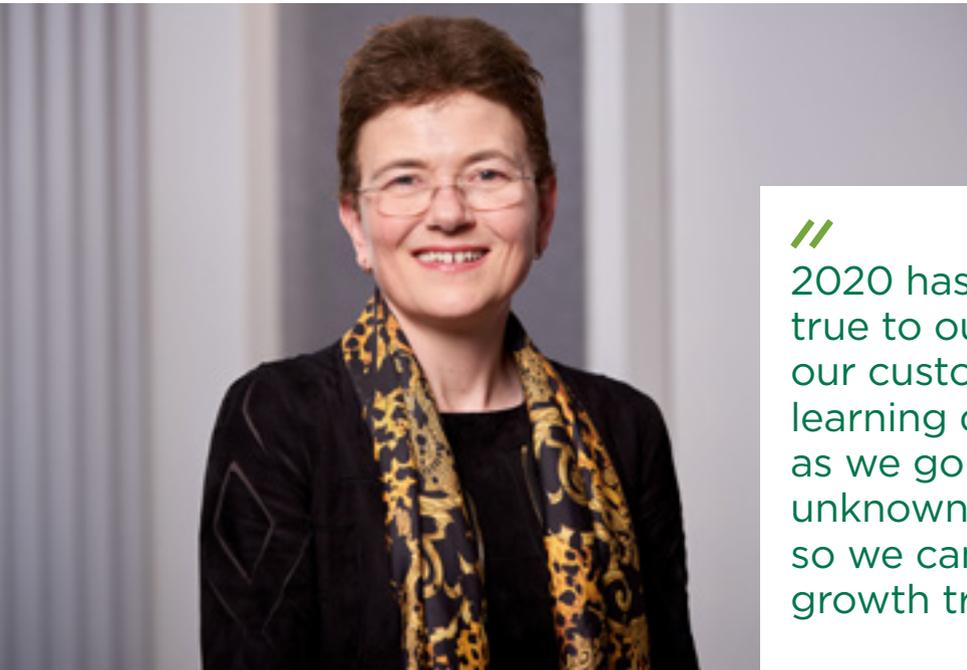


CHIEF EXECUTIVE'S STRATEGIC REVIEW

We started 2020 strongly – forging ahead with our customer-led strategy, driven on by our purpose of *energising communities* to help drive growth and prosperity by sustainably serving our customers' needs in high-potential markets.



Video link to:
Emma FitzGerald's
Strategic Review

// 2020 has been about staying true to our purpose, trusting our customer-led strategy, learning quickly and improving as we go to navigate the unknown, to emerge stronger so we can accelerate our growth trajectory.

In the first two months of the year, we delivered strong growth on all fronts. Nevertheless, when COVID-19 hit, we saw an extreme and unprecedented change in our markets and sector and rapid social change in the communities we serve. Our strategy switched from driving focused growth to creating the foundations around which we built our quick and effective response to the global pandemic. Throughout, we continued to deliver for our customers around the world, and reorganised ourselves to be fitter, sharper and more agile in living our purpose.

Living our purpose

Through an extraordinarily tough and tumultuous 2020, our purpose of *energising communities* was key. It really was our unifying glue, which kept us all together and gave us the energy to move forward in the face of extreme challenges.

Stable performance and strong shareholder backing

COVID-19 inevitably put a brake on our growth trajectory. Nevertheless, we succeeded in delivering an EBITDA for 2020 broadly similar to 2019, a significant achievement in the circumstances. This outcome was achieved with the strong support of our core supplier shareholders who agreed a discount to the purchase price which we paid for shareholder-supplied oil products during the early months of the crisis. This ensured that the impact of the sharp decline in demand did not have a material effect on our overall gross margins. It also gave us the breathing space to position the business correctly for the duration of the pandemic. In Q2 2020, Puma Energy benefited from core supplier shareholder price adjustments amounting to US\$82m.

Key events of the year

In this extraordinary year dominated by the COVID-19 crisis, we ensured we protected our people, customers and communities, and pressed on with *energising communities* around the world. We highlight some of the key events of the year here.

COVID-19

To add context, we highlight some of the milestones in the COVID-19 story through the year.

CHIEF EXECUTIVE'S STRATEGIC REVIEW



We now have a Downstream business that is focused entirely around delivering solutions for our Retail and Commercial customers in priority growth markets.

Reorganising and accelerating

COVID-19 was also a catalyst for us to bring forward the timescales for creating a simpler, clearer, more focused organisation. We now have three distinct business units – Downstream, Infrastructure and Future Energies – supported by global functions. We accelerated our programme of cost reductions. These actions were always part of the strategic plan. We simply did them sooner, and we are all the stronger for it.

Strengthening our balance sheet

Since the beginning of 2019, the restructuring of the Puma Energy balance sheet has been one of my top priorities in order to materially reduce the unsustainable leverage on the balance sheet caused by the historic acquisition programme.

We selectively reduced fixed costs by US\$65m and pressed on with streamlining our portfolio. During 2019 and into 2020 we prioritised the divestment

of Paraguay and Australia as our key deleverage actions and at the end of June 2020 we completed the sale of our Australian fuels business for AU\$425m. Throughout the year we have generated a total of US\$355m of net cash inflow from divested operations, assets and investments. We also carried out standard impairment testing of the carrying value of all assets, which resulted in impairments of US\$236m in the third quarter with the two largest adjustments made for Puerto Rico and Ghana.

Addressing the capital structure of the company

In October 2019, Sonangol announced its intention to sell its stake in Puma Energy as part of its ongoing privatisation process. We continue to explore a number of options to enable Sonangol to exit its position in Puma Energy whilst at the same time achieving further deleveraging of the balance sheet.

In order to address the significant balance sheet leverage and the debt maturity in 2021, the Board, chaired by René Médori our newly appointed Independent Chairman, has been evaluating a range of options for recapitalisation of Puma Energy. The preferred route for recapitalisation is expected to be determined in Q1 2021.

Innovating

Throughout 2020, we were called upon to do things differently, faster, better – from finding and securing new routes to market to continuing to deliver essential services for our commercial customers, to ensuring our retail sites could safely provide communities with fuel and convenience retail services our customers most needed. Throughout we demonstrated our innovative can-do Puma Energy Spirit like never before. The pandemic called for quick, decisive

JANUARY

Completion of sale of Paraguay business to Impala for US\$200m across 2019 and 2020

The World Health Organization (WHO) declares COVID-19 a public health emergency of international concern

FEBRUARY

New retail stations in South Africa, Malawi and Mozambique open

WHO announces the disease caused by the novel coronavirus is to be named COVID-19

MARCH

René Médori appointed Chairman of the Board
Thousands of Puma Energy colleagues start to work from home

Shareholding restructuring announced: Cochan is no longer a significant shareholder

WHO declares COVID-19 a pandemic as more than 100 countries report cases

APRIL

Successfully closed a one-year revolving credit facility in excess of US\$310 million

The Puma Energy Foundation and Trifigura Foundation donate US\$200,000 to ensure the North Star Alliance continues to provide healthcare and COVID-19 support
Donation of 20 shipping containers to support the COVID-19 relief effort in Papua New Guinea

Over one million COVID-19 cases reported worldwide, a more than tenfold increase in less than a month

CHIEF EXECUTIVE'S STRATEGIC REVIEW

// In many ways, the pandemic brought out our resilience and creativity and encouraged us to be laser focused on what's really important – from protecting our people, customers and communities to investing in the strongest sources of value to create safe and affordable energy solutions.

action and we rose to that challenge around the world in many different ways across our businesses.

We innovated for customers. In Retail for example, we pushed ahead with our development of community hubs, and fast-tracked our introduction of convenience retail services like Click and Collect and home delivery, which will now be core aspects of our offering. We also developed high-performance lubrication solutions tailored to the needs of different business segments for our mining and other industrial segment customers.

In addition, we introduced our first-ever customer loyalty programme – a best-in-class programme rooted in extensive customer insights. Called PRIS, the programme was launched in Angola and Panama in December

2020 and will be rolled out to a further eight countries in 2021. This is a good example of our more insight-led, strategic approach to projects, where we make the best use of data to inform the creation of pilots, implement, learn and improve – then rollout at pace and scale.

We innovated in our ways of working, too. For example, we continued to roll out ePuma, our customer-focused IT platform, entirely virtually, without missing a beat. A project of this size, importance and complexity would formerly have involved a great deal of time, teams and travel to implement physically. Another major change implemented virtually was the setting up of our shared service centre in Latin America. We carried this out smoothly, efficiently and on time, in the midst of the pandemic.

Responding quickly and effectively to COVID-19

We responded very quickly to the pandemic, in terms of business continuity planning (BCP), adopting new ways of home working for office-based staff and evolving our procedures at our front-line locations to protect our employees and customers as they ensured we could continue to deliver our essential services. We also moved very quickly to right size our cost base, in anticipation of the situation. That was accelerated later in 2020 with the operating model changes. As a management team, we immediately controlled what we could control.

Throughout, we prioritised our people and our customers. I'm proud to say, we have been congratulated in many places around the world for the standards that we set for safety on sites. We were in many cases the industry leader in setting the bar for that.

MAY

Going the Extra Mile (GEM) winners announced, recognising their exceptional contribution to Puma Energy's COVID-19 effort

Launch of a new Click and Collect option in the Puma FastPay app in the Americas

Cases of COVID-19 surpass six million globally

JUNE

Completion of sale of the Australian fuels business for AU\$425 million

Six new Super 7 stores open in the Americas

Westerleigh Terminal, UK, achieves 1,000 days without a Lost Time Injury (LTI)

WHO welcomes initial clinical trial results from the UK showing dexamethasone could be lifesaving for patients critically ill with COVID-19

JULY

The Chilimbulu site in Lusaka opens – one of 58 sites in Zambia to be rebuilt in line with the new retail visual identity

Puma Protect, a branded sanitiser spray and gel, is announced by the Lubricants Supply Chain Team

WHO experts begin work with their Chinese counterparts to ascertain how the disease jumped between animals and humans

AUGUST

Puma Energy delivers operational improvements of US\$37m in the first half of 2020, in line with the Company's commitment to operational excellence and ahead of budget

The COVID-19 global death toll reaches 700,000

CHIEF EXECUTIVE'S STRATEGIC REVIEW

// We have a highly collaborative can-do Puma Energy culture – it's a fantastic place where people really can make a difference, individually and collectively.

Supporting communities

I am also extremely proud of how much support we gave to the communities we live and work with, both as a Group and through the dedication and efforts of our people to raise funds and volunteer to help those most in need. In communities around the world, Puma Energy people went the extra mile on the ground to help. Playing this active, responsible role in communities goes right to the heart of our purpose – it really is a big part of what *energising communities* is all about.

Excelling globally

Another core Puma Energy characteristic we emphasised and accelerated in 2020 was our commitment to global excellence. We develop and share best practice through our global centres of excellence, provide expert support and guidance to the lines of business to help them deliver our customer-led strategy locally.

Embedding the highest health and safety standards

A great example of our focus on global excellence is in the all-important area of health and safety. Safety is a critical enabler that will help us to deliver successfully in the future and is at the core of our commitment to our people and to our customers. We are committed to setting and living the highest standards, and I am pleased to report a strong safety performance across the Group in 2020.

On a constant perimeter basis, excluding Australia, we saw a reduction in our Lost Time Injury Frequency Rate (LTIFR) from 0.74 to 0.47. That is a more than 30% reduction and consistent with the reduction we saw in the prior year too. So it's a continuing trend that we will focus on improving further.

We aim to further strengthen and embed our strong health and safety culture throughout Puma Energy. We are building upon the platform we've created, to drive for continuous improvement. To this end, our Head of Health, Safety, Security and Environment (HSSE) reports directly to me. We are also reframing the global Safety Steering Committee to be truly representative of key safety change leaders in the organisation – key people in critical positions with the passion to champion and drive behavioural change across the Puma Group.

Making the most of our global-local difference

Our goal is to create global cohesion while retaining a degree of local autonomy to tailor our offerings to the local context, so that we connect with, and excel in serving our customers and communities. Our local teams in each country are the ones who really bring our

SEPTEMBER

Puma Energy Distribution Ghana wins first prize in four categories at the Health Environment Safety and Security Awards

Approximately 80 women in Papua New Guinea have now graduated from business training courses, supported by the Puma Energy Foundation

The world surpasses 1 million COVID-19 deaths

OCTOBER

New operating model goes live

The Altona Bitumen Terminal, Australia, achieves 1,000 incident-free days

Puma Bitumen Australia supplies first consignment of OLEXOCRUMB®, a brand new product in the portfolio incorporating 10% recycled tyre rubber

Confirmed COVID-19 cases surpass 50 million globally

NOVEMBER

Pumangol voted by consumers as a national Superbrand for 2020

A super-sized, deluxe service station, the largest, most advanced and innovative facility of its kind, prepares for opening in Papua New Guinea

The 2nd annual Customer Week campaign launches, championing customer service, retail excellence and health and safety

Pfizer-BioNTech and Moderna both announce successful trials of vaccines

DECEMBER

PRIS loyalty scheme launches in Angola and Panama

Winners of Puma Energy Awards 2020 announced

First person receives Pfizer vaccine in UK

CHIEF EXECUTIVE'S STRATEGIC REVIEW

purpose alive and deliver the global priorities to build the right relationships on the ground with our stakeholders. There is an important global-local difference to the way we do things here at Puma Energy, which we are keenly focused on optimising.

Valuing and encouraging our people

2020 drove the point home intensely – without any doubt, our people really are our key asset. It is the quality and commitment of our people to deliver for our customers, our communities and our stakeholders that makes all the difference. So of course, the calibre of the people we attract, retain and develop and reward could not be more important. When I say calibre, I don't just mean core skills, capabilities and experience – important though these are. I also mean a passionate mind-set and the adaptability and ability of our people to really contribute towards and thrive in our distinctive and dynamic Puma Energy culture.

Nurturing our culture

We are immensely proud of our Puma Energy Spirit. We have distilled it down to our four core values: customer focus, lead by example, collaboration and agility. These values are at the heart of how we go about living our purpose of *energising communities*. Through our People and Culture function, we are focusing on

reinforcing our culture and building our people's skills, capabilities and opportunities to grow, and creating an employee experience that is attractive for future talent – all in the service of our purpose and our customer-led strategy. We will continue to nurture and channel our energies as One Puma to push on at a higher pace along our chosen path.

Leading in the energy transition

ESG and our Future Energies business are critical enablers for our success, and our ambition is exciting and full of great opportunities. Puma Energy is serving our customers with sustainable and profitable energy solutions in high-potential markets – as we help to drive growth and prosperity. In addition, the energy transition presents us with a unique opportunity to create the most relevant and affordable energy solutions for customers.

Our Future Energies business is our way of supporting customers, governments and communities in the countries that we serve to thrive in the context of the energy transition. To this end, we are building on the strong local relationships and trust established through providing essential services to customers and communities over many years. We aim to be the partner of choice in their transition to sustainable energy solutions.

We are focusing on three angles. First, we are solarising our own assets, to increase our energy efficiency, drive down our carbon emissions, demonstrate our commitment and capabilities, and learn and improve as we go. Second, we are working closely with our Downstream customers to help them develop their own sustainable energy solutions. We are having many productive conversations with our commercial customers and anticipate this will accelerate in 2021. Third, Future Energies is exploring standalone power generation and battery projects with governments and power generators in some of our key markets to accelerate the supply of electricity to rural areas.

The sky really is the limit here – especially when you consider the great need and demand for reliable, affordable, increasingly off-grid, sustainable energy solutions in the high-potential countries we focus on and care so much about. To date these countries have not yet had the investment in energy transition they deserve. We want to be a catalyst and leader in changing this for the better. Working with key partners who share our vision of *energising communities* in the most sustainable way, we will make the most of this great Future Energies opportunity.



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To share just one example of the potential, take Papua New Guinea, where we have the capability to meet pretty much 100% of the energy needs of the country. Yet currently only around three million of the nine million population are on mains electricity. There is a huge opportunity to close that gap with more innovative and sustainable energy solutions.

We are starting small so that we can demonstrate best practice before we scale up. To this end in 2020, we invested US\$5m in Papua New Guinea, Ghana, Honduras, Nicaragua and Puerto Rico. For example, our 1,200kW project in Bayamon Puerto Rico terminal is under construction and will generate 2,050MWh per annum, displacing 92% of the terminal's energy consumption and reducing CO₂-eq by 1,449MT. Smaller rooftop projects in Nicaragua and Honduras are providing proof of concept, producing 98MWh and reducing CO₂-eq by 70MT per annum. In Ghana, 10 of our retail stations and four of our terminals and depots will serve as proof of concept. In addition, in Papua New Guinea, the Speybank and Aircorps Terminals in Lae will have 278kW of rooftop solar

and reduce CO₂-eq by 284MT. All of these projects mark the start of an exciting new phase in our purpose of *energising communities*.

Launching our environmental, social and governance (ESG) framework

Future Energies is a central tenet of our wider commitment to strong environmental, social and governance (ESG). We launched our ESG framework in 2020 and have begun to embed its principles and commitments throughout Puma Energy. This is a pivotal part of our future and we are identifying and focusing on our most pressing ESG issues, updating our Code of Business Conduct, and establishing measurement protocols. We have also engaged the Carbon Disclosure Project (CDP) and we are participating in the S&P Global Corporate Sustainability Assessment (CSA) to support our implementation, ensuring we focus on the right actions to maximise our impact in our business and in the communities that we serve.

Streamlining our Executive Committee

To complement our strategy refresh and the implementation of our new operating model in October 2020, we streamlined the Executive

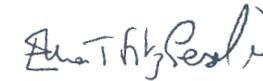
Committee. I would like to take this opportunity to thank my former ExCom colleagues for their outstanding contributions over the years. They have been instrumental in getting Puma Energy to where it is today and it has been a pleasure to work with them since becoming CEO. I look forward to taking Puma Energy on to new heights with the streamlined ExCom team.

Coming together to deliver for our customers and communities

2020 really was extraordinary – an exceptional year of challenge and change. A year where we have all come together to create a sustainable platform for medium term growth – our colleagues, our customers, our communities, our shareholders and investors. I'd like to thank all my colleagues in Puma Energy who have demonstrated such dedication and commitment to our purpose. They have been truly magnificent whilst also juggling unprecedented personal pressures created by the pandemic. I would also like to thank our shareholders and investors who have continued to believe in us and back us throughout very testing times. Without all our stakeholders, we would not be here; and indeed, we are here for our stakeholders.

Looking ahead

I am proud of the agility and resilience we have shown, proud of the outstanding contributions our people have made to the business and to our communities. I am also hungry for growth and creating value across all parts of our business. We have a great deal more to do in bringing alive our purpose of *energising communities*. The focus now is for us to continue to deliver at pace – for ourselves, for our business, for all our stakeholders.



Emma FitzGerald,
Chief Executive Officer