ASX/NZX Release

22 August 2022

2022 HALF YEAR REPORT

Ampol Limited (ASX/NZX: ALD) provides the attached 2022 Half Year Report (incorporating Appendix 4D).

Authorised for release by: the Board of Ampol Limited.

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Half Year Report 2022

Foundations for the future

Ampol Limited
ACN 004 201 307

Ampol Limited

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Appendix 4D - Results for Announcement to the Market

Details of Reporting Period	
Current reporting period	Six (6) months to 30 June 2022
Previous corresponding period	Six (6) months to 30 June 2021

Key Results (Millions of dollars)		2022	2021 Restated^
Revenue from ordinary activities	▲83.3%	**17,333.3**	9,455.9
Profit after tax for the period attributable to members of the parent – continuing:			
Statutory basis(i)	>100%	**676.2**	305.5
Replacement cost basis (excluding significant items after tax)(ii)(v)(vi)	>100%	**444.7**	165.8
Profit after tax for the period from discontinued operations			
Statutory cost basis(i)	▼1.5%	**19.7**	20.0
Replacement cost basis (excluding significant items after tax)(ii)(v)(vi)	▲22.3%	**26.3**	21.5

Dividend declared per security (fully franked)(iii)	2022	2021
Interim	**120c**	52c
Final	**N/A**	41c
Record date for 2022 interim dividend		5 September 2022
Payment date for the 2022 interim dividend		28 September 2022

Net tangible assets	2022	2021
Net tangible asset backing per share ($)(iv)	**9.6**	10.8

Return on equity attributable to members of the parent entity after tax	2022	2021
Statutory basis (including significant items)(i)(v)	**18.1%**	9.9%
Replacement cost basis (excluding significant items)(ii)(v)	**11.9%**	5.4%

^ The 2021 comparative has been re-presented to separately show those operations classified as discontinued in the current year as detailed in Note D2 *Discontinued operations* of the Ampol Limited Half Year report.

The remainder of the information requiring disclosure to comply with ASX listing rule 4.2A.3 is contained in the Operating and Financial Review section of the Directors' Report and the reviewed Financial Report, within the Ampol Limited Half Year Report 2022, lodged with this Appendix 4D.

(i) Statutory basis financial information may also be referred to as Historical Cost Basis or "HCOP".

(ii) RCOP (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure and is unaudited. It is derived from the statutory profit adjusted for inventory (gain)/loss as this presents a consistent basis of reporting as that commonly used within the global downstream oil industry. RCOP excludes the unintended impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the historical cost, and the effect of contract-based revenue lags. Refer to note B3 in the Financial Statements for a reconciliation of Statutory Profit to Replacement Cost basis profit.

(iii) There is no conduit foreign income component distributed in relation to the dividend. There is no Dividend Reinvestment Plan in operation.

(iv) Net tangible asset backing per share is derived by dividing net tangible assets by the number of shares issued. Net tangible assets are net assets attributable to members of Ampol less intangible assets. The number of ordinary shares used in the calculation of net tangible assets per share was 238 million (2021: 238 million).

(v) Significant items are events that Management and the Board consider to be outside the scope of usual business. These are excluded to give a clearer reflection of underlying financial performance from one period to the next.

(vi) Externalities foreign exchange (gain)/loss previously reported within RCOP has been restated to Inventory (gain)/loss (incl. externalities FX) in the 2021 period, due to a revision in the RCOP methodology used by the Group.

AMPOL

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The 2022 Half Year Financial Report for Ampol Limited (Ampol) includes the:

- Directors' Report
- Directors' Declaration
- Independent Auditor's Review Report
- Half Year Financial Statements
- Notes to the Half Year Financial Statements for the Group

For the purposes of this report, the Group refers to Ampol and its controlled entities.

The 2022 Half Year Financial Report should be read in conjunction with the 2021 Financial Report.

Half Year Report 2022

Foundations for the future

Ampol Limited
ACN 004 201 307

The Board

The directors of Ampol Limited (Ampol) present the 2022 Directors' Report and the 2022 Financial Report for Ampol and its controlled entities (collectively referred to as the Group) for the half year ended 30 June 2022.

The Directors of Ampol resolved to authorise the issue on 22 August 2022 of the Half Year Financial Report for the half year ended 30 June 2022.

Board of Directors

The following persons were directors holding office at any time during the half year period and up to the date of this report, unless otherwise stated.

Name	Position
1. Steven Gregg	Independent, Non-executive Director (appointed 9 October 2015) and Chairman (appointed 18 August 2017)
2. Matthew Halliday	Managing Director and Chief Executive Officer (appointed 29 June 2020)
3. Mark Chellew	Independent, Non-executive Director (appointed 2 April 2018)
4. Melinda Conrad	Independent, Non-executive Director (appointed 1 March 2017)
5. Elizabeth Donaghey	Independent, Non-executive Director (appointed 1 September 2021)
6. Michael Ihlein	Independent, Non-executive Director (appointed 1 June 2020)
7. Gary Smith	Independent, Non-executive Director (appointed 1 June 2020)
8. Penny Winn	Independent, Non-executive Director (appointed 1 November 2015)

A biography of each current director is available on the Ampol website at https://www.ampol.com.au/about-ampol/who-we-are/board-of-directors.

Board and committee changes

On 21 June 2022, Ampol announced the appointment of Faith Taylor as Company Secretary with effect from 21 June 2022 following the resignation of Michael Abbott as Company Secretary effective the same date. Faith Taylor reports to Michael Abbott who will continue in his role as Executive General Manager, Governance & Risk at Ampol.

Executive changes

On 10 May 2022, as a result of the acquisition of Z Energy, Mike Bennetts joined the Ampol Leadership Team as Executive General Manager, Z Energy reporting to Matthew Halliday, Managing Director and CEO.

Joanne Taylor resigned from her position as Executive General Manager, Consumer and B2B, on 14 February 2022. Kate Thomson was appointed Executive General Manager, Retail Australia on 29 March 2022.

Operating and financial review

The purpose of the operating and financial review (OFR) is to enhance the periodic financial reporting and provide shareholders with additional information regarding the Group's operations, financial position, business strategies and prospects. The review complements the Financial Report on pages 21 to 47.

The OFR may contain forward-looking statements. These statements are by their nature estimates based solely on the information available at the time of this report, and there can be no certainty of outcome in relation to the matters to which the statements relate.

Company overview

Ampol is an independent Australian company and the leader in transport fuels in Australia and through its acquisition of Z Energy, it is also the market leader in New Zealand.

We supply Australia's largest branded petrol and convenience network as well as refining, importing and marketing fuels and lubricants. We have a deep history spanning over 120 years, having grown to become the largest transport fuels company in Australia and New Zealand and are listed on the Australian Securities Exchange (ASX) (primary listing) and New Zealand Exchange (NZX) through a foreign exempt listing.

Ampol supplies fuel to approximately 110,000 business and SME customers in diverse sectors across the Australian and New Zealand economy, including defence, mining, transport, marine, agriculture, aviation and other commercial and industrial sectors. Across our Australian and New Zealand retail networks, we serve approximately four million customers every week with fuel and convenience products.

Our ability to service our broad customer base is supported by our robust supply chain and strategic infrastructure positions. In Australia that includes 15 terminals, 6 major pipelines, 53 wet depots, 1,862 branded sites (including 668 company-controlled retail sites) and one refinery located in Lytton, Queensland. In New Zealand that includes 9 terminals (excluding Mt Maunganui which is held for sale as part of the Gull New Zealand divestment) and supplying 529 sites (includes Z Energy and Caltex branded sites, excludes Gull New Zealand sites). This network is supported by nearly 9,000 people across Australia, New Zealand, Singapore and the United States of America (USA).

In recent years, we have leveraged our Australian business to extend our supply chain and operations into international markets. This includes our Trading and Shipping business that operates out of Singapore and Houston in the USA, and our international storage positions across the Asia Pacific region. We also have grown our presence in New Zealand through the acquisition of Z Energy, New Zealand's market leader. Ampol committed to divesting Gull New Zealand as part of the approval to acquire Z Energy, with the divestment completed on 27 July 2022. Ampol also owns a 20% equity interest in Seaoil, a leading independent fuel company in the Philippines.

Ampol (previously Caltex) returned to its iconic Australian name following shareholder approval on 14 May 2020. The national roll-out of the Ampol brand across our retail network is progressing well, with 1,285 sites rebranded as of 30 June 2022. All remaining sites will be rebranded by the end of 2022.

Directors' Report continued

Operating and financial review continued

Group Strategy

Ampol's strategy is focused around three elements underpinned by our market-leading position in transport fuels, strategic assets, customer positions and supply chain expertise.

Evolving our business to build the foundations for energy transition is one of the three key elements of Ampol's strategy. Ampol's privileged assets, supply chain expertise and deep customer relationships mean we are uniquely placed to be part of the decarbonisation solution by enabling an orderly energy transition and capitalising on opportunities that can deliver sustainable returns for shareholders over the long-term.

For 2022 we have streamlined our priorities to the three key items outlined in the diagram below.

Enhance the core business	Complete network rebrand and evolve the Ampol brand into EV charging and decarbonisation products	Completed rebrand of **1,285 sites** with completion expected by end 2022 **Launched AMPCharge EV charging brand**
Expand from rejuvenated fuels platform	Successfully complete Z Energy transaction, divest Gull and deliver synergies in line with integration plan	**Z Energy acquisition completed on 10 May 2022** **Gull divestment completed on 27 July 2022**
Evolve energy offer for our customers	Invest ~$30 million in future energy early stage trials and ~$5 million to roll out Ampol's own decarbonisation plans	**ARENA EV** fast charger rollout commenced **Received energy retail authorisation from AER,** commencing limited pilot for small group of employees **Investing to decarbonise** including renewal of distribution fleet and installation of solar to retail operations

Directors' Report continued

Operating and financial review continued

Ampol results 30 June 2022

On a statutory basis, Ampol recorded an after-tax profit attributable to equity holders of the parent entity of $695.9 million, including a significant items loss of $64.7 million and a product and crude oil inventory gain (incl. externalities FX) of $289.6 million after tax. This compares favourably to the 2021 half year restated after-tax profit of $325.5 million, which included a significant items loss of $18.2 million and a product and crude oil inventory gain (incl. externalities FX) of $156.4 million after tax. Externalities foreign exchange (gain)/loss previously reported within RCOP has been reclassified to Inventory (gain)/loss (incl. externalities FX) in the 2021 period.

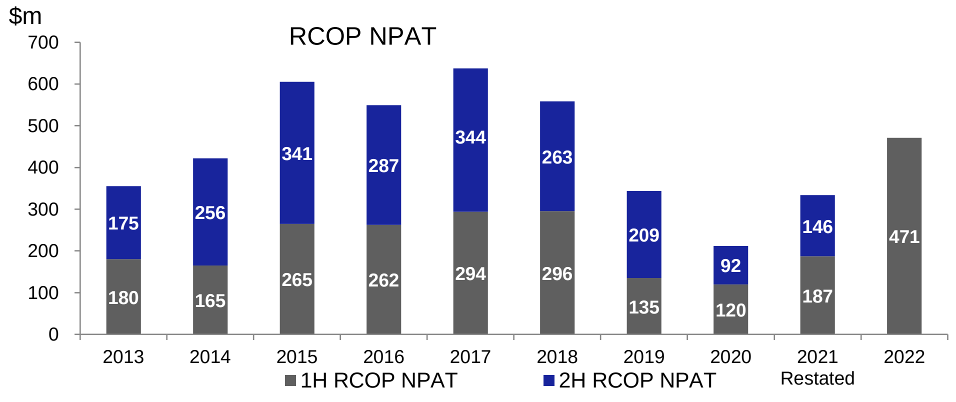
RCOP (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure and is unaudited. It is derived from the statutory profit adjusted for inventory (gain)/loss as this presents a consistent basis of reporting as that commonly used within the global downstream oil industry. RCOP excludes the unintended impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the historical cost, and the effect of contract-based revenue lags.

A reconciliation of the RCOP result to the statutory result is set out in the following table and can also be found in note B3 in the Financial Statements:

Reconciliation of the underlying result to the statutory result	June 2022 $m (after tax)	June 2021 $m (after tax) Restated
Net profit attributable to equity holders of the parent entity	695.9	325.5
Significant items (gain)/loss (after tax)	64.7	18.2
Inventory (gain)/loss (incl. externalities FX)[i]	(289.6)	(156.4)
RCOP NPAT (before significant items)	**471.0**	**187.3**

[i] A review of RCOP methodologies was undertaken on the acquisition of Z Energy and externalities foreign exchange (gain)/loss previously reported within RCOP has been reclassified to Inventory (gain)/loss (incl. externalities FX) including the 2021 comparator period.

On an RCOP basis, Ampol recorded an after-tax profit excluding significant items for the first half of 2022 of $471.0 million (Restated 1H 2021: $187.3 million).



Dividend

The Board has declared an interim fully franked dividend of 120 cents per share for the first half of 2022, in line with the Dividend Policy pay-out ratio of 50% to 70% of RCOP NPAT excluding significant items. This compares to Ampol's 2021 interim fully franked dividend of 52 cents per share. The record and payment dates for the interim dividend are referenced on page 2.

Directors' Report continued

Operating and financial review continued

Income statement

	For the half year ended 30 June	2022 $m	2021 Restated $m(viii)
	Continuing operations		
1.	Total revenue	17,333.3	9,455.9
	Other income	7.5	40.8
	Share of net profit of entities accounted for using the equity method	9.6	6.5
2.	Total expenses(i)	(16,657.3)	(9,224.7)
	RCOP EBIT, excluding significant items from continuing operations	693.1	278.5
	Finance income	4.1	0.1
	Finance expenses	(61.9)	(45.3)
3.	**Net finance costs**	(57.8)	(45.2)
	Income tax expense(ii)	(167.2)	(48.6)
	Non-controlling interest	(23.4)	(18.9)
	RCOP from continuing operations	444.7	165.8
	RCOP from discontinued operations	26.3	21.5
	Total RCOP from continuing and discontinued operations(vi)	471.0	187.3
4.	Significant items loss after tax(iii)	(64.7)	(18.2)
5.	Inventory gain after tax (incl. externalities FX)(iv)	289.6	156.4
	Statutory net profit after tax attributable to parent(v)	695.9	325.5
	Non-controlling interest	23.4	18.9
	Statutory net profit after tax	719.3	344.4
	Dividends declared or paid		
	Interim dividend per share	120c	52c
	Final dividend per share	N/A	41c
	Earnings per share from continuing operations (cents)		
	Statutory basis including significant items – basic(vii)	283.8	127.3
	Statutory basis including significant items – diluted(vii)	282.3	127.0
	Replacement cost basis excluding significant items – basic(vii)	186.6	69.1
	Replacement cost basis excluding significant items – diluted(vii)	185.7	68.9

(i) Excludes significant item loss before tax of $77.7 million from continuing operations (1H 2021: $26.0 million loss) and inventory gain of $410.4 million before tax from continuing operations (1H 2021: $225.6 million inventory gain which includes a $24.6 million externalities FX gain reclassification).

(ii) Excludes tax expense on inventory gain of $123.2 million from continuing operations (1H 2021: $67.7 million tax, inclusive of $7.4 million restated tax from externalities FX gain reclassification) and tax benefit on significant items loss of $22.0 million from continuing operations (1H 2021: $7.8 million).

(iii) 2022 Significant items loss for continuing operations after tax $55.7 million (before tax $77.7 million) and discontinued operations after tax $9.0 million (before tax $9.1 million).

(iv) 2022 Inventory gain/(loss) for continuing operations after tax $287.2 million (before tax $410.4 million) and discontinued operations after tax $2.4 million (before tax $3.3 million).

(v) Statutory basis financial information may also be referred to as Historical Cost Basis or "HCOP".

(vi) Total RCOP from continuing and discontinued operations shown presents a different view to the financial statements RCOP reconciliation in note B3 which includes significant items and excludes non-controlling interest.

(vii) The prior period has been restated to exclude externalities realised foreign exchange gains and losses due to a revision in the RCOP methodology used by the Group.

(viii) The prior period has been restated to separately show those operations classified as discontinued in the current year as detailed in Note D2 Discontinued operations of the Ampol Limited Half Year report and the reclassification of externalities realised foreign exchange gains and losses due to a revision in the RCOP methodology used by the Group.

Directors' Report continued

Operating and financial review continued

Income statement continued

Discussion and analysis – Income statement		
1.	**Total revenue and other income from continuing operations** ▲ **83%**	Total revenue increased due to higher sales prices in 1H 2022 driven by a higher weighted average Dated Brent crude oil price (1H 2022: US$108/bbl. vs 1H 2021: US$65/bbl.) with the equivalent Australian dollar sales prices being on average 77% higher than 1H 2021. In addition, there was a 4% increase in total sales volumes (11.5 BL) compared to 1H 2021 (11.1 BL). Other income in 1H 2022 of $7.5 million relates to gains on divested assets, compared to $40.8 million in the prior comparable period relating to the Lytton refinery Temporary Refinery Production Payment (TRPP) of $40.0 million and COVID-19 government wage support of $0.6 million received from Australia, New Zealand and Singapore government programs.
2.	**Total expenses from continuing operations – replacement cost basis** ▲ **81%**	Total expenses increased in line with revenue primarily due to higher replacement cost of goods sold, driven by increased crude and product prices, together with an uplift in volumes.
3.	**Net finance costs from continuing operations** ▲ **28%**	Net finance costs increased mainly from incremental interest expense due to additional $500 million subordinated notes issued in December 2021, and bridge facilities and existing Z Energy debt associated with the Z Energy acquisition together with the unwinding of discounting for provisions.
4.	**Significant items loss after tax** **$64.7 million**	The RCOP EBIT significant item loss before tax of $86.8 million (1H 2021: $26.0 million) and after tax of $64.7 million (1H 2021: $18.2 million) relates to: **Ampol rebranding expense** An expense of $21.8 million (1H 2021: $26.6 million) relating to the rebranding program currently being undertaken to remove Caltex signage and install Ampol branding. Current period costs include accelerated depreciation $1.9 million (1H 2021 $5.8 million) and other operating expenses $19.9 million (1H 2021: $20.8 million). **Transaction costs** Transaction costs of $28.2 million relating to the Z Energy acquisition and $9.1 million for the divestment of Gull New Zealand have been recognised in the current period. There were no transaction costs in the prior comparable period. **Legal settlements and other** The 1H 2022 balance of $27.7 million includes a settlement relating to a Deed of Release entered into in April 2022 with EG Group Limited, the nature of which is commercially sensitive, and divestment proceeds from the sale of convenience retail sites. The settlement has enabled the Group to progress the rebranding of EG's sites and has no material impact on future earnings. The 1H 2021 balance of $0.6 million relates to COVID-19 government wage support received from the Australian, New Zealand and Singapore government programs. **Significant items tax benefit** Significant items tax benefit of $22.1 million represents the Australian corporate tax rate of 30% on most significant items except divestment income and a proportion of the transaction costs which fall under capital gains taxation (1H 2021: $7.8 million based at the Australian corporate tax rate of 30%).
5.	**Inventory gain after tax (incl. externalities FX)** **$289.6 million**	There was an inventory gain of $289.6 million after tax ($413.7 million before tax) in the first half of 2022. Ampol holds crude and product inventory, the price of which varies due to fluctuations in the product price and foreign exchange movements. The price at which inventory was purchased often varies from the current market prices at the time of sale. This creates an inventory gain or loss at the time of sale. Following completion of the Z Energy transaction a review of RCOP methodologies was undertaken. To align the approach between the two organisations, externalities foreign exchange (gain)/loss previously reported within Ampol RCOP have been reclassified to inventory (gain)/loss (incl. externalities FX). Under this new methodology an externalities foreign exchange loss of $6.3 million after tax ($9.0 million before tax) for H1 2022 has been included and a gain of $17.2 million after tax ($24.6 million before tax) has been restated in the H1 2021 comparatives.

Directors' Report continued

Operating and financial review continued

Income statement continued

Discussion and analysis – Income statement	RCOP EBIT breakdown[(i)]
Fuels and Infrastructure (F&I) EBIT Fuels and Infrastructure RCOP EBIT for the Continuing Operations grew to $575.8 million as refiner margins reached unprecedented highs in the second quarter. Lytton RCOP EBIT was $443.9 million compared to $49.3 million in the previous corresponding half and was the major contributor to the improved F&I result. Lytton benefited from rising prices for refined products, net of increased landed crude premiums and increases in product freight costs. These factors, combined with the Lytton production mix, delivered a Lytton Refiner Margin of US$22.35/bbl for the half, including US$32.96/bbl in 2Q 2022. Total production for the half was 2,977 ML compared with 2,992 ML for the same time last year, despite the impact of weather events and the closure of the Brisbane River during the first quarter. The conditions driving refiner margins caused headwinds in other parts of the supply chain, including quality premiums, (the cash price paid to secure product over and above MOPS[(ii)] daily pricing) which rose to record levels as global markets rebalanced in response to Russian sanctions and lower refined product exports from China. Ampol's margins were exposed to these rising quality premiums on uncontracted supply volumes. Conversely, the volatility created opportunities for the Trading and Shipping team to source, store and blend physical products, and manage price risks using derivatives. The strong Trading and Shipping performance offset the impact of quality premiums in the period. Total Australian sales volume rose 2.1 per cent compared with the same time last year, as the growth in sales to commercial customers, particularly in aviation, offset the decline in retail volumes which felt the impacts of COVID-19, flooding and high prices. Future Energy operating expense increased to $13.2 million, compared with $1.6 million in the first half of 2021. Ampol launched its EV charging brand AMPCharge in April 2022 and commenced the rollout of the first phase of its electric vehicle charging network, with the first sites operational in July. Ampol also received an energy retailer authorisation from the Australian Energy Regulator during the half and will pilot a retail electricity offer during the second half, initially for a small group of employees. This trial is part of a broader assessment of opportunities for Ampol to develop an at-home charging offer for its customers. Gull New Zealand was held for sale at 30 June 2022 and is shown as a Discontinued Operation for the half. The divestment completed on 27 July 2022 with the gain on sale to be reported in the second half.	**$575.8m**
Convenience Retail (CR) EBIT The Convenience Retail RCOP EBIT declined compared to the same time last year to $127.3 million as the combined impacts of Omicron, floods and high retail fuel prices reduced demand and compressed margins. Fuel volumes were down 7.5 per cent, 5.8 per cent on a like for like basis. Average margins came under pressure, particularly in May and June, due to the rapid rise in the cost of petrol and diesel and the lag in passing these higher costs through to retail prices. Despite the difficult conditions affecting fuel sales, shop performance remained strong. Total shop income was up 8.1 per cent on the prior comparable period due to improved product mix, promotional activity, labour efficiency and reduced waste and shrink with an improvement in gross margin (post waste and shrink) of 2.3 percentage points. Average basket size also grew. These results demonstrate the benefits of consistency in merchandising and store operations of the company owned and operated model. CR continued to rationalise its network during the half, closing 17 stores and adding one new to industry site (NTI), taking the company retail network to 668 sites. The rebrand of the Ampol owned network is essentially complete with 1,285 sites rebranded at 30 June 2022, with remaining work focussed on EG sites which will be rebranded by the end of the year	**$127.3m**
Z Energy EBIT The acquisition of Z Energy in New Zealand completed on 10 May 2022, with earnings and total fuel sales included in the Group's results for the months of May and June. Z Energy has now transitioned to a full import model and despite some one-off costs associated with the initial transition, operations were not affected. Like Australia, high fuel prices and Omicron outbreaks have impacted New Zealand demand creating challenging trading conditions in May and June. July, however, saw improved mobility and margins. Integration plans are well progressed, including preparations to integrate the Z Energy supply chain into Ampol's Trading and Shipping operations in Singapore. Ampol is confident it can deliver the anticipated benefits (estimated to be NZ$60-80 million per annum), the majority of which will arise as a result of the transition to import model, compared to losses and other costs associated with New Zealand domestic refining at the time of the decision to close, and changes to Z Energy's existing third-party supply arrangements.	**$13.7m**

Directors' Report continued

Operating and financial review continued

Income statement continued

Discussion and analysis – Income statement	RCOP EBIT breakdown[(i)]
Corporate EBIT Corporate operating expenses are $5.9 million higher compared to 1H 2021, largely due to an increase in short term incentives reflecting the half year performance, together with self-insurance costs relating to the recent flooding events in Queensland and New South Wales.	**($23.7m)**
RCOP EBIT excluding significant items from continuing operations	**$693.1m**
RCOP EBIT from discontinued operations In March 2022, the Group entered into a binding agreement with Allegro Funds Pty Ltd (Allegro) for the sale of its Gull business in New Zealand. The sale transaction was completed on the 27 July 2022 and for the purposes of the 1H 2022 reporting period Gull New Zealand has been classified as held for sale.	**$41.0m**

(i) The breakdown of RCOP shown here represents a management reporting view of the breakdown and, therefore, individual components may not reconcile to statutory accounts.

(ii) Mean of Platts Singapore or MOPS is the relevant quoted market price for refined products in the Asia Pacific region set via the Platts pricing methodology in the Singapore Straits area.

Directors' Report continued

Operating and financial review continued

Balance sheet

		June 2022 $m	Dec 2021 $m Restated	Change $m
1.	Working capital	**1,587.9**	747.0	▲840.9
2.	Property, plant and equipment	**3,384.4**	2,732.0	▲652.4
3.	Intangibles	**1,451.8**	506.3	▲945.5
4.	Interest-bearing liabilities net of cash	**(2,991.1)**	(723.7)	▲2,267.4
5.	Other non-current assets and liabilities	**220.6**	85.2	▲135.4
6.	Assets classified as held for sale	**386.8**	-	▲386.8
	Total equity	**4,040.4**	3,346.8	▲693.6

Discussion and analysis – Balance sheet		
1.	Working capital ▲ $840.9m	The working capital increase was primarily driven by higher inventory due to increasing crude prices.
2.	Property, plant and equipment ▲ $652.4m	The increase in property, plant and equipment is driven mainly by the acquisition of Z Energy, with net additions of $120.8 million and depreciation of ($168.9 million) in the Ampol Group excluding Z Energy.
3.	Intangibles ▲ $945.5m	Intangibles increased mainly due to the acquisition of Z Energy (includes ETS unit intangibles) and additions of $1.7 million, amortisation of ($8.8 million) and foreign currency translation of ($10.1 million) in the Ampol Group excluding Z Energy.
4.	Interest-bearing liabilities ▲$2,267.4m	The increase in interest-bearing liabilities was primarily due to the acquisition of Z Energy debt and debt facilities being drawn to fund the Z Energy transaction of approximately ($2,020 million) and the issuance of subordinated notes ($150 million). Ampol's gearing was 42.4%, an increase from 17.8% as at 31 December 2021. On a lease-adjusted basis, gearing was 50.8%, an increase from 33.6% as at 31 December 2021.
5.	Other non-current net assets and liabilities ▲ $135.4m	Other non-current assets and liabilities increased primarily due to the acquisition of Z Energy.
6.	Net assets classified as held for sale ▲ $386.8m	In March 2022, the Group entered into a binding agreement with Allegro Funds Pty Ltd (Allegro) for the sale of its Gull business in New Zealand. The sale transaction was completed on 27 July 2022 and for the purposes of the 1H 2022 reporting period Gull New Zealand has been classified as held for sale.

Operating and financial review continued

Cashflow(i)

For the half year ended 30 June	2022 $m	2021 $m	Change $m
1. Net operating cash (outflows)/inflows	199.2	208.2	▼9.0
2. Net investing cash (outflows)/inflows	(1,743.2)	(84.7)	▼1,658.5
3. Net financing cash (outflows)/inflows	1,272.3	(428.1)	▲1,700.4
Net decrease in cash held(ii)	(278.2)	(303.2)	▲25.0

(i) The Consolidated Cash Flow Statement includes cash flows from both continuing and discontinued operations. The closing cash and cash equivalents includes $15.0 million which is classified as available for sale. Refer to Note D2 in financial statements.
(ii) Including effect of foreign exchange rates on cash and cash equivalents.

Discussion and analysis – Cash flows	
1. Net operating cash inflows ▼ **$9.0m**	Net operating cash inflows are lower mainly due to increased tax related payments due to the acquisition of Z Energy and higher earnings ($124.9 million). This is partly offset by receipts from customers being higher than payments to suppliers $123.0 million.
2. Net investing cash outflows ▼ **$1,658.5m**	Investing cash flows largely represent the acquisition of Z Energy ($1,785.1 million), transaction costs of ($15.0 million) and net payments relating to property, plant & equipment and intangibles of ($109.3 million) which is partly offset by cash acquired at acquisition of $111.1 million and proceeds from the sale of the non-controlling interest in Ampol Property Trust 2 $55.1 million.
3. Net financing cash inflows ▲ **$1,700.4m**	Financing cash inflows are mainly driven by the draw-down of facilities to fund Z Energy acquisition $1,290.7 million and $150 million sustainability linked hybrid issue, with no off market buy back in the current period compared to the prior comparable period of $300.4 million. This is partly offset by an increased dividend payment ($42.8 million) based on higher earnings.

Capital expenditure

Capital expenditure totalled $122.6 million, including $9.5 million for Z Energy and $5.3 million treated as discontinued operations relating to Gull New Zealand.

Market conditions

Since the end of the half, global crude and product markets have continued to experience significant levels of volatility, falling in mid-July. The Lytton Refiner Margin eased to US$16.46/bbl for July, driven largely by weak gasoline product cracks, but remains above historical averages. Irrespective, supply/demand fundamentals are largely unchanged with Russian sanctions and variable levels of Chinese refined product exports constraining supply. On the demand side, global inventory levels are low ahead of the traditional inventory build for the northern hemisphere winter.

During July, both Convenience Retail and Z Energy experienced a strong recovery in retail fuel margins as refined product costs eased. As a result, Convenience Retail exited July with EBIT in line with the prior year, on a year to date basis.

The recent easing in refined product costs is also expected to release working capital and improve operating cashflow in the second half.

We experienced some delay in receiving planning approvals for the Pheasants Nest and M4 Motorway projects and consequently approximately $50 million of spend will be deferred into FY 2023. Capital expenditure for the full year is expected to remain at approximately $400 million adjusting for the timing of these projects and allowing for incremental expenditure by Z Energy net of Gull leaving the Group.

Directors' Report continued

Operating and financial review continued

Z Energy Acquisition

On 10 May 2022, Ampol Holdings NZ Limited, a wholly owned subsidiary of Ampol Limited, acquired 100% of the issued capital of Z Energy Limited (Z Energy). Z Energy is the largest fuel distributor in New Zealand, supplying fuel to retail customers and large commercial customers (airlines, trucking companies, mines, shipping companies and vehicle fleet operators), and providing bitumen to road contractors. The acquisition of Z Energy enhances Ampol's core business, expands the international portfolio and provides a stronger platform for Ampol to evolve the Future Energy offer for its customers.

At the acquisition date Ampol is required to fair value the assets and liabilities acquired as part of the transaction. The Group has a period of 12 months from the acquisition date to finalise the opening balance sheet position, however it is currently intended that this work be finalised prior to the 31 December 2022 reporting period.

A provisional purchase price allocation exercise which can be seen in the tables below has been performed for the 30 June 2022 financial statements and this process has led to a restatement of the balance sheet and income statement.

Z Energy net assets opening balance reconciliation $m	10 May 22 $NZ	Purchase Price Adjustments $NZ	Restated 10 May 22 $NZ
Cash and cash equivalents	122.2	-	122.2
Trade and other receivables	459.4	(3.6)	455.8
Derivative financial instruments	96.4	19.8	116.2
Inventories(i)	703.2	153.5	856.7
Property, plant and equipment(ii)	1,287.6	(53.6)	1,234.0
Intangibles (inc. ETS)(iii)	859.1	135.3	994.4
Intangibles – Goodwill(iv)	157.8	581.5	739.3
Other assets	109.8	5.1	114.9
Total Assets	**3,795.5**	**838.0**	**4,633.5**
Payables(iii)	452.6	286.7	739.3
Derivative financial instruments	37.0	-	37.0
Interest-bearing liabilities	595.3	2.3	597.6
Lease liabilities	297.9	(4.0)	293.9
Other liabilities	999.8	2.0	1,001.8
Total Liabilities	**2,382.6**	**287.0**	**2,669.6**
Net Assets	**1,412.9**	**551.0**	**1,963.9**

Key adjustments include:

(i) **Inventory** – Product inventories and ETS reserve contained within inventory have been restated to their fair value.

(ii) **Property, Plant and Equipment** – an initial review has been undertaken to identify assets which are not stated at their fair value.

(iii) **Emission Trading Scheme (ETS) units** – Revaluation of both the intangible asset relating to ETS units held by Z Energy at the acquisition date and the obligation to acquit units at the acquisition date

(iv) **Goodwill** – reflects the difference between all assets and liabilities acquired stated at their fair value compared to the purchase price paid.

Directors' Report continued

Operating and financial review continued

Z Energy Acquisition (continued)

Z Energy income statement for the half year ended 30 June	**2022 $m**
Unadjusted May & June RCOP EBIT result $NZ	14.7
ETS Gains(v)	(14.6)
Lease related(vi)	6.4
Inventory loss(vii)	5.2
Other	3.5
Restated May & June RCOP EBIT result $NZ	**15.2**
Consolidated RCOP EBIT for May & June periods $A	**13.7**

Key PPA adjustments identified as material to the Z Energy result for the two-month period:

(v) **ETS adjustment** – restatement of gain on ETS units.

(vi) **Leases** – have been restated on acquisition impacting right of use amortisation, lease interest and rent expense.

(vii) **Reversal of inventory impairments** – reversal of expense recognised in May by Z Energy which has been provided for in opening balance sheet.

Directors' Report continued

Risk management

There have been no material changes to the descriptions of Ampol's risk management framework as outlined in the Operating and Financial Review included in the Annual Report as at 31 December 2021.

Events subsequent to 30 June 2022

Dividend

On 21 August 2022, the Directors declared a fully franked interim dividend of 120 cents per share.

Disposal of Gull New Zealand

On 27 July 2022, the Group completed the sale of its Gull business in New Zealand (Gull) to Allegro Funds Pty Ltd (Allegro). The anticipated gain on sale is expected to be $46.1 million recognised in the second half of 2022. Refer to note D2 for further information.

Other

There were no other items, transactions or events of a material or unusual nature that, in the opinion of the Board, are likely to significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group that have arisen in the period from 30 June 2022 to the date of this report.

Rounding of amounts

Amounts in the half year 2022 Directors' Report and half year 2022 Financial Report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated, in accordance with *ASIC Corporations (Amendment) Instrument 2022/519*. Ampol is an entity to which the instrument applies.

The Directors' Report is made in accordance with a resolution of the Directors of Ampol.

Steven Gregg
Chairman

Matthew Halliday
Managing Director & Chief Executive Officer
Sydney, 22 August 2022

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Ampol Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Ampol Limited for the half-year ended 30 June 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Julian McPherson

Partner

Sydney

22 August 2022

Directors' Declaration

The Directors of Ampol Limited (Ampol) declared that:

a) in the Directors' opinion, there are reasonable grounds to believe that Ampol will be able to pay its debts as and when they become due and payable; and

b) in the Directors' opinion, the consolidated financial statements for the Group for the half year ended 30 June 2022, and the notes to the financial statements, are in accordance with the *Corporations Act 2001 (Cth)*, including:

   (i) section 304 (compliance with Accounting Standards); and

   (ii) section 305 (true and fair view).

This declaration is made in accordance with a resolution of the Directors of Ampol.

Steven Gregg
Chairman

Matthew Halliday
Managing Director & Chief Executive Officer
Sydney, 22 August 2022

Independent Auditor's Review Report

To the shareholders of Ampol Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying ***Half-year Financial Report*** of Ampol Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Ampol Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2022 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half-year Financial Report*** comprises:

- Consolidated balance sheet as at 30 June 2022;
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated cash flow statement for the Half-year ended on that date;
- Notes comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Group*** comprises Ampol Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Julian McPherson

Partner

Sydney

22 August 2022

Financial Statements

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Consolidated Income Statement

FOR THE HALF YEAR ENDED 30 JUNE 2022

Millions of dollars	Note	30 June 2022	30 June 2021 Restated^
Continuing operations			
Revenue	B1	17,333.3	9,455.9
Cost of goods sold(i)		(15,487.7)	(8,375.0)
Gross profit		**1,845.6**	1,080.9
Other income	B1	7.5	40.8
Other expense	B2	(6.8)	-
Net foreign exchange (loss) / gain		(41.6)	4.4
Selling and distribution expenses		(669.7)	(548.7)
General and administration expenses		(118.8)	(105.8)
Profit from operating activities		**1,016.2**	471.6
Finance costs		(61.9)	(45.3)
Finance income		4.1	0.1
Net finance costs	B2	**(57.8)**	(45.2)
Share of net profit of entities accounted for using the equity method		9.6	6.5
Profit before income tax expense	B3.2	**968.0**	432.9
Income tax (expense)		(268.4)	(108.5)
Net profit from continuing operations		**699.6**	324.4
Discontinued operations			
Net profit from discontinued operations	D2	**19.7**	20.0
Total net profit after tax		**719.3**	344.4
Profit attributable to:			
Equity holders of the parent entity		695.9	325.5
Non-controlling interest		23.4	18.9
Net profit		**719.3**	344.4
Earnings per share from continuing operations			
Statutory – cents per share – basic	B4	**283.8**	127.3
Statutory – cents per share - diluted	B4	**282.3**	127.0
Earnings per share from continuing operations and discontinued operations			
Statutory – cents per share - basic	B4	**292.0**	135.7
Statutory – cents per share - diluted	B4	**290.6**	135.4

^ Certain amounts have been re-presented to separately show those operations classified as discontinued in the current year as detailed in Note D2 *Discontinued operations*.

(i) Inventories held at 30 June 2022 were written down to their net realisable value. The amount of the write down was $99.6 million and is non-cash in nature. It arises as a consequence of significant market volatility with market prices rising in the first half of 2022 only to reduce in the month of July. The adjustment is recognised within Cost of Goods Sold expense in the income statement.

The Consolidated Income Statement is to be read in conjunction with the notes to the Financial Statements.

Consolidated Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 30 JUNE 2022

Millions of dollars	Note	30 June 2022	30 June 2021 Restated^
Profit for the period		**719.3**	344.4
Other comprehensive income			
Items that will not be reclassified to income statement:			
Actuarial (loss)/gain on defined benefit plans		(1.7)	2.5
Tax on items that will not be reclassified to income statement		0.5	(0.8)
Total items that will not be reclassified to income statement		**(1.2)**	1.7
Items that may be reclassified subsequently to income statement:			
Foreign operations – foreign currency translation differences	C4	19.8	12.6
Gain on revaluation of investments	C4	3.0	-
Effective portion of changes in fair value of cash flow hedges		59.7	24.4
Net change in fair value of cash flow hedges reclassified to income statement		(26.2)	(16.8)
Tax on items that may be reclassified subsequently to income statement		(20.0)	(2.4)
Total items that may be reclassified subsequently to income statement		**36.3**	17.8
Other comprehensive income for the period, net of income tax		**35.1**	19.5
Total comprehensive income for the period		**754.4**	363.9
Attributable to:			
Equity holders of the parent entity		731.0	345.0
Non-controlling interest		23.4	18.9
Total comprehensive income for the period		**754.4**	363.9
Total comprehensive income for the period arising from:			
Continuing operations		**734.7**	345.1
Discontinued operations		**19.7**	18.8

^ Certain amounts have been re-presented to separately show those operations classified as discontinued in the current year as detailed in Note D2 *Discontinued operations*.

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes to the Financial Statements.

Consolidated Balance Sheet

AS AT HALF YEAR ENDED 30 JUNE 2022

Millions of dollars	Note	30 June 2022	31 December 2021
Current assets			
Cash and cash equivalents		273.1	566.3
Trade and other receivables		2,986.2	1,576.2
Inventories		4,114.1	2,064.9
Assets classified as held for sale	D2	661.9	-
Total current assets		**8,035.3**	4,207.4
Non-current assets			
Trade and other receivables		178.3	41.5
Investments		278.9	184.0
Intangibles		1,451.8	506.3
Property, plant and equipment		3,384.4	2,732.0
Right-of-Use assets		1,054.9	832.7
Deferred tax assets		366.4	344.2
Employee benefits		4.3	5.6
Total non-current assets		**6,719.0**	4,646.3
Total assets		**14,754.3**	8,853.7
Current liabilities			
Payables		4,697.1	2,370.2
Interest-bearing liabilities	C1.1	1,281.3	-
Lease liabilities		176.2	159.6
Current tax liabilities		451.1	129.6
Employee benefits		127.1	129.8
Provisions		102.7	104.9
Liabilities directly associated with assets classified as held for sale	D2	275.1	-
Total current liabilities		**7,110.6**	2,894.1
Non-current liabilities			
Payables		57.2	12.8
Interest-bearing liabilities	C1.1	1,982.9	1,290.0
Lease liabilities		966.3	814.0
Deferred tax liabilities		46.3	21.0
Employee benefits		5.4	5.1
Provisions		545.2	469.9
Total non-current liabilities		**3,603.3**	2,612.8
Total liabilities		**10,713.9**	5,506.9
Net assets		**4,040.4**	3,346.8
Equity			
Issued capital	C3	479.7	479.7
Treasury stock		(3.3)	(1.5)
Reserves	C4	134.4	65.5
Retained earnings		3,127.0	2,531.0
Total parent entity interest		**3,737.8**	3,074.7
Non-controlling interest		302.6	272.1
Total equity		**4,040.4**	3,346.8

The Consolidated Balance Sheet is to be read in conjunction with the notes to the Financial Statements.

Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 30 JUNE 2022

Millions of dollars	Issued capital	Treasury stock	Reserves (iv)	Retained earnings	Total	Non-Controlling interest	Total equity
Balance at 1 January 2021	502.6	(1.6)	5.6	2,444.5	2,951.1	273.6	3,224.7
Change in accounting policy(ii)	-	-	-	(19.7)	(19.7)	-	(19.7)
Restated balance at 1 January 2021	**502.6**	**(1.6)**	**5.6**	**2,424.8**	**2,931.4**	**273.6**	**3,205.0**
Total comprehensive income for the half year							
Profit for the year	–	–	–	325.5	325.5	18.9	344.4
Total other comprehensive income	–	–	17.8	1.7	19.5	–	19.5
Total comprehensive income for the half year	**–**	**–**	**17.8**	**327.2**	**345.0**	**18.9**	**363.9**
Ampol Property Trust 1 – distribution	–	–	–	–	–	(20.9)	(20.9)
Own shares acquired net of tax	–	(1.9)	0.5	–	(1.4)	–	(1.4)
Shares vested to employees	–	1.7	(1.7)	–	–	–	–
Expense on equity settled transactions	–	–	1.5	–	1.5	–	1.5
Shares bought back(i)	(22.9)	–	–	(277.5)	(300.4)	–	(300.4)
Dividends to shareholders	–	–	–	(54.8)	(54.8)	(0.8)	(55.6)
Balance at 30 June 2021	**479.7**	**(1.8)**	**23.7**	**2,419.7**	**2,921.3**	**270.8**	**3,192.1**
Balance at 1 January 2022	**479.7**	**(1.5)**	**65.5**	**2,531.0**	**3,074.7**	**272.1**	**3,346.8**
Total comprehensive income for the half year							
Profit for the year	-	-	-	695.9	695.9	23.4	719.3
Total other comprehensive income	-	-	36.3	(1.2)	35.1	-	35.1
Total comprehensive income for the half year	**-**	**-**	**36.3**	**694.7**	**731.0**	**23.4**	**754.4**
Ampol Property Trust 2 – Divestment of Minority Interest, net of tax	-	-	-	31.1	31.1	21.0	52.1
Ampol Property Trust 2 – Acquisition	-	-	-	-	-	4.6	4.6
Ampol Property Trust 1 and 2 – distribution	-	-	-	-	-	(20.1)	(20.1)
Transfer to retained earnings(iii)	-	-	32.2	(32.2)	-	-	-
Own shares acquired net of tax	-	(5.1)	-	-	(5.1)	-	(5.1)
Shares vested to employees	-	3.3	(3.3)	-	-	-	-
Expense on equity settled transactions	-	-	3.7	-	3.7	-	3.7
Acquisition of shares	-	-	-	-	-	1.6	1.6
Dividends to shareholders	-	-	-	(97.6)	(97.6)	-	(97.6)
Balance at 30 June 2022	**479.7**	**(3.3)**	**134.4**	**3,127.0**	**3,737.8**	**302.6**	**4,040.4**

(i) 11,404,848 shares were bought back during the half year ended 30 June 2021.
(ii) Adjustment on application of the IFRS Interpretation Committee decision on cloud computing arrangements, refer to note A4 for further details.
(iii) Historic unvested amounts and differences between grant date fair value and the value of shares issued have been transferred from share-based payments reserves to retained earnings.
(iv) Refer to note C4 for further information.

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the Financial Statements.

Consolidated Cash Flow Statement

FOR THE HALF YEAR ENDED 30 JUNE 2022

Millions of dollars	Note	30 June 2022	30 June 2021
Cash flows from operating activities			
Receipts from customers		21,193.0	12,816.1
Payments to suppliers, employees and governments		(20,785.1)	(12,531.2)
Shares acquired for vesting employee benefits		(5.1)	(1.9)
Dividends and distributions received		3.2	1.6
Interest received		14.0	0.1
Interest and other finance costs paid		(70.7)	(51.3)
Income taxes paid		(150.1)	(25.2)
Net operating cash inflows		**199.2**	208.2
Cash flows from investing activities			
Acquisition of Z Energy Limited	D1	(1,785.1)	-
Cash acquired on acquisition of Z Energy Limited	D1	111.1	-
Proceeds from sale of non-controlling interest in Ampol Property Trust 2		55.1	-
Transaction costs		(15.0)	-
Purchase of investment in associate		-	(1.5)
Purchases of property, plant and equipment		(110.8)	(69.4)
Major cyclical maintenance		(7.9)	(5.7)
Purchases of intangibles		(4.0)	(9.8)
Proceeds from sale of property, plant and equipment, net of selling costs		13.4	1.7
Net investing cash outflows		**(1,743.2)**	(84.7)
Cash flows from financing activities			
Proceeds from borrowings		3,195.7	3,198.0
Repayments of borrowings		(1,755.0)	(3,198.0)
Repayment of lease principal		(50.7)	(51.2)
Payments for shares bought back		-	(300.4)
Distributions/dividends paid to non-controlling interest		(20.1)	(21.7)
Dividends paid	B5	(97.6)	(54.8)
Net financing cash inflows (outflows)		**1,272.3**	(428.1)
Net decrease in cash and cash equivalents		(271.7)	(304.6)
Effect of exchange rate changes on cash and cash equivalents		(6.5)	1.4
Decrease in cash and cash equivalents		**(278.2)**	(303.2)
Cash and cash equivalents at the beginning of the period		566.3	367.6
Cash and cash equivalents at the end of the period (i)		**288.1**	64.4

(i) The Consolidated Cash Flow Statement includes cash flows from both continuing and discontinued operations. The closing cash and cash equivalents includes $15.0 million which is classified as available for sale. Refer to Note D2 *Discontinued operations*.

The Consolidated Cash Flow Statement is to be read in conjunction with the notes to the Financial Statements.

Notes to the Financial Statements
A Overview

FOR THE HALF YEAR ENDED 30 JUNE 2022

A1 Reporting entity

Ampol Limited ("Ampol" or the "Company") is a for-profit company, incorporated and domiciled in Australia. The Consolidated Interim Financial Report for the six months ended 30 June 2022 comprises the Company and its controlled entities (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities. The Group is primarily involved in the purchase, refining, distribution and marketing of petroleum products and the operation of convenience stores.

A2 Basis of preparation

The Interim Financial Report was authorised for issue by the Board of Directors on 22 August 2022. It does not contain all the information that is included in the full annual financial report and should be read in conjunction with the financial statements for the year ended 31 December 2021. These can be obtained by visiting https://www.ampol.com.au/about-ampol/investor-centre/annual-reports.

The Interim Financial Report is a general-purpose financial report which has been prepared;

- in accordance with AASB 134 *"Interim Financial Reporting"* and the *Corporations Act 2001 (Cth)*;
- on a statutory basis, except for derivative financial instruments and other financial assets and liabilities that are measured at fair value; and
- on a going concern basis; and
- in Australian dollars together with the Directors' Report and is rounded to the nearest hundred thousand dollars in accordance with *ASIC's Instrument 2016/191*, unless stated otherwise.

A3 Use of judgement and estimates

Except as described below in note A4, the accounting judgements and estimates applied by the Group in these interim financial statements are the same as those applied in its financial statements for the full year ended 31 December 2021.

A4 Significant accounting policies

The interim Financial Report does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Except as described in this note, the accounting policies applied in these interim financial statements are consistent with those applied as at 31 December 2021 and have been consistently applied by each entity in the Group.

Cloud computing arrangements

In April 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a final agenda decision, "*Configuration or Customisation Costs in a Cloud Computing Arrangement"*. The decision clarifies whether configuration or customisation expenditure relating to cloud computing arrangements can be recognised as an intangible asset, and if not, over what time period the expenditure should be expensed.

In 2021, the Company adopted the following revised accounting policy.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Costs related to access, configuration, and customisation of cloud computing arrangements are recognised as an operating expense.

Impact on adoption

In relation to the adoption of the change in treatment, the following adjustments were made to the comparative period in 2021.

Balance Sheet

The capitalised value of costs incurred to implement, customise or configure a cloud provider's application software included in the Group's balance sheet was $28.2 million at 31 December 2021. The Group recognised the write off of the cumulative capitalised costs as an opening retained earnings adjustment resulting in a decrease in net assets and a decrease in retained earnings as at 1 January 2021 of $19.7 million after tax ($28.2 million before tax).

Income Statement

For the 31 December 2021 year the change in policy resulted in an additional $3.8 million of costs being expensed and a reduction in amortisation expense of $3.9 million. In aggregate there was a net decrease in expenses of $0.1 million.

Cashflow

Adoption of the new treatment has resulted in a change in classification of expenditure with additions of $3.9 million that would previously have been classified within 'investing activities' as 'payments for intangibles' reclassified to 'cash payments in the course of operations' within 'operating activities' for the year ended 31 December 2021.

Notes to the Financial Statements
A Overview continued

FOR THE HALF YEAR ENDED 30 JUNE 2022

A4 Significant accounting policies continued

Emissions trading scheme

The New Zealand Emissions Trading Scheme (NZ ETS) was introduced to assist New Zealand in meeting its international obligations under the Paris agreement and its 2050 target which has been set by the New Zealand Climate Change Response Act 2002. Following the acquisition of Z Energy Limited on 10 May 2022, the Group is required to deliver emission units ("units") to settle the obligation which arises from Z Energy Limited's import and sale of products that emit pollutants in New Zealand.

On acquisition

On acquisition of Z Energy Limited, units acquired have been restated to their fair value as part of the provisional purchase price allocation. See note D1.

Emission units

The Group purchases carbon emission units to meet it's surrender obligation under the New Zealand Emissions Trading Scheme. The units are measured at weighted average cost and are classified as intangible assets.

Emission obligations

An emission obligation is recognised at the time that the Group incurs the obligation. Where the Group holds sufficient emissions units to meet the obligation it is recognised at the weighted average cost of the emissions units on hand. Where there is a shortfall of units on hand, the excess obligation units are recognised at the market price.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met.

Business Combinations

Acquisitions

The Group accounts for acquisitions of businesses using the acquisition method. The consideration transferred and the net assets acquired as part of the business combination are measured at fair value. Goodwill is measured as the difference between the fair value of the consideration paid, and the identifiable assets acquired, and liabilities assumed. Transaction costs relating to acquisitions are expensed as incurred, with the exception of costs relating to the issue of debt or equity securities.

The Group has 12 months from the date of acquisition to finalise the acquisition accounting relating to a business combination. If the initial accounting for a business combination is incomplete at the end of the reporting period in which the combination occurs the Group reports provisional amounts. To the extent that new information becomes available in subsequent reporting periods (within 12 months of the acquisition date), about facts and circumstances which existed as at the acquisition date, those provisional amounts are adjusted or additional assets and liabilities are recognised to reflect this new information. Goodwill acquired as part of a business combination is tested for impairment annually.

Divestments

The Group consolidates the results of subsidiaries until the date that control is lost. At the time that control is lost, the Group records a gain or loss on divestment in the income statement, being the fair value of consideration received less the net assets of the divested business. Transaction costs relating to divestments are expensed as incurred.

Notes to the Financial Statements
B Results for the half year

FOR THE HALF YEAR ENDED 30 JUNE 2022

This section highlights the performance of the Group for the half year ended 30 June 2022, including revenue and other income, costs and expenses, results by operating segment, earnings per share and dividends.

B1 Revenue and other income

Millions of dollars	30 June 2022	30 June 2021 Restated^
Revenue		
Sale of goods	17,251.6	9,387.0
Other revenue		
Rental income	10.2	9.7
Transaction and merchant fees	47.0	50.0
Other	24.5	9.2
Total other revenue	**81.7**	**68.9**
Total revenue	**17,333.3**	**9,455.9**
Other income		
Government assistance – wage support(i)	-	0.6
Government assistance - refinery(ii)	-	40.0
Net gain on sale of property, plant and equipment	7.5	0.2
Total other income	**7.5**	**40.8**

^ Certain amounts have been re-presented to remove those operations classified as discontinued in the current year as detailed in Note D2 *Discontinued operations*.

(i) Relates to COVID-19 government wage support of $nil (1H 2021: $0.6 million) received from Australia and Singapore government programs during the first half of 2022.
(ii) A total of $nil (1H2021: $40.0 million) income was recognised under the Temporary Refinery Production Program during the first half of 2022.

B1.1 Revenue from products and services

Millions of dollars	30 June 2022	30 June 2021 Restated^
Petrol	4,835.3	2,664.7
Diesel	9,187.8	4,747.3
Jet	1,150.0	412.4
Lubricants	147.7	101.2
Specialty and other products	152.9	149.0
Crude	1,180.8	708.2
Non-fuel income	597.1	604.2
Other revenue	81.7	68.9
Total product and service revenue	**17,333.3**	**9,455.9**

^ Certain amounts have been re-presented to remove those operations classified as discontinued in the current year as detailed in Note D2 D*iscontinued operations*.

Notes to the Financial Statements
B Results for the year continued

FOR THE HALF YEAR ENDED 30 JUNE 2022

B2 Costs and expenses

Millions of dollars	Note	30 June 2022	30 June 2021 Restated^
Finance costs			
Interest expense		46.1	22.2
Finance charges on leases		30.1	27.0
Impact of discounting		(14.3)	(3.6)
Less: capitalised finance costs		-	(0.3)
Finance costs		**61.9**	**45.3**
Finance income		**(4.1)**	**(0.1)**
Net finance costs		**57.8**	**45.2**
Depreciation and amortisation			
Depreciation of:			
Buildings		11.3	7.0
Leasehold property		62.7	74.5
Plant and equipment		102.2	91.9
		176.2	**173.4**
Amortisation of:			
Intangibles		9.4	9.4
Total depreciation and amortisation		**185.6**	182.8
Other expenses			
Impairment of non-current assets	E5	6.8	-
Total other expenses		**6.8**	-

^ Certain amounts have been re-presented to remove those operations classified as discontinued in the current year as detailed in Note D2 *Discontinued operations*.

Notes to the Financial Statements
B Results for the half year continued

FOR THE HALF YEAR ENDED 30 JUNE 2022

B3 Segment reporting

B3.1 Segment disclosures

Reporting segment results are consistent with those disclosed in the 31 December 2021 Financial Report except for the addition of Z Energy which was acquired during the period and is a new reportable segment.

Types of products and services

The following summary describes the operations in each of the Group's reportable segments:

Fuels and Infrastructure

The Fuels and Infrastructure segment includes revenues and costs associated with the integrated wholesale fuels and lubricants supply for the Group, including the Group’s international businesses. This includes Lytton refining, Bulk Fuels sales, Trading and Shipping, Infrastructure, Future Energy and Seaoil businesses.

Convenience Retail

The Convenience Retail segment includes revenues and costs associated with fuels and shop offerings at Ampol’s network of stores.

Z Energy

The Z Energy segment includes revenue and costs associated with fuel offerings in the New Zealand market.

Corporate

Corporate represents the corporate head office and includes transactions relating to Group finance, taxation, treasury and corporate secretarial.

Transfer price between segments

The Group operates as a vertically integrated supply chain including trading and shipping, infrastructure, refining and marketing of fuel products in Australia and internationally to customers, including retail service stations. Segment results are based on commercial pricing between segments, most notably the sale of product between the Fuels and Infrastructure and Convenience Retail segments, is determined by reference to relevant import parity prices for refining output and other commercial arrangements.

Notes to the Financial Statements
B Results for the half year continued

FOR THE HALF YEAR ENDED 30 JUNE 2022

B3 Segment reporting continued

B3.2 Information about reportable segments

Millions of dollars 30 June 2022	Fuels and Infrastructure	Convenience Retail	Z Energy	Corporate	Total continued operations	Discontinued Operations	Total
Segment revenue							
Total revenue	15,489.7	3,223.0	969.3	0.5	19,682.5	541.5	20,224.0
Inter-segment revenue	(2,349.2)	-	-	-	(2,349.2)	-	(2,349.2)
Segment external revenue	13,140.5	3,223.0	969.3	0.5	**17,333.3**	541.5	**17,874.8**
Segment results							
RCOP[(i)] EBITDA excluding significant items	653.7	210.5	29.2	(16.6)	876.8	50.5	927.3
Depreciation and amortisation	(77.9)	(83.2)	(15.5)	(7.1)	(183.7)	(9.5)	(193.2)
RCOP[(i)] EBIT excluding significant items	**575.8**	**127.3**	**13.7**	**(23.7)**	**693.1**	**41.0**	**734.1**
Significant items (before tax)	(35.7)	(13.8)	-	(28.2)	(77.7)	(9.1)	(86.8)
RCOP before interest and income tax	**540.1**	**113.5**	**13.7**	**(51.9)**	**615.4**	**31.9**	**647.3**
Inventory gain/(loss) (incl. externalities realised FX) (before tax)	359.7	-	50.7	-	410.4	3.3	413.7
Statutory profit before interest and income tax	**899.8**	**113.5**	**64.4**	**(51.9)**	**1,025.8**	**35.2**	**1,061.0**
Interest income					4.1	-	4.1
Interest expense					(61.9)	(4.2)	(66.1)
Statutory profit before income tax					**968.0**	31.0	**999.0**
RCOP[(i)] income tax expense					(167.2)	(10.5)	(177.7)
Significant items tax benefit					22.0	0.1	22.1
Inventory tax expense					(123.2)	(0.9)	(124.1)
Statutory profit income tax expense					**(268.4)**	(11.3)	**(279.7)**
Statutory profit after tax					**699.6**	19.7	**719.3**
RCOP reconciliation							
RCOP[(i)] EBIT excluding significant items	575.8	127.3	13.7	(23.7)	693.1	41.0	734.1
Net finance costs					(57.8)	(4.2)	(62.0)
Significant items (before tax)					(77.7)	(9.1)	(86.8)
Significant items tax benefit					22.0	0.1	22.1
RCOP[(i)] income tax expense					(167.2)	(10.5)	(177.7)
RCOP net profit after tax					**412.4**	**17.3**	**429.7**
Other items							
Share of profit of associates and joint ventures	9.3	-	0.3	-	9.6	-	9.6
Capital expenditure[(ii)]	39.6	65.4	9.5	2.9	117.4	5.3	122.7

(i) RCOP (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure and is unaudited. It is derived from the statutory profit adjusted for inventory (losses)/gains as commonly used within the global downstream oil industry. RCOP excludes the unintended impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the statutory, and the effect of contract-based revenue lags. Refer to note B3 in the Financial Statements for a reconciliation of Statutory Profit to Replacement Cost basis profit.

(ii) Capital expenditure includes the purchase of Property, Plant and Equipment and purchase of intangible software (excludes intangible rights and licences).

Notes to the Financial Statements
B Results for the half year continued

FOR THE HALF YEAR ENDED 30 JUNE 2022

B3 Segment reporting continued

B3.2 Information about reportable segments

Millions of dollars 30 June 2021	Fuels and Infrastructure	Convenience Retail	Z Energy	Corporate	Total continued operations	Discontinued Operations	Total
Segment revenue							
Total revenue	8,517.7	2,252.3	-	-	10,770.0	361.3	11,131.3
Inter-segment revenue	(1,314.1)	-	-	-	(1,314.1)	-	(1,314.1)
Segment external revenue	**7,203.6**	**2,252.3**	**-**	**-**	**9,455.9**	**361.3**	**9,817.2**
Segment results							
RCOP[i] EBITDA excluding significant items	227.7	236.9	-	(9.1)	455.5	45.8	501.3
Depreciation and amortisation	(80.8)	(87.5)	-	(8.7)	(177.0)	(9.1)	(186.1)
RCOP[i] EBIT excluding significant items	**146.9**	**149.4**	**-**	**(17.8)**	**278.5**	**36.7**	**315.2**
Significant items (before tax)	0.6	(26.6)	-	-	(26.0)	-	(26.0)
RCOP before interest and income tax [ii]	147.5	122.8	-	(17.8)	**252.5**	36.7	**289.2**
Inventory gain/(loss) (incl. realised FX) (before tax)	225.6	-	-	-	225.6	(2.1)	223.5
Statutory profit before interest and income tax	**373.1**	**122.8**	**-**	**(17.8)**	**478.1**	**34.6**	**512.7**
Interest income					0.1	-	0.1
Interest expense					(45.3)	(3.7)	(49.0)
Statutory profit before income tax					**432.9**	30.9	**463.8**
RCOP[i] income tax expense					(48.6)	(11.5)	(60.1)
Significant items tax benefit					7.8	-	7.8
Inventory tax (expense)/benefit					(67.7)	0.6	(67.1)
Statutory profit income tax expense					**(108.5)**	(10.9)	**(119.4)**
Statutory profit after tax					**324.4**	20.0	**344.4**
RCOP reconciliation							
RCOP[i] EBIT excluding significant items	146.9	149.4	-	(17.8)	278.5	36.7	315.2
Net finance costs					(45.2)	(3.7)	(48.9)
Significant items (before tax)					(26.0)	-	(26.0)
Significant items tax benefit					7.8	-	7.8
RCOP[i] income tax expense					(48.6)	(11.5)	(60.1)
RCOP net profit after tax					166.5	21.5	188.0
Other items							
Share of profit of associates and joint ventures	6.5	-	-	-	6.5	-	6.5
Capital expenditure[iii]	23.3	50.8	-	2.5	76.6	8.3	84.9

(i) RCOP (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure and is unaudited. It is derived from the statutory profit adjusted for inventory (losses)/gains as commonly used within the global downstream oil industry. RCOP excludes the unintended impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the statutory, and the effect of contract-based revenue lags. Refer to note B3 in the Financial Statements for a reconciliation of Statutory Profit to Replacement Cost basis profit.

(ii) The prior period has been restated to exclude realised foreign exchange gain and losses due to a revision in the RCOP methodology used by the Group.

(iii) Capital expenditure includes the purchase of Property, Plant and Equipment and purchase of intangible software (excludes intangible rights and licences).

Notes to the Financial Statements
B Results for the half year continued

FOR THE HALF YEAR ENDED 30 JUNE 2022

B3 Segment reporting continued

Significant items excluded from profit or loss reported to the chief operating decision maker:

Millions of dollars	30 June 2022	30 June 2021
Ampol rebranding expense	(21.8)	(26.6)
Legal settlements and Other	(27.7)	0.6
Transaction costs	(37.3)	-
Significant items loss excluded from profit or loss (before tax)	**(86.8)**	(26.0)

Ampol rebranding expense

The Group has recognised an expense of $21.8 million (1H 2021: $26.6 million) relating to the rebranding program currently being undertaken to remove Caltex signage and install Ampol branding at the Group's sites. Current period costs include accelerated depreciation $1.9 million (1H 2021: $5.8 million) and other operating expenses $19.9 million (1H 2021: $20.8 million). This expense is included within general and administration expenses $19.9 million (1H 2021: $20.8 million) and selling and distribution for $1.9 million (1H 2021: $5.8 million) in the Consolidated Income Statement.

Legal settlements and Other

The Group has recognised an expense of $27.7 million which includes a settlement relating to a Deed of Release entered into in April 2022 with EG Group Limited, the nature of which is commercially sensitive and divestment proceeds from the sale of convenience retail sites. The settlement has enabled the Group to progress the rebranding of EG's sites and has no material impact on future earnings. The $0.6 million 1H 2021 balance relates to COVID-19 government wage support received from the Australian, New Zealand and Singapore government programs.

Transaction costs

The Group has recognised an expense of $37.3 million (1H 2021: $nil) relating to transaction costs incurred to acquire Z Energy Limited of $28.2 million and to dispose Gull of $9.1 million.

Notes to the Financial Statements
B Results for the year continued

FOR THE HALF YEAR ENDED 30 JUNE 2022

B4 Earnings per share

Cents per share	30 June 2022	30 June 2021 Restated^
Basic and diluted historical earnings per share		
Statutory net profit/(loss) attributable to ordinary shareholders – basic	**292.0**	135.7
Statutory net profit/(loss) attributable to ordinary shareholders – diluted	**290.6**	135.4
RCOP after tax and excluding significant items – basic(i)	**197.7**	78.1
RCOP after tax and excluding significant items – diluted(i)	**196.7**	77.9
Basic and diluted historical earnings per share - Continuing operations		
Statutory net profit/(loss) attributable to ordinary shareholders – basic	**283.8**	127.3
Statutory net profit/(loss) attributable to ordinary shareholders – diluted	**282.3**	127.0
RCOP after tax and excluding significant items – basic(i)	**186.6**	69.1
RCOP after tax and excluding significant items – diluted(i)	**185.7**	68.9
Basic and diluted historical earnings per share - Discontinued operations		
Statutory net profit/(loss) attributable to ordinary shareholders – basic	**8.2**	8.4
Statutory net profit/(loss) attributable to ordinary shareholders – diluted	**8.3**	8.4
RCOP after tax and excluding significant items – basic(i)	**11.1**	9.0
RCOP after tax and excluding significant items – diluted(i)	**11.0**	9.0

^ Certain amounts have been re-presented to remove those operations classified as discontinued in the current year as detailed in Note D2 *Discontinued operations*.

(i) The prior period has been restated to exclude externalities realised foreign exchange gains and losses due to a revision in the RCOP methodology used by the Group.

Calculation of earnings per share

Basic historical earnings per share is calculated as the net profit attributable to ordinary shareholders of the parent entity divided by the weighted average number of ordinary shares outstanding during the half year ended 30 June 2022.

Diluted statutory earnings per share is calculated as the profit attributable to ordinary shareholders of the parent entity divided by the weighted average number of ordinary shares which has been adjusted to reflect the number of shares that would be issued if all outstanding rights and restricted shares were exercised.

Earnings per share has been disclosed for both the statutory net profit as well as the RCOP method of reporting net profit. The RCOP method adjusts statutory profit for significant items and inventory gains and losses. A reconciliation between historical cost net profit attributable to ordinary shareholders of the parent entity and RCOP after tax and excluding significant items is shown overleaf.

Notes to the Financial Statements
B Results for the year continued
FOR THE HALF YEAR ENDED 30 JUNE 2022

B4 Earnings per share continued

Millions of dollars	30 June 2022	30 June 2021 Restated^
Net profit after tax attributable to equity holders of the parent entity – continuing	676.2	305.5
Add/Less: Significant items (gains)/loss after tax	55.7	18.2
Add/Less: Inventory gain/(loss) (incl. realised FX) after tax(i)	(287.2)	(157.9)
RCOP excluding significant items after tax – continuing	**444.7**	165.8

^ Certain amounts have been re-presented to remove those operations classified as discontinued in the current year as detailed in Note D2 *Discontinued operations*.

(i) The prior period has been restated to exclude realised foreign exchange gain and losses due to a revision in the RCOP methodology used by the Group.

Weighted average number of shares (millions)	30 June 2022	30 June 2021
Issued shares as at 1 January	238.3	249.7
Shares bought back and cancelled(i)	-	(11.4)
Issued shares as at 30 June	**238.3**	238.3
Weighted average number of shares as at 30 June – basic	**238.3**	239.9
Weighted average number of shares as at 30 June – diluted	**239.5**	240.5

(i) Refer to Note C3.

B5 Dividends

B5.1 Dividends declared or paid
Dividends recognised in the current year by the Group are:

Millions of dollars	Date of payment	Franked/ unfranked	Cents per share	Total amount
2022				
Final 2021	31 March 2022	Franked	41	97.6
2021				
Interim 2021	23 September 2021	Franked	52	123.9
Final 2020	1 April 2021	Franked	23	54.8

Subsequent events
Since 30 June 2022, the Directors declared the following dividend. The dividend has not been provided for and there are no income tax consequences for the Group in relation to the interim financial statements.

Interim 2022	28 September 2022	Franked	120	286.0

Notes to the Financial Statements
C Capital, funding and risk management

FOR THE HALF YEAR ENDED 30 JUNE 2022

C1 Going concern, liquidity and capital management

The Group manages its capital to ensure Ampol will be able to continue as a going concern while maximising value for shareholders.

The Group has maintained substantial committed undrawn debt capacity, with a diverse group of high-quality financial institutions, which has a weighted average maturity of over three years. Headroom is available under all key financial covenants per the Group's borrowing arrangements.

C1.1 Interest-bearing liabilities

Millions of dollars	30 June 2022	31 December 2021
Current		
Bank facilities(i)	1,281.3	-
Total current interest-bearing liabilities	**1,281.3**	-
Non-current		
Bank facilities(i)	(4.1)	(6.8)
Capital market borrowings(ii)	848.5	304.9
Subordinated notes(iii)(iv)(v)	1,138.5	991.9
Total non-current interest-bearing liabilities	**1,982.9**	1,290.0
Total interest-bearing liabilities	**3,264.2**	1,290.0

(i) Bank facilities comprises of NZ$1,420 million equivalent to $1,284.8 million drawn bank debt at 30 June 2022 due to the utilisation of the Z Energy Limited bridge debt facility (less borrowing cost of $7.6 million (2021: $6.8 million)).

(ii) Capital market borrowings of $848.5 million (2021: $304.9 million) consists of:
- $300.0 million Australian Medium-Term Notes (less borrowing costs of $0.9 million (2021: $1.0 million)), less the fair value adjustment of $3.6 million (2021: $(5.9) million) relating to the fair value hedge
- NZ$195.0 million equivalent to $176.4 million of Retail Bonds (2021: nil))
- US$270.0 million equivalent to $342.2 million US Private Placement Bonds, plus the fair value adjustment of US$27.1 million equivalent to $34.4 million (2021: nil)

(iii) Subordinated Notes were issued on 9 December 2020 and are unlisted. They are denominated in Australian dollars. The Notes have a maturity date of 9 December 2080, with the first optional redemption date on 9 March 2026 totalling $500.0 million (less borrowing costs of $4.7 million (2021: $5.3 million)).

(iv) Subordinated Notes were issued on 2 December 2021 and are unlisted. They are denominated in Australian dollars. The Notes have a maturity date of 2 December 2081, with the first optional redemption date on 19 March 2027 totalling $500.0 million (less borrowing costs of $5.0 million (2021: $2.8 million)).

(v) Subordinated Notes were issued on 21 June 2022 and are unlisted. They are denominated in Australian dollars. The Notes have a maturity date of 21 June 2082, with the first optional redemption date on 21 June 2028 totalling $150.0 million (less borrowing costs of $1.8 million (2021: nil)).

Interest bearing liabilities are initially recorded at fair value, less transaction costs. Subsequently, interest bearing liabilities are measured at amortised cost, using the effective interest method. Any difference between proceeds received net of transaction costs and the amount payable at maturity is recognised over the term of the borrowing using the effective interest method.

Significant Funding Transactions

On 10 May 2022, Ampol completed the Scheme of Arrangement to acquire Z Energy Limited, with all shares in Z Energy Limited being transferred to Ampol's wholly owned subsidiary, Ampol Holdings NZ Limited. The Z Energy bridge debt facilities were fully drawn at NZ$1,420 million, in addition to existing cash to fund the transaction.

On 21 June 2022, Ampol successfully issued $150 million of subordinated notes. These notes further diversify Ampol's funding sources, support its credit profile and increase its financial flexibility in line with its Capital Allocation Framework. The subordinated notes include a sustainability feature, whereby the redemption price (or conversion price) payable by Ampol is directly linked to key elements of its Future Energy and Decarbonisation Strategy.

Subsequent to the half year, on 27 July 2022, Ampol completed the sale of its Gull business in New Zealand to Allegro Funds Pty Ltd. Net cash proceeds of approximately NZ$522 million from the sale will be used to partially repay the NZD loan under Ampol Limited.

Notes to the Financial Statements
C Capital, funding and risk management continued

FOR THE HALF YEAR ENDED 30 JUNE 2022

C1 Going concern, liquidity and capital management continued

C1.2 Capital management

The Group's primary objective when managing capital is to safeguard the ability to continue as a going concern, while delivering on strategic objectives.

The Group's Financial Framework is designed to support the strategic objective of sustainably delivering value and growth for our owners, people and customers. The framework's key elements are to:

(i) maintain an optimal capital structure that delivers a competitive cost of capital by holding a level of net debt (including lease liabilities) relative to EBITDA that is consistent with strong investment-grade credit rating;

(ii) deliver Return on Capital Employed (ROCE) that exceeds the weighted average cost of capital; and

(iii) make disciplined capital allocation decisions between investments, debt reduction and distribution of surplus capital to shareholders.

The Group's gearing ratio is calculated as net debt divided by total capital. Net debt is a non-statutory measure calculated as total interest-bearing liabilities less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt. The increase in the gearing ratio is driven by the drawdown of facilities used to fund the acquisition of Z Energy Limited.

Millions of dollars	30 June 2022	31 December 2021
Interest-bearing liabilities	3,264.2	1,290.0
Less: cash and cash equivalents (i)	(288.1)	(566.3)
Net borrowings	**2,976.1**	723.7
Total equity	4,040.4	3,346.8
Total capital	**7,016.5**	4,070.5
Gearing ratio	**42.4%**	17.8%

(i) Cash and cash equivalents includes $15.0 million from discontinued operations which is classified as available for sale. Refer to Note D2 *Discontinued operations*.

C1.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Due to the dynamic nature of the underlying business, the liquidity risk policy requires maintaining sufficient cash and an adequate amount of committed credit facilities to be held above the forecast requirements of the business. The Group manages liquidity risk centrally by monitoring cash flow forecasts and maintaining adequate cash reserves and debt facilities. The debt portfolio is periodically reviewed to ensure there is funding flexibility across an appropriate maturity profile.

The debt facility maturity profile of the Group as at 30 June 2022 is as follows:

Millions of dollars	2023	2024	2025	Beyond 2025	Funds available	Drawn	Undrawn
Bank facilities – drawn	1,284.8	-	-	-	1,284.8	1,284.8	-
Bank facilities – undrawn	382.2	781.7	150.0	1,306.0	2,619.9	-	2,619.9
Capital market borrowings(i)	63.3	113.1	300.0	392.6	869.0	869.0	-
Subordinated notes(ii)	-	-	-	1,150.0	1,150.0	1,150.0	-
Total	**1,730.3**	**894.8**	**450.0**	**2,848.6**	**5,923.7**	**3,303.8**	**2,619.9**

(i) Capital market borrowings were drawn for the half year period 30 June 2022. Refer to note C1.1 annotation for the reconciliation back to $848.5 million (2021: $304.9 million).

(ii) Subordinated notes were drawn for the half year period 30 June 2022. Refer to note C1.1 annotation for the reconciliation back to $1,138.5 million (2021: $991.9 million).

The Group maintains a strong balance sheet and liquidity position by accessing diversified funding sources made up of committed bank debt facilities and bonds, with a weighted average debt maturity profile of 3.0 years.

The total available funds for the half year period 30 June 2022 was $5,923.7 million (2021: $3,602.1 million), with $2,619.9 million in undrawn committed bank debt facilities (2021: $2,302.1 million).

Notes to the Financial Statements
C Capital, funding and risk management continued

FOR THE HALF YEAR ENDED 30 JUNE 2022

C2 Fair value of financial assets and liabilities

The Group's accounting policies and disclosures may require the measurement of fair values for both financial and non-financial assets and liabilities. The Group has an established framework for fair value measurement. When measuring the fair value of an asset or a liability, the Group uses market observable data where available.

Fair values are categorised into different levels in a fair value hierarchy based on the following valuation techniques:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair value of cash, cash equivalents and non-interest-bearing financial assets and liabilities approximates their carrying value due to their short maturity.

Fair values of recognised financial assets and liabilities with their carrying amounts shown in the balance sheet are as follows:

Millions of dollars		Asset/(Liability)			
30 June 2022	**Carrying amount**	**Fair value total**	**Quoted market price (Level 1)**	**Observable inputs (Level 2)**	**Non-market observable inputs (Level 3)**
Interest-bearing liabilities					
Bank facilities	**(1,277.2)**	(1,278.9)	-	(1,278.9)	-
Capital market borrowings	**(848.5)**	(892.3)	-	(892.3)	-
Subordinated notes	**(1,138.5)**	(1,318.7)	-	(1,318.7)	-
Derivatives					
Interest rate swaps	**72.7**	72.7	-	72.7	-
Foreign exchange contracts (forwards, swaps and options)	**(3.6)**	(3.6)	-	(3.6)	-
Crude and finished product swap and futures contracts	**(3.3)**	(3.3)	(43.0)	39.7	-
Electricity contracts	**53.5**	53.5	-	-	53.5
Investments					
Channel infrastructure	**49.9**	49.9	49.9	-	-
Total	**(3,095.0)**	**(3,320.6)**	**6.9**	**(3,381.0)**	**53.5**

Millions of dollars		Asset/(Liability)			
31 December 2021	**Carrying amount**	**Fair value total**	**Quoted market price (Level 1)**	**Observable inputs (Level 2)**	**Non-market observable inputs (Level 3)**
Interest-bearing liabilities					
Bank facilities[(i)]	6.8	-	-	-	-
Capital market borrowings	(304.9)	(325.8)	-	(325.8)	-
Subordinated notes	(991.9)	(1,159.1)	-	(1,159.1)	-
Derivatives					
Interest rate swaps	15.5	15.5	-	15.5	-
Foreign exchange contracts (forwards, swaps and options)	(13.3)	(13.3)	-	(13.3)	-
Crude and finished product swap and futures contracts	(55.8)	(55.8)	(69.4)	13.6	-
Total	(1,343.6)	(1,538.5)	(69.4)	(1,469.1)	-

(i) 2021 Relates to capitalised borrowing costs recorded at amortised cost on undrawn committed bank facilities.

Notes to the Financial Statements
C Capital, funding and risk management continued

FOR THE HALF YEAR ENDED 30 JUNE 2022

C2 Fair value of financial assets and liabilities continued

Estimation of fair values

Interest-bearing liabilities

Bank facilities

The fair value of bank facilities is estimated as the present value of future cash flows using the applicable market rate.

Capital market borrowings and subordinated notes

These are determined by quoted market prices or dealer quotes for similar instruments.

Derivatives

Interest rate swaps

The fair value of interest rate swap contracts is the estimated amount that the Group would receive or pay to terminate the swap at balance date taking into account current interest rates and credit adjustments.

Foreign exchange contracts (forwards, swaps and options)

The fair value of foreign exchange contracts (forwards and swaps) is calculated by reference to current forward exchange rates for contracts with similar maturity profiles as at reporting date. The fair value of foreign exchange options is determined using standard valuation techniques.

Crude and finished product swap and futures contracts

The fair value of crude and product swap contracts is calculated by reference to market prices for contracts with similar maturity profiles at reporting date. The fair value of crude and product futures contracts is determined by quoted market prices.

Electricity contracts

The fair value of electricity derivatives is determined as the present value of future contracted cash flows. Cash flows are discounted using standard valuation techniques at applicable market yield having regard to timing of cash flows.

Investments

Channel Infrastructure

The fair value of listed investments is determined by quoted market prices.

C3 Issued capital

Millions of dollars	30 June 2022	31 December 2021
Ordinary shares		
Shares on issue at beginning of period – fully paid	479.7	502.6
Shares repurchased for cash[(i)]	-	(22.9)
Shares on issue at end of period – fully paid	**479.7**	**479.7**

(i) No shares have been repurchased in the first half of 2022. In the prior period, on 22 January 2021, the Group completed an Off-market Buy-back of 11,404,848 shares at a price of $26.34 per share which included a capital component of $2.01 per share. The total amount paid for the buy back was $300.4 million and the impact of this transaction on the issued share capital of the Company was to reduce it by $22.9 million with the remainder from retained earnings. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. The number of issued shares post the buy back was 238.3 million. Refer to note B4.

In the event of the winding up of the Group, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation. The Group grants performance rights to Senior Executives; see the Ampol Limited 2021 Annual Report for further detail. For each right that vests, the Group intends to purchase shares on-market following vesting.

Notes to the Financial Statements
C Capital, funding and risk management continued

FOR THE HALF YEAR ENDED 30 JUNE 2022

C4 Reserves

Millions of dollars	30 June 2022	31 December 2021
Foreign currency translation reserve		
Balance at beginning of reporting period	71.4	30.8
Included in other comprehensive income	19.8	40.6
Balance at reporting date	**91.2**	71.4
Hedging reserve		
Balance at beginning of reporting period	7.4	(5.1)
Included in other comprehensive income	33.5	-
Tax included in other comprehensive income	(9.7)	12.5
Balance at reporting date	**31.2**	7.4
Equity reserve		
Balance at beginning of reporting period	3.5	-
Acquisition of non-controlling interests	-	3.5
Balance at reporting date	**3.5**	3.5
Equity compensation reserve		
Balance at beginning of reporting period	(16.8)	(20.1)
Transfer to retained earnings and other reserves	28.9	-
Included in statement of profit or loss	3.7	-
Tax included in other comprehensive income	(9.4)	3.3
Balance at reporting date	**6.4**	(16.8)
Investment revaluation reserve		
Balance at beginning of reporting period	-	-
Included in other comprehensive income	3.0	-
Tax included in other comprehensive income	(0.9)	-
Balance at reporting date	**2.1**	-
Total reserves at reporting date	**134.4**	**65.5**

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of operations where their functional currency is different to the presentation currency of the Group, as well as from the translation of liabilities that hedge the Group's net investment in foreign operations.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to future transactions.

Equity reserve

The equity reserve accounts for the differences between the fair value of, and the amounts paid or received for, equity transactions with non-controlling interests.

Equity compensation reserve

The equity compensation reserve is used to recognise the fair value of share-based payments issued to employees over the vesting period, and to recognise the value attributable to the share-based payments during the reporting period.

Investment revaluation reserve

The investment revaluation reserve is used to recognise the fair value change in investment in Channel Infrastructure NZ Limited (formerly The New Zealand Refining Company Limited (Refining NZ)) during the reporting period.

Notes to the Financial Statements
D Group Structure

FOR THE HALF YEAR ENDED 30 JUNE 2022

D1 Business combinations

On 10 May 2022, Ampol Holdings NZ Limited, a wholly owned subsidiary of Ampol Limited, acquired 100% of the issued capital of Z Energy Limited (Z Energy). Z Energy is the largest fuel distributor in New Zealand, supplying fuel to retail customers and large commercial customers (airlines, trucking companies, shipping companies and vehicle fleet operators), and providing bitumen to roading contractors. The acquisition of Z Energy enhances Ampol's core business, expands the international portfolio and provides a stronger platform for Ampol to evolve the future energy offer for its customers. The acquisition has been accounted for as a Business Combination under AASB 3.

Due to the size and timing of the acquisition, the acquisition accounting is not yet finalised. The purchase price allocation as set out below is measured on a provisional basis and is subject to change pending finalisation of the valuation of the assets acquired and liabilities assumed. In particular, the valuation of intangible assets acquired is yet to be completed. The difference between the purchase price and fair values of the identifiable net assets has been provisionally recognised as goodwill.

If new information is obtained within the twelve months from acquisition date about facts and circumstances that existed at the acquisition date which identify adjustments to fair values; or any additional provisions that existed at the acquisition date; then the accounting for the acquisition, including the value of goodwill, will be revised.

The provisional fair values of the identifiable assets and liabilities acquired are as follows:

Millions of dollars	Provisional fair value
Cash and cash equivalents	111.1
Trade and other receivables	531.9
Inventories	778.7
Investments accounted for using the equity method	82.3
Intangibles	903.8
Property, plant and equipment	1,121.6
Payables	(1,315.6)
Lease liabilities	(267.1)
Current tax liabilities	(108.4)
Provisions	(99.4)
Interest-bearing liabilities	(543.2)
Deferred tax liabilities	(82.4)
Net assets acquired	**1,113.3**
Goodwill	671.8
Acquisition-date fair value of the total consideration transferred	**1,785.1**
Cash used to acquire business:	
Acquisition-date fair value of the total consideration transferred	**1,785.1**
Net cash used	**1,674.0**

The acquired business contributed revenues of $969.3 million and profit after tax of $41.7 million to the Group for the period from the acquisition date to 30 June 2022.

The Group incurred acquisition-related costs of $28.2 million relating to external legal fees and due diligence costs. These costs have been included in general and administration expenses in the consolidated statement of profit or loss and OCI.

Notes to the Financial Statements
D Group Structure continued

FOR THE HALF YEAR ENDED 30 JUNE 2022

D2 Discontinued operations

In March 2022, the Group entered into a binding agreement with Allegro Funds Pty Ltd (Allegro) for the sale of its Gull business in New Zealand (Gull), which completed on 27 July 2022. At 30 June 2022, it was expected that these operations, would be sold within 12 months. They have therefore been classified as a disposal group held for sale and presented separately in the statement of financial position. The proceeds of disposal exceeded the carrying amount of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale.

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

Millions of dollars	30 June 2022
Cash and cash equivalents	15.0
Trade and other receivables	16.2
Inventories	208.6
Intangibles	245.9
Property, plant and equipment	176.2
Total assets classified as held for sale	**661.9**
Payables	196.8
Lease liabilities	58.5
Current tax liabilities	5.3
Deferred tax liabilities	10.0
Provisions	4.5
Total liabilities associated with assets classified as held for sale	**275.1**
Net assets of disposal group	**386.8**

The results of the discontinued operation included in the profit for the year is set out below. The comparative profit from discontinued operations has been re-presented to include those operations classified as discontinued in the current year.

Discontinued operations (millions of dollars)	Note	30 June 2022	30 June 2021
Revenue		541.4	361.3
Expenses		(506.2)	(326.7)
Net finance costs		(4.2)	(3.7)
Profit before tax	B3.2	**31.0**	30.9
Income tax (expense) from sale of discontinued operations		**(11.3)**	(10.9)
Net profit from discontinued operations		**19.7**	20.0

Cash flows of discontinued operations (millions of dollars)	Note	30 June 2022	30 June 2021
Cash flows (used in) from operating activities		3.4	6.0
Cash flows (used in) investing activities		(2.1)	(12.4)
Cash flows (used in) from financing activities		(4.1)	1.8
Net decrease in cash and cash equivalents		**(2.8)**	(4.6)

Notes to the Financial Statements
D Group Structure continued

D3 Controlled entities

Details of entities over which control has been gained or lost during the period:

2022

On 2 March 2022, a Charter Hall and GIC consortium acquired a 49% interest of Ampol Property Trust 2.

On 21 March 2022, Ampol QSR Pty Ltd was incorporated.

On 15 April 2022, Ampol Refineries (Matraville) Pty Ltd was deregistered with ASIC.

On 10 May 2022, Z Energy Limited and the following entities were acquired:

- Z Energy 2015 Limited
- Z Energy ESPP Trustee Limited
- Z Energy LTI Trustee Limited
- Flick Energy Limited

On 08 June 2022, Ampol Energy (Wholesale Trading) Pty Ltd was incorporated.

There were no other entities over which control was gained or lost during the half year ended 30 June 2022.

2021

On 20 January 2021 the following entities were deregistered:

- Ampol Bendigo Pty Ltd;
- Ampol Road Pantry Pty Ltd;
- Bowen Petroleum Services Pty Ltd;
- Circle Petroleum (Q'land) Pty Ltd;
- Jayvee Petroleum Pty Ltd;
- South Coast Oils Pty Ltd and
- Tulloch Petroleum Services Pty Ltd.

On 9 February 2021 the following entities were deregistered:

- Caltex Australia Nominees Pty Ltd
- Ruzack Nominees Pty Ltd and
- Solo Oil Corporation Pty Ltd.

On 14 May 2021, the Group incorporated Ampol Energy Pty Ltd.

There were no other entities over which control was gained or lost during the half year ended 30 June 2021.

Notes to the Financial Statements
D Group Structure continued
FOR THE HALF YEAR ENDED 30 JUNE 2022

D4 Investments

Name	Country of incorporation	% Interest 30 June 2022	% Interest 31 December 2021
Investments accounted for in Other Comprehensive Income			
Channel Infrastructure NZ Limited(iii)	New Zealand	13	-
Investments accounted for using the equity method			
Investments in associates			
Bonney Energy Group Pty Ltd	Australia	50	50
Endua Pty Ltd	Australia	20	20
EVOS Technology Pty Ltd(i)	Australia	-	-
Geraldton Fuel Company Pty Ltd	Australia	50	50
Seaoil Philippines Inc.	Philippines	20	20
Drylandcarbon One Limited Partnership(iii)	New Zealand	37	-
Mevo Limited(iii)	New Zealand	32	-
Loyalty NZ Limited(iii)	New Zealand	25	-
Wiri Oil Services Limited (WOSL)(iii)	New Zealand	44	-
Coastal Oil Logistics Limited (COLL)(iii) (iv)	New Zealand	50	-
Forest Partners Limited Partnership(iii)	New Zealand	21	-
Investments in joint ventures			
Airport Fuel Services Pty Limited	Australia	40	40
Australasian Lubricants Manufacturing Company Pty Ltd(ii)	Australia	50	50
Cairns Airport Refuelling Service Pty Ltd	Australia	33.3	33.3
Joint User Hydrant Installation(iii)	New Zealand	33	-
Joint Interplane Fuelling Services(iii)	New Zealand	50	-
Jointly Owned Storage Facility(iii)	New Zealand	50	-
Wiri to Auckland Airport Pipeline(iii)	New Zealand	40	-

(i) On 8 June 2021, Ampol Energy Pty Ltd acquired rights in EVOS Technology Pty Ltd whereby Ampol has the right to shares in EVOS. As this right is currently exercisable at Ampol's discretion, the investment is accounted for as an associate.

(ii) Australasian Lubricants Manufacturing Company Pty Ltd ceased joint venture operations on 17 April 2015 and had a nil carrying value at 30 June 2022.

(iii) On 10 May 2022, the Group acquired Z Energy Limited and its corresponding investments.

(iv) The entity has commenced the process of winding up. Date of liquidation is expected to be 25 August 2022.

Notes to the Financial Statements
E Other information

FOR THE HALF YEAR ENDED 30 JUNE 2022

E1 Commitments and contingent liabilities

Capital expenditure

Millions of dollars	30 June 2022	31 December 2021
Capital expenditure contracted but not provided for in the financial report and payable	**103.0**	23.0

On 25 August 2020, Ampol announced, after successfully applying to a tender with Transport for New South Wales that Ampol had won the right to lease and redevelop four existing highway service centres located on the M4 Motorway at Eastern Creek and on the M31 Hume Highway at Pheasants Nest. DA approval was obtained for Pheasants Nest in the current period and contract works are expected to begin in the second half of 2022. The Eastern Creek project delivery agreement was executed on 18 May 2022 and development approval was submitted on 22 June 2022. The estimated combined redevelopment capital expenditure of ~$120 million is expected to be contracted and spent during the second half of 2022 and 2023. At 30 June 2022, no construction has taken place.

Contingent liabilities

Discussed below are items where either it is not probable that the Group will have to make future payments, or the amounts of the future payments are not able to be reliably measured.

Legal and other claims

In the ordinary course of business, the Group is involved as a plaintiff or defendant in legal proceedings. Where appropriate, Ampol takes legal advice. The Group does not consider that the outcome of any current proceedings is likely to have a material effect on its operations or financial position.

A liability has been recognised for any known losses expected to be incurred where such losses are capable of reliable measurement.

Bank guarantees

The Group has entered into letters of credit in the normal course of business to support crude and product purchase commitments and other arrangements entered into with third parties. In addition, the Group has granted indemnities to banks to cover bank guarantees given on behalf of controlled entities. The probability of having to make a payment under these arrangements is remote.

Deed of Cross Guarantee and class order relief

The parent entity has entered into a Deed of Cross Guarantee through which the Group guarantees the debts of certain controlled entities. The controlled entities that are party to the deed are disclosed in F1 of the Financial Statements for the year ended 31 December 2021.

E2 Related party disclosures

Associates

Associate related party transactions are as follows:

$'000s	30 June 2022	30 June 2021
Income Statement		
Petroleum sales	**1,516,359**	552,340
Rental income	**921**	958
Dividend and disbursements	**2,203**	1,600
Total Income statement impact	**1,519,483**	554,898
Balance Sheet		
Receivables	**97,250**	105,847
Total balance sheet impact	**97,250**	105,847

Details of the Group's interests are set out in note D4. There were no other material related party disclosures during the half year ended 30 June 2022.

Joint venture and joint operations

The Group has interests in joint arrangements primarily for the marketing, sale and distribution of fuel products and the operation of convenience stores.

There were no other material related party transactions with the Group's joint arrangements entities during the half year 2022 (half year 2021: nil). Details of the Group's interests are set out in note D4.

Notes to the Financial Statements
E Other information continued

FOR THE HALF YEAR ENDED 30 JUNE 2022

E3 Net tangible assets per share

	30 June 2022	31 December 2021
Net tangible assets per share	9.6	10.8

Net tangible assets are net assets attributable to members of Ampol less intangible assets. The number of ordinary shares used in the calculation of net tangible assets per share was 238.3 million (2021: 238.3 million).

E4 Taxation

Taxation of Singaporean entities

At the date of this report, the Australian Taxation Office (ATO) had not finalised its position in relation to the extent to which earnings by the Group's Singaporean entities from transactions with the Group's Australian entities should be subject to corporate income tax in Australia.

Due to the uncertainty over the ATO's final position, the Group has recognised tax liabilities for the period 1 January 2014 to 30 June 2022 in relation to these earnings at the Australian corporate income tax rate of 30%, rather than at the rate payable by the Group's Singaporean entities in Singapore. The difference between these rates is a cumulative tax expense impact (both current and deferred) of $265.4 million (2021: $208.7 million) for the period 1 January 2014 to 30 June 2022.

Under an administrative agreement with the ATO, 50% of the current tax expense impact for the 2014 to 2019 and 2021 years has been paid or is now payable, with the remaining amount payable pending resolution of the matter. No Australian tax was paid on these earnings in respect of the 2020 year given the Australian tax consolidated group was in a tax loss position. As at 30 June 2022, the Group has recognised $156.9 million (2021: $100.3 million) in current tax liability in relation to this matter.

If the outcome of the ATO's position is in the Group's favour, an amount of income tax expense recognised to date could be written back in future periods. If it is resolved such that the ATO's position is sustained, there would be no impact on the Group's income statement or net assets.

E5 Impairment of non-current assets

Carrying value assessment

Cash generating units ("CGUs") are reviewed at each reporting period to determine if there are any indicators of impairment. CGUs are the lowest levels at which assets are grouped and generate separately identifiable cash flows. Where an indicator of impairment exists, a detailed recoverable amount test is performed for the relevant CGU. If the recoverable amount test determines that a CGU is impaired an impairment expense is recognised in the income statement.

All CGUs have been reviewed for indicators of impairment and there were no impairment indicators noted at 30 June 2022 with the exception of $4.1 million impairment recognised on retail sites impacted by the Northern NSW and Queensland floods in the first half and other specific project sites of $2.7 million. A total impairment of $6.8 million has been recognised in the current period.

E6 Events subsequent to the reporting date

Dividend

On 21 August 2022, the Directors declared a fully franked interim dividend. Refer to note B5 for further information.

Disposal of Gull NZ

On 27 July 2022, the Group completed the sale of its Gull business in New Zealand (Gull) to Allegro Funds Pty Ltd (Allegro). The gain on sale of $46.1 million will be recognised in the second half of 2022. Refer to note D2 for further information.