

Official Notice to SIX Swiss Exchange

7 February 2023

Title: Transurban Queensland Finance Pty Limited
Valor Symbol: TQF16, TQF161, TQF17 and TQF2
Valor No: 32722686, 34091216, 40960636 and 110870483
ISIN: CH0327226863, CH0340912168, CH0409606362, CH1108704839

Transurban Appendix 4D and 1H23 Interim Report

Attached is an announcement made by Transurban Group (ASX: TCL) which is provided for the information of Transurban Queensland Finance Pty Limited (**Transurban Queensland**) noteholders.

Transurban Queensland has notes listed on the SIX Swiss Exchange.

Notices by Transurban Queensland to the SIX Swiss Exchange are also available at the following website:
www.transurban.com/tqfinstatements

Investor enquiries

Hannah Higgins
Head of Investor Relations
+61 419 246 502

Media enquiries

Sarah Chapman
Manager Media, Government and Industry
+61 400 841 898

Classification

Public

Transurban

Transurban Queensland Finance Pty Limited
ABN 16 169 093 850
corporate@transurban.com
www.transurban.com

Level 39
300 George Street
Brisbane
Queensland 4000 Australia
Telephone +617 3323 0100
Facsimile +617 3423 3209

ASX release

7 February 2023

Transurban Appendix 4D and 1H23 Interim Report

In accordance with ASX Listing Rules, please see attached Transurban's Appendix 4D and Interim Report for the half year ended 31 December 2022.

The following documents will be provided separately:

- Transurban 1H23 results and upgraded distribution guidance release
- Transurban 1H23 investor presentation

Transurban will provide a market briefing at 9:30am (AEDT) today, 7 February 2023. The market briefing will be webcast via the Transurban website at transurban.com.

Investor enquiries

Hannah Higgins
Head of Investor Relations
+61 419 246 502

Media enquiries

Sarah Chapman
Manager Media, Government and Industry
+61 400 841 898

This announcement is authorised by the Board of Transurban Group.

Classification

Public

Transurban Group

Transurban International Limited
ABN 90 121 746 825

Transurban Holdings Limited
ABN 86 098 143 429

Transurban Holding Trust
ABN 30 169 362 255

ARSN 098 807 419

corporate@transurban.com
www.transurban.com

Level 31
Tower Five, Collins Square
727 Collins Street
Docklands
Victoria 3008 Australia

Telephone +613 8656 8900
Facsimile +613 8656 8585

Transurban Group

Appendix 4D

Half-year ended 31 December 2022

(Previous corresponding period being the half-year ended 31 December 2021)

The Transurban Group (the Group) comprises the following entities:

Transurban Holdings Limited (ABN 86 098 143 429)
 Transurban Holding Trust (ARSN 098 807 419)
 Transurban International Limited (ABN 90 121 746 825)

Results for announcement to the market

Statutory results from continuing operations	% change ¹	Half-year ended
		31 December 2022
		\$M
Revenue from ordinary activities	increase of 56.3% to	\$2,032
Profit after tax from ordinary activities	increase of 152.8% to	\$55
Profit after tax from ordinary activities attributable to security holders of the Group	increase of 139.9% to	\$41
Profit attributable to security holders of the Group	increase of 139.9% to	\$41

Proportional results	% change ¹	Half-year ended
		31 December 2022
		\$M
Toll revenue	increase of 42.6% to	\$1,658
Earnings before depreciation, amortisation, net finance costs and income taxes (EBITDA)	increase of 53.7% to	\$1,238
Free cash	increase of 88.0% to	\$863

There were no items classified as Significant items for the half-year ended 31 December 2022 or for the previous corresponding period. The accompanying ASX Release and Interim Report for the half-year ended 31 December 2022 that follow provide further commentary on the results and provide a definition of Proportional results, Significant items and Free cash.

Distributions and dividends

Half-year ended 31 December 2022	Amount per security (cents)	Franked amount for dividend component (%)	Record date	Payment date
Interim distribution/dividend	26.5	Not Applicable	30 December 2022	13 February 2023
Interim distribution/dividend (prior half-year)	15.0	Not Applicable	31 December 2021	22 February 2022
Final distribution/dividend (prior year)	26.0	8.347	30 June 2022	23 August 2022

Distribution Reinvestment Plan

Under the Distribution Reinvestment Plan (DRP), security holders may receive additional stapled securities in substitution for some or all cash distributions in respect of their stapled securities. The last date for the receipt of an election notice for participation in the DRP was 3 January 2023 and the participation rate was 8.96% of issued capital. No discount has been applied when determining the price at which stapled securities will be issued under the DRP for the current period distribution.

Net tangible asset backing

	31 December 2022	30 June 2022	31 December 2021
Net tangible asset backing per stapled security ²	\$4.48	\$4.81	\$4.79

1. Figures used for calculating percentage movements are based on whole numbers and relate to percentage movements from the previous corresponding period.

2. Net tangible assets used as the basis for this calculation include: concession intangible assets relating to the operational assets of the Group, lease right of use assets and lease liabilities.

Audit review

This Appendix 4D is based on the interim financial statements of the Group which have been reviewed by the Group's auditors, PricewaterhouseCoopers (PwC). A copy of PwC's unqualified review report can be found in the Interim Report for the half-year ended 31 December 2022 that follows.

Other information

Disclosure requirements of ASX Listing Rule 4.2A not contained in this Appendix 4D are included in the accompanying ASX Release and Interim Report for the half-year ended 31 December 2022.

Transurban Holdings Limited and controlled Entities

Interim report for the half-year ended
31 December 2022

ABN 86 098 143 429

(Including Transurban Holding Trust and Transurban International Limited)

Contents

2	Directors' report			
13	Section A: Group interim financial statements			
	Consolidated statement of comprehensive income			
	Consolidated balance sheet			
	Consolidated statement of changes in equity			
	Consolidated statement of cash flows			
18	Section B: Notes to the Group interim financial statements			
	Basis of preparation and significant changes			
	B1 Summary of significant changes in the current reporting period	B2 Basis of preparation		
	Operating performance			
	B3 Segment information	B4 Revenue	B5 Significant items	B6 Income tax
	Security holder outcomes			
	B7 Earnings per stapled security	B8 Dividends/distributions and free cash		
	Capital and borrowings			
	B9 Net finance costs	B10 Borrowings	B11 Derivatives and financial risk management	
	Concession summary			
	B12 Concession summary			
	Group structure			
	B13 Equity accounted investments			
	Items not recognised			
	B14 Contingencies	B15 Commitments	B16 Subsequent events	
35	Section C: Transurban Holding Trust (THT) and Transurban International Limited (TIL) interim financial statements			
	Consolidated statements of comprehensive income			
	Consolidated balance sheets			
	Consolidated statements of changes in equity			
	Consolidated statements of cash flows			
41	Section D: Notes to the THT and TIL interim financial statements			
49	Section E: Signed reports			
	Directors' declaration			
	Independent auditor's review report to the stapled security holders			

Directors' report

The Directors of Transurban Holdings Limited (the Company or THL) and its controlled entities, Transurban Infrastructure Management Limited (TIML), as responsible entity of Transurban Holding Trust and its controlled entities (THT), and Transurban International Limited and its controlled entities (TIL) (Transurban, Transurban Group or the Group) present their Directors' report on the Transurban Group for the half-year ended 31 December 2022 (HY23). The controlled entities of THL include the other members of the stapled group, being THT and TIL.

Directors

The following persons were Directors of THL, TIML and TIL during the six months ended 31 December 2022 and up to the date of this report, unless otherwise stated.

Non-executive Directors

- Craig Drummond (Chairman from 20 October 2022)
- Lindsay Maxsted (retired as Chairman and Non-executive Director on 20 October 2022)
- Mark Birrell
- Terence Bowen
- Patricia Cross
- Marina Go
- Timothy Reed
- Peter Scott
- Robert Whitfield
- Jane Wilson

Executive Director

- Scott Charlton

Principal activities

The principal activities of the Group during the reporting period were the development, operation and maintenance of toll roads in Sydney, Melbourne and Brisbane, in Australia, and Montreal in North America, as well as investments in toll roads in Sydney in Australia and the Greater Washington Area in North America. There has been no significant change in the nature of these activities during the reporting period.

Review of results and operations¹

Executive summary

Key results include:

Statutory results compared to the prior comparative period:

- Toll revenue increased 35.9 per cent from \$1,056 million to \$1,436 million
- (Loss)/profit from ordinary activities after tax increased from \$(106) million to \$55 million
- Earnings before depreciation, amortisation, net finance costs, equity accounted investments and income taxes (EBITDA) increased 45.5 per cent from \$734 million to \$1,067 million
- (Loss)/profit attributable to ordinary security holders of the stapled group increased from \$(103) million to \$41 million.

Proportional results compared to the prior comparative period:

- Average Daily Traffic (ADT) increased 34.8 per cent
- Proportional toll revenue² increased from \$1,163 million to \$1,658 million
- Proportional EBITDA² increased from \$805 million to \$1,238 million
- Free cash increased 88.0 per cent to \$863 million.

An interim distribution of 26.5 cents per stapled security will be paid on 13 February 2023 for the six months ended 31 December 2022. The interim distribution is supported by free cash generated during HY23. Further details on the distribution and free cash are presented in Note B8 of the Group interim financial statements.

Review of operations

Our business

As one of the world's largest toll-road operators, our business is about getting people where they want to go, quickly and safely to assist in achieving our purpose—to strengthen communities through transport.

By understanding what matters to our stakeholders, we create road transport solutions that make us a partner of choice. Our roads connect key industry, freight, employment and community centres and keep cities moving safely and efficiently.

The Group is well positioned to pursue the pipeline of project opportunities in its core markets, with funding optionality given the resilient business model and balance sheet.

We have seven³ major projects in development or delivery that will offer significant improvements in the way motorists move around our cities.

In Sydney, the latest stage of WestConnex, the M4–M8 link, opened on 20 January 2023. WestConnex is Australia's largest road infrastructure project and a key component of the NSW Government's integrated transport plan to ease congestion and connect communities in Sydney, forming a 70-kilometre network linking Sydney's west with the Sydney CBD, Sydney Airport and Port Botany.

In Melbourne, construction of the West Gate Tunnel Project made major progress, with more than 90% of tunnel and portal excavation complete and over 2 kilometres of the 3.7 kilometre elevated road over Footscray Road and connecting ramps now built.

In North America, the Fredericksburg Extension Project—which extends our 95 Express Lanes by 16 kilometres—is anticipated to open in 2023. Once complete, it will create the longest reversible express lanes system in North America, spanning approximately 80 kilometres from Washington DC to Fredericksburg, Virginia. Construction of the extension of our 495 Express Lanes towards the Maryland border is also underway.

On 7 February 2023, the Group reached an agreement with Caisse de dépôt et placement du Québec (CDPQ) to sell 50% of its equity interest in the A25 for gross sale proceeds of C\$355 million. CDPQ is a strategically aligned Montreal-based partner with a track-record of working alongside Transurban in Sydney (via co-investment in WestConnex). Financial close is expected by early fourth quarter of FY23.

1. Figures used for calculating percentage movements in the Directors' report are based on whole numbers.

2. Refer to Note B3 of the Group interim financial statements for the reconciliation of proportional EBITDA and proportional toll revenue to the statutory results.

3. Includes the West Gate Tunnel Project, Fredericksburg Extension, 495 Express Lanes Northern Extension Project, Capital Beltway Accord, Phase 1 Maryland Express Lanes Project, WestConnex M4-M8 and M7-M12 Integration Project. Rozelle Interchange is being delivered and funded by Transport for NSW (TfNSW).

Asset portfolio at 31 December 2022

	Sydney							
Overview	M5 West ¹	M2	M4 ²	M8 ^{2,4}	M4-M8 link ²	M5 East ^{2,5}	LCT	CCT
Opening date	Aug 1992	May 1997	Jul 2019	Jul 2020	Jan 2023	Dec 2001	Mar 2007	Aug 2005
Concession end date	Dec 2026	Jun 2048	Dec 2060	Dec 2060	Dec 2060	Dec 2060	Jun 2048	Dec 2035
Physical details								
Length—total	22 km	21 km	14 km	11 km	7.5 km	10 km	3.8 km	2.1 km
Length—surface	22 km	20.5 km	8.5 km	2 km	-	5.5 km	0.2 km	-
Length—tunnel	-	0.5 km	5.5 km	9 km	7.5 km	4.5 km	3.6 km	2.1 km
Lanes	2x3	2x3	2x4—West 2x3—East	2x2 ³	2x4	2x2	2x2 2x3 some sections	2x2 2x3 some ramp sections
Ownership								
	100% ²	100%	50% – Transurban 20.5% – AustralianSuper 10.5% – CPP Investments 10.0% – CDPQ 9.0% – Tawreed Investments Limited (Tawreed)	50% – Transurban 20.5% – AustralianSuper 10.5% – CPP Investments 10.0% – CDPQ 9.0% – Tawreed	50% – Transurban 20.5% – AustralianSuper 10.5% – CPP Investments 10.0% – CDPQ 9.0% – Tawreed	50% – Transurban 20.5% – AustralianSuper 10.5% – CPP Investments 10.0% – CDPQ 9.0% – Tawreed	100%	100%
Tolling								
Large vehicle multiplier	3x	3x	3x	3x	3x	3x	Minimum 3x	2x

1. M5 West will form part of the WestConnex M5 concession once the current concession expires in December 2026, through to December 2060. During that period Transurban's proportional ownership will be 50% based on its current ownership proportion in WestConnex.

2. Transurban's proportional ownership in WestConnex through its equity investment in STP JV increased from 25.5% to 50% on 29 October 2021.

3. The M8 is currently line marked for two lanes with the capacity for three lanes in each direction to accommodate future traffic growth.

4. Opened on 5 July 2020. Formerly referred to as the New M5.

5. Tolling commenced on 5 July 2020, coinciding with the opening of the M8.

Asset portfolio at 31 December 2022 (continued)

	Sydney (continued)			Melbourne	North America			
Overview	ED	M7	NorthConnex	CityLink	495 Express Lanes ³	95 Express Lanes ⁴	395 Express Lanes	A25
Opening date	Dec 1999	Dec 2005	Oct 2020	Dec 2000	Nov 2012	Dec 2014	Nov 2019	May 2011
Concession end date	Jul 2048	Jun 2048 ¹	Jun 2048	Jan 2045	Dec 2087	Dec 2087	Dec 2087	Sep 2042
Physical details								
Length—total	6 km	40 km	9 km	22km in 2 sections	22 km	49.8 km	13.2 km	7.2 km
Length—surface	4.3 km	40 km	-	16.8 km	22 km	49.8 km	13.2 km	7.2 km
Length—tunnel	1.7 km	-	9 km	5.2 km	-	-	-	-
Lanes	2x3 2x2 some sections	2x2	2x2 ²	2x4 in most sections	2x2 HOT (High occupancy toll) lanes	2 and 3 reversible HOT lanes	2 and 3 reversible HOT lanes	2x3 on bridge 2x2 on remaining sections
Ownership								
	75.1% - Transurban 14.4% - IFM Investors 10.5% - UniSuper	50% - Transurban 25% - CPP Investments 25% - QIC Limited	50% - Transurban 25% - CPP Investments 25% - QIC Limited	100 %	50% - Transurban 25% - AustralianSuper 15% - CPP Investments 10% - UniSuper	50% - Transurban 25% - AustralianSuper 15% - CPP Investments 10% - UniSuper	50% - Transurban 25% - AustralianSuper 15% - CPP Investments 10% - UniSuper	100%
Tolling								
Large vehicle multiplier	2x	3x	3x	LCV ⁵ —1.6x HCV ⁶ —3x (day) 2x (night)	3x vehicles 7 ft or taller Medium vehicles - 3x (trucks >2 axles not permitted)	3x vehicles 7 ft or taller Medium vehicles - 3x (trucks >2 axles not permitted)	3x vehicles 7 ft or taller Medium vehicles - 3x (trucks >2 axles not permitted)	2x per axle

1. Does not include the concession extension in connection with the M7-M12 Integration Project.

2. Marked for two lanes in each direction but built to accommodate three lanes in each direction.

3. 495 Express Lanes concession includes the 495 Express Lanes Northern Extension project (currently under construction). Data relates to operational lanes only.

4. 95 Express Lanes concession includes the Fredericksburg Extension (currently under construction). Data relates to operational lanes only.

5. Light commercial vehicle.

6. Heavy commercial vehicle.

Asset portfolio at 31 December 2022 (continued)

Overview	Brisbane					
	Gateway Motorway	Logan Motorway	Clem7	Go Between Bridge	Legacy Way	AirportlinkM7
Opening date	Dec 1986	Dec 1988	Mar 2010	Jul 2010	Jun 2015	Jul 2012
Concession end date	Dec 2051	Dec 2051	Aug 2051	Dec 2063	Jun 2065	Jul 2053
Physical details						
Length—total	23.1 km	39.5km ¹	6.8 km	0.3 km	5.7 km	6.7 km
Length—surface	23.1 km	39.5km ¹	2.0 km	0.3 km	1.1 km	1.0 km
Length—tunnel	—	—	4.8 km	—	4.6 km	5.7 km
Lanes	6,8 and 10 (various) 12 Gateway Bridge	2x2 2x3 some sections	2x2	2x2	2x2	2x3
Ownership						
	62.5% - Transurban 25% - AustralianSuper 12.5% - Tawreed	62.5% - Transurban 25% - AustralianSuper 12.5% - Tawreed	62.5% - Transurban 25% - AustralianSuper 12.5% - Tawreed	62.5% - Transurban 25% - AustralianSuper 12.5% - Tawreed	62.5% - Transurban 25% - AustralianSuper 12.5% - Tawreed	62.5% - Transurban 25% - AustralianSuper 12.5% - Tawreed
Tolling						
Large vehicle multiplier	LCV—1.5x HCV: 3.15x ²	LCV—1.5x HCV: 3.15x ²	LCV—1.5x HCV—3x (day) 2.65x (night)	LCV—1.5x HCV—3x (day) 2.65x (night)	LCV—1.5x HCV—3x (day) 2.65x (night)	LCV—1.5x HCV—2.65x

1. Includes Gateway Extension Motorway.

2. Gateway and Logan HCV tolls progressively increasing to a maximum of 3.44x car tolls.

Future concession assets¹

Overview	Sydney	Melbourne
	Rozelle Interchange	West Gate Tunnel
Concession end date	Dec 2060	Jan 2045
Physical details		
Length—total	5 km ²	17 km
Length—surface	–	10.2 km
Length—tunnel	5 km ²	6.8 km
Lanes	n/a	2x6 on WGF 2x3 on remaining sections
Ownership		
	50% - Transurban	
	20.5% - AustralianSuper	
	10.5% - CPP Investments	100 %
	10.0% - CDPQ	
	9.0% - Tawreed	
Tolling		
Large vehicle multiplier	3x	LCV—1.6x HCV ³ HPFV ³

1. As at 31 December 2022. Not including upgrades or extensions to existing assets which are captured under "Asset Portfolio as at 31 December 2022".

2. Rozelle Interchange is being delivered and funded by TfNSW.

3. HCV and High Productivity Freight Vehicle (HPFV) tolls are not based on a multiplier of a car toll. Further detail can be found at westgatetunnelproject.vic.gov.au.

Results of operations

Period ended 31 December 2022 highlights

Statutory results

	Half-year ended 31 December 2022	Half-year ended 31 December 2021
	\$M	\$M
Toll revenue	1,436	1,056
EBITDA	1,067	734
Profit/(loss) for the half-year	55	(106)
Profit/(loss) attributable to ordinary security holders of the stapled group	41	(103)

During the reporting period, movements in statutory profit/(loss) have been influenced by:

- Increase of \$380 million in toll revenue driven by higher traffic volumes across the Australian regions and price escalations across the Group
- Increase of \$57 million in total expenses (excluding construction costs) due to higher traffic volume-related tolling costs and investment in new customer and tolling platforms to position the business for the next phase of growth and annual escalation of costs
- Increase of \$112 million in net finance costs primarily due to unfavourable movements from the remeasurement of derivative financial instruments and remeasurement of the construction obligation liability
- Decrease of \$58 million in income tax benefit primarily driven by lower loss before income tax for HY23 and prior year tax losses recognised in HY22.

Proportional EBITDA

Segment information in Note B3 to the Group interim financial statements presents the proportional results for the Transurban Group, including reconciliations to the statutory results. Management consider proportional EBITDA to be the best indicator of the underlying performance of the Group's assets. The table below also provides HY23 results adjusted to exclude new assets so as to compare the performance of the business to the prior period result on a like-for-like basis.

	Half-year ended 31 December 2022	Half-year ended 31 December 2021		Half-year ended 31 December 2022 Adjusted ¹	Half-year ended 31 December 2021	
	\$M	\$M	% Change	\$M	\$M	% Change
Toll revenue	1,658	1,163	42.6%	1,608	1,163	38.3%
Other revenue	67	59	12.6%	67	59	12.6%
Total costs	(487)	(417)	16.9%	(475)	(417)	14.0%
EBITDA	1,238	805	53.7%	1,200	805	48.9%

1. Transurban acquired an additional equity interest in WestConnex (via STP JV) of 24.5% on 29 October 2021, taking its total proportional ownership to 50%. To aid comparability HY23 results exclude the additional ownership for the period 1 July 2022 to 31 October 2022.

During the reporting period, movements in adjusted proportional EBITDA relative to the prior comparative period have been influenced by:

- Recovery in traffic volumes following the removal of COVID-19 government mandated restrictions in Sydney and Melbourne that were in place during the prior period. Revenue also benefited from toll price escalations across Transurban's Australian markets and on the A25 in Montreal, Canada
- Higher operating costs as a result of higher traffic volume-related tolling costs and investment in new customer and tolling platforms to position the business for the next phase of growth and annual escalation of costs.

Financial position

	31 December 2022	30 June 2022
Market capitalisation	\$39.9B	\$44.2B
Securities on issue	3,075M	3,071M
Cash and cash equivalents	\$1,705M	\$2,020M
Gearing ¹	36.4%	34.2%

1. Calculated using proportional debt to enterprise value, exclusive of issued letters of credit. The security price was \$12.98 as at 31 December 2022 and \$14.38 as at 30 June 2022.

Transurban's operating assets are primarily long-life intangible assets (concession assets), representing the provision by government entities of the right to toll customers for the use of the assets. Concession intangible assets represent 42 per cent of the total assets of the Group. Concessions typically range from approximately 30 to 80 years, and for accounting purposes the carrying amounts are amortised on a straight-line basis over the duration of the concession.

Free cash

Free cash calculation is presented in Note B8 of the Group interim financial statements.

	Half-year ended 31 December 2022	Half-year ended 31 December 2021	% Change
Free cash	\$863M	\$459M	88.0%
Weighted average securities eligible for distribution ¹	3,075M	3,070M	0.2%
Free cash per security (cents)	28.1cps	15.0cps	87.7%

1. New securities issued during the period are included only to the extent they are eligible for the interim distribution.

Movements in free cash during the reporting period have been influenced by:

- Increase in cash flows from 100 per cent owned assets and distributions and shareholder loan notes payments from non-100 per cent owned entities due to underlying EBITDA growth across the Group
- Favourable movements in working capital.

Segment performance

Sydney

- ADT increased by 47.7%
 - Proportional toll revenue increased by 58.5% to \$835 million, including additional ownership of WestConnex
 - Proportional EBITDA increased by 74.0% to \$674 million
 - Car traffic increased by 52.6% and large vehicle traffic increased by 9.3%
 - The \$3.2 billion M4-M8 link opened on 20 January 2023 connecting the M4 tunnels at Haberfield and the M8 in St Peters. It also includes tunnel stubs to the Rozelle Interchange, scheduled to open 2024
 - M7-M12 Integration Project is expected to receive all approvals imminently
-

Melbourne

- ADT increased by 45.7%
 - Proportional toll revenue increased by 42.2% to \$446 million
 - Proportional EBITDA increased by 51.4% to \$381 million
 - Car traffic increased by 59.1% and large vehicle traffic increased by 12.2%
 - Continued progress on construction of the West Gate Tunnel Project, with more than 90% of tunnelling and portal excavation works complete and over 2 kilometres of the 3.7 kilometre elevated road over Footscray Road and connecting ramps now built
-

Brisbane

- ADT increased by 10.2%
 - Proportional toll revenue increased by 16.2% to \$260 million
 - Proportional EBITDA increased by 17.3% to \$190 million
 - Car traffic increased by 12.2% and large vehicle traffic increased by 4.4%
 - Record traffic days recorded in November 2022 with more than 572,000 trips taken on 25 November 2022
 - Transition of all Brisbane operations to a new centralised traffic control room is now complete, with four separate control rooms located in a single world class facility
-

North America

- ADT increased by 3.3%
 - Proportional toll revenue increased by 19.2% to \$117 million
 - Proportional EBITDA increased by 15.5% to \$74 million
 - 3 times toll multiplier implemented for vehicles taller than 7 feet at 495 Express Lanes and 95 Express Lanes to support long-term operational and maintenance programs
 - GoToll mobile tolling app expanded into Maryland to now serve a total of 90 US roads
-

Events subsequent to the end of the half-year

Details of any events that have arisen from 31 December 2022 to the date of signing this report that have significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future years, are provided in the Group interim financial statements.

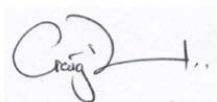
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12.

Rounding of amounts

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with that Instrument to the nearest million, or in certain cases, to the nearest dollar.

This Directors' report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



Craig Drummond

Director



Scott Charlton

Director

Melbourne
7 February 2023



Auditor's Independence Declaration

As lead auditor for the review of Transurban Holdings Limited, Transurban Holding Trust and Transurban International Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Transurban Holdings Limited, Transurban Holding Trust and Transurban International Limited and the entities they controlled during the period.

A handwritten signature in black ink, appearing to read 'E A Barron', with a star symbol integrated into the signature.

E A Barron
Partner
PricewaterhouseCoopers

Melbourne
7 February 2023

Section A: Group interim financial statements

Transurban Holdings Limited

Consolidated statement of comprehensive income for the half-year ended 31 December 2022

	Note	Half-year ended 31 December 2022	Half-year ended 31 December 2021
		\$M	\$M
Revenue	B4	2,032	1,301
Expenses			
Employee benefits expense		(170)	(152)
Road operating costs		(195)	(172)
Construction costs		(508)	(167)
Transaction and integration costs		—	(12)
Corporate and other expenses		(92)	(64)
Total expenses		(965)	(567)
Earnings before depreciation, amortisation, net finance costs, equity accounted investments and income taxes		1,067	734
Amortisation		(502)	(501)
Depreciation		(68)	(58)
Total depreciation and amortisation		(570)	(559)
Net finance costs	B9	(367)	(255)
Share of loss of equity accounted investments	B13	(172)	(181)
Loss before income tax		(42)	(261)
Income tax benefit	B6	97	155
Profit/(loss) for the half-year		55	(106)
Profit/(loss) for the half-year attributable to:			
Ordinary security holders of the stapled group			
– Attributable to THL		(276)	(298)
– Attributable to THT/TIL		317	195
Profit/(loss) attributable to ordinary security holders of the stapled group		41	(103)
Non-controlling interests—other		14	(3)
Profit/(loss) for the half-year		55	(106)
Other comprehensive income/(loss)			
Items that may be reclassified to profit and loss in the future			
Changes in the fair value of cash flow hedges, net of tax		(226)	259
Changes in the fair value of cost of hedging, net of tax		(9)	9
Share of other comprehensive (loss)/income of equity accounted investments, net of tax	B13	(27)	32
Exchange differences on translation of North American operations, net of tax		40	67
Other comprehensive (loss)/income for the half-year, net of tax		(222)	367
Total comprehensive (loss)/income for the half-year		(167)	261
Total comprehensive income/(loss) for the half-year is attributable to:			
Ordinary security holders of the stapled group			
– Attributable to THL		(460)	(198)
– Attributable to THT/TIL		302	424
Non-controlling interests—other		(9)	35
Total comprehensive (loss)/income for the half-year		(167)	261
Earnings/(loss) per security attributable to ordinary security holders of the stapled group	B7	1.3	(3.5)

Transurban Holdings Limited Consolidated balance sheet as at 31 December 2022

	Note	As at 31 December 2022 \$M	As at 30 June 2022 \$M
Assets			
Current assets			
Cash and cash equivalents		1,705	2,020
Current tax assets		1	10
Trade and other receivables		372	347
Derivative financial instruments	B11	38	22
Total current assets		2,116	2,399
Non-current assets			
Equity accounted investments	B13	10,371	10,524
Trade and other receivables		3	3
Financial assets at amortised cost		1,965	1,997
Derivative financial instruments	B11	1,000	1,012
Property, plant and equipment		528	557
Concession financial asset		324	339
Deferred tax assets		945	915
Goodwill		466	466
Other intangible assets		20,560	20,753
Total non-current assets		36,162	36,566
Total assets		38,278	38,965
Liabilities			
Current liabilities			
Trade and other payables		529	463
Current tax liabilities		6	6
Borrowings	B10	1,256	1,063
Derivative financial instruments	B11	56	50
Maintenance provision		174	147
Distribution provision		853	837
Other provisions		70	79
Construction obligation liability		451	432
Other liabilities		770	417
Total current liabilities		4,165	3,494
Non-current liabilities			
Borrowings	B10	16,505	16,580
Derivative financial instruments	B11	233	176
Deferred tax liabilities		1,645	1,832
Maintenance provision		986	981
Other provisions		7	7
Construction obligation liability		190	364
Other liabilities		293	303
Total non-current liabilities		19,859	20,243
Total liabilities		24,024	23,737
Net assets		14,254	15,228
Equity			
Contributed equity		3,951	3,939
Reserves		(442)	(258)
Accumulated losses		(5,212)	(4,936)
Equity attributable to other members of the stapled group (THT/TIL)		15,211	15,676
Equity attributable to security holders of the stapled group		13,508	14,421
Non-controlling interests—other		746	807
Total equity		14,254	15,228

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Transurban Holdings Limited Consolidated statement of changes in equity for the half-year ended 31 December 2022

	Attributable to security holders of the stapled group							
	Number of securities	Contributed equity	Reserves	Accumulated losses	Equity attributable to other members—THT & TIL	Total	Non-controlling interests—other	Total equity
	M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Balance at 1 July 2022	3,071	3,939	(258)	(4,936)	15,676	14,421	807	15,228
Comprehensive income/(loss)								
Profit/(loss) for the half-year	—	—	—	(276)	317	41	14	55
Other comprehensive loss	—	—	(184)	—	(15)	(199)	(23)	(222)
Total comprehensive income/(loss)	—	—	(184)	(276)	302	(158)	(9)	(167)
Transactions with owners in their capacity as owners:								
Contributions of equity, net of transaction costs	—	—	—	—	1	1	—	1
Employee performance awards issued ¹	—	1	—	—	7	8	—	8
Distributions provided for or paid ²	—	—	—	—	(815)	(815)	—	(815)
Distribution reinvestment plan ³	4	11	—	—	40	51	—	51
Distributions to non-controlling interests ⁴	—	—	—	—	—	—	(52)	(52)
	4	12	—	—	(767)	(755)	(52)	(807)
Balance at 31 December 2022	3,075	3,951	(442)	(5,212)	15,211	13,508	746	14,254

1. It is the Group's policy that a portion of all Short Term Incentives issued to the CEO and other executives are deferred for a period of 2 years. In addition to the Short Term Incentives, stapled securities were issued to senior executives and other employees under the Group's Long Term Incentive share based payment plans. These securities are held by the employees but will only vest in accordance with the terms of the plans.

2. Refer to Note B8 for further details of dividends and distributions provided for or paid.

3. Under the Distribution Reinvestment Plan (DRP), holders of stapled securities may elect to have all or part of their distribution entitlements satisfied by the issue of new stapled securities rather than by cash. The DRP applied for the final distribution for FY22, paid in August 2022. The DRP applies for the interim FY23 distribution.

4. Distributions and dividends were paid during the reporting period to the non-controlling interest partners in the Eastern Distributor and Transurban Queensland.

Transurban Holdings Limited Consolidated statement of changes in equity for the half-year ended 31 December 2021

	Attributable to security holders of the stapled group							
	Number of securities	Contributed equity	Reserves	Accumulated losses	Equity attributable to other members—THT & TIL	Total	Non-controlling interests—other	Total equity
	M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Balance at 1 July 2021	2,738	2,929	(457)	(4,270)	12,149	10,351	801	11,152
Comprehensive income/(loss)								
Profit/(loss) for the half-year	—	—	—	(298)	195	(103)	(3)	(106)
Other comprehensive income	—	—	100	—	229	329	38	367
Total comprehensive income/(loss)	—	—	100	(298)	424	226	35	261
Transactions with owners in their capacity as owners:								
Contributions of equity, net of transaction costs ¹	324	983	—	—	3,167	4,150	—	4,150
Employee performance awards issued ²	1	3	—	—	5	8	—	8
Distributions provided for or paid ³	—	—	—	—	(461)	(461)	—	(461)
Distribution reinvestment plan ⁴	7	22	—	—	74	96	—	96
Distributions to non-controlling interests ⁵	—	—	—	—	—	—	(35)	(35)
	332	1,008	—	—	2,785	3,793	(35)	3,758
Balance at 31 December 2021	3,070	3,937	(357)	(4,568)	15,358	14,370	801	15,171

1. On 13 October 2021, the Group successfully completed the fully underwritten institutional and retail components of its pro-rata accelerated renounceable 1 for 9 entitlement offer. The institutional component raised gross proceeds of \$2,898 million at an issue price of \$13.00 per security. The retail component raised gross proceeds of \$1,068 million at an issue price of \$13.00 per security. A further \$250 million was raised through a placement to AustralianSuper at an issue price of \$13.07 per security. The total gross proceeds of \$4,216 million (\$4,150 million net of costs and tax) were used to fund the Group's contribution to the acquisition of the remaining 49% equity stake in WestConnex through Sydney Transport Partners Joint Venture (STP JV), which completed on 29 October 2021.

2. It is the Group's policy that a portion of all Short Term Incentives issued to the CEO and other executives are deferred for a period of 2 years. In addition to the Short Term Incentives, stapled securities were issued to senior executives and other employees under the Group's Long Term Incentive share based payment plans. These securities are held by the employees but will only vest in accordance with the terms of the plans.

3. Refer to Note B8 for further details of dividends and distributions provided for or paid.

4. Under the Distribution Reinvestment Plan (DRP), holders of stapled securities may elect to have all or part of their distribution entitlements satisfied by the issue of new stapled securities rather than by cash. The DRP applied for the final distribution for FY21, paid in August 2021. The DRP was in effect for the interim FY22 distribution, paid in February 2022.

5. Distributions and dividends were paid during the reporting period to the non-controlling interest partners in Transurban Queensland.

Transurban Holdings Limited Consolidated statement of cash flows for the half-year ended 31 December 2022

	Half-year ended 31 December 2022	Half-year ended 31 December 2021
	\$M	\$M
Cash flows from operating activities		
Receipts from customers	1,561	1,164
Payments to suppliers and employees	(510)	(475)
Payments for maintenance of intangible assets	(72)	(44)
Transaction and integration costs	—	(4)
Other cash receipts	113	82
Interest received	19	10
Interest paid	(351)	(359)
Income taxes paid	(17)	(8)
Net cash inflow from operating activities	743	366
Cash flows from investing activities		
Payments for financial assets at amortised cost	—	(716)
Repayment of financial assets at amortised cost	75	31
Capital contribution to equity accounted investments	(117)	(4,975)
Payments for intangible assets	(456)	(310)
Payments for property, plant and equipment	(66)	(47)
Distributions received from equity accounted investments	119	149
Income taxes refunded/(paid) related to the disposal of subsidiaries	9	(185)
Net cash outflow from investing activities	(436)	(6,053)
Cash flows from financing activities		
Proceeds from equity issues of stapled securities (net of costs)	1	4,143
Proceeds from borrowings (net of costs)	16	7
Net proceeds from loan facilities	359	40
Principal repayment of leases	(6)	(6)
Repayment of borrowings	(195)	(550)
Dividends and distributions paid to the Group's security holders	(747)	(492)
Distributions paid to non-controlling interests	(52)	(35)
Net cash (outflow)/inflow from financing activities	(624)	3,107
Net decrease in cash and cash equivalents	(317)	(2,580)
Cash and cash equivalents at the beginning of the half-year	2,020	4,285
Effects of exchange rate changes on cash and cash equivalents	2	19
Cash and cash equivalents at the end of the half-year	1,705	1,724

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Section B: Notes to the Group interim financial statements

Basis of preparation and significant changes

B1 Summary of significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by a reduction in government mandated COVID-19 restrictions and the resulting improvement in traffic volumes and toll revenue. During the half-year ended 31 December 2022 (HY23), toll revenue increased by 35.9% from the prior comparative period. Traffic in each of Transurban's markets continues to be sensitive to macroeconomic conditions and COVID-19 recovery.

B2 Basis of preparation

Transurban Holdings Limited (the Company or THL) is a Company incorporated in Australia and limited by shares that are publicly traded on the Australian Securities Exchange. These financial statements have been prepared as a consolidation of the financial statements of Transurban Holdings Limited and its controlled entities (Transurban, Transurban Holdings Limited Group, Transurban Group or the Group). The controlled entities of THL include the other members of the stapled group being Transurban Infrastructure Management Limited (TIML) as the responsible entity of Transurban Holding Trust and its controlled entities (THT) and Transurban International Limited and its controlled entities (TIL). The equity securities of THL, THT and TIL are stapled and cannot be traded separately. The Group is a for-profit entity. Entities within the Group are domiciled and incorporated in Australia, the United States of America and Canada.

The Group interim financial statements for HY23:

- Have been prepared in accordance with the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*
- Have adopted all accounting policies in accordance with Australian accounting standards, and where a standard permits a choice in accounting policy, the policy adopted by the Group for HY23 is consistent with that which has been disclosed in the Corporate Report for the year ended 30 June 2022
- Have applied the option under *ASIC Corporations (Stapled Group Reports) Instrument 2015/838* to present the consolidated financial statements in one section (Section A) and all other reporting group members in a separate section (Section C)
- Have been prepared under the historical cost convention, as modified by the revaluation of other financial assets and liabilities (including derivative financial instruments)
- Are presented in Australian dollars, which is the Group's functional and presentation currency
- Have been rounded to the nearest million dollars, unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191*
- Have restated the presentation of comparative amounts, where applicable, to conform to the current period presentation.

In accordance with AASB 134, the Group interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Corporate Report for the year ended 30 June 2022 and any public announcements made by the Transurban Group during HY23 in accordance with the continuous disclosure requirements of the ASX Listing Rules.

B2 Basis of preparation (continued)

Going concern

The Group interim financial statements have been prepared on a going concern basis, which assumes the continuity of normal operations, in particular over the next 12 months from the date of this report. This is notwithstanding that the Group's consolidated balance sheet indicates a net current liability position as at 31 December 2022 of \$2,049 million (30 June 2022: \$1,095 million).

In determining the appropriateness of the going concern basis of preparation, the Directors have considered the uncertainties related to near-term interest rates, inflation and COVID-19 recovery on the Group's liquidity and operations. The Directors consider near-term interest rate fluctuations to be primarily limited to new debt facilities due to the Group's hedging policy and profile. In addition, a majority of the Group's toll roads have toll escalations of CPI or greater which provides revenue protection in an inflationary environment. With respect to COVID-19, although traffic will continue to be sensitive to behavioural aspects related to COVID-19 recovery, the Directors consider that the Group's demonstrated ability to continue to operate throughout the pandemic, as well as reduced Government mandated restrictions, indicate that the uncertainty related to COVID-19 has reduced since 30 June 2022.

The Group has assessed cash flow forecasts and its ability to fund its net current liability position as at 31 December 2022. This assessment indicates that the Group is expected to be able to continue to operate within available liquidity levels and the terms of its debt facilities, and to fund its net current liability position as at 31 December 2022, for the 12 months from the date of this report.

The Group has also forecast that it does not expect to breach any financial covenants within the next 12 months from the date of this report. Financial covenant forecasts utilised the same underlying cash flow forecasts as those used in the going concern assessment. Corporate and non-recourse debt financial covenants are calculated on a trailing 12 month basis.

Furthermore, the Directors have also taken the following matters into consideration in forming the view that the Group is a going concern:

- The Group has cash and cash equivalents of \$1,705 million as at 31 December 2022
- The Group has available a total of \$2,199 million of undrawn general purpose borrowing facilities across a number of financial providers with a maturity beyond 12 months. Additionally, the Group has a further \$55 million of undrawn borrowing facilities to provide funding for the Group's capital projects
- The Group is expected to have the ability to fund the net current liability position through the generation of free cash and the use of undrawn facilities in the 12 months from the date of this report
- Payment of future dividends and distributions remains at the discretion of the Board.

New and amended standards and interpretations

The Group has adopted the following new and amended accounting standards which became effective for the half-year commencing 1 July 2022. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

Reference	Description
AASB 2020—3 <i>Amendments to Australian standards—Annual improvements 2018-2020 and Other Amendments</i>	<p>The following minor amendments were made to accounting standards:</p> <ul style="list-style-type: none">• Annual Improvements 2018-2020 Cycle make minor amendments to AASB 1 <i>First-time Adoption of International Financial Reporting Standards</i>, AASB 9 <i>Financial Instruments</i> and the Illustrative Examples accompanying AASB 16 <i>Leases</i> to clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards• Amendments to AASB 3 <i>Business Combinations</i> update a reference in AASB 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations• Amendments to AASB 116 <i>Property, Plant and Equipment</i> require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in the profit and loss, instead of deducting the amounts received from the cost of the asset• Amendments to AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> clarify which costs a company includes when assessing whether a contract will be onerous.
	Application of the above amendments has not materially impacted the Group.

Key accounting estimates and judgements

Estimates and judgements are regularly made by management and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Details on the nature of key accounting estimates and judgements are disclosed in the Group's Corporate Report for the year ended 30 June 2022, except for the following:

- Impairment assessment of other intangible assets and equity accounted investments Note B12 and Note B13

There have been no other significant changes to key accounting estimates and judgements disclosed in the Group's Corporate Report since 30 June 2022.

Operating performance

B3 Segment information

In the segment information provided to the Transurban Group Executive Committee (certain members of which act as the chief operating decision maker), segments are defined by the geographical region in which the Group operates being Melbourne, Sydney, Brisbane and North America. The Group's corporate function is not an operating segment under the requirements of AASB 8 *Operating Segments* as its revenue generating activities are only incidental to the business.

The Executive Committee assesses the performance of each region based on a measure of proportional earnings before depreciation, amortisation, net finance costs and income taxes (Proportional EBITDA). This reflects the contribution of each region in the Group in the proportion of Transurban's equity ownership.

The diagram below shows the assets included in each geographical region, together with the ownership interests held by the Group as at 31 December 2022:

	MELBOURNE	SYDNEY	BRISBANE	NORTH AMERICA
WHOLLY OWNED	CityLink (100%) West Gate Tunnel (100%)	Lane Cove Tunnel (100%) Cross City Tunnel (100%)	Hills M2 Motorway (100%) M5 West (100%)	A25 (100%)
		M1 Eastern Distributor (75.1%)	Logan Motorway (62.5%) Go Between Bridge (62.5%) Legacy Way (62.5%)	Gateway Motorway (62.5%) Clem7 (62.5%) AirportlinkM7 (62.5%)
NON-100% OWNED AND CONSOLIDATED		Westlink M7 ¹ (50%) NorthConnex ¹ (50%)	WestConnex M4 ² (50%) WestConnex M8/M5 East ² (50%) WestConnex M4-M8 Link ² (50%)	95 Express Lanes ³ (50%) AM Partners ⁵ (60%)
NON-100% OWNED AND EQUITY ACCOUNTED				495 Express Lanes ⁴ (50%)

1. Westlink M7 and NorthConnex form the NorthWestern Roads Group (NWRG).

2. The M4, M8/M5 East and M4-M8 Link together form WestConnex. The M8/M5 East includes the M8, the M5 East and will include the M5 West from December 2026. During the comparative period, the Group's proportional equity interest in WestConnex increased from 25.5% to 50% through its equity investment in the STP JV.

3. The 95 Express Lanes concession is inclusive of the 395 Express Lanes and the Fredericksburg Extension.

4. The 495 Express Lanes concession is inclusive of the 495 Express Lanes Northern Extension Project and the Capital Beltway Accord Project.

5. Accelerate Maryland Partners LLP (AM Partners) role is to be the Maryland Department of Transport's long-term partner to build, finance and operate new Express Lanes in Maryland, USA.

B3 Segment information (continued)

Segment information—proportional income statement

31 December 2022

	Melbourne	Sydney	Brisbane	North America	Corporate and other	Total
Toll revenue	446	835	260	117	—	1,658
Other revenue	12	24	2	16	13	67
Total proportional revenue	458	859	262	133	13	1,725
Proportional EBITDA	381	674	190	74	(81)	1,238

31 December 2021

	Melbourne	Sydney	Brisbane	North America	Corporate and other	Total
Toll revenue	313	527	224	99	—	1,163
Other revenue	10	17	2	15	15	59
Total proportional revenue	323	544	226	114	15	1,222
Proportional EBITDA	252	387	162	64	(60)	805

Reconciliation of segment information to statutory financial information

The proportional results presented above are different from the statutory financial results of the Group due to the proportional presentation of each asset's contribution to each geographical region and adjustments.

Segment revenue

Revenue from external customers comprises toll, service and fee revenues earned on toll roads. Segment revenue reconciles to total statutory revenue as follows:

	Note	Half-year ended 31 December 2022 \$M	Half-year ended 31 December 2021 \$M
Total segment revenue (proportional)		1,725	1,222
Add:			
Revenue attributable to non-controlling interests		179	148
Construction revenue from road development activities		508	167
Intragroup elimination ¹		30	25
Less:			
Proportional revenue of non-100% owned equity accounted assets		(395)	(247)
Toll revenue receipts relating to the A25 concession financial asset ²		(8)	(7)
Other revenue receipts relating to the A25 concession financial asset ²		(7)	(7)
Total statutory revenue	B4	2,032	1,301

1. Statutory revenue recognised in relation to arrangements with the equity accounted investments that are eliminated for segment purposes.

2. The Executive Committee members acting as the chief operating decision maker assesses the performance of the Group using proportional results that include A25 income streams relating to availability payments and guaranteed toll income which are classified as revenue within the proportional results. These revenues form part of the ordinary activities of the A25 and are reflective of its underlying performance. For statutory accounting purposes, these income streams offset the related concession financial asset receivable recorded on acquisition of the A25.

B3 Segment information (continued)

Proportional EBITDA

Proportional EBITDA reconciles to statutory loss before income tax as follows:

	Half-year ended 31 December 2022	Half-year ended 31 December 2021
	\$M	\$M
Proportional EBITDA	1,238	805
Add: EBITDA attributable to non-controlling interests	131	106
Add: Intragroup elimination ¹	1	3
Less: Proportional EBITDA (excluding significant items) of non-100% owned equity accounted assets	(288)	(166)
Less: Toll and other revenue receipts relating to the A25 concession financial asset ²	(15)	(14)
Statutory earnings before depreciation, amortisation, net finance costs, equity accounted investments and income taxes	1,067	734
Statutory depreciation and amortisation	(570)	(559)
Statutory net finance costs	(367)	(255)
Share of loss of equity accounted investments	(172)	(181)
Loss before income tax	(42)	(261)

1. Statutory EBITDA recognised in relation to arrangements with equity accounted investments that are eliminated for segment purposes. For statutory purposes an offsetting adjustment is recognised within the share of loss of equity accounted investments.

2. The Executive Committee members acting as the chief operating decision maker assesses the performance of the Group using proportional results that include A25 income streams relating to availability payments and guaranteed toll income which are classified as revenue within the proportional results. These revenues form part of the ordinary activities of the A25 and are reflective of its underlying performance. For statutory accounting purposes, these income streams offset the related concession financial asset receivable recorded on acquisition of the A25.

B4 Revenue

	Half-year ended 31 December 2022	Half-year ended 31 December 2021
	\$M	\$M
Toll revenue ¹	1,436	1,056
Construction revenue ²	508	167
Other revenue ³	88	78
Total revenue	2,032	1,301

1. Toll revenue for the half-year ended 31 December 2022 is recognised net of revenue share of \$12 million (2021: \$11 million) paid to the grantor of A25, Ministry of Transport of Quebec (MTQ).

2. Increase in construction revenue is driven by construction of the West Gate Tunnel Project.

3. Includes \$65,856 thousand (half-year ended 31 December 2021: \$58,213 thousand) of revenue for tolling and management services provided to related parties.

The Group's revenue streams and related accounting policies are the same as those described in the Corporate Report for the year ended 30 June 2022.

B5 Significant items

Significant items are items whose nature is sufficiently significant to the Group interim financial statements and not in the ordinary course of business. There were no items classified as significant items for HY23 or for the half-year ended 31 December 2021.

B6 Income tax

Income tax expense/(benefit)

	Half-year ended 31 December 2022	Half-year ended 31 December 2021
	\$M	\$M
Current tax	52	(60)
Deferred tax	(149)	(95)
	(97)	(155)
Deferred income tax benefit included in income tax benefit comprises:		
Increase in deferred tax assets	(57)	(13)
Decrease in deferred tax liabilities	(92)	(82)
	(149)	(95)

Reconciliation of income tax expense/(benefit) to prima facie tax payable

	Half-year ended 31 December 2022	Half-year ended 31 December 2021
	\$M	\$M
Loss before income tax	(42)	(261)
Tax at the Australian tax rate of 30% (2021: 30%)	(13)	(78)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Trust income not subject to tax	(139)	(89)
Equity accounted results	46	36
Tax rate differential	3	3
Non-assessable interest	(1)	(8)
Non-deductible depreciation	4	4
Prior year tax losses recognised	—	(25)
Non-deductible other expenses	3	2
Income tax benefit	(97)	(155)
Tax expense/(income) relating to items of other comprehensive income and equity		
Cash flow hedges	(99)	90
Foreign currency translation	(1)	(8)
Cost of hedging	(4)	4
Other equity transactions	—	(7)
	(104)	79

Current tax assets and liabilities

As at 31 December 2022, the current tax assets and liabilities of the Group relate to income tax receivable for the Transurban DRIVE Holdings LLC (DRIVE) and Transurban (USA) Holdings Inc (TUSAH) tax consolidated groups, and income tax payable for the Airport Motorway Pty Limited (AML) tax consolidated group and TU Cardinal Secondary Holdings Ltd as a standalone entity.

Security holder outcomes

B7 Earnings per stapled security

Reconciliation of earnings used in calculating earnings per security

	Half-year ended 31 December 2022	Half-year ended 31 December 2021
Profit/(loss) attributable to ordinary security holders of the stapled group (\$M)	41	(103)
Weighted average number of securities (M)	3,074	2,912
Basic and diluted earnings/(loss) per security attributable to the ordinary security holders of the stapled group (cents)	1.3	(3.5)

B8 Dividends/distributions and free cash

Dividends/distributions paid by the Group during the half-year

	Total \$M	Paid in cash \$M	Settled in securities \$M	Cents	Date paid/payable
31 December 2022					
Declared 20 June 2022					
Franked THL	61	58	3	2.0	
Partly franked THT	737	689	48	24.0	
	798	747	51	26.0	23 August 2022

31 December 2021					
Declared 24 June 2021					
Franked THL	27	23	4	1.0	
Partly franked THT	561	469	92	20.5	
	588	492	96	21.5	23 August 2021

Dividends/distributions payable by the Group

31 December 2022					
Declared 2 December 2022					
Franked THL	—	—	—	—	
Unfranked THT	815	—	—	26.5	
	815	—	—	26.5	13 February 2023

31 December 2021					
Declared 3 December 2021					
Franked THL	—	—	—	—	
Unfranked THT	461	450	11	15.0	
	461	450	11	15.0	22 February 2022

B8 Dividends/distributions and free cash (continued)

Distribution policy and free cash calculation

The Group typically aligns distributions with free cash generated. The Group calculates free cash as follows:

	Half-year ended 31 December 2022	Half-year ended 31 December 2021
	\$M	\$M
Cash flows from operating activities	743	366
Add back transaction and integration costs	—	4
Add back payments for maintenance of intangible assets	72	44
Less debt amortisation of 100% owned assets ¹	(10)	(7)
Less cash flow from operating activities related to non-100% owned entities	(249)	(174)
Less allowance for maintenance of intangible assets for 100% owned assets	(30)	(28)
Adjust for distributions and interest received from non-100% owned entities		
M1 Eastern Distributor distributions	24	—
Transurban Queensland distributions and shareholder loan note payments	119	70
NWRG distributions and shareholder loan note payments	103	72
STP JV distributions and shareholder loan note payments	75	77
TC distributions	16	35
Free cash	863	459
Weighted average securities on issue (M)²	3,075	3,070
Free cash per security (cents)—weighted average securities	28.1	15.0

1. From the date of the initial WestConnex acquisition in 2018, debt amortisation from M5 West has been added back to this figure due to the M5 West concession arrangement being transferred to the WestConnex ownership consortium at the end of the current M5 West concession agreement in 2026. Debt amortisation of 100% owned assets has been adjusted by \$47 million (2021: \$44 million).

2. The weighting applied to securities is based on their eligibility for distributions during the reporting period and consequently can be different to weighted average number of securities calculated in Note B7 Earnings per stapled security.

Capital and borrowings

B9 Net finance costs

	Half-year ended 31 December 2022 \$M	Half-year ended 31 December 2021 \$M
Finance income		
Income from concession financial asset	12	12
Interest income on financial assets at amortised cost ¹	30	15
Interest income on bank deposits held at amortised cost	20	5
Net unrealised remeasurement gain attributable to derivative financial instruments	—	67
Unwind of discount and remeasurement of financial assets at amortised cost ²	24	33
Unwind of discount and remeasurement of liabilities—construction obligation liability	—	20
Unwind of discount and remeasurement of liabilities—promissory and concession notes	1	—
Total finance income	87	152
Finance costs		
Interest and finance charges paid/payable	(361)	(372)
Net unrealised remeasurement loss attributable to derivative financial instruments	(33)	—
Unwind of discount and remeasurement of liabilities—maintenance provision	(14)	(15)
Unwind of discount and remeasurement of liabilities—construction obligation liability	(17)	—
Unwind of discount and remeasurement of liabilities—promissory and concession notes	—	(6)
Unwind of discount and remeasurement of liabilities—lease liabilities	(3)	(3)
Unwind of discount and remeasurement of liabilities—other liabilities	(2)	(2)
Movement in impairment provisions on financial assets at amortised cost	—	(2)
Net foreign exchange losses	(24)	(7)
Total finance costs	(454)	(407)
Net finance costs³	(367)	(255)

1. Relates to \$30,479 thousand (half-year ended 31 December 2021: \$14,847 thousand) of interest income on the shareholder loan notes (SLNs) with STP JV and NWRG.

2. Relates to unwind of discount and remeasurement of SLNs with STP JV and NWRG of \$23,530 thousand (half-year ended 31 December 2021: \$33,050 thousand).

3. In addition to the net finance costs that are included in the profit and loss, \$39 million (2021: \$33 million) of financing costs have been capitalised and included in the carrying amount of assets under construction.

Unrealised remeasurement loss attributable to derivative financial instruments

The Group uses derivative financial instruments in the normal course of business to hedge exposures to fluctuations in interest rates and foreign exchange rates in accordance with the Group's financial risk management policies. Excluding borrowings held in foreign currencies that hedge the Group's investment in US and Canadian operations, the Group has entered into cross-currency interest rate swaps that hedge 100% of its economic exposure to borrowings raised in foreign currencies. The cross-currency interest rate swap contracts hedge the risk of unfavourable foreign exchange rate movements on borrowings denominated in foreign currencies. Under the swap contracts, the Group receives foreign currency at fixed rates and pays AUD at fixed rates.

At the end of each reporting period the Group remeasures the cross-currency interest rate swap contracts at fair value and applies hedge accounting. The periodic remeasurement of the cross-currency interest rate swap contracts to fair value includes an element of foreign currency basis spread. For those cross-currency interest rate swap contracts that designate the entire fair value of the cross-currency interest rate swap contract as the hedging instrument (including the foreign currency basis spread component), this can result in ineffectiveness in the hedging relationship that is recognised in the profit and loss.

During HY23, the Group observed a downward shift in the AUD basis curve relative to other foreign currencies, which resulted in a change in the fair value of these cross-currency interest rate swaps. While the Group has removed the cash flow risk of unfavourable exchange rate movements through the use of these swaps, hedge accounting ineffectiveness is the primary driver of the net unrealised remeasurement loss attributable to these derivative financial instruments for HY23.

B10 Borrowings

	31 December 2022 \$M	30 June 2022 \$M
Current		
Capital markets debt	520	304
US private placement	218	224
Term debt	518	535
Total current borrowings	1,256	1,063
Non-current		
Capital markets debt	11,028	10,963
US private placement	2,766	2,827
Term debt	2,475	2,534
Shareholder loan notes	236	256
Total non-current borrowings	16,505	16,580
Total borrowings	17,761	17,643

Financing arrangements and credit facilities

During HY23, and in the interval between the end of HY23 and the date of this report, Transurban executed the following financing activities:

September 2022

- Transurban reached financial close on three letters of credit facilities of \$40 million, \$50 million and \$60 million, all with a tenor of 3 years.

December 2022

- Transurban Queensland reached financial close on a \$480 million syndicated bank facility with a tenor of 2 years.

January 2023

- A25 reached financial close on a C\$350 million bank facility with a tenor of 4 years.

B11 Derivatives and financial risk management

Derivatives

	31 December 2022		30 June 2022	
	Current	Non-current	Current	Non-current
Assets				
Interest rate swap contracts	—	281	—	264
Cross-currency interest rate swap contracts	38	702	22	734
Power purchase agreements	—	17	—	14
Total derivative financial instrument assets	38	1,000	22	1,012
Liabilities				
Interest rate swap contracts	43	—	50	—
Cross-currency interest rate swap contracts	—	233	—	176
Forward exchange contracts	13	—	—	—
Total derivative financial instrument liabilities	56	233	50	176

Fair value measurements

The carrying amount of the Group's financial assets and liabilities approximate their fair value. For current borrowings, this is due to the interest payable being close to current market rates or the borrowings being short-term in nature. The fair values of non-current borrowings are determined based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable inputs.

Fair value is categorised within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement as a whole:

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

All of the Group's financial instruments measured, recognised and disclosed at fair value are valued using market observable inputs (level 2), except for the Financial Power Purchase Agreements (PPAs) (level 3).

The Financial PPAs include 'contract for difference' (CfD) derivatives which are measured as level 3 financial instruments. This is because the electricity forward spot prices cannot be forecasted (using observable market data) for the duration of the contracts.

The following table presents the changes in the Financial PPAs level 3 instruments for HY23:

	Level 3 Instruments
	\$M
Opening balance at 1 July 2022	14
Gains recognised in the profit and loss ¹	3
Closing balance at 31 December 2022	17

1. Comprises unrealised gains recognised in the profit and loss (road operating costs) attributable to balances held at the end of the reporting period.

The following table summarises the impact of changes to the key unobservable inputs on the fair value of level 3 instruments for the HY23:

Key unobservable inputs	Range of inputs	Relationship of key unobservable inputs to fair value
Electricity price	+/-10%	A change in the electricity price by 10% would increase/decrease the fair value by \$9 million

There has been no change in the valuation techniques applied and there were no transfers between levels within the fair value hierarchy during the reporting period.

Concession summary

B12 Concession summary

The table below summarises the key balance sheet items of the Group's concession assets by geographical region:

31 December 2022					
\$M	Melbourne	Sydney	Brisbane	North America	Carrying amount
Equity accounted investment carrying amount	—	7,249	—	3,122	10,371
Service concession intangible assets carrying amount	2,606	5,205	7,204	1,155	16,170
Concession financial asset (current and non-current)	—	—	—	354	354
Assets under construction ^{1,2}	4,286	—	—	—	4,286
Other intangibles ³	42	—	—	—	42
Goodwill	1	260	205	—	466
Maintenance provision (current and non-current)	(172)	(269)	(683)	(36)	(1,160)
Construction obligation liability (current and non-current)	(641)	—	—	—	(641)

30 June 2022					
\$M	Melbourne	Sydney	Brisbane	North America	Carrying amount
Equity accounted investment carrying amount	—	7,487	—	3,037	10,524
Service concession intangible assets carrying amount	2,663	5,426	7,319	1,224	16,632
Concession financial asset (current and non-current)	—	—	—	369	369
Assets under construction ^{1,2}	4,009	—	—	—	4,009
Other intangibles ³	52	—	—	—	52
Goodwill	1	260	205	—	466
Maintenance provision (current and non-current)	(170)	(265)	(658)	(35)	(1,128)
Construction obligation liability (current and non-current)	(796)	—	—	—	(796)

1. Assets under construction are included within other intangible assets in the consolidated balance sheet.

2. There is amortisation recorded in assets under construction for the component of the West Gate Tunnel Project which is related to CityLink funding contributions, for which funding sources began to be received from 1 July 2019.

3. Includes rights associated with the agreement with the High-Quality Bulla spoil disposal site entered in June 2021. Funding was provided to complete the site activation works on a rights reserved basis to enable the site to be available for the receipt and storage of project spoil in relation to the West Gate Tunnel Project.

Indicators of impairment

At each reporting period the Group assesses whether there is an indication of impairment for each of the Group's service concession intangible assets. Where an indicator of impairment is identified, impairment testing is performed. There were no indicators of impairment for the Group's service concession intangible assets as at 31 December 2022.

As outlined in the Group's Corporate Report for the year ended 30 June 2022, the A25's recoverable amount exceeded its carrying amount by 24% when impairment testing was last performed as at 30 June 2022. The testing as at 30 June 2022 also indicated that the A25 was sensitive to reasonably possible changes in key assumptions. Given the sensitivity of assumptions, and despite the fact that impairment indicators have not been identified, management have nevertheless completed an impairment assessment of the A25 as at 31 December 2022. The recoverable amount as at 31 December 2022 (based on fair value less costs of disposal) exceeds the carrying amount by 30% (31 December 2022 carrying amount: \$1,155 million). An updated sensitivity analysis was performed to consider reasonably possible changes in traffic volumes, long-term CPI, the discount rate and the realisation of asset enhancement opportunities. As at 31 December 2022, the A25 concession intangible asset continues to be sensitive and may be impaired if there are reasonably possible changes in the key assumption relating to the realisation of asset enhancement opportunities. There has not been a material change to long-term assumptions through to 31 December 2022. Accordingly, and given the A25's reducing carrying amount through amortisation, management conclude there is no impairment as at 31 December 2022.

KEY ESTIMATE AND JUDGEMENT

The Group makes certain assumptions in calculating the recoverable amount of service concession intangible assets. These include assumptions around expected traffic performance and forecast operational costs.

Except for A25, management do not consider that reasonably possible changes in key assumptions would result in the recoverable amount being lower than the carrying amount of a service concession intangible asset.

B12 Concession summary (continued)

Construction obligation liability

West Gate Tunnel Project

The West Gate Tunnel Project is being funded by additional tolling income from a concession extension of CityLink and the receipt of future tolling income from the West Gate Tunnel Project. The CityLink Concession Deed was amended in April 2019, requiring the recognition of an incremental asset within other intangible assets and a corresponding liability. The liability represents the Group's obligation to complete construction of the West Gate Tunnel Project, attributable to the remaining CityLink funding sources payments. The liability will reduce as payments are made in connection with the CityLink funding sources.

The estimated nominal value of the remaining funding sources payments attributable to CityLink is \$667 million as at 31 December 2022. The carrying amount is \$641 million as at 31 December 2022.

Group structure

B13 Equity accounted investments

Below is the reconciliation of the equity accounted carrying amount of investments:

	STP JV		NWRG			TC		Other ³		Total
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Opening carrying value at 1 July	7,309	2,774	178	263	3,013	2,714	24	—	10,524	5,751
Group's share of loss ^{1,2}	(154)	(122)	—	—	(18)	(59)	—	—	(172)	(181)
Group's share of other comprehensive income/(loss)	(27)	28	—	—	—	4	—	—	(27)	32
Distributions received	(51)	(71)	(52)	(43)	(16)	(35)	—	—	(119)	(149)
Foreign exchange movements	—	—	—	—	48	98	—	—	48	98
Capital contributions	46	4,916	—	—	71	47	—	12	117	4,975
Fair value adjustment on issuance of shareholder loan notes and TC loan receivable	—	—	—	—	—	1	—	—	—	1
Closing carrying value at 31 December	7,123	7,525	126	220	3,098	2,770	24	12	10,371	10,527
Cumulative losses not recognised ²	—	—	—	151	—	—	—	—	—	151

1. The Group's share of STP JV losses includes losses from STP Project Trust of \$69 million (2021: \$52 million) and STP Asset Trust of \$85 million (2021: \$70 million).

2. The Group's share of profits from the investment in the NWRG to date have not been recognised due to the utilisation of cumulative losses. As all cumulative losses have now been utilised, the Group's share of any future profits will be recognised from 1 January 2023. Cumulative losses not recognised above are disclosed at 100%.

3. Other equity accounted investments comprise AM Partners (60% ownership interest) and Bluedot (4.2% ownership interest).

Joint Ventures

STP JV (50% ownership interest)

The Group has a 50% ownership interest in the STP JV (including STP Project Trust, STP Asset Trust, STP PT Pty Ltd and STP AT Pty Ltd), which holds 100% of the Westconnex Group. The STP JV partners comprise of Transurban (50%), AustralianSuper (20.5%), CPP Investments (10.5%), Caisse de depot et placement du Quebec (CDPQ) (10%) and Tawreed (9%). The STP JV and its subsidiaries are jointly controlled by Transurban, AustralianSuper, CPP Investments, CDPQ and Tawreed.

The following entities are part of the WestConnex Group:

- WCX Asset Trust (parent of entities responsible for financing and construction of the respective Motorways within the WestConnex Group)
- WCX AT Pty Ltd (trustee of WCX Asset)
- WCX Project Trust (parent of entities responsible for operating the Motorways within the WestConnex Group)
- WCX PT Pty Ltd (trustee of WCX Project Trust).

B13 Equity accounted investments (continued)

Joint Ventures (continued)

NWRG (50% ownership interest)

The Group has a 50% ownership interest in NWRG (including NorthWestern Roads Group Pty Ltd, NorthWestern Roads Group Trust and NorthConnex State Works Contractor Pty Limited), which holds 100% of the Westlink M7 Group and the NorthConnex Group. Westlink M7 holds the concession to design, construct, finance and operate the Westlink M7 Motorway in Sydney until June 2048, and NorthConnex holds the concession to design, construct, finance and operate the NorthConnex Tunnel in Sydney until 2048.

The following entities are part of the Westlink M7 Group:

- WSO Co Pty Limited (the operator of the Motorway)
- Westlink Motorway Limited (the nominee manager of the Westlink Motorway Partnership)
- WSO Finance Pty Limited (the financier of the Motorway)
- Westlink Motorway Partnership (was responsible for the construction of the Motorway).

The following entities are part of the NorthConnex Group:

- NorthConnex Company Pty Limited (the operator of the Tunnel)
- NorthConnex Finance Pty Limited (the financier of the Tunnel).

TC (50% ownership interest)

The Group has a 50% ownership interest in Transurban Chesapeake LLC which holds 100% of the TC Group.

The following entities are part of TC:

- Transurban Chesapeake LLC (responsible for corporate operations)
- Capital Beltway Express LLC (the operator of the Capital Beltway Express Lanes)
- 95 Express Lanes LLC (the operator of the 95 Express Lanes).

AM Partners (60% ownership interest)

The Group has a 60% ownership interest in AM Partners, whose role is to be the Maryland Department of Transport's long-term partner to build, finance and operate new Express Lanes in Maryland, USA. AM Partners is jointly controlled by the Group and Macquarie Infrastructure Developments LLC.

Associate

Bluedot (4.2% ownership interest)

Bluedot is an advanced location services technology company. The Group leverages Bluedot's location services technology for the Group's LinktGo application which allows the use of a smartphone's GPS and other sensors to identify when a driver has entered and exited a toll road. Bluedot's technology continues to be used by the Group as at 31 December 2022.

The carrying value of the Bluedot equity accounted investment is \$nil (2021: \$nil). Accordingly, summarised financial information, including cumulative losses not recognised, is not disclosed.

B13 Equity accounted investments (continued)

Indicators of impairment

At each reporting period the Group assesses whether there is an indication of impairment for each of the Group's equity accounted investments. Where an indicator of impairment is identified, impairment testing is performed. There were no indicators of impairment for the Group's equity accounted investments as at 31 December 2022.

The key assumptions on which management have based their cash flow estimates used for the Group's impairment indicator assessments are traffic volumes, long-term CPI and the discount rate. As part of the impairment indicator assessment, sensitivity analysis has been performed which considers reasonably possible changes in these key assumptions for each of the Group's equity accounted investments. Except for TC, the Group's equity accounted investments were not sensitive to reasonably possible changes in key assumptions. The recoverable amount of TC exceeds the carrying amount by 13% (carrying amount of \$3,098 million as at 31 December 2022). The TC equity accounted investment was acquired in March 2021 as part of the divestment of TC and due to the recent acquisition, the equity accounted investment could be impaired if there were a reasonably possible change in key assumptions relating to the discount rate or long-term CPI. However, there has not been a material change to long-term assumptions and accordingly, there is no impairment as at 31 December 2022.

KEY ESTIMATE AND JUDGEMENT

The Group makes certain assumptions in calculating the recoverable amount of equity accounted investments. These include assumptions around expected traffic performance and forecast operational costs.

Except for TC, management do not consider that reasonably possible changes in key assumptions would result in the recoverable amount being lower than the carrying amount of equity accounted investments.

Financing arrangements and credit facilities

During the reporting period, equity accounted investments executed a number of financing activities including:

August 2022

- WestConnex (STP JV) reached financial close on a \$1,700 million bank facility consisting of two tranches with tenors of 4 and 7 years. The proceeds were used to fully refinance \$1,499 million of existing bank debt facilities as well as partially repay the \$540 million bank debt facility.

November 2022

- Westlink M7 (NWRG) reached financial close on a \$405 million Institutional Term Loan (ITL) facility with tenors of 9 and 10 years.

December 2022

- WestConnex (STP JV) reached financial close on a \$425 million ITL facility with a tenor of 10 years.

Items not recognised

B14 Contingencies

Contingent assets are possible recoveries whose existence will only be confirmed by uncertain future events not wholly within the control of the Group. Contingent assets are not recognised on the balance sheet unless they are virtually certain but are disclosed if the inflow of economic resources is probable. Contingent liabilities are possible obligations whose existence will only be confirmed by uncertain future events and present obligations where the transfer of economic resources is not probable or cannot be reliably estimated. Contingent liabilities are not recognised on the balance sheet unless they are probable but are disclosed if the outflow of economic resource is possible.

The Group (including its equity accounted investments) is exposed to direct and indirect construction risk including through its third party contractors. Construction risk includes exposure to claims made against the Group (including its equity accounted investments) and claims that the Group (including its equity accounted investments) may pass through or initiate on others. From time to time it is possible payments may be made that are in excess of, or separate to, D&C subcontracted amounts to facilitate the continued progression of projects. Contingent assets and liabilities may exist in respect of actual or potential claims and commercial payments and recoveries arising from overseeing construction projects. Disclosures are made for these matters in accordance with accounting standards, or other legal disclosure obligations. This may be applicable for a number of projects overseen by Transurban and the Group's equity accounted investments. As at 31 December 2022, there are no amounts recognised because any possible payment or possible claim settlement cannot be reliably estimated and/or is not considered probable of being made.

B15 Commitments

The Group's capital commitments as at 31 December 2022 are \$1,138 million (30 June 2022: \$1,428 million) and relates primarily to the West Gate Tunnel Project.

The Group's share of commitments related to equity accounted investments as at 31 December 2022 are \$761 million (30 June 2022: \$892 million) and relates primarily to Transurban Chesapeake.

B16 Subsequent events

On 7 February 2023, the Group reached an agreement with CDPQ to sell 50% of its equity interest in the A25 for gross sale proceeds of C\$355 million. Financial close is expected by early fourth quarter of FY23.

Other than as disclosed elsewhere in this report, in the interval between the end of the half-year and the date of this report, no further matter or circumstance has arisen that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or Group's state of affairs, in the future years.

Section C: Transurban Holding Trust (THT) and Transurban International Limited (TIL) interim financial statements

THT—ARSN 098 807 419 and TIL—ABN 90 121 746 825

Consolidated statements of comprehensive income

Consolidated balance sheets

Consolidated statements of changes in equity

Consolidated statements of cash flows

Transurban Holding Trust and Transurban International Limited Consolidated statements of comprehensive income for the half-year ended 31 December 2022

	Note	Transurban Holding Trust		Transurban International Limited	
		Half-year ended 31 December 2022	Half-year ended 31 December 2021	Half-year ended 31 December 2022	Half-year ended 31 December 2021
		\$M	\$M	\$M	\$M
Revenue	D4	540	494	51	50
Expenses					
Employee benefits expense		—	—	(14)	(17)
Road operating costs		—	—	(18)	(17)
Construction costs		(28)	(20)	—	—
Corporate and other expenses		(5)	(6)	(19)	(6)
Total expenses		(33)	(26)	(51)	(40)
Earnings before depreciation and amortisation, net finance costs, equity accounted investments and income taxes		507	468	—	10
Amortisation ¹		(165)	(163)	(39)	(31)
Depreciation		—	—	(2)	(2)
Total depreciation and amortisation		(165)	(163)	(41)	(33)
Net finance income/(costs)	D6	119	8	(10)	(10)
Share of losses of equity accounted investments	D9	(64)	(51)	(18)	(59)
Profit/(loss) before income tax		397	262	(69)	(92)
Income tax benefit/(expense)		1	(4)	16	50
Profit/(loss) for the half-year		398	258	(53)	(42)
Profit/(loss) is attributable to:					
Ordinary security holders of TIL		—	—	(53)	(42)
Ordinary unit holders of THT		391	257	—	—
Non-controlling interests		7	1	—	—
Profit/(loss) for the half-year		398	258	(53)	(42)
Other comprehensive income					
Items that may be reclassified to profit and loss in the future					
Changes in the fair value of cash flow hedges, net of tax		(52)	146	—	—
Changes in the fair value of cost of hedging, net of tax		(1)	2	—	—
Share of other comprehensive income/(loss) from equity accounted investments, net of tax	D9	(27)	30	—	4
Exchange differences on translation of North American operations, net of tax		—	—	42	87
Other comprehensive (loss)/income for the half-year, net of tax		(80)	178	42	91
Total comprehensive income/(loss) for the half-year		318	436	(11)	49
Total comprehensive income/(loss) for the half-year is attributable to:					
Ordinary security holders of TIL		—	—	(11)	49
Ordinary unit holders of THT		334	397	—	—
Non-controlling interests—other		(16)	39	—	—
Total comprehensive income/(loss) for the half-year		318	436	(11)	49
Earnings/(loss) per security attributable to ordinary security holders of the stapled group	D5	12.7	8.8	(1.7)	(1.4)
		Cents	Cents	Cents	Cents

1. For TIL, amortisation includes an impairment loss of \$9 million.

Transurban Holding Trust and Transurban International Limited Consolidated balance sheets as at 31 December 2022

	Note	Transurban Holding Trust		Transurban International Limited	
		As at 31 December 2022 \$M	As at 30 June 2022 \$M	As at 31 December 2022 \$M	As at 30 June 2022 \$M
Assets					
Current assets					
Cash and cash equivalents		128	116	254	307
Related party receivables ¹		496	717	48	46
Trade and other receivables		4	6	56	76
Derivative financial instruments	D8	38	22	—	—
Current tax assets		—	—	1	10
Concession notes		—	136	—	—
Total current assets		666	997	359	439
Non-current assets					
Equity accounted investments	D9	5,123	5,265	3,122	3,037
Derivative financial instruments	D8	697	688	—	—
Related party receivables		8,577	8,513	461	440
Concession notes		1,152	1,006	—	—
Concession financial asset		—	—	324	339
Financial assets at amortised cost		681	665	—	2
Property, plant and equipment		—	—	23	32
Deferred tax assets		143	111	32	33
Other intangible assets		8,825	8,986	1,155	1,224
Total non-current assets		25,198	25,234	5,117	5,107
Total assets		25,864	26,231	5,476	5,546
Liabilities					
Current liabilities					
Related party payables ¹		344	315	24	21
Trade and other payables		76	74	24	27
Current tax liabilities		—	—	—	1
Borrowings	D7	568	351	584	614
Maintenance provision		—	—	4	2
Distribution provision		853	776	—	—
Derivative financial instruments	D8	—	—	43	49
Construction obligation liability		36	51	—	—
Other provisions		—	—	14	17
Other liabilities		—	—	15	16
Total current liabilities		1,877	1,567	708	747
Non-current liabilities					
Maintenance provision		—	—	32	33
Deferred tax liabilities		145	141	1,084	1,099
Related party payables		3,737	3,795	442	451
Borrowings	D7	7,202	7,316	—	—
Construction obligation liability		24	33	—	—
Other liabilities		80	80	5	6
Total non-current liabilities		11,188	11,365	1,563	1,589
Total liabilities		13,065	12,932	2,271	2,336
Net assets		12,799	13,299	3,205	3,210
Equity					
Contributed equity		—	—	1,036	1,030
Issued units		19,396	19,354	—	—
Reserves		441	498	64	22
(Accumulated losses)/retained earnings		(7,710)	(7,286)	2,105	2,158
Non-controlling interests		672	733	—	—
Total equity		12,799	13,299	3,205	3,210

1. Receivables from and payables to joint ventures have been classified as related party receivables and payables, with comparative amounts restated for consistency.

The above consolidated balance sheets should be read in conjunction with the accompanying notes.

Transurban Holding Trust and Transurban International Limited Consolidated statements of changes in equity for the half-year ended 31 December 2022

THT

	Attributable to security holders of Transurban Holding Trust					Non-controlling interests	Total
	No of units	Issued units	Reserves	Accumulated losses			
	M	\$M	\$M	\$M	\$M		
Balance at 1 July 2022	3,071	19,354	498	(7,286)	733	13,299	
Comprehensive income/(loss)							
Profit for the half-year	—	—	—	391	7	398	
Other comprehensive loss	—	—	(57)	—	(23)	(80)	
Total comprehensive income/(loss)	—	—	(57)	391	(16)	318	
Transactions with owners in their capacity as owners							
Contributions of equity, net of transaction costs ¹	—	1	—	—	—	1	
Employee performance awards issued	—	6	—	—	—	6	
Distributions provided for or paid	—	—	—	(815)	—	(815)	
Distribution reinvestment plan	4	35	—	—	—	35	
Distributions to non-controlling interests	—	—	—	—	(45)	(45)	
	4	42	—	(815)	(45)	(818)	
Balance at 31 December 2022	3,075	19,396	441	(7,710)	672	12,799	
Balance at 1 July 2021	2,738	16,527	(91)	(6,773)	723	10,386	
Comprehensive income/(loss)							
Profit for the half-year	—	—	—	257	1	258	
Other comprehensive income	—	—	140	—	38	178	
Total comprehensive income	—	—	140	257	39	436	
Transactions with owners in their capacity as owners							
Contributions of equity, net of transaction costs ¹	324	2,749	—	—	—	2,749	
Employee performance awards issued	1	6	(1)	—	—	5	
Distributions provided for or paid	—	—	—	(461)	—	(461)	
Distribution reinvestment plan	7	64	—	—	—	64	
Distributions to non-controlling interests	—	—	—	—	(35)	(35)	
	332	2,819	(1)	(461)	(35)	2,322	
Balance at 31 December 2021	3,070	19,346	48	(6,977)	727	13,144	

1. Refer to the Group's consolidated statement of changes in equity for further information.

Transurban Holding Trust and Transurban International Limited Consolidated statements of changes in equity for the half-year ended 31 December 2022 (continued)

TIL

	Attributable to security holders of Transurban International Limited				Total equity \$M
	No. of securities M	Contributed equity \$M	Reserves \$M	Retained earnings \$M	
Balance at 1 July 2022	3,071	1,030	22	2,158	3,210
Comprehensive income/(loss)					
Loss for the half-year	—	—	—	(53)	(53)
Other comprehensive income	—	—	42	—	42
Total comprehensive income/(loss)	—	—	42	(53)	(11)
Transactions with owners in their capacity as owners					
Employee performance awards issued	—	1	—	—	1
Distribution reinvestment plan	4	5	—	—	5
	4	6	—	—	6
Balance at 31 December 2022	3,075	1,036	64	2,105	3,205
Balance at 1 July 2021	2,738	599	(256)	2,191	2,534
Comprehensive income/(loss)					
Loss for the half-year	—	—	—	(42)	(42)
Other comprehensive income	—	—	91	—	91
Total comprehensive income/(loss)	—	—	91	(42)	49
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction costs ¹	324	418	—	—	418
Employee performance awards issued	1	1	(1)	—	—
Distribution reinvestment plan	7	10	—	—	10
	332	429	(1)	—	428
Balance at 31 December 2021	3,070	1,028	(166)	2,149	3,011

1. Refer to the Group's consolidated statement of changes in equity for further information.

Transurban Holding Trust and Transurban International Limited Consolidated statements of cash flows for the half-year ended 31 December 2022

	Transurban Holding Trust		Transurban International Limited	
	Half-year ended 31 December 2022 \$M	Half-year ended 31 December 2021 \$M	Half-year ended 31 December 2022 \$M	Half-year ended 31 December 2021 \$M
Cash flows from operating activities				
Receipts from customers	512	425	49	48
Payments to suppliers and employees	(24)	(20)	(52)	(66)
Payments for maintenance of intangible assets	—	—	—	(4)
Transaction costs	—	—	—	(1)
Other cash receipts	2	—	30	19
Interest received	105	108	3	—
Interest paid	(261)	(261)	(21)	(22)
Income taxes paid	—	—	(1)	—
Net cash inflow/(outflow) from operating activities	334	252	8	(26)
Cash flows from investing activities				
Payments for property, plant and equipment	—	—	(3)	(7)
Payments for intangible assets	(30)	(18)	—	—
Payments for financial assets at amortised cost	—	—	—	(17)
Capital contribution to equity accounted investments	(46)	(3,319)	(71)	(59)
Receipts from concession notes	151	—	—	—
Distributions received from equity accounted investments	97	113	16	35
Repayment of financial assets at amortised cost	12	1	—	—
Income taxes refunded/(paid) related to the disposal of subsidiaries	—	—	9	(185)
Net cash inflow/(outflow) from investing activities	184	(3,223)	(49)	(233)
Cash flows from financing activities				
Loans (to)/from related parties	(1,391)	(3,892)	(3)	(416)
Repayment of loans from/(to) related parties	1,625	4,880	—	(8)
Proceeds from equity issues of stapled securities (net of costs)	1	2,749	—	416
Proceeds from borrowings (net of costs)	17	7	—	—
Principal repayment of leases	—	—	(1)	—
Repayment of borrowings	(23)	(273)	(10)	(7)
Dividends and distributions paid to the Group's security holders	(689)	(469)	—	—
Distributions paid to non-controlling interests	(46)	(35)	—	—
Net cash (outflow)/inflow from financing activities	(506)	2,967	(14)	(15)
Net increase/(decrease) in cash and cash equivalents	12	(4)	(55)	(274)
Cash and cash equivalents at the beginning of the half-year	116	116	307	560
Effects of exchange rate changes on cash and cash equivalents	—	—	2	19
Cash and cash equivalents at the end of the half-year	128	112	254	305

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

Section D: Notes to the THT and TIL interim financial statements

Basis of preparation and significant changes

D1 Summary of significant changes in the current reporting period	D2 Basis of preparation
---	-------------------------------

Operating performance

D3 Segment information	D4 Revenue
------------------------------	---------------

Security holder outcomes

D5 Earnings per stapled security
--

Capital and borrowings

D6 Net finance income/(costs)	D7 Borrowings	D8 Derivatives and financial risk management
-------------------------------------	------------------	--

Group structure

D9 Equity accounted investments

Basis of preparation and significant changes

D1 Summary of significant changes in the current reporting period

Refer to Note B1 for significant changes in the current reporting period.

D2 Basis of preparation

The Transurban Holding Trust Group consists of Transurban Holding Trust and the entities it controls (THT or the Trust) and the Transurban International Limited Group consists of Transurban International Limited and the entities it controls (TIL). THT and TIL form part of the stapled Transurban Group.

THT is registered as a managed investment scheme under Chapter 5C of the *Corporations Act 2001*, and as a result requires a responsible entity. The responsible entity of THT is Transurban Infrastructure Management Limited (TIML). TIML is responsible for performing all functions that are required under the *Corporations Act 2001* of a responsible entity.

The Transurban Holding Trust was established on 15 November 2001 and has no termination date. The Trust was registered as a managed investment scheme by the Australian Securities and Investments Commission on 28 November 2001.

THT is a Trust registered and domiciled in Australia.

TIL is a public company limited by shares and incorporated in Australia.

Going concern

The financial report has been prepared on a going concern basis, which assumes the continuity of normal operations, in particular over the next 12 months from the date of this report. This is notwithstanding that the consolidated balance sheets of THT and TIL indicate a net current liability position as at 31 December 2022 of \$1,211 million and \$349 million respectively (30 June 2022: \$570 million (THT) and \$308 million (TIL)). Excluding related party payables, THT and TIL are in a net current liability position of \$867 million and \$325 million respectively.

In determining the appropriateness of the basis of preparation, the Directors have considered the uncertainties related to COVID-19 recovery, near-term interest rates and inflation on THT and TIL's liquidity and operations. The Directors consider near-term interest rate fluctuations to be limited to new debt facilities due to THT and TIL's hedging policies and profiles. In addition, a number of THT's and one of TIL's toll roads have toll escalations of CPI or greater which provides revenue protection in an inflationary environment. With respect to COVID-19, although traffic will continue to be sensitive to government responses and behavioural aspects related to COVID-19 recovery, the Directors consider that THT and TIL demonstrated ability to continue to operate throughout the pandemic, which combined with reduced Government mandated restrictions, indicate that the uncertainty related to COVID-19 has reduced since 30 June 2022.

THT and TIL have assessed cash flow forecasts and the ability of THT and TIL to fund their net current liability positions as at 31 December 2022. This assessment indicates that THT and TIL are expected to be able to continue to operate within available liquidity levels and the terms of available debt facilities, and for THT and TIL to fund their net current liability positions as at 31 December 2022, for the 12 months from the date of this report.

THT and TIL have also forecast that they do not expect to breach any financial covenants within the 12 months from the date of this report. Financial covenant forecasts utilised the same underlying cash flow forecasts as those used in going concern assessment. Non-recourse debt financial covenants are calculated on a trailing 12 month basis.

Furthermore, the Directors have also taken the following matters into consideration in forming the view that THT and TIL are a going concern:

- THT has generated positive cash inflows from operating activities of \$334 million for HY23
- TIL has generated positive cash flow from operating activities of \$8 million for HY23
- THT and TIL expect to refinance or repay with available cash all borrowing facilities classified as a current liability as at 31 December 2022. Under the stapled arrangement, each entity is able to provide direct and/or indirect support to each other entity and its controlled entities within the Transurban Group
- Payment of future distributions remains at the discretion of the Board.

Refer to Note B2 for further information on the basis of preparation for the Transurban Group.

Operating performance

D3 Segment information

Refer to Note B3 for further information around the structure of the segments for the Transurban Group.

THT operating segments

Management have determined that THT has one operating segment.

THT operations involve the leasing of assets and the provision of funding to the Transurban Group or associates of the Transurban Group. All revenues and expenses are directly attributable to these activities. The management structure and internal reporting of THT are based on this one operating segment.

TIL operating segments

Management have determined that TIL has one operating segment.

TIL's operations involve the development, operation and maintenance of toll roads as well as investment in North America. All revenues and expenses are directly attributable to these activities. The management structure and internal reporting of TIL are based on this one operating segment.

Reconciliation of segment information to statutory financial information

Segment information for North America as disclosed in the Transurban Group segment note (Note B3) is reconciled to the TIL statutory financial information below.

Segment revenue

Revenue from external customers is through toll and service and fee revenues earned on toll roads. Segment revenue reconciles to total statutory revenue as follows:

TIL	Note	Half-year ended 31 December 2022 \$M	Half-year ended 31 December 2021 \$M
Total segment revenue (proportional)		133	114
Add:			
Intragroup elimination ¹		9	7
Less:			
Proportional revenue of non-100% owned equity accounted assets		(76)	(57)
Toll revenue receipts relating to the A25 concession financial asset ²		(8)	(7)
Other revenue receipts relating to the A25 concession financial asset ²		(7)	(7)
Total statutory revenue	D4	51	50

1. Statutory revenue recognised in relation to arrangements with the equity accounted investments that are eliminated for segment purposes.

2. The Executive Committee members acting as the chief operating decision maker assesses the performance of TIL using proportional results that include A25 income streams relating to availability payments and guaranteed toll income which are classified as revenue within the proportional results. These revenues form part of the ordinary activities of the A25 asset and are reflective of its underlying performance. For statutory accounting purposes, these income streams offset the related concession financial asset receivable recorded on acquisition of the A25.

Proportional EBITDA

Proportional EBITDA reconciles to profit/(loss) before income tax as follows:

TIL		Half-year ended 31 December 2022 \$M	Half-year ended 31 December 2021 \$M
Proportional EBITDA		74	64
Less: EBITDA attributable to TIL corporate activities (disclosed in corporate and other) ¹		(18)	(11)
Less: Toll and other revenue receipts relating to the A25 concession financial asset		(15)	(14)
Less: Proportional EBITDA of non-100% owned equity accounted investments		(41)	(29)
Statutory earnings before depreciation, amortisation, net finance costs, equity accounted investments and income taxes		—	10
Statutory depreciation and amortisation		(41)	(33)
Statutory net finance costs		(10)	(10)
Share of loss from equity accounted investments, inclusive of impairments		(18)	(59)
Loss before income tax		(69)	(92)

1. Relates primarily to development activities.

D4 Revenue

	Half-year ended 31 December 2022 \$M	THT Half-year ended 31 December 2021 \$M	Half-year ended 31 December 2022 \$M	TIL Half-year ended 31 December 2021 \$M
Toll revenue	—	—	34	35
Rental income	486	451	—	—
Construction revenue	28	20	—	—
Other revenue	1	1	17	15
Concession fees	25	22	—	—
Total revenue¹	540	494	51	50

1. In THT, includes \$510,533 thousand (half-year ended 31 December 2021: \$473,670 thousand) of revenue for tolling and management services provided to related parties, and in TIL, includes \$15,079 thousand (half-year ended 31 December 2021: \$14,251 thousand) of revenue for tolling and management services provided to related parties.

Security holder outcomes

D5 Earnings per stapled security

	THT		TIL	
	Half-year ended 31 December 2022	Half-year ended 31 December 2021	Half-year ended 31 December 2022	Half-year ended 31 December 2021
Profit/(loss) attributable to ordinary security holders (\$M)	391	257	(53)	(42)
Weighted average number of securities (M)	3,074	2,912	3,074	2,912
Basic and diluted earnings/(loss) per security attributable to the ordinary security holders (cents)	12.7	8.8	(1.7)	(1.4)

Capital and borrowings

D6 Net finance income/(costs)

	Half-year ended 31 December 2022 \$M	THT Half-year ended 31 December 2021 \$M	Half-year ended 31 December 2022 \$M	TIL Half-year ended 31 December 2021 \$M
Finance income				
Interest income from related parties	205	216	10	—
Unrealised remeasurement gain attributable to derivative financial instruments	—	13	4	8
Interest income on financial assets at amortised cost ¹	15	10	—	—
Unwind of discount and remeasurement of financial assets at amortised cost ²	16	1	—	—
Unwind of discount and remeasurement of concession notes receivable	137	17	—	—
Other interest income	2	—	3	—
Income from concession financial asset	—	—	12	12
Movement in impairment provisions on related party receivables	—	3	—	—
Net foreign exchange gains	1	4	—	—
Total finance income	376	264	29	20
Finance costs				
Interest and finance charges paid/payable	(252)	(253)	(34)	(29)
Unrealised remeasurement loss attributable to derivative financial instruments	(4)	—	—	—
Unwind of discount and remeasurement of liabilities—promissory notes	—	(1)	—	—
Unwind of discount and remeasurement of liabilities—construction obligation liability	(1)	(2)	—	—
Net foreign exchange losses	—	—	(5)	—
Movement in impairment provisions on related party receivables	—	—	—	(1)
Total finance costs	(257)	(256)	(39)	(30)
Net finance income/(costs)	119	8	(10)	(10)

1. Relates to \$15,425 thousand (half-year ended 31 December 2021: \$9,890 thousand) of interest income on the SLNs with STP JV and NWRG.

2. Relates to unwind of discount and remeasurement of SLNs with STP JV and NWRG of \$15,961 thousand (half-year ended 31 December 2021: \$1,080 thousand).

Unrealised remeasurement loss attributable to derivative financial instruments

Refer to Note B9 for further information on the unrealised remeasurement loss attributable to derivative financial instruments.

D7 Borrowings

	31 December 2022 \$M	THT 30 June 2022 \$M	31 December 2022 \$M	TIL 30 June 2022 \$M
Current				
Capital markets debt	520	304	—	—
US private placement	—	—	217	225
Term debt	48	47	367	389
Total current borrowings	568	351	584	614
Non-current				
Capital markets debt	2,131	2,275	—	—
US private placement	2,766	2,729	—	—
Term debt	2,305	2,312	—	—
Total non-current borrowings	7,202	7,316	—	—
Total borrowings	7,770	7,667	584	614

D8 Derivatives and financial risk management

	31 December 2022 \$M				30 June 2022 \$M			
	Current		Non-current		Current		Non-current	
	THT	TIL	THT	TIL	THT	TIL	THT	TIL
Assets								
Interest rate swap contracts	—	—	277	—	—	—	262	—
Cross currency interest rate swap contracts	38	—	420	—	22	—	426	—
Total derivative financial instrument assets	38	—	697	—	22	—	688	—
Liabilities								
Interest rate swap contracts	—	43	—	—	—	49	—	—
Total derivative financial instrument liabilities	—	43	—	—	—	49	—	—

Group structure

D9 Equity accounted investments

Set out below is the reconciliation of the carrying value of equity accounted investments:

	2022	THT	NorthWestern Roads	THT	2022	THT	2021	TIL
	\$M	STP JV	Trust	Total	\$M	Total	\$M	\$M
		2021	2022	2021	2021	2021	2022	2021
		\$M	\$M	\$M	\$M	\$M	\$M	\$M
Opening carrying value at 1 July	5,226	2,073	39	76	5,265	2,149	3,037	2,714
Group's share of profit/(loss)	(85)	(70)	21	19	(64)	(51)	(18)	(59)
Group's share of other comprehensive income/(loss)	(27)	28	—	2	(27)	30	—	4
Distributions received	(45)	(70)	(52)	(43)	(97)	(113)	(16)	(35)
Foreign exchange movements	—	—	—	—	—	—	48	98
Capital contributions	46	3,319	—	—	46	3,319	71	59
Fair value adjustment on issuance of shareholder loans and TC loan receivable	—	—	—	—	—	—	—	1
Closing carrying value at 31 December	5,115	5,280	8	54	5,123	5,334	3,122	2,782

Section E: Signed reports

Directors' declaration

In the opinion of the Directors of Transurban Holdings Limited, Transurban Infrastructure Management Limited (as the responsible entity of Transurban Holding Trust) and Transurban International Limited (collectively referred to as 'the Directors'):

- (a) the Group interim financial statements and notes of Transurban Holdings Limited and its controlled entities, including Transurban Holding Trust and its controlled entities and Transurban International Limited and its controlled entities set out on pages 13 to 48 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements
 - (ii) giving a true and fair view of the Transurban Holdings Limited Group's, Transurban Holding Trust Group's and Transurban International Limited Group's financial position as at 31 December 2022 and of their performance for the half-year ended on that date
- (b) there are reasonable grounds to believe that the Transurban Holdings Limited Group, Transurban Holding Trust Group and Transurban International Limited Group will be able to pay their debts as and when they become due and payable.

The Directors' declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



Craig Drummond
Director



Scott Charlton
Director

Melbourne
7 February 2023



Independent auditor's review report to the stapled security holders of Transurban Holdings Limited, Transurban Holding Trust and Transurban International Limited

Report on the half-year financial reports

Conclusion

We have reviewed the half-year financial reports of Transurban Holdings Limited (THL or the Company) and its controlled entities (together the Transurban Group or the Group), Transurban Holding Trust (the Trust) and its controlled entities (together THT) and Transurban International Limited (the International Company) and its controlled entities (together TIL).

The Transurban Group, THT and TIL half-year financial reports comprise the consolidated balance sheet(s) as at 31 December 2022, the consolidated statement(s) of comprehensive income, consolidated statement(s) of changes in equity and consolidated statement(s) of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial reports of the Transurban Group, THT and TIL do not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the financial position of the Transurban Group, THT and TIL as at 31 December 2022 and of their performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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



Responsibilities of the directors for the half-year financial reports

The directors of Transurban Holdings Limited, Transurban Infrastructure Management Limited (as the responsible entity of Transurban Holding Trust) and Transurban International Limited (collectively referred to as 'the directors') are responsible for the preparation of the half-year financial reports that give a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial reports that give a true and fair view and are free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial reports

Our responsibility is to express a conclusion on the half-year financial reports 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 reports are not in accordance with the *Corporations Act 2001* including giving a true and fair view of the financial position of the Transurban Group, THT and TIL as at 31 December 2022 and of their performance for the half-year ended on that date, and complying with 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.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script, appearing to be 'E A Barron'.

E A Barron
Partner

Melbourne
7 February 2023