



**INTEGRATED  
ANNUAL  
REPORT**

for the year ended  
31 December 2024

# About this report

## Thank you for reading Engen Botswana Limited's Integrated Report for the year ended 31 December 2024.

As a company, we endorse the principles of transparency & accountability, and are committed to reporting on our performance and prospects in a meaningful manner.

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# Welcome to our 2024 Integrated Report



*This is our Fifth Integrated Report, and it presents how Engen Botswana Limited creates value for shareholders and providers of all forms of capital. We have adopted King III code of corporate governance and are in the process of moving onto King IV. We have always aspired to the application of best practice corporate governance protocols.*

We have adopted King III code of corporate governance and we are aspiring to ultimately move onto King IV. This Integrated Report considers specific corporate governance developments in relation to effective governing bodies, increased compliance requirements, new governance structures, emerging risks and opportunities from new technologies along with new reporting and disclosure requirements, as per the requirements of the International Integrated Reporting Council (IIRC).

## WHAT IS INTEGRATED REPORTING?

**An Integrated Report is a concise communication about how an organisation's performance, strategy, governance, and prospects lead to the creation of value over the short, medium and long term.**

**The International Integrated Reporting Council (IIRC)** is a global coalition of regulators, investors, companies, standard setters, the accounting profession, academia and NGOs. The IIRC embodies the shared, common interest of a global coalition of parties in the adoption of Integrated Reporting on an international basis as a means to improve communication about value creation, advance the evolution of corporate

reporting, and make a lasting contribution to financial stability and sustainable development.

The IIRC's mission is to establish integrated reporting and thinking within mainstream business practice as the norm in the public and private sectors. The coalition promotes communication about value creation, preservation and erosion as the next step in the evolution of corporate reporting.

The IIRC's purpose is to promote prosperity for all and to protect our planet.

**PURPOSE**

The IIRC's mission is to establish integrated reporting and thinking within mainstream business practice as the norm in the public and private sectors.

**VISION**

The IIRC's vision is a world in which capital allocation and corporate behaviour are aligned to the wider goals of financial stability and sustainable development through the cycle of integrated reporting and thinking.

**MISSION**

The coalition comprises entities drawn from broad global communities, including business and other reporting entities; providers of financial capital; policy makers, regulators and exchanges; the accounting profession; reporting framework developers and standard setters; civil society; and academia.

### OUR CAPITALS

Our 2024 Integrated Report seeks to provide a holistic overview of Engen Botswana Limited’s key developments, market challenges, our strategies and initiatives as well as our approach to risk and governance for the 12-month period 1 January to 31 December 2024.

In addition, we also offer relevant historical information in order to contextualise the key issues discussed.

#### NAVIGATION ICONS

The following navigation icons are used to link our Capitals and Strategic Priorities to Material Matters, Key Risks and Mitigation and Business Review.



FINANCIAL



HUMAN



MANUFACTURED



INTELLECTUAL



SOCIAL AND RELATIONSHIP



NATURAL

### REPORTING FRAMEWORK

Our report is based on the standards and outline as presented in the International Integrated Reporting Framework. The focus is on Engen’s value chain and how we manage the process of value creation across the six sustainability capitals as guided by the framework.

The activities of Engen Botswana Limited are covered in the report, including all operations in which we have direct control and are able to implement our policies, practices and standards. We report fully on key sustainability performance indicators regardless of percentage share ownership. Deviations from this reporting boundary are clearly stated.

### 6 Elements of Integrated Reporting



Organisation & Business Model



Operating Context



Strategy



Future Outlook



Governance & Remuneration



Performance

The IIRC’s Framework’s objectives can be summarised as follows:

OBJECTIVES	ENGEN’S RESPONSE
<ul style="list-style-type: none"> <li>To improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital</li> </ul>	<p>We commit to enhance the level of reporting in our Integrated Annual Report through additional disclosure notes and with cognisance to latest trends in worldwide Corporate Governance. Our governance standards are set by King III against which we measure ourselves as detailed in the Corporate Governance Report on page 66.</p>
<ul style="list-style-type: none"> <li>To promote a more cohesive and efficient approach to corporate reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of the organisation to create value over time</li> </ul>	<p>Material matters to the Company are listed in this report. Refer to the Managing Director’s report on page 42 which captures the material aspects of our business and highlights the factors and risks affecting our ability to generate returns for our Shareholders.</p>
<ul style="list-style-type: none"> <li>To enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their interdependencies</li> </ul>	<p>Our business model on page 11 illustrates how the Company optimises the various forms of capital and caters for future developments, while prioritising our environment and the communities in which we operate.</p>
<ul style="list-style-type: none"> <li>To support integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term</li> </ul>	<p>The Company has a clear Strategic Plan (page 24) to ensure its overall objectives are identified and implemented in order to maximise shareholder value and enhance outcomes for all relevant stakeholders.</p>
<ul style="list-style-type: none"> <li>To explain to Shareholders how an organisation creates value over time</li> </ul>	<p>Value creation is demonstrated both in terms of profitability and in terms of capital growth in the share price.</p>

**MATERIAL MATTERS**

Our report is relevant for stakeholders with an interest in our performance and prospects against our Vision Statement:

**Our Vision Statement:**

**Africa’s leading and most respected energy business**

The information provided in our Integrated Report focuses on issues, opportunities and challenges that impact materially on Engen Botswana in ensuring a sustainable future, while consistently delivering value and enriching the lives of our stakeholders. We apply the principle of materiality in assessing what information should be included in the Report.

**ASSURANCE**

Our financial statements are audited by an independent firm of auditors, PricewaterhouseCoopers Botswana, while the development of our non-financial reports is supported by robust internal process and good governance practices.

Our Board Audit Committee provides internal assurance to the Engen Botswana Limited Board by individually monitoring the plans provided by the internal and external auditors. The Group’s financial, operating, compliance and risk management controls are assessed by the Group’s internal audit function, which is overseen by the Board Audit Committee.

PricewaterhouseCoopers Botswana have audited the Company’s annual financial statements, which were prepared in terms of the IFRS Accounting Standards. The Key Financial Indicators for 2024 and 2023 of the Statement of Profit and Loss and Statement of Financial Position are set out on pages 107 and 108 respectively.

**FORWARD LOOKING STATEMENTS**

This report contains certain forward-looking statements which discuss future expectations concerning the dispositions of assets or financial conditions or provide other forward-looking information into 2025. These forward-looking statements are not predictions or guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control and may cause actual results to differ materially from those expressed in the statements contained in this report. Readers are cautioned not to put undue reliance on the forward-looking statements.

**BOARD APPROVAL**

The Engen Botswana Limited Board is responsible for ensuring the integrity of the Integrated Report. In the Board’s opinion, this report addresses all material issues, and presents a balanced and fair account of Engen’s performance.



# 01

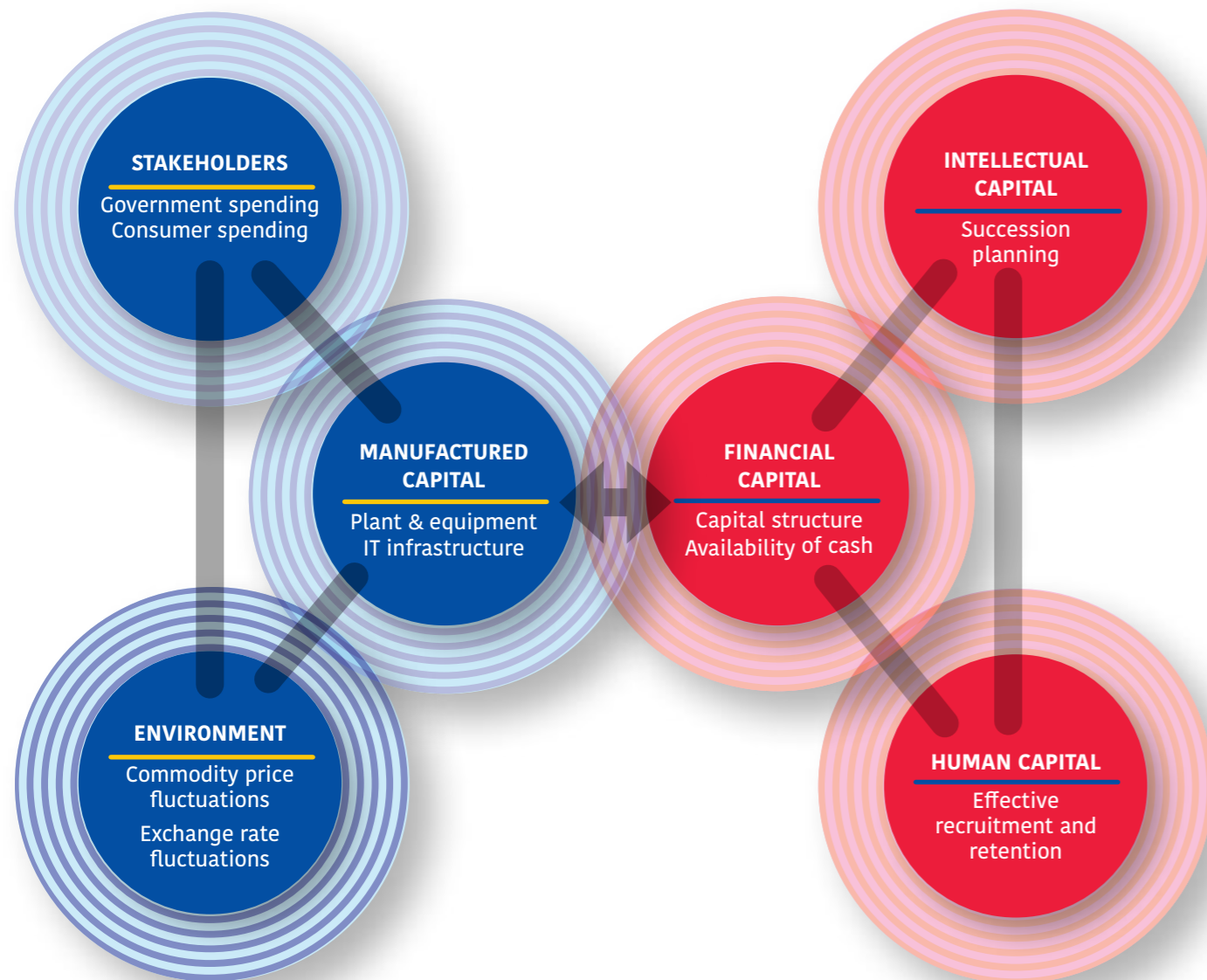
## OVERVIEW OF ENGEN

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# Organisation & BUSINESS MODEL

## FORMS OF CAPITAL

The IIRC identifies the various forms of capital that together represent accumulations of value that are the foundations of an organisation's value creation, and the Integrated Report seeks to report holistically on these multiple capitals.



## OUR BUSINESS MODEL

**Our business model is designed to enable the Company to achieve its objectives through recognising the various Material matters and the interdependencies of the various forms of capital.**

### WHO WE ARE & WHAT WE DO

Engen Botswana is one of Botswana's premium petroleum brands, the customer-focused market leader, optimising all forms of capital potential to deliver innovative petroleum products, satisfying retail convenience offerings and exceptional service. As part of a global Group, we leverage our parent companies VIVO ENERGY's & Engen's intellectual capital and extensive R&D investments to deliver world-class petroleum products. The day-to-day logistics and distribution network of the Company necessitates a culture that prioritises Health, Safety and the Environment. In line with the VIVO ENERGY corporate culture, our committed workforce strongly collaborates with our business partners and stakeholders to ensure that we maintain our proud record of consistent innovation and exceptional service standards. Our 'customer first' mindset drives us to deliver a seamless customer service experience so that we consistently deliver our brand promise: **'With us, you are Number One'**.

The scale of Engen's operations, facilities and manpower involved in the day-to-day manufacturing, logistics and distribution network of the Company necessitates a culture that prioritises Health, Safety and Environment.

Our passionate workforce draws on the legacy of those employees in whose footsteps they tread, to strongly collaborate with our business partners and stakeholders to ensure that we maintain our proud record of consistent innovation.

Our continuous service journey anchored on our 'customer first' mindset drives us to create and deliver a seamless customer service experience so that we consistently deliver our brand promise 'With us you are Number One'.



# Who we are & WHAT WE DO

Engen is Botswana’s fastest growing brand and “coolest” petroleum brand; an industry trendsetter and customer focused market leader that harnesses human potential to deliver innovative petroleum products, exciting retail convenience offerings and digitally enabled solutions.



At Engen, our core values are a set of principles and fundamental beliefs that guide the actions, decisions, and behaviours of everyone. With our operating culture, they are essential components of our culture and identity, shaping how we interact with each other, our customers, partners, and the broader community.

By applying our core values and our operating culture in all our work, we will ensure we always do business in the right way and achieve our vision to be Africa’s leading and most respected energy business.

The Group operates in two segments namely petrochemical activities and property letting. There are three divisions within the petro-chemical segment: Retail, Commercial and Lubricants.

We leverage our parent company’s intellectual capital and extensive investments in R&D to deliver world-class petroleum products.



## RETAIL

We operated 71 service stations across Botswana as at the end of 2024, marketing superior petroleum products and offering unique convenience at over 43 Quickshops and through various prestigious partner brands. By developing innovative digital solutions, we create a seamless refuel and convenience experience for our customers.



## COMMERCIAL

As a proud partner to a broad section of the Botswana industry, our fully integrated commercial business focuses on the sales and marketing of bulk petroleum products, including Diesel, Gasoline, and Kerosene.



## LUBRICANTS

We offer premium lubricant products in Botswana based on luid Technology Solutions, including Automotive and Industrial. These cater for retail consumers and commercial customers. Alongside quality Engen lubricants, we also market various lubricants and functional fluids.

The group operates in two segments: petrochemical activities and property letting. The three divisions within the petrochemical segment are Retail, Commercial and Lubricants. We leverage our parent company VIVO ENERGY’S intellectual capital and extensive investments in R&D to deliver world-class petroleum products.



# 02

## GROUP OVERVIEW

Financial Highlights

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Risks and Materiality

20 ▶

# Highlights AT A GLANCE

ATTRIBUTABLE EARNINGS PER SHARE:  
**34.86**  
thebe per share

RETAIL SALES CHANNEL PERFORMANCE:  
**4%**  
Gross Margin decrease

**67.1%**  
DECLINE IN FINANCE INCOME FROM P12.7 MILLION TO P4.2 MILLION

COMMERCIAL PERFORMANCE:  
**42%**  
Sales Volume decrease

RETAIL SALES CHANNEL PERFORMANCE:  
**1%**  
Volume increase

**50.9%**  
DECREASE IN NET PROFIT AFTER TAX FROM P113.4 MILLION TO P55.7 MILLION.

CONSOLIDATED CONVENIENCE INCOME:  
**15%**  
Increase in Convenience Income

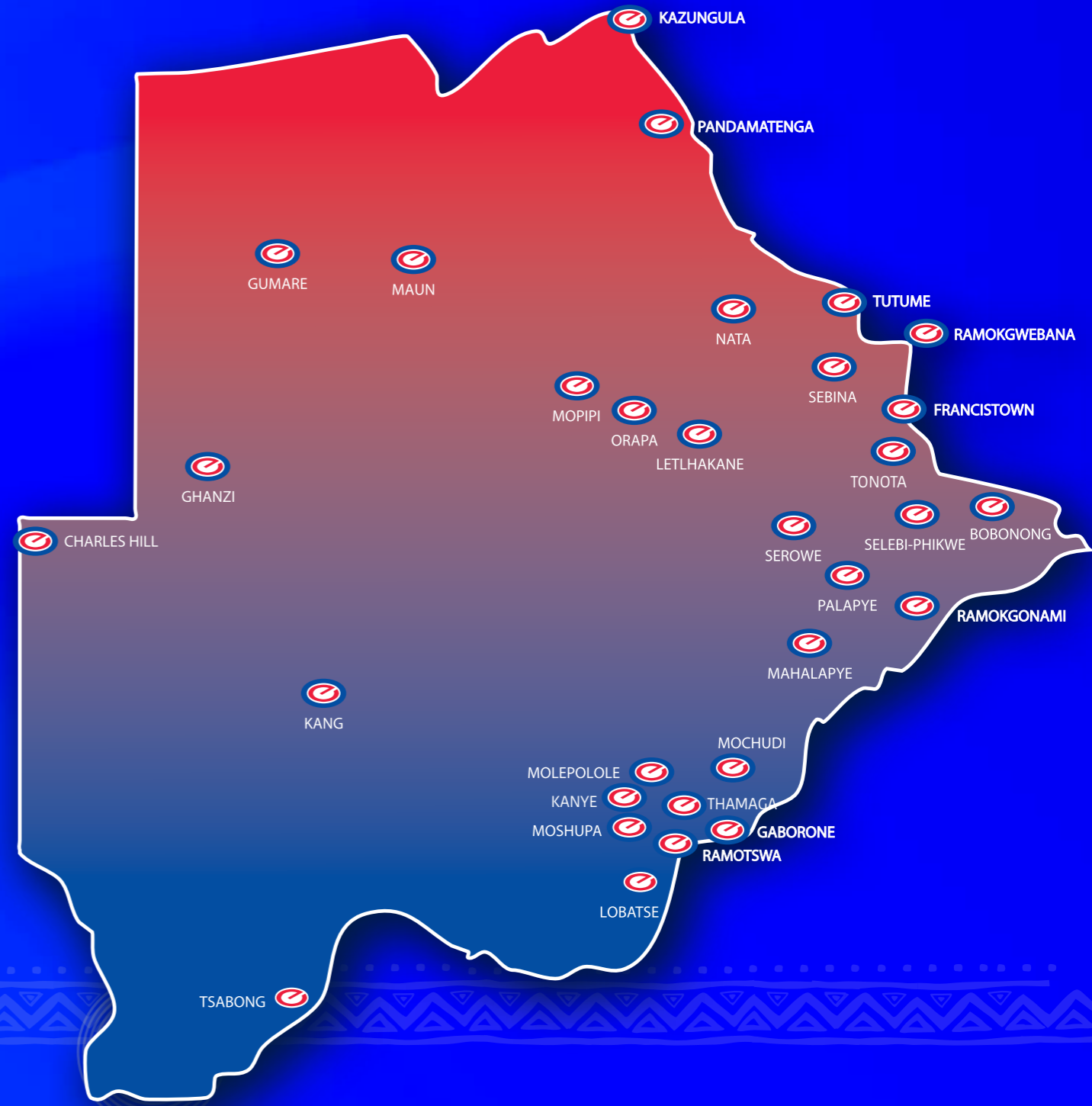
RETAIL AND CONVENIENCE NETWORK PERFORMANCE:  
**2**  
service stations was streamed with convenience shops.  
**0**  
under construction

IN 2024, A TOTAL OF **66** employees undertook a variety of training courses.

## Our PRESENCE

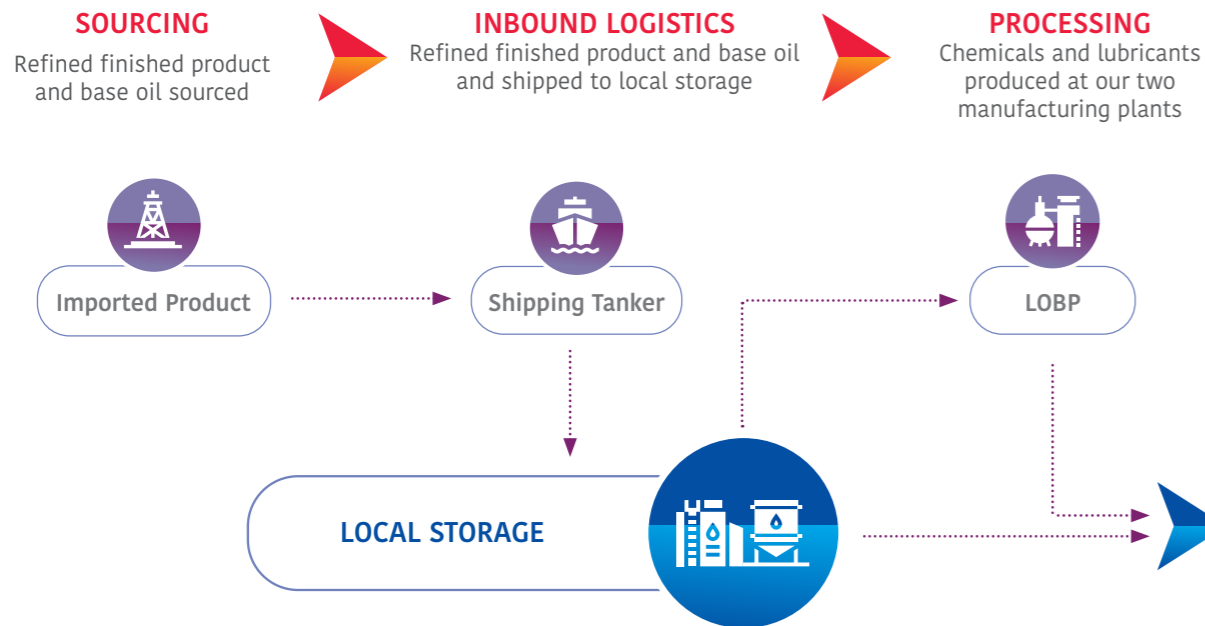
Engen Botswana Limited is the only oil company listed on the Botswana Stock Exchange. Our citizen empowerment and inclusivity are demonstrated by our broad-based shareholding, with over 741 Batswana holding 30% of our equity.

Our majority shareholder, Petroleum Investment Holding Limited, Mauritius, holds 70% of equity, and it in turn is 100% owned by Engen Holdings (Pty) Ltd, based in South Africa. As a result, we have access to relevant infrastructure in South Africa and around the region. This ensures improved availability and quality.



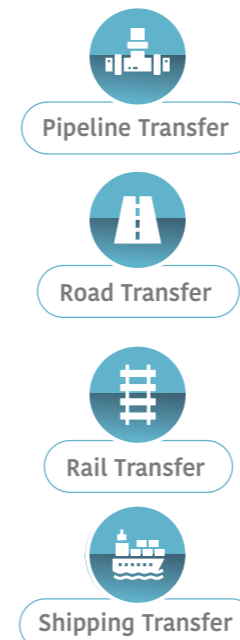
# OUR VALUE CHAIN

## PROCUREMENT



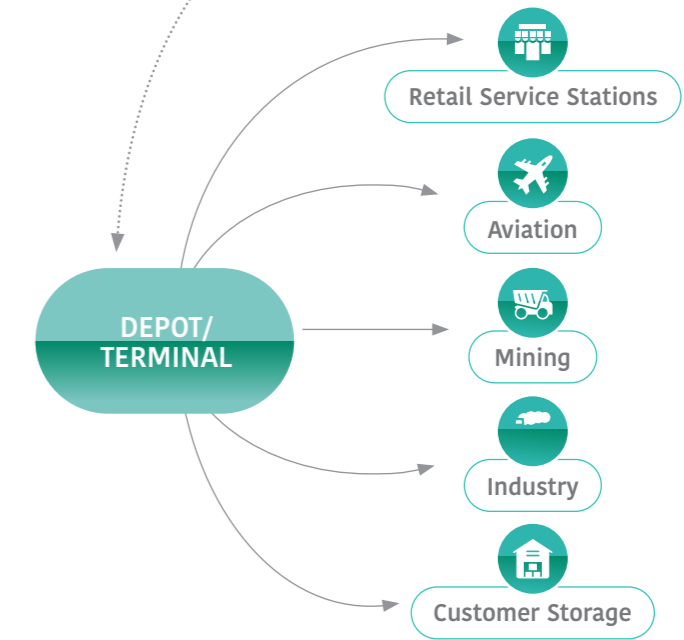
## TRANSPORT MODES

**OUTBOUND LOGISTICS**  
Storage facilities, rail, pipelines, ships and road transport are used to take products to customers.

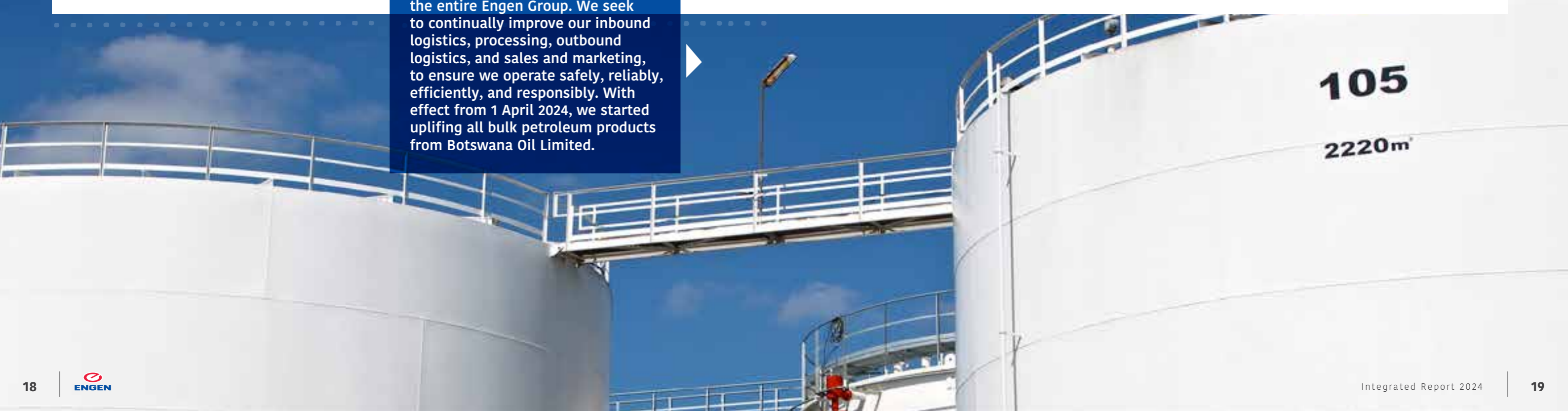


## CUSTOMERS

**SALES & MARKETING**  
Products tailored and convenience services marketed to customers.



At the heart of our value proposition lies our integrated value chain for the entire Engen Group. We seek to continually improve our inbound logistics, processing, outbound logistics, and sales and marketing, to ensure we operate safely, reliably, efficiently, and responsibly. With effect from 1 April 2024, we started uplifting all bulk petroleum products from Botswana Oil Limited.



# Risks and MATERIALITY



Our Risk Governance Framework is built around a strong risk policy and risk management strategy.

### OUR APPROACH

Engen is committed to ensure effective risk management in pursuit of our strategic and business objectives. Risk management is embedded into key decision-making processes and day-to-day activities.

Engen uses the following methodology to manage risks in a comprehensive and systematic manner.

PRM includes the following modules:

- Risk Assessment in Decision Making (RADM)
- Risk in Strategic Planning (RISP)
- Country Report (CR) & Country Risk Report (CRR)
- Partner & Partnership Risk Management (PPRM)
- Integrated Crisis Management Plan (iCMP)
- Business Continuity Management (BCM)
- Risk Appetite
- Risk Quantification

Our Enterprise Risk Management (ERM) department uses the BarnOwl System to document risk management activities which are by identifying, assessing, treating, monitoring and reporting on risks and emerging risks.

Crisis Management and Business Continuity Management activities are maintained in the INTERISK system.

Enterprise Risk Management is intended to ensure resilience of the organisation through effective mitigation of the impacts of the ever-changing business risks associated with value creation processes in the local and global economy.

Our goal is to protect People, Environment, Assets and Reputation (PEAR) and to create value through our business and support activities. This requires us to objectively manage risk exposure in all areas of the value chain.

To achieve this, we have made all the necessary resources available to key people. These include the development of key systems and processes, training of key personnel, and companywide communication to ensure that Enterprise Risk Management is continuously improved and institutionalised across the organisation. Engen's strategies and decisions are based on material matters that influence the achievement of business objectives. They are the principal economic, social and environmental issues that give rise to opportunities and risks that have the most impact on our ability to create sustainable value for our stakeholders.

Our aspiration, however, goes beyond the expectations of our stakeholders by delivering innovative and future-proof solutions.

The Engen Botswana Limited Board oversees our ERM process. The Board Audit Committee (BAC) ensures that Engen complies with the relevant standards and industry norms, and that they are applied effectively across our business to achieve an acceptable risk profile for the company.

### OUR RISK GOVERNANCE FRAMEWORK

Our risk profile is a critical element of our business strategy. Through our policy framework, we establish the organisational risk appetite and tolerance limits. Our risk governance system revolves around the following six elements:

1. Governance
2. Context Setting
3. Risk Assessment
4. Risk Treatment
5. Risk Monitoring and Review
6. Continual Improvement

Our key risks are monitored through a well established and entrenched risk management system and process. Significant effort goes into continuously fine-tuning the system to fit our business model, and link with other systems of governance.

We also manage compliance with the risk reporting requirements, and capture lessons learned from risk experiences and practices, as well as from the outcomes of assurance activities.



# 03

## STRATEGIC OVERVIEW

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## Strategic overview (continued)

### OUR VALUE CREATING BUSINESS MODEL

Our business model is designed to create a sustainable future whilst enriching the lives of our stakeholders. We do this through the effective management of our resources and relationships to deliver optimal outcomes.

While our business model has been successful at creating sustainable value, we are acutely aware of the highly-competitive nature of the markets in which we operate, and the impact that regulatory and technological changes can have on our competitiveness. Accordingly, our business model is built to allow us to respond rapidly to changes in our operating environment.



#### COMMERCIAL

##### CAPITAL RESOURCES

**FINANCIAL CAPITAL**  
Relates to the source of our capital derived from operations and equity.

- Net Profit: P55.68 million
- Value Retention: P304 million

**HUMAN CAPITAL**  
Is represented by our people, their knowledge, skills and experiences.

- Number of employees: 48
- 0 work-related fatalities

**INTELLECTUAL CAPITAL**  
Refers to intellectual assets such as our brand and franchise value, research and development, innovation capacity, reputation, as well as strategic partnerships.

- Engen range of fuels
- Engen range of lubricants

**SOCIAL AND RELATIONSHIP CAPITAL**  
Reflects the strong relationships which we have with all our stakeholders who have contributed towards fuelling our growth.

- Dealers: > 71
- Business partners/suppliers/contractors/ Vendors: > 125

**NATURAL CAPITAL**  
Refers to the electricity, fuel, water and other natural resources required to deliver our products and services to our customers.

#### VALUE CREATION PROCESS

##### CAPITAL RESOURCES



<b>GSC</b>	GROW & STRENGTHEN THE CORE	<b>SO</b>	STEPPING OUT
<b>DDCS</b>	DRIVE DOWN COST TO SERVE	<b>OAVC</b>	OPTIMISE ACROSS THE VALUE CHAIN



##### CAPITAL RESOURCES

- HEALTH SAFETY AND ENVIRONMENT
- CUSTOMER EXPERIENCE
- PERFORMANCE MANAGEMENT
- HUMAN CAPITAL
- SOCIAL AND RELATIONSHIP CAPITAL
- GOVERNANCE & BUSINESS ETHICS

##### OUR RISKS

- LEGAL AND REGULATORY
- VALUE CHAIN
- CYBERSECURITY AND DIGITAL STRATEGY
- HEALTH SAFETY AND ENVIRONMENT
- OPERATIONS
- STRATEGIC

#### OUTPUT

##### PERFORMANCE

NET PROFIT  
**P55.68 Million**

RETURN ON CAPITAL EMPLOYED  
**10.2%**

BOTSWANA VOLUME GROWTH  
**-13%**

ON TIME IN FULL  
**72%**

##### VALUE CREATED FOR STAKEHOLDERS

- INVESTORS**
- Consistent return on investment
  - P277 437 000 in dividends paid to shareholders
- CUSTOMERS**
- Fuel customers with our quality petroleum products
  - Ensure reliability and security of supply to our customers
  - Provide services and convenience at our Engen stations
  - 254.5 million litres of fuel sold
  - On Time, In Full = 72%
  - No Customer (Retail) NPS was conducted in 2024
- DEALERS, CONTRACTORS/SUPPLIERS AND B2B**
- Develop local businesses and provide downstream employment
  - Provide long-term partnerships for sustainable growth
  - Cultivate capabilities of our business
- AUTHORITIES**
- Compliance with regulatory requirements
  - P58.86 million Income Taxes paid to Government
  - Indirect fuel taxes and levies
- COMMUNITIES**
- Provide local economic opportunities through employment, business partnerships and entrepreneurship
  - Provide socio-economic uplift-ment through CSR P220 000

#### GOVERNANCE

# Operating Context

## MACRO-ECONOMIC ENVIRONMENT

### The Global Economy

*In 2024, the global economy experienced modest growth, with projections indicating a growth rate of approximately 3.2%. However, this growth was uneven across regions. Advanced economies, such as the Eurozone, faced subdued growth due to inflationary pressures and geopolitical uncertainties. In contrast, emerging markets, particularly in Asia, saw stronger performance driven by investments in technology and infrastructure.*



Inflation remained a key challenge globally, complicating monetary policy adjustments and leading to higher interest rates in some regions. Trade tensions and extreme weather events also contributed to economic disruptions, particularly in developing economies.

Despite these challenges, countries like China, India, and the United States outperformed others, with significant contributions from sectors such as artificial intelligence and electronics. Structural reforms and strategic investments were highlighted as critical for improving medium-term growth prospects. In 2024, global oil prices experienced fluctuations, with Brent crude oil averaging around \$81 per barrel. Several factors influenced these changes:

- **Supply Dynamics:** OPEC+ production cuts played a significant role in stabilising prices, especially during the first half of the year. However, increased production from non-OPEC+ countries, such as the United States, Canada, and Guyana, offset these cuts.
- **Demand Concerns:** Sluggish economic growth, particularly in China, led to reduced fuel demand. China's economic slowdown and its shift towards liquefied natural gas and electric vehicles further dampened oil consumption.
- **Geopolitical Tensions:** Conflicts in the Middle East, including tensions between Israel and Iran, temporarily raised fears of supply disruptions. However, these concerns subsided as the situation stabilised.
- **Energy Transition:** The global push towards renewable energy and increased adoption of electric vehicles contributed to a slower growth trajectory for oil demand.

### Global Outlook

In 2024, the global economy continued to face significant challenges, although some stabilisation was observed. Global GDP growth is projected at approximately 3.2%, reflecting a modest improvement compared to 2023 but still below historical averages. The macroeconomic climate remains uncertain, with persistent inflationary pressures, geopolitical tensions, and uneven growth across regions.

The global GDP growth rate in 2024 reflects the ongoing impact of several factors. The commodity price shock following Russia's invasion of Ukraine continues to influence energy prices, straining the incomes of energy-importing nations. Additionally, tighter monetary policies aimed at curbing inflation have resulted in constrained credit conditions, dampening overall demand. Geopolitical fragmentation and uneven recovery patterns further weigh on economic prospects.

## Operating context (continued)

GDP CONTRACTED BY  
AN ESTIMATED

3%

A REVERSAL FROM THE  
2.7% GROWTH IN 2023

INFLATION FELL SHARPLY BY  
DECEMBER 2024 TO

1.7%

DOWN FROM 3.5% IN  
DECEMBER 2023

(FY 2022: P12.4% in December)

“Despite the economic headwinds, the Botswana Stock Exchange (BSE) continued to perform well”

Advanced economies are expected to experience subdued growth, with the United States and the euro area facing downward revisions in their forecasts. In contrast, Asia remains a bright spot, driven by robust performance in emerging markets. However, China's growth projection has been adjusted downward, reflecting broader global challenges.

Excluding China, growth in emerging markets and developing economies (EMDEs) is projected to remain modest. Elevated inflation, higher interest rates, and reduced investment continue to pose challenges. Nearly 70% of EMDEs have experienced downward revisions in their growth forecasts, with per-capita income growth averaging 2.8%, significantly below the 2010-2019 average. Addressing debt, investment, and sustainable development remains critical for fostering resilience.

### Oil Market Dynamics

In 2025, global oil demand is expected to continue its upward trend, reaching approximately 103.9 million barrels per day (mb/d), according to projections. This represents a growth of about 1.1 to 1.4 mb/d compared to 2024.

Asia, particularly China and India, is anticipated to drive much of this demand increase, with China's growth fuelled by its petrochemical sector. However, macroeconomic uncertainties and trade policies could influence these projections.

On the supply side, non-OPEC+ countries, including the United States, Brazil, and Guyana, are expected to drive global gains, contributing 1.2 mb/d to world oil output in 2024. US oil supply remains robust, surpassing the 20 mb/d mark, while Iranian supply has also surged. Price volatility persists, with Brent crude oil prices averaging around \$81 per barrel in 2024, influenced by geopolitical tensions and fluctuating demand.

### Regional Outlook

In Sub-Saharan Africa, per capita income growth remains low, projected at 1.5%, exacerbating poverty rates in the region. Heavy debt burdens, weak investment, and climate change challenges continue to hinder progress. Emerging economies face intensified reversals in education, health, and infrastructure, further straining development efforts.



### Botswana Economy

In 2024, Botswana's economy faced significant challenges, with growth projected to slow to approximately 1%, down from 2.7% in 2023. This decline was primarily driven by reduced diamond production and weaker global demand for diamonds, which remain a cornerstone of Botswana's economy. The downturn in the diamond industry, coupled with subdued performance in non-mining sectors, contributed to a contraction in real GDP during the first half of the year.

Unemployment remained structurally high at 27.6%, and income inequality persisted, with Botswana continuing to rank among the most unequal countries globally. Heavy reliance on the mining sector and a public sector-driven economic model exposed the economy to external shocks, further exacerbating fiscal and external vulnerabilities.

Despite these challenges, efforts to diversify the economy and strengthen resilience are ongoing. Growth is expected to recover moderately in 2025, supported by a potential rebound in global diamond demand and strategic investments in non-mining sectors.

Economically, the government remained focused on recovery and diversification efforts, particularly through the Reset Agenda, which aims to unlock value in sectors like mining, tourism, agriculture, and education. These initiatives are critical for addressing unemployment and fostering sustainable growth.

Inflation has stabilised within the central bank's medium-term target range of 3-6%, supported by lower domestic fuel prices and reduced imported inflation. However, unemployment remains high, with youth unemployment particularly concerning.

Botswana's political landscape in 2024 has been marked by significant developments. The general election brought a historic shift, with the Umbrella for Democratic Change (UDC) securing victory, ending the Botswana Democratic Party's (BDP) decades-long dominance. This peaceful transition of power has been celebrated as a milestone for democracy in Southern Africa. There is hope that the new government, through initiatives aimed at fostering private sector-led growth and improving infrastructure, will foster a diversified economy that has less reliance on diamond revenues.

Growth is expected to rebound by 3-4% in 2025, driven by a potential recovery in diamond demand and strategic investments in non-mining sectors like tourism and agriculture. Improved fiscal management is expected to narrow the budget deficit from 6.75% of GDP in 2024/25 to 3.6% in 2025/26, enhancing economic stability.

However, challenges remain. The diamond industry, which accounts for a significant portion of export earnings, continues to face uncertainties due to fluctuating global demand. Unemployment, particularly among the youth, remains a pressing issue, requiring targeted interventions to foster job creation.

# 04

## PERFORMANCE REVIEW

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# Summary of Performance Highlights

The overall performance for the period under review recorded a decline in volumes of 13% compared to the same period the prior year.

ATTRIBUTABLE EARNINGS PER SHARE:

**34.86**  
THEBE PER SHARE

RETAIL AND CONVENIENCE NETWORK PERFORMANCE

**2**  
SERVICE STATIONS STREAMED

COMMERCIAL PERFORMANCE

**42%**  
DECLINE IN SALES VOLUME

CONSOLIDATED CONVENIENCE INCOME

**15%**  
INCREASE IN CONVENIENCE INCOME



## RETAIL

The network continues to be adversely affected by subdued economic activity, which has prevented service stations from achieving their anticipated volumes. The ULP93 contaminations that impacted certain sites have had a detrimental effect on the Engen brand and hindered volume growth. However, we have observed a modest recovery following significant measures taken by the company to reassure customers and implement safeguards to prevent future contamination incidents.

The importation of petroleum products by Botswana Oil remains a critical factor contributing to the ongoing challenges in volume performance.

In the third quarter of 2023, the department launched the Engen One Way strategy, with the onboarding of service stations set to conclude by March 2025. Since the initiative's inception, a total of 56 service stations have successfully been onboarded.

## PRODUCT MIX

For the period under review, the overall retail network performance was 1,427kl above the prior year, equating to an increase of 1%. On the plus side, diesel (14%) improved against 2023 volumes. Unfortunately, petrol (-4%), paraffin (-35%) and lubricants (-22%) decreased.

Paraffin was below prior year volumes while diesel increased compared to the prior year.

	ACTUAL 2024 (KL)	2023	2024 vs 2023
Diesel	56 731	49 806	14%
Petrol	140 893	146 198	-4%
Paraffin	306	468	-35%
Lubes/Other	113	144	-22%
<b>Total</b>	<b>198 043</b>	<b>196 616</b>	<b>1%</b>

## RETAIL

As of the end of December 2024, advanced fuels were available at 71 service stations around the country:

	50ppm	ULP 93	ULP 95
Brand name:	Engen Diesel 50ppm	Engen Primax 93	Engen Unleaded 95
Botswana:	39 South+ 32 North = 71	37 South+ 31 North = 68	39 South+ 24 North = 63

## Summary of performance highlights (continued)

### RETAIL

#### BUSINESS ACTIVITY

- Engen Lion Park and Borolong both streamed in March 2024. Volume performance for the two sites is currently low but they are expected to attain maturity volumes in 2025.
- A total of 56 service stations were integrated into the Engen One Way strategy over the reporting period. The strategy is aimed at focusing on customer centricity and improved dealer management to achieve operational excellence.
- The Retail Department installed forecourt LED lights at 14 service stations including Engen Mmamashia, Engen Bokaa, Engen Palapye, River View, Shashe, Blue Jacket, Tati, Monarch, Satellite, Southbridge, Admiral, Parkview, Orapa and Mogoditshane.
- The Retail Department installed Quick Shop LED lights at 6 service stations by December 2024 including Engen Truck Inn, Western Bypass, Commerce Park, Parkview, Admiral, Tsolamosese. The remaining 8 service stations to be completed in 2025 are Mmopane, Kanye, Thamaga, Bokaa, Pula, Kgatleng, Phaphane and Tsolamosese.
- The Retail Department replaced dispensers at Engen Serowe, Syllas, Mmopane, Engen Phakalane and Engen Gumare. There are plans to install pumps at Engen Phikwe and Engen Palapye during the first quarter of 2025.
- The fuel supply agreement with Korridor Group has been expanded to a total of 8 sites as of March 2024. The department renegotiated the Korridor discount from P1.30 per litre from the pump price to P0.96 per litre from the pump price in January 2025.
- The national promotion planned for 2024 was postponed to the first quarter of 2025.
- The revamp of the Engen Maun Partnership mall, where the Engen Admiral Service Station was completed in December 2024. The mall occupancy rate is currently at 90%, and volume performance at the service station has recovered.
- BERA has announced the discontinuation of ULP93 in Q1 of 2025. The department converted all ULP93 underground fuel tanks to ULP95 in January 2025.
- The upgrade of Engen Ramokgwebana is to be completed in Q3 of 2025.



### COMMERCIAL

#### BUSINESS ACTIVITY

Commercial performance declined over the reporting period. There was a 42% reduction in volume, resulting in a profit of P56 million. Diesel had a 42% decline in volume, and petrol decreased by 48%. IKE, on the other hand, significantly increased by 141%, whereas lubricants experienced a 5% drop over the reporting period. The underperformance was due in large part to the high cost of lubes from the source, coupled with market demands for heavily discounted pricing, which disproportionately impacted margins.

#### PRODUCT MIX

For the period under review, the overall commercial network performance decreased from the prior year by 41%. Diesel (-41%), petrol (-48%), and lubricants (-4%) decreased against 2023 volumes. IKE (141%), on the other hand, improved significantly.

#### ACTIVITIES

Engen participated in the Makgadikgadi epic, a sports and adventure tourism event, over the reporting period through an eighty-thousand-pula sponsorship.

#### CREDIT MANAGEMENT

The department continues to exercise prudent credit management while ensuring sites re-main adequately supplied and minimising organisational risk. Retail stocks are managed from the top of tanks to optimise utilisation and enhance delivery efficiency; however, this approach has been impacted by the mandate requiring Botswana Oil to import 90% of the country's fuel supply.

Additionally, isolated delays in truck turnaround times have led to certain service stations operating at reduced stock levels. Retailers are also facing difficulties in securing additional working capital and bank guarantees. The department is actively engaging with retailers to understand their specific challenges and provide tailored assistance and interventions as required.

# 05

## LEADERSHIP STATEMENTS

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# Chairman's Statement

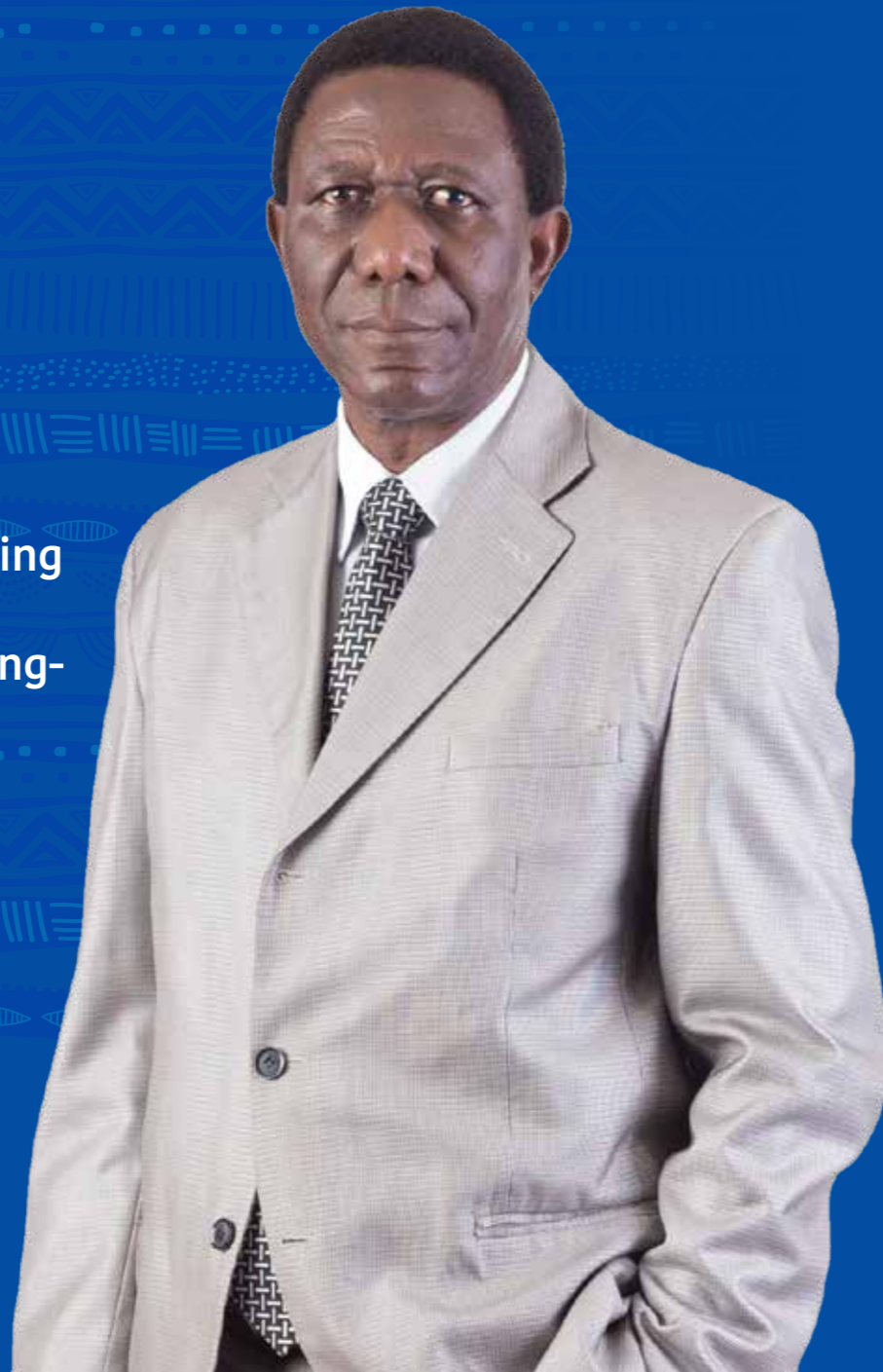
*On behalf of the Board of Directors, it is my pleasure to present the Engen Botswana Limited 2024 Integrated Annual Report.*



## ASSURANCE

This is our fifth edition of the integrated reporting format. We are confident that it will be our most comprehensive report to date and that it will allow you to gain an understanding of Engen Botswana's strategic framework for long-term value creation while reviewing our governance efforts and adherence to King III™ governance principles in 2024.

Shabani Ndzinge, Chairman



The shareholding of Petronas in Engen Limited was sold to Vivo Energy in May 2024. Further to the announcement made by the Company via Botswana Stock Exchange X News on 21 May 2024, and the Consumer and Competition Authority (CCA) merger decision dated 15 September 2023 as noted therein, the Board of Directors is actively engaging with the majority shareholder regarding the implementation of the CCA's directives. The Board remains committed to ensuring that this process is conducted in a manner that upholds the best interests of Engen Botswana Limited and all its stakeholders. In relation to performance, there were no silver linings. The business struggled for the greater part of 2024 with issues related to product supply, product contaminations and a reduction in commercial market share.

As a result of the multitude of challenges the Company faced over the reporting period, I must, unfortunately, announce that we recorded a 50.9% reduction in our net profit after tax for the 2024 financial year, relative to 2023. The financial highlights are discussed in detail elsewhere in the Integrated Annual Report and will showcase all the factors that led to the lacklustre performance.

## BUSINESS ENVIRONMENT

In 2024, the global economy grew by 3.2% in the second half of the year. However, recent indicators suggest that global growth might slow down. Business and consumer confidence have dropped in some countries, and inflation is still a problem in many places. There is also considerable uncertainty in policies, which poses risks. If inflation is higher than expected, it could lead to stricter monetary policies and disruptions in financial markets. On the bright side, agreements to reduce tariffs could help boost growth.

The global GDP growth rate is anticipated to slow down from 3.2% in 2024 to 3.1% in 2025 and further to 3.0% in 2026. This deceleration is attributed to increased trade barriers in several G20 countries and heightened policy uncertainty, which are negatively impacting investment and household spending. In the United States, the annual real GDP growth is expected to decrease from its recent robust pace to 2.2% in 2025 and 1.6% in 2026. Similarly, the Euro area's real GDP growth is projected to be 1.0% in 2025 and 1.2% in 2026, as ongoing uncertainty continues to suppress growth. In China, growth is forecasted to decline from 4.8% this year to 4.4% in 2026.

In 2024, Botswana's economy declined by 3% due to reduced diamond production and sales. The diamond sector saw a significant annual decline of 21.6%, while the non-diamond

private sector grew by 3.7%. Various sectors performed differently, with improvements in the public sector, retail and wholesale trade, non-diamond manufacturing, tourism, and professional services, but poor performance in agriculture and construction.

The global diamond market has been declining since mid-2023, continuing through July 2024, due to decreased demand and the rise of synthetic diamonds. De Beers experienced a 40% drop in diamond sales, and Debswana's mining output fell by 26%. This impacted Botswana's exports, GDP, and government revenues.

Inflation in Botswana was 1.7% in 2024, below the Bank of Botswana's target of 3-6%, mainly due to lower global fuel prices. A stable increase in inflation is expected for 2025, benefiting Engen.

As we entered 2025, Botswana's economic outlook remained uncertain due to the unclear recovery of the global diamond market. This situation presented significant economic challenges, requiring fiscal adjustments, and policy reforms. The new UDC government has renewed business confidence which will stimulate economic growth. Overall, GDP growth in 2025 is expected to recover to 0.6% from the contraction in 2024, although much depends on the unpredictable dynamics of the diamond sector.

## INDUSTRY DEVELOPMENTS

In April 2024, Botswana Oil Limited gained the right to import 90% of oil into Botswana, with the remaining 10% reserved for majority citizen-owned companies. This change terminated Engen's import license, requiring all multinational companies to purchase oil through Botswana Oil Limited. Consequently, Engen can no longer sell to local independent retailers, who now source directly from foreign distributors.

Additionally, storage and handling elements, previously part of the slate, were moved to the National Petroleum Fund, eliminating related recoveries. Engen now claims storage and handling costs with the Department of Energy for volumes moving through its Francistown depot. The new petroleum import mandate led to supply issues, causing shortages and rationing, particularly of Unleaded 93, negatively impacting Engen. Furthermore, the regulation requiring government departments to purchase fuel from 100% citizen-owned companies caused Engen to lose some business.

## Chairman’s statement (continued)

### OUR COMMITMENT TO GOOD GOVERNANCE

Engen Botswana strives to uphold the highest standards of accountability and transparency through a deep-rooted culture of respect, efficiency, ethical thought, and action. We adopt a values-driven approach to everything we do, seeking to create trust through ethical leadership and a commonly accepted and lived set of values. Our governance framework embodies ethical values, good corporate governance, and risk management practices that are in line with our strategic business goals. We have a skilled and knowledgeable Board with an appropriate mix of experience, expertise and strategic perspective which has maintained its focus on fostering high standards of corporate governance and will continue to do so in the future.

Our Vision continues to guide our efforts to strengthen our existing portfolio and to future-proof the organisation. Ultimately, our objectives will be realised when our stakeholders see us not merely as a provider of products and services but recognise us as a trusted partner that creates value, delivers products that customers need, and provides opportunities for our employees to develop their careers while growing with the company. We believe we can play a critical role in moving society forward, facilitating economic growth, and creating jobs as well as economic value.

### CONTRIBUTING TO THE COMMUNITY

Engen is committed to supporting the communities within which it operates. Several initiatives were undertaken during the year including collaboration with the Footballers Union of Botswana. In April 2024 we collaborated with the Footballers Union of Botswana to host a series of coaching clinics in Francistown, Palapye and Jwaneng. The clinics targeted both male and female players between the ages of 5 and 13 years. The key benefits of the clinics were to increase participation in local soccer leagues, improve talent identification, instil long-term life skills, and revive support and enthusiasm for local football clubs.

### LOOKING AHEAD

The operating environment in Botswana continues to evolve, presenting uncertainties for Engen and other multinational operators. We anticipate a clear determination from the Competition Authority regarding the sale of Engen Botswana Limited in 2025. Our primary concern is preserving shareholder value, regardless of the outcome. We are optimistic that the new government will implement essential policy reforms to stimulate economic growth, which will, in turn, foster the expansion of the Engen network.

As a Board, it is our responsibility to adapt to the changing operating environment and support the management team in addressing challenges while exploring growth opportunities.

We firmly believe in the potential for growth in the local market. Our goal is to enhance our strong performance base, improve resilience, and increase market share. Our employees are the cornerstone of our success. We will progress as far as our highly skilled and motivated workforce takes us. We strive to be an employer of choice, prioritising health, safety, security, the environment, and ethics above all else.

### APPRECIATION

I would like to take this opportunity to congratulate H.E. Advocate Duma Gideon Boko on being elected as Botswana’s sixth president and the first of a different political party. We look forward to collaborating with the new government and we are confident that they will guide Botswana to greater heights while maintaining the cultural bedrock of peace, tranquillity and BOTHO.

I extend my heartfelt appreciation to the Engen Botswana team. Our impressive safety, environmental, and operational performance confirm that the Company is in good hands.

On behalf of the Engen Botswana Limited Board, I extend sincere appreciation to BERA and all the other government ministries and agencies who have an interest in our business for their continuous support and guidance.

I take this opportunity to thank my fellow Board members for their guidance throughout the year. We believe that with their continued support and direction, Engen Botswana Limited will persevere through the many challenges that lie ahead.

I also extend my thanks to our investors, partners and all stakeholders for their loyalty and patronage. Finally, I wish to thank our customers for their continued support of Engen and remind you that **ENGEN is @ YOUR SERVICE.**



**Shabani Ndzinge**  
Chairman

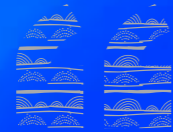


## VISION

Our vision is to be Africa’s leading and most respected energy business

# Managing Director's Statement

*In addition to the changes in leadership at the government level in Botswana and across the world, Engen also experienced a change in ownership during 2024.*



**While the transition to the Vivo Energy group was not overly challenging, the policy changes around the importation of fuel products had negative implications for the business, as reflected in the 50.9% (from P113.4 million to P55.7 million) decrease in net profit after tax for the group. Despite these hurdles, we are confident that we will have robust strategies to combat the difficult operating environment and continue to offer our shareholders sound returns on their investments.**

**Brian Sameke**  
Acting Managing Director

The official change of shareholding took place in May 2024 when Vivo Energy Limited became the current ultimate parent company of Engen and Petronas exited. While the shareholder transfer has taken place there is still a lingering process with the Competition Authority regarding the sale of Engen Botswana. The current status quo is that Vivo Energy Botswana and Engen Botswana operate and compete as separate entities.

## BUSINESS ENVIRONMENT

Botswana experienced an overall economic decline in 2024, with year-on-year overall GDP reaching -3%. This was primarily a result of further falls in diamond production and sales. While the diamond sector declined, with -21.6% annual growth during the period under review, the non-diamond private sector experienced growth of 3.7%, reflecting the segmented nature of the Botswana private sector. Performance varied across different sectors of the economy, with the public sector, retail and wholesale trade, non-diamond manufacturing, tourism and professional services improving, while agriculture and construction showed poor performance.

The global diamond sector has been facing a decline since the second half of 2023, which continued through to July 2024, mainly due to decreased global demand and increased presence of synthetic diamonds in the diamond market. As a result, DeBeers faced a 40% year-on-year decline in diamond sales, with production reducing by 21% in the first 3 quarters of 2024, and Debswana experiencing a 26% decrease in mining output. This has impacted Botswana's exports, GDP and government revenues, and although Engen is not a direct supplier of DeBeers, it had an impact on our performance.

Year-on-year inflation for 2024 was 1.7%, below the Bank of Botswana objective target of 3-6%. This is largely a reflection of reduced global fuel prices, and a stable increase in inflation is expected for 2025 predicated on stable fuel prices. While this has been beneficial for Engen, some consumers still felt pressures on their disposable income and as a result, fuel was still quite expensive for them.

The new government is expected to implement a minimum wage increase to P4 000, and while it is expected to increase the cost of business particularly for labour-intensive industries, it is unlikely to have a direct impact on Engen, as Engen does not currently employ anyone at minimum wage. However, it will impact Engen's retail network employing pump attendants and

food court staff at minimum wage rates in some cases. We will continue to monitor the situation and provide strategic guidance where possible.

There is an overall downbeat outlook on the economy going into 2025, largely due to the uncertainty regarding the timing and magnitude of the recovery of the diamond sector. Overall GDP growth is expected to rise to 3-4%.

## INDUSTRY DEVELOPMENTS

Aside from the three fuel price adjustments experienced in 2024, the major development in the industry has been the Botswana Oil import mandate. Since April 2024, Botswana Oil has a right to 90% of oil imports into Botswana, with the remaining 10% reserved for citizen-owned companies. As a result, the import licenses previously held by Engen have been terminated and all multinational operators are mandated to purchase oil products through Botswana Oil. An associated negative consequence of the loss of import licenses is that Engen is no longer able to resell to local independent retailers who are now able to find supply directly from foreign distributors outside of Botswana through their 10% import allocation.

As it relates to the slate, the storage and handling element, in addition to railage (Gaborone to Francistown) which have subsequently been moved to the National Petroleum Fund, eliminating recoveries related to those slate items. Instead, Engen now makes storage, and handling claims with the Department of Energy for volumes moving through our depot in Francistown. After the 1st of April 2024, we were no longer in charge of slate over/under recoveries as we were no longer involved in importing fuel products.

There have been product supply challenges as Botswana Oil adjusts to its new tasks, particularly caused by logistical issues. The approach of Botswana Oil importing mainly from a single source led to supply issues that manifested in shortages and rationing of all fuel products, particularly Unleaded 93, which had an impact on Engen.

As a result of these changes, the company experienced a volume reduction of 38.8 million litres or -13.2%. Other changes to the regulatory landscape have impacted our performance over 2024, particularly a requirement for government departments to purchase fuel products from 100% citizen-owned companies. Engen was previously supplying some of these government departments and has now lost this business as a consequence.

## Managing Director's report (continued)

### PERFORMANCE

Profit before tax for the Group was P111.0 million, a decline of P82.9 million from 2023. The Company also registered a decline of P62.6 million and ended the year with a profit before income tax of P309.8 million. Additionally, there was a decrease of P2.0 million in foreign exchange gains at the end of 2024. Cash and cash equivalents for the group decreased from P580.6 million to P213.3 million, while Company figures increased from P31.4 million to P32.6 million.

Statement of Financial Position performance for the year under review saw the total equity of the group decreasing from P626.9 million to P405.1 million between 1st January and 31st December 2024 and a profit of P55.7 million.

### PERFORMANCE – COMMERCIAL

Commercial performance declined over the reporting period. There was a 42% reduction in volume (from 96.5 million to 56.4 million litres) that resulted in a gross profit of P56 million, a decline from P64.8 million in the prior year. Diesel had a 42% decline in volume and petrol decreased by 48%. IKE on the other hand significantly increased by 141%, whereas lubricants experienced a 5% drop over the reporting period. The underperformance was due in large part to the high cost of lubes from the source, coupled with market demands for heavily discounted pricing which disproportionately impacted margins.

### FINANCIAL PERFORMANCE

Profit before tax for the Group was  
**P111.0 million,**  
 a decline of P82.9 million from 2023.



### PERFORMANCE – RETAIL

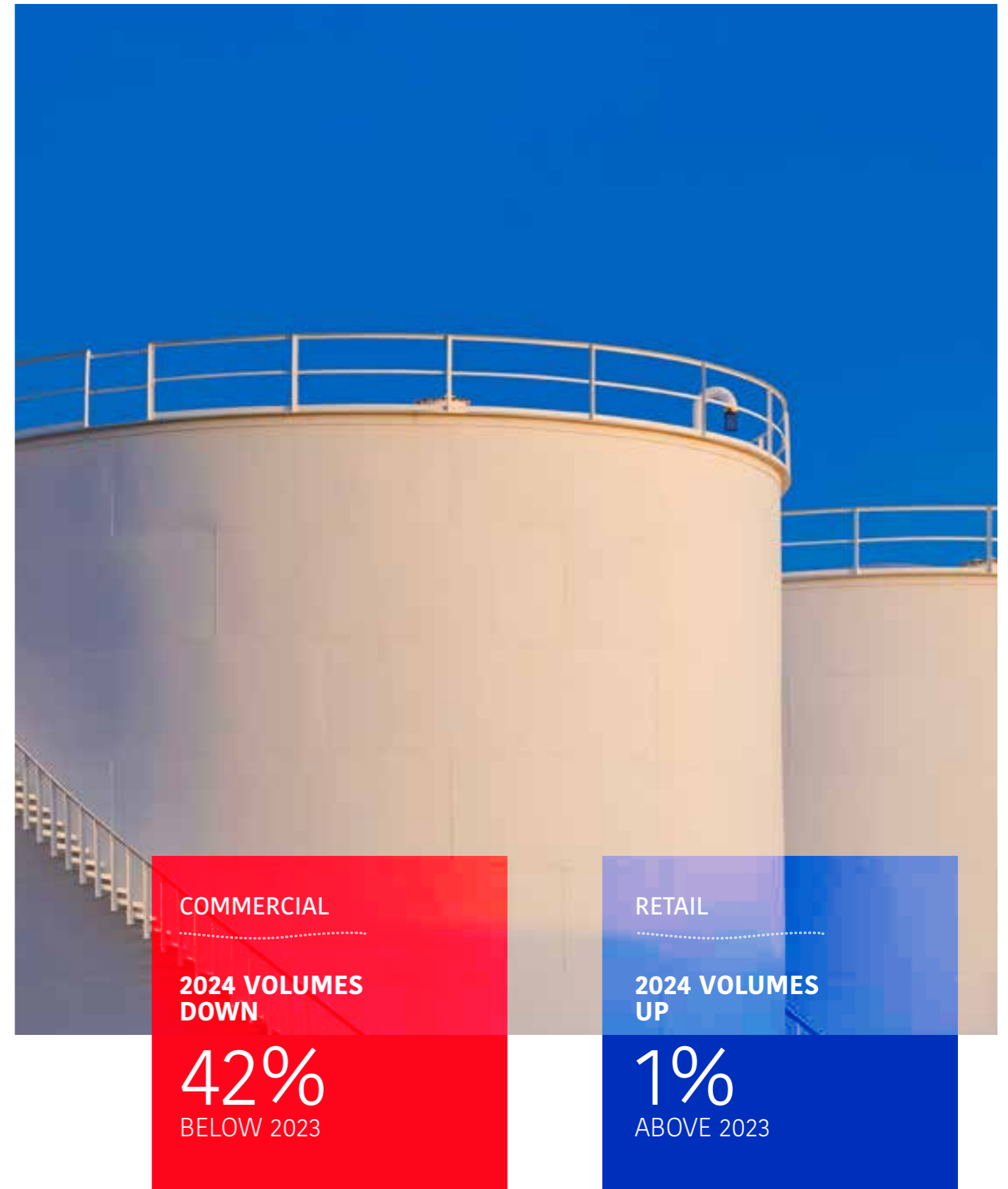
Retail volume performance improved by 1% from the previous year, up from 196,473kL to 197,930kL. The unfortunate contamination of ULP93 experienced over the reporting period resulted in the erosion of brand equity and consumer confidence, resulting in diminished sales. On a positive note, there was growth in the retail network with the introduction of Engen Lion Park and Engen Borolong in Maun, both of which streamed in March 2024.

### SUSTAINABILITY HSE

Safety remains a priority in all our activities, and we have enhanced Health, Safety, and Environment (HSE) risk management protocols by employing digitalised tools and developing a Generative HSE Culture capability and HSE best practices at all working levels throughout the organisation.

### ENVIRONMENTAL HEALTH AND SAFETY

The Engen Health, Safety and Environment Policy sets out the Company's guiding principles in managing risks and hazards relevant to the business operations. We remain committed to complying with HSEQ requirements.



## Managing Director’s report (continued)

### OUR SAFETY PERFORMANCE

While Engen, its vendors and contractors aspire to attain and maintain ZIP – Zero Is Possible, there were a few incidents over the reporting period that made this ambition unrealisable for the 2024 cycle. There were two armed robberies at our service stations in Gaborone and Maun. Unfortunately, these events are unavoidable, but we continue to consult and work closely with the police to resolve the matter. We train service station staff on precautions to take should they encounter these situations. In addition to these robberies, there were two flash fires over the reporting period in Ramokgwebana and Orapa. Unfortunately, one of our attendants was injured in Ramokgwebana but she has since received medical attention, and we are pleased to say she has recovered.

In May 2024 there was a product contamination that resulted in just over 350 vehicles being affected by contaminated products. Since the incident, Engen has implemented stringent product quality checks for every truck before they can be directed to deliver to sites.

### HUMAN RESOURCES

As of the end of 2024, the Engen Marketing Botswana headcount was 48, with 39 permanent employees, eight fixed-term contract employees, and one intern.

Our increasingly agile and mobile workforce continues to broaden its scope and capacity through the



#### HEAD COUNT

**48**  
EMPLOYEES  
(FY 2023: 46 Employees)

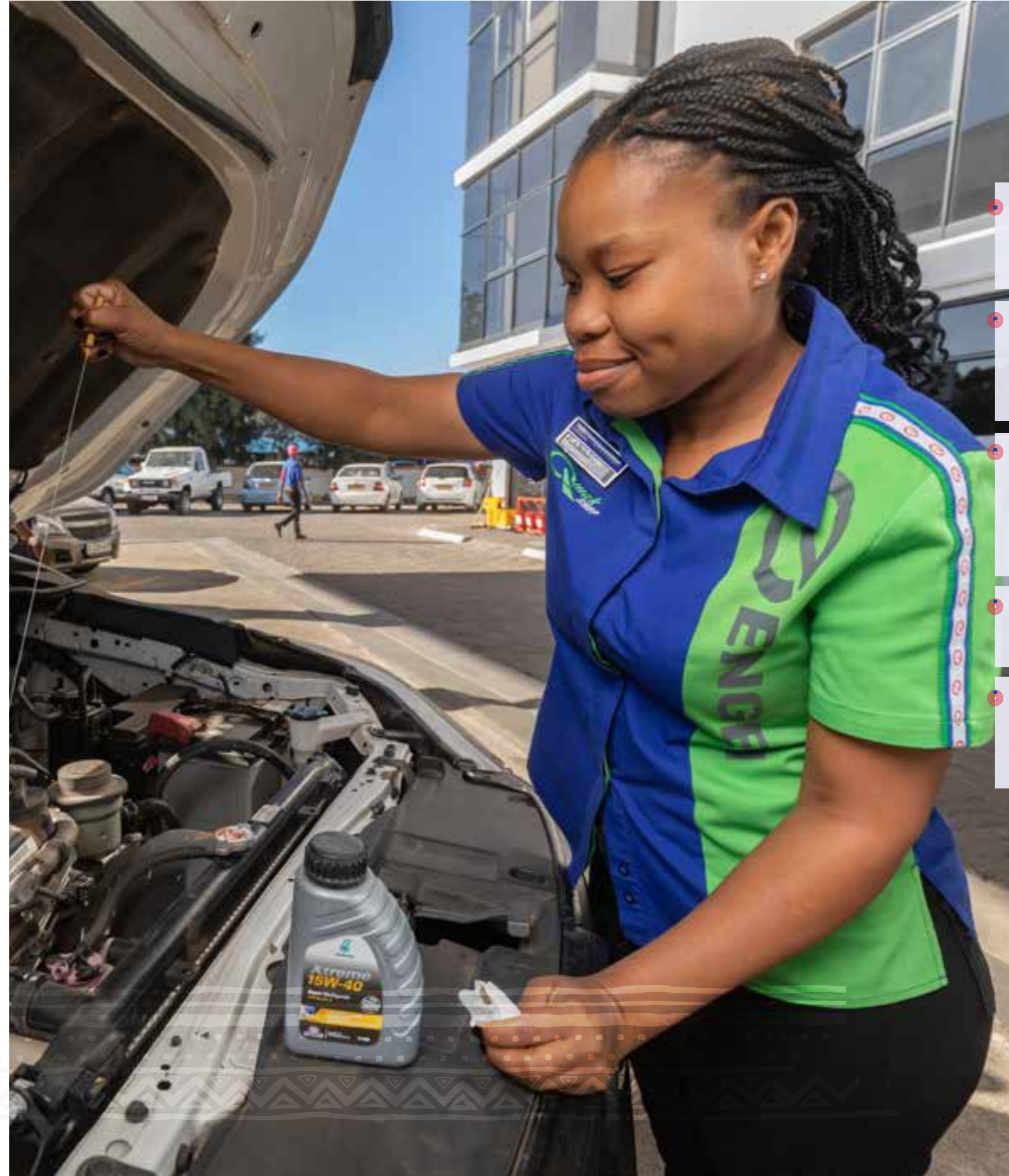


#### GENDER DIVERSITY

**46%**  
FEMALE  
EMPLOYEES  
(FY 2023: 46% Female employees)

adoption of cutting-edge technologies to operate our business more safely and efficiently. Engen employees are driven to be high-performing, innovative and motivated, and are committed to supporting our growth and sustainability going forward.

Gender diversity is a cornerstone of our ideals and to this end, Engen ended the year with female employees accounting for 46% of the total workforce, including three female members of executive management. Advancing equitable gender diversity within the Company is a key strategic goal.



### ENGEN VALUES

At Engen our corporate values are the standards of excellence we strive to achieve as a successful business and responsible corporate citizen. The values we strive to embody are:

- **Safety** – The health and safety of our employees, contractors, customers and communities are at the centre of how we operate
- **Excellence** – Being the best you can be. Striving for high standards, efficiency, reliability and growth in everything we do to deliver our leading position
- **Caring** – Demonstrating care, empathy and compassion – always treating our employees, customers, communities and the environment with respect and thoughtfulness
- **Respect** – Creating an inclusive environment and treating all with dignity, equity and fairness
- **Integrity** – Always being honest and adhering to a strong moral code and principles, in all business dealings.

These values are a set of principles and fundamental beliefs that guide the actions, decisions, and behaviours of everyone at Engen. They are essential components of our culture and identity, shaping how we interact with each other, customers, partners, and the broader community.

## Managing Director’s report (continued)

### COMPENSATION AND BENEFITS

Engen Marketing Botswana has been taking part in the Mercer annual Total Remuneration Survey (TRS) and incorporates the results of the survey to ensure we remain competitive in Botswana’s dynamic labour market. The results would then inform the company’s position against the market. Engen strives to remain competitive within our industry and in the market to retain key talent. However, for 2024, the company did not participate in the salary survey due to uncertainties around the ownership model. That being said, Engen continues to strive to offer not just monetary but also value-adding benefits to its employees.

### LEARNING AND DEVELOPMENT

The company has an integrated Talent Management programme, which seeks to provide a well-structured and prepared Leadership Pipeline within the company. This programme provides training and development interventions, which endeavour to up-skill and multi-skill the workforce to allow for opportunities for growth and development within the company.

The company continues to recover training costs from the Human Resources Development Fund for skills development through short-term training. Engen endeavours to close skills gaps and keep employees up to date with the latest market trends in their respective areas of operation. New employees are trained on operational and system requirements to improve their productivity and quality of service.

In 2024, all employees were trained through a variety of training courses. There were 24 training interventions attended by various employees throughout the year.

### CSR

Our Corporate Social Responsibility (CSR) approach, through which we strive to be considered “A Progressive Energy and Solutions Partner Enriching Lives for a Sustainable Future”, aims to support community upliftment and social development initiatives that make a lasting, sustainable impact in empowering vulnerable people and disadvantaged communities. Engen Marketing Botswana is committed to doing business in ways that are compatible with the economic, social and environmental needs of the communities in which we operate.

In keeping with our CSR goals, in April 2024 we collaborated with the Footballers Union of Botswana to host a series of coaching clinics in Francistown, Palapye and Jwaneng. This positive development builds on our previous successful collaboration at Mmasire Grounds in Gaborone West. We hope our combined efforts provide the attendants with a spirit of competition and teamwork they can carry forward into responsible adulthood. We’re also happy to contribute to creating a pathway to foster young talent, thus helping to build our national team.

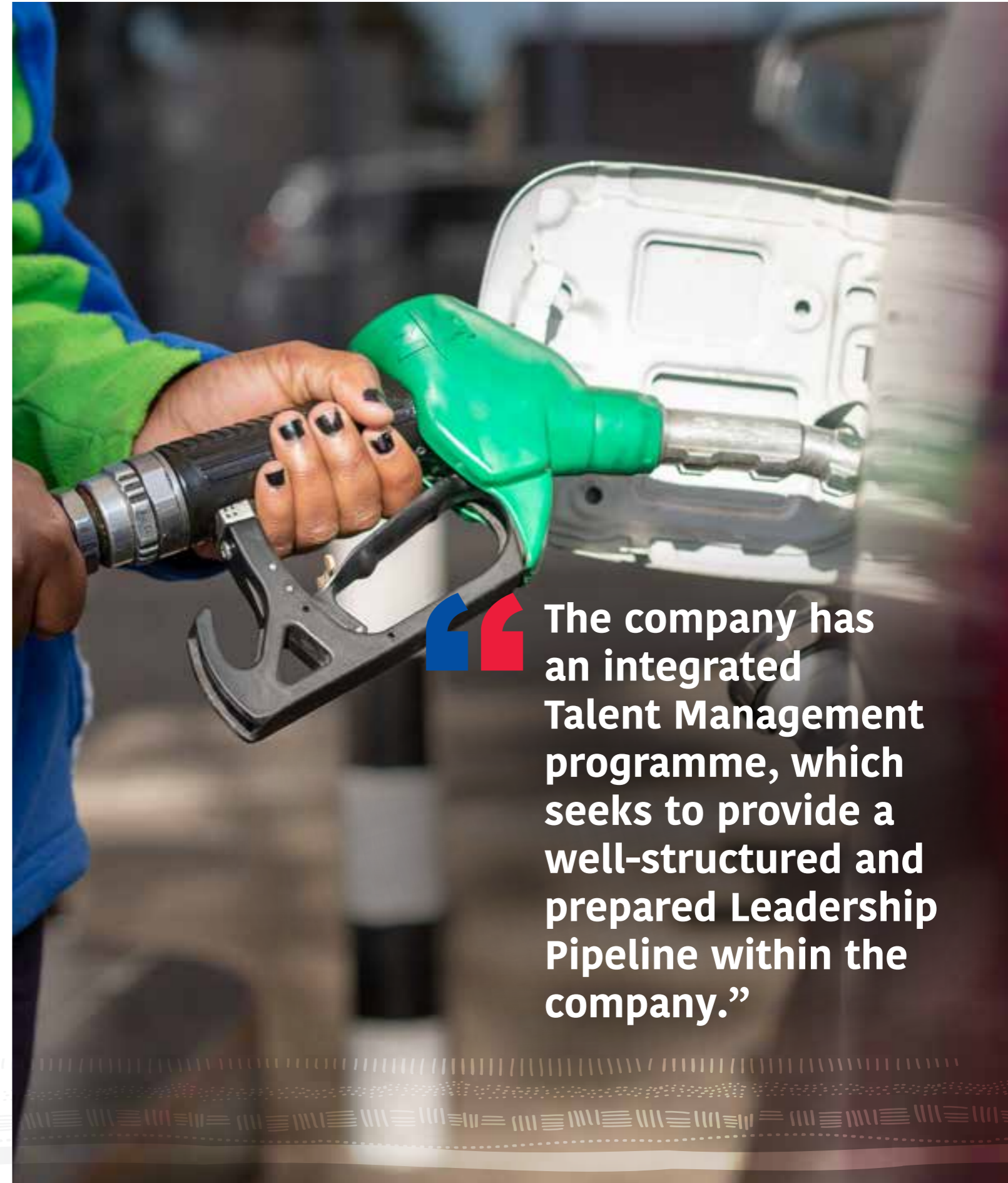
### APPRECIATION

I take this opportunity to extend my thanks to the management and staff of Engen Botswana Limited for their unyielding commitment and dedication to the pursuit of excellence during a challenging year.

I would also like to express my appreciation to the Board of Directors for their guidance and direction during the past year. My thanks also go to our partners, the service station owners, commercial customers, our contractors and other stakeholders for their continued support as we strive to continue to succeed in the years ahead.



**Brian Sameke**  
Acting Managing Director



**The company has an integrated Talent Management programme, which seeks to provide a well-structured and prepared Leadership Pipeline within the company.”**

# Overview of the Operating Environment

## MACRO-ECONOMIC ENVIRONMENT

### Global Outlook

*The global economy in 2024 remained on a subdued growth trajectory, reflecting ongoing adjustments from post-pandemic recovery and tighter monetary policies. Global GDP growth reached approximately 3.2%, slightly improving from 2023 but still below long-term averages (World Bank, 2024). Advanced economies expanded by around 1.7%, continuing to underperform amid elevated interest rates and weakening demand. In contrast, emerging markets and developing economies maintained stronger momentum, with growth estimated at 4.2% (IMF, 2024).*



Inflation moderated globally, easing from 6.8% in 2023 to around 5.9% in 2024, as supply-side pressures declined and energy markets stabilised (IMF, 2024). Central banks paused rate hikes, maintaining elevated policy rates to anchor inflation expectations (World Bank, 2024). Monetary policy remained cautious, with limited scope for aggressive easing.

Several downside risks persisted throughout the year. These included entrenched core inflation, a fragile recovery in China's economy, and heightened geopolitical risks linked to conflicts in Ukraine and the Middle East (World Bank, 2024). Climate shocks and growing geoeconomic fragmentation also disrupted supply chains and confidence. While a global recession was avoided, many economies continued to underperform relative to pre-pandemic trends (IMF, 2024).

### Eastern and Southern Africa Outlook

In 2024, economic performance across Eastern and Southern Africa (ESA) was mixed. Regional GDP was expected to grow by 2.2%, up modestly from 1.7% in 2023, but disparities between subregions persisted (World Bank, 2024).

Southern Africa continued to struggle with low growth, hindered by drought, energy supply disruptions, and fiscal constraints. South Africa recorded a subdued growth rate of approximately 1.2%, while Angola's recovery remained weak (IMF, 2024). Meanwhile, Eastern Africa showed more resilience, with growth in the East African Community forecast at around 4.7%, supported by investment and diversified economic activity in countries such as Kenya, Rwanda, and Uganda (World Bank, 2024).

The region contended with a combination of structural and environmental challenges:

- **El Niño-related droughts** impacted Botswana, Namibia, and Zimbabwe, while flooding disrupted parts of East Africa.
- **High public debt levels** constrained fiscal flexibility and prompted spending cuts in several countries (World Bank, 2024).
- Although inflation moderated due to declining global fuel and food prices, it remained **above central bank targets** in many countries, limiting consumer spending (IMF, 2024).
- **Political instability and conflict** continued to affect growth, particularly in the Democratic Republic of Congo, South Sudan, and Somalia (World Bank, 2024).
- **Commodity price trends** had mixed effects - while lower oil prices supported importers, weaker demand for minerals dampened export earnings in resource-dependent economies (World Bank, 2024).

Looking ahead, regional growth was forecast to reach **3.9% by 2025–2026**, contingent on improved macroeconomic stability and structural reform implementation (World Bank, 2024).

## Operating context (continued)

GDP CONTRACTED BY AN ESTIMATED

3%

A REVERSAL FROM THE 2.7% GROWTH IN 2023

INFLATION FELL SHARPLY BY DECEMBER 2024 TO

1.7%

DOWN FROM 3.5% IN DECEMBER 2023

(FY 2022: P12.4% in December)

“Despite the economic headwinds, the Botswana Stock Exchange (BSE) continued to perform well”

### Botswana Economic Overview

Botswana’s economy experienced a marked downturn in 2024. GDP contracted by an estimated **3%**, a reversal from the **2.7%** growth in 2023 and significantly below earlier forecasts (Bank of Botswana, 2024; Budget Speech 2024). The contraction was driven mainly by declining diamond exports, as demand for rough diamonds waned globally (Bank of Botswana, 2024).

**Inflation fell sharply**, reaching **1.7% by December 2024**, down from 3.5% in December 2023 and **12.4% in December 2022**. This was attributed to falling fuel prices, base effects, and a stable exchange rate (Bank of Botswana, 2024). With inflation below the target band, the Bank of Botswana reduced the **Monetary Policy Rate** by a cumulative **75 basis points** over the year to 1.9%, aiming to support growth without stoking inflation (Bank of Botswana, 2024).

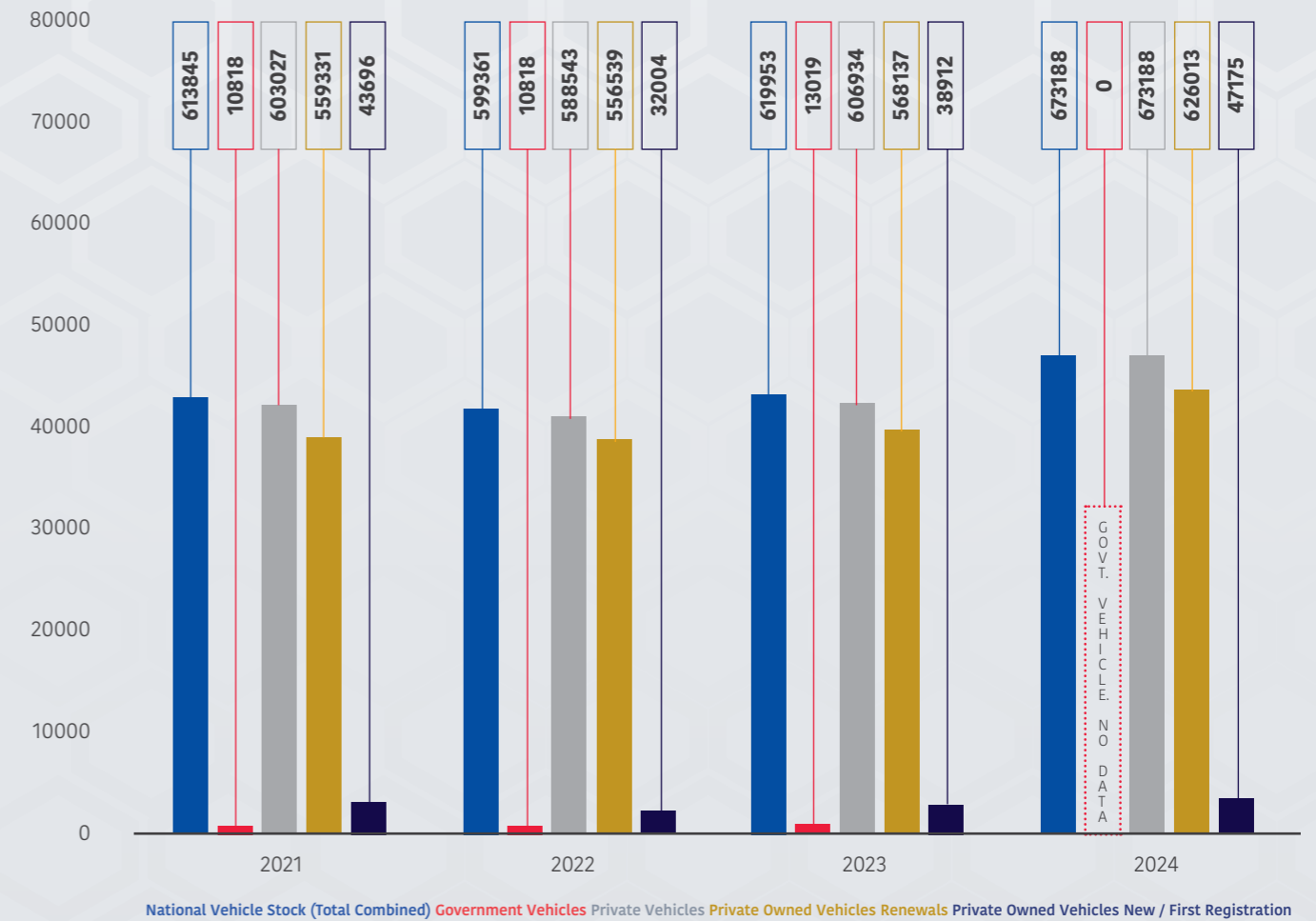
Despite the economic contraction, Botswana’s external sector remained stable. The current account recorded a surplus, supported by Southern African Customs Union (SACU) receipts and a modest tourism recovery. Foreign reserves stood at approximately P64.9 billion (USD 4.8 billion) in early 2024, offering eight to nine months of import cover (Bank of Botswana, 2024).

### Botswana Stock Exchange (BSE)

Despite the economic headwinds, the **Botswana Stock Exchange (BSE)** continued to perform well. The **Domestic Company Index (DCI)** appreciated by 12.5% in 2024, following a **15.6%** rise in 2023. Similarly, the **Domestic Company Total Return Index (DCTRI)** rose **22.6%**, building on a 25.5% gain the previous year (Botswana Stock Exchange, 2024).

The market’s performance was driven by solid returns in the **financial services and tourism sectors**, enhanced trading volumes, and investor interest. Continued regulatory reforms and efforts to deepen the capital market also contributed to positive investor sentiment (Botswana Stock Exchange, 2024).

National Vehicle Stock, Government Vehicles, Private Vehicles & First Registrations – 2024



Source: Transport & Infrastructure Statistics, Statistics Botswana / DRTS - Ministry of Transport & Communications

Private vehicle stock comprises firstly registered vehicles and renewals. Government vehicle stock constitutes vehicles owned by the central government under the custody of Central Transport Organisation (CTO).

National Vehicle Stock of motor vehicles comprises government owned motor vehicles and privately owned motor vehicles. Privately owned motor vehicles are categorised into first registrations and renewals.

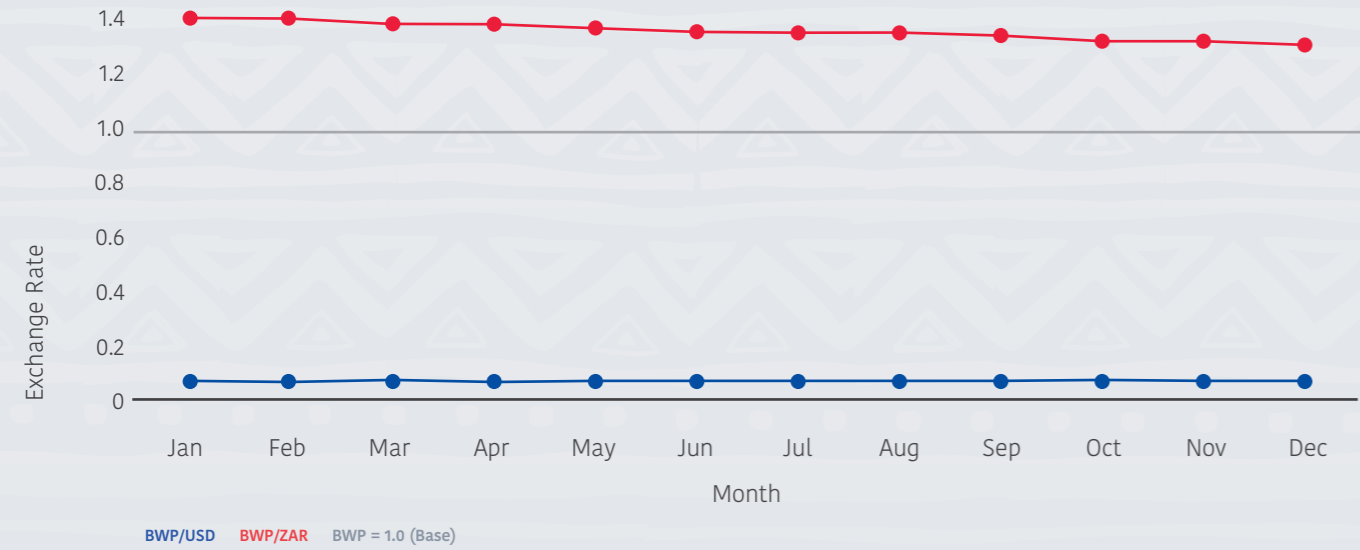
In **2024**, there was a **10.9%** increase in the number of private vehicles, which continue to make up the majority of the national vehicle stock. The total rose **from 606,934 vehicles in 2023 to 673,188** in 2024. This increase occurred despite the exclusion of Government vehicle statistics for 2024 due to unavailability at the time of writing from the source. For context, Government vehicles numbered **13,019** in 2023 and **10,818** in 2022.

In 2023 there was an increase in private vehicles of **3.1%** from **588,543** in 2022, to **606,934**.

Source: Transport & Infrastructure Statistics, Statistics Botswana / DRTS - Ministry of Transport & Communications

## Operating context (continued)

Monthly Average Exchange Rates: BWP/USD and BWP/ZAR (Jan - Dec 2024)



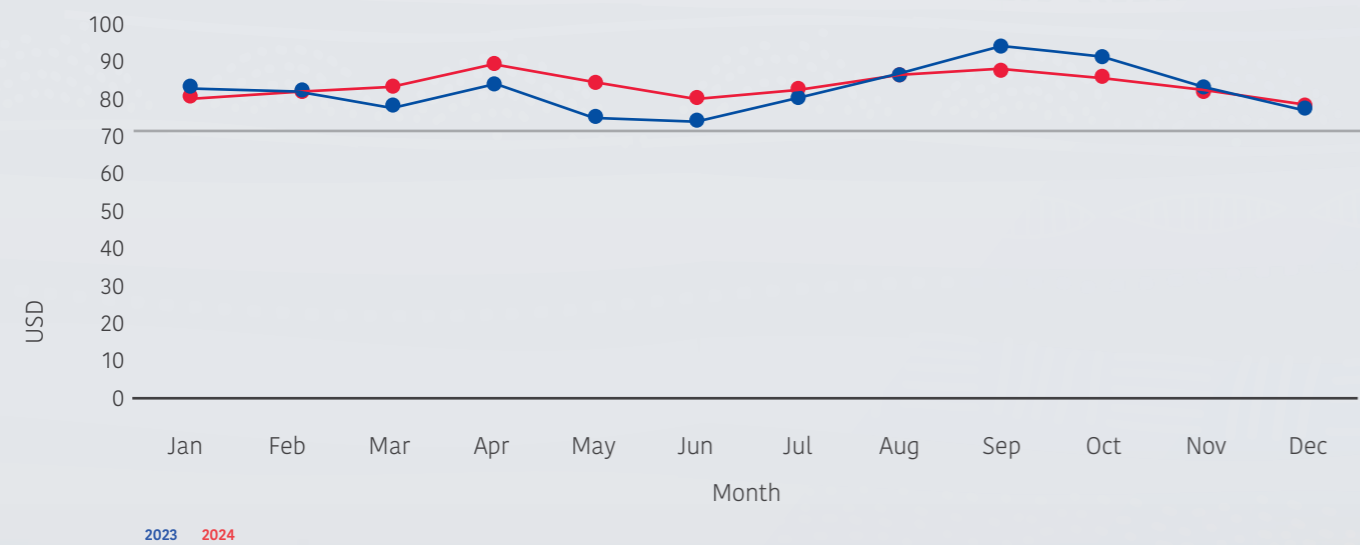
Source: Bank of Botswana average - monthly exchange Rates

Nominal and Real GDP Per Capita (Pula Millions)



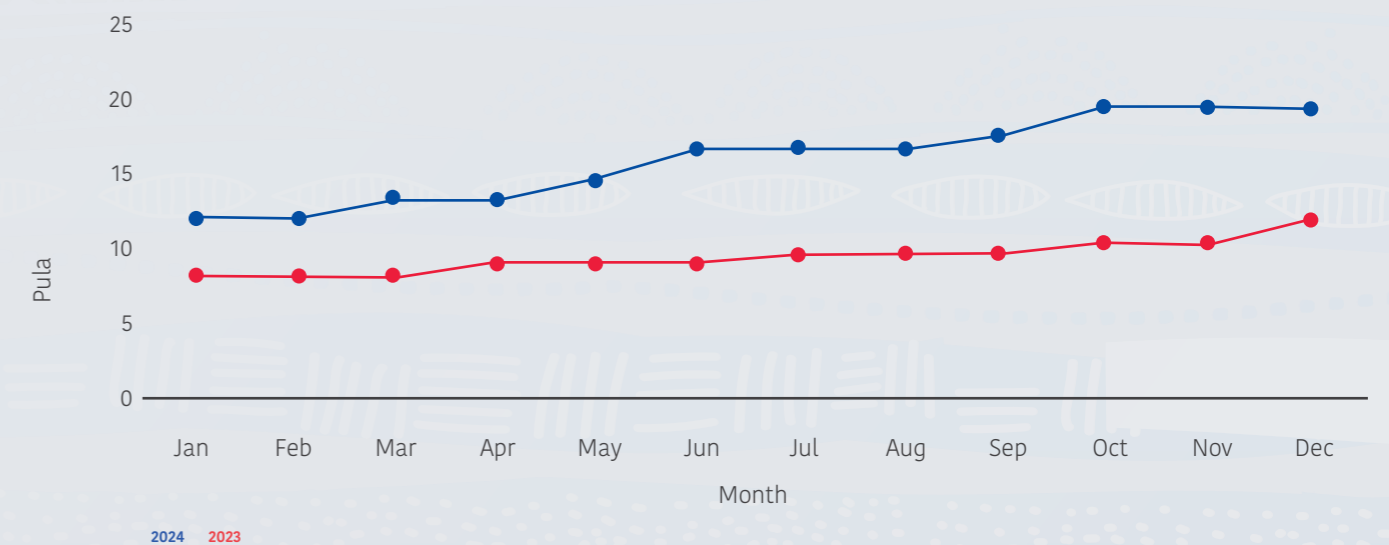
Source: National Accounts: <https://www.statsbots.org/bw>

Brent Crude Oil Prices US\$ / Barrel



Source: World Bank

Average Price of Petrol in Botswana Decreased in 2024



Source: BERA and own Data

In 2024, the retail prices of petrol and diesel experienced a steady downward trend, with notable decreases during key months. In **September**, unleaded petrol 93 and 95 dropped by **106 thebe** and **107 thebe** per litre respectively, while diesel 50ppm decreased by **95 thebe** per litre. Illuminating paraffin also saw a substantial decrease of **202 thebe** per litre.

In **December**, prices fell further. Unleaded petrol 93 decreased by **31 thebe** per litre, and unleaded petrol 95 by 27 thebe per litre. Diesel 50ppm saw a reduction of **10 thebe** per litre, while illuminating paraffin decreased by **15 thebe** per litre.

# BOARD OF DIRECTORS



**Shabani Ndzinge**  
Non-Executive Director

**Independent**  
Yes

**Qualifications**  
BA, (Dar Es Salaam),  
MS, (Delaware), PhD (Kent)

Shabani is an experienced leader, administrator and academic, with over 30 years of work experience. In 2011, he was appointed Deputy Vice Chancellor of Botswana International University of Science and Technology (BIUST), where he oversaw finance and administration. He executed a similar role at the University of Botswana and previously headed the Business Faculty at the same institution. Shabani is a member of several boards, including the Botswana Accountancy College, the Institute of Development Management, Bryte Risk Services Botswana and TA Sebube (Proprietary) Limited.

He is a former board member of the Botswana Development Corporation, the University of Botswana and BIUST.

**Brian Sameke**  
Acting Managing Director  
& Finance Manager  
Executive Director



Brian was appointed as the Finance Manager of Engen Botswana Limited in November 2011 and is a member of the Engen Botswana Management Committee. He was appointed as an Executive Director on 1 November 2021.

He started his career at Ernst & Young and progressed through the ranks to become an audit manager. He has previous experience of leading a financial team in the retail industry. He is also the Chairman of the Engen Botswana Retirement Fund.

**Executive**

**Qualifications**  
B Compt (Hons) (UNISA),  
CA (Z), CA (SA),  
FCA (Botswana),  
MBA Heriot Watt (Scotland)

**Heather Morrison**  
Non-Executive Director



Heather has served on the boards of Engen Petroleum Zambia Limited, Engen Rwanda Limited (as Chairperson); Engen Namibia (Pty) Ltd, where she chaired the Audit Committee; Engen International Holdings Limited; and is a member of the Board Audit Committee. She began her career at Ernst & Young in Cape Town in 1999 and joined Engen Petroleum Limited in 2005. She is currently the Head of Finance (Retail) at Engen Petroleum Limited. As a Board member, she has been involved in decision-making processes that impact the petroleum industry in Botswana. Her expertise in planning, performance, and reporting has helped streamline operations and improve efficiency within Engen's subsidiaries. Her leadership in Engen Rwanda Ltd. and Engen Petroleum Zambia Ltd. has provided her with valuable regional experience, which she brings to her role in the board of Engen Botswana. Her background in finance and corporate governance has been instrumental in ensuring compliance and sustainability in the petroleum sector.

**Independent**  
No

**Committee memberships**  
Board Audit Committee

**Qualifications**  
BCom (Hons) (University  
of Natal), BCom (UCT).  
Registered Chartered  
Accountant (SAICA)

## Board of Directors (continued)

**Jayaraman Ramesh**  
Non-Executive Director



Ramesh was appointed to the Board of Engen Botswana Limited on 4 May 2022 as an Independent Non-Executive Director. He is the Chairman of the Board Audit Committee. Mr Ramesh is a Co-founder and Non-Executive Chairperson of the Botho Group. He is an independent Non-Executive director of Sechaba Brewery Holdings Limited (SBHL), a company listed on the BSE and a member of its Audit & Finance Committee. He is also an independent Non-Executive director of Letshego Africa Holdings Limited and the chairperson of its Group Remuneration committee. Ramesh is a Non-Executive director of Kgalagadi Breweries Limited, an Associate company of SBHL. He was previously the Non-Executive Chairperson, Managing Partner and Partner at Grant Thornton (GT). He was also at GT International, initially as a Board member of GT International and later as the Regional Leader for Africa from April 2010 to April 2020. For 5 years, until 30 June 2021, he served as the first chairperson of the Government Audit Committee (Botswana), that was formed under the Public Finance Management Act.

**Independent**  
Yes

**Committee memberships**  
Board Audit Committee  
Chairman

**Qualifications**  
Bachelor of Commerce, University of Madras; Chartered Accountant, Botswana Institute of Chartered Accountants (BICA). Senior Leadership Programme – Organisational Leadership, Oxford University (UK).

**Leonard Makwinja**  
Non-Executive Director



Leonard has been an Independent Non-Executive Director of Engen Botswana Limited since August 2016 and is a member of the Remuneration Committee, He has had an illustrious career in the mining field spanning over 30-years, with the past 15 years spent in management positions. He has been the General Manager of Orapa and Letlhakane Mines, and was the Deputy Managing Director at Debswana Diamond Company (Pty) Ltd. from 2005 to 2007.

He has served several directorships in listed and non-listed entities, including Chairman of Morupule Colliery, Chairman of Botswana Telecommunications Corporation Limited (2006 to 2014), Director of Botswana Telecommunications Corporation Limited, and Non-Executive Director in African Banking Corporation. He served as Executive Director of Six Plus One Consulting (Pty) Ltd. He served as Chief executive officer of Botswana Railways.

**Independent**  
Yes

**Committee memberships**  
Remuneration Committee

**Qualifications**  
BSc Hons (Cardiff), MBA (London)

**Sharveen Maharaj**  
Non-Executive Director



Sharveen Maharaj is currently the General Manager - Commercial at Engen Petroleum. A chemical engineering background and sound leadership exposure has equipped him with the necessary technical knowledge to understand the highly complex and competitive nature of oil and gas industry in general. Sharveen has held several senior management roles in the organisation, General Manager - Lubricants, Lubricants Sales Head, previously managed Engen's National Logistics and Distribution as well as the Refinery's Maintenance Turnaround and Tankage Department, within the Engen Refinery in Durban, RSA. Prior to that he was the Operations Manager at the Engen Island View site responsible for oil movements and storage.

Sharveen is a member of the boards of Engen Botswana and Engen Mauritius. He served as Director - Engen Petroleum Limited and was a Board member of Engen Namibia. He represented Engen as a Director on the Cutler Management Board and spent 12 months as Chairman of the Board.

He obtained his BSc. in Chemical Engineering from the University of KwaZulu-Natal in 2003; Adv. Cert Man in Oil & Gas, NQF8 (Rhodes Business School / Duke University, 2015); Executive Strategic Excellence Programme, (Duke University / PETRONAS (Kuala Lumpur 2019) and attended the Senior Executive Programme at Harvard Business School in 2024.

**Independent**  
No

**Committee memberships**  
Remuneration Committee

**Qualifications**  
BSc. in Chemical Engineering (University of KwaZulu-Natal); Adv. Cert Man in Oil & Gas, NQF8 (Rhodes Business School / Duke University); Executive Strategic Excellence Programme, (Duke University / PETRONAS (Kuala Lumpur); Senior Executive Programme (Harvard Business School).

**Anthony Siwawa**  
Non-Executive Director



Anthony has extensive experience in developing and formulating business strategy, economics and finance and is a sought-after speaker throughout Africa and the United States. He has worked in private equity, venture capital, investment banking and corporate finance and management consulting, and has developed a thorough understanding of the Southern African region. He is the founder and Managing Director of private equity fund manager VPB (Proprietary) Limited and founded corporate finance company AMS Capital.

He is a former member of the boards of the African Venture Capital and Private Equity Association AVCA and the Southern African Venture Capital and Private Equity association (SAVCA). He is the Chairman of the Remuneration Committee and a member of the Board Audit Committee.

**Independent**  
Yes

**Committee memberships**  
Board Audit Committee  
Remuneration Committee  
Chairman

**Qualifications**  
BSc (Hons) Comp. Sc. (Aston, UK) ACCA (UK), MBA Chicago Booth

## Board of Directors (continued)

**Stephen Williams**  
Non-Executive Director



Stephen was appointed to the board of Engen Petroleum Limited in December 2008 and is a member of the Remuneration Committee. He served as the Chairman of the board of South African Oil Refinery (Pty) Ltd, a base oil refinery in Durban owned jointly by Engen, Total and Chevron. He has worked in the downstream oil industry for over 35 years, initially with the then Mobil Oil in 1984, and more recently as GM of Engen Africa Middle East for PLI.

**Independent**  
Yes

**Committee memberships**  
Remuneration Committee.

**Qualifications**  
BA (Hons) Philosophy of Leadership, BA Economics and Industrial Psychology, Post Graduate Diploma in Industrial Relations, (University of Natal), Diploma in Strategic Transformation (University of Stellenbosch, Business School)

## MANAGEMENT TEAM

- 1. Brian Sameke |**  
Acting Managing Director & Finance Manager
- 2. Saleoapi Manyake |**  
Acting Marketing & Convenience Manager
- 3. Patrick Matshane |**  
Commercial Manager
- 4. Francinah Tswai |**  
HR & Office Manager
- 5. Modiri Garenamotse |**  
HSEQ Manager
- 7. Tawanda Kitsi |**  
Retail Fuel Operations Manager
- 7. Kiran Juwaheer |**  
Business integration Manager
- 8. Theresa Francis |**  
Distribution Manager



# 06

## GOVERNANCE AND REMUNERATION

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# Our Approach

Effective corporate governance is an essential requirement for the successful realisation of Engen Botswana’s business objectives. The Board is committed to the principles of openness, integrity and the highest ethical standards in fulfilling Engen Botswana’s corporate responsibilities.



The Group is committed to the highest standards of corporate governance and is adequately implementing King III. The Board intends to implement the applicable principles of King IV by the end of 2025. Engen Botswana already adheres to all international accounting regulations along with the Engen Group standard best practices in corporate governance while being cognisant of the local operating environment.

The Engen code of ethics complies with the King IV Reporting recommendations, and we are continually reviewing areas of our governance structure to ensure that we are compliant by 2024. The following information is provided to give our stakeholders an appreciation of Engen Botswana’s current corporate governance procedures.

## BOARD AND COMMITTEE STRUCTURE

The Engen Botswana Board comprises seven Non-Executive Directors and one Executive Director, and meets at least four times per year. Dr Shabani Ndzinge is the Chairman of the Board.

All Non-Executive Directors have various skills and significant commercial and operational experience, enabling them to bring independent judgment to Board deliberations and decisions. The Directors have access to the advice and services of the Company Secretary and are entitled, at the Company’s expense, to seek independent professional advice regarding the business.

The Management Committee is chaired by Brian Sameke, the Acting Managing Director, and includes all Group divisional managers. The Management Committee meets at least eleven times a year and deals with all operational, business, and strategic development issues of the Group that are not specifically reserved for the Board.

Mr Ramesh was appointed as an independent non-executive director and Chairman of the Board Audit Committee in May 2022. The Audit Committee comprises three Non-Executive Directors and meets at least twice a year. The Audit Committee is regulated by specific terms of reference, which include the reviewing of the effectiveness of the Company’s internal controls, the monitoring and approval of accounting policies, corporate governance matters, and financial reporting. The Audit Committee receives reports from the Company’s internal and external auditors, who attend its meetings and who have unrestricted access to the Chairman and Audit Committee members. This ensures their independence is in no way impaired.

The Remuneration Committee comprises four Non-Executive Directors and is chaired by Anthony Siwawa. It meets at least twice a year. Its mandate is to regulate policy, approve senior management appointments and compensation, determine remuneration levels of staff, including incentives, and ensure appropriate preparation for management succession.

### Accountability and Control

The Directors are required by the Companies Act to prepare Annual Financial Statements, which fairly present the financial position of Engen Botswana Ltd at the end of the financial year. The Annual Financial Statements are presented in conformity with the Companies Act; the Botswana Stock Exchange (BSE) listing requirements and IFRS Accounting Standards. The Board has established a structure with clearly defined lines of responsibility, segregation of duties and delegation of authority.

- Directors
- Sub-committees
- Remuneration
- Ethics
- Board and Committee Structure
- Accountability and Control

### Compliance with Tax Regulations for Payments

The company paid all tax obligations related to income tax, value-added tax and withholding taxes by the due dates during 2024.

### Compliance with Provisions of Local Law

The company complied with all requirements of local legislation for the 2024 financial year.

### Meeting Attendance

#### Board Meetings 2024

S Ndzinge (Chairman)	9/10
B Sameke (Acting Managing Director)	10/10
A Siwawa	9/10
F Kotze	10/10
L Makwinja	10/10
S Williams	8/10
H Morrison	7/10
J Ramesh	9/10

#### Audit Committee Meetings 2024

J Ramesh (Chairman)	2/2
H Morrison	2/2
A Siwawa	2/2

#### Remuneration Committee Meetings 2024

A Siwawa (Chairman)	2/2
F Kotze	2/2
L Makwinja	2/2
S Williams	1/2

### Summary Directors Fees

	Amount P
<b>Non-Executive Directors</b>	
S Ndzinge	626,377
A Siwawa	435,153
L Makwinja	392,846
J Ramesh	362,627
H Morrison	332,408
S Williams	332,408
F Kotze	453,284
<b>Executive Director</b>	
B Sameke	1,438,503
	<b>4,373,608</b>

# KING III COMPLIANCE REVIEW

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>1. Ethical Leadership and Corporate Citizenship:</b>				
<b>RESPONSIBLE LEADERSHIP; THE BOARD'S RESPONSIBILITIES AND ETHICAL FOUNDATION</b>	1.1	<b>The board should provide effective leadership based on an ethical foundation.</b>	Applied	The Board has an approved board charter and appropriate structures and processes in place to ensure that the company's operations are conducted in an ethical manner. The Group's seven values are integrated into the performance management system, which is reviewed annually. It is ensured that all Engen employees adhere to the Vivo Energy Code of Conduct, in which ethical behaviour is greatly covered and forms part of the Company's values and culture.
	1.2	<b>The board should ensure that the company is and is seen to be a responsible corporate citizen.</b>	Applied	The Engen Botswana Limited Board continuously discusses the provision for dismantling, decommissioning and rehabilitation of sites and Safety, Health and Environment processes and a report is shared with the Board during all Board meetings. The Directors' Report in the Annual Reports provides a comprehensive update on Corporate Social Responsibility Plans and progress within the Company.
	1.3	<b>The board should ensure that the company's ethics are managed effectively.</b>	Applied	Engen Botswana Limited ensures that it adheres to the Vivo Energy Code Of Conduct and Business Ethics. The Code covers core values and culture, issues of conflict of interest, financial integrity, fighting corruption and unethical behaviour, disclosure duties, confidentiality obligations, Etc. The Directors Report in the Annual Report discloses the expected use of the Code by the relevant Engen employees.

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>2. Boards and Directors:</b>				
<b>ROLES AND RESPONSIBILITIES OF THE BOARD</b>	2.1	<b>The board should act as the focal point for and custodian of corporate governance.</b>	Applied	In accordance with the Engen Botswana Limited's approved Board Charter, the Board has made it, its responsibility to act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles.
	2.2	<b>The board should appreciate that strategy, risk, performance and sustainability are inseparable.</b>	Applied	In assessing the strategy and performance of Engen Botswana Limited, the Board reviews reports on sustainable development and risk management, which are managed and assessed mainly by management and the Board Audit Committee and reported during Board meetings.
	2.3	<b>The board should provide effective leadership based on an ethical foundation.</b>	Applied	The Board has an approved board charter and appropriate structures and processes are in place to ensure that the business is conducted in an ethical manner. The Group's seven values are integrated into the performance management system that is reviewed annually. It is ensured that all Engen employees adhere to the Vivo Energy Code of Conduct which emphasises ethical behaviour and forms part of the Company's values and culture.
	2.4	<b>The board should ensure that the company is and is seen to be a responsible corporate citizen.</b>	Applied	The Engen Botswana Limited Board continuously discusses the provision for dismantling, decommissioning and rehabilitation of sites and Safety, Health and Environment processes and a report is shared with the Board during all Board meetings. The Directors Report in the Annual Reports provides a comprehensive update on Corporate Social Responsibility Plans and progress within the Company.
	2.5	<b>The board should ensure that the company's ethics are managed effectively.</b>	Applied	Engen Botswana Limited ensures it adheres to the Vivo Energy Code Of Conduct and Business Ethics. The Code covers core values and culture, issues of conflict of interest, financial integrity, fighting corruption and unethical behaviour, disclosure duties, confidentiality obligations, etc. The Directors Report in the Annual Report discloses the expected use of the Code by the Engen Staff members.

## King III Compliance review (continued)

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>2. Boards and Directors:</b>				
<b>ROLES AND RESPONSIBILITIES OF THE BOARD</b>	2.6	<b>The board should ensure that the company has an effective and independent audit committee</b>	Applied	Engen Botswana Limited has established the Board Audit Committee. The Board Audit Committee ToR was reviewed and approved by the Board during the 2024 financial year. As per the ToR the Board Audit Committee shall have a minimum of two meetings in a year at which the Managing Director, representatives from the external auditor, other assurance providers, professional advisors and other Board members may be in attendance at Board Audit Committee meetings, but by invitation only and may not vote. The Committee currently has two Independent Non-executive Member and one Non-executive Member.
	2.7	<b>The board should be responsible for the governance of risk.</b>	Applied	In accordance with Engen Botswana Limited's approved Board Charter, the Board is responsible for the Governance of Risk. The company has a comprehensive risk register, which is continuously updated by the Managing Director and shared with the Board. Risk Management is periodically discussed with the Board during the Board meetings. .
	2.8	<b>The board should be responsible for information technology (IT) governance.</b>	Applied	In its approved Board Charter, the Board has identified the governance of Information Technology as one of its responsibilities. The establishment of appropriate IT policies, framework and strategy is done at the Group level, but having the Board as the decision point.
	2.9	<b>The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.</b>	Applied	The Managing Director ensures that an update on the applicable Laws and Regulations is shared with the Board, and a Dashboard Report on Compliance with the Laws and Regulations is shared/presented during every Board Meeting.
	2.10	<b>The board should ensure that there is an effective risk-based internal audit.</b>	Applied	Internal Audit is conducted at the Group Level by the Group Internal Audit team that is based in Cape Town. The Engen subsidiaries (Engen Botswana Limited included) are regularly audited at the Group level, where process and control efficiency are reviewed and a report is shared with the subsidiaries.
	2.11	<b>The board should appreciate that stakeholders' perceptions affect the company's reputation.</b>	Applied	The Board receives regular presentations on Corporate Social Investment and Stakeholder Engagements/Partnerships.

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>2. Boards and Directors:</b>				
<b>ROLES AND RESPONSIBILITIES OF THE BOARD</b>	2.12	<b>The board should ensure the integrity of the company's integrated report.</b>	Applied	The company has developed an Integrated Report during 2021 and reported the 2024 results in the same.
	2.13	<b>The board should report on the effectiveness of the company's system of internal controls.</b>	Applied	Internal Audit provides a written assessment on the design, implementation and effectiveness of the company's system of internal financial controls on an annual basis. Based on the results of this assessment, the Board Audit committee is able to form an opinion on whether the internal financial controls form a sound basis for the preparation of reliable financial statements. A statement on the effectiveness and adequacy of the internal controls is reported in the integrated report.
	2.14	<b>The board and its directors should act in the best interests of the company.</b>	Applied	The Board comprises an appropriate mix of skills, enabling it to interrogate all aspects of the company's operations and provide the required leadership. A Policy on Dealings has been implemented in terms of which Directors are required to comply with the provisions made within the policy that covers dealings in relation to securities and dealing conducted during prohibited periods.
	2.15	<b>"The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed."</b>	Applied	The liquidity of the company is continuously monitored by Management and the Board Audit Committee. Cash flow is monitored by the Finance Manager on a regular basis. The company also assesses the "going concern" status of the company at the financial year end.  The Board Audit Committee is frequently updated by the Auditors as well as the Finance Manager on the potential risks that would likely affect the going concern of the company. The potential financial risks and performance span conduct of the Finance Team is presented and shared with the Board. The Board will consider such procedures or other turnaround mechanisms in the event that such circumstances arise.
	2.16	<b>The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board.</b>	Applied	The Board of Engen Botswana Limited has appointed Dr. Shabani Ndzingo, an Independent Non-executive Director, to the role of Chairman of the Board of Directors of Engen Botswana Limited. The Board has appointed Mr. Brian Sameke as Acting Managing Director of Engen Botswana Limited. Accordingly, the roles and the functions of the Chairperson and the Managing Director/CEO are separate.

## King III Compliance review (continued)

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>2. Boards and Directors:</b>				
<b>ROLES AND RESPONSIBILITIES OF THE BOARD</b>	2.17	<b>The board should appoint the CEO and establish a framework for the delegation of authority</b>	Applied	The Board has appointed Mr. Brian Sameke as Acting Managing Director (MD). He is accountable to the Board on the implementation of strategies, objectives and decisions of the Board within the framework of the delegated authorities, values and policies of the Company. A "Delegation of Authority" Manual has been implemented within the Company, which outlines the detailed responsibilities of the Managing Director in regard to the company's policies and procedures.
<b>COMPOSITION OF THE BOARD</b>	2.18	<b>The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.</b>	Applied	As of 16 April 2024, the Board has eight Directors comprising one Executive Director, three Non-executive Directors and four Independent Non-executive Directors.
<b>BOARD APPOINTMENTS PROCESS</b>	2.19	<b>Directors should be appointed through a formal process.</b>	Applied	In accordance with the approved Board Charter, the Chairman of the Board is responsible for the final authorisation and appointment of new Board candidates. Grant Thornton Botswana, appointed as the Company Secretary from 01 December 2021, assists Engen Botswana Limited in the process of appointment of new Directors in-country. Appointed Directors are then given approval forms which they are required to sign. Renewal of the terms of appointment of one-third of the Board of Directors takes place during the Annual General Meeting ("AGM").
<b>DIRECTOR APPOINTMENT</b>	2.20	<b>The induction of and ongoing training and development of directors should be conducted through formal processes.</b>	Applied	The Directors approved the Induction Policy of Engen Botswana Limited that prescribes the requirement for newly appointed Directors to undergo a comprehensive and formal induction training. The induction program includes briefings on the company and its operations by the Managing Director and the company secretary. Newly appointed directors are also provided with written background information about the company and the duties of Directors. Further, the approved Induction Policy prescribes the requirement for Director Training and is conducted by Engen Botswana Limited as deemed necessary.

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>2. Boards and Directors:</b>				
<b>COMPANY SECRETARY</b>	2.21	<b>The board should be assisted by a competent, suitably qualified and experienced company secretary.</b>	Applied	As per the approved Board Charter, the Board is responsible for the appointment of a Company Secretary who shall be responsible for ensuring that relevant laws and rules for the conduct of the affairs of the Board are adhered to and provide guidance to the Board on the duties of the directors and good governance, etc. Engen Botswana Limited has appointed Grant Thornton Botswana as the Company Secretary. An assessment of the Company Secretary was conducted in 2024 and the results were satisfactory.
<b>PERFORMANCE ASSESSMENT</b>	2.22	<b>The evaluation of the board, its committees and the individual directors should be performed every year.</b>	Applied	Grant Thornton Botswana facilitated a Board Evaluation in 2024 based on the King III Code on Corporate Governance. The evaluation was conducted by the Board Secretary. Grant Thornton Botswana performed committee evaluations, Chairman of the Board evaluation and Individual Director evaluations during the year.
<b>BOARD COMMITTEES</b>	2.23	<b>The board should delegate certain functions to well structured committees but without abdicating its own responsibilities.</b>	Applied	As per the approved Board Charter, the Board has the authority to delegate certain functions to well-structured committees without abdicating its own responsibilities. Engen currently has two Board Committees, the Board Audit Committee and the Remuneration Committee. The Committees have Terms of Reference that clearly state the roles and responsibilities of each Committee and its Members.
<b>GROUP BOARDS</b>	2.24	<b>A governance framework should be agreed between the group and its subsidiary boards.</b>	Applied	Engen Botswana Limited has implemented and adopted various policies, processes and procedures of the parent/holding company into the local subsidiary company. Limits of Authority were implemented during the year to ensure all departments are aware of their roles and responsibilities in each process. The manual outlines delegation procedures for all the company's processes.

## King III Compliance review (continued)

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>2. Boards and Directors:</b>				
<b>REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES</b>	2.25	<b>Companies should remunerate directors and executives fairly and responsibly.</b>	Applied	As per the Remuneration Committee Terms of Reference, the Committee is responsible for the deliberation on remuneration activities for final approval by the Board. A Non-executive Director's fee policy has been put in place to assist the Board regarding the remuneration of Non-executive Directors.
	2.26	<b>Companies should disclose the remuneration of each individual director and each prescribed officer.</b>	Applied	The remuneration of Executive and Non-executive Directors and of other prescribed officers are disclosed in the recent Audited Annual Financial Statements and the Annual Report of the company.
	2.27	<b>Shareholders should approve the company's remuneration policy.</b>	Applied	In accordance with standard market practices, Engen Botswana Limited seeks annual approval on its remuneration for the prior financial year from shareholders at the Annual General Meeting.
<b>3. Audit Committee:</b>				
<b>MEMBERSHIP AND RESOURCES OF THE AUDIT COMMITTEE</b>	3.1	<b>The board should ensure that the company has an effective and independent audit committee.</b>	Applied	Engen Botswana Limited has established the Board Audit Committee. As per the Committee's ToR, the Committee shall have a minimum of two meetings annually and where the Managing Director, external statutory auditors and other assurance providers, professional advisors and other Board Members are required to be in attendance, subject to invitation only, and may not vote on any resolutions set forth.
	3.2	<b>Audit committee members should be suitably skilled and experienced independent non-executive directors.</b>	Applied	As at 16 April 2025, the Board Audit Committee consisted of one Non-executive Director and two Independent Non-executive Directors as indicated below: 1) Ms Heather Morrison (Non-executive Director), Retail Business Performance Improvement Manager at Engen Petroleum Limited 2) Mr Anthony Siwawa (Independent Non-executive Director) is the founder and Managing Director of Private Equity Fund manager VPB (Proprietary) Limited and founded Corporate Finance company AMS Capital 3) Mr Jay Ramesh (Independent Non-executive Director) is a Co-founder and Non-executive Chairperson of the Botho Group. He is also a Non-executive Director of Sechaba Brewery Holdings Limited (SBHL).

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>3. Audit Committee:</b>				
<b>RESPONSIBILITIES OF THE AUDIT COMMITTEE</b>	3.3	<b>The audit committee should be chaired by an independent non-executive director.</b>	Applied	The Chairperson of the Board Audit Committee is an Independent Non-executive Director and attends all Annual General Meetings as per the approved Board Charter.
	3.4	<b>The audit committee should oversee integrated reporting</b>	Applied	The company has developed an Integrated Report during the 2021 reporting cycle and in the same format in 2024.
	3.5	<b>The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.</b>	Not Applied	The Board Audit Committee individually monitors the relationship between each internal and external assurance provider, and regular reports are given on audit matters during the Committee's meetings. However, no formal combined assurance model has been developed and implemented within the company.
<b>INTERNAL ASSURANCE PROVIDERS</b>	3.6	<b>The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function.</b>	Applied	Engen Botswana Limited has established the Board Audit Committee. As per the Committee's ToR, the following responsibilities have been set for the Committee: 1) The Board Audit Committee shall review the expertise, resources and experience of the Company's finance function 2) The Board Audit Committee shall also consider and satisfy itself of the suitability of the expertise and experience of the Finance Manager annually. During the year under review, the Board, via the Board Audit Committee reviewed and satisfied itself of the expertise, resources and experience of the company's finance function to be adequate.
	3.7	<b>The audit committee should be responsible for overseeing of internal audit.</b>	Applied	As per the Board Audit Committee ToR, the committee shall approve the annual Internal Audit Plan in conjunction with the Chief Internal Auditor and make recommendations to the Board for approval. The Internal Audit is performed by the parent/holding company at the group level.
	3.8	<b>The audit committee should be an integral component of the risk management process.</b>	Applied	The mission of the Board Audit Committee is to ensure that it has identified and understands the areas of business which, due to their nature or exposure to risk, are critical to its operations and success. With such consideration, the departments within Engen Botswana Limited have developed Enterprise Departmental Risk Registers, which are shared with the Committee during meetings held for the identification and assessment of risks.

## King III Compliance review (continued)

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>3. Audit Committee:</b>				
<b>EXTERNAL ASSURANCE PROVIDERS</b>	3.9	<b>The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.</b>	Applied	As stated in the Board Audit Committee ToR, the Committee must recommend the External Statutory Auditor for appointment by the Shareholders during the Annual General Meeting. The Board Audit Committee recommended PricewaterhouseCoopers Botswana as the External Statutory Auditors for the 2024 annual financial period. An external audit plan presented by PricewaterhouseCoopers Botswana was presented to the Board Audit Committee for recommendation to the Board for approval.
	3.10	<b>The audit committee should report to the board and shareholders on how it has discharged its duties.</b>	Applied	The Board Audit Committee provides regular updates of its activities to the Board during all Board meetings held during the financial year. A summary Directors Report comprising the financial performance (i.e. annual audited financial statements) is presented in the company's Integrated Annual Report, and the Chairman of the Board Audit Committee is present at the Annual General Meeting to address any stakeholder questions.
<b>4. The Governance of Risk:</b>				
<b>THE BOARD'S RESPONSIBILITY FOR RISK GOVERNANCE</b>	4.1	<b>The board should be responsible for the governance of risk.</b>	Applied	In accordance with the Engen Botswana Limited's approved Board Charter, the Board is responsible for the Governance of Risk within the company. Engen Botswana Limited has a comprehensive Enterprise Risk Register which is continuously updated by the Managing Director, Heads of Departments and in collaboration with Group Risk and presented to the Board regularly. Matters pertaining to Enterprise Risk Management are periodically discussed with the Board during the Board meetings.
	4.2	<b>The board should determine the levels of risk tolerance.</b>	Applied	Engen Botswana Limited has an Enterprise Risk Register which is continuously updated by the Managing Director, Heads of Departments and in collaboration with Group Risk and presented to the Board regularly. The Risk Register of the company is indicative of specific Risk Ratings for each of the risks identified. Further, there are Risk Tolerance levels established to determine the acceptable level of risks.
	4.3	<b>The risk committee or audit committee should assist the board in carrying out its risk responsibilities.</b>	Applied	The Board Audit Committee ensures that all Audits have a risk-based approach, through which Internal Audit identifies potential inherent and operational risks within the audit plan. Further, the external statutory audit effectively addresses the critical/significant risk areas in the business.

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>4. The Governance of Risk:</b>				
<b>MANAGEMENT'S RESPONSIBILITY FOR RISK MANAGEMENT</b>	4.4	<b>The board should delegate to management the responsibility to design, implement and monitor the risk management plan.</b>	Applied	In accordance with the Engen Botswana Limited approved Board Charter, the Board is responsible for the Governance of Risk within the company. Engen Botswana Limited has an Enterprise Risk Register which is continuously updated by the Managing Director, Heads of Departments and in collaboration with Group Risk and presented to the Board regularly. Matters pertaining to Enterprise Risk Management are periodically discussed with the Board during the Board meetings. The Board Audit Committee approves the Internal Audit Plan and considers the level of risk management assurance necessary for inclusion in the plan.
	4.5	<b>The board should ensure that risk assessments are performed on a continual basis.</b>	Applied	In accordance with the Engen Botswana Limited approved Board Charter, the Board is responsible for the Governance of Risk within the company. Engen Botswana Limited has an Enterprise Risk Register, which is continuously updated by the Managing Director, Heads of Departments, in collaboration with Group Risk and presented to the Board regularly. Matters pertaining to Enterprise Risk Management are periodically discussed with the Board during the Board meetings.
<b>RISK ASSESSMENT</b>	4.6	<b>The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.</b>	Applied	The Board implements Risk Management via the Board Audit Committee. The Board approved the Business Continuity Management Policy to ensure any unpredicted risks are managed. Entry Risk Management Frameworks and policies have been developed, with risk tolerance levels. In addition, regular visits are conducted with the Affiliate by Engen Group Risk from South Africa.
	4.7	<b>The board should ensure that management considers and implements appropriate risk responses.</b>	Applied	The Engen Botswana Limited Enterprise Risk Register has a section detailing Action Plans for identified Risk Owners.
<b>RISK RESPONSE</b>	4.8	<b>The board should ensure continual risk monitoring by management.</b>	Applied	Matters relating to Enterprise Risk Management are standing agenda items on Board Audit Committee meetings. The Managing Director and Executive Management provide detailed reports on strategic and operational risks for the Company. The Enterprise Risk Register is a document continuously being updated as per the Chairman's advice at every Committee and Board meeting.
<b>RISK MONITORING</b>				

## King III Compliance review (continued)

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>4. The Governance of Risk:</b>				
<b>RISK ASSURANCE</b>	4.9	<b>The board should receive assurance regarding the effectiveness of the risk management process.</b>	Applied	The Board receives assessments of the effectiveness of the system of internal controls and risk management through Internal Audit Reports shared/presented by the Group's In-house Internal Audit Function based in Cape Town, South Africa.
	4.10	<b>The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.</b>	Applied	Potential Risks that affect the financial performance of the Company are disclosed in the Annual Financial Statements section of the Annual Report. Disclosure of Directors' Opinion on the Company's going concern is highlighted in the Managing Directors' Report section of the Annual Report.
<b>5. The Governance of Information Technology:</b>				
<b>RISK DISCLOSURE</b>	5.1	<b>The board should be responsible for information technology (IT) governance.</b>	Applied	In its approved Board Charter, the Board has identified the governance of Information Technology as one of its responsibilities. The establishment of appropriate IT policies, framework and strategy is done at the Group level, but having the Board as the decision point.
	5.2	<b>IT should be aligned with the performance and sustainability objectives of the company.</b>	Applied	The Group's IT function and strategy are aligned with the Group's organisational strategy. Engen Botswana Limited's IT requirements and processes are aligned with the Group's central IT business division located in Cape Town, South Africa. The Board Audit Committee holds regular meetings with the Chief of IT to discuss any impending IT related matters. All IT related decisions are aligned to Group IT, and systems are integrated, and a helpdesk assists the Affiliate where needed with IT related issues.
	5.3	<b>"The board should delegate to management the responsibility for the implementation of an IT governance framework."</b>	Applied	The Governance of Information Technology is performed at the Group Level, and a framework has been developed and implemented. The Technology Steering Committee and IT Department are responsible for the implementation of all the structures, processes and mechanisms of the IT strategy. The Chief Information Officer has access to, and regular interaction on strategic matters with, the Engen Botswana Limited Board and executive management. The Chief Information Officer is currently at the Group Level, who, as per the Limits of Authority, makes recommendations pertaining to the IT strategy.

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>5. The Governance of Information Technology:</b>				
<b>RISK DISCLOSURE</b>	5.4	<b>The board should monitor and evaluate significant IT investments and expenditure.</b>	Applied	IT investments and expenditure are governed in terms of the Limits of Authority, and major IT projects are monitored continually by management, and reports of such investments and expenditure are shared with the Board during Board meetings.
	5.5	<b>IT should form an integral part of the company's risk management.</b>	Applied	As per the Engen Botswana Limited Enterprise Risk Register, relevant information technology and information-related risks are included as part of the operational risks of the company, for which action plans have been developed to help mitigate such identified risks.
	5.6	<b>The board should ensure that information assets are managed effectively.</b>	Applied	Engen Botswana Limited has implemented the Group's policies and procedures that ensure adequate data protection. These policies include the Information Security Policy, Corporate Privacy Policy, Data Backup Policy and Disaster Recovery Plan, etc.
	5.7	<b>A risk committee and audit committee should assist the board in carrying out its IT responsibilities.</b>	Applied	The Risk and Compliance and Audit committee assist the Board in carrying out its IT responsibilities. The Risk and Compliance Committee ensures that IT risks are adequately addressed through its risk management and monitoring processes for all of its affiliates. Additionally, any Internal IT related issues are discussed with the Board through the Board Audit Committee.
<b>6. Compliance with Laws, Rules, Codes and Standards:</b>				
<b>RISK DISCLOSURE</b>	6.1	<b>The board should ensure that the company complies with applicable laws and considers adherence to nonbinding rules codes and standards.</b>	Applied	The Managing Director ensures that regular updates on applicable Laws and Regulations are shared with the Board, and a Dashboard Report on the Compliance with the Laws and Regulations is presented during Board Meetings.

## King III Compliance review (continued)

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>6. Compliance with Laws, Rules, Codes and Standards:</b>				
	6.2	<b>The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business.</b>	Applied	The Board is regularly kept informed of the regulatory compliance status of the Company through a dashboard developed by management. The Managing Director ensures that regular updates on applicable Laws and Regulations are shared with the Board, and a Dashboard Report on the Compliance with the Laws and Regulations is presented during Board Meetings.
	6.3	<b>Compliance risk should form an integral part of the company's risk management process.</b>	Applied	Statutory Compliance assessments for Engen Botswana Limited are done at the Group Level as per the Management Agreement signed by both parties. All compliance related issues/items are reviewed at the Group Level and implemented within Engen Botswana Limited. In addition, the compliance function monitors and reports on compliance at the Board level. The Report gives a detailed description of the Legislative requirements, offenses that may arise from the requirement as well as the penalties the Company is likely to face should they not abide by the requirements.
	6.4	<b>The board should delegate to management the implementation of an effective compliance framework and processes.</b>	Applied	Statutory Compliance assessments for Engen Botswana Limited are done at the Group Level as per the Management Agreement signed by both parties. All compliance related issues/items are reviewed at the Group Level and implemented within Engen Botswana Limited. In addition, the compliance function monitors and reports on compliance at Board level. The Report gives a detailed description of the Legislative requirements, offenses that may arise from the requirement as well as the penalties the Company is likely to face should it not abide by the requirements.

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>7. Internal Audit:</b>				
<b>THE NEED FOR AND THE ROLE OF INTERNAL AUDIT</b>	7.1	<b>The board should ensure that there is an effective risk based internal audit.</b>	Applied	Internal Audit is conducted by the Group Internal Audit team based in Cape Town, South Africa. The Engen subsidiary companies (Engen Botswana Limited included) are regularly audited at group level, whereby process/control efficiency is reviewed, and a report is shared with the subsidiary companies in accordance with an approved Internal Audit Plan.
	7.2	<b>Internal audit should follow a risk based approach to its plan.</b>	Applied	The Internal Audit plan and approach are informed by the strategy and risks of the Group. The Internal Audit Plan for the company is developed centrally by the parent/holding company's Group Internal Audit (Cape Town, South Africa).
<b>INTERNAL AUDIT'S APPROACH AND PLAN</b>	7.3	<b>Internal audit should provide a written assessment of the effectiveness of the company's system of internal controls and risk management.</b>	Applied	Internal Audit is conducted at the Group Level by the Group Internal Audit team that is based in Cape Town, South Africa. The Engen subsidiary companies (Engen Botswana Limited included) are regularly audited at group level, whereby process/control efficiency is reviewed, and a report is shared with the subsidiary companies in accordance with an approved Internal Audit Plan.
	7.4	<b>The audit committee should be responsible for overseeing internal audit.</b>	Applied	The Board Audit Committee oversees the engagements with the Group Internal Audit. The Board Audit Committee makes use of co-sourced solutions to supplement in-house skills from time-to-time as and when required. Internal audit reports at Board Audit Committee meetings.
<b>INTERNAL AUDIT'S STATUS IN THE COMPANY</b>	7.5	<b>Internal audit should be strategically positioned to achieve its objectives.</b>	Applied	The Board Audit Committee satisfies itself that the internal audit process is independent, objective and strategically positioned to achieve its objectives and execute the approved Internal Audit Plan. Internal Audit is conducted by the Group Internal Audit team based in Cape Town, South Africa. The Engen subsidiary companies (Engen Botswana Limited included) are regularly audited at group level, whereby process/control efficiency is reviewed, and a report is shared with the subsidiary companies in accordance with an approved Internal Audit Plan.

## King III Compliance review (continued)

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>8. Governing Stakeholder Relationships:</b>				
	8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation.	Applied	Important stakeholder groups have been identified and include shareholders, employees, customers, suppliers and government bodies. The Board Members receive regular presentations and updates on matters pertaining to Corporate Social Investment and stakeholder engagements/ partnerships.
	8.2	The board should delegate to management to proactively deal with stakeholder relationships.	Applied	Engen Botswana Limited has an Engagement Policy drafted to allow for the management of stakeholder relationships. The Engen Botswana Limited Board has delegated to the Managing Director to proactively deal with Stakeholder relationships by ensuring that the Policy is properly implemented and operationalised. The company issues a notice on its Annual Report of annual general meetings in an appropriate time, allowing for consideration by shareholders.
	8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company.	Applied	Through the Stakeholder Engagement Policy, Engen will be guided by the best practice principles (AA1000SES), through which the principle of responsiveness ensures that Stakeholder issues that could have a material impact on Engen and/or the relevant Stakeholder are escalated appropriately within Engen. The Policy goes on to categorise stakeholders into four groups: Authorisers, Partners, Influencers and Associations.
	8.4	Companies should ensure the equitable treatment of shareholders.	Applied	In line with the Botswana Stock Exchange Listing Requirements, the Board makes every effort to treat all shareholders equally and disclose the earnings per share and the profits attributable to ordinary shareholders. The Annual Reports prepared in prior periods also provide a summary on Economic Value Added to various stakeholders of the Company, inclusive of the shareholders.
	8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	Applied	As a listed company, Engen Botswana Limited is expected by the Botswana Stock Exchange to submit Interim Reports and Annual Reports, inclusive of relevant financial information and other significant information to stakeholders for decision making purposes. These reports are published and publicly available through the Botswana Stock Exchange. The shareholders are also informed of and invited to the Annual General Meetings with adequate notice. The company also releases and publishes special notices and announcements to stakeholders as necessary.
<b>DISPUTE RESOLUTION</b>	8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	Applied	Through the Stakeholder Engagement Policy, Engen will be guided by the best practice principles (AA1000SES), through which the principle of responsiveness ensures that Stakeholder issues that could have a material impact on Engen Botswana Limited and/or the relevant Stakeholders are escalated appropriately within the company.

Area	Ref.	Requirement	Compliance Status	Detailed Comments / Remarks
<b>9. Integrated Reporting and Disclosure:</b>				
<b>TRANSPARENCY AND ACCOUNTABILITY</b>	9.1	The board should ensure the integrity of the company's integrated report.	Applied	The Company prepares an integrated report that gives a broad view of the Engen Botswana Limited's operational, financial and non-financial status, which is formally reviewed and approved by the board upon the review of the Board Audit Committee and the external auditors. The integrated report is then shared with the Botswana Stock Exchange and published for the public to view. The integrated report is prepared in compliance with the requirements prescribed by the Botswana Stock Exchange and the Companies Act of Botswana.
	9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting.	Applied	Information relating to Health and Safety is commented upon on in the integrated report in the Managing Director's report section, with updates on incidents that occurred during the year that would have impacted the Health and Safety of the company. Potential Risks that affect the financial performance of the company are disclosed in the Annual Financial Statements section of the integrated report. Disclosure of the Directors' opinion on the company's going concern is highlighted in the Managing Directors' Report section of the integrated report.
	9.3	Sustainability reporting and disclosure should be independently assured.	Applied	As a way of assuring sustainability, a Health, Safety, Environment and Quality ("HSEQ") Report is shared with the Board on an annual basis. The Report is derived from the Health and Environmental disclosures made in the integrated report. However, reporting data is compiled by management with no independent assurance provided.

# 07

## SUSTAINABILITY

Human Capital

84 ▶

Social & Relationship Capital

86 ▶

Manufactured Capital

90 ▶

Natural Capital

92 ▶

Financial Capital

93 ▶



# HUMAN CAPITAL

## OUR PEOPLE

As the world of work continues to evolve, so do our strategies to support our employees. We are committed to positioning our team at the forefront of technology, enabling a more agile and mobile workforce.

To sustain our growth and ensure safe and efficient operations, Engen employees are empowered to be high-performing, innovative, and motivated.

The safety of our people is a fundamental priority for the business. Our strategy has been adapted to enhance personal safety while equipping employees with the necessary skills, experience, training, and mentorship. We take a holistic approach, focusing on building and retaining critical skills and fostering

leadership capabilities. This creates a supportive environment that inspires and motivates our employees to consistently deliver their best.

The number of employees as of 31 December 2024 was 39 permanent employees, 9 contract employees (8 on fixed term contract and 1 Intern). During the year, we have recorded staff turnover of 11% due to the resignation of 4 employees and 1 termination.

## KEY HIGHLIGHTS:

### Workforce Profile

54%	46%
Male	Female

### Nationality

98%	2%
Batswana	Foreign Nationals

### Generation

43%	57%
>= 35 Years	<= 35 Years

## ENGEN VALUE AND ETHICS

### VALUES

- Safety**  
 The health and safety of our employees, contractors, customers and communities are at the centre of how we operate
- Excellence**  
 Being the best you can be. Striving for high standards, efficiency, reliability and growth in everything we do to deliver our leading position
- Caring**  
 Demonstrating care, empathy and compassion – always treating our employees, customers, communities and the environment with respect and thoughtfulness
- Respect**  
 Creating an inclusive environment and treating all with dignity, equity and fairness
- Integrity**  
 Always being honest and adhering to a strong moral code and principles, in all business dealings.

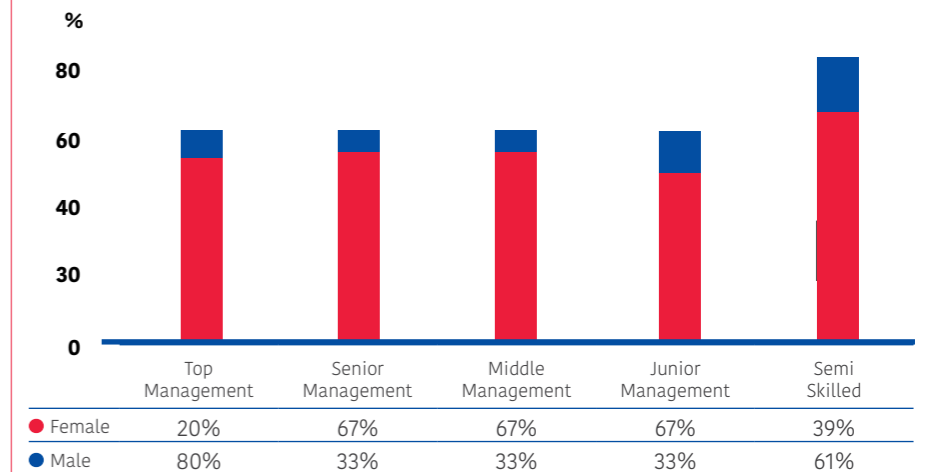
These values are a set of principles and fundamental beliefs that guide the actions, decisions, and behaviours of everyone at Engen. They are essential components of our culture and identity, shaping how we interact with each other, customers, partners, and the broader community.

### ETHICS

At Engen we strive to always operate in accordance with good business ethics and in a safe and environmentally responsible way, not simply to comply with legislation, but because it is the right thing to do. Ethical considerations and our corporate values inform all our business decisions.

### GENDER DIVERSITY

#### Gender Split vs. Occupational Level



The gender diversity of the Engen Botswana Limited workforce is quantified as follows:

	Female	Male
Workforce Profile	54%	46%
Management Committee	57%	43%





## SOCIAL & RELATIONSHIP CAPITAL

Engen acknowledges the significant role our business plays in sustaining the social environment in which we operate. To continue delivering value, ensuring future readiness, and generating positive societal impacts while enriching lives, we recognise the need for ongoing evaluation and refinement of our actions, policies, and processes. This enables us to adapt to shifting dynamics and effectively address emerging challenges.



We remain steadfast in our commitment to operating safely, responsibly and reliably. Our practices are aligned with recognised business standards and industry benchmarks to uphold our responsibilities and foster a sustainable impact within the communities we serve.

Social Sustainability Aspects that are material to us and our stakeholders include:

- Safety and Health
- CSI
- Sponsorship
- Enterprise Development
- Seamless Customer Experience

### SAFETY AND HEALTH

As a key player in Botswana’s petroleum products distribution and marketing sector, Engen operates under complex health and safety legislation at various regional and national levels. These include laws regulating human exposure, as well as the use, handling, storage, and disposal of hazardous materials. Consequently, we place the utmost importance on the health and safety of our workforce, the protection of our assets, communities, environment, and all stakeholders.

Engen’s Health, Safety and Environment Policy outlines the guiding principles for managing risks and hazards within our business operations. HSE governance is managed through our HSE Management System, which is overseen by the Executive Committee. The Committee drives safety excellence by embedding safety into their leadership values, competencies and behaviours. They are tasked with understanding and mitigating risks, maintaining safeguards, and ensuring the integration of HSE considerations into business plans and targets.

These plans and targets are strategically aligned with our HSE Plan and disseminated across all levels of the organisation. Through consistent employee engagement, we establish clear expectations, targets, and objectives for every team member. Our annual Engen HSE scorecard, based on historical data, is designed to enhance safety performance year-on-year, with the ultimate goal of achieving zero incidents.

HSE risks, incidents, performance, and issues are reviewed monthly by the Executive Committee, chaired by the Managing Director/CEO, and subsequently reported to the Engen Botswana Limited Board. Additionally, an annual HSE management review is conducted, benchmarking our

performance against both the prior year’s results and the Engen Group’s Operating Units. This enables us to learn from others and refine our strategic objectives for the future.

To ensure continual health and safety improvements, employees actively participate in monthly worksite HSE Committee meetings, where site-specific HSE issues, programmes, and

performance are discussed. These meetings involve both employees and management representatives, fostering collaboration and accountability.

### Health, Safety and Environment MANAGEMENT SYSTEM (HSE-MS)



### OUR SAFETY PERFORMANCE

In 2024, we sustained our commitment to fostering a generative HSEQ culture. Key initiatives focused on people and culture, work processes, and management systems, particularly in the areas of safety risk management, land transportation, and contractor management, continued to advance.

Our safety performance in 2024 was commendable, achieving a zero-fatality record. While we acknowledge there is still room for improvement, we remain unwavering in our dedication to protecting our workforce and assets. Vigorous efforts are being directed towards strengthening HSE compliance, managing

HSE risks, and enhancing HSE monitoring across our sites. Several incidents were recorded for Engen Botswana Limited for the year 2024. There were two armed robberies at our service stations in Gaborone and Maun.

## Social & relationship capital (continued)

While such incidents are regrettably unavoidable, we are actively consulting and collaborating with the police to address these matters. Additionally, we provide training to service station staff on the necessary precautions to take in the event of such situations.

During the reporting period, two flash fires also occurred, one in Ramokgwebana and the other in Orapa. Regrettably, one of our attendants in Ramokgwebana sustained injuries. However, she has since received medical attention, and we are pleased to report that she has made a full recovery.

These incidents in no way detract from our commitment to attain the aspiration of ‘ZIP – Zero Is Possible’ for the year 2025. The statistic extends to our vendors and contractors, as they

were diligent and ensured absolute safety in their operations.

- One Injury
- One LOPC
- Two Fire
- ZERO Motor Vehicle Accidents
- One Product Contamination
- Two Security Incidents

Additionally, there were no recorded violations of the Engen Zero Tolerance (ZETO) Rules for the period under review. The 10 Engen ZETO Rules cover the following areas:

- Permit to Work (PTW)
- Energy Isolation
- Bypassing of Safety Critical Equipment
- Confined Space
- Working at Height
- Chemical Handling
- Excavation
- Lifting Operations
- Ignition Source Control
- Traffic Rules

A Behavioural Observation System (BOS) has been firmly embedded, complemented by coaching using onboard cameras, to provide effective tools for the training of Bulk Truck Operators. Furthermore, we continue to implement interventions addressing additional risks identified during operations—such as fatigue and ergonomics—to ensure the safe and efficient delivery of our products.

Looking ahead, we remain committed to prioritising safety across all our activities. This includes the enhancement of HSE risk management through the adoption of digitalised tools, the development of Generative HSE Culture capabilities across all working levels, and regular engagements with employees to share HSE best practices and lessons learned.

	2019	2020	2021	2022	2023	2024
<b>LTIF (per 200,000-man hours)</b>	0.08	0.33	0.02	0.02	0.01	0.01
<b>TRR (per 200,000-man hours)</b>	58%	79%	44%	21%	20%	20%
<b>TRCF (Total Recordable Case Frequency)</b>	0.21	0.69	0.01	0.02	0.01	0.01
<b>FIRES</b>	0	0	0	0	0	2
<b>LOPC</b>	0	0	0	0	0	1
<b>WORK-RELATED FATALITIES</b>	0	0	0	0	0	0

### HEALTH AND WELLBEING

Our Organisational Health services strengthen our reputation as an employer of choice by demonstrating genuine care for our employees, thereby attracting the highest calibre of talent. The Occupational Health components play a crucial role in mitigating health and safety risks while ensuring compliance with legal requirements.

#### EMPLOYEE WELLNESS SERVICES

Our Wellness Services are designed to enhance the overall health and wellbeing of our employees. This is achieved through initiatives focused on awareness and education, identifying and managing personal health risks, and providing supportive or rehabilitative care when required.

Effective management of chronic diseases plays a vital role in our sustainability efforts, yielding two key benefits: for all employees, it prevents the progression towards impairment and disability, and for those engaged in safety-sensitive roles, it significantly reduces the risk of workplace accidents.

### CORPORATE SOCIAL RESPONSIBILITY

Our Corporate Social Responsibility (CSR) approach aims to support community upliftment and social development initiatives that encourage engagement and empowerment of vulnerable people, all with a common aim – to make a lasting, sustainable impact.

As a company that cares and is true to our statement of purpose in which we strive to be considered “A Progressive Energy and Solutions Partner Enriching Lives for a Sustainable Future”, we remain committed to doing business in ways that are compatible with the economic, social and environmental needs of the communities in which we operate.

In April 2024, we collaborated with the Footballers Union of Botswana to host a series of coaching clinics at Morupule Stadium in Palapye. This positive development builds on our previous successful collaboration at Mma Masire Grounds in Gaborone West. We hope our combined efforts provide the attendants with a spirit of competition and teamwork they can carry forward into responsible adulthood.

Engen collaborated with an NGO dedicated to raising awareness about menstrual hygiene and supporting junior schools nationwide. This campaign marked Menstrual Hygiene Day, celebrated annually on May 28th. During their journey, their mission was not only to donate sanitary products, but also to

educate girls about the importance of menstrual hygiene management, and to address the stigmas and prejudices associated with menstruation. They aimed to dispel myths and taboos surrounding menstruation. They reached out to 10 communities, delivering much-needed sanitary products to ensure that young girls have the resources they need to manage their menstrual health with dignity and confidence.

Engen Botswana provided invaluable support and partnership throughout their journey. We offered fuel worth P5,000.00 and sanitary products worth P5,000.00, amounting to a total support worth P10,000.00.



### SEAMLESS CUSTOMER EXPERIENCE

To live up to our brand promise, “With us you are Number One”, we anchor our strategy on the customer’s lens. Maintaining a relentless “customer-first” mindset ensures that we endeavour to deliver a Seamless Customer Experience in every interaction. This is why we have a series of initiatives across the business to provide the best experience to win the confidence of our customers and maintain their trust in our brand.

### CUSTOMERS’ SAFETY AND HEALTH

In treating customers right, we apply strict policies and procedures as we believe that our customers deserve safe, high-quality products and services.

### CUSTOMER SUPPORT AND ENGAGEMENT

We value all our customers and build our relationships as we continuously strive to ensure that the voice of the customer is analysed, by extending customers’ feedback

to relevant units within the company and finally reflected in the development of our products and services. The constant interactions with our customers have resulted in Customised targeted campaigns that were derived from paying heed to customers’ feedback.

We ran some exciting initiatives at our new and existing sites through site activations during the first half of the year. During that period, we engaged with customers in our forecourts and on our social media platforms. This engagement has enabled us to win an Award in the most preferred petroleum brand in Botswana Diamond Award at the PMR Africa Award.

We believe that every bit of feedback counts as we provide other channels, including emails, and social media, i.e. Facebook and Twitter, thereby appealing to our customers of multiple demographics. We also continuously look at new methods to serve the various segments of our customer base as modes of communication evolve.



## MANUFACTURED CAPITAL

### SUPPLY

**The Supply Chain department is responsible for ensuring the security of supply and delivering all customer fuel requirements safely, on time, and with no impact on the environment. The department manages and operates all Engen terminals and depots, along with the distribution and bulk transport that services our network of retail service stations and commercial customers.**

Botswana's sizeable geographical footprint and low population density require us to maintain optimal logistics network efficiency, and we have put in place the building blocks to secure a watertight, end-to-end supply chain that reduces costs, improves work efficiency and maximizes returns. We also rely on third-party infrastructure to continually improve on the On-Time-In-Full (OTIF) protocol as a key measure for customer service.

We trust that the renewed focus by the Government on energy security and the completion of new fuel bulk storage facilities will further improve the reliability of the supply of fuel in Botswana. We continue to assess the technology we use to improve agility, reduce costs, and respond to environmental changes in our supply chain.

We are pleased to report that there was a marked reduction in transporter-related incidents in 2024 with no road injuries

or fatalities. We continued the good work started in 2018 in entrenching the Land Transport Management System as per Engen Downstream requirements. This initiative involved completing Site Hazard Mapping and Route Hazard Mapping, training of Transporters, and conducting behaviour observation and audits during loading and unloading of vehicles. This programme will continue in 2025 with more focus on digital monitoring of vehicles.



**NATURAL CAPITAL**

Through our HSEQ Policy, we are committed to continuously improving the ways in which we safeguard the environment in all areas where we operate. In instances where negative impacts occur, we have robust emergency response systems designed to mitigate, minimise, and remediate any harm to natural ecosystems.

Aligned with our HSE Management System, we strive for full compliance with applicable legal requirements. Where appropriate, we adopt international standards to reduce environmental impacts and protect natural resources.

Our environmental performance is strengthened through regular monitoring, risk analysis, and implementation of necessary mitigations. Additionally, our policies and procedures are subject to ongoing review to ensure all risks are accurately documented and effectively managed

The Engen Mandatory Control Framework (MCF) remains a critical internal standard that informs how we conduct our business. The MCF ensures the consistent application of systems and processes across our operations, while also providing minimum compliance requirements on key environmental elements.

**WATER MANAGEMENT**

Freshwater management remains a matter of critical importance to us, and we are acutely aware of the global concerns surrounding freshwater availability. As a result, we have been working to enhance awareness and understanding across our organisation regarding water usage and management. Simultaneously, we are identifying and implementing strategies to improve the efficiency of this vital resource.

**ENERGY MANAGEMENT & CLIMATE CHANGE**

As an energy-focused organisation, Engen acknowledges its responsibility to address climate change while meeting the challenge of sustainably delivering affordable and reliable energy. Energy efficiency is, therefore, a matter of critical importance to us, and we remain committed to fulfilling our climate change-related legislative obligations.

Energy efficiency continues to be a key focus throughout our operations. Current initiatives at our sites include transitioning to LED lighting, with

plans to introduce motion sensor lighting and timers to further enhance energy utilisation. Our total energy consumption encompasses energy from mobile combustion – via our tanker fleet and employee job-need vehicles – as well as electricity usage.

With the adoption of Sustainable Development Goal 7: Clean and Affordable Energy as a priority, we made considerable progress in 2024 with our solar PV rollout at Engen retail sites and some internal facilities.

By the end of 2024, our Retail division had successfully commissioned and installed solar PV at 12 of our service stations. These installations not only improved the energy supply mix within our business, but they also positively impacted the environment by mitigating an estimated 100 tonnes of CO<sub>2</sub> emissions in Botswana.

In 2025, we aim to complete solar PV installation at additional sites within our retail network and will also begin installing solar PV at our supply depot.



**FINANCIAL CAPITAL**

The product supply challenges emanating from teething problems related to the expanded scope that Botswana Oil was granted over the reporting period resulted in shortages and rationing of all fuel products.

The loss of our import license not only meant that we could not employ proactive mitigating strategies to the supply challenges, but it also resulted in the loss of a secondary revenue stream supplying independent filling stations.

The above challenges led to significant reductions in sales volumes for both the commercial and retail sectors.



**ENGEN BOTSWANA LIMITED STAFF**



# 08

## ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## General information

<b>Directors:</b>	<p><b>S Ndzingo</b> Motswana (Chairman)</p> <p><b>A M Siwawa</b> Motswana</p> <p><b>F J Kotze</b> South African (Resigned on 31 January 2025)</p> <p><b>L Makwinja</b> Motswana</p> <p><b>S Williams</b> South African</p> <p><b>H Morrison</b> South African</p> <p><b>B F Sameke</b> Zimbabwean (Acting Managing Director)</p> <p><b>J Ramesh</b> Motswana</p> <p><b>S Maharaj</b> South African (Appointed on 1 February 2025)</p>
<b>Principal Activities:</b>	Petrochemical investments and property operations
<b>Parent Company:</b>	Petroleum Investment Holding Limited (Incorporated in Mauritius)
<b>Ultimate Parent Company:</b>	Vivo Energy Limited (Incorporated in United Kingdom)
<b>Company Secretary:</b>	Grant Thornton Business Services (Pty) Ltd Plot 50370, Acumen Park Fairgrounds P O Box 1157, Gaborone
<b>Company Number:</b>	BW00000748780
<b>Registered Office:</b>	Plot 54026 Western Bypass P O Box 867 Gaborone
<b>External Auditor:</b>	PricewaterhouseCoopers
<b>Bankers:</b>	First National Bank of Botswana Limited Absa Bank Botswana Limited Standard Chartered Bank Botswana Limited Stanbic Bank Botswana Limited
<b>Country of Incorporation and Domicile:</b>	Botswana (Listed on Botswana Stock Exchange - Share Code ENG-EQO)
<b>Currency:</b>	Botswana Pula

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### Approval of annual consolidated and separate financial statements

The annual consolidated and separate financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors and are signed on their behalf by:



.....  
**Director**  
25 March 2024



.....  
**Director**  
25 March 2024

## Directors' report

### Nature of business

The core business of the group and company is petrochemical investments and property operations.

There have been no material changes to the nature of the group and company's business from the prior year.

### Review of activities

The annual financial statements have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards and the requirements of the Companies Act of Botswana. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group and company are set out in these annual financial statements.

### Financial Results

Profit decreased by 50% mainly due to a change in supply chain effected on 1 April 2024. In conformance with Botswana Energy Regulatory Authority regulations 2024, effective 1 April 2024 the group commenced sourcing all its petroleum requirements from Botswana Oil Limited. There were several price adjustments as a result of the global crude oil price movements. Non price controlled products had market related price adjustments.

Foreign exchange gains decreased from P3.8 million at the end of 2023 to P1.9 million at the end of 2024.

The group exercised good margin management and cost control throughout the year.

Overall, the company's performance reflects a 50% decrease in net profit after tax.

### Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### Stated capital

There were no changes to the stated capital during the year under review and in prior year.

### Directors

There were no changes to the directors during the year under review and in prior year.

### Company Secretary

There were no changes to the company secretary during the year and in prior year.

### External Auditor

There were no changes to the external auditor during the year under review.

### Dividends

Dividends amounting to P 277 437 496 (2023: P 334 793 745) were paid during the year.

### Events after the reporting period

A final dividend of 17.5 thebe per share was declared on 25 March 2025. F J Kotze resigned as director on 31 January 2025 and S Maharaj was appointed on 1 February 2025. The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

### Conclusion

The Directors would like to thank our valued customers, suppliers, shareholders, management and staff and all other stakeholders for their ongoing support towards the performance of Engen Botswana Limited.



## Independent auditor's report

To the Shareholders of Engen Botswana Limited

### Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Engen Botswana Limited (the "Company") and its subsidiaries (together the "Group") as at 31 December 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards.

### What we have audited

Engen Botswana Limited's consolidated and separate financial statements set out on pages 107 to 164 comprise:

- the consolidated and separate statements of financial position as at 31 December 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Botswana.

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Country Senior Partner: R Binedell  
Partners: A S Edirisinghe, I D Molebatsi, S K K Wijesena



## Our audit approach

### Overview

	<p><b>Overall group materiality</b> Overall group materiality: BWP10,972,567, which represents 5% of the consolidated average profit before tax for the current and two preceding financial years.</p>
	<p><b>Group audit scope</b> The Group consists of the Company, one subsidiary and two joint ventures. We performed full scope audits on the subsidiary and the Company, and performed specific audit procedures on selected financial statement line items reported by the joint ventures.</p>
	<p><b>Key audit matters</b> Provision for Dismantling, restoration and removal costs.</p>

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

<b>Overall group materiality</b>	BWP10,972,567
<b>How we determined it</b>	5% of the consolidated average profit before tax for the current and two preceding financial years.



### Rationale for the materiality benchmark applied

We chose consolidated profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We used a three year average of this benchmark to account for the cyclical nature of the industry within which the Group operates, which does result in fluctuations in profitability from one period to the next. We applied a 5% rule of thumb, which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

### How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates. The Group consists of the Company, one subsidiary and two joint ventures. The Group audit scope has been determined based on indicators such as contribution to consolidated average profit before tax and consolidated revenue from each component. We performed full scope audits on the Company and the subsidiary. We performed analytical review procedures on the joint ventures and performed audit testing on the amounts of rental income, fair value gains / losses on investment property and carrying value of investment property reported by these entities. All audit work was performed by the group engagement team and did not require involvement of component auditors. This, together with additional procedures performed at the Group level, including testing of consolidation journals and intercompany eliminations, provided us the audit evidence we needed for our opinion on the consolidated financial statements as a whole.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

### Key audit matter

### How our audit addressed the key audit matter

#### Provision for Dismantling, restoration and removal costs (the “DRR provision”)

At 31 December 2024, the Group recognised a DRR provision of BWP51,755,000 (2023: BWP49,896,000) for future dismantling and removal of infrastructure on petrochemical sites operated by its subsidiary.

Using our internal expertise in Sustainability and Environmental Rehabilitation, we reviewed the Group’s processes for identifying and quantifying dismantling, restoration, and removal obligations, comparing them with industry practices. No significant concerns were identified.



Estimating these costs involves significant judgement due to the complexity of future cash flows, discount rates, and changing factors such as technology, politics, environment, safety, business, and statutory considerations.

Key judgments include:

- Estimating decommissioning and restoration costs and future value factors.
- Determining the discount period based on the asset's useful life.
- Selecting an appropriate discount rate for present value calculations

We considered the DRR provision to be significant to the audit due to the substantial judgments and assumptions involved.

Related disclosures are included in the consolidated financial statements per:

- Note 1 Material accounting policies (Decommissioning and rehabilitation of assets)
- Note 1 Material accounting policies (Material accounting judgements and estimates - Asset retirement and removal obligations);
- Note 3.4 Finance Cost (Unwinding of dismantling, restoration and removal provision);
- Note 7 Property, plant and equipment (Dismantling, restoration and removal costs);
- Note 15 Provisions (Dismantling, restoration and removal costs).

We verified the completeness of the DRR provision by matching asset details to the Group's lease obligations, finding no exceptions.

We compared unit cost rates for restoration activities incurred by peers in the industry, confirming the Group's estimates were reasonable.

For each restoration location, we compared the discount period used in the DRR provision to the lease period, with no exceptions.

Using our internal valuation expertise, of 31 December 2024 we:

- Compared the future value factor used by management to forecasts of future cost increases determined by reputable forecasters.
- Developed an independent expectation of appropriate discount rates.

We found management's estimates to be reasonable.

We tested the mathematical accuracy of the DRR provision calculations and agreed these to the balances disclosed in the consolidated financial statements with no material exceptions.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Engen Botswana Limited Annual Consolidated and Separate Financial Statements for the year ended 31 December 2024", which we obtained prior to the date of this auditor's report, and the other sections of the document titled "Engen Botswana Limited Integrated Annual Report 2024", which is expected to be made available to us after that date". The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.



In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty



exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**PricewaterhouseCoopers**  
Firm of Certified Auditors  
Practicing Member: Rudi Binedell (CAP003 2025)

**31 March 2025**  
**Gaborone**

Engen Botswana Limited  
Annual Consolidated and Separate Financial Statements

## Statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

	Notes	Group		Company	
		Dec 2024 P'000	Dec 2023 P'000	Dec 2024 P'000	Dec 2023 P'000
Revenue from contracts with customers	2	3,450,419	3,454,745	-	-
Cost of goods sold		(3,146,513)	(3,151,098)	-	-
<b>Gross profit</b>		303,906	303,647	-	-
Other revenue	2	14,313	12,648	308,387	372,117
Other operating income	3.1	6,868	759	5,498	2,840
Foreign currency gains	3.5	1,852	3,869	-	-
Administrative expenses		(18,097)	(15,133)	-	-
Distribution and marketing expenses		(168,716)	(110,212)	-	-
Net impairment (losses)/gains on financial assets	12	(7,872)	1,350	-	-
Other operating expenses		(4,954)	(3,585)	(4,954)	(3,585)
Share of profit of joint ventures	8	3,534	7,479	-	-
Finance income	3.3	4,178	12,695	906	1,098
Finance costs	3.4	(23,980)	(19,628)	-	-
<b>Profit before tax</b>		111,032	193,889	309,837	372,470
Taxation	4	(55,350)	(80,445)	(31,819)	(38,245)
<b>Profit for the year</b>		55,682	113,444	278,018	334,225
<b>Profit for the year attributable to equity holders of the parent</b>		55,682	113,444	278,018	334,225
<b>Other comprehensive income for the year</b>		-	-	-	-
<b>Total comprehensive income for the year</b>		55,682	113,444	278,018	334,225
<b>Total comprehensive income for the year attributable to equity holders of the parent</b>		55,682	113,444	278,018	334,225
Earnings per share (thebe)					
Basic earnings, profit for the year attributable to ordinary equity holders of the parent	5	34.86	71.03		
Diluted earnings, profit for the year attributable to ordinary equity holders of the parent	5	34.86	71.03		

## Statement of financial position

As at 31 December 2024

	Notes	Group		Company	
		Dec 2024 P'000	Dec 2023 P'000	Dec 2024 P'000	Dec 2023 P'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	7	367,617	379,296	863	899
Right of use of assets	22	126,976	91,349	-	-
Investments in joint ventures	8	44,942	46,906	4,524	4,524
Investments	9	37	37	10	10
Investments in subsidiaries	10	-	-	72,209	72,209
Deferred tax asset	4	11,783	8,989	-	-
		551,355	526,577	77,606	77,642
<b>Current Assets</b>					
Inventories	11	41,650	55,818	-	-
Trade and other receivables	12	138,024	237,447	155	51
Tax receivable	4	13,338	12,628	740	921
Forward exchange contract asset		-	705	-	-
Cash and cash equivalents	13	213,301	580,645	32,566	31,404
		406,313	887,243	33,461	32,376
<b>TOTAL ASSETS</b>		957,668	1,413,820	111,067	110,018
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Stated capital	14	8,138	8,138	8,138	8,138
Non distributable reserves		2,200	2,200	344	344
Retained earnings		394,798	616,553	98,814	98,233
<b>Total equity</b>		405,136	626,891	107,296	106,715
<b>Non-Current Liabilities</b>					
Deferred tax liabilities	4	-	-	15	16
Lease liabilities	22	130,344	109,497	-	-
Provisions	15	51,769	49,907	-	-
Borrowings	19	150,000	100,000	-	-
		332,113	259,404	15	16
<b>Current Liabilities</b>					
Trade and other payables	16	206,329	525,213	3,756	3,287
Borrowings	19	59	58	-	-
Lease liabilities	22	14,031	1,729	-	-
Forward exchange contract liability		-	525	-	-
		220,419	527,525	3,756	3,287
<b>Total Liabilities</b>		552,532	786,929	3,771	3,303
<b>TOTAL EQUITY AND LIABILITIES</b>		957,668	1,413,820	111,067	110,018

## Statement of cash flows

For the year ended 31 December 2024

	Notes	Group		Company	
		Dec 2024 P'000	Dec 2023 P'000	Dec 2024 P'000	Dec 2023 P'000
<b>Cash flows from operating activities</b>					
Profit before tax		111,032	193,889	309,837	372,470
Adjustments for:					
Interest received	3.3	(4,178)	(12,695)	(906)	(1,098)
Foreign exchange differences		(104)	(48)	-	-
Dividends income from subsidiary inclusive of withholding tax	2	-	-	(308,264)	(371,993)
Dividends received from joint venture	3.1	-	-	(5,498)	(2,840)
Finance costs	3.4	23,980	19,628	-	-
Fair value on forward exchange contracts		180	1,082	-	-
Share of profit of joint ventures	8	(3,534)	(7,479)	-	-
Net impairment (losses)/gains on financial assets	12	7,872	(1,350)	-	-
Depreciation on property, plant and equipment	7	30,748	28,509	36	37
Profit/(loss) on derecognition of lease liability/asset	3.1	(6,999)	634	-	-
Depreciation on right of use of assets	22	8,532	10,354	-	-
Operating profit/(loss) before working capital changes		167,529	232,524	(4,795)	(3,424)
Decrease/(Increase) in trade and other receivables		91,551	257,146	(104)	23,509
Decrease in inventories		14,168	9,517	-	-
Increase/(Decrease) in trade and other payables		(318,880)	134,075	469	(21,598)
Cash (used in)/generated from operations		(45,632)	633,262	(4,430)	(1,513)
Interest received		4,178	11,950	906	1,098
Interest paid		(20,981)	(11,441)	-	-
Income taxes paid	4	(58,855)	(87,382)	(812)	(1,007)
<b>Net cash flows (used in)/from operating activities</b>		<b>(121,290)</b>	<b>546,389</b>	<b>(4,336)</b>	<b>(1,422)</b>
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment to expand operations	7	(20,208)	(74,563)	-	-
Dividends received from subsidiary		-	-	277,437	334,794
Dividend received from joint venture		5,498	2,840	5,498	2,840
<b>Net cash flows (used in)/from investing activities</b>		<b>(14,710)</b>	<b>(71,723)</b>	<b>282,935</b>	<b>337,634</b>
<b>Cash flows from financing activities</b>					
Dividends paid	6	(277,437)	(334,794)	(277,437)	(334,794)
Payment of principal portion of lease liabilities	22	(4,011)	(4,861)	-	-
Proceeds from borrowings	19	50,000	100,000	-	-
<b>Net cash flows used in financing activities</b>		<b>(231,448)</b>	<b>(239,655)</b>	<b>(277,437)</b>	<b>(334,794)</b>
Net (decrease)/increase in cash and cash equivalents		(367,448)	235,011	1,162	1,418
Net foreign exchange differences		104	48	-	-
Cash and cash equivalents at the beginning of the year		580,645	345,586	31,404	29,986
<b>Cash and cash equivalents at end of the year</b>	<b>13</b>	<b>213,301</b>	<b>580,645</b>	<b>32,566</b>	<b>31,404</b>

## Statement of changes in equity

For the year ended 31 December 2024

### Group

	Notes	Attributable to equity holders of the parent			
		Stated capital P'000	Non Distributable Reserves (2) P'000	Retained earnings P'000	Total equity P'000
<b>31 December 2024</b>					
Balance at 01 January 2024		8,138	2,200	616,553	626,891
Profit for the year		-	-	55,682	55,682
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	55,682	55,682
Dividends (1)	6	-	-	(277,437)	(277,437)
<b>At 31 December 2024</b>		8,138	2,200	394,798	405,136
<b>31 December 2023</b>					
Balance at 01 January 2023		8,138	2,200	837,903	848,241
Profit for the year		-	-	113,444	113,444
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	113,444	113,444
Dividends (1)	6	-	-	(334,794)	(334,794)
<b>At 31 December 2023</b>		8,138	2,200	616,553	626,891

(1) The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restriction. All ordinary shares have similar rights.

(2) Non distributable reserves arose from the capitalisation of a shareholder loan account.

## Statement of changes in equity

For the year ended 31 December 2024

### Company

	Notes	Attributable to equity holders of the parent			
		Stated capital P'000	Non Distributable Reserves (2) P'000	Retained earnings P'000	Total equity P'000
<b>31 December 2024</b>					
Balance at 01 January 2024		8,138	344	98,233	106,715
Profit for the year		-	-	278,018	278,018
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	278,018	278,018
Dividends (1)	6	-	-	(277,437)	(277,437)
<b>At 31 December 2024</b>		8,138	344	98,814	107,296
<b>31 December 2023</b>					
Balance at 01 January 2023		8,138	344	98,802	107,284
Profit for the year		-	-	334,225	334,225
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	334,225	334,225
Dividends (1)	6	-	-	(334,794)	(334,794)
<b>At 31 December 2023</b>		8,138	344	98,233	106,715

(1) The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restriction. All ordinary shares have similar rights.

(2) Non distributable reserves arose from the capitalisation of a shareholder loan account.

# Notes to the financial statements

For the year ended 31 December 2024

## 1 Summary of material accounting policies

### Basis of preparation

The financial statements are presented in Botswana Pula. The functional currency is also the Botswana Pula. The amounts in the financial statements have been rounded to the nearest thousand. The financial statements have been prepared on a historical cost basis except as modified by the revaluation of certain financial instruments to fair value as indicated in the notes below.

The annual consolidated and separate financial statements are prepared on the going concern basis. The accounting policies adopted are consistent with those applied in the prior period however in some cases the accounting policies has been rephrased to make them clearer.

### Statement of compliance

The financial statements have been prepared in accordance with and compliance with the IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the IFRS Interpretations Committee of the IASB and the requirements of the Companies Act of Botswana (CAP 42:01).

### Basis of consolidation

The annual consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 31 December 2024 and for the year then ended. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets and liabilities of the subsidiary;
  - Derecognises the carrying amount of any non-controlling interests;
  - Derecognises the cumulative translation differences recorded in equity;
  - Recognises the fair value of the consideration received;
  - Recognises the fair value of any investment retained; and
  - Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent’s share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

# Notes to the financial statements (continued)

For the year ended 31 December 2024

## 1 Summary of material accounting policies (continued)

### Foreign currency translation

#### Functional currency

Transactions in foreign currency are initially recorded in the functional currency at a rate of exchange ruling on transaction date. Monetary assets and liabilities designated in foreign currencies are subsequently translated at rates of exchange ruling at the reporting date. Non monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the initial transaction.

Foreign exchange translation gains or losses arising on the settlement of monetary items or on translating monetary items at rates different from those used when translating at initial recognition during the period or in previous financial statements are taken to the statement of profit or loss and other comprehensive income in the year they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pula by applying to the foreign currency amount the exchange rate between the Pula and the foreign currency at the date of the cash flow.

### Investments in subsidiaries

Investments in subsidiaries are measured at cost less impairments in the separate financial statements of the Company. The cost of the business combination is the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instrument issued. Costs directly attributable to the business combination are expensed as incurred.

### Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Group’s investments in joint ventures are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the joint venture since the acquisition date. The statement of profit or loss reflects the Group’s share of the results of operations of the joint venture. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group’s share of profit or loss of a joint venture is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### Investments in joint ventures continued

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there are impairment indicators in terms of IAS 36 paragraph 12 that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss separately in the statement of profit or loss and other comprehensive income.

Upon loss of the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss and other comprehensive income. Joint ventures are carried at cost in the separate financial statements of the company.

#### Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. It is stated at historical cost excluding the costs of day to day servicing that are expensed, less accumulated depreciation and any impairment in value. Cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met.

Costs also include the estimated costs of dismantling and removing the assets where the obligation has been incurred when the asset was acquired or as a consequence of using the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a component, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation commences when the assets are available for their intended use. Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the various classes of assets, after taking into account residual values. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or is included in a disposal group that is classified as held for sale or the date that the asset is derecognised.

The residual value of an asset may increase to an amount equal to or greater than the asset's carrying amount. If it does, the asset's depreciation charge is zero until its residual value subsequently decreases to an amount below the asset's carrying amount.

Useful lives of the property, plant and equipment, the depreciation method, depreciation rates, and residual values are reviewed on an annual basis. Estimated useful lives of the assets are as follows:

- Buildings shorter of period of lease or 50 years
- Plant, equipment, and other assets 4 – 50 years

Land is not depreciated as it is deemed to have an indefinite life. No depreciation is provided on capital work-in-progress.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### Property, plant and equipment continued

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other the net disposal proceeds and the carrying of the asset) is included in the statement comprehensive income in the year the asset is derecognised.

Improvements to assets held under leases where the company is the lessee are capitalized and depreciated over the remaining lease term.

Capital work in progress is carried at cost less accumulated impairment. Cost comprises of amounts incurred in constructing property, plant and equipment that are directly attributable to the construction of the asset. Assets remain in capital work in progress until they are available for use. At that time they are transferred to the appropriate class of property, plant and equipment.

#### Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset or cash generating unit may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, an estimate of the asset's recoverable amount is made.

The determination of the recoverable amount requires an estimation of the value in use compared to the fair value less cost of disposal of the cash generating units.

The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and estimated thereafter and do not include restructuring activities to which there is no commitment to or significant future investments that will enhance the asset's performance of the cash generating unit being tested.

The carrying amounts of assets are reviewed at each reporting date to assess if there are any indications of impairment. If any such indication exists and where assets are recorded in excess of their recoverable amounts, assets or cash generating units are written down to their recoverable amounts. A cash generating unit is considered only when the recoverable amount for the individual asset cannot be determined.

#### Stated capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity.

Any amount received from the issue of shares in excess of fair value and classified as "Share premium" in equity.

#### Earnings per share

Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares.

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue by any share options in force assuming conversion of all dilutable potential ordinary shares.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement. The Group has recognised provisions for Dismantling, Restoration and Removal costs.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Decommissioning and rehabilitation of assets

The provision for Dismantling, Restoration and Removal costs is initially recognised at the expected cost of any committed decommissioning or restoration programme and is discounted to its net present value using a real pre tax discount rate provided at the beginning of each project.

Subsequent changes in the initial estimates of rehabilitation and decommissioning costs that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation or a change in the discount rate are added to or deducted from the cost of the related asset in the current period. The estimated timing of the outflow of resources is the earlier of the end of the useful life of the equipment that contains petroleum products and the lease term of leased properties. Where the change results in a reduction in the liability, the cost deducted from the asset shall not exceed the carrying amount of the related asset. If a decrease in the liability exceeds the carrying amount of the related asset, the excess is recognised immediately in the statement of profit or loss and other comprehensive income.

Where the change results in an increase in the cost of the asset, the amount is capitalised as part of the cost of the item and depreciated prospectively over the remaining life of the item to which they relate. If there is any indication that the carrying amount of the related asset is not fully recoverable, an impairment test is conducted in accordance with the impairment policy. These estimates are reviewed annually.

The cost of ongoing programmes to prevent and control pollution and to rehabilitate the environment is taken to profit or loss as incurred.

Where a retail site or a depot is disposed of, the unutilised portion of the Dismantling, Restoration and Removal (DRR) provision will be released to the statement of profit or loss and other comprehensive income.

#### Health, safety and environment costs

Costs associated with the remediation of the environment where the company operates retail and commercial sites and depots are recognized in the statement of profit or loss and other comprehensive income as incurred. The best estimate of the cost is made taking into account probabilities of the occurrence of spillages.

#### Dividends receivable

Dividends receivable are recognised as current assets in the period in which the dividends are declared, being appropriately authorised and no longer at the discretion of the paying entity but not distributed at the end of the reporting period.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### Inventories

Inventories consist of petroleum products and are initially recognised at cost and subsequently measured at the lower of cost and net realisable value. Cost is determined on the first-in-first-out (FIFO) method. The cost of inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write-down of inventory to net realisable value and all losses of inventory are recognised as an expense in the period that the write-down or loss occurs and is included under distribution and marketing expenses in the statement of profit or loss and other comprehensive income.

The carrying value of inventories derecognised is included in the cost of sales in the statement of profit or loss and other comprehensive income.

#### Cost of goods sold

Cost of goods sold is normally the carrying value of inventories sold and any net realizable value adjustments.

#### Dividend distribution

Dividend distributions to the Group's shareholders are recognised as a liability in the period in which the dividends are declared by the Group's directors. Dividends distributed are recognised in equity. Tax is withheld on dividends distributed at the statutory rate of 10%.

#### Employee benefits

During the year, employees contributed to the Engen Botswana Retirement Fund. The fund is a defined contribution fund. The fund is governed by the Retirement Funds Act of 2022. Membership of this fund is compulsory for all employees.

In terms of the rules of the Fund, the company is committed to contribute 9.5% of the employees' pensionable emoluments. The defined contribution funds are not required to be actuarially valued. The Group's contributions to the defined contribution plan are charged to the statement of profit or loss and other comprehensive income in the year to which they relate.

Employee entitlements to annual leave, bonuses, and pension and severance benefits are recognised as incurred. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date. Provision for bonuses is recognised when a present obligation exists to make such payments and a reliable estimate of the amount can be made.

#### Long term benefits

Long-term employee benefits are those benefits that are expected to be settled more than 12 months after the end of the reporting period, in which the services have been rendered and are discounted to their present value. An accrual is recognised for accumulated leave and other employee benefits when the Group has a present legal or constructive obligation as a result of past service provided by the employee, and a reliable estimate of the amount can be made.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and at bank and funds on deposit, net of outstanding bank overdrafts.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### Revenue from contracts with customers

##### Performance obligations and timing of revenue recognition

The majority of the Group's revenue is derived from the marketing and distribution of petroleum products, as well as convenience store income. Convenience stores retail a limited range of grocery items. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration which the Group expects to be entitled in exchange for those goods. Revenue is recognised at a point in time when control of the goods has transferred to the customer. The point at which control passes depends on the terms and conditions of the contract and related transport terms and is effective either once physical delivery or receipt of the products at the agreed location has occurred, or when products are loaded onto the specific mode of transport. Transfer of control usually coincides with title passing to the customer. The normal credit term is 30 days upon delivery. The Group acts as principal in its revenue arrangements as it typically controls the goods and services before transferring to the customer.

##### Determining the transaction price

The majority of the Group's revenue is derived from contracts which define a fixed price per unit sold.

In certain contracts the consideration includes a variable element in the form of retrospective volume rebates and discounts. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Customers are entitled to volume rebates and discounts, provided that they meet specific criteria. Historical experience based on sales volume data enables the Group to estimate reliably the value of discount to be granted or rebates to be paid and restrict the amount of revenue that is recognised such that it is highly probable that there will not be a reversal of previously recognised revenue when volume discounts or rebates become payable. In its estimation, the Group considers the expected value of discounts or rebates that would be applicable to the transaction. Rebates are not offset against the customer but recognised as a separate refund liability.

##### Allocating amounts to performance obligations

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

For most contracts, there is a quoted per unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts.

Where a customer orders more than one product line, the Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices, as all product lines are capable of being, and are, sold separately.

##### Practical expedients applied

The Group's contracts with customers are short term in nature (less than 12 months). Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of the consideration for the effects of a significant financing component if it expects at contract inception that the period between the transfer of the promised goods to the customer and when the customer pays for the goods will be one year or less.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### Revenue from contracts with customers continued

##### Contract balances (other than contract assets)

###### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customers. If a customer pays consideration before the Group transfers the goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

###### Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities at the end of each reporting period.

##### Other revenue

Revenue streams other than from contracts with customers for Group and Company include the following:

- Rental income; and
- Dividend income.

The company recognises revenue from dividends received when it has a legal right to receive dividends from its subsidiary, which is normally at the time when such dividend is formally declared. Dividends received are recognised at the gross value of the dividend, with withholding taxes on such dividend being accounted for in the income tax expense.

Recognition and measurement of rental income is described in other accounting policies (leases and financial instruments).

##### Slate Over and Under Recovery Mechanism

The slate mechanism partially finances the cumulative under recovery realised by the Botswana petroleum industry in respect to daily changes between the Basic Fuels Price (BFP) of all grades of petrol, diesel and paraffin, and the BFP applicable as announced by the Botswana Energy Regulatory Authority. The Government of Botswana also makes payments for the remainder of the balances related to cumulative under recoveries.

Therefore, where there is an over-recovery the Group is in a slate payable position which would be recognised as an Other Payable in the Statement of Financial Position by correcting the margin in the Statement of Comprehensive Income through cost of sales.

When the Group becomes entitled to a slate receivable balance, a slate receivable is recognised in the Statement of Financial Position as an Other Receivable at each month-end, by correcting the margin in the Statement of Comprehensive Income through Cost of Sales.

##### Trade and other receivables

Trade and other receivables are initially measured at fair value. Trade and other receivables are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in income when the trade and other receivables are derecognised or impaired.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### Taxes

##### Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss. Withholding taxes are paid to the government and they are a portion of the total dividend that is declared. Where the Group receives a dividend on which withholding tax is levied, that withholding tax is recognised as a current tax expense.

##### Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and also taking into account the manner of recovery of the underlying asset or liability.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Finance income and finance costs

Interest income on bank deposits and staff loans is included in finance income.

Finance costs consist of interest expense on term loans and bank overdraft and the unwinding of the discount of the dismantling and removal provision.

#### Financial instruments

An entity shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss (FVTPL) or fair value through other comprehensive income (OCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments); and
- Financial assets at fair value through other comprehensive income (OCI), or fair value through profit or loss.

#### Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without a material delay to a third party under a 'pass-through' arrangement: and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original Effective Interest Rate (EIR). The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised for those credit exposures for which there has been a significant increase in credit risk since initial recognition, over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group writes off financial assets when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and derivative financial instruments.

##### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

The measurement of financial liabilities depends on their classification, as described below:

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### Trade and other payables

After initial recognition, trade and other payables are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the trade and other payables are derecognised as well as through the amortisation process.

Trade and other payables are short term in nature and are categorised as trade and payables in the statement of financial position.

#### Loans and borrowings

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

#### Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and commodity price swaps to economically hedge its foreign currency and price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative financial assets and liabilities are subsequently measured at fair value with gains and losses recognised through profit or loss. Derivative gains and losses are included in other income and other operating expenses, respectively. Realised gains and losses on commodity price swaps are included within cost of sales.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated and separate statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and buildings 5 to 20 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets (below USD 50,000) recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### New standards, new interpretations and amendments to standards adopted in the current period

The following new standards and amendments became effective as at 1 January 2024:

Amendments to IAS 1, 'Presentation of Financial Statements' - Non-current liabilities with covenants (Effective 1 January 2024): These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

The amendment to the standard has not had a material effect on the financial statements of the Group and Company.

Amendment to IFRS 16, 'Leases' - sale and leaseback (Effective 1 January 2024): These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

The amendment to the standard has not had a material effect on the financial statements of the Group and Company.

Amendments to Supplier Finance Arrangements (IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure')- (Effective 1 January 2024): These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The amendment to the standard has not had a material effect on the financial statements of the Group and Company.

#### New standards, new interpretations and amendments to standards issued but are not yet effective in the current period

Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability (Amendments to IAS 21)- (Effective 1 January 2025): An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The amendment to the standard is not expected to have a material effect on the financial statements of the group and the group will adopt the standard on the effective date.

Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments (Effective 1 January 2026): These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The amendment to the standard is not expected to have a material effect on the financial statements of the group and the group will adopt the standard on the effective date.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### New standards, new interpretations and amendments to standards issued but are not yet effective in the current period (continued)

IFRS 18, 'Presentation and Disclosure in Financial Statements' (Effective 1 January 2027): The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The amendment to the standard is not expected to have a material effect on the financial statements of the group and the group will adopt the standard on the effective date.

IFRS 19, 'Subsidiaries without Public Accountability' (Effective 1 January 2027): The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements.

IFRS 19 is a voluntary Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements.

The amendment to the standard is not expected to have a material effect on the financial statements of the group and the group will adopt the standard on the effective date.

#### Material accounting judgments and estimates

The preparation of financial statements in conformity with IFRS® Accounting Standards requires the use of certain critical accounting estimates and judgments concerning the future. Estimates and judgments are continually evaluated and are based on historical factors coupled with expectations about future events that are considered reasonable. In the process of applying the groups accounting policies, management has made the following estimates that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next year.

#### Estimates and assumptions

##### Allowances for slow moving inventory

Based on prior management practice, inventory that has not moved for a 12-month period is considered to be obsolete. Obsolete and discontinued products are considered to have no value. The provision is raised based on the full cost or net realisable values (attributable base) of the product. Refer to Note 11.

##### Allowances for credit losses

The expected loss rates derived are based on the payment profiles of sales over a 36-month period before 31 December 2024 (being 1 January 2022 to 31 December 2024) and the corresponding historical credit losses that occurred over the same period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. The group has identified the gross domestic product, consumer price index and the unemployment rate of Botswana to be the most relevant indicators affecting a customers' ability to pay, and accordingly adjusts the historical loss rates based on expected changes in these factors. A specific provision is made for credit losses where customer accounts are handed over to lawyers for recovery and where it is probable that the receivable may not be recovered.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1 Summary of material accounting policies (continued)

#### Asset retirement and removal obligations

Estimating the future costs of these obligations is complex and requires management to make estimates and judgments regarding future cash flows and discount rates because most of the obligations will only be fulfilled in the future. Changing technologies, political, environmental, safety, business and statutory considerations, could also influence the resulting provisions.

Management judgement is exercised when determining the present value of expected future cash flows when the obligation to dismantle or restore the sites arises as well as the estimated useful life of the related asset. The useful lives of the assets are considered to be equal to the remaining lease term under the assumption that the lease will not be renewed, and this impacts on the obligation. The provision for the costs of decommissioning these sites at the end of their economic lives has been estimated using existing technology, at current prices and discounted using a real discount rate of 7.48% (December 2023 – 7.40%). The increase in the discount rate was due to a change in the bond rate that was used in the calculations.

The group's asset retirement obligations are coupled with the estimated remaining useful lives of the asset to which they relate. The carrying value of the dismantling and removal costs provision as at 31 December 2024 is P51 755 476 (December 2023: P49 895 197) (Note 15). There is uncertainty regarding both the amount and timing of incurring these costs.

#### Allowance for health safety and environment

This allowance is based on probabilities of spillages of petroleum products occurring at each retail, commercial or fuel depot. The costs are based on the point in time costs.

#### Judgements

##### Slate receivable

Management applies a significant degree of judgment in assessing the recoverability of the slate receivable balance by assessing available evidence based on negotiations with the Government. The slate receivable arises when the cost of importation of bulk petroleum products is in excess of the slate rates that are provided by the Government. The slate calculations are performed monthly using the monthly slate rates. If indications exist that the balance will not be recoverable, an impairment allowance is raised to reflect the balance which will be recovered from Government.

##### Estimating the incremental borrowing rate used in lease liabilities

The Group applied judgement in determining the interest rate implicit in its lease liabilities. The Group uses its incremental borrowing rate, which reflects what the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. This requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs, such as comparable market interest rates for similar financed transactions (where and when available), and is required to make certain entity specific estimates, such as the adjustments to the rates for the subsidiaries' stand-alone credit rating and country specific risks.

#### Change in accounting estimate

during the year, management reassessed the provision for dismantling and removal costs and the impact of the change is shown below:

2024	Change in discount rate 7.40% to 7.48%
	Decrease in the current year to the dismantling and removal costs P 1,139,092
	Impact on profit and loss of P 2,998,371 (decrease)
2023	Change in discount rate 7.90% to 7.40%
	Increase in the current year to the dismantling and removal costs P 12 823 520
	Impact on profit and loss of P 1 512 841 (decrease)

The change in estimated dismantling, restoration and removal costs emanated from increase in discount rate, inflation rate and a decrease in acquisition values.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>2 Revenue</b>				
<b>Revenue from contracts with customers</b>				
Turnover from contracts with customers	3,432,867	3,439,504	-	-
Convenience income	17,552	15,241	-	-
	3,450,419	3,454,745	-	-
<b>Other revenue</b>				
Rental Income	14,313	12,648	123	124
Dividend income from subsidiary	-	-	308,264	371,993
	14,313	12,648	308,387	372,117
<b>Total revenue</b>	<b>3,464,732</b>	<b>3,467,393</b>	<b>308,387</b>	<b>372,117</b>

### Disaggregation of revenue from contracts with customers

The company has disaggregated revenue into various categories in the following table which is intended to depict how the nature, amount and uncertainty of revenue and cash flows.

2024	Notes	Group		Company	
		Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>Primary geographic markets</b>					
Botswana		3,432,867	17,552	3,450,419	
<b>Product type</b>					
Petroleum products		3,363,735	-	3,363,735	
Lubricants		69,132	-	69,132	
Convenience		-	17,552	17,552	
		<b>3,432,867</b>	<b>17,552</b>	<b>3,450,419</b>	
<b>Timing of transfer of goods</b>					
Point in time		3,432,867	17,552	3,450,419	

From 1 April 2024, the Group's procurement process for petrol and diesel products underwent a significant change, requiring all purchases to be made from Botswana Oil Limited (BOL). Unlike the previous arrangement where the Group acted as a collection agent for levies, the new procurement terms from BOL include all levies in the product price, with no refunds unless products are returned. Consequently, the Group now incurs these levies as a cost and recovers them from customers as the principal. Under the new arrangement, the cost of petrol and diesel inventory includes levies, and thus, cost of sales must also include these levies. Sales are now measured at the total external selling price, inclusive of levy recovery.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 2 Revenue (continued)

2023	Petroleum and related products P'000	Convenience income P'000	Total P'000
<b>Primary geographic markets</b>			
Botswana	3,439,504	15,241	3,454,745
<b>Product type</b>			
Petroleum products	3,369,272	-	3,369,272
Lubricants	70,232	-	70,232
Convenience	-	15,241	15,241
	<b>3,439,504</b>	<b>15,241</b>	<b>3,454,745</b>
<b>Timing of transfer of goods</b>			
Point in time	3,439,504	15,241	3,454,745

	Notes	Group		Company	
		Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>3 Profit before tax</b>					
<b>3.1 Other operating income</b>					
Dividends received from joint venture		-	-	5,498	2,840
Profit on derecognition of lease liability/asset		6,999	634	-	-
Write back of old credit balances		11	(88)	-	-
Solar Income		(144)	194	-	-
Other income		2	19	-	-
		<b>6,868</b>	<b>759</b>	<b>5,498</b>	<b>2,840</b>

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 3 Profit before tax (continued)

	Notes	Group		Company	
		Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>3.2 Expenses</b>					
Auditors Remuneration					
- current year		1,524	1,055	303	211
Depreciation of Property, Plant & Equipment	7	30,748	28,509	36	37
Depreciation of Right of Use Asset	22	8,532	10,354	-	-
Support service charges		15,439	14,528	-	-
Expected credit losses of trade receivables (net)	12	7,872	(1,350)	-	-
Salaries and employment benefits		17,116	15,399	-	-
Contributions to defined contribution funds		1,301	1,310	-	-
Transport cost		60,183	9,183	-	-
Rental		7,398	8,590	-	-
Maintenance		15,912	12,259	-	-
Product purchase cost		2,700,667	3,062,685	-	-
Inventory effects		(5,891)	36,523	-	-

Other operating expenses which are shown on the Statement of Profit or Loss and Other Comprehensive Income relate to expenses incurred by the Company which is not a trading entity. The expenses mainly include listing fees for the Botswana Stock Exchange, directors' fees, company secretarial fees and annual report costs.

### 3.3 Finance income

Financial instruments measured at amortised cost:					
Bank deposits		4,178	12,690	906	1,098
Other financial instruments measured at amortised cost		-	5	-	-
		<b>4,178</b>	<b>12,695</b>	<b>906</b>	<b>1,098</b>

### 3.4 Finance costs

Unwinding of dismantling, restoration and removal provision	15	2,998	1,513	-	-
Interest expense on lease liability	22	11,714	15,978	-	-
Interest expense on term loan		9,092	1,856	-	-
Interest expense- present value adjustment		117	107	-	-
Interest expense on bank accounts		59	174	-	-
		<b>23,980</b>	<b>19,628</b>	<b>-</b>	<b>-</b>

### Reconciliation of finance costs

Payments made during the year		20,981	11,441	-	-
Interest accrual		2,999	8,187	-	-
		<b>23,980</b>	<b>19,628</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 3 Profit before tax (continued)

	Notes	Group		Company	
		Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>3.5 Foreign exchange gains/(losses)</b>					
(Losses)/gains from financial assets measured at amortised cost		(2,649)	5,121	-	-
Gains/(losses) from financial assets measured at fair value through profit and loss		4,501	(1,252)	-	-
		<b>1,852</b>	<b>3,869</b>	<b>-</b>	<b>-</b>

### 4 Taxation

Botswana normal taxation

Current

Company tax at statutory rate		27,616	48,211	993	1,046
Withholding tax on dividends from subsidiary		30,827	37,199	30,827	37,199

Deferred

Attributable to temporary differences arising in the

current year		(2,795)	(4,965)	(1)	-
Prior periods		(298)	-	-	-
		<b>55,350</b>	<b>80,445</b>	<b>31,819</b>	<b>38,245</b>

### Reconciliation of tax rate

Standard tax rate		%	%	%	%
Adjusted for:					
Overprovision in prior periods		-	-	-	-
Impact of differential (withholding) tax rate applicable to dividend income		-	-	(12.0)	(12.0)
Non-allowable expenses		0.1	0.3	0.3	0.3
Withholding tax on dividends from subsidiary		27.8	19.2	-	-
<b>Effective tax rate</b>		<b>49.9%</b>	<b>41.5%</b>	<b>10.3%</b>	<b>10.3%</b>

Non allowable expenses mainly consist of apportionment of expenses related to local dividend and donations.

### Tax payable/(receivable)

Opening balance		(12,628)	(10,156)	(921)	(460)
Tax paid		(58,855)	(87,382)	(812)	(1,007)
Charge for the year		58,443	85,410	993	1,046
Re-allocation of prior year payments		-	(500)	-	(500)
Prior periods		(298)	-	-	-
<b>Closing balance</b>		<b>(13,338)</b>	<b>(12,628)</b>	<b>(740)</b>	<b>(921)</b>

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 4 Taxation (continued)

	Group	
	Dec-24 P'000	Dec-23 P'000
<b>Deferred tax balances</b>		
<b>i) Deferred tax assets</b>		
The balance comprises temporary differences attributable to:		
Right of Use Lease Liability	31,763	24,471
Dismantling, restoration and removal provision	11,385	10,977
Advance Customer Receipts	-	3,057
Trade accounts payable	34	-
Other provisions	876	541
	44,058	39,046

Movements	Right of Use Lease Liability	Dismantling, restoration and removal provision	Advance Customer Receipts	Trade accounts payable	Other provisions	Total
	P'000	P'000	P'000	P'000	P'000	P'000
At 1 January 2023	18,227	7,823	-	-	-	26,050
Credited /(Charged)						
'-to profit or loss	6,244	3,154	3,057	-	541	12,996
At 31 December 2023	24,471	10,977	3,057	-	541	39,046
At 1 January 2024	24,471	10,977	3,057	-	541	39,046
Credited /(Charged)						
'-to profit or loss	7,292	408	-	-	335	8,035
'-* transfer	-	-	(3,057)	34	-	(3,023)
At 31 December 2024	31,763	11,385	-	34	876	44,058

#### ii) Deferred tax liabilities

The balance comprises temporary differences attributable to:

Property, plant and equipment	5,988	11,391
Right of Use Assets	26,266	18,190
Trade accounts payable	-	476
Advance Customer Receipts	21	-
	32,275	30,057

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 4 Taxation (continued)

Movements	Property, plant and equipment	Right of Use Assets	Trade accounts payable	Advance Customer Receipts	Total
	P'000	P'000	P'000	P'000	P'000
At 1 January 2023	7,403	14,248	377	-	22,028
Credited /(Charged)					
'-to profit or loss	3,988	3,942	99	-	8,029
At 31 December 2023	11,391	18,190	476	-	30,057
At 1 January 2024	11,391	18,190	476	-	30,057
Credited /(Charged)					
'-to profit or loss	(5,403)	8,076	(510)	3,078	5,241
'-* transfer	-	-	34	(3,057)	(3,023)
At 31 December 2024	5,988	26,266	-	21	32,275

\* This are transfers between deferred tax assets and liabilities.

Movements	Company	
	Dec-24 P'000	Dec-23 P'000
<b>iii) Deferred tax liabilities</b>		
The balance comprises temporary differences attributable to:		
Property, plant and equipment	15	16
	15	16
	<b>Property, plant and equipment</b>	<b>Total</b>
	<b>P'000</b>	<b>P'000</b>
<b>Movements</b>		
At 1 January 2023	16	16
Credited /(Charged)	-	-
'-to profit or loss	-	-
At 31 December 2023	16	16
At 1 January 2024	16	16
Credited /(Charged)		
'-to profit or loss	(1)	(1)
At 31 December 2024	15	15

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 4 Taxation (continued)

	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>Deferred tax balances</b>				
<b>iv) Net deferred tax balance</b>				
Total deferred tax assets	44,058	39,046	-	-
Total deferred tax liabilities	(32,275)	(30,057)	(15)	(16)
Net Deferred tax asset/ (liability)	11,783	8,989	(15)	(16)

The group has offset deferred tax assets and deferred tax liabilities because it has a legally enforceable right to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 5 Earnings per share

Basic earnings per share is calculated by dividing the group's total comprehensive income for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in the basic earnings per share computations for the years 31 December 2024 and 31 December 2023.

Profit for the year	55,682	113,444
Profit for the year attributable to ordinary shareholders	55,682	113,444
Weighted average number of ordinary shares in issue	159,722,220	159,722,220
Earnings Per Share (thebe)	34.86	71.03

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements. There is no dilution effect.

### 6 Dividends paid and declared

Dividends declared during the year	277,437	334,794	277,437	334,794
Amount paid	277,437	334,794	277,437	334,794

The total gross amounts of dividends paid in 2024 was P 277 437 496 (2023: P334 793 745). Withholding taxes of 10% of gross dividends were deducted and paid to Botswana Unified Revenue Service and these amounted to P 27 743 750. (2023: P33 479 375) in total. Withholding taxes are paid by Engen Marketing Botswana Proprietary Limited, the subsidiary company.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 6 Dividends paid and declared (continued)

	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
Declared and paid in the year per share				
- final dividend related to the prior year	70.9	70.9	70.9	70.9
- interim dividend for the current year	162.0	162.0	162.0	162.0

### 7 Property, plant & equipment – Group

	Freehold Land	Buildings	Plant, equipment and other assets (2)	Capital work in progress (1)	Total
	P'000	P'000	P'000	P'000	P'000
<b>31 December 2024</b>					
Balance at 01 January 2024					
At cost	14,198	278,487	297,549	57,917	648,151
Accumulated depreciation	-	(123,806)	(145,049)	-	(268,855)
Net carrying amount	14,198	154,681	152,500	57,917	379,296
Additions	-	625	4,382	15,201	20,208
Disposals – At cost	-	-	(177)	-	(177)
- Accumulated depreciation	-	-	177	-	177
Dismantling, restoration and removal costs (Note 15)	-	(1,139)	-	-	(1,139)
Transfers	(270)	17,931	25,581	(43,242)	-
Depreciation (Note 3.2)	-	(9,580)	(21,168)	-	(30,748)
Balance at end of year, net of accumulated depreciation	13,928	162,518	161,295	29,876	367,617
Balance 31 December 2024					
At cost	13,928	295,904	327,335	29,876	667,043
Accumulated depreciation	-	(133,386)	(166,040)	-	(299,426)
Net carrying amount	13,928	162,518	161,295	29,876	367,617

(1) Capital work in progress includes all assets that are under construction at retail sites and not yet in use as at the reporting date. These items of property, plant and equipment will be reallocated to the respective asset class on completion of the construction.

(2) These items consist of motor vehicles and office furniture and equipment.

(3) No items of property, plant and equipment have been pledged as security for liabilities.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 7 Property, plant & equipment – Group

	Freehold Land	Buildings	Plant, equipment and other assets (2)	Capital work in progress (1)	Total
	P'000	P'000	P'000	P'000	P'000
<b>31 December 2023</b>					
Balance at 01 January 2023					
At cost	6,008	222,131	251,291	81,334	560,764
Accumulated depreciation	-	(112,142)	(128,204)	-	(240,346)
Net carrying amount	6,008	109,989	123,087	81,334	320,418
Additions	7,755	21,843	8,333	36,632	74,563
Dismantling, restoration and removal costs (Note 15)	-	12,824	-	-	12,824
Transfers	435	21,689	37,925	(60,049)	-
Depreciation (Note 3.2)	-	(11,664)	(16,845)	-	(28,509)
Balance at end of year, net of accumulated depreciation	14,198	154,681	152,500	57,917	379,296
Balance 31 December 2023					
At cost	14,198	278,487	297,549	57,917	648,151
Accumulated depreciation	-	(123,806)	(145,049)	-	(268,855)
Net carrying amount	14,198	154,681	152,500	57,917	379,296

(1) Capital work in progress includes all assets that are under construction at retail sites and not yet in use as at the reporting date. These items of property, plant and equipment will be reallocated to the respective asset class on completion of the construction.

(2) These items consist of motor vehicles and office furniture and equipment.

(3) No items of property, plant and equipment have been pledged as security for liabilities.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 7 Property, plant & equipment – company

	Freehold Land	Buildings	Plant, equipment and other assets (1)	Total
	P'000	P'000	P'000	P'000
<b>31 December 2024</b>				
Balance at 01 January 2024				
At cost	568	731	352	1,651
Accumulated depreciation	-	(400)	(352)	(752)
Net carrying amount	568	331	-	899
Depreciation (Note 3.2)	-	(36)	-	(36)
Balance at end of year, net of accumulated depreciation	568	295	-	863
Balance at end of year				
At cost	568	731	352	1,651
Accumulated depreciation	-	(436)	(352)	(788)
Net carrying amount	568	295	-	863
<b>31 December 2023</b>				
Balance at 01 January 2023				
At cost	568	731	352	1,651
Accumulated depreciation	-	(363)	(352)	(715)
Net carrying amount	568	368	-	936
Depreciation (Note 3.2)	-	(37)	-	(37)
Balance at end of year, net of accumulated depreciation	568	331	-	899
Balance at end of year				
At cost	568	731	352	1,651
Accumulated depreciation	-	(400)	(352)	(752)
Net carrying amount	568	331	-	899

(1) These items consist of motor vehicles and office furniture and equipment.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000

### 8 Interests in joint ventures

The Group has a 40% and 25% interest in the joint arrangements, Engen Palapye Partnership and Engen Maun Partnership, respectively, which are involved in property letting. Engen Palapye Partnership and Engen Maun Partnership operates and are incorporated in Botswana.

The Group's interest in both joint arrangements is accounted for using the equity method in the consolidated financial statements. The financial year end of both joint ventures is 31 December. Summarised financial information of the joint arrangements, based on their IFRS financial statements, and the reconciliations with the carrying amounts of the investments in the consolidated financial statements are set out below:

	Group	Company	Group	Company
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>Engen Palapye Partnership</b>				
Current assets; Including cash and cash equivalents of P2 151 430 (2023: P2 368 513)	3,851	3,840	-	-
Non current assets	84,002	80,657	-	-
Current liabilities; Including trade and other payables and provisions of P 603 337 (2023: P790 633)	(603)	(791)	-	-
Equity	87,250	83,706	-	-
Group's carrying amount of the investment	32,292	31,539	-	-

	Group	Company	Group	Company
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>Engen Maun Partnership</b>				
Current assets; Including cash and cash equivalents of P 8,783,505 (2023: P20 895 678)	10,209	21,745	-	-
Non current assets	42,265	41,869	-	-
Current liabilities; Including trade and other payables and provisions of P 789 248(2023: P610 999)	(780)	(611)	-	-
Equity	51,694	63,003	-	-
Group's carrying amount of the investment	12,650	15,367	-	-
Total carrying amount of the investments	44,942	46,906	-	-

	Group	Company	Group	Company
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>Engen Palapye Partnership</b>				
Rental income	9,192	8,744	-	-
Rentals	8,263	7,916	-	-
Other	929	828	-	-
Fair value gains on property	3,370	5,485	-	-
Interest income	49	66	-	-
Depreciation	(25)	(156)	-	-
Direct operating expenses	(2,304)	(2,144)	-	-
Profit for the year	10,282	11,995	-	-
Share of profit of joint venture – Palapye	4,113	4,798	-	-

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 8 Interests in joint ventures (continued)

	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>Engen Maun Partnership</b>				
Rental income	4,130	4,043	-	-
Rentals	3,710	3,790	-	-
Other	420	253	-	-
Fair value loss/ (gains ) on property	(5,768)	6,895	-	-
Interest income	602	1,206	-	-
Depreciation	(26)	(161)	-	-
Direct operating expenses	(1,255)	(1,259)	-	-
(Loss)/ profit for the year	(2,317)	10,724	-	-
Share of loss/(profit) of joint venture – Maun	(579)	2,681	-	-
Total share of profits of the joint ventures – Palapye and Maun	3,534	7,479	-	-

Non current assets comprise of the total investment properties owned by the joint arrangements.

The Engen Maun investment property is held by way of a 50 year lease with the Tawana Land Board commencing 12 November 2003 with an option to renew for a further 50 years. The joint arrangement was entered into on 16 July 1993.

The Engen Palapye investment property comprises of a shopping complex erected on Lot 68 in Palapye, measuring 16500 square metres held in terms of Tribal Lease Number L/E/4/788, commencing on 6 June 1982, for fifty years and registered under title deed number 9/83 dated 7 September 1983. The joint arrangement was entered into on 7 November 1991.

Investment properties are stated at fair value, which has been determined, based on valuations performed by an independent professionally qualified valuer, as at 29 November 2024 and 31 December 2023 for the current and previous year respectively. The valuer has recent experience in the location and category of the investment property being valued. The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is based on recent prices of similar properties in the same category and location.

The joint arrangements had no contingent liabilities or capital commitments as at 31 December 2024 and 2023. The joint arrangements cannot distribute their profits until they obtain consent from the four venture partners.

The market value was determined using the discounted cashflow method. The discount rate of 11.60% and capitalisation rate of 9.50% were used in the valuation. The significant unobservable inputs used in the fair value measurement of the investments properties are the capitalisation rate, net income and vacancy assumptions. The changes to capitalisation rates are dependent on various market factors including location of properties, interest rates, length of leases and quality of tenants.

A dividend of P3 360 000 and P2 137 500 was paid by Engen Palapye Partnership and Engen Maun Partnership respectively. (2023: P2 840 000 paid by Engen Palapye Partnership)

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 8 Interests in joint ventures (continued)

	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>Engen Maun Partnership (continued)</b>				
The values of the investment in joint arrangements in the company are shown below:				
Unlisted				
- Engen Palapye Partnership (At cost)	-	-	2,762	2,762
- Engen Maun Partnership (At cost)	-	-	1,762	1,762
	-	-	4,524	4,524

Reconciliation to carrying amounts	Engen Palapye		Engen Maun Partnership	
Opening net assets	31,539	29,581	15,367	12,686
Profit for the period	4,113	4,798	(579)	2,681
Dividends paid	(3,360)	(2,840)	(2,138)	-
Closing net assets	32,292	31,539	12,650	15,367

### 9 Investments

Unlisted				
- School debentures (At fair value through profit and loss)	37	37	10	10
	37	37	10	10

The investments in debentures have no maturity date and no interest applies to them.

### 10 Investment in subsidiaries

Unlisted Holding				
Shares at cost:				
- Engen Marketing Botswana Proprietary Limited 100%	-	-	72,209	72,209

A listing of the Group's principal subsidiary is set out in Note 23.

### 11 Inventories

Petroleum products purchased for resale - at cost	42,514	56,368	-	-
Provision for obsolete stock	(864)	(550)	-	-
	41,650	55,818	-	-

There was no write down and reversal of inventory that was recognised as an expense during the year. During 2024, P 2 573 398 849 (2023: P3 151 096 785) was recognised as an expense. This is recognised in cost of sales.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>12 Trade and other receivables</b>				
Financial assets				
Trade receivables, net of allowance for impairment	105,381	215,657	-	-
Other receivables	19,897	8,586	155	51
	125,278	224,243	155	51
Non-financial assets				
Other receivables	12,746	13,204	-	-
	138,024	237,447	155	51

Trade and other receivables are non-interest bearing and are generally on 30 days' terms with the exception of the slate receivable from Government which has no set terms. The directors consider the carrying value to approximate the fair value. Other receivables comprise mainly of amounts due from Government and value added tax receivable. The other receivables included in financial assets consist mainly of accruals and staff loans that do not form part of trade receivables. The other receivables have been assessed for impairment and no impairment was required.

Trade and other receivables at 31 December				
Not past due	88,575	168,626	155	51
Past due:				
Less than 30 days	10,797	51,324	-	-
Between 30 days and 60 days	7,646	2,259	-	-
Between 60 days and 90 days	8,694	192	-	-
More than 90 days	9,566	1,842	-	-
<b>Total</b>	<b>125,278</b>	<b>224,243</b>	<b>155</b>	<b>51</b>

Past due but not impaired is based on time since recognition and after 30 days, management still considers these balances as fully recoverable.

Movements in the allowance for expected credit losses of receivables were as follows:

At beginning of year	2,978	4,328	-	-
Utilised during the year	-	-	-	-
Reversal of unused provision	(967)	(2,404)	-	-
Additional provision	8,839	1,054	-	-
<b>At end of year</b>	<b>10,850</b>	<b>2,978</b>	<b>-</b>	<b>-</b>

The allowance represents impairment losses on individually assessed financial assets and expected credit losses.

Refer to Note 21 for additional information in respect of allowances for expected credit losses.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>13 Cash and cash equivalents</b>				
Cash on hand and at bank	183,528	400,924	4,566	3,363
Short term deposits	29,773	179,721	28,000	28,041
<b>Cash resources</b>	<b>213,301</b>	<b>580,645</b>	<b>32,566</b>	<b>31,404</b>

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following:

The short term deposits had variable effective interest rates of between 1.0% and 7.03% (December 2023 – 1.0% and 8.3%) for the year. At year end the short-term deposits were maturing within 30 days (December 2023: 30 days). No interest is earned on cash amounts maintained in the company's current accounts. The company has unutilised banking facilities with First National Bank of Botswana Limited of P150 000 000 (December 2023: P 150 000 000).

## 14 Stated capital

159 722 220 authorised and issued ordinary shares at no par value, fully paid	8,138	8,138	8,138	8,138
	<b>8,138</b>	<b>8,138</b>	<b>8,138</b>	<b>8,138</b>

For capital management disclosures refer to Note 21.

## 15 Provisions

### Non-current provisions

#### Dismantling, restoration and removal costs

Balance at beginning of year	49,896	35,559	-	-
<b>Net movement to Property, plant and equipment</b> Note 7	(1,139)	12,824	-	-
Additional provision	-	1,751	-	-
Change in estimate	(1,139)	11,073	-	-
Finance costs	2,998	1,513	-	-
	<b>51,755</b>	<b>49,896</b>	-	-
Long term leave liability				
Balance at the beginning of the year	11	14	-	-
Charge for the year	6	-	-	-
Transfer to short term leave liability	(3)	(3)	-	-
	<b>14</b>	<b>11</b>	-	-
	<b>51,769</b>	<b>49,907</b>	-	-

## Notes to the financial statements (continued)

For the year ended 31 December 2024

## 15 Provisions (continued)

	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>Current provisions</b>				
<b>Health, Safety and Environment</b>				
Balance at the beginning of the year	1,403	1,567	-	-
Additional provision	73	159	-	-
Discounting	117	(323)	-	-
	<b>1,593</b>	<b>1,403</b>	-	-
<b>Bonus provision</b>				
Balance at the beginning of the year	1,399	2,230	-	-
Additional provision	2,500	1,399	-	-
Provisions utilised	(1,912)	(1,346)	-	-
Reversal of unused provision	-	(884)	-	-
	<b>1,987</b>	<b>1,399</b>	-	-
	<b>3,580</b>	<b>2,802</b>	-	-

The amount is accrued on monthly basis based on payroll data and paid at the time of resignation or termination of an employee.

The provision for dismantling and restoration costs relates to petrochemical sites in locations in which Engen Marketing Botswana (Proprietary) Limited has operations. The company is required to restore sites at the end of their useful lives to an acceptable condition consistent with the company's environmental policies and statutory regulations. The expected cost of any committed decommissioning or restoration programme, discounted to its net present value using a real pre tax discount rate of 7.48% (December 2023: 7.40%), is provided at the beginning of each project.

These estimates are reviewed at least annually. Any change to the provision as a result of a revision in estimate of dismantling, restoration and removal costs or a revision in the discount rate must be accounted for in the same manner as the initial estimated cost.

The group recognises a liability and an expense for staff bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

The provision for Health, Safety and Environment has been made in respect of restoration costs for all known soil and ground water contamination. A list has been compiled of all known contaminations, and a provision per site has been provided for. Estimates are based on actual cost for similar remediation.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>16 Trade and other payables</b>				
Financial liabilities				
Trade payables	107,768	44,157	-	-
Related party payables (Note 17)	7,264	275,484	-	-
Dividends Payable	3,581	3,124	3,581	3,124
Slate payable	57,448	119,739	-	-
Audit fee provision	1,118	1,166	175	127
Bonus provision (Note 15)	1,987	1,399	-	-
Other payables	104	87	-	36
	179,270	445,156	3,756	3,287
Non-financial liabilities				
Duties & Levies	24	59,964	-	-
Withholding taxes	411	415	-	-
Leave pay	995	880	-	-
Contract liabilities	24,036	17,395	-	-
Health, Safety and Environment (Note 15)	1,593	1,403	-	-
	<b>206,329</b>	<b>525,213</b>	<b>3,756</b>	<b>3,287</b>

Trade payables are non interest bearing and are normally settled on 14-45 day terms.

Other payables, duties and levies are non-interest bearing and have an average term of 30 – 60 day terms. Other payables included in financial liabilities consist of accruals. Other payables in non-financial liabilities consist of accruals.

For terms and conditions relating to related parties, refer to Note 17.

## 17 Related party disclosures

Related party transactions where control exists include the ultimate holding company Petroleum Investment Holdings Limited, which owns 70% of the Company's shares. The remaining 30% of the shares are widely held. The ultimate parent of the Group is Vivo Energy Limited (Incorporated in United Kingdom) and it publishes financial information for public use.

During the year, the Group entered into transactions with fellow subsidiaries. Those transactions along with related balances at 31 December 2024 and 31 December 2023 are presented as follows:

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 17 Related party disclosures (continued)

	Notes	Group		Company	
		Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>(i) Purchase of goods/services:</b>					
Purchase of refined oil products - Engen Petroleum Limited		798,694	2,985,146	-	-
Purchase of refined oil products - Engen Namibia (Pty) Ltd		-	90,332	-	-
Service fees for the provision of technical, accounting and computer support					
Engen Petroleum Limited		14,479	14,528	-	-
Vivo Energy Botswana (Pty) Ltd		960	-	-	-
Dividends received from Engen Marketing Botswana (Proprietary) Limited		-	-	308,264	371,993
Rent paid to Joint Ventures (Engen Palapye Partnership and Engen Maun Partnership)		423	437	-	-

Engen Petroleum Limited, a company incorporated in the Republic of South Africa, Engen Namibia (Pty) Ltd, a company incorporated in the Republic of Namibia and Vivo Energy Botswana (Pty) Ltd, a company incorporated in the Republic of Botswana are subsidiaries of Vivo Energy Limited and are therefore entities related through common control.

### (ii) Outstanding balances arising from purchases of goods/services

Purchase of refined oil products and services fees for technical, accounting and computer support

Engen Petroleum Limited	16	7,264	279,870	-	-
Engen Namibia (Pty) Ltd	16	-	(4,386)	-	-
		<b>7,264</b>	<b>275,484</b>	-	-

### (iii) Compensation of key management personnel

Short-term employee benefits		6,177	5,088	2,935	1,933
Post-employment benefits		281	281	-	-
<b>Total compensation of key management personnel</b>		<b>6,458</b>	<b>5,369</b>	<b>2,935</b>	<b>1,933</b>

Key management personnel refers to board of directors and management committee of the group. There are no outstanding balances and commitments relating to key management personnel.

The non-executive directors do not receive pension entitlement from the Group. A listing of the members of the Board of Directors is shown on page 1 of the financial statements.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

Notes	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>17 Related party disclosures (continued)</b>				
<b>(iv) Dividend paid to Petroleum Investment Holding Limited</b>	193,946	234,041	193,946	234,041

### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For year ended 31 December 2024, the Group has not made any provision for expected credit losses relating to amounts owed by related parties (December 2023: Nil). This assessment is undertaken every financial year through examining the financial position of the related parties and the market in which the related parties operate. Related party balances are normally settled on 30 -60 days terms.

## 18 Commitments and contingencies

### 18.1 Capital expenditure commitments

The Group has the following purchase commitments for property, plant and equipment incidental to the ordinary course of business.

Approved but not committed	62,246	40,147	-	-
	<b>62,246</b>	<b>40,147</b>	-	-

### 18.2 Contingent liabilities

The Group, through its bankers, has provided the following guarantees at 31 December:

Bond to the Department of Customs & Excise for the movement of petroleum products from the Republic of South Africa and Namibia to Botswana and whilst in transit.	496	496	-	-
Guarantee to Botswana Railways in respect of security for compliance with performance obligations in accordance with the fuel supply contract	300	300	-	-
	<b>796</b>	<b>796</b>	-	-

The company's bankers issued guarantees in favour of the Department of Customs and Excise and Botswana Railways in terms of which the bankers (as guarantors) will reimburse the Department of Customs and Excise and Botswana Railways in the unlikely event that Engen default on their payments. This is limited to P496 000 and P300 000 respectively. In accordance with the agreed terms, any amounts paid by the bankers will be recovered from Engen. No liability is expected to arise.

### 18.3 Lease rentals receivable – group as a lessor

Contingent lease rentals receivable are based on volumes sold and a value has not been attributed to these agreements. Total contingent rentals recognised as income in the year amounted to P 13 968 713 (2023: P12 258 262). Other lease rentals which are under cancellable lease arrangements relate to commercial property leases from third parties. The operating lease income maturity analysis is shown below:

## Notes to the financial statements (continued)

For the year ended 31 December 2024

## 18 Commitments and contingencies (continued)

Notes	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>18.3 Lease rentals receivable – group as a lessor (continued)</b>				
Within one year	17,715	12,794		
Within two to five years	22,399	29,802		
More than five years and less than ten years	-	111		
	<b>40,114</b>	<b>42,707</b>		

### 18.4 Legal claims

The Company had a legal matter with Petrohyper (Pty) Limited in which Petrohyper's interlocutory application was dismissed with costs on an attorney and own client scale. The claim was in respect of a dispute regarding a lease agreement and there is no financial impact to the group.

There are no other pending legal matters involving the Company.

## 19 Borrowings

Stanbic Bank of Botswana- Term loan	150,059	100,058	-	-
Non current portion	150,000	100,000	-	-
Current portion	59	58	-	-
<b>Reconciliation</b>				
Opening balance	100,058	-	-	-
Loans raised	50,000	100,000	-	-
Interest	9,092	1,856	-	-
Repayments	(9,091)	(1,798)	-	-
	<b>150,059</b>	<b>100,058</b>	-	-

The Group has obtained an unsecured long term medium from Stanbic Bank of Botswana to the value of P 200 Million. The Company has made a drawdown to the value of P50 Million during the current year (100 Million in 2023). Interest is charged at prime rate of 6.01% per annum plus a margin of 0.50% and it is accrued and paid monthly. The principal loan amount is payable as a lump sum at the end the 5 year loan term.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 20 Segment reporting

#### Operating segment information

The property letting segment is made up of the two joint ventures (Refer to Note 8). The Directors consider that on the basis of risks and returns and the Group's organisational and reporting structure for management purposes there are primarily two operating segments, petrochemical activities and property letting business. Within the petrochemical activities there are two main business units, Commercial and Retail, the two segments have similar economic characteristics and the distribution channel is similar and as such have been aggregated as one segment; petrochemical activities segment. Petrochemical activities primarily involve the selling and distribution of fuel. All revenue is earned in Botswana and all assets are situated in Botswana. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Amounts disclosed are based on the numbers included in the consolidated financial statements.

Year ended 31 December 2024	Petrochemical Activities P'000	Property Letting P'000	Consolidated P'000
<b>Segment Revenue</b>			
Revenue from contracts with customers	3,450,419	-	3,450,419
<b>Total Segment Revenue (Note 2)</b>	<b>3,450,419</b>	<b>-</b>	<b>3,450,419</b>
<b>Results</b>			
Depreciation (Note 3.2)	39,280	-	39,280
Foreign exchange gains (Note 3.5)	1,852	-	1,852
Finance costs (Note 3.4)	(23,980)	-	(23,980)
Taxation (Note 4)	(55,350)	-	(55,350)
Share of profit of joint ventures	-	3,534	3,534
<b>Profit for the year after tax</b>	<b>52,148</b>	<b>3,534</b>	<b>55,682</b>
<b>Total assets</b>	<b>912,726</b>	<b>44,942</b>	<b>957,668</b>
<b>Total liabilities</b>	<b>552,532</b>	<b>-</b>	<b>552,532</b>
<b>Capital Expenditure (Note 7)</b>	<b>20,208</b>	<b>-</b>	<b>20,208</b>

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 20 Segment reporting (continued)

Year ended 31 December 2023	Petrochemical Activities P'000	Property Letting P'000	Consolidated P'000
<b>Segment Revenue</b>			
Revenue from contracts with customers	3,454,745	-	3,454,745
<b>Total Segment Revenue (Note 2)</b>	<b>3,454,745</b>	<b>-</b>	<b>3,454,745</b>
<b>Results</b>			
Depreciation (Note 3.2)	38,863	-	38,863
Foreign exchange gains (Note 3.5)	3,869	-	3,869
Finance costs (Note 3.4)	(19,628)	-	(19,628)
Taxation (Note 4)	(80,445)	-	(80,445)
Share of profit of joint ventures	-	7,479	7,479
<b>Profit for the year after tax</b>	<b>105,965</b>	<b>7,479</b>	<b>113,444</b>
<b>Total assets</b>	<b>1,366,914</b>	<b>46,906</b>	<b>1,413,820</b>
<b>Total liabilities</b>	<b>786,929</b>	<b>-</b>	<b>786,929</b>
<b>Capital Expenditure (Note 7)</b>	<b>74,563</b>	<b>-</b>	<b>74,563</b>

	2024 P'000	2023 P'000
<b>Geographic information</b>		
Revenue from contracts with customers		
Botswana (Note 2)	3,450,419	3,454,745
Total revenue from external customers per the consolidated statement of profit or loss and other comprehensive income (Note 2)	3,450,419	3,454,745

The revenue information above is based on the location of the customers.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 21 Financial instruments and risk management

#### Introduction

The Group's financial instruments consist of the following categories:

- financial assets at fair value through profit or loss (FVTPL)
- financial assets at amortised cost
- financial liabilities at amortised cost
- financial liabilities at fair value through profit or loss (FVTPL)

The following asset classes are included in financial assets at fair value through profit or loss - Forward exchange contracts and investments, which are classified and measured as debt instruments at fair value through profit or loss.

The following classes are included in financial assets at amortised cost - cash and cash equivalents and trade and other receivables (excluding prepaid expenses, slate receivable, Value Added Tax (VAT) receivable and duty at source on accommodation receivable) which are classified and measured as debt instruments at amortised cost.

The following liabilities are included in fair value through profit or loss – forward exchange contracts. Financial instruments at fair value through profit or loss represent instruments held to reduce the level of foreign currency and price risk for expected sales and purchases.

The following classes are included in financial liabilities at amortised cost – interest bearing loans and borrowings, bank overdrafts, finance lease liabilities, trade and other payables (excluding VAT, income tax accrual, slate payable and provisions).

Derivative instruments are used by the Group for risk management purposes. Such instruments include forward exchange contracts and commodity price swaps. The Group does not speculate in the trading of derivative instruments.

The accounting classification of each category of financial instruments and their carrying amounts are set out below. The estimated fair value is disclosed below in the fair value estimation of financial instruments.

#### Categories of financial assets

##### Group

31 December 2024	Note	Amortised cost P'000	Fair value through profit or loss P'000	Total carrying amount P'000
Investments – unlisted debentures	9	-	37	37
Trade and other receivables	12	125,278	-	125,278
Cash at bank and in hand	13	213,301	-	213,301
		338,579	37	338,616

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 21 Financial instruments and risk management (continued)

31 December 2023	Note	Amortised cost P'000	Fair value through profit or loss P'000	Total carrying amount P'000
Investments – unlisted debentures	9	-	37	37
Trade and other receivables	12	224,243	-	224,243
Cash at bank and in hand	13	580,645	-	580,645
Forward exchange contract asset		-	705	705
		804,888	742	805,630

#### Categories of financial liabilities

31 December 2024	Note	Amortised cost P'000	Fair value through profit or loss P'000	Leases P'000	Total carrying amount P'000
Trade and other payables	16	179,270	-	-	179,270
Borrowings	19	150,059	-	-	150,059
Lease liabilities	22	-	-	144,375	144,375
		329,329	-	144,375	473,704

31 December 2023	Note	Amortised cost P'000	Fair value through profit or loss P'000	Leases P'000	Total carrying amount P'000
Trade and other payables	16	445,156	-	-	445,156
Forward exchange contract liability		-	525	-	525
Borrowings	19	100,058	-	-	100,058
Lease liabilities	22	-	-	111,226	111,226
		545,214	525	111,226	656,965

#### Categories of financial assets

##### Company

31 December 2023	Note	Amortised cost P'000	Fair value through profit or loss P'000	Total carrying amount P'000
Investments – unlisted debentures	9	-	10	10
Trade and other receivables	12	155	-	155
Cash at bank and in hand	13	32 566	-	32 566
		32 721	10	32 731

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 21 Financial instruments and risk management (continued)

#### Categories of financial assets (continued)

31 December 2023	Note	Amortised cost P'000	Fair value through profit or loss P'000	Total carrying amount P'000
Investments – unlisted debentures	9	-	10	10
Trade and other receivables	12	51	-	51
Cash at bank and in hand	13	31,404	-	31,404
		31,455	10	31,465

#### Categories of financial liabilities

31 December 2024	Note	Amortised cost P'000	Total carrying amount P'000
Trade and other payables	16	3,756	3,756
		3,756	3,756

31 December 2023	Note	Amortised cost P'000	Total carrying amount P'000
Trade and other payables	16	3,287	3,287
		3,287	3,287

In the ordinary course of conducting business operations, the Group is exposed to a number of different financial risks, arising from inherent business exposures as well as its use of financial instruments. The risks include

- market risk, relating to interest rate, foreign currency exchange rate and other price risks;
- credit risk;
- capital risk; and
- liquidity risk.

The Group's risk management policies and guidelines establish the principles for the handling of these risks. Policies and guidelines are periodically examined and adjusted if necessary by senior management to ensure that the appropriate refinements and best practice developments are introduced into the risk management process, to ensure that all financial risks are identified, measured and managed in accordance with the Group's policies.

The overall objective of financial risk management is to ensure that the Group's activities giving rise to financial risk are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 21 Financial instruments and risk management (continued)

#### Financial risk management

The Group is exposed to a number of different financial risks arising from inherent business exposures as well as its use of financial instruments. The Group's trading activities are managed within the Supply Chain Division while activities in the financial markets are managed within the Treasury department. The Group has a Management Committee which meets regularly to review risk management reports. All financial risks are included in this report.

#### Market risk management

Market risk is the risk that the fair value or future cash flows in respect of a financial instrument will fluctuate because of changes in market prices. The market price movements which the Group is exposed to include interest rate risk, commodity price risk, price risk relating to investments and foreign currency exchange rate risk. The market risk is effectively managed by identifying and quantifying risks on the basis of current and future expectations and ensuring that any trading occurs within the defined parameters. This involves the review and implementation of methodologies to reduce risk exposure. The year to date statement of profit or loss effect is reported to executive management. The processes set up to measure, monitor and mitigate these market risks are described below.

#### Cash flow and fair value interest rate risk management

The interest bearing debt of the Group is structured on a floating interest rates.

In respect of financial assets, the Group's policy is to invest cash and short term deposits at floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders.

Financial instruments affected by cash flow interest rate risk include borrowings, deposits, cash, finance leases, trade and other receivables and trade and other payables. Other than the above mentioned, the fair value interest rate risk does not impact the performance of the Group or Company since the financial assets or liabilities with fixed interest rates are carried at amortised cost.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was as follows:

	Notes	Group		Company	
		Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
<b>Fixed rate instruments</b>					
<b>Financial assets</b>					
Cash and cash equivalents	13	213,301	580,645	32,566	31,404
<b>Financial liabilities</b>					
Lease liabilities	22	144,375	111,226	-	-
<b>Floating rate instruments</b>					
<b>Financial liabilities</b>					
Borrowings	19	150,059	100,058	-	-

The variable rates are influenced by movements in the prime borrowing rates. The prime interest rate is 6.01% at 31 December 2024 (2023: 6.51%). It is currently forecast that the rate will decrease by 0.31% during the next 12 months (31 December 2023: decreased by 0.31%).

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 21 Financial instruments and risk management (continued)

*Interest rate risk (continued)*

#### Sensitivity analysis

Cash and cash equivalents/borrowings: using the cash and cash equivalents/borrowings balances at 31 December 2024.

The effect of changes in the interest rates on the fair value of lease liabilities have been based on the above floating interest rate change and prepared using the year-end finance lease value at 31 December 2024.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates at reporting date, with all other variables held constant, of the group's and company's profit before tax (through the impact on floating rate financial instruments) and equity at reporting date. The reasonable possible change is based on past trends of interest rates and expected future changes. The impact was calculated by applying the reasonable possible change to the exposures at reporting date, and with reference to the next 12 months. There is no direct impact on the group's and company's equity apart from the after tax amount of the statement of profit or loss and other comprehensive income impact. An interest rate sensitivity of 1% is likely to affect the user of the financial statements. Cash and cash equivalents, interest bearing borrowings and lease liability are interest bearing instrument and their sensitivity analysis is presented below.

Notes	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
Effect on profit before tax				
Increase of 1% in interest rates	(811)	3,694	326	314
Decrease of 1% in interest rates	811	(3,694)	(326)	(314)

#### *Other price risk management*

The main category of other price risk is commodity price risk. Due to different terms and conditions with various suppliers and clients, the Group is exposed to changes in crude oil and refined product prices. To mitigate these exposures the Group enters into various financial instruments. As a result of these financial instruments, the Group is exposed to commodity price risks at the reporting date. In effecting these transactions, the Group operates within policies and procedures designed to ensure that risks including counterparty risks are minimised. The Group does not apply hedge accounting to commodity price derivatives.

The objective of the commodity price risk management policy is to provide a comprehensive set of directives and guidelines to regulate the commodity trading activities of the Group. Secondly to mitigate the risks associated with the commodity trading function and to limit the uncertainty of commodity price exposure in order to create a stable margin at the lowest possible cost, within an approval framework.

Due to the high volatility in the market prices of crude oil and refined products, a reasonable forecast of market prices is not determinable.

The affected area is forward exchange contracts. The group has no forward exchange contract asset and forward exchange contract liability in 2024 and had 704,550 forward exchange contract asset and 524,599 forward exchange contract liability.

#### *Foreign currency risk management*

Foreign currency exposures/risks arise due to the nature of the Group's import trading activities. Primarily as an importer of petroleum products, the Group operates liabilities which are exposed to the risk that foreign currency volatility will positively or negatively affect the local current cost of these liabilities. Therefore the aim of foreign exchange risk management is to mitigate the risk and exposure to currency risk. Short, medium and long term foreign currency exposures are managed in terms of approved policies.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 21 Financial instruments and risk management (continued)

*Foreign currency risk management (continued)*

Forward exchange contracts are predominantly used to manage the Group's currency position. All foreign exchange trading positions are valued at current market rates taking maturity profiles into account, and resultant profits or losses are recognised in the statement of comprehensive income.

Treasury manages the foreign currency exposure on a daily basis by purchasing forward exchange contracts to cover the daily average of the foreign currency amount to cover the ZAR crude and ZAR refined product liability. The Group will not enter into FEC contracts until a firm underlying commitment is in place. The Group manages these exposures by entering into approved financial instruments, sometimes netting off naturally occurring opposite exposures when possible and beneficial. Ultimately this practice enables the Group to minimise the foreign currency exposure on its trade payables. The Group's cash and cash equivalents include ZAR bank accounts, which are exposed to foreign exchange fluctuations. Thus the Group is at risk if the Pula/Rand exchange rate strengthens.

The following table demonstrates the sensitivity to a reasonably possible change in the South African Rand exchange rate, with all other variables held constant, on the group's and company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The reasonable possible change is based on past trends of foreign exchange rates and expected future changes. The impact was calculated by applying the reasonable possible change to the exposures at reporting date, and with reference to the next 12 months. There is no effect on the group's and company's equity apart from the after tax amount of the statement of profit or loss and other comprehensive income impact.

Group	P'000	
	P'000	P'000
<b>2024</b>		
South African Rand denominated liabilities	7,264	9,633
South African Rand denominated assets-bank	644	854
	7,908	10,487
Exchange rate		1.326
Effect on profit before tax		
Increase of 10% in the ZAR rate		(1,391)
Decrease of 10% in the ZAR rate		(1,391)
<b>2023</b>		
South African Rand denominated liabilities	275,484	379,920
South African Rand denominated assets-bank	1,353	1,866
	276,837	381,786
Exchange rate		1.379
Effect on profit before tax		
Increase of 10% in the ZAR rate		(52,652)
Decrease of 10% in the ZAR rate		52,652

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 21 Financial instruments and risk management (continued)

Foreign currency risk management (continued)

#### Financial Risk Management

The group mitigates the risk of foreign exchange rate movements through the use of forward exchange contracts. The notional amount of coverage from forward contracts as at 31 December 2024 was P0 (31 December 2023: P165 856 684).

#### Currency profile

The Pula equivalent values of amounts translated from foreign currencies at year end are as follows:

	Group		Company	
	Dec-24 P'000	Dec-23 P'000	Dec-24 P'000	Dec-23 P'000
Related party payables (Note 17)	7,264	9,633		
Bank balances	644	854		
Exchange rate	1.000	1.326		

#### Credit risk management

Transactions are only conducted with approved counterparties that satisfy the assessment in terms of specific guidelines, rules, and parameters in terms of an approved counterparty selection list and limits. The purpose of credit risk policies and processes is to set the foundation for the establishment of effective credit risk management across the Group.

The Group's credit risk is primarily attributable to trade and other receivables. The amounts presented in the Statement of Financial Position are net of allowances for expected credit losses. For allowances for expected credit losses disclosure, refer to Note 12. An allowance for impairment is made based on the expected credit loss which is an amount expected to default based on the historical amount and adjusted by forward looking information.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for the customer segments. There is no categorisation of customer segments as the loss patterns are similar.

The Group has collateral against some of its trade and other receivables in the form of cessions over trade and other receivables, bonds over movable and immovable property and letters of guarantee. The fair value of collateral held amounted to P84 710 200 (2023: P103 786 206). There was no collateral that was sold or repledged. There were no obligations to return the collateral. The entity had the right to use the collateral to extinguish the respective trade receivables that it was covering with no restrictions.

Collateral consists of bank guarantees and mortgage surety bonds and this instruments are redeemable on demand.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents and certain derivative instruments, the Group's exposure to credit risks arises from default of the counter party. The credit quality of these counterparties is good as all of these counterparties are reputable banking institutions. Thus the ECL determined on these cash balances are immaterial.

Maximum credit risk exposure per class in total is the carrying values of financial assets disclosed in Note 12.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 21 Financial instruments and risk management (continued)

Credit risk management (continued)

For trade and other receivables, all new counterparties are subject to a credit risk assessment. This is a process whereby a counterparty's credit worthiness is evaluated using qualitative and quantitative weighted criteria. Use is made of outside vetting agencies to vet new potential customers. The information obtained from these agencies is used in the Group's own credit risk rating system.

As a result of these evaluations the customers are assigned a risk rating. The credit risk rating framework is used as the primary credit evaluation tool. Exposure limits, credit terms and security requirements are all set according to these risk ratings.

All customers are grouped according to their risk category.

The risk rating determines how often the counterparties risk rating will be reviewed. If the counterparties risk rating is rated as average risk, low risk, or minimal risk the review takes place every 6 months. High risk counter parties are reviewed every month. Each business stream and division will monitor their credit exposure and credit risk for reporting to management on a monthly basis.

The following is a table highlighting the credit quality of Engen's trade and other receivables that are neither past due nor impaired.

%	Low Risk	Minimal Risk	Average Risk	Significant/High Risk	Total
<b>2024</b>	100.00%	-	-	-	100%

The following is a table highlighting the credit quality of Engen's trade and other receivables that are neither past due nor impaired.

%	Low Risk	Minimal Risk	Average Risk	Significant/High Risk	Total
<b>2023</b>	100.00%	-	-	-	100%

Our debtors are in government, industry, commerce, sales and distribution, fleet and retail category. These are all low risk clients and have no significant different risk profiles and as such, no disaggregation was considered necessary.

Listed below is the age analysis of trade and other receivables. The age analysis is based on credit terms.

P'000	Carrying Amount	Current	Less than 30 days	Between 30 and 60 days	Between 60 and 90 days	More than 90 days
Expected credit loss rate		0.23%	0.86%	4.67%	11.23%	11.23%
Trade receivables at gross carrying amount	136,128	88,578	10,932	7,735	8,802	20,081
Expected credit losses	(10,850)	(3)	(135)	(89)	(108)	(10,515)
	125,278	88,575	10,797	7,646	8,694	9,566

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 21 Financial instruments and risk management (continued)

Credit risk management (continued)

2023	P'000	Carrying Amount	Current	Less than 30 days	Between	Between	More than 90 days
					30 and 60 days	60 and 90 days	
Expected credit loss rate			0.04%	0.28%	0.93%	3.77%	
Trade receivables at gross carrying amount	227,221	169,197	51,912	2,383	362	3,367	
Expected credit losses	(2,978)	(571)	(588)	(124)	(170)	(1,525)	
	224,243	168,626	51,324	2,259	192	1,842	

#### Liquidity risk

Liquidity risk is the risk that the group and company have insufficient funds or borrowing facilities available to fulfil their existing and future cash flow obligations. Several elements are regarded as fundamental in the management of liquidity. These include the maintenance of minimum levels of marketable and liquid assets; effective cash flow management; implementation of long term funding strategies; diversification of funding; and adequate contingency plans.

The group and company have access to banking facilities in excess of their current and anticipated future requirements. The group's and company's borrowing powers are not limited by its Articles of Association.

The following table summarises the maturity profile of the group's financial liabilities as at 31 December 2024 based on contractual undiscounted payments:

#### Group

	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	P'000	P'000	P'000	P'000	P'000	P'000
<b>31 December 2024</b>						
Trade and other payables	-	179,270	-	-	-	179,270
Lease liabilities	-	3,581	10,450	61,860	288,684	364,575
Borrowings	-	2,441	7,324	176,040	-	185,805
	-	185,292	17,774	237,900	288,684	729,650
<b>31 December 2023</b>						
Trade and other payables	-	445,156	-	-	-	445,156
Lease liabilities	-	3,061	8,629	43,061	233,485	288,236
Forward exchange contract liability	-	525	-	-	-	525
Borrowings	-	1,690	5,070	127,040	-	133,800
	-	450,432	13,699	170,101	233,485	867,717

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 21 Financial instruments and risk management (continued)

Liquidity risk (continued)

#### Company

	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	P'000	P'000	P'000	P'000	P'000	P'000
<b>31 December 2024</b>						
Trade and other payables	-	3,756	-	-	-	3,756
	-	3,756	-	-	-	3,756
<b>31 December 2023</b>						
Trade and other payables	-	3,287	-	-	-	3,287
	-	3,287	-	-	-	3,287

#### Fair value measurements

Management assessed that the fair values of cash and short-term deposits, interest bearing borrowings, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Derivative assets and liabilities are measured already at fair value, or assessed at fair value by management.

The fair value of the financial instrument is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participation at the measurement date.

The Group's own non-performance risk at 31 December 2024 was assessed as insignificant.

The valuation techniques used on financial instruments for fair value are as follows:

#### Foreign exchange currency contracts and guarantees

The fair value of forward exchange contracts is determined by calculating the forward rates for each currency using the midrate plus the forward rate at the year end. The net market value of all forward exchange contracts at year end is calculated by comparing the forward exchange contracted rates to the equivalent year end forward foreign exchange rates. The present value of these net market values are then calculated using the appropriate currency specific discount curve. The fair value of foreign exchange guarantees is estimated as the fair value attributed to the difference between the US dollar and the underlying estimated currency value.

#### Investments

The fair value of investments using inputs that are either directly or indirectly observable (Level 2) are determined by ascertaining the value using the closing mid-market prices as at each valuation point.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 21 Financial instruments and risk management (continued)

#### Investments (continued)

Quantitative disclosures fair value measurement hierarchy for instruments as at 31 December 2024:

		Fair value measurement using:			
		Total	Level 1	Level 2	Level 3
		P'000	P'000	P'000	P'000
Assets measured at fair value:					
	Date of valuation	P'000	P'000	P'000	P'000
School debentures	31 December 2024	37	-	-	37

There have been no transfers between level 1 and 2 during the year.

Quantitative disclosures fair value measurement hierarchy for instruments as at 31 December 2023:

		Fair value measurement using:			
		Total	Level 1	Level 2	Level 3
		P'000	P'000	P'000	P'000
Assets measured at fair value:					
	Date of valuation	P'000	P'000	P'000	P'000
Foreign exchange forward contracts	31 December 2023	705	-	705	-
School debentures	31 December 2023	37	-	-	37
Liabilities measured at fair value:					
Foreign exchange forward contracts	31 December 2023	525	-	525	-

#### Fair values

The directors consider the carrying amount of all financial instruments to approximate their fair value since the financial assets and liabilities have a short term to maturity and the interest rate on other receivables approximate the market rate. The fair value of foreign forward exchange contracts (FEC) is determined by using quoted prices in a market that is not active for the identical item held by another party as an asset. The fair value is measured using a valuation model. The input to this model being exchange rates are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

#### Capital risk management

The Group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group monitors capital using the debt to equity ratio. The ratio is calculated as long term debt to adjusted equity.

Long term debt comprises interest bearing debt, excluding lease liabilities recognised under IFRS 16. Adjusted equity comprises share capital, share premium and non distributable reserves.

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 21 Financial instruments and risk management (continued)

#### Capital risk management (continued)

The Group reviews its debt to equity position on a semi-annual basis to ensure that its capital management objectives are being met.

		Group	
		Dec-24	Dec-23
		P'000	P'000
Borrowings	19	150,059	100,058
Equity		405,136	626,891
Gearing ratio		37.04	

Total interest income and total interest expense calculated using the effective interest method for financial assets or financial liabilities that are not at fair value through profit or loss are as follows:

	Group			Company		
	Interest income	Interest expense	Total net gains and losses	Interest income	Interest expense	Total net gains and losses
	P'000	P'000	P'000	P'000	P'000	P'000
<b>31 December 2024</b>						
Cash & cash equivalents/ payables	4,178	-	4,178	906	-	906
<b>31 December 2023</b>						
Cash & cash equivalents/ payables	12,695	-	12,695	1,098	-	1,098

Total exchange gains and losses for financial assets or financial liabilities that are at fair value through profit or loss are as follows:

	Group		Company	
	Fair value gains/ (losses)	Total net fair value gains/ (losses)	Fair value gains/ (losses)	Total net fair value gains/ (losses)
	P'000	P'000	P'000	P'000
<b>31 December 2024</b>				
Forward exchange contracts (Note 3.5)	4,501	4,501	-	-
<b>31 December 2023</b>				
Forward exchange contracts (Note 3.5)	(1,252)	(1,252)	-	-

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 22 Leases (Group as lessee)

Details pertaining to leasing arrangements, where the Group is lessee are presented below:

Net carrying amounts of right of use assets

The carrying amounts of right of use assets are as follows:

	Lease Properties P'000	Total P'000
<b>Cost</b>		
1 January 2024	124,254	124,254
Additions	48,654	48,654
Derecognition of terminated lease	(13,862)	(13,862)
31 December 2024	159,046	159,046
<b>Accumulated depreciation</b>		
1 January 2024	32,905	32,905
Current year	8,532	8,532
Derecognition of terminated lease	(9,367)	(9,367)
31 December 2024	32,070	32,070
Net carry amount	126,976	126,976
	Lease Properties P'000	Total P'000
<b>Cost</b>		
1 January 2023	97,525	97,525
Additions	26,729	26,729
31 December 2023	124,254	124,254
Accumulated depreciation		
1 January 2023	22,551	22,551
Current year	10,354	10,354
31 December 2023	32,905	32,905
Net carry amount	91,349	91,349

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 22 Leases (Group as lessee) (continued)

	2024 P'000	2023 P'000
<b>Other disclosures</b>		
Interest paid	11,714	9,469
Total cash outflow from leases within the scope of IFRS 16	(15,725)	(14,330)
	(4,011)	(4,861)
<b>Lease liabilities</b>		
The maturity analysis of lease liabilities is as follows:		
<b>Payments:</b>		
Within one year	14,031	11,690
Two to five years	61,860	43,061
More than five years and less than ten years	78,514	61,147
More than ten years	210,170	172,338
	364,575	288,236
<b>Finance charges:</b>		
Within one year	(12,951)	(9,961)
Two to five years	(51,050)	(40,008)
More than five years and less than ten years	(57,534)	(46,684)
More than ten years	(98,665)	(80,357)
	(220,200)	(177,010)
Net present value	144,375	111,226
Non-current liabilities	130,344	109,497
Current liabilities	14,031	1,729
	144,375	111,226
<b>Lease liabilities</b>		
<b>Balance at the beginning of the year</b>	111,226	82,849
Additions	48,654	26,729
Interest	11,714	15,978
Derecognition of lease	(11,494)	-
Lease payments within the scope of IFRS 16	(15,725)	(14,330)
	144,375	111,226

Engen Botswana Limited  
Annual Consolidated and Separate Financial Statements

## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 22 Leases (Group as lessee) (continued)

#### Nature of leasing activities (in the capacity as lessee)

The Group leases a number of properties in Botswana. It is customary for lease contracts to provide for payments to increase each year by inflation or the periodic rent is fixed over the lease term. Extension options have already been reflected in the lease calculations.

The Group leases various vessels that are used for deliveries to customer vessels. The leases of vessels comprise payments based on fixed daily rates over the lease terms.

### 23 Subsidiary company

The subsidiary company of Engen Botswana Limited which is incorporated in Botswana, is as follows:

	%
Holding	Business Description
Engen Marketing Botswana Proprietary Limited	100 Marketing of petroleum products

The major portion of the group's activities are conducted by Engen Marketing Botswana Proprietary Limited.

### 24 Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 25 Events after the reporting period

A final dividend of 17.5 thebe per share was declared on 25 March 2025. F J Kotze resigned as director on 31 January 2025 and S Maharaj was appointed on 1 February 2025. There are no other events that occurred after the reporting date that require adjustment or disclosure in the annual financial statements.

# 09 OTHER INFORMATION

Value-added statement

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5-Year financial review

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## Value-added statement

The value added statement is a summary of the wealth the Group has created and its distribution.

	31 Dec 2024 P'000	31 Dec 2023 P'000	31 Dec 2022 P'000	31 Dec 2021 P'000	31 Dec 2020 P'000
Revenue	3,450,419	3,454,745	4,112,311	2,278,529	1,955,689
Net cost of products	(3,146,513)	(3,151,098)	(3,650,301)	(1,834,310)	(1,722,557)
<b>Total value added</b>	<b>303,906</b>	<b>303,647</b>	<b>462,010</b>	<b>444,219</b>	<b>233,132</b>
To pay employees' gross salaries, wages and benefits	17,116	15,399	17,660	17,260	16,164
To pay income taxes	55,350	80,445	87,330	93,497	49,203
To pay providers of capital	257,635	327,861	109,390	162,137	165,462
- net finance costs	(19,802)	(6,933)	(4,734)	(1,139)	(10)
- dividends	277,437	334,794	114,124	163,276	165,472
Retained in the Group for future growth	(26,195)	(120,058)	247,630	171,325	2,303
- depreciation	39,280	38,863	46,528	22,283	28,355
- retained income for the year	(65,475)	(158,921)	201,102	149,042	(26,052)
<b>Total value added</b>	<b>303,906</b>	<b>303,647</b>	<b>462,010</b>	<b>444,219</b>	<b>233,132</b>

## Supplementary statement of comprehensive income

	31 Dec 2024 P'000	31 Dec 2023 P'000	31 Dec 2022 P'000	31 Dec 2021 P'000	31 Dec 2020 P'000
Historical cost net profit	55,682	113,444	266,103	259,310	98,009
Less: Inventory effects net of taxation	(44,150)	(38,299)	(162,061)	(151,164)	(3,397)
Inventory profits	(56,602)	(49,101)	(207,770)	(193,800)	(4,355)
Taxation @ 22%	12,452	10,802	45,709	42,636	958
<b>Replacement cost net profit</b>	<b>11,532</b>	<b>75,145</b>	<b>104,042</b>	<b>108,146</b>	<b>94,612</b>
Weighted average number of shares in issue	159,722,220	159,722,220	159,722,220	159,722,220	159,722,220
Replacement cost earnings per share (thebe per share)	7.2	47.0	65.1	67.7	59.2
Historical cost earnings per share (thebe per share)	34.86	71.03	166.60	162.35	61.40
Dividend per share paid and provided (thebe per share)	277.40	232.9	79.4	112.1	112.0
Total dividend per share including proposed amount not provided for	17.5	193.0	70.9	63.7	53.4

## 5-Year financial review

The value added statement is a summary of the wealth the Group has created and its distribution.

	31 Dec 2024 P'000	31 Dec 2023 P'000	31 Dec 2022 P'000	31 Dec 2021 P'000	31 Dec 2020 P'000
<b>Based on historical cost</b>					
Revenue	3,450,419	3,454,745	4,112,311	2,278,529	1,955,689
Operating profit	135,012	213,517	363,252	361,409	147,197
Finance (costs)/income	(23,980)	(19,628)	(9,819)	(8,602)	15
Profit before taxation	111,032	193,889	353,433	352,807	147,212
Taxation	(55,350)	(80,445)	(87,330)	(93,497)	(49,203)
Other comprehensive income	-	-	-	-	-
Attributable profit	55,682	113,444	266,103	259,310	98,009
Earnings per share (thebe)	34.86	71.03	166.60	162.35	61.36
Headline earnings per share (thebe)	34.86	71.03	166.60	162.35	61.36
Dividend per share (thebe)					
- Paid and provided (include extra ordinary dividend)	193.0	232.9	79.4	112.1	112.0
- Paid and proposed - not provided	17.5	193.0	70.9	63.7	53.4
Dividend cover (times)					
- Paid and provided	0.13	0.30	2.10	1.45	0.55
- Paid and proposed - not provided	1.99	0.37	2.35	2.55	1.15
Net asset value per share (thebe)	253.65	392.49	531.07	435.92	375.80
BSE price of share (thebe)					
- Closing	1,413	1,315	1,140	1,043	1,013
- Highest	1,413	1,315	1,140	1,043	1,013
- Lowest	1,413	1,315	1,140	1,043	1,013
Earnings yield (%)	2.47	5.40	14.61	15.57	6.06
Dividend yield (%)					
- Paid and provided	13.66	17.71	6.96	10.75	11.06
- Paid and proposed - not provided	1.24	14.68	6.22	6.11	5.27
Price earnings ratio	40.53	18.51	6.84	6.42	16.51
Total assets (thousands)	957,668	1,413,820	1,357,301	1,245,616	969,550
Ordinary shareholders' interest	405,136	626,891	848,241	696,262	600,228
Shares in issue (thousands)	159,722	159,722	159,722	159,722	159,722
Return on shareholders' funds (%)	13.7	18.1	31.4	37.2	16.3
Return on total assets employed (%)	5.8	8.0	19.6	20.8	10.1

# 09

## SHAREHOLDER INFORMATION

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Notice of annual general meeting **171** ▶

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## Share analysis - ordinary shareholders

Share Analysis- Ordinary Shareholders -31 March 2025

	Shareholders		Shares held	
	Number of holders	% of holders	Shares held	% of issued shares
1- 5,000	556	74.93%	529,065	0.3%
5,001-10,000	56	7.55%	435,769	0.3%
10,001- 50,000	69	9.30%	1,613,970	1.0%
50,001-100,000	16	2.16%	1,201,732	0.8%
100,001- 500,000	30	4.04%	5,902,651	3.7%
500,001 - 1,000,000	7	0.94%	5,054,002	3.2%
OVER 1,000,000	8	1.08%	144,986,053	90.8%
<b>Total</b>	<b>742</b>	<b>100.00%</b>	<b>159,723,242</b>	<b>100.00%</b>

### Top ten shareholders

PETROLEUM INVESTMENT HOLDING LIMITED	111,655,550	69.91%
FNB BOTSWANA NOMINEES RE: BIFM - ACT MEM & DP EQ	17,054,328	10.68%
MOTOR VEHICLE FUND	6,858,692	4.29%
BOTSWANA PUBLIC PENSION FUND VUNANI	3,024,541	1.89%
STANBIC NOMINEES BOTSWANA RE BIFM PLEF	2,907,766	1.82%
STANBIC NOMINEES BOTSWANA RE BPOPF WT PRO PORT MCP	1,254,011	0.79%
STANBIC NOMINEES BOTSWANA RE MORULA RE DPF	1,215,929	0.76%
STANBIC NOMINEES BOTSWANA RE BIFM MLF	1,015,236	0.64%
STNB RE First Light Multi Manager Growth Fund	950,649	0.60%
SCBN (PTY) LTD RE: BIFM 028914400011	939,016	0.59%
OTHERS	12,847,524	8.04%
	159,723,242	100.00%

Category	Shareholders		Shares held	
	Number	%	Number	%
<b>Non -Public shareholders</b>	1	0.13%	111,655,550	69.91%
<b>Public shareholders comprising of:</b>				
Corporate bodies	53	7.14%	907,247	0.57%
Nominees companies	77	10.38%	44,529,936	27.88%
Private individuals	611	82.35%	2,630,509	1.65%
	<b>742</b>	<b>100.00%</b>	<b>159,723,242</b>	<b>100.00%</b>

## Notice of the Annual General Meeting

Notice is hereby given that the 2025 Annual General Meeting of ENGEN BOTSWANA LIMITED will be held at 10:00 hrs on Thursday, 28 August 2025. via Microsoft Teams. All shareholders who would like to attend the meeting either by proxy or in person must forward their email address to Aparna Vijay (HYPERLINK "mailto:aparna.vijay@bw.gt.com"aparna.vijay@bw.gt.com) in order for a link to be provided for the meeting.

### Agenda:

1. To read notice convening the meeting
2. Welcome and opening remarks by the Chairman.
3. Adoption of Agenda

### A. Ordinary Resolutions

4. To receive consider and adopt the Audited Financial Statements for the year ended 31 December 2024 together with the Auditors Report.
5. To consider and ratify the distribution of dividend declared for the year ended 31 December 2024 at 193.0 thebe per share.
6. To confirm the re-election of the following Directors of the company:

#### i. Dr Shabani Ndzinge

Dr Ndzinge is an experienced leader, administrator and academic, with over 30 years of work experience. In 2011, he was appointed Deputy Vice Chancellor of Botswana International University of Science and Technology (BIUST), where he oversaw finance and administration. He executed a similar role at the University of Botswana and previously headed the Business Faculty at the same institution. Shabani is a member of several boards, including the Botswana Accountancy College, the Institute of Development Management, Bryte Risk Services Botswana and TA Sebube (Proprietary) Limited.

He is a former board member of the Botswana Development Corporation, the University of Botswana and BIUST.

#### ii. Mr Anthony Mbiganyi Siwawa

Mr Siwawa has extensive experience in developing and formulating business strategy, economics and finance and is a sought-after speaker throughout Africa and the United States. He has worked in private equity, venture capital, investment banking and corporate finance and management consulting and has developed a thorough understanding of the Southern African region. He is the founder and Managing Director of private equity fund manager VPB (Proprietary) Limited and founded corporate finance company AMS Capital.

He is a former member of the boards of the African Venture Capital and Private Equity Association AVCA and the Southern African Venture Capital and Private Equity association (SAVCA). He is the Chairman of the Remuneration Committee and a member of the Board Audit Committee.

#### iii. Mr Leonard Makwinja

Mr Makwinja has been an Independent Non-Executive Director of Engen Botswana Limited since August 2016 and is a member of the Remuneration Committee, He has had an illustrious career in the mining field spanning over 30-years, with the past 15-years spent in management positions. He has been the General Manager of Orapa and Letlhakane Mines, and was the Deputy Managing Director at Debswana Diamond Company (Pty) Ltd. from 2005 to 2007.

He has served several directorships in listed and non-listed entities, including Chairman of Morupule Colliery, Chairman of Botswana Telecommunications Corporation Limited (2006 to 2014), Director of Botswana Telecommunications Corporation Limited, and Non-Executive Director in African Banking Corporation.

He served as Executive Director of Six Plus One Consulting (Pty) Ltd. He served as Chief executive officer of Botswana Railways.

## Notice of the Annual General Meeting

7. To ratify the remuneration paid to Non-Executive Directors for the year ended 31 December 2024.
8. To ratify the remuneration paid to the auditors, Pricewaterhousecoopers (PwC) for the year ended 31 December 2024.
9. To appoint Pricewaterhousecoopers (PwC) as auditors for the ensuing year and authorize the Directors to fix their remuneration.
10. Answering questions raised by shareholders in relation to the affairs and the business of the Company by Directors and Management.
11. To close the meeting.

A member entitled to attend and vote may appoint a proxy to attend and vote for him on his behalf and such a proxy need not be a member of the company. The instrument appointing such a proxy must be deposited at the registered office of the company at Acumen Park, Plot 50370 Fairgrounds, Gaborone not less than 48 hours before the meeting.

By order of the Board

Grant Thornton Business Services (Pty) Ltd  
Company Secretary

17 July 2025.

### Registered Office:

Plot 50370, Acumen Park, Fairgrounds  
P O Box 1157  
Gaborone

## Proxy form

[To be completed by shareholders)

Please read the notes overleaf before completing this form.

Notice is hereby given that the 2025 Annual General Meeting of Engen Botswana Limited will be held at 10:00 hrs on Thursday, 28 August 2025. via Microsoft Teams. All shareholders who would like to attend the meeting either by proxy or in person must forward their email address to Aparna Vijay ([aparna.vijay@bw.gt.com](mailto:aparna.vijay@bw.gt.com)) in order for a link to be provided for the meeting.

I/We  
(Name in block letters) \_\_\_\_\_

Of (address) \_\_\_\_\_

Hereby appoint \_\_\_\_\_

Or failing him/her \_\_\_\_\_

Or failing him/her, the Chairman of the meeting as my/our proxy to act for me/us at the 2024 Annual General Meeting, to vote for or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name in accordance with the following instruction.

		Number of shares		
		For	Against	Abstain
<b>Ordinary resolution 1</b>	<b>Agenda No 4</b>			
<b>Ordinary resolution 2</b>	<b>Agenda No 5</b>			
<b>Ordinary resolution 3</b> i. Dr Shabani Ndzinge ii. Anthony Mbiganyi Siwawa iii. Leonard Makwinja	Agenda No. 6 (i) Agenda No. 6 (ii) Agenda No. 6 (iii)			
<b>Ordinary resolution 4</b>	<b>Agenda No 7</b>			
<b>Ordinary resolution 5</b>	<b>Agenda No 8</b>			
<b>Ordinary resolution 6</b>	<b>Agenda No 9</b>			

Signed at: \_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Assisted by (where applicable): \_\_\_\_\_