

# ASX/NZX Release



15 June 2022

## **ANNOUNCEMENT OF SUSTAINABILITY-LINKED HYBRID ISSUE**

Ampol Limited (ASX/NZX:ALD) (Ampol) has today commenced a fully underwritten wholesale offering of A\$150 million of subordinated notes due in 2082 (Subordinated Notes).

The proposed issue of Subordinated Notes forms part of Ampol's ongoing capital management strategy and follows the successful issue of A\$500 million of subordinated notes in December 2021. The new issue will have a first optional redemption date in 2028 and will be non-fungible with Ampol's existing subordinated notes.

Net proceeds of the issue will be used for general corporate purposes and in line with Ampol's Capital Allocation Framework.

The Subordinated Notes include an innovative sustainability feature, whereby the redemption price (or conversion price) payable by Ampol is directly linked to key elements of the company's Future Energy and Decarbonisation Strategy. In particular, Ampol's goal to reduce carbon emissions in its Fuels & Infrastructure and Convenience Retail businesses by 2025, and a new goal to operate or control at least 500 AmpCharge or equivalent electric vehicle charge points by 2027.

The proposed issue of Subordinated Notes will be the second sustainable financing initiative completed by Ampol, following the establishment of a sustainability-linked loan in 2021. These initiatives help support Ampol's commitment to sustainability across its business, including in relation to its financing and capital management strategy.

The Subordinated Notes are expected to receive 50% equity credit from Moody's Investors Service, providing support to Ampol's credit rating.

Greg Barnes, Group Chief Financial Officer, said: "We're delighted to announce this new sustainability-linked hybrid issue, which we understand is the first of its kind in global markets. The transaction supports our capital management strategy and reinforces our commitment to Ampol's Future Energy and Decarbonisation Strategy. The issue provides further funding diversification and incremental balance sheet capacity."

Barrenjoey Markets Pty Limited is acting as sole structuring adviser, lead manager and underwriter for the proposed issue.

Key terms of the Subordinated Notes are outlined in the Appendix to this release. Further details including the full terms and conditions of the Subordinated Notes are contained in Ampol's Appendix 3B dated the same date as this announcement.

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**Authorised for release by:** the Board of Ampol Limited.

## Appendix

The key terms of the Subordinated Notes are as follows:

- 60-year maturity;
- interest payable quarterly at a floating rate of 3 month BBSW plus a margin of 3.80% per annum, subject to certain deferral rights;
- subordinated to Ampol's senior debt and pari passu with Ampol's outstanding subordinated notes;
- redeemable with cash by Ampol in June 2028 and on subsequent interest payment dates, with the redemption price set at par or 101%, depending on the company's performance against certain sustainability performance targets (SPTs);
- if Ampol decides not to redeem in June 2028 or in future periods, holders have an option to convert their Subordinated Notes into Ampol ordinary shares on the first call date and approximately every two years thereafter. The number of shares will be determined on the basis of the then prevailing VWAP<sup>1</sup> less a discount of 1% or 2%, depending on the company's performance against the SPTs; and
- the SPTs comprise reductions in scope 1 and 2 operational emissions intensity in the Fuels & Infrastructure business of 5% and reductions in scope 1 and 2 operational emissions on an absolute basis in the Convenience Retail business of 25% against baseline levels<sup>2</sup> by June 2025, and the operation or control of at least 500 AmpCharge or equivalent electric vehicle charge points by December 2027.

The Subordinated Notes are not being offered to retail investors and do not require disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Cth). In respect of offers or invitations received in Australia, Subordinated Notes may only be issued or sold if the consideration payable by the relevant purchaser is a minimum of A\$500,000 or its foreign currency equivalent (disregarding amounts, if any, lent by Ampol or other person offering the Subordinated Notes or its associates (within the meaning of those expressions in Part 6D.2 of the Corporations Act)) unless the issue or sale otherwise does not require disclosure under Part 6D.2 or Part 7.9 of the Corporations Act.

Neither the Supplemental Information Memorandum, nor any other disclosure document in relation to the Subordinated Notes has been, or will be, lodged with ASIC or ASX/NZX except that a copy of the Supplemental Information Memorandum (with certain information redacted) will be annexed to a cleansing notice to be lodged by Ampol with ASX/NZX on or 2 business days prior to the date of issue of the Subordinated Notes pursuant to section 708A(12C)(e) of the Corporations Act (as notionally inserted pursuant to ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82).

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<sup>1</sup> Calculated over the 20 trading days immediately preceding (but not including) the applicable conversion date.

<sup>2</sup> 12 month period ended 30 June 2021, as specified in the 2021 Sustainability Report.

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