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ASX Announcement
28 August 2023

2023 Half Year Financial Results

Dalrymple Bay Infrastructure Limited (ASX:DBI) ('DBI' or 'the Company') is pleased to announce its results for the period ended 30 June 2023 (H1-23).

Highlights

- Announced TY-23/24[1] Terminal Infrastructure charge (TIC) of $3.44 per tonne, an 8.4% increase on TY-22/23
- Commenced $280m in major Non-Expansionary Capital Expenditure (NECAP) which will earn a return on capital investment driving future revenue growth
- Raised AUD$530m of 10-, 12- and 15-year fixed rate senior secured notes in the US Private Placement market to meet upcoming bullet maturities and repay drawn bank facilities. Funds were received on 6 July 2023.
- Delivered a Q2-23 distribution of 5.025 cents per security, in line with guidance of 20.1 cents per security for TY-22/23, franked at 38.5%
- In May 2023, announced distribution guidance for the year commencing 1 July 2023 (TY-23/24) totalling 21.5 cps, reflecting a 7.0% increase on comparative prior period

H1-23 Results

- Total Income[2] of $307.7m with TIC Revenue of $133.8m
- Statutory net profit after tax of $34.0m
- Reported Borrowings of $1,715.7m[3] at 30 June 2023
- Investment grade balance sheet maintained

Operational Performance

- DBT shipped 29.8Mt of coal in H1-23 (24.9Mt in H1-22), of which 72% was metallurgical coal (77% in H1-22)
- Coal was shipped to 25 countries with key destinations Japan, South Korea, India, Taiwan and Europe accounting for 76% of exports (84% in H1-22)
- Exports from DBT to India were 53% higher in H1-23 than in H1-22
- The informal ban on Australian coal imports to China appears to have been lifted, with DBI exporting more than 2mt of coal to China between 1 February and 30 June 2023.
- A whole of site AIFR of 3.64[4] vs 9.12 for the period ending 30 June 2022.
- Growth options advanced including FEL3 Studies for the 8X project and preliminary feasibility studies aimed at understanding the potential for development of a regional hydrogen production, storage and export facility located within the vicinity of the Dalrymple Bay Terminal

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[1] TY is the TIC year commencing on 1 July and ending on 30 June (i.e. TY-23/24 is 1 July 2023 to 30 June 2024).
[2] Includes Interest revenue, recorded in the financial statements as Other Revenue
[3] Excluding the loan notes attributable to securityholders and capitalised borrowing costs of $10.7 million.
[4] All Injury Frequency Rate (AIFR) for the 12 month period to 30 June 2023 and includes all DBI employees and contractors (including Principal Contractors) and the Operator's employees and contractors

Dalrymple Bay Infrastructure Managing Director and CEO, Anthony Timbrell said:

> *"The Dalrymple Bay Terminal remains a critical link in the global steel making supply chain and a key asset in the Queensland and Australian economies.*
>
> *The increase in Terminal Infrastructure Charge for TY-23/24 reflects our robust access pricing framework and our ability to navigate inflationary pressures which resulted in a 7% increase in our distribution guidance.*
>
> *Our access pricing framework provides significant cash flow certainty for our business which allows DBI to plan with confidence over the medium to longer term as we implement our organic growth projects and pursue our transition strategy."*

Distributions

The Company has today announced a Q2-23 distribution of 5.025 cents per security, taking the total announced distributions for H1-23 to 10.05 cents per security. The Q2-23 distribution will have a record date of 1 September 2023 and a payment date of 18 September 2023. The distribution will be paid as a partially franked dividend (38.5% franked).

On 24 May 2023, DBI announced distribution guidance for the year commencing 1 July 2023 (TY-23/24) totaling 21.5 cps, a 7% uplift over the previous period. DBI re-affirms its distribution per security growth target of 3-7% per annum for the foreseeable future, subject to business developments and market conditions.

Distributions for TY-23/24 are expected to comprise both payments of partially franked dividends on DBI's stapled securities and partial repayment of DBI loan notes attaching to DBI's stapled securities.

Terminal Infrastructure Charge for TY-23/24

The Terminal Infrastructure Charge (**TIC**) applicable at Dalrymple Bay Terminal (**DBT**) for TY-23/24 is $3.44 per tonne. The TIC for TY-23/24 represents an 8.4% increase on TY-22/23 and reflects the impact of inflation, NECAP charges and the QCA levy.

TIC Component[5]	TY-22/23 ($/t) Actual	TY-23/24 ($/t) Actual
Base TIC	3.10	3.32
NECAP Charge	0.06	0.12
QCA Levy	0.02	0.00[6]
TIC	**3.18**	**3.44**

[5] Figures are rounded to two decimal places.

[6] QCA Levy for TY-23/24 is $0.0034/t

Financial Review

During the period, the Group made a net operating profit after income tax of $34.0m (H1-22 $6.6m).

$ million	H1-23 Statutory Results	H1-22 Statutory Results
TIC revenue	133.8	102.0
Handling revenue	153.9	132.3
Revenue from capital works performed	18.3	21.4
Total revenue[7]	**306.0**	255.7
Terminal operator's handling costs	(153.9)	(132.3)
G&A expenses (excluding IPO Transaction Costs)[8]	(8.1)	(8.1)
Capital work costs	(18.3)	(21.4)
G&A expenses (IPO Transaction Costs)	-	3.6
EBITDA (non-statutory)[9]	**125.7**	**97.5**
Net finance costs[10]	(54.4)	(61.9)
Depreciation and amortisation	(19.7)	(19.6)
Profit before tax	51.6	16.0
Income tax (expense)/benefit	(17.6)	(9.4)
Net profit after tax	**34.0**	**6.6**

When comparing statutory results for H1-23 to the comparative H1-22 period:

- A TIC of $2.46 per tonne originally applied for H1-22 and is reflected in the prior period comparative TIC revenue figure above, compared to a TIC of $3.18 per tonne for H1-23. The negotiation of access charges applicable for the period from 1 July 2021 to 30 June 2031 was completed in H2-22. Under the revised user agreements, a TIC of $3.02 per tonne applied for H1-22. In H2-22 adjustments totalling $22.9m were paid by Users which related to the period from 1 January 2022 to 30 June 2022.

- Net finance costs include interest on DBI's external borrowing, net of interest revenue, plus non-cash interest on stapled loan notes, non-cash amortisation of fair value adjustments to debt and unrealised gains or losses on hedging (refer to note 7 of the Interim Financial Report). Interest on external borrowings, net of interest revenue, increased by $5.0m (primarily as a result of higher rates on unhedged debt) and non-cash finance costs decreased by $12.5m.

Balance Sheet

Liquidity in the Group as at 30 June 2023 comprised $323m in undrawn bank facilities (31 December 2022: $480.0m), and $44.2m unrestricted cash at bank (31 December 2022: $168.3m).

The Group's debt book comprises bank debt and fixed rate bonds, with a weighted average tenor at 30 June 2023 of 6.74 years (31 December 2022: 6.39 years).

As at 30 June 2023, total reported borrowings were $1,715.7m (excluding the loan notes attributable to securityholders and adding back capitalised borrowing costs of $10.7m) and non-statutory drawn debt was $1,786.2m (31 December 2022 reported borrowings of $1,966.3m, excluding the loan notes attributable to securityholders and adding back capitalised borrowing costs of $7.3m, and non-statutory

[7] The difference between Total Revenue and Total Income is interest received shown in the financial statements as Other Income.
[8] "G&A Expenses" means general and administrative expenses and IPO Transaction Costs are detailed in note 30 to DBI's Financial Report for the year ended 31 December 2020 released to the ASX on 26 February2021 and described in the Prospectus (as released to the ASX on December 2020) as "Transaction Costs"
[9] Earnings Before Interest, Tax, Depreciation and Amortisation
[10] Includes Interest expense and fair value adjustments on Stapled Loan Notes. Is net of interest received shown in the financial statements as Other Income.

drawn debt of $1,928.2m).[11]

Currency exposure on USD-denominated USPP notes is 100% hedged under cross currency interest rate swaps (CCIRS) transacted at the time of raising the USD debt. These CCIRS are hedged for the life of the foreign currency borrowings, removing sensitivity to foreign exchange movements for both interest and principal.

$ million	Statutory 30 June 2023	Non-statutory[1] 30 June 2023	Statutory 31 December 2022	Non-statutory[1] 31 December 2022
Short Term Debt				
Bank Facilities	16.0	16.0	-	-
Note Facilities	-	-	439.3	298.9
Long Term Debt				
Bank Facilities	141.0	141.0	-	-
Note Facilities	1,558.7	1,629.2	1,527.0	1,629.2
Total Borrowings[2]	**1,715.7**	**1,786.2**	**1,966.3**	**1,928.1**
Unrestricted Cash at Bank	44.3	44.3	168.3	168.3
Total net debt[3]	**1,671.4**	**1,741.9**	**1,798.0**	**1,759.8**

Notes:
1. USD borrowings expressed in AUD at the exchange rate per the cross-currency interest rate swaps transacted at the time of raising the USD debt.
2. Total statutory borrowings exclude loan establishment costs of $10.7 million for 30 June 2023 (31 December 2022: $7.3 million).
3. Total net debt is total borrowings less unrestricted cash at bank

Organic Growth in Non-Expansionary Capital Expenditure (NECAP)

Organic growth at DBI will be driven via the NECAP program. DBI expects to invest in excess of $500m in NECAP projects in the decade to 2031.

On 19 April 2023, DBI announced that its wholly-owned subsidiary, DBIM, will proceed with $280m in major NECAP projects over the next few years as it continues to invest in sustaining capital to meet capacity commitments to its customers.[12] DBIM is proceeding with the design and construction of a new Shiploader (SL1A) and a new reclaimer (RL4) to replace existing machinery, following receipt of unanimous User approvals under the 2021 Access Undertaking.[13] Both SL1A and RL4 projects commenced in H1-23 and will take approximately three to four years to complete. SL1A is expected to cost approximately $165m, with RL4 expected to cost approximately $116m.

DBI earns a return on and of NECAP expenditure, with the TIC adjusted each 1 July to account for NECAP projects commissioned during the previous 12 months. Consistent with DBI's historical approach to NECAP funding, the projects are planned to be funded through a combination of existing debt capacity and internal funds from operations. Under the terms of the recent 10-year pricing agreements with DBT Users,[14] DBI is entitled to levy a NECAP Charge by which NECAP will earn:

- A return on the cumulative capital investment in commissioned NECAP at the prevailing 10 Year Australian Government Bond rate plus a fixed margin;
- A return of the capital investment in commissioned NECAP in the form of a depreciation allowance, which ensures the relevant capital deployed by the Company is recovered over time; and

[11] Non-statutory debt uses the foreign currency exchange rate per the CCIR swaps to translate USD denominated debt to AUD.
[12] Refer previous announcements: *DBI to proceed with $280m in Major NECAP Projects* dated 19 April 2023
[13] NECAP Projects are subject to the prudency procedures under the 2021 Access Undertaking (AU) which require DBIM to seek Access Holder approval or alternatively a NECAP Prudency Ruling from the QCA in order to be included in the NECAP Charge. DBIM has secured unanimous User approvals under section 12.10(b)(Presumed prudency of NECAP) of the AU in respect of SL1A and RL4.
[14] DBIM provides the services at Dalrymple Bay Terminal. DBIM reached commercial agreement with all of its existing customers under the light-handed regulatory framework in October 2022 for the period 1 July 2021 to 30 June 2031. For further detail, refer previous ASX announcement: DBI Announces 10 Year Pricing Agreements and Significant Increase in Distribution Guidance dated 11 October 2022

- A return on and a return of the interest during construction (IDC).[15]

Accordingly, while NECAP is sustaining capital, it also provides an opportunity to grow revenue organically over time.

Outlook

The Company will continue to deliver stable, predictable cashflows via our long-term take-or-pay contracts and maintain an investment grade balance sheet. Key strategic priorities over the next 12 months include:

- Delivering organic revenue growth through the implementation of approved NECAP Projects;
- Progressing opportunities to capture long-term Bowen Basin metallurgical coal production via growth options such as the 8X Project;
- Identifying opportunities for diversification that align with DBI's Transition Strategy;
- Aligning DBI's climate-related risk assessments and disclosures to the ISSB framework over time and delivering our whole-of-terminal ESG and sustainability initiatives;
- Retaining investment grade credit rating through optimisation of the debt capital structure – tenor, pricing and diversity of source; and
- Completing initial scoping studies for green hydrogen export and working with partners to promote DBT as a potential third-party service provider.

-ENDS-

Authorised for release by the Board of Dalrymple Bay Infrastructure Limited

More information

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About Dalrymple Bay Infrastructure

Dalrymple Bay Infrastructure (DBI) through its foundation asset, the Dalrymple Bay Terminal (DBT), aims to provide safe and efficient terminal infrastructure and services for producers and consumers of high quality Australian coal exports. DBT, as the world's largest metallurgical coal export facility, serves as a global gateway from the Bowen Basin and is a critical link in the global steelmaking supply chain. By providing operational excellence and options for capacity expansions to meet expected strong export demand, DBI intends to deliver value to security holders through distributions, ongoing investment and capital growth. dbinfrastructure.com.au

[15] IDC is calculated from the commencement of capital spend until the commissioning of the relevant project. IDC accrues and compounds on the accumulating spend at the prevailing 10 Year Australian Government Bond rate plus a fixed margin.

Forward Looking Statements

This announcement contains certain forward-looking statements with respect to the financial condition, operations and business of the Company and certain plans and objectives of the management of DBI. Forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms “believes”, “estimates”, “anticipates”, “expects, “predicts”, “intends”, “plans”, “goals”, “targets”, “aims”, “outlook”, “guidance”, “forecasts”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Such forward looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of the Company to be materially different from the results or performance expressed or implied by such forward looking statements. Actual results may materially vary from any forecasts in this announcement. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of DBI, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this announcement. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this announcement nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.