items recognised in other comprehensive income during the period:		
Remeasurement of post-employment benefits	1.6	(2.8)
Remeasurement of equity investments in overseas entities	0.8	0.3
Deferred tax related to items recognised directly to equity during the period:		
Transaction costs recognised in equity	(4.1)	(4.2)
Deferred tax recognised as part of business combinations:	2.7	–
	10.1	(20.0)

Taxation continued

27. Income tax and deferred tax continued

(c) Deferred tax

	2022 $M	2021 $M
Deferred tax assets		
The balance comprises combined temporary differences attributable to:		
Property, plant and equipment	84.4	88.8
Lease liabilities	737.0	744.1
Inventories	110.1	120.0
Asset retirement obligation	25.1	27.4
Employee benefits	31.9	26.3
Tax losses carried forward	2.5	3.4
Other	7.1	6.3
Total deferred tax assets	998.1	1,016.3
Deferred tax liabilities		
The balance comprises combined temporary differences attributable to:		
Right-of-use assets	(628.6)	(657.9)
Intangible assets	(50.7)	(50.4)
Derivative contracts	(2.9)	(2.2)
Total deferred tax liabilities	(682.2)	(710.5)
Net deferred tax assets	315.9	305.8
Net deferred tax balances expected to be realised within 12 months	47.2	31.1
Net deferred tax balances expected to be realised after more than 12 months	268.7	274.7
	315.9	305.8

(d) Movements in deferred tax assets

2021 movements	Property, plant and equipment $M	Lease liabilities $M	Inventories $M	Asset retirement obligations $M	Employee benefits $M	Tax losses carried forward $M	Other* $M	Total $M
Balance at 1 January 2021	100.6	760.3	81.0	27.7	24.0	70.8	12.7	1,077.1
(Charged)/credited:								
To profit or loss	(11.8)	(16.2)	39.0	(0.3)	5.1	–	(2.5)	13.3
Directly to equity	–	–	–	–	–	–	(4.2)	(4.2)
Other comprehensive income	–	–	–	–	(2.8)	–	0.3	(2.5)
Current year tax loss and carried forward tax credits/offsets	–	–	–	–	–	(67.4)	–	(67.4)
Balance at 31 December 2021	**88.8**	**744.1**	**120.0**	**27.4**	**26.3**	**3.4**	**6.3**	**1,016.3**

2022 movements	Property, plant and equipment $M	Lease liabilities $M	Inventories $M	Asset retirement obligations $M	Employee benefits $M	Tax losses carried forward $M	Other* $M	Total $M
Balance at 1 January 2022	**88.8**	**744.1**	**120.0**	**27.4**	**26.3**	**3.4**	**6.3**	**1,016.3**
(Charged)/credited:								
Acquired in business combination (VE Polymers)	**0.1**	**–**	**0.2**	**–**	**2.2**	**–**	**0.2**	**2.7**
To profit or loss	**(3.1)**	**(7.1)**	**30.8**	**(2.3)**	**1.8**	**–**	**3.5**	**23.6**
Prior period adjustments	**(1.4)**	**–**	**(40.9)**	**–**	**–**	**0.6**	**0.4**	**(41.3)**
Directly to equity	**–**	**–**	**–**	**–**	**–**	**–**	**(4.1)**	**(4.1)**
Other comprehensive income	**–**	**–**	**–**	**–**	**1.6**	**–**	**0.8**	**2.4**
Current year tax loss and carried forward tax credits/offsets	**–**	**–**	**–**	**–**	**–**	**(1.5)**	**–**	**(1.5)**
Balance at 31 December 2022	**84.4**	**737.0**	**110.1**	**25.1**	**31.9**	**2.5**	**7.1**	**998.1**

* Deferred tax asset for Derivative Contracts and Financial Assets and Investments are included in 'Other'. The change is reflected in both current and comparative periods.

Taxation continued

27. Income tax and deferred tax continued

(e) Movements in deferred tax liabilities

2021 movements	Derivative contracts $M	Right-of-use assets $M	Intangible assets $M	Total $M
Balance at 1 January 2021	–	(699.0)	(52.3)	(751.3)
(Charged)/credited:				
To profit and loss	(2.2)	41.1	1.9	40.8
Balance at 31 December 2021	**(2.2)**	**(657.9)**	**(50.4)**	**(710.5)**

2022 movements	Derivative contracts $M	Right-of-use assets $M	Intangible assets $M	Total $M
Balance at 1 January 2022	(2.2)	(657.9)	(50.4)	(710.5)
(Charged)/credited:				
To profit and loss	(2.7)	29.3	(0.5)	26.1
Prior period adjustments	2.0	–	0.2	2.2
Balance at 31 December 2022	**(2.9)**	**(628.6)**	**(50.7)**	**(682.2)**

The income tax expense for the year is the tax expense on the current year's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unrecognised deferred tax assets, or liabilities such as unused tax losses.

Current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of goodwill, or of an asset or liability in a transaction, other than a business combination that at the time of the transaction affects neither accounting nor taxable profit (or loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Tax assets and liabilities are offset when there is a legally enforceable right to offset.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation

The Company and its wholly-owned Australian controlled entities have elected to form an income tax consolidated group (TCG).

In addition to its own current and deferred tax amounts, the Company also recognises the current income tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the TCG.

The entities in the TCG have entered into a tax funding agreement under which the wholly-owned entities fully compensate the Company for any current income tax payable assumed, and are compensated by the Company for any current income tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the Company under the income tax consolidation legislation.

The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. Assets or liabilities arising under tax funding agreements with the entities in the TCG are recognised as current amounts receivable from or payable to other entities in the Group.

Group structure

28. Group information

(a) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2022. 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and deconsolidated from the date that control ceases.

(b) Controlled entities

The consolidated financial statements of the Group includes the controlled material entities listed below:

Name of entity	Country of incorporation/ establishment	Equity holding 2022 %	Equity holding 2021 %
Viva Energy Holding Pty Ltd	Australia	100	100
Viva Energy Australia Group Pty Ltd	Australia	100	100
Viva Energy Australia Pty Ltd	Australia	100	100
Viva Energy Aviation Pty Ltd	Australia	100	100
Viva Energy Services Pty Ltd (formerly known as Viva Energy Gas Pty Ltd)	Australia	100	100
Viva Energy Refining Pty Ltd	Australia	100	100
Viva Energy Gas Australia Pty Ltd	Australia	100	100
VER Manager Pty Limited	Australia	100	100
ZIP Airport Services Pty Ltd	Australia	100	100
Viva Energy S.G. Pte Ltd	Singapore	100	100
Viva Energy Retail Pty Ltd	Australia	100	–
Viva Energy Polymers Holdings Pty Ltd	Australia	100	–
Viva Energy Polymers Pty Ltd	Australia	100	–
Pacific Hydrocarbon Solutions Limited	Papua New Guinea	100	100
Liberty Oil Holdings Pty Ltd	Australia	100	100
Deakin Services Pty Ltd	Australia	100	100
Liberty Oil Affinity Pty Ltd	Australia	100	100
Liberty Oil City Leasing Pty Ltd	Australia	100	100
Liberty Oil Land Pty Ltd	Australia	100	100
Liberty Oil Property Pty Ltd	Australia	100	100
Tradeway Services Pty Ltd	Australia	100	100
Liberty Oil (SA) Pty Ltd	Australia	100	100
Liberty Oil (WA) Pty Ltd	Australia	100	100
Liberty Oil Corporation Pty Ltd	Australia	100	100
Liberty Oil Finance Pty Ltd	Australia	100	100
Liberty Oil Wholesale (S) Pty Ltd	Australia	100	100
Liberty Oil Express Pty Ltd	Australia	100	100
Liberty Oil Australia Pty Ltd	Australia	100	100
Westside Petroleum Consolidated Holdings Pty Limited	Australia	100	100
Westside Petroleum Pty Ltd	Australia	100	100
Westside Petroleum Wholesalers Pty Ltd	Australia	100	100
Westside Petroleum Holdings Pty Ltd	Australia	100	100
Westside Petroleum BPM Pty Ltd	Australia	100	100
Westside Petroleum Retail 1 Pty Limited	Australia	100	100
Westside Petroleum Convenience Stores Pty Ltd	Australia	100	100
Westside Petroleum CA Fuel Retail Pty Ltd	Australia	100	100
Westside Petroleum Co Pty Ltd	Australia	100	100

Group structure continued

28. Group Information continued

(c) Interests in associates

The Group holds interest in the following investments accounted for using the equity method:

Name of entity	Country of incorporation/ establishment	Equity holding 2022 %	Equity holding 2021 %
LOC Global Pty Ltd	Australia	**50**	50
Fuel Barges Australia Pty Ltd	Australia	**50**	50

Further details regarding these investments can be found in Note 30 *Interests in associates and joint operations*.

(d) Interests in joint operations

The Group has a 52% interest in W.A.G Pipeline Pty Ltd (2021: 52%), a 50% interest in Crib Point Terminal Pty Ltd (2021: 50%) and a 33% interest in Cairns Airport Refuelling Services Pty Ltd (2021: 33%). These are classified as joint operations under AASB 11 *Joint Arrangements*. Further details regarding these investments can be found in Note 30 *Interests in associates and joint operations*.

29. Business combinations

On 31 May 2022, the Group fully acquired LyondellBasell Australia (LBA), a Geelong-based national polymer manufacturer and distributor, which has its production facility located inside the footprint of the Group's Geelong Refinery, for an initial purchase price of $25.4 million, with an agreed earn-out mechanism across a six-year period, not to exceed a further $25.0 million. At completion, LBA was renamed Viva Energy Polymers (VEP).

VEP is the country's only polypropylene manufacturer, supplying the Australian and New Zealand market with raw material for the production of diverse plastic products ranging from food packaging and medical equipment to polymer bank notes, and serving more than 60 customers across Australia, New Zealand, Asia, India, the Middle East and North America.

Details of the finalised purchase consideration, the net assets acquired and gain on bargain purchase recognised are as follows:

Purchase consideration:

	$M
Cash consideration	25.4
Fair value of earn-out component of purchase consideration	19.6
Settlement of pre-existing relationships	22.6
Total purchase consideration	**67.6**

The total purchase consideration includes a cash consideration component and forgiveness of pre-existing relationship settled at the completion date, as well as a contingent consideration.

The final fair values of the assets and liabilities of VEP as at the date of acquisition are as follows:

	$M
Cash and cash equivalents	7.4
Trade and other receivables	29.7
Inventories	57.7
Trade and other payables	(8.6)
Current provisions	(7.1)
Deferred tax liability	(3.1)
Net identifiable assets acquired	**76.0**
Gain on bargain purchase	8.4
Total purchase consideration	**67.6**

As at 31 December 2022, the Group finalised the fair value assessment of the acquired assets and liabilities. The final fair value reflects a decrease in the deferred tax liability of $0.6 million, resulting in an increase in the gain on bargain purchase to $8.4 million.

Contingent consideration

In the event that performance targets are achieved by the subsidiary over a six-year period beginning at the completion date, additional consideration of up to $25.0 million may be payable in cash throughout the earn-out period. The potential undiscounted amount payable under the agreement is between $0 and $25.0 million. The fair value of the contingent consideration of $19.6 million has been estimated by calculating the present value of the future expected cash flow.

Recognised values

The recognised values represent the fair value of assets recorded on acquisition. In completing the purchase price allocation, the Group has been required to make judgements relating to the fair value of assets and liabilities, in particular the valuation of certain liabilities.

The $8.4 million gain on bargain purchase represents the shortfall of the consideration transferred and contingent consideration estimated over the fair value of the net identifiable assets acquired. Examples in which a bargain purchase may occur include transactions without a competitive bidding process or when there is a forced or distressed sale. Due to the strategic importance of the LyondellBasell plant to the Geelong refining operations, the physical location of the plant within the refinery's boundaries and the commercial arrangements in place between the Group and LBA, the transaction took place without a competitive process. The gain has been recognised in the period as other income within the consolidated statement of profit or loss.

Acquired receivables

The fair value of acquired trade receivables is $29.7 million. The gross contractual amount for trade receivables due is $29.8 million, with a loss allowance of ($0.1) million.

Revenue and profit contribution

VEP contributed revenue of $136.8 million and a loss after tax of $3.5 million to the Group from the date of acquisition to 31 December 2022.

If the acquisition had occurred on 1 January 2022, pro-forma revenue and results for the full year ended 31 December 2022 would have been revenue of approximately $240.9 million and a loss after tax of approximately $2.6 million, respectively. These amounts have been calculated using VEP's results and adjusting them for differences in the accounting policies between the Group and the acquired subsidiaries.

Purchase consideration – cash outflow

Outflow of cash to acquire subsidiary, net of cash acquired	$M
Cash consideration	25.4
Adjustment for cash acquired	(7.4)
Net outflow of cash – investing activities	**18.0**

Acquisition-related costs

Acquisition-related costs of $0.5 million are included within general and administration expenses or salaries and wages in the consolidated statement of profit and loss and in operating cash flows in the statement of cash flows.

Group structure continued

30. Interests in associates and joint operations

(a) Associates

An associate is an entity over which the Group has significant influence. 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. The Group has a non-controlling interest in the following entities that are classified as associates under the current ownership structure in accordance with AASB 128 *Investments in Associates and Joint Ventures*. These investments have been recognised in the consolidated financial statements using the equity method:

	2022 $M	2021 $M
LOC Global Pty Ltd	**15.5**	16.0
Fuel Barges Australia Pty Ltd	**0.2**	–
Total investments accounted for using the equity method	**15.7**	**16.0**

LOC Global Pty Ltd

LOC Global Pty Ltd ('LOC Global') is a private entity that is based in Melbourne, Australia. The Group holds 50% equity holding in LOC Global (2021: 50%).

LOC Global had no other contingent liabilities or capital commitments as at 31 December 2022.

Movement of LOC Global investment	2022 $M	2021 $M
Balance at the beginning of the year	**16.0**	15.4
Share of LOC Global profit/(loss)	**2.0**	0.6
Distributions received	**(2.5)**	–
	15.5	**16.0**

Total share of profit in associates for the 2022 year amounted to $2.2 million (2021: $1.0 million loss).

Aggregate summary information of associates

This table below represents the aggregate summary information of associates. It represents the amounts shown in the most recent financial information of the associate companies in accordance with Australian Accounting Standards.

	2022 $M	2021 $M
Current assets	**43.3**	35.4
Non-current assets	**170.1**	180.8
Current liabilities	**(107.8)**	(80.3)
Non-current liabilities	**(98.0)**	(131.9)
Net assets	**7.6**	4.0
Net assets – Group's share of investment	**3.8**	2.0
Adjustments resulting from the equity accounting method	**11.9**	14.0
Carrying amount of investments accounted for using the equity method	**15.7**	16.0
Revenue	**1,263.4**	760.9
Net profit from continuing operations	**4.1**	2.5
Total comprehensive income	**4.1**	2.5
Distributions received from equity accounted for investments	**2.5**	–

(b) Joint operations

Joint operations are those entities whose financial and operating policies the Group has joint control over, and where the Group has rights to the assets and obligations for the liabilities of the entity.

The Group owns a 52% interest in W.A.G Pipeline Pty Ltd (2021: 52%), a 50% interest in Crib Point Terminal Pty Ltd (2021: 50%) and a 33% interest in Cairns Airport Refuelling Services Pty Ltd (2021: 33%). The investments are incorporated in Australia with principal operations in Victoria and Cairns, and are classified as joint operations under AASB 11 *Joint Arrangements*, where the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses and has proportionately consolidated its interests under the appropriate headings in the consolidated financial statements.

The joint operations had no contingent liabilities or capital commitments as at 31 December 2022 and 2021, except as disclosed in Note 18 *Commitments and contingencies*.

31. Parent company financial information

The financial information presented below presents that of the parent entity of the Group, Viva Energy Group Limited.

	2022 $M	2021 $M
Statement of financial position		
Current assets	**350.5**	336.2
Non-current assets	**4,816.6**	4,817.7
Current liabilities	**(431.6)**	(420.4)
Net assets	**4,735.5**	**4,733.5**
Contributed equity	**4,247.4**	4,252.5
IPO reserve	**(70.3)**	(70.3)
Employee share-based payment reserve	**8.1**	1.6
Capital Redemption Reserve	**25.8**	25.4
Retained earnings	**524.5**	524.3
Total equity	**4,735.5**	**4,733.5**
Results		
Profit of the Company	**262.4**	171.6
Total comprehensive income of the Company	**262.4**	**171.6**

32. Deed of Cross Guarantee

As at 31 December 2022, the Company (as the Holding Entity) and all the controlled entities listed in Note 28(b) *Group information* (with the exception of Viva Energy S.G. Pte Ltd, Pacific Hydrocarbon Solutions Limited, Viva Energy Gas Australia Pty Ltd and Westside Petroleum Holdings Pty Ltd) are parties to a Deed of Cross Guarantee ('Deed').

The original Deed was dated 14 December 2018, with subsequent additional Assumption Deeds actioned to include in the Deed subsidiaries acquired since the original Deed date. In the current 2022 year, Viva Energy Retail Pty Ltd, Viva Energy Polymers Holdings Pty Ltd and Viva Energy Polymers Pty Ltd were joined as parties to the Deed by Assumption Deeds on 10 November 2022.

Under the Deed, each company guarantees the debts of the others to each creditor payment in full of any debt in accordance with the terms of the Deed.

By entering into the Deed, the controlled entities have been relieved from the requirement to prepare a Financial Report and Directors' Report under Instrument 2016/785 issued by the Australian Securities and Investments Commission ('Instrument'). The companies referred to above represent a 'Closed Group' for the purposes of the Instrument.

Group structure continued

32. Deed of Cross Guarantee continued

The aggregate assets and liabilities of the companies that are party to the Deed and the aggregate of their results for the period to 31 December 2022 and 2021 are set out below:

	2022 $M	2021 $M
Revenue	26,421.7	15,892.9
Cost of goods sold	(24,012.7)	(14,147.2)
Gross profit	2,409.0	1,745.7
Net (loss)/gain on other disposal of property, plant and equipment	(6.5)	0.1
Gain on bargain purchase	8.4	–
Grant income	–	56.1
Other income	1.9	56.2
Transportation expenses	(389.9)	(260.5)
Salaries and wages	(319.6)	(281.0)
General and administration expenses	(231.0)	(184.1)
Maintenance expenses	(131.3)	(103.1)
Lease-related expenses	(11.6)	(6.3)
Sales and marketing expenses	(125.7)	(88.8)
	1,201.8	878.1
Interest income	4.7	1.3
Share of profit in associates	2.2	0.6
Realised/unrealised gain on derivatives	45.4	31.0
Net foreign exchanges gain/(loss)	49.9	(17.7)
Depreciation and amortisation expenses	(397.9)	(387.9)
Finance costs	(201.2)	(184.2)
Profit before income tax	704.9	321.2
Income tax expense	(210.5)	(98.1)
Profit after tax	494.4	223.1

	2022 $M	2021 $M
ASSETS		
Current assets		
Cash and cash equivalents	**289.8**	96.2
Trade and other receivables	**1,995.5**	1,247.6
Inventories	**1,560.8**	1,179.0
Assets classified as held for sale	**1.9**	1.4
Derivative assets	**3.3**	6.8
Prepayments	**29.8**	27.5
	3,881.1	2,558.5
Non-current assets		
Long-term receivables	**48.8**	35.9
Property, plant and equipment	**1,635.1**	1,508.7
Right-of-use assets	**2,028.2**	2,119.3
Goodwill and other intangible assets	**599.6**	621.5
Post-employment benefits	**7.0**	6.8
Investments accounted for using the equity method	**15.7**	16.0
Financial assets at fair value through other comprehensive income	**6.6**	9.2
Net deferred tax assets	**314.2**	304.7
Other non-current assets	**4.9**	1.2
	4,660.1	4,623.3
Total assets	**8,541.2**	7,181.8
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	**3,325.7**	2,160.9
Provisions	**161.8**	143.1
Short-term lease liabilities	**167.3**	145.2
Derivative liabilities	**24.5**	8.6
Current tax liabilities	**139.2**	33.4
	3,818.5	2,491.2
Non-current liabilities		
Provisions	**84.0**	93.5
Long-term borrowings	**–**	191.9
Long-term lease liabilities	**2,211.0**	2,253.6
Long-term payables	**142.9**	96.8
	2,437.9	2,635.8
Total liabilities	**6,256.4**	5,127.0
Net assets	**2,284.8**	2,054.8
Equity		
Contributed equity	**4,243.2**	4,248.3
Treasury shares	**(18.2)**	(12.7)
Reserves	**(4,195.0)**	(4,201.7)
Retained earnings	**2,254.8**	2,020.9
Total equity	**2,284.8**	2,054.8

Other disclosures

33. Post-employment benefits

(a) Superannuation plan

The main provider of superannuation benefits in the Group is the Viva Energy Superannuation Fund (VESF). This fund was established on 1 August 2014, and provides a mixture of defined benefits and accumulation style benefits. Currently, the principal type of benefits provided under the VESF (to eligible members) is a lump sum, pension or lump sum and accumulation benefits. Lump sum and pension benefits are based primarily on years of service and the highest average salary of the employee.

The Viva Energy Superannuation Plan (Plan) is a sub-plan in the Plum Division of the MLC Super Fund, which is operated by NULIS Nominee (Australia) Limited (the Trustee). The Plan is a 'regulated fund' under the provision of the *Superannuation Industry (Supervision) Act 1993*. The Plan is treated as a complying defined benefit superannuation fund for taxation purposes.

The Group's superannuation plan has a defined benefit section and also a defined contribution section. The defined contribution section receives fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. The defined benefit section was closed to new members in 1998.

(b) Defined benefit superannuation – significant estimate

The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit superannuation section is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. These complexities expose the Group to a number of risks, including asset value volatility, variations in interest rates, inflation and fluctuations in life expectancy expectations. Recognising this, the Group has moved away from providing defined benefit pensions and the scheme has been closed to new entrants for many years. All assumptions used in the valuation are reviewed at each reporting date.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

Gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and recognised as remeasurement of retirement benefit obligations in the consolidated statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of profit or loss within salaries and wages as past service costs.

Contributions to the defined contribution section of the Group's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

The following sets out details in respect of the defined benefit section only.

Amounts recognised in consolidated statement of financial position

	2022 $M	2021 $M
Present value of defined benefit obligation	**(69.0)**	(81.6)
Fair value of defined benefit plan assets	**76.0**	88.4
Net defined benefit asset recognised in the consolidated statement of financial position	**7.0**	**6.8**

Changes in the defined benefit obligation and fair value of plan assets

	Present value of defined benefit obligation		Fair value of defined benefit plan assets	
	2022 $M	2021 $M	2022 $M	2021 $M
Balance at 1 January	**(81.6)**	(93.4)	**88.4**	93.6
Current service cost	**(3.0)**	(3.5)	**–**	–
Net interest on the defined benefit (liability)/asset	**(1.9)**	(1.0)	**2.0**	1.0
Return on assets less interest income	**–**	–	**(3.3)**	3.4
Actuarial gain – change in financial assumptions	**6.1**	5.6	**–**	–
Actuarial (loss)/gain – experience adjustments	**(0.5)**	0.3	**–**	–
Benefits paid	**12.2**	10.8	**(12.2)**	(10.8)
Employer contributions	**–**	–	**0.8**	0.8
Employee contributions	**(0.3)**	(0.4)	**0.3**	0.4
Balance at 31 December	**(69.0)**	**(81.6)**	**76.0**	**88.4**

Amounts recognised in consolidated statement of profit or loss

	2022 $M	2021 $M
Amounts recognised in profit or loss		
Service cost	**2.3**	2.8
Member contributions	**(0.3)**	(0.3)
Plan expenses	**1.0**	1.1
Current service cost	**3.0**	**3.6**
Net interest on the new defined benefit asset	**(0.1)**	–
Components of defined benefit cost recorded in profit or loss	**2.9**	**3.6**
Amounts recognised in other comprehensive income		
Remeasurement of the net defined benefit liability:		
Return on assets less interest income	**3.3**	(3.4)
Actuarial gain – change in financial assumptions	**(6.1)**	(5.6)
Actuarial loss/(gain) – experience adjustments	**0.5**	(0.3)
Tax on remeasurement of defined benefit obligation	**0.7**	2.8
Components of defined benefit cost recorded in other comprehensive income	**(1.6)**	**(6.5)**

Other disclosures continued

33. Post-employment benefits continued

(b) Defined benefit superannuation – significant estimate continued

The major categories of plan assets of the fair value of the total plan assets are, as follows:

	2022 $M	2021 $M
Australian equities	6.8	7.4
International equities	10.7	10.6
Property	6.1	8.4
Fixed income bonds	35.7	52.7
Other	–	9.3
Cash	16.7	–
Total plan assets	**76.0**	**88.4**

The Group agreed to pay nil contributions to the plan in 2022 (2021: nil). The Group did pay contributions to cover administration expenses and premiums relating to the plan in 2022. The following payments are expected to be contributed to the defined benefit plan in future years:

	2022 $M	2021 $M
Within the next 12 months	0.8	0.8
Between 2 and 5 years	2.1	2.6
Between 5 and 10 years	0.7	1.0
Beyond 10 years	0.1	0.1
Total expected payments	**3.7**	**4.5**

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.4 years (2021: 5.2 years).

Actuarial assumptions

The principal assumptions used in determining benefit obligations for the Group's Plan are shown below:

	2022 %	2021 %
Discount rate	5.3	2.6
Expected rate of salary increases	3.5	2.5
Pension increase rate	3.0	2.0

Pensioner mortality has been assumed following the mortality under the Australian Life Tables 2015-17. Significant assumptions used to determine the present value of the defined benefit obligation are the discount rate and expected salary increases. The sensitivity analysis shown below has been based on reasonable possible changes of the assumptions occurring at the end of the reporting period:

	Impact on defined benefit obligation	
	2022 $M	2021 $M
Discount rate:		
1.0% increase	(2.8)	(4.1)
1.0% decrease	3.2	4.8
Expected rate of salary increases:		
1.0% increase	1.5	2.1
1.0% decrease	(1.4)	(2.0)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

34. Related party disclosures

Note 28 *Group information* provides information about the Group's structure, including details of the subsidiaries and the parent entities.

Entities in the Group engage in a variety of related party transactions as part of the normal course of business. They supply products to related entities and overseas related corporations outside of the Group, and purchase crude and products from, and pay service fees to, overseas related corporations.

- All related party transactions are conducted at arm's length on a commercial basis.
- Outstanding receivables and payables at the year end are unsecured and interest free and settlement occurs in cash.
- For the year ended 31 December 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties, nor has there been any expenses recognised during the period in respect of bad or doubtful debts written off from related parties (2021: nil).
- The assessment of related party receivables is undertaken on an ongoing basis each financial year through examining the financial position of the related party and the market in which the related party operates.
- Loans to associates are unsecured, have a two-year maturity profile, with components of fixed and market-driven floating interest rates.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

(a) Transactions with related parties

	2022 $'000	2021 $'000
Sales and purchases of goods and services		
Purchases	**17,113,150**	8,753,045
Sales of goods and services	**1,020,233**	327,369
Sale of assets	**6,963**	–
Outstanding balances arising from sales/purchases of goods and services		
Receivables	**137,567**	17,617
Payables	**2,136,563**	1,339,106

(b) Transactions with associates

	2022 $'000	2021 $'000
Sales and purchases of goods and services		
Purchases	**8,343**	9,819
Sales of goods and services	**1,212,299**	726,539
Other transactions		
Interest income from associates	**1,554**	1,110
Sales of assets to associates	**–**	2,565
Lease expense paid to associates	**32**	–
Dividends from associates	**2,520**	–
Loan repayment by associates	**–**	4,228
Purchase of assets from associate	**–**	5,103
Outstanding balances arising from sales/purchases of goods and services		
Receivables	**56,340**	36,433
Payables	**12**	119

Other disclosures continued

34. Related party disclosures continued

(c) Loans to associates

	2022 $'000	2021 $'000
Loans to associates		
Beginning of the year	26,813	30,631
Loan repayments received	–	(4,228)
Interest income	1,554	1,110
Interest received	(701)	(700)
End of the year	27,666	26,813

(d) Transactions with key management personnel or entities related to them

Executive directors of controlled entities are entitled to receive discounts on their purchases of Company products under the same conditions as are available to all other employees of the Group. The terms and conditions of the transactions with directors or their director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities or on an arm's length basis. Dealings between the Group and various related companies are identified in this note.

One director holds a directorship within the Vitol group of companies and any transactions entered into by the Group with the Vitol group of companies are in the ordinary course of business and are at arm's length.

(e) Key Management Personnel compensation

	2022 $'000	2021 $'000
Short-term employee benefits	4,184	4,081
Long-term employee benefits	(57)	31
Post-employee benefits	95	95
Employee option plan	3,589	1,205
Total compensation paid to Key Management Personnel	7,812	5,412

(f) Long term incentive (LTI) plan

The Company has a long term incentive (LTI) plan to assist in the motivation, retention and reward of eligible employees. The LTI plan is designed to reward long-term performance, provide alignment with the interest of shareholders, and encourage long-term value creation. The amount of rights that will vest depends on the Company's relative total return to shareholders (TSR), Free Cash Flow (FCF) and Return on Capital Employed (ROCE).

A Performance Right entitles the participant to acquire one ordinary share for nil consideration at the end of the performance period, subject to the satisfaction of the performance conditions. The Board retains discretion to make a cash payment to participants on vesting of Performance Rights in lieu of an allocation of shares.

Performance Rights are granted under the plan for no consideration and carry no dividend or voting rights. Set out below are summaries of rights granted under the plan:

	2022 Number of rights	2021 Number of rights
Balance at the start of the financial year	5,940,889	5,100,863
Granted during the year	2,449,902	2,733,434
Vested during the year	(699,045)	(308,000)
Forfeited during the year	(699,049)	(1,585,408)
Balance at the end of the financial year	6,992,697	5,940,889

The following Performance Rights arrangements were in existence at the end of the year:

Tranche	Grant date	Fair value range at grant date	Number of Performance Rights outstanding 31-Dec-22	31-Dec-21
FY2019 Tranche #1	19-Mar-19	$1.73 – $2.23	–	856,896
FY2019 Tranche – CEO	23-May-19	$1.31 – $1.97	–	541,198
FY2020 Tranche #1	18-Feb-20	$0.47 – $1.49	**750,763**	750,763
FY2020 Tranche – CEO	6-Jul-20	$0.91 – $1.58	**556,121**	556,121
FY2020 Tranche – CFO	18-Feb-20	$1.06 – $1.73	**301,232**	301,232
FY2020 Tranche #2	8-Oct-20	$0.91 – $1.58	**201,245**	201,245
FY2021 Tranche #1	19-Feb-21	$0.86 – $1.50	**1,827,933**	1,827,933
FY2021 Tranche #2	26-May-21	$1.18 – $1.50	**905,501**	905,501
FY2022 Tranche #1	7-Mar-22	$1.50 – $1.98	**1,526,265**	–
FY2022 Tranche #2	24-May-22	$2.13 – 2.42	**923,637**	–
			6,992,697	**5,940,889**

Fair value of Performance Rights

The FY2022 LTI plan Performance Rights with the relative TSR hurdle vesting condition have been valued by an independent expert using a hybrid trinomial option model. This model uses a combination of Monte Carlo simulation and a trinomial lattice to model the performance of the Company's shares and the individual shares within the entities in the S&P/ASX 100 index. The FY2022 LTI plan Performance Rights with FCF and ROCE hurdles are valued using a hybrid employee stock option model with a single share price target. Specifically, this model adjusts the spot prices as at the valuation date for expected dividends during the vesting period.

Model inputs for performance rights granted during the year included:

Grant date	Share price at grant date	Expected life (years)	Volatility	Risk-free rate of return	Dividend yield	Vesting date
7-Mar-22	$2.41	2.82	30%	1.45%	6.10%	1-Jan-25
24-May-22	$2.84	2.61	30%	2.77%	5.20%	1-Jan-25

(g) Deferred Share Rights issued

During the period, the Company issued Share Rights to certain employees. Subject to satisfaction of service conditions, a Share Right entitles the participant to receive one ordinary share for nil consideration on vesting. Share Rights carry no dividend or voting rights; however, holders are entitled to a dividend equivalent payment.

The table below sets out the number Share Rights granted under the plan:

	2022 Number of rights	2021 Number of rights
Balance at the start of the financial year	**3,637,913**	2,201,583
Granted during the year	**2,395,002**	2,540,824
Vested during the year	**(1,998,638)**	(1,057,738)
Lapsed during the year	**(128,313)**	(46,756)
Balance at the end of the financial year	**3,905,964**	**3,637,913**

Other disclosures continued

34. Related party disclosures continued

(g) Deferred share rights issued continued

The following deferred share rights arrangements were in existence at the end of the year:

			Number of deferred share rights outstanding	
Tranche	Grant date	Fair value range at grant date	31-Dec-22	31-Dec-21
FY2020 Tranche #1	18-Feb-20	$1.61 – $1.69	–	1,108,731
FY2020 Tranche #2	6-Jul-20	$1.69	–	17,557
FY2021 Tranches #1	19-Feb-21	$1.72	1,535,260	2,382,307
FY2021 Tranches #2	23-Feb-21	$1.66	–	86,530
FY2021 Tranches #3	8-Nov-21	$1.72	21,394	42,788
FY2022 Tranches #1	17-Feb-22	$2.50	521,877	–
FY2022 Tranches #2	20-Feb-22	$2.46	1,088,260	–
FY2022 Tranches #3	22-Feb-22	$2.44	108,070	–
FY2022 Tranches #4	9-Mar-22	$2.33	631,102	–
			3,905,963	3,637,913

Fair value of deferred share rights

The deferred share rights were valued using the share spot price as at the valuation date.

(h) Legacy LTI

Section 10.4.3 of the Prospectus described the Legacy LTI introduced by Viva Energy Holdings Pty Ltd (VEH) in 2015. Under that plan options over preference shares in VEH were issued to certain participants, including the CEO and CFO. At, or around the time, of the Company's listing on the ASX in 2018, outstanding VEH Options were acquired by the Company and, as consideration, options over shares in the Company were issued to Legacy LTI participants (Legacy LTI options). For further information, refer to the Company's Prospectus. All offers under the Legacy LTI were made in the years prior to Listing and no further offers will be made under this plan. As at 31 December 2022 there were no Legacy LTI options outstanding.

The table below sets out information in relation to the Legacy LTI options.

	2022 Number of options	2021 Number of options
Balance at the start of the financial year	384,524	1,538,094
Exercised during the year	(384,524)	(1,153,570)
Balance at the end of the financial year	–	**384,524**

The following Legacy LTI options were in existence at the end of the year:

Grant Date	Expiry Date	Exercise Price	31-Dec-22	31-Dec-21
25-Oct-17	1-Jan-22	$1.21	–	384,524
			–	384,524

The share price at the date of exercise of option exercised during the year ended 31 December 2022 was $2.32 (2021: $2.20).

Total expenses arising from employee plan transactions recognised during the 2022 year was $10,343,665 (2021: $6,786,824).

35. Auditor's remuneration

The auditor of the Company and the Group is PricewaterhouseCoopers Australia ('PwC'). The following fees were paid or payable to PwC for services provided to the Company and the Group.

	2022 $	2021 $
Audit or review services:		
PricewaterhouseCoopers Australia		
Audit or review of financial reports of the Group	948,000	860,000
Overseas PricewaterhouseCoopers firms		
Audit or review of financial reports of the Group*	52,504	37,998
Non-audit services:		
PricewaterhouseCoopers Australia		
Other assurance services	180,185	292,488
Other services	60,125	67,900
Total	1,240,814	1,258,386

2022 audit or review services include $30,000 of additional work for the 2021 audit (2021: $120,000 for the 2020 audit).

* Fees paid to PricewaterhouseCoopers overseas firms for the audit of Viva Energy S.G. Pte Ltd and Pacific Hydrocarbon Solutions Limited.

The Directors have formed the view, based on advice from the Risk and Audit Committee, that the provision of non-audit services during the 2022 financial year was compatible with, and did not compromise, the general standard of independence for auditors imposed by the *Corporations Act 2001*. The non-audit services provided did not involve the external auditor reviewing or auditing its own work or acting in a management or decision-making capacity for the Company, or otherwise could reasonably be expected to compromise its independence.

No officer of the Company was a partner or director of PricewaterhouseCoopers during the financial year. A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 72.

36. Events occurring after the reporting period

On 27 January 2023, the Group received FIRB approval, further to the ACCC approval received on 24 November 2022, to proceed with its acquisition of the Coles Express Convenience Retailing business. The completion of the transaction remains subject to closing conditions with Coles Group (COL), and is anticipated to occur in the second quarter of 2023.

At completion, the Alliance Agreement will be terminated and the Group will acquire the retail convenience business operated by Coles Express for a headline consideration of $300 million, subject to customary adjustments at completion.

Directors' declaration

This Directors' declaration is required by the *Corporations Act 2001*.

The Directors declare that in their opinion:

(a) the consolidated financial statements and notes of the Viva Energy Group for the year ended 31 December 2022 set out on pages 74 to 129 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards and the *Corporations Regulations 2001*; and

  (ii) giving a true and fair view of the Viva Energy Group's financial position as at 31 December 2022 and of its performance for the year ended on that date;

(b) there are reasonable grounds to believe that the Viva Energy Group will be able to pay its debts as and when they become due and payable; and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 32 *Deed of Cross Guarantee* to the financial statements will be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the Deed of Cross Guarantee described in Note 32 *Deed of Cross Guarantee* to the financial statements.

The basis of preparation on page 79 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the year ended 31 December 2022.

The declaration is made in accordance with a resolution of the Directors.

Robert Hill
Chairman

21 February 2023

Scott Wyatt
CEO and Managing Director

Independent auditor's report

To the members of Viva Energy Group Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Viva Energy Group Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 December 2022
- the consolidated statement of profit or loss for the year then ended
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality

- For the purpose of our audit we used overall Group materiality of $26.7 million, which represents approximately 2% of the Group's earnings before interest, tax, depreciation and amortisation (EBITDA).
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group EBITDA because, in our view, it is the most appropriate benchmark to assess the performance of the Group.
- We utilised a 2% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter
Environmental remediation and asset retirement obligation *(Refer to note 17) $131.5m* As at 31 December 2022, the Group recognised the following provisions: • Environmental remediation: $41.9m • Asset retirement obligation: $89.6m The provisions relate to the Group's obligations to rehabilitate sites, either during or at the end of their operations. This includes the Group's conversion of its former Clyde refinery to a storage terminal. This was a key audit matter as the calculation of the provisions required the Group to make judgements in estimating the cost and timing of future rehabilitation work, discounted to their present value.	We performed the following procedures, amongst others: • Tested the mathematical accuracy for a sample of the provision calculations; • Evaluated the completeness of the provisions by reviewing the litigation register and board minutes to identify any legal notices in relation to environmental obligations; • Assessed the competence, capability and objectivity of the internal and external experts used by the Group in preparing the relevant calculations for the determination of the provisions; • Tested a sample of cost assumptions used in the provision calculations to third party support or estimates made by external experts; • We assessed the reasonableness of the discount rate and inflation rate that were applied in the calculations; and • Considered the adequacy of the disclosures in accordance with the requirements of Australian Accounting Standards.

Business combination accounting
(Refer to note 29) $67.6m
 	
The Group acquired Viva Energy Polymers (formerly LyondellBasell Australia) on 31 May 2022 for total consideration of $67.6m, as described in note 29 of the financial report.
 	
The accounting for the acquisition was a key audit matter because it was a significant transaction in the year which resulted in the recognition of a gain on bargain purchase of $8.4m. The Group made judgements when accounting for the acquisition, including:
 	
• estimating the fair value of assets and liabilities acquired. The Group was assisted by an external valuation expert in this process; and
• estimating the contingent consideration.
	Assisted by our PwC valuation experts in aspects of our work, we performed the following procedures, amongst others:
	
	• Assessed the fair values of the acquired assets and liabilities recognised, including:
	    ○ considering key assumptions used in estimating the fair values;
	    ○ considering the valuation methodologies applied; and
	    ○ assessing the competence, capability and objectivity of the Group's experts.
	• Assessed the Group's valuation of the contingent consideration;
	• Considered the adequacy of the business combination disclosures in accordance with the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 46 to 66 of the directors' report for the year ended 31 December 2022.

In our opinion, the remuneration report of Viva Energy Group Limited for the year ended 31 December 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Trevor Johnston
Partner

Melbourne
21 February 2023

Disclosures

On 11 July 2018, the Company was granted certain waivers by ASX from ASX Listing Rule 10.1. The following information is required to be disclosed in the Annual Report by the terms of the waivers.

Summary of material terms of certain supply agreements with affiliates of Vitol Holding B.V.

Members of the Group and affiliates of Vitol Holding B.V. are parties to a number of contractual arrangements, including the following material contracts:

- Vitol Asia Pte Ltd (Vitol Asia) and Viva Energy SG Pte Ltd are parties to a fuel supply agreement dated 18 June 2018 (Vitol Fuel Supply Agreement);
- Vitol Aviation BV (Vitol Aviation) and Viva Energy Aviation Pty Ltd (Viva Aviation) are parties to an agreement relating to the supply of aviation fuel dated 23 April 2018 (Vitol Aviation Fuel Supply Agreement); and
- Vitol Asia and Viva Energy Australia Pty Ltd are parties to a standard-form ISDA Master Agreement dated 13 August 2014 (Hedge Agreement).

Vitol Fuel Supply Agreement

Overview

Under the Vitol Fuel Supply Agreement, Vitol Asia agrees to supply to Viva Energy, and Viva Energy agrees to purchase (and to ensure that each other member of the VEA Group purchases) from Vitol, the following products:

- all of Viva Energy's requirements for feedstock for its refining operations, including crude oil and condensate (Feedstock), subject to certain exceptions; and
- all of the hydrocarbon products (other than Feedstock) required by the VEA Group for its Australian operations, except for products produced by the VEA Group's refining operations, products purchased under 'buy-sell' agreements with local refiners, and any lubricant products purchased from Shell Markets (Middle East) Limited under an Agreement for the Sale and Distribution of Lubricants (Shell Lubricants Agreement) (collectively, Product).

Exclusivity arrangements

Pursuant to the Vitol Fuel Supply Agreement, Viva Energy agrees that it will not (and will ensure that each other member of the VEA Group does not), except with the prior written consent of Vitol Asia but subject to certain exceptions, acquire product from any third party or acquire any interest in a third-party supplier of product that is inconsistent with Viva Energy's obligations under the agreement. Further, Viva Energy agrees that if it or any member of the VEA Group wishes to sell any Products that are ultimately exported out of Australia, Vitol Asia shall be the sole and exclusive market interface for all such sales on terms to be mutually agreed.

In addition, if any member of the Group at any time seeks to purchase any lubricants of the kind purchased by Viva Energy under the Shell Lubricants Agreement other than pursuant to the terms of that agreement, Vitol Asia shall, to the maximum extent permitted by law, be the exclusive supplier of such lubricants to Viva Energy on terms to be mutually agreed by the parties but based on the terms of the Vitol Fuel Supply Agreement.

For the purposes of the above paragraphs, VEA Group means the Company and each of its direct and indirect holding companies and subsidiaries, and subsidiary undertakings and associated companies from time to time of such holding companies.

Term and termination

The initial term of the Vitol Fuel Supply Agreement is 10 years, which Vitol Asia may renew for a further period of five years and which, following such renewal, the parties may renew again for a further period of five years by mutual agreement[1].

The Vitol Fuel Supply Agreement may be terminated in the following circumstances:

- by the non-defaulting party, if the defaulting party becomes insolvent or fails to pay any amount due under the agreement;
- by the non-defaulting party, if Vitol Asia fails to deliver, or Viva Energy fails to take delivery of, for reasons other than 'Force Majeure', at least 75% of the aggregate quantities of Product nominated or agreed for delivery and receipt in a month for six or more consecutive months;
- by either party giving not less than 12 months' notice, if Vitol Asia announces that it intends to discontinue its Product trading business serving Australia; and
- by Vitol Asia, in the event of Viva Energy's breach of certain of its obligations under the Vitol Fuel Supply Agreement (including its obligations under the exclusivity arrangements), any event of default or review event under Viva Energy's financing arrangements, and certain other termination events.

1. Renewal of the Vitol Fuel Supply Agreement will be subject to shareholder approval, should ASX Listing Rule 10.1 apply at that time.

Pricing terms

Under the Vitol Fuel Supply Agreement, the price for each delivery of Product is, or is determined by reference to, a price mutually agreed by the parties based on prevailing market conditions, the actual price at which the relevant Vitol entity acquired the Product or the average price in the relevant index for the Product plus reasonable financing and handling costs and the cost of freight and logistics, as well as applicable market and quality premiums/discounts.

Procurement fee

The parties have agreed that no procurement fee will be payable to Vitol Asia during the first five years of the term of the Vitol Fuel Supply Agreement. A procurement fee may be payable following this period, if mutually agreed by the parties and determined on the basis of prevailing market conditions.

Title and risk

Title to the Product in each shipment passes from Vitol Asia to Viva Energy as the Product passes on to the ship at the load port. All risk in the Product in each shipment passes to Viva Energy on and from that time.

Shortfall

If, except to the extent that such was caused by Viva Energy, Vitol Asia is unable to source or deliver sufficient Product to meet any shipment that has been nominated by Viva Energy, then to the extent of such shortfall, Viva Energy may, with the prior written consent of Vitol Asia (not to be unreasonably withheld or delayed), enter into a short-term agreement for the supply of such Product shortfall.

Guarantee

Under a separate but related document, certain members of the Group (including Viva Energy Holdings Pty Ltd and Viva Energy Australia Group Pty Ltd) have guaranteed to Vitol Asia the due and punctual performance and observation by Viva Energy of its obligations under the Vitol Fuel Supply Agreement. The Company is a guarantor in respect of those obligations.

Vitol Aviation Fuel Supply Agreement

Overview

Under the Vitol Aviation Fuel Supply Agreement:

- Viva Aviation agrees to provide refuelling services on behalf of Vitol Aviation to Vitol Aviation's international customers that require such services (Refuelling Services) and, among other things, must establish and maintain or otherwise ensure access and use of facilities at airports necessary to deliver aviation fuel to Vitol Aviation's customers; and
- Vitol Aviation is responsible for managing its international customer accounts in connection with the Refuelling Services.

Term and termination

The Vitol Aviation Fuel Supply Agreement remains in force until terminated in accordance with its terms, including for convenience by either party upon 12 months' notice, such notice not to be given prior to the fourth anniversary of the commencement of the agreement[2].

The Vitol Aviation Fuel Supply Agreement may also be terminated in the following circumstances:

- where the other party commits a material breach of the agreement, which is not remedied;
- where the other party repudiates the contract;
- where an 'Insolvency Event' occurs in respect of the other party; or
- where the other party suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business.

Exclusivity

Vitol Aviation agrees to not utilise any party other than Viva Aviation in the provision of services similar to the Refuelling Services within Australia, unless and except to the extent that Viva Energy is unable to perform the agreed services.

Pricing

Vitol Aviation and Viva Aviation must use reasonable endeavours to agree on a fuel rate and commission rate in connection with each customer tender. Viva Aviation must invoice Vitol Aviation on a monthly basis in respect of sales to Vitol Aviation's customers, and Vitol Aviation is entitled to receive the agreed commission and fuel rate in respect of each such sale.

Hedge Agreement

Vitol Asia and Viva Energy Australia Pty Ltd are parties to a standard-form ISDA Master Agreement pursuant to which Viva Energy hedges the price risks associated with the volatility of crude oil pricing. Each member of the Group has provided a guarantee to Vitol Asia in respect of Viva Energy's performance under this agreement. The agreement will remain on foot until terminated by agreement of the parties or otherwise in accordance with its terms.

2. Continuation of the Vitol Aviation Fuel Supply Agreement for any period beyond the 10-year anniversary of the Company's listing on the ASX will be subject to shareholder approval, should ASX Listing Rules apply at that time.

Independent assurance statement

Independent Limited Assurance Report to the Board of Directors of Viva Energy Group Limited

What we found

Based on the work described below, nothing has come to our attention that causes us to believe that the Selected subject matter within the Viva Energy Group *Annual Report 2022* has not been prepared, in all material respects, in accordance with the Reporting Criteria. This conclusion is to be read in the context of the remainder of our report.

What we did

Viva Energy Group Limited (**Viva Energy Group**) engaged us to perform a limited assurance engagement on the Selected subject matter within the Viva Energy Group *Annual Report 2022*.

Subject matter

The scope of our work was limited to assurance over the Selected subject matter, which is summarised in Table 1 below. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Viva Energy Group *Annual Report 2022*.

Table 1 - Selected subject matter

Entity (consolidated)	Performance Indicator (for the year ended 31 December 2022 unless otherwise stated)
Viva Energy Group Limited	• Female representation in our Senior Leadership Group - **44%**
Viva Energy Group Limited (excluding VE Polymers Pty Ltd)	• Total Scope 1 and 2 GHG emissions (for the year ended 30 June 2022) - **1,378,488 tCO_2-e** • Total energy consumed (for the year ended 30 June 2022) - **268,191,802 GJ**
Viva Energy Group Limited (excluding Liberty Oil Holdings Pty Limited)	• Total Lost Time Injuries - **10** • Total Lost Time Frequency Rate (per million hours) - **1.98** • Total Recordable Injuries Frequency Rate (per million hours) - **5.95** • Total Tier 1 Process Safety Events - **1** • Total Tier 2 Process Safety Events - **4** • Significant spills - **4**
Liberty Oil Holdings Pty Limited	• Total Lost Time Injuries - **2** • Total Lost Time Frequency Rate (per million hours) - **6.52** • Total Recordable Injuries Frequency Rate (per million hours) - **13.04**

Reporting Criteria

The Selected subject matter needs to be read and understood together with the Reporting Criteria, being the boundaries, definitions and methodologies disclosed within the Glossary and Definitions on pages 141 to 142 of the Viva Energy Group *Annual Report 2022*, which Viva Energy Group is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities, and over time.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331 MELBOURNE VIC 3001
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial information is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining conformance.

Restriction on use

This report including our conclusions, has been prepared solely for the Board of Directors of Viva Energy Group Limited in accordance with the agreement between us, to assist the directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected subject matter.

We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Board of Directors of Viva Energy Group Limited, or for any purpose other than that for which it was prepared.

Responsibilities

Viva Energy Group

Viva Energy Group management are responsible for:

- preparing the Selected subject matter as well as the Viva Energy Group *Annual Report 2022* in its entirety;
- the design, implementation and maintenance of internal controls relevant to the preparation of the Selected subject matter to ensure that it is free from material misstatement, whether due to fraud or error;
- the design and operation of controls to ensure the completeness and accuracy of information within the Viva Energy Group *Annual Report 2022*, including but not limited to the Selected subject matter; and
- Determining suitable reporting criteria for reporting the Selected subject matter within the Viva Energy Group *Annual Report 2022* and publishing those criteria such that they are available to expected users of the report.

PricewaterhouseCoopers

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected subject matter is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Viva Energy Group.

Our Independence and Quality Control

- We have complied with relevant ethical requirements related to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.
- The firm applies Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

What our work involved

We conducted our work in accordance with the Australian Standard on Assurance Engagements 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and, in respect to greenhouse gas emissions, the Australian Standard on Assurance Engagements 3410 *Assurance Engagements on Greenhouse Gas Statements*. These Standards require that we comply with independence and ethical requirements and plan the engagement so that it will be performed effectively.

Main procedures performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected subject matter. The main procedures we performed were:

- Enquiring of relevant management of Viva Energy Group regarding the processes and controls for capturing, collating, calculating and reporting the Selected subject matter, and evaluating the design and operational effectiveness of selected controls;
- Testing the classification of incidents included within the calculation of the Selected subject matter, on a sample basis, to relevant underlying records including medical records and incident reports;
- Testing the exposure hours used within the calculation of the Selected subject matter, on a sample basis, to relevant underlying contractor information, personnel records and swipe card data;
- Testing the arithmetic accuracy of a sample of calculations of the Selected subject matter;
- Assessing the appropriateness of the greenhouse gas emission factors and methodologies applied in calculating the Selected subject matter;
- Assessing the appropriateness of a selection of estimates and assumptions applied by management in the preparation of the Selected subject matter;
- Agreeing the Selected subject matter to underlying data sources and calculations; and
- Undertaking analytical procedures over the performance data utilised within the calculations and preparation of the Selected subject matter.

Limited assurance

This engagement was aimed at obtaining limited assurance for our conclusions. As a limited assurance engagement is restricted primarily to enquiries and analytical procedures and the work is substantially less detailed than that undertaken for a reasonable assurance engagement, the level of assurance is lower than would be obtained in a reasonable assurance engagement. Professional standards require us to use negative wording in the conclusion of a limited assurance report.

We believe that the information we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Adam Cunningham
Partner
21 February 2023

PricewaterhouseCoopers
Melbourne

Glossary and definitions

Indicator or term	Definition
Emissions Intensity	Measures the emissions intensity for the Geelong Refinery and is calculated as the operational emissions per unit energy of its high value products, for the period 1 July – 30 June. This is calculated by dividing the combined Scope 1 and Scope 2 emissions of the refinery, by the energy content of high value refinery products, and is expressed in t CO2-e / TJ. Scope 1 and 2 emissions are calculated in line with the *National Greenhouse and Energy Reporting (Measurement) Determination 2008*. In this report, the EI calculation method has been amended retrospectively to improve accuracy of reporting. Changes in the methodology include: a wider definition of High Value Products, improved accounting for fuel components as stock positions vary month by month, and removal of Imported finished products that receive no refinery treatment from the High Value Product calculation.
Energy Intensity Index	Measures the energy intensity based on the Solomon Associates global refinery benchmarking Energy Intensity Index (EII®) Methodology. This is calculated by dividing the energy consumed by the energy standard for the specific individual refinery configuration. This data relates to the calendar year ended 31 December 2022.
Environmental Non-Compliance	Number of incidents resulting in any failure to comply with an environmental law, regulation or permit requirement, which must be reported to the regulator; or breaches of a specific air emission or water discharge limit, even if reporting to the regulator is not required; or resulting in an official notice of violation, citation, fine or penalty.
Environmental Non-compliance Sanctions	Number of environmental non-compliance sanctions which occurred in the reporting year and resulted in the issue of a fine, prosecution, enforceable undertaking or impact on licence to operate. This number does not include any pending proceedings.
Gender Pay Gap	The gender pay gap measures the total gap in remuneration between men and women (expressed as a percentage). In the 2020 Sustainability Report we disclosed the gender pay gap figure calculated by the Workplace Gender Equality Agency (WGEA) for the Group. From 2021, we reported the consolidated figure for the Group based on an internal calculation. As a result of this change in reporting methodology, the figure reported for 2020 is not directly comparable with subsequent reporting years. For more information on pay gap figures for the Group's individual entities please refer to our WGEA reports at vivaenergy.com.au/investor-centre/company-reports.
Hazardous waste	Hazardous waste includes all waste that is defined as hazardous, toxic, dangerous, listed, priority, special, or some other similar term as defined by an appropriate regulatory agency or authority.
High Potential Near Miss Incident	Measures the sum of incidents that can result in injury, illness, damage to assets, the environment or Company reputation, or it can be a near miss. This can also include Life Saving Rule breaches where the potential consequence of major injury or greater was highly likely, or First Aid Cases that could have been a Total Recordable Injury in slightly different conditions.
Loss of Primary Containment (LOPC) >100kg	Measures the sum of incidents resulting in the uncontrolled or unplanned release of material from a process or storage that serves as primary containment in accordance with *API Recommended Practice 754*. This number also includes spills to the environment, and spills that were contained on site.
Lost Time Injuries and Lost Time Injuries Frequency Rate	Lost Time Injuries measures the sum of work-related injuries sustained by employees and/or contractors resulting in a fatality or lost workday case as defined within *29 CFR Part 1904* and relevant standard interpretations issued by the Occupational Safety and Health Administration (together, the OSHA Standards). Lost Time Injury Frequency Rate (LTIFR) is calculated as the number of Lost Time Injuries per one million exposure hours worked by employees and contractors in the rolling 12 months reported.
Senior Leadership Group	The Senior Leader Group is selected senior, critical roles as defined by the executive team, and excludes members of the executive team.
Serious injury	Measures the sum of work-related incidents that resulted in hospitalisation, serious head injuries or burns, serious lacerations or lost time injuries exceeding five days.

Glossary and definitions continued

Indicator or term	Definition
Significant Spill	Measures the sum of incidents resulting in the uncontrolled or unplanned release of material greater than 1,000kg to the natural environment without secondary containment in accordance with *API Recommended Practice 754*. All spills are also counted as LOPC incidents.
Spill to environment >100kg	Number of incidents resulting in the release of material to the environment without secondary containment in accordance with *API Recommended Practice 754*. All spills are also counted as LOPC incidents.
Tier 1 and Tier 2 Process Safety Events are defined as per API RP 754	Number of Loss of Primary Containment (LOPC) Incidents defined as either a Tier 1 or Tier 2 Process Safety Events by *API Recommended Practice 754 or OGP Asset Integrity KPI Guidance*.
Total Energy consumed	Total consumption of energy, such as electricity, natural gas, crude oil and other hydrocarbon fuels or feedstocks, by facilities under the operational control of the Viva Energy Group for the year ending 30 June and measured in accordance with the *National Greenhouse and Energy Reporting (Measurement) Determination 2008*. This includes the consumption of energy through: • own-use; • losses in production, transmission; and storage; • the conversion of one form of energy to another form of energy (for example the conversion of refinery feedstocks and crude oil into finished products such as diesel oil and gasoline).
Total High Potential Near Miss Incidents	Measures the sum of incidents that can result in injury, illness, damage to assets, the environment or Company reputation, or it can be a near miss. This can also include Life Saving Rule breaches where the potential consequence of major injury or greater was highly likely, or First Aid Cases that could have been a Total Recordable Injury in slightly different conditions.
Total Recordable Injuries and Total Recordable Injuries Frequency Rate	Recordable Injuries measures the sum of work-related injuries sustained by employees and/or contractors that include Medical Treatment Case, Restricted Work Case, Lost Time Injuries and Fatalities as defined within the OSHA Standards. Total Recordable Injuries Frequency Rate (TRIFR) is calculated as the number of Total Recordable Injuries per one million hours worked by employees and contractors in the rolling 12 months reported.
Total Scope 1 greenhouse gas emissions (tCO2-e)	Scope 1 emissions are the direct release of greenhouse gases into the atmosphere as a result of Viva Energy Group's direct operations for the period 1 July – 30 June. Estimates are prepared in accordance with the *National Greenhouse and Energy Reporting Act 2007* (NGER Act), using emission factors contained within or estimated in accordance with the National *Greenhouse and Energy Reporting (Measurement) Determination 2008*. The emissions are also segregated into Refining (the Geelong Refinery) and Non-refining (including Retail, Fuels and Marketing; and Supply and Distribution, including Liberty Oil Holdings Pty Ltd).
Total Scope 2 greenhouse gas emissions (tCO2-e)	Scope 2 emissions are indirect greenhouse gas emissions from the consumption of purchased electricity by the Viva Energy Group for the period 1 July – 30 June. Data is prepared in accordance with the NGER Act, using emission factors from the *National Greenhouse and Energy Reporting (Measurement) Determination 2008*. The emissions are also segregated into Refining (the Geelong Refinery) and Non-refining (including Retail, Fuels and Marketing; and Supply and Distribution, including Liberty Oil Holdings Pty Ltd).
Total Scope 3 greenhouse gas emissions (tCO2-e)	Scope 3 emissions are indirect greenhouse gases emitted as a consequence of the Viva Energy Group operations, but where the sources are owned or controlled by another organisation for the period 1 July – 30 June. The estimate is prepared referencing the GHG Protocol[1] and IPIECA[2] methodology where appropriate, and accounting for emissions related to the upstream extraction, processing and transport of process inputs, and the downstream distribution and combustion of sold products. Excludes Viva Energy Polymers business (supply chain).

1. Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, World Resources Institute and World Business Council for Sustainable Development (2011).
2. IPIECA Estimating petroleum industry value chain (Scope 3) greenhouse gas emissions guidelines (2016).

Additional information

The information below is current as at 3 February 2023.

Voting rights

Shareholders in the Company have a right to attend and vote at all general meetings in accordance with the Company's Constitution, the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

Substantial holders

As at 3 February 2023, Viva Energy has one substantial holder, who, together with their associates, hold 5% or more of the voting rights in the Company, as notified to the Company under the Corporations Act.

Name	Date of notice received	Number of shares[1]	Percentage of capital[2]
VIP Energy Australia B.V.	17 July 2018	710,379,386	45.85%

1. The number of shares quoted are based on the number of shares disclosed in the substantial shareholder notices lodged by the holder. In 2020, 2021 and 2022, the Company undertook three share consolidations where each share in the Company held on 9 October 2020 was consolidated into 0.84 shares, each share in the Company held on 20 October 2021 was consolidated into 0.97 shares, and each share in the Company held on 4 October 2022 was consolidated into 0.81 shares (with any resulting fraction of an ordinary share held by a shareholder rounded up to the next whole number of shares).
2. The percentages quoted are based on the percentages disclosed in the substantial shareholder notices lodged by the holder. In 2020, 2021 and 2022, the Company bought on-market and cancelled shares pursuant to its on-market buy-back programs and as at 3 February 2023, has 1,549,639,715 ordinary shares on issue.

Distribution of shareholders and number of shares

The following table shows the total number of shares on issue in the Company as at 3 February 2023 and the distribution of Viva Energy shareholders by the size of their shareholding

Size of holdings	Total holders	Number of shares held	Percentage
1 – 1,000	3,256	1,719,626	29.98
1,001 – 5,000	4,381	11,362,012	40.34
5,001 – 10,000	1,671	12,558,293	15.38
10,001 – 100,000	1,463	35,045,014	13.47
100,001 and over	90	1,488,954,770	0.83
Total	**10,861**	**1,549,639,715**	**100.00**

Additional information continued

Top 20 shareholders

The 20 largest registered shareholders as at 3 February 2023 are shown below.

		Numbers of shares held	Percentage
1	VIP ENERGY AUSTRALIA B. V	633,052,365	40.85%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	294,372,320	19.00%
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	162,898,458	10.51%
4	CITICORP NOMINEES PTY LIMITED	119,148,460	7.69%
5	VIP ENERGY AUSTRALIA B V	77,327,021	4.99%
6	NATIONAL NOMINEES LIMITED	69,285,823	4.47%
7	BNP PARIBAS NOMS PTY LTD	26,450,178	1.71%
8	ARGO INVESTMENTS LIMITED	22,408,363	1.45%
9	CITICORP NOMINEES PTY LIMITED	7,866,597	0.51%
10	SCOTT WYATT	7,459,487	0.48%
11	PACIFIC CUSTODIANS PTY LIMITED	6,936,022	0.45%
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	6,460,387	0.42%
13	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	5,612,336	0.36%
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,582,900	0.30%
15	NETWEALTH INVESTMENTS LIMITED	4,465,732	0.29%
16	WARBONT NOMINEES PTY LTD	3,485,445	0.22%
17	BNP PARIBAS NOMS(NZ) LTD	3,101,675	0.20%
18	BNP PARIBAS NOMINEES PTY LTD	3,074,869	0.20%
19	BNP PARIBAS NOMS PTY LTD	2,835,968	0.18%
20	NAVIGATOR AUSTRALIA LTD	2,735,701	0.18%
	Total	**1,463,560,107**	**94.46%**
	Balance of register	**86,079,608**	**5.54%**
	Grand total	**1,549,639,715**	**100.00%**

Holders with less than a marketable parcel

As at 3 February 2023, there were 189 shareholders holding less than a marketable parcel of shares (A$500) based on the closing market price of $2.92.

Shares purchased on-market

We purchase shares on-market for the purposes of our Employee Share Plan and for the purposes of our incentive plans. During the period between 1 January 2022 to 31 December 2022, 4,224,859 shares were purchased on-market at an average price of $2.58 per share.

On-market buy-back

On 24 August 2021, the Company announced its intention to conduct an on-market buy-back program. As at 3 February 2023, the Company has bought back 9,775,463 shares under this program.

Unquoted equity securities

As at 3 February 2023, the Company has on issue:

- 3,707,961 Deferred Share Rights granted under the Company's STIP and LTIP, held by 98 employees; and
- 6,992,697 Performance Rights granted under the Company's LTIP, held by seven employees.

Historical information

For the years ended 31 December	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017
Consolidated results ($M)						
Revenue	**26,432.6**	15,900.0	12,409.9	16,541.6	16,395.1	15,660.5
Group Underlying EBITDA (RC)	**1,075.8**	484.2	244.6	392.9	531.5	634.3
Underlying EBITDA (RC) – Retail	**249.6**	187.5	235.4	149.3	198.6	255.8
Underlying EBITDA (RC) – Commercial	**335.3**	217.3	156.4	186.2	243.4	135.9
Underlying EBITDA (RC) – Refining	**517.9**	103.4	(127.9)	79.0	99.0	257.8
Underlying EBITDA (RC) – Corporate	**(27.0)**	(24.0)	(19.3)	(21.6)	(9.5)	(15.1)
Underlying NPAT (RC)	**596.6**	191.6	33.4	157.1	299.6	375.1
Distributable NPAT (RC)	**596.6**	191.6	22.8	153.0	155.4	n/a
Financial statistics						
Operating cash flow before capital expenditure ($M)	**1,098.4**	438.1	80.3	340.3	535.7	445.8
Capital expenditure ($M, net of govt contribution)	**278.4**	185.1	158.5	161.7	241.3	233.6
Net debt / (cash) ($M)	**(290.5)**	95.2	104.2	137.4	(0.2)	74.6
Earnings per share – basic (cents/share)	**33.3**	14.6	(1.9)	5.8	29.8	n/a
Earnings per share – diluted (cents/share)	**33.1**	14.5	(1.9)	5.7	29.4	n/a
Dividends per share paid (cents/share)	**16.9**	4.1	0.8[1]	4.7	4.8	n/a
Other data						
Sales volume (ML)	**14,252**	13,105	12,339	14,695	14,046	14,151
Number of service stations[2]	**1,330**	1,345	1,339	1,292	1,255	>1,100
Refining intake (MBBLs)	**41.9**	41.2	34.8	42.0	40.1	40.8
Geelong Refining Margin (US$/BBL)	**17.1**	7.1	3.1	6.6	7.4	10.2

1. Excludes special dividend of 5.94 cents per share.
2. Alliance, dealer owned, Westside Petroleum and Liberty Platforms.

Corporate directory

Registered office

Level 16, 720 Bourke Street
Docklands, Victoria, Australia 3008

Telephone: 03 8823 4444

Share registry

Link Market Services Limited
Tower 4, 727 Collins Street
Melbourne, Victoria, Australia 3008

Telephone: 1300 554 474

Investor relations

investors@vivaenergy.com.au

Website

To view the 2022 Annual Report, 2022 Corporate Governance Statement, shareholder and Company information, news announcements, financial reports, historical information and background information on Viva Energy, please visit our website at www.vivaenergy.com.au.

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