Overview 2023

AOG

2023: core commitments

In spite of the global economy remaining under pressure throughout 2023, and the uncertainties witnessed across all sectors, we have seized investment opportunities and continued to drive the development of our activities.

Oryx Energies delivered a solid performance well above its Oryzon 2025 targets with two flagship projects completed in Senegal: construction of an oil tank farm in Bargny, and the acquisition of Puma Energy’s LPG business in a market with strong growth potential. Trading lines delivered strong results. Our downstream operational teams demonstrated resilience despite macroeconomic and financial pressure on the markets.

AOG consolidated its various investments into a single investment office, dedicated to managing all our direct and indirect investments. Despite difficult market circumstances, our different portfolios continued to develop according to strategic plan. Following stock market losses suffered in 2022, good relative and absolute performance has been achieved in 2023, meanwhile net asset values of real estate assets in particular continue to suffer from mark-to-market valuation impacts. In view of building a mature long-term global and well-diversified portfolio, we have continued to commit to private equity and to secure credit facilities in order to put capital to work efficiently.

Oryx Energies (“OESA”): a solid performance

OESA delivered a solid performance in 2023, well above its three-year Oryzon 2025 targets, and successfully completed two flagship projects in Senegal. The first, construction of a 111.500 m3 oil terminal in Bargny which will become operational in 2024, and the second, diversification of the business portfolio through the acquisition of Puma Energy's LPG business in a market with a strong growth potential.

This demonstrates resilience and strength of OESA’s balanced business model in a volatile and challenging geopolitical and macroeconomic environment.

In the course of a turbulent year, the continent of Africa was significantly impacted by high energy prices, inflation, significant exchange rate pressures and constrained access to key international currencies. Moreover, restrictive monetary policies and rising interest rates were an additional challenge for many governments.

In this context, the trading division delivered a robust performance and all desks posted a performance above budget. The West Africa team delivered the strongest ever performance of all in absolute terms. The East Africa team’s net results came close to the record results it had achieved in 2022, and the crude desk achieved one of its best results ever.

The downstream division held up well, achieving more than 95% of its EBITDA budget target despite an unprecedented macroeconomic and financial situation.

The trading environment had a strong impact on financial costs as well as volumes, as the Group decided to reduce some activities and protect the affiliates from further currency devaluation. The downstream division also experienced pressure on distributors' margins and delayed domestic price adjustments to mitigate the impact of higher international energy prices on populations.

OESA secured additional credit lines from a larger panel of banks to support its trading activities. The year was marked by a successful launch of its inaugural Revolving Credit Facility which is expected to close early 2024. Downstream financing lines also increased significantly by circa 40%. The growing number of African players in the group banking panel is a demonstration of the banking community's support for OESA's supply and distribution business.

OESA's key focus was, and will remain, managing the business and financial challenges in an environment characterised by foreign exchange scarcity and rising costs of borrowing as well as controlling the Group's growing credit risk, notably sovereign risk.

2023 was a pivotal year for OESA ESG (Environmental, Social and Governance), with the deployment of solar panels in our retail stations and industrial sites, measurement of our Scope 1 and Scope 2 greenhouse gas (GHG) emissions, and the publication of the first issues of our informative newsletter, ESG Inside.

Despite the fact that economic and financial uncertainties depressed sales in many countries, downstream demonstrated resilience by exceeding its EBIT target. However, its net result was significantly impacted, as in 2022, by foreign exchange losses and increased cost of financing.

The B2C business line maintained its long-term strategic objectives despite the prevailing macroeconomic challenges. An upskilling program was completed and the service station network was expanded, numbering more than 360 sites by the end of 2023. The non-fuel business was developed simultaneously cultivating long-term partnerships with well-known brands. An expansion into new geographical areas will extend our footprint during 2024. Finally, customer programs proved successful, reinforcing confidence in the brand and reputation.

Sales of Liquified Petroleum Gas (LPG) continued to increase in our core markets – Burkina Faso, Côte d'Ivoire, South Africa and Tanzania – with very strong growth in Tanzania and South Africa. Unfortunately, our LPG business in Benin was impacted by external factors.

In 2023, we pursued our strategic development plan with the acquisitions of VGas in Zanzibar and Puma Energy LPG business in Senegal. Continued sales growth and good control of our activities enabled the business line to perform well and to strengthen our leading position in the LPG market in sub-Saharan Africa.

The lubricants business outperformed previous year's result and delivered an above-plan contribution to OESA. Its continuing growth, an increasing complexity of the market and ever-more stringent requirements of customers and regulators make this business very dynamic. Rebranding of the product portfolio and packaging delivered a more powerful impact. Despite continuing uncertainties regarding global markets and volatility of raw material prices, this business line's positive trend allows a good outlook for 2024.

The B2B business developed in line with expectations in West Africa, while activities in most East African countries were reduced in consequence of continuous challenges in relation to availability of foreign exchange along with currency devaluation. Second half of the year showed signs of economic recovery in East Africa, creating a positive outlook for 2024 on both sides of the African continent.

Trading posted very robust results in a challenging year marked by lack of liquidity and finance. Our business was in a constant state of evolution and the portfolio acquired some new markets with a healthy integrated margin.

- Trading in East Africa increased its footprint by adding South Africa as a new market. The portfolio increased its volumes on transit and achieved its best annual results ever, offsetting difficulties encountered at the level of its affiliates.

- Trading in West Africa was very good. The portfolio managed to control the impact of the market structure and deliver strong profitability. The new contract and project in Mauritania is very promising and could be a model to replicate in the future.

Bunkering activities suffered during the second half of 2023 as a result of tough competition and the structure of the market.

Vessel activities were profitable, with two dry docks completed successfully during the year. Crude oil posted good results, with very dynamic activity in South Sudan.

We are confident that after last year's objectives were exceeded, OESA strong business model combined with an ambitious investment program and operational excellence will continue to deliver stakeholder value.

AOG Investments: strategic leadership



In 2023, AOG consolidated its various investments into a single investment office, dedicated to managing all our direct and indirect investments, with the primary aim of preserving and growing our capital while generating returns and maintaining enough liquidity to deliver the planned level of annual dividends.

Our USD274M Direct Real Estate Portfolio continues to develop according to the strategic plan but was adversely impacted in 2023 from mark-to-market valuation of the investment assets primarily as a result of increased interest rates in the markets where our investments are held.

- In France, all residential units of the Beaupassage project in Paris have now been sold while the retail part remains let to a variety of tenants. The exit assumption for the retail part has been extended to 2025 in light of the current unfavourable market conditions. Following the sale in 2022 of AOG's majority stake (70%) in the Pointe Amont-Ile Seguin project in Boulogne-Billancourt (Greater Paris) to Ardian Real Estate, construction works are on-going with a full commercialisation campaign expected to commence in Q1 2024. Overall, the project is expected to complete in 2027.

- In London, our properties remain mostly fully let, providing an attractive level of rental income and cashflow.

- In Spain, construction works on the Orchideas project and pre-sales are well advanced (more than 73% pre-sold). Realisation of this investment is expected in 2024.

Our USD44M Real Estate Private Equity Portfolio continues to mature and has been distributing redemption proceeds in line with the funds' strategies. Two new commitments entered into in 2022 are 47% called up and already contributing a positive IRR.

Our USD65M US Real Estate Investment Trusts (REITs) Portfolio has recovered part of the stock market losses suffered in 2022 and has performed relatively well year to date, notwithstanding a backdrop of significantly higher interest rates and continued macro uncertainties.

Our USD30M Infrastructure Portfolio is composed of a global infrastructure listed equity fund and a listed partnership. This long-term portfolio provides additional liquidity due to the listed nature of the securities and offers an attractive dividend yield.

Our USD232M Endowment Portfolio managed to recover part of the losses suffered in 2022 and is expected to close the year with a good positive performance. This has been achieved against a backdrop of intensified geopolitical risk, high core inflation, slowing growth and growing pessimism about China.

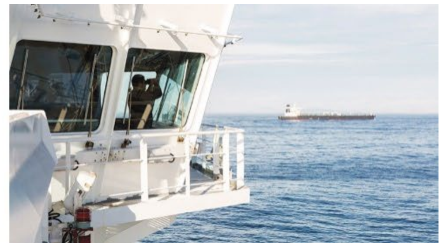
Our USD6M Dynamic Portfolio continues to be fully invested in an alternative debt fund mainly financing SMEs through a network of originators. This investment continues to perform very well and outperforms the majority of credit indices.

Our USD29M Legacy Portfolio consisting of older private equity commitments has continued to mature and to provide further liquidity through divestment of the underlying holdings.

Looking forward to 2024, we remain optimistic for the medium to longer term despite the possible headwinds. We will continue with further commitments to Private Equity and position AOG to build a mature long term portfolio aimed at growth. We expect to renew the existing credit facilities and to secure additional ones, which would enable us to continuously pursue more efficient returns on our capital and be more agile in securing investment opportunities in the short-term.

2024: Outlook





Forecasts and trends for the coming year are tenuous as we are facing persistent global challenges.

Nevertheless, we remain committed to developing our roadmap with strong partnerships to help build and support local infrastructures for further regional economic development.

I would like to take this opportunity to express my gratitude to our customers, partners and service providers for their continued commitment and cooperation. Most of all, I sincerely thank each and every one of AOG's employees for their valuable support and constant determination during this challenging year.

Jean Claude Gandur
Chairman, AOG