

2020: business continuity and addressing challenges

This year has been a time of resilience for AOG. Our efforts have been focused on maintaining business continuity and ensuring a safe professional environment for our staff across the Group.



Oryx Energies has been facing a tense and competitive market. Meanwhile, large projects are in progress such as the launch of the new service stations brand ORYX, the extension of the Kurasini terminal in Tanzania and a new depot in Bargny, Senegal.

Oryx Petroleum was divested to enable AOG to concentrate on exploration and production activities in the joint maritime zone established by the Republic of Senegal and the Republic of Guinea-Bissau.

AOG Real Estate has spent significant time managing the impact of the Covid-19 pandemic on its business and assets in the UK and in France, including financial support on commercial leases. In Spain, building permits have been obtained for the two projects in Madrid, where work is scheduled to begin in 2021.

AOG Capital Investment has continued the implementation of its investment strategy developed in 2019 and has increased its allocation to the endowment portfolio by USD 30M in the beginning of 2020. Having navigated well through the Covid-19 related market turmoil, the strategy proved successful with a resilient portfolio and an overall satisfactory performance in 2020.

Oryx Energies: a challenging yet performing year



Despite a challenging year marked by the Covid-19 crisis and exceptional market conditions, the company ensured business continuity and confirmed its strong willingness to achieve the three-year plan while maintaining the highest customer service value.

Oryx Energies launched the new service stations network brand "ORYX" and reinforced its BtC teams as part of the global strategy to support its ambitious objectives: to grow our retail footprint, to expand our visibility and to fulfill our customer promise.

The Liquefied Petroleum Gas (LPG) business performed well, with growing domestic volumes, solid margins, optimised supply and cost control. Positions were consolidated in

Tanzania, South Africa, and Benin through adapted actions, and in Côte d'Ivoire thanks to new contracts.

The lubricants business held up well with solid volume growth of 5%, while achieving higher unit gross profit. This is the business line's best performance ever and it is the outcome of the strategy initiated 2 years ago aimed at providing higher quality products to our customers.

Key Account Customers (KAC) volumes and margins were substantially affected by the drastic fall in oil prices in early 2020 and a drop in demand. However, sales to Burundi reached a record high, and business with Rwanda and the DRC grew towards the end of the year.

BtB sales developed well in West Africa, mainly due to good performance with our mining customers.

Business in East Africa was negatively impacted with a crash in fuel prices and lockdowns, obliging several affiliates to dispose expensive stocks at times of very limited demand (especially in Tanzania and Rwanda).

Trading activities managed to remain positive despite the volatility of commodity prices caused by the Covid-19 crisis and amplified by the volatility of the shipping market, the high level of floating storage activity resulting from the "contango play" and the temporary collapse in demand leading to a period of ultra-competitive markets:

- WAF (West Africa) desk continued to perform positively while diversifying its sources of supply.

- Bunkering activity suffered from the highly competitive market share context, remaining nevertheless positive by adapting its logistic capacities.
- EOS (East Africa) desk has been penalised the most by the Covid-19 crisis with a collapse in demand and a sharp drop in prices. The effect on stocks was very negative, despite sustained activity. Still, our efforts on the Great Lakes countries and the prospects for 2021 are encouraging.

New development prospects are opening up thanks to the extension of the Kurasini terminal (Dar Es Salaam) and its modern equipment, the new depot in Bargny (Senegal), operational at the end of 2021, which will provide an effective response to the growing demand for energy and the region's economic growth, and the extension of the Las Palmas terminal planned to be delivered at the beginning of 2023.

AOG Real Estate: a long-term challenging strategy



During 2020, AOG Real Estate put significant effort and time into managing the impact of the Covid-19 pandemic on its business and assets.

In London, AOG Real Estate successfully agreed on measures to help most of the retail tenants to survive the pandemic financially in the short-term, in return for longer leases. As a result, the combined value of the 2 assets (45 Cannon Street and 10 Bow Lane / 25 Watling Street) slightly increased. These properties continue providing an attractive level of rental income.

In France, similar measures have been negotiated with most of the retail tenants in the Beaupassage project in Paris, a 50,000 sq ft area, which is almost fully let to a number of renowned restaurants in the French culinary scene. In addition, external financing has been successfully extended for 2 years.

Ground works was finalized during 2020 on the Ile Seguin project in Boulogne-Billancourt (Greater Paris), a

570,000 sq ft mixed-use scheme. Development was halted however due to the Covid-19 pandemic and the related economic crisis. Long-term strategic options for this project are currently under review.

In Spain, AOG Real Estate remains invested in two projects in Madrid (Orchidea and Santa Engracia) with a view to create 70 flats and 2 shop units. Building permits were obtained for these projects and construction works are due to start early 2021.

Based on the review of AOG's real estate strategy, it has also been decided to increase exposure on the US market by investing in listed US real estate equities. As a result, AOG Real Estate will continue to have a balanced indirect investment portfolio investing mainly in North America, Germany, France, Italy and Spain.

AOG Capital Investment: resilience during market turmoil



AOG Capital Investment, dedicated to capital management, aims to preserve and grow AOG's capital while creating enough liquidity to fund annual dividends.

Following the pivotal year 2019 in which an investment strategy was developed and implemented based on reviewed AOG long-term investment objectives, an additional USD 30M was added to the long-term endowment portfolio increasing it to USD 150M of capital invested. Based on sound risk parameters, an appropriate strategic asset allocation and a healthy diversification, the portfolio proved resilient during the Covid-19 related market turmoil and benefited well from the recovery leading to an overall satisfactory performance in 2020.

Looking forward to 2021 and beyond, the portfolio will continue to be fed with additional capital while relationships with long-term partners will be further expanded.

The USD 5M opportunistic portfolio is composed of an alternative debt fund mainly financing European SMEs through a network of best-in-class originators.

Despite the economic downturn, and overall yield contraction in the credit space, this investment is still performing well and outperforming the majority of credit indices.

The USD 55M legacy private equity portfolio has continued to mature and is increasingly distributing capital and realized returns. Such returns are added to our long-term endowment portfolio.

2021: outlook



In 2021, the global economy will very likely still be suffering from the ongoing health crisis and its medium-term effects. In this context, we remain focused on our objectives and ready to meet the challenges ahead. Our ability to adapt is essential. And we are proud to have strong, united and highly committed teams.

I would like to take this opportunity to sincerely thank each and every one of AOG's employees, as well as our

customers, partners and service providers for their commitment and contribution to the development of our activities during this difficult year.

Jean Claude Gandur
Chairman, AOG