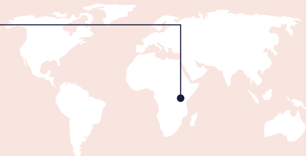
RE-
PO-
RT

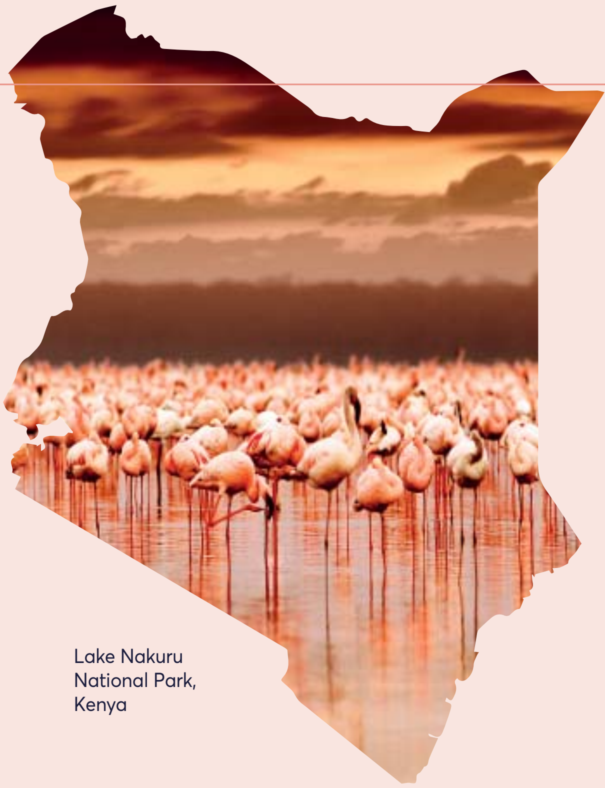
Activity report

One country...

KENYA



Promoting training and professional skills for young Kenyans



Lake Nakuru
National Park,
Kenya

... one action

THE RUBIS ENERGY KENYA EDUCATION SCHOLARSHIP FUND

Launched in 2002, the Rubis Energy Kenya Education Scholarship Fund (REKESF) provides scholarships to students at secondary and university levels. The fund awards scholarships to academically outstanding students whose chances of progressing to secondary school and university are reduced by their underprivileged background.

The scholarship fund covers tuition and other statutory payments for the four years of secondary education as well as four to six years of university, depending on the course, for beneficiaries admitted to select national secondary schools and Kenyan public universities.

The REKESF currently sponsors 29 secondary school students and 16 university students. The university beneficiaries undertake their undergraduate education in such courses as medicine, commerce, computer science and mechanical engineering.

In 2021, the REKESF will select new pupils based on their outstanding Kenya certificate of primary education results, intellectual qualities, financial need, and admission to selected secondary schools in Kenya.

THE RUBIS ENERGY KENYA EDUCATION SCHOLARSHIP FUND CURRENTLY SUPPORTS

16
STUDENTS IN UNIVERSITY

29
STUDENTS IN SECONDARY SCHOOL

© Rubis Energy Kenya

The Rubis Energy Kenya CSR Committee, along with some of the staff, will carry out interviews at each school, assisted by the schools' sponsorship officers, and identify a total of 32 secondary school beneficiaries to join the REKESF program.

NEXT YEAR

32
SCHOLARSHIPS WILL BE AWARDED TO NEW STUDENTS

Rubis in Kenya

264
EMPLOYEES

2019
DATE GROUP OPERATIONS BEGAN

No. 3
IN THE MARKET

228
GAS STATIONS

24,700
TONNES OF LPG DISTRIBUTED IN 2020

2.1 2020 activity report

Rubis Group

In a year marked by an unprecedented health crisis and exacerbated volatility in the price of petroleum products, Rubis demonstrated tremendous resilience, limiting the decline in operating income and net income, Group share to 11% and 9% respectively. Against this backdrop of widespread uncertainty and constrained mobility, the Group maintained full confidence in its business model, continuing to invest to strengthen its market positions and ensure its long-term growth.

2020 marked the implementation of new proactive ESG actions (Environmental, Social and Governance criteria), with, in particular, the announcement of a 20% reduction target for Rubis Énergie's CO_2 emissions (scopes 1 and 2) by 2030 (*versus* 2019) and the by-law reform relating to the determination of the General Partners' dividend (high-water mark) aimed at better aligning the interests of the two categories of partners.

While April 2020 saw a very significant drop in activity (-42%), the following months saw a steady return to normal, coupled with an increase in unit margins, enabling EBIT to stabilize in the second half of the year (following a decline of 21% in the first half). Excluding the Covid effect and on a like-for-like basis, EBITDA grew by 7% and EBIT by 3%, levels in line with historical organic growth.

CONSOLIDATED RESULTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in millions of euros)	**2020**	2019	Change
Sales revenue	3,902	5,228	-25%
EBITDA	506	524	-4%
EBIT, of which	366	412	-11%
• *Retail & marketing*	*269*	*324*	*-17%*
• *Support & services*	*120*	*108*	*+11%*
Net income, Group share, of which	280	307	-9%
• *Net income from continuing operations, Group share*	*180*	*279*	*-36%*
• *Net income from assets held for sale, Group share*	*100*	*28*	*+259%*
Operating cash flow	591	498	+19%
Net debt	180	637	
Capital expenditure	245	230	
Diluted earnings per share	€2.72	€3.09	
Dividend per share	€1.80*	€1.75	

* *Amount proposed to the Shareholders' Meeting of June 10, 2021.*

Overall activity showed exceptional resilience, with volumes down 8% on a reported basis and 16% on a like-for-like basis, thanks to the Group's multi-country and multi-segment positioning and its dual midstream/downstream structure. The LPG segment (-5%), which serves the residential and agrifood sectors, held up very well, whereas jet fuel sales for aviation (-51%) were heavily affected. The balanced split between retail distribution and trading proved its cyclical complementarity, with strong growth in bitumen, as well as retail distribution (+20%), trading-supply (+7%) and storage (Rubis Terminal JV storage revenues: +10%), benefiting from the return of contango and stronger positioning in chemicals and agrifood products thanks to the transformative acquisition made in Spain (Tepsa).

The 2020 results include positive and negative non-recurring operating items: the disposal of 45% of Rubis Terminal resulted in a capital gain of €83 million and an operating profit of €17 million (for the period from January 1 to April 30, 2020), *i.e.* €100 million in net income, Group share from the activities sold. At the same time, a charge of €77 million was recorded in "Other operating income and expenses", including a €46 million impairment recognized as of June 30, 2020 due to changes in the political and economic environment in Haiti during the first half of 2020, and a €25 million impairment on financial assets for which the Company has assessed a significant increase in credit risk based on a multi-factor analysis taking notably into account the local political and economic environment, leaving a positive balance of €6 million.

The Group's year-end financial position was particularly sound, with a net debt to EBITDA ratio of less than 0.4, prompting Rubis to implement a share buyback and cancelation plan of €250 million with a view to increasing the intrinsic value of Rubis shares while preserving its capacity for action in terms of acquisitions.

CONDENSED BALANCE SHEET

(in millions of euros)	**12/31/2020**	12/31/2019
Total shareholders' equity	2,620	2,594
• *of which Group share*	*2,501*	*2,447*
Cash	1,082	860
Financial debt excluding lease liabilities	1,261	1,497
Net financial debt	180	637
Ratio of net debt/shareholders' equity	7%	25%

Overall, in a particularly hostile environment, Rubis generated cash flow of €449 million, down 5% after adjustment for the contribution from Rubis Terminal. Taking into account the positive impact of the fall in petroleum product prices on working capital, operating cash flow was €591 million, up 19%.

As of December 31, 2020, financial debt, excluding lease liabilities, mainly consisted of borrowings from credit institutions for a total amount of €1,146 million, of which €268 million maturing in less than one year, and €96 million in bank overdrafts. Given the Group's net debt to shareholders' equity ratio as of December 31, 2020 and its cash flow, the repayment of this debt is not likely to be put at risk due to a breach of covenants. The net decrease in financial debt compared to December 31, 2019 is mainly explained by cash flows from operating activities and the disposal of the 45% stake in Rubis Terminal.

ANALYSIS OF CHANGES IN NET FINANCIAL POSITION SINCE THE BEGINNING OF THE FISCAL YEAR

(in millions of euros)	
Financial position (excluding lease liabilities) as of December 31, 2019	**(637)**
Cash flow	449
Change in working capital	113
Rubis Terminal investments	(26)
Retail & marketing investments	(135)
Support & services investments	(84)
Net acquisitions of financial assets	169
Other investment flows (payment from Rubis Terminal to Rubis SCA)	232
RT capital increase and other flows with non-controlling interests (SARA)	(94)
Change in loans and advances	(28)
Other flows including lease liabilities	(28)
Dividends paid out to shareholders and minority interests	(210)
Increase in shareholders' equity	118
Impact of change in scope of consolidation and exchange rates	(41)
Reclassification of the year-end net debt of assets held for sale	22
Financial position (excluding lease liabilities) as of December 31, 2020	**(180)**

Capital expenditure amounted to €245 million, mainly focused on future growth (including €131 million in safety/maintenance and facility adaptation investments) *versus* €230 million in 2019:

- retail & marketing business: €135 million, spread over the division's 31 profit centers and corresponding to the maintenance of facilities (terminals, filling plants, gas stations), capacity development (cylinders, tanks, logistics or gas stations), the purchase of new facilities or business goodwill, and the acquisition of the registered office in Lisbon;
- support & services business: €84 million, focused mainly on the SARA refinery (€70 million, an exceptional level linked to a major maintenance project) and the acquisition of a new vessel for the Caribbean zone for €8 million;
- Rubis Terminal: €26 million for the period prior to the establishment of the joint venture.

Retail & marketing business

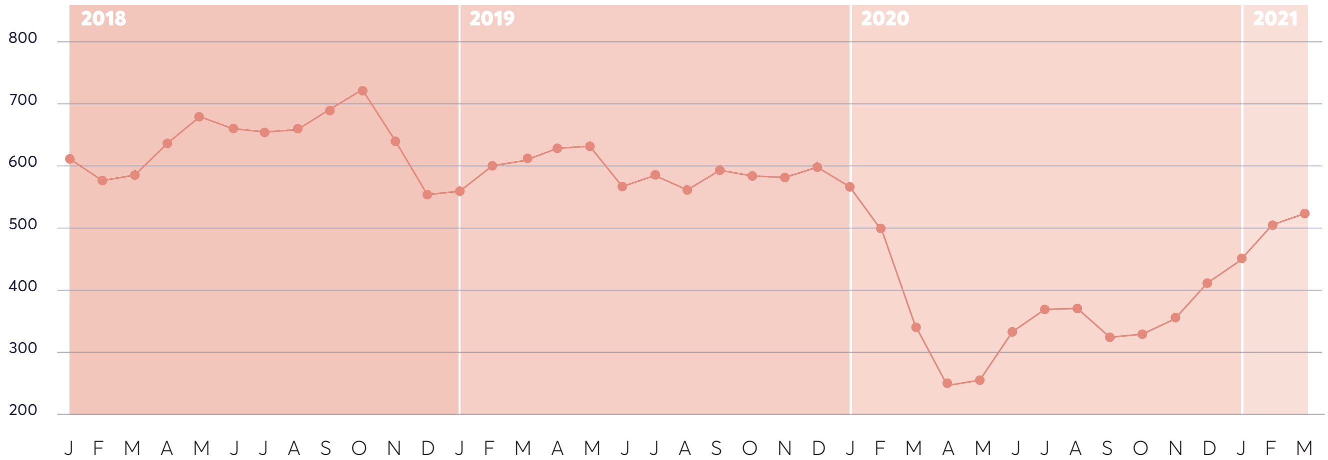
This division includes the distribution of fuels (gas station networks), liquefied gases, bitumen, commercial fuel oil, aviation fuel, marine fuel and lubricants in three regions: Europe, the Caribbean and Africa.

PRICES OF PETROLEUM PRODUCTS

Diesel prices were down by an average of 38% *versus* 2019, with considerable volatility over the year. This development resulted in favorable year-on-year change in unit margins.

Generally speaking, Rubis operates in markets that allow it to transfer price volatility to the end customer (price formula systems or no constraints at all on prices), and as such to keep its margins stable over the long term.

ULSD ROTTERDAM PRICE *(in USD/t)*



SUMMARY OF SALES VOLUMES IN THE 2020 FISCAL YEAR

Through its 31 profit centers, the division recorded retail distribution volumes of 5 million m³ during the period.

These volumes were spread across the three regions – Europe (16%), the Caribbean (39%) and Africa (45%) – offering the Group valuable diversity in terms of climate, economy (emerging countries and developed economies) and by type of end use (residential, transport, industry, utilities, aviation, marine, lubricants).

By product category, volumes break down as follows: 69% for all fuel oils (automotive, aviation, non-road diesel and lubricants), 24% for LPG and 7% for bitumen.

CHANGE IN VOLUMES SOLD BY REGION

(in thousands of m³)	**2020**	2019	Change	Change at constant scope
Europe	816	900	-9%	-9%
Caribbean	1,963	2,298	-15%	-17%
Africa	2,269	2,296	-1%	-18%
TOTAL	**5,049**	**5,494**	**-8%**	**-16%**

Overall activity was hit hard by the depressive impact of the Covid crisis. In total, from April to December 2020, the loss in volumes due to health restrictions was 887,000 m³ at constant scope, of which 837,000 m³ in white products and 102,000 m³ in LPG – bottled and small-bulk residential segments (cooking, hot water, heating) remaining close to the essential needs of the end consumer – and, conversely, a gain of 52,000 tonnes in bitumen.

However, the results were differentiated by country according to end uses: Morocco was more affected by the Covid effect, with direct exposure to tourism and the production sector, while in Madagascar, although bottled LPG held up well, deliveries of bulk LPG to the mining sector suffered from the complete shutdown of facilities as of March 2020, with reopening planned for the first quarter of 2021.

Road (gas stations) and air mobility were directly exposed to widespread lockdowns, and air traffic remains in crisis with global traffic down 50% (-62% for Rubis).

RETAIL & MARKETING SALES MARGIN

The gross sales margin all products combined was €627 million, down 7%, with a unit margin up 7% on a 38% decline in oil prices (ULSD prices Rotterdam). The structural level of unit margins, higher in Europe than in the Caribbean, is attributable to the capital-intense nature of the LPG activity, which is predominant in that region, compared to the fuel distribution activity.

SALES MARGIN IN RETAIL DISTRIBUTION

	Gross margin *(in millions of euros)*	Breakdown	Change	Gross margin *(in €/m³)*	Change at constant scope
Europe	193	31%	+1%	237	+11%
Caribbean	208	33%	-22%	106	-7%
Africa	225	36%	+4%	99	+15%
TOTAL	**627**	**100%**	**-7%**	**124**	**+7%**

In total, the gross margin shortfall caused by Covid was €63 million over nine months on a like-for-like basis. This amount is calculated in relation to the 2019 fiscal year which was considered "normal", and consequently does not include the loss of growth experienced by the Group in the past year.

RETAIL & MARKETING DIVISION RESULTS

The 8% decline in volumes, combined with a 1% increase in unit margin on a reported scope, explains the 7% decline in the overall gross margin and was behind the 17% decline in EBIT, with a substantial improvement in performance in the second half (-6% in H2 2020 *versus* -26% in H1 2020).

RESULTS OF THE RETAIL & MARKETING DIVISION AS OF DECEMBER 31, 2020

(in millions of euros)	**2020**	2019	Change	Change at constant scope
Volumes distributed *(in thousands of m³)*	5,049	5,494	-8%	-16%
Sales revenue	3,334	4,383	-24%	-32%
EBITDA	370	413	-10%	-12%
EBIT	269	324	-17%	-19%
Cash flow	308	351	-12%	
Investments	135	109		

Capital expenditure totaled €135 million over the fiscal year, spread across the 27 operating subsidiaries. It covered recurring investments in gas stations, terminals, tanks, cylinders and customer facilities, aimed principally at bolstering market share growth, as well as investments in facility maintenance.

Retail & marketing Europe

Spain – France – Channel Islands – Portugal – Switzerland

RESULTS OF THE EUROPE SUBGROUP AS OF DECEMBER 31, 2020

(in millions of euros)	**2020**	2019	Change
Volumes distributed *(in thousands of m³)*	816	900	-9%
Sales revenue	551	659	-16%
EBITDA	96	97	-1%
EBIT	61	62	-1%
Investments	39	28	

The climate index was down 7% on 2019 and 17% compared to the 30-year index. Portugal and France were the area's biggest contributors, accounting for nearly three-quarters of earnings. Europe has the Group's strongest LPG positioning and, in turn, greater residential demand, which explains the lower exposure to health restrictions. As a result, the decline in volumes was limited to 9%. The good performance of unit margins enabled the Group to generate stable results.

Retail & marketing Caribbean

French Antilles and French Guiana – Bermuda – Eastern Caribbean – Jamaica – Haiti – Western Caribbean

RESULTS OF THE CARIBBEAN SUBGROUP AS OF DECEMBER 31, 2020

(in millions of euros)	**2020**	2019	Change
Volumes distributed *('000 m^3)*	1,963	2,298	-15%
Sales revenue	1,333	1,851	-28%
EBITDA	115	167	-31%
EBIT	80	139	-42%
Investments	34	46	

A total of 19 island facilities distribute fuel locally (400 gas stations, aviation, commercial, liquefied gases, lubricants and bitumen).

The Caribbean zone experienced a general decline in volumes (-15%). The decline in tourism and lockdown measures were the main reasons, with aviation sales down 60%.

Excluding Haiti, the decline in EBIT was 22% (*versus* 42% for the region as a whole), highlighting the island as the main factor in the deterioration. The political and economic situation in Haiti has deteriorated, with volumes and unit margins prompting the Group to recognize €46 million in asset impairment in the Caribbean petroleum products distribution business in the first half.

Retail & marketing Africa

West Africa – East Africa – Southern Africa – Djibouti – Réunion Island – Madagascar – Morocco

RESULTS OF THE AFRICA SUBGROUP AS OF DECEMBER 31, 2020

(in millions of euros)	**2020**	2019	Change	Change at constant scope
Volumes distributed *(in thousands of m³)*	2,269	2,296	-1%	-18%
Sales revenue	1,450	1,874	-23%	-41%
EBITDA	159	148	+7%	+2%
EBIT	128	123	+4%	0%
Investments	62	36		

The continent increased its contribution to EBIT by 4%, with contrasting trends:

- the bitumen sector made strong progress, in terms of both volumes (+22%) and earnings (+57%), reaping the benefits of intense commercial efforts. The Nigerian subsidiary, which accounts for almost half of the zone's volumes, although faced with a decline in US dollar resources and worksite closures during lockdown, benefited from the advantages of its size as leader and its logistics capabilities, which enabled it to increase its market share. Significant commercial breakthroughs were noted elsewhere in the subgroup, notably in Togo, Ghana, Benin and Cameroon;
- Madagascar, in white products, performed well in the context of Covid;
- Madagascar, in LPG, was penalized by the closure of mining operations (Ambatovy), with reopening scheduled for the first quarter of 2021;
- South Africa was affected by the decline in industrial volumes, while the bottled segment continued to grow (+10%). The shutdown of a local refinery (Engen) increased the use of imports at a time when the price structure of LPG was penalizing margins on imported volumes;
- Morocco (-15%) saw its two main markets – ceramicists and tourism – heavily affected by health restrictions;
- in Kenya, Rubis Energy Kenya (formerly KenolKobil) and Gulf Energy were penalized by severe inventory effects in the aviation segment when prices fell sharply in March. Although the situation was resolved at the end of the period, volumes were nevertheless affected by health restrictions and the decline in tourism. Numerous initiatives have been taken to improve the profitability of assets, both in the networks and among key accounts. The aviation segment returned to positive margins at the end of the period. Although the Covid crisis did not allow the full effects to be felt, Rubis Energy Kenya's EBIT was nevertheless up 42% at €19 million.

Support & services business

Martinique (SARA) – Barbados and Dubai (trading) – Shipping

RESULTS OF THE SUPPORT & SERVICES DIVISION AS OF DECEMBER 31, 2020

(in millions of euros)	**2020**	2019	Change
Sales revenue	568	845	-33%
EBITDA	158	131	+21%
EBIT	120	108	+11%
• *SARA*	*44*	*40*	*+10%*
• *Support & services (excluding SARA)*	*76*	*68*	*+11%*
Cash flow	140	119	+18%
Investments	84	57	

This subgroup includes Rubis Énergie's supply tools for petroleum products and bitumen:

- the 71% interest in the refinery in the French Antilles (SARA);
- the trading-supply activity in the Caribbean (Barbados) and Africa/Middle East, with new operational headquarters in Dubai;
- in support-logistics, the shipping activity (chartered vessels), and storage and pipe in Madagascar.

The earnings of the SARA refinery increased by 18%.

The contribution of the support & services business (excluding SARA) was €76 million (+11%), breaking down as follows:

- volumes handled in trading-supply-shipping totaled 1.18 million m³, compared to 1.33 million m³, with a contribution of €63.7 million, up 21% thanks to firm unit margins;
- port and pipe service activities in Madagascar were down 17% due to the health crisis, which had a negative impact on the market, particularly for deliveries of Jet A1 and naphtha. As a result, the EBIT contribution was €12.7 million, down 20%.

Contribution of the Rubis Terminal JV

Until April 30, 2020, the date of the effective sale of the securities, the contribution of the Rubis Terminal JV is shown as an asset held for sale, including management income (€17 million) and the capital gain on disposal (€83 million). It is subsequently recorded as an equity associate (€4.3 million) for the eight months (May to December) of operation of the joint venture.

In the Covid environment, the Rubis Terminal JV demonstrated exceptional resilience, recording an 11% increase in its EBITDA to €103 million: fuel oil storage revenues were relatively insensitive to variations in depot outflows despite the drop in consumption, the trend in chemical storage remained firm with capacity utilization rates exceeding 95% and the return of contango generating strong demand for capacity and the signing of new contracts, notably in Turkey.

(in millions of euros)	**2020**	2019	Change
Storage services (incl. 50% of Antwerp)	186	168	+10%
Petroleum products (incl. biofuels)	*112*	*101*	*+11%*
Chemical products	*60*	*51*	*+18%*
Agrifood products	*14*	*16*	*-13%*
Breakdown by country:	*in €m*	*as a%*	
• *France*	*112*	*60%*	
• *the Netherlands*	*28*	*15%*	
• *Belgium*	*17*	*9%*	
• *Turkey*	*20*	*11%*	
• *Spain (2 months)*	*9*	*5%*	
Sales revenue (incl. 50% of Antwerp)	285	306	-7%
EBITDA (incl. 50% of Antwerp)	101	92	+11%
Net interest expense	(22)	(4)	+433%
Net income, Group share	14	27	-49%

Investments during the fiscal year totaled €53.6 million (excluding Antwerp), of which €6.9 million for Tepsa (over two months), and break down as follows:

- maintenance investments on the consolidated scope: €25.1 million;
- development investments on the consolidated scope: €28.4 million.

In July 2020, the Rubis Terminal JV signed a memorandum of understanding for the acquisition of Tepsa, Spain's leading storage company – capacity of 900,000 m³ on four sites generating EBITDA of €27 million – for an enterprise value of €330 million. The transaction was finalized with effect from October 31, 2020 and resulted in an extension of high-yield financing in the amount of €150 million. Overall leverage was kept at 5.5, with shareholders providing their share of the new money, including €96 million for Rubis SCA.

On a *pro forma* basis, including Tepsa over 12 months, EBITDA was €127 million.

Net income, Group share amounted to €13.7 million, *versus* €27.1 million, mainly due to the weight of financial expense (€22 million, *versus* €4 million).

2.2

Significant post-balance sheet events

No significant events occurred after the balance sheet date.