ASX Release

5 April 2023

The Manager
Markets Announcement Office
Australian Securities Exchange

Electronic lodgement

Viva Energy to acquire OTR Group, transforming its Convenience and Mobility retail business.

Please see attached announcement and presentation for immediate release to the market.

Conference Call details

The update will be presented by Scott Wyatt, Chief Executive Officer, Jevan Bouzo, Chief Executive of Convenience and Mobility, and Carolyn Pedic, Chief Financial Officer, via webcast and call.

Date: 5 April 2023

Time: 11:00 am (AEST)

To join the briefing, participants must pre-register by navigating to
https://s1.c-conf.com/diamondpass/10029855-fjk43l.html

You will then receive the webcast link and dial in number via a calendar invite.

Julia Kagan
Company Secretary

5 April 2023

Viva Energy to acquire OTR Group, transforming Viva Energy's Convenience and Mobility retail business

Highlights

Transaction overview

- Viva Energy to acquire OTR Group for $1.15 billion from Peregrine Corporation, implying pro forma FY2023 (June-end) EBITDA (RC) multiple of 7.0 times post synergies[1];
- Transaction completion subject to customary regulatory approvals including FIRB and ACCC.

Strategic rationale

- Supports Viva Energy's vision to be Australia's leading convenience retailer, with a pathway to establish more than 1,000 stores;
- Secures cutting edge convenience capabilities (OTR generates >70% of earnings from non-fuel retail)[2] which would otherwise have taken years to develop;
- Diversifies earnings exposure, lifting the share of earnings from non-fuel sources from ~30% (post Coles Express) to an expected ~50% of the Convenience & Mobility business[3];
- Accelerates earnings growth of Viva Energy convenience business and integration of Coles Express acquisition through OTR proven product offering, synergies, associated brands, quick-service restaurant operations, advanced technology and supply chain capability.

Financial impact

- EPS accretion of 6% to 26% (6% on pro forma FY2022 basis, 11% on normalised FY2022 based on historical average Refining earnings and 26% relative to FY2021)[4];
- Further earnings potential from the OTR development pipeline (90 sites) and upgrading the Coles Express network to the OTR offer;
- Self-funded acquisition via $1 billion of debt and working capital, and $150 million equity issuance to sellers (subject to 12-24 month escrow, ensuring alignment);
- Maintains Viva Energy's prudent capital structure with additional capacity for further capital management and acquisition opportunities.

About OTR Group

OTR Group ("On the Run") is a leading independent convenience retailer in Australia, generating more than $3 billion of revenue annually and employing approximately 6,500 people. OTR Group comprises:

- The OTR Convenience Retail network of 205 company owned and controlled leasehold stores operating under the OTR brand, comprising 174 integrated fuel and convenience stores and 31 stand-alone stores. The network also includes 92 stores which incorporate quick service restaurants (QSRs) operated by OTR. The business has leasehold rights to a growth pipeline of 90 sites, largely outside of South Australia, which will be developed into new OTR stores over the next few years;
- Smokemart and Giftbox (SMGB) provides tobacco and cigarette wholesale arrangements to OTR and other retail third-party networks. Its retail network consists of 257 company owned and controlled leasehold stores across Australia, together with an online retail website;
- Mogas Regional and Reliable Petroleum wholesale fuel and lubricant businesses which service customers in regional South Australia.

The OTR Convenience Retail network is the main earnings driver of the group, generating ~70% of EBITDA in the FY2023 (June-end) forecast period. We believe it is the most sophisticated convenience offer in the Australian market, leading innovation through a wide range of products and services including Drive-Thru, a 24-hour network ("We Never Close"), and mobile apps for pre-ordering, pre-payment, and delivering loyalty offers to customers.

Transaction overview

Viva Energy Group Limited (the **Company** or **Viva Energy**) has entered into a binding agreement to acquire the OTR Group for a total consideration of $1.15 billion from Peregrine Corporation. The OTR network and wholesale fuel businesses will be acquired by way of share sale, while the SMGB business will be via asset sale.

The consideration will be funded through $1 billion of debt and working capital, and an equity component of $150 million to be issued to the sellers. The debt component will be funded through existing debt facilities plus bridging finance, with long-term debt facilities put in place over time. Of the equity component, 50% will be escrowed for a 12-month period following completion and the remainder will be escrowed for a 24-month period. The number of shares issued to the sellers will be based around the 20-day volume weighted average price (VWAP) prior to signing the deal (subject to adjustments if the Company issues shares at a price lower than the VWAP in the period prior to completion).

Approximately 6,500 OTR team members and support centre staff will join the Viva Energy Group on their current terms and conditions. Viva Energy will retain the OTR head office in Adelaide which, along with the existing Melbourne-based team, will service the Group's Convenience and Mobility business over time.

OTR Founder, Mr Yasser Shahin, will be retained by Viva Energy to support the existing OTR Group and transition the business to Jevan Bouzo, Viva Energy's CEO of Convenience & Mobility. Their combined priorities will be to integrate the businesses, build the operating structure, further develop the OTR network, test formats for deployment into the Coles Express network and realise synergies.

Completion of the transaction is expected to occur in the second half of 2023, subject to customary FIRB and ACCC approval. In the event that completion does not proceed, the parties have agreed to certain fall-back provisions for ongoing supply and the transfer of the commercial bulk fuels business (also subject to regulatory conditions) on commercial arms' length terms.

Strategic rationale

The acquisition of the OTR business further delivers on Viva Energy's strategy to grow high-quality, non-fuel earnings streams, and provides a significant opportunity to unlock procurement and supply chain synergies.

The acquisition of Coles Express, announced in September last year, secures operational control of the convenience business across more than 700 stores, together with the organisational capability and wholesale supply arrangements to support and execute the existing Coles Express offer. The acquisition of the OTR Group secures leading convenience and quick service restaurant capability to rapidly deploy new formats across the network and further transform our convenience and mobility business in the following areas:

- Bring together the OTR, Coles Express and Viva Energy Retail businesses to establish a nationwide convenience network with a pathway to more than 1,000 stores, and capability for a market-leading convenience and mobility offering in Australia;
- Immediately increase the earnings contribution from Convenience from ~30% to ~50% of the Convenience & Mobility business, reducing dependency on income from traditional fuels and increasing exposure to the fast-growing convenience sector;
- Extend the proven OTR convenience offer and technology platforms to Coles Express stores that can support the format, taking the OTR brand nationally and growing convenience sales. OTR's convenience sales per store are, on average, more than double what is achieved through the Coles Express network presenting considerable growth upside;
- Achieve significant scale and synergies in procurement, marketing and functional support. OTR substantially reduces the time and cost of setting up infrastructure to replace the transitional services arrangements provided by Coles Group, by transitioning directly to proven and existing back-office infrastructure;
- Combine the best of the Coles Express and OTR digital and loyalty offers into one compelling customer proposition. The OTR digital platforms provide customers with fuel, QSR and convenience rewards and discounts, which supports higher sales through cross-selling convenience and fuel products;

CEO Commentary

Viva Energy's CEO and Managing Director, Scott Wyatt, said today's acquisition is transformational for Viva Energy and that OTR will become Viva Energy's flagship convenience brand, replacing the Coles Express brand over time.

"The introduction of OTR's superior convenience offering, including quick serve restaurants, will help revolutionise the diversity and attraction of our retail offering," Mr Wyatt said. "As our stores increasingly become retail destinations, we expect convenience earnings will grow and reduce our dependency on traditional fuels."

"OTR outlets offer an attractive and welcoming store environment, supporting increased dwell time, which is likely to be a key factor in successfully introducing electric vehicle recharging facilities over time."

Mr Wyatt said that over the past three decades the Shahin family has built OTR into one of the most successful integrated convenience and fuel offerings in Australia.

"We are excited about the opportunity we have to take this proud South Australian business and brand nationally and are pleased to have Yasser Shahin work with us as we commence this journey," he said. "We also look forward to welcoming approximately 6,500 OTR team members to the Viva Energy business, learning from them and working with them to lift the standard of convenience retailing in this country."

OTR Founder, Mr Yasser Shahin, said, "Today's announcement marks an incredibly exciting time for our company. This transaction delivers the realisation of the vision I have always had, and vigorously pursued; to see OTR become national, to be the leading convenience brand in Australia and to remain true to our roots and based in Adelaide."

"The coming together of one of Australia's best retail networks with one of Australia's leading convenience offerings has enormous industrial logic," he said. "I will continue to support the business following completion of the transaction, and the entire team and I are completely committed to the successful integration of these businesses. The Shahin family is committed to continuing to see Adelaide as the home of OTR and Viva Energy have provided for the realisation of a larger, enhanced OTR to continue to be headquartered here."

Financial impact

We expect the acquisition to deliver:

- $4.2 billion of sales revenue on a pro forma forecast FY2023 (June-end) basis, comprising $2.4 billion of non-fuel sales;
- Adds $165 million EBITDA (RC) post integration and synergies[1], of which $15 million to $20 million will be allocated to Commercial & Industrial;
- Corresponding EPS accretion of 6% to 26% (6% on pro forma FY2022 basis, 11% on normalised FY2022 based on historical average Refining earnings and 26% relative to pro forma FY2021)[4].

The integration of OTR into the Viva Energy Retail and Coles Express networks is expected to drive synergies of approximately $60 million per annum, to be realised in three years, through cost and efficiency improvements, supply chain procurement, operations, technology systems and marketing.

We expect an additional $10 million to $15 million in annual maintenance capex, lifting total maintenance capex for the Convenience & Mobility business to approximately $80 million per annum (including Coles Express). The development of the growth pipeline (90 stores) and the extension of the OTR offer to the Coles Express network is expected to add over time approximately $50 million of growth capex per annum, subject to achieving satisfactory returns from this investment.

Stamp duty and advisor costs will be between $15 million and $20 million, with no additional transaction and integration costs as result of capex and cost synergies associated with the Coles Express acquisition. We anticipate significant synergies by scaling the existing OTR enterprise resource planning (ERP) system and proprietary mobile app across the broader Viva Energy Retail network.

The transaction is expected to result in the recognition of right-of-use assets and lease liabilities of approximately $950 million.

Following the completion of the OTR and Coles Express acquisitions, we expect net debt to EBITDA in the range of 0.6 times to 0.8 times[5]. The acquisition will be funded by a new standalone term debt facility of A$600 million together with utilising capacity in our existing debt facilities of US$700 million, which are largely undrawn. Longer-term debt facilities will be put in place over time. We will maintain a conservative leverage profile, maintaining capacity for further capital management and acquisition opportunities.

Notes:

1. Earnings contribution is calculated using OTR Group's pro forma FY2023 (June-end) forecast period including synergies. Estimated run-rate synergies of approximately $60 million per annum are anticipated in three years following completion. RC is a non-IFRS measure under which the cost of goods sold is calculated on the basis of theoretical new purchases of inventory instead of historical cost of inventory. This removes the effect of timing differences and the impact of movements in the oil price.
2. Based on average non-fuel gross margin contribution of FY2021 and FY2022 (June-end).
3. Increase in gross margin from non-fuel sales is based on OTR's FY2023 forecast (June-end) period compared to Convenience & Mobility (Retail) business's pro forma FY2022 (Dec-end) period, including Coles Express. Convenience & Mobility and Commercial & Industrial align to Retail, Fuels & Marketing: Retail, and Retail, Fuels & Marketing: Commercial.
4. The EPS accretion range of 6% to 26% is relative to Viva Energy's pro forma FY2022 and FY2021 results (including Coles Express). The historical average Refining contribution assumes $200 million EBITDA based on 5-year average between FY2018 and FY2022, excluding FY2020. Viva Energy reports its 'Underlying' performance on a "replacement cost" (RC) basis.
5. Target gearing range relates to term debt which can better align with duration of new growth opportunities. Net debt range based on term debt of between $600 million and $800 million, with the remainder funded through the existing facilities. EBITDA in net debt calculation based on FY23F Convenience & Mobility pro forma EBITDA, Commercial FY2022 EBITDA and 5-year average of Refining EBITDA between FY2018 and FY2022, excluding FY2020.

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

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About Viva Energy

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

Viva Energy owns and operates the strategically located Geelong Refinery in Victoria, and operates bulk fuels, aviation, bitumen, marine, chemicals, polymers and lubricants businesses supported by more than 20 terminals and over 65 airports and airfields across the country.

www.vivaenergy.com.au

Acquisition of OTR Group

Advancing our Convenience & Mobility Strategy

Viva Energy Group Limited

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OTR Group Acquisition

Transformational acquisition which accelerates our convenience strategy

- ✓ Leading convenience & QSR retailer
- ✓ Proven operating model and brands
- ✓ Sophisticated digital and loyalty platforms
- ✓ Scalable across Australia with plans in place
- ✓ EPS accretion of 6% to 26%
- ✓ Established and scalable back office and operating model
- ✓ Significant operational and marketing synergies
- ✓ Convenience sales uplift from extending OTR offer

The OTR offer

OTR is disrupting the fuels business by creating a one-stop true convenience destination, reducing the reliance on fuel and increasing exposure to the fast-growing convenience sector

OTR
making life easy

Home brands	*Licensed brands*
EAT	SUBWAY
C COFFEE	WOK IN A BOX
MOE'S DOG & SHAKE	Krispy Kreme DOUGHNUTS
OTR Supermarket	GUZMAN Y GOMEZ
HappyWash	HUNGRY JACKS
HappyDogWash	MOVE YOURSELF
OTR	SA Lotteries
OhJ! CHILL	

A sophisticated convenience offer, outstanding customer service and renowned brands, which drives outperformance in convenience

- OTR leads innovation in Australian convenience retail, generating more than 70% of earnings from non-fuel sources[1].
- OTR convenience sales per store average $3.9M compared with Coles Express at $1.6M[2].
- OTR is a leader in food (#1 growth category in convenience) with a wide range of fresh products, supported by rigorous testing and innovation at its on-site test facilities at Adelaide headquarters.
- Substantial sales and efficiency benefits from having 73 quick-service restaurants (QSRs) integrated within the store (with an additional 19 standalone QSRs).
- Strategic partnerships, wholesale arrangements and franchisee agreements will be transferred to Viva Energy on completion.
- OTR's offer is centred on "Making Life Easy" with a sophisticated range of products and services, and a 24/7 network of stores that set the benchmark for quality and aesthetics.

Groceries Sorted

Brekkie Sorted

Packed Lunch Sorted

1. Based on non-fuel gross margin contribution in FY2021-2022 (June-end).
2. Average sales per store calculated in FY2021-2022 (June-end).

Transition and Growth Strategy

Four steps to becoming a leading Convenience & Mobility retailer, and a one-stop destination for our customers

Retail branded network and fuel supplier → Leading Convenience & Mobility Retailer

1 Take full control of the network

- Coles Express acquisition expected to complete in 2Q2022 (>700 stores).
- Acquires the store and retail capability to grow.

2 Acquire capability to extend offer

- OTR acquisition to complete in 2H2023[1].
- Extends offer to quick service restaurants (QSRs).
- Accelerates growth plans.

3 Transform and grow the network

- Extend OTR offer to Coles Express network.
- Add new stores in great locations.
- Acquire Liberty Convenience[1].

4 Further extend the offer

- Extend to other convenience offers.
- Create more reasons to visit our stores as a one-stop convenience destination.

1. Subject to relevant regulatory approvals.

Transaction Summary

Transaction details, strategic rationale and financial impact

Transaction Details	• Viva Energy to acquire OTR Group for total consideration of $1.15BN from Peregrine Corporation. • Implies pro forma FY2023 (June-end) EBITDA (RC) of 7.0x post synergies[1]. • Completion expected in 2H2023 subject to FIRB and ACCC approval.
Strategic Rationale	• Supports vision to be Australia's leading convenience retailer, with pathway to more than 1,000 stores. • Secures cutting-edge convenience capabilities (OTR Group generates >70% of earnings from non-fuel retail) which would otherwise have taken years to develop. • Diversifies earnings exposure, lifting non-fuel share from ~30% (post Coles Express) to ~50% of Convenience & Mobility[2]. • Accelerates earnings growth of convenience business and integration of Coles Express acquisition through OTR proven product offering, synergies, associated brands, quick-service restaurant operations, advanced technology and supply chain capability.
Financial Impact	• EPS accretion 6% to 26% (6% on pro forma FY2022, 11% on normalised pro forma FY2022 based on historical avg. Refining earnings, 26% on pro forma FY2021)[3]. • Further earnings potential from OTR pipeline, upgrading network to OTR offer and full integration of OTR and Coles Express. • Self-funded acquisition via debt and working capital of $1BN, and $150M equity issuance to sellers (subject to 12-24mth escrow, ensuring alignment). • Maintains Viva Energy's prudent capital structure with additional capacity for further capital management and acquisition opportunities.

1. Earnings contribution is calculated using OTR Group's pro forma FY2023 (June-end) forecast period including synergies. Estimated run-rate synergies of approximately $60 million per annum are anticipated in three years following completion.
2. Increase in gross margin from non-fuel sales based on OTR FY2023 (June-end) period relative to the Convenience & Mobility's pro forma FY2022 (Dec-end) period, including Coles Express.
3. EPS accretion range is calculated using OTR Group's pro forma FY2023 (June-end) forecast period including synergies, relative to Viva Energy's pro forma FY2022 and FY2021 results (including Coles Express). The historical average Refining contribution assumes $200M EBITDA based on 5-year average between FY2018 and FY2022, excluding FY2020. Convenience & Mobility and Commercial & Industrial align to Retail, Fuels & Marketing: Retail, and Retail, Fuels & Marketing: Commercial.

Transaction Overview

Viva Energy to acquire OTR fuel & convenience and wholesale fuel businesses by share sale, Smokemart & Giftbox (SMGB) by asset sale

Viva Energy to acquire OTR Group

OTR retail network (205 stores)

- 174 fuel & convenience, 31 non-fuel.
- 73 integrated and 19 standalone QSRs (Subway, Wokinabox, Guzman Y Gomez, KrispyKreme, Hungry Jacks, Oporto).
- Product brands include EAT, C-Coffee, Chill, ohJ!, Moe's Dog & Shake and HappyWash/DogWash.
- Retail fuel volumes ~3.8ML per fuel & convenience store p.a. on average.

SMGB (257 stores)

- Retail network in most Australian states, also wholesale supplier.
- Gifts, homewares, smoking related products and vapes.
- Modern online platforms.
- Ability to extend offering to wider range of products.

Wholesale fuels businesses

- Supply a variety of commercial customers.
- Includes ~16 depots.
- To be integrated into Liberty Wholesale (within Commercial & Industrial).

peregrine

- CEO, Mr Yasser Shahin, retained post completion to support the existing OTR group and the transition to Jevan Bouzo, Viva Energy's CEO of Convenience & Mobility.
- Combined priorities will be to integrate the businesses, build the operating structure, develop the OTR network, test formats for deployment into the Coles Express network and realise synergies.
- Peregrine Corporation to retain freehold on majority of OTR stores.

Strategic Rationale – Summary

Secures a leading convenience and quick service restaurant capability to deploy new formats across the network and further transform our convenience and mobility business

1. Establish a pathway to build a nationwide convenience network of more than 1,000 stores with a market leading convenience and mobility offering.

2. Greater earnings diversification to convenience and the broader retail sector, which we expect to continue to deliver solid, defensive growth into the long term.

3. Extend OTR offer and technology platforms to Coles Express stores that support the format, taking the OTR brand nationally and growing per store convenience sales.

4. Achieve synergies in procurement, marketing and functional support by bringing the three businesses together under a single operation.

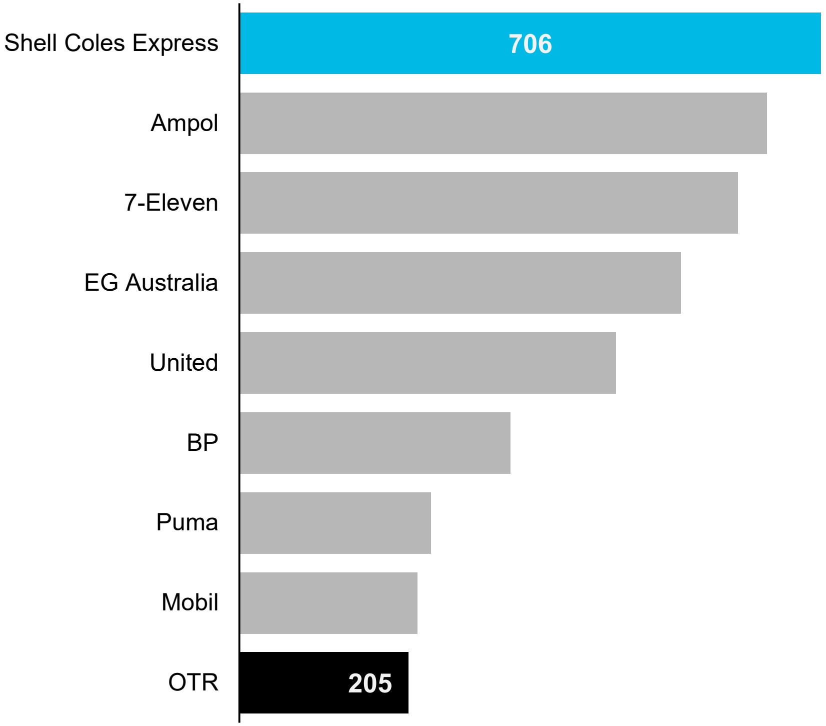
5. Consolidate digital and loyalty offers across the network.

Strategic Rationale – #1

Establish a pathway to build a nationwide network of more than 1,000 stores with a market leading convenience and mobility offering in Australia

Fuel and convenience network

Company controlled stores



Source: Company reports, public data.

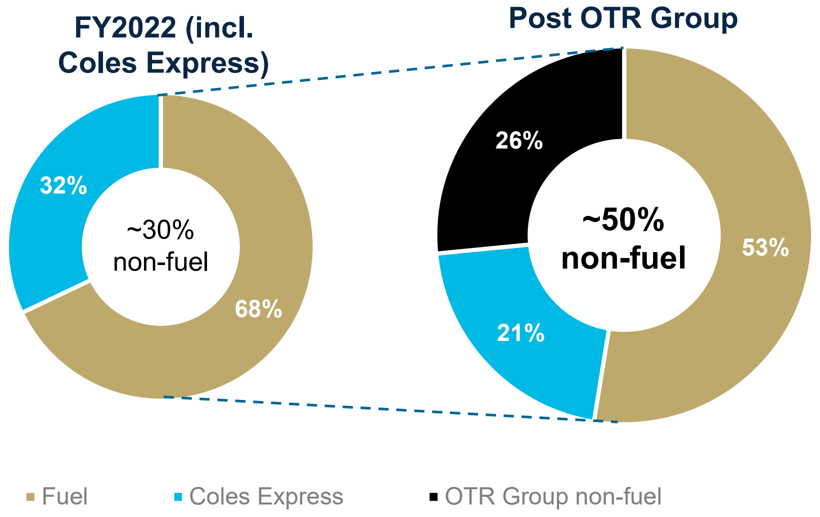
A company controlled network with a pathway to 1,000+ stores

- More than 700 Coles Express stores are targeted to transition to Viva Energy in 2Q2023
- On completion, OTR brings an additional 205 stores with 92 including quick service restaurants.
- OTR Group has a growth pipeline of ~90 stores which will be developed for Viva Energy.
- Store footprint (and pipeline) provides opportunities to optimise the network.

Strategic Rationale – #2

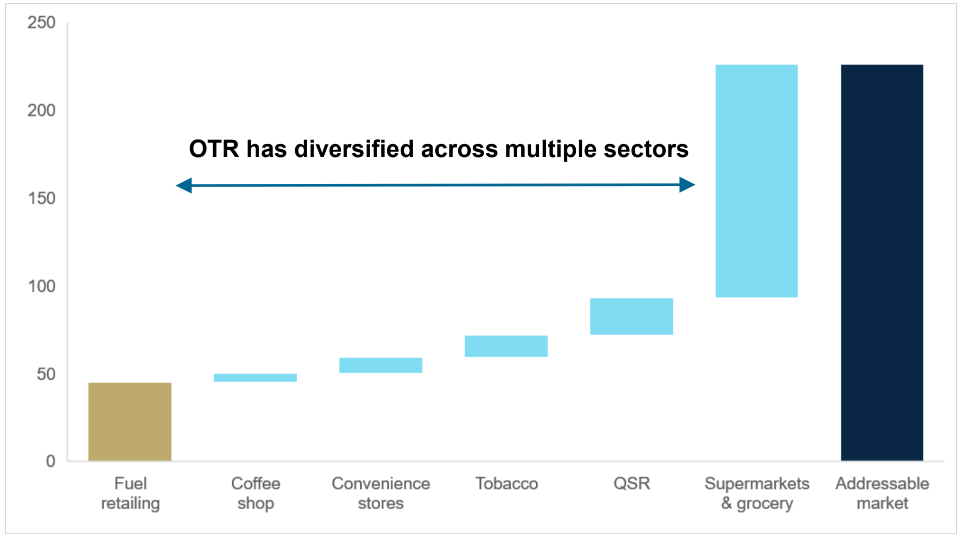
Greater earnings diversification to convenience and the broader retail sector, which we expect to continue to deliver solid, defensive growth into the long term

Convenience & Mobility (C&M) gross profit ($M)[1]



- Non-fuel gross profit contribution lifts from ~30% to ~50% of C&M.
- Non-fuel sales generate the majority of OTR Group's earnings (>70% of gross profit).
- OTR network achieves non-fuel gross margin at ~40% (vs Coles Express at ~32%).

Addressable market by category ($BN)[2]



- Expands addressable market by ~5x to more than $200BN.
- Creates opportunity to grow on a combined basis from ~$12.8BN of retail sales (at ~6% of market)[3] through network and existing retailing capability.
- OTR has generated strong sales growth from non-fuel sources (14% p.a. past 2 years)[4].

1. Increase in gross margin from non-fuel sales based on OTR FY2023 June-end relative to Viva Energy's pro forma FY2022 (Dec-end) period, including Coles Express.
2. Sources: Australian Bureau of Statistics (2022), IBISWorld Reports, Australia, 2022-2023, Australasian Association of Convenience 2021 State of the Industry Report.
3. Combined sales based on Convenience & Mobility pro forma FY2022 result (including Coles Express) and OTR Group FY2023 (June-end) forecast.
4. Based on OTR Group sales between FY2020 and FY2022.

Strategic Rationale – #3

Extend OTR offer and technology platforms to Coles Express stores that support the format, taking the OTR brand nationally and growing per store convenience sales

Opportunity to extend OTR to suitable locations

- Trusted offer and brands renowned for high-quality and diverse range of products and services, a modern and comfortable store layout and reliability as a 24/7 service.
- Accelerates plans to shift focus from fuel to convenience to drive customer visits and convenience earnings.
- Builds defendable scale in convenience as demand for traditional fuels declines over time.
- Attractive offer and welcoming store environment support increased customer dwell time and the introduction of electric vehicle recharging facilities.
- Differentiated from ‘express format’ convenience, more suitable in smaller, metro-focussed locations (where a different brand will be used).

Strategic Rationale – #4

Achieve significant synergies in procurement, marketing and functional support by bringing the three businesses (OTR, Coles Express and Viva Energy) together under a single operation

	Coles Express / Viva Energy Retail	OTR Group
Brand	• Coles Express under brand licence agreement (up to 3.5 yrs). • Developing brand for 'express format' stores.	• Proven retail brand for 'full-service' fuel & convenience offering.
IT / HR / Payroll/ Accounting	• Transitional Services Agreement (2 yrs).	• Back office capability to support exit from Coles TSA (new enterprise resource system (ERP)).
Point of Sale and Payment Services	• Merchant Payment Services Agreement, maintains existing payment infrastructure at stores.	• POS infrastructure recently upgraded, integrated 'Pay-at-Pump', advanced payment options
Convenience	• Product Supply Agreement to continue supplying Coles branded and other products, option for extension by mutual agreement.	• Wide range of wholesale suppliers, growing range of successful home brands in key convenience categories.
Fuel supply	• Shell branded fuel supplied by Viva Energy[1].	• Retail network largely supplied by BP, will transition to Viva Energy (Shell branded) over time.
Marketing	• Fly Buys, Shell Card, Coles Shopper Dockets	• Leading OTR loyalty and digital platforms.
Team	• ~6,000 team members.	• ~6,500 team members.

1. Shell licence brand agreement in place through to 31 December 2029.

Strategic Rationale – #5

Consolidates digital and loyalty offers across the network

Leading technology ready to be deployed

- Accelerates ability to deliver advanced digital experiences.
- OTR employs leading technology through digital stores, payments platform and customer feedback.
- Its mobile app is user-friendly with strong engagement, providing customers with fuel, QSR and convenience rewards and discounts (e.g. Scan, Pump Save!).
- Brings together and enhances the parties' digital and loyalty offerings, including the proprietary OTR App and Shell fuel cards.
- Supports higher sales through cross-selling convenience and fuel products.

Financial Impact

Summary

Sales & earnings contribution

- Adds $4.2BN of sales revenue on a FY2023 pro forma basis, comprising $2.4BN of non-fuel sales[1].
- Adds $165M to EBITDA (RC) once run-rate synergies are realised, of which $15-20M will go to Commercial & Industrial[1].
- Corresponding EPS accretion of 6% to 26% (6% on pro forma FY2022 basis, 11% on normalised FY2022 based on historical average Refining earnings and 26% relative to pro forma FY2021)[2].

Balance sheet impact

- Recognition of ROU assets and lease liabilities of approx. $950M.
- Following completion, below targeted range at 0.6-0.8x net debt[3] / underlying EBITDA (RC).
- Funded by new standalone term debt facility of A$600M and capacity in existing facilities of US$700M (largely undrawn). Longer-term debt facilities to be put in place over time.
- Focused on conservative leverage profile, maintaining capacity for further capital management and acquisition opportunities.

Transaction & Integration costs

- Stamp duty and advisor costs will be $15-20M, with no additional transaction and integration costs as result of capex and cost synergies with the Coles Express acquisition.
- Anticipate significant synergies by scaling existing OTR ERP system and mobile app across Viva Energy Retail network.

1. Sales and earnings contribution based on OTR Group's FY2023 (June-end) forecast period. EBITDA (RC) includes synergies of approximately $60M p.a., anticipated in 3 years following completion.
2. EPS accretion range is calculated using OTR Group's FY2023 (June-end) forecast period, including run-rate synergies of $60M p.a., relative to Viva Energy's pro forma FY2022 and FY2021 periods (December year-end, includes Coles Express) respectively. The historical average Refining contribution assumes $200M EBITDA based on 5-year average between FY2018 and FY2022, excluding FY2020.
3. Target gearing range relates to term debt which can better align with duration of new growth opportunities. Net debt range based on term debt of between $600m and $800m, with the remainder funded through the existing facilities. EBITDA in net debt calculation based on forecast FY2023 Convenience & Mobility pro forma EBITDA, Commercial & Industrial FY2022 EBITDA and 5-year average of Refining EBITDA between FY2018 and FY2022, excluding FY2020.

Financial Impact

OTR Group is set to contribute $165M+ to EBITDA once synergies are realised

Pro forma financial profile

Retail, Fuels & Marketing (RFM) pro forma (incl. Coles Express)		OTR pro forma (June-end)			Pro forma
$M unless stated otherwise	**CY22**	**FY21**	**FY22**	**FY23F[1]**	**Post-synergies**
Pro forma revenue[1]	**27,443**	**3,061**	**3,586**	**4,220**	**31,663**
Non-fuel shop sales	1,161	2,049	2,239	2,396	3,557
Fuel volumes ML	14,252	878	883	985	15,237
Pro forma normalised EBITDA[1]	**609**	**104**	**91**	**165**	**774**
Viva Energy Group net debt[2] / (cash)	(291)				600 - 800
Viva Energy Group net debt / EBITDA[3]	(0.5x)				0.6x - 0.8x

FY2022 (June-end) was a period of lower earnings for the fuel & convenience industry with fuel margins compressed due to rising product prices, with Convenience & Mobility pro forma EBITDA (including Coles Express) falling from $272M to $170M during that period. In addition, FY2021 (June-end) benefited from heightened trade during COVID-19.

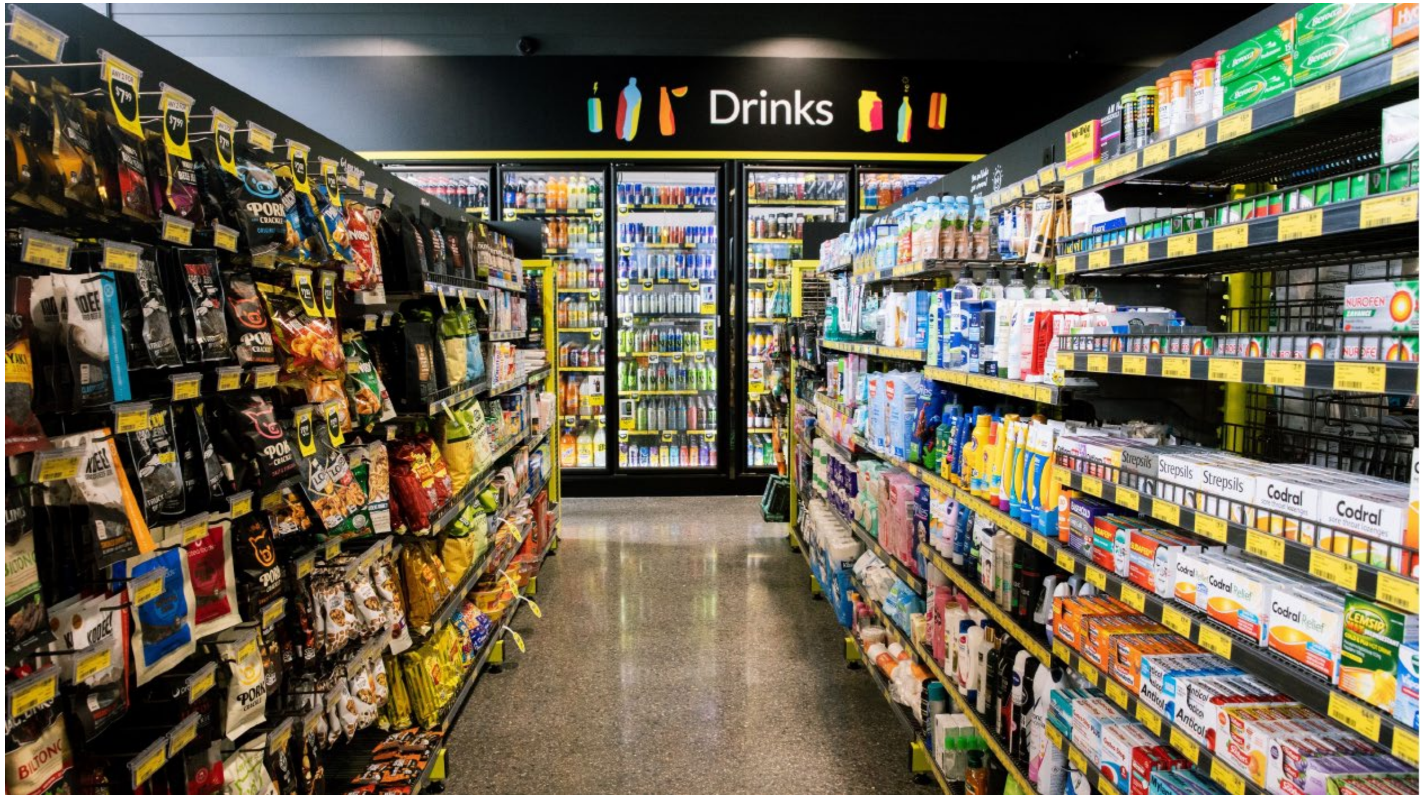
1. Sales and earnings contribution based on Viva Energy's pro forma CY2022 period (including Coles Express) and OTR Group's normalised FY2021-22 periods and its forecast 2023 period (June-end). FY2023 forecast earnings include estimated run-rate synergies of approximately $60M p.a. in 3 years following completion.
2. Net debt range based on term debt of between $600m and $800m, with the remainder funded through existing facilities. EBITDA in net debt calculation based on Convenience & Mobility pro forma EBITDA, Commercial & Industrial FY2022 EBITDA and 5-year average of Refining EBITDA between FY2018 and FY2022, excluding FY2020.
3. EPS accretion range (6% to 26%) is calculated using OTR Group's FY2023 forecast period, including run-rate synergies of approximately $60M p.a., relative to Viva Energy's pro forma FY2022 and FY2021 periods (December year-end, includes Coles Express) respectively. The historical average Refining contribution assumes $200M EBITDA based on 5-year average between FY2018 and FY2022, excluding FY2020.

OTR Group to deliver substantial EPS accretion post synergies (expected over 3 years)

- Adds $165M to EBITDA (RC) once run-rate synergies are realised, of which $15-20M will be allocated to Commercial & Industrial.
- Corresponding EPS accretion of 6-26% (6% on pro forma FY2022 basis, 11% on normalised FY2022 based historical average Refining earnings, and 26% on a pro forma FY2021 basis)[3].
- Assumes approx. $60M p.a. of run-rate synergies (to be realised over 3 years) attributable to:
  - Marketing and operational costs.
  - Supply chain benefits.
- Significant additional earnings upside exists from:
  - Rolling the OTR model out to suitable Coles Express stores.
  - Convenience purchasing benefits through greater scale.
  - A development pipeline of approximately 90 stores.

Investment Requirements

We expect the increase in capital investment to drive attractive returns as we transform our network



We will take a measured approach to capital investment

- Expect maintenance capital $10-15M, lifting total capex for Convenience & Mobility to a run-rate $80M p.a. (including Coles Express).
- Expect growth capital over time to grow to $50M p.a. to invest in the pipeline and to uplift existing stores.
- Ongoing investment dependant on achieving return on capital well in excess of WACC, which will be regularly assessed and reported on.
- Significant synergy opportunities by scaling the existing OTR ERP system and proprietary mobile app across the broader Viva Energy Retail network.

Conclusion

OTR will transform our Convenience & Mobility network and support long-term growth

1. OTR represents a major step forward in our vision to become a convenience retailer that sells fuel, rather than a fuel retailer with a convenience offering.

2. While Coles Express provides us with a sophisticated 'express format' offering, OTR's full-service model enables us to grow non-fuel sales across a much larger market and further diversify our earnings base.

3. Bringing three businesses together provides defendable scale and synergy benefits, saving time and cost associated with taking full control of our network.

4. We are committed to taking OTR nationally, and ultimately creating value for shareholders through long-term growth in convenience and mobility.

Q&A

OTR
24/7 Drive Thru
OTR
we
never
close
COFFEE
MOE'S
DOG & SHAKE
SMOKEMART
SCAN PUMP SAV·E
Unleaded
Diesel
Proudly Australian

Appendix

Pro Forma Balance Sheet

	Viva Energy[1]	Coles Express[2]	OTR Group[3]	Group
	31-Dec-22	30-Jun-22	30-Jun-22	31-Dec-22
	Actual	Pro-forma	Pro-forma	Pro-forma
Working capital	41	59	57	157
Property, plant and equipment	1,644	108	198	1,950
Right-of-use assets	2,088	90	950	3,129
Intangible assets	600	(42)	754	1,312
Net cash / (debt)	291	(300)	(1,000)	(1,010)
Lease liability	(2,457)	(90)	(950)	(3,497)
Long-term provisions, other	(162)	91	104	33
Net deferred tax asset	316	-	37	353
Net assets	**2,361**	**(84)**	**150**	**2,427**
Equity	(4,247)	-	(150)	(4,397)
Reserves	4,213	-		4,213
Retained earnings	(2,327)	84		(2,243)
Total equity	**(2,361)**	**84**	**(150)**	**(2,427)**

1. Based on FY2022 balance sheet (December-end).
2. Based on Coles Express pro forma FY2022 (June-end).
3. Based on OTR Group pro forma forecast FY2023 (June-end), factoring in goodwill and approximate estimates of existing leases and leasehold arrangements with Peregrine Corporation as a result of the transaction.

Progressing our Transition and Growth Strategy

Leveraging the diversity in our three increasingly distinct businesses

	Today	Pathway	Future
	Outperform in our core businesses	**Leverage capability to develop new growth pathways**	**Acquire capability to accelerate proven opportunities**
Convenience & Mobility	• Drive network performance and efficiency. • Extended and optimise the network. • Grow brand preference and share.	• Develop and extend convenience offering. • Hydrogen for heavy vehicles. • Electric vehicle recharging.	• Coles Express acquisition – creating the largest single-branded network in Australia under one operator. • OTR Group acquisition – acquiring a leading 'full-service' convenience offering • Right to acquire the Liberty Oil Convenience business in 2025[2].
Commercial & Industrial	• Expand regional coverage in transport, aviation and agricultural sectors. • Grow integrated value of specialties businesses.	• Extend commercial solutions and services offering. • Develop and extend carbon solutions offers. • Develop hydrogen fuel and commercial electric vehicle recharge offerings.	• Viva 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.
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. • Optimise infrastructure position and supply chain costs.	• Geelong LNG terminal project. • Additional strategic diesel storage at Geelong Refinery. • Opportunities in the energy transition, including low carbon fuels, co-processing, waste recycling and energy efficiency.	• Viva Polymers acquisition secures Australia's only polypropylene manufacturing plant. • Partner with key technology and customer participants.

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

Glossary

Replacement Cost ("RC")

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 historical cost of inventory. This removes the effect of timing differences and the impact of movements in the oil price. From 1 January 2021, RC measures also include lease expense, and exclude lease interest and right-of-use amortisation, in effect reporting RC in line with the previous leasing standard. The financial statements provide a reconciliation of NPAT (RC) to NPAT (HC)

EBITDA (RC)

Profit before interest, tax, depreciation and amortisation adjusted to remove the impact of one-off non-cash items including:

- Net inventory gain/loss
- Share of net profit of associates;
- gains or losses on the disposal of property, plant and equipment; and
- gains or losses on derivatives and foreign exchange (both realised and unrealised)

Earnings Per Share (RC)

Underlying NPAT (RC) divided by total shares on issue

VIVA
EnergyAustralia